

FY22 IDEA Excess Cost –State Charter Schools

Each local education agency that receives Individuals with Disabilities Education Act (IDEA) grant funds shall document its IDEA excess cost calculation in accordance with the 34 CFR 300.202 and Appendix A. The Special Education Services Department at ISBE provides instructions for documenting the excess cost calculation, using the annual financial report (AFR) as the basis for the calculation. State charter schools are also required to document IDEA excess cost. However, as state charter schools do not complete AFRs, another method must be used to document the IDEA excess cost calculation.

The charter school IDEA excess cost calculations, with accompanying auditor letters, are due to the Special Education Services Department, IDEA grant coordinators, no later than **March 1, 2022**.

FY21 Calculation and Documentation - **CHANGE FOR FY22: Excess Costs threshold and expenditures will be determined using all FY21 data. ISBE will no longer use a threshold determined in a previous year for the following years Excess Cost.*

The excess cost threshold is calculated by compiling all expenditures for the previous school year, subtracting capital outlay/noncapitalized equipment, debt service, special education expenses, and any ESEA Title I Part A/Title III Part A & B expenses and dividing by the previous year's total student population for an average per pupil expenditure (APPE).

When the APPE is determined, that number is multiplied by the same year's special education to determine the excess cost threshold. The IDEA excess cost threshold is the amount of state/local funds that the charter school must expend on students with IEPs during the current year.

FY21 Verification – **New process for FY22*

The excess cost verification is calculated by comparing the FY21 excess cost threshold to the total of three levels of special education expenditures. *This step is not required for schools that are completing the excess cost worksheet for the first time.

Level One Expenditures - State and Local Special Education Expenditures

These are already identified and totaled with Step 1- FY21 Expenditures. They consist of the Charter Schools direct expenditures for special education students that are not covered by their IDEA funds. This total will automatically be populated within the spreadsheet.

Level Two Expenditures – Prorated Expenditures for all students

These are expenditures for items that are equally available to all students: For example, media, school lunch, school administration, attendance, guidance, etc. Since they are equally available to all students, multiply the expenditures by the percentage of students with disabilities in the Charter School. The percentage of students that are special ed will be calculated based on the number of students with IEP's divided by the total enrollment.

* To obtain the total expenditures allocated equally to all students, districts will need to identify and subtract the cost for Direct Instruction (Teacher Salaries for Regular Education Classrooms) from the Charter Schools Total adjusted expenditures.

* The Total adjusted expenditures, less Direct Instruction (Teacher Salaries for Regular Education Classrooms) will be multiplied by the percentage of students with disabilities in the district.

Level Three Expenditures

These are expenditures for students with disabilities participating in General Education. To determine the amount of Direct Instruction that can be included, one must look at the percentage of time the students with disabilities spend in general education classrooms.

* Charter Schools will need to input the number of elementary and secondary students with IEP's that are in a regular classroom 80% or more of the day, 40-79% of the day and 0-39% of the day.

* From the number of students with IEP's that are in general education classrooms for each of the three categories, IWAS will calculate the amount of direct instruction that can be included for these students.

Other adjustments (Usually non-applicable)

There are additional options to add or subtract expenditures from the above calculation. Most Charter Schools should meet Excess Costs using the three tiers detailed above. If a Charter School needs to use the other adjustments, please include an explanation indicating the reason for additional expenditures to be added or subtracted

FY21 Excess Cost Check

The total from all three levels of Special Education Expenditures will be added together and compared to the Excess Cost Threshold. A positive amount or a zero means the Charter School met the IDEA excess cost threshold. A negative amount means the Charter School did not meet the IDEA excess cost threshold and may be subject to repayment of the federal funds.

**** Any district with a negative amount must contact their IDEA grant coordinator.***

Auditor Letter

The auditor letter required is an Independent Auditors Report on Supplementary Information and needs to state that the information on the Excess Cost worksheet is fairly presented. By stating that the Excess cost worksheet is fairly presented, the auditor is certifying that the Charter School has correctly calculated the FY21 Special Education expenditures and the FY21 Excess Cost threshold.

Resources

IDEA excess cost resources are available on the IDEA grant webpage; however, most are based on the completion of the standardized excess cost worksheet using data from your annual audit. We recommend contacting your IDEA grant coordinator by email with any questions regarding the FY22 IDEA excess cost requirements.

Grant Coordinators: Josh Green jgreen@isbe.net, Kristin Lessen klessen@isbe.net and Sam Worth sworth@isbe.net.

Thank you in advance for your cooperation in completing this federal IDEA requirement.