Notes for Member District Worksheet

WHY ARE WE DOING THIS, NOW?

Excess Cost is a long standing IDEA requirement that determines the average annual per-pupil expenditure by deducting all special education expenditures from the district's total expenditures, and is slated to become part of the A-133 audits, the annual CPA audits. Changes to the Excess Cost calculation method previously used in Kansas are necessary to best align with federal regulations. To ensure LEAs meet the requirements and are prepared for the impending audits, KSDE altered the Excess Cost calculation to match the specified format and include the mandatory separate calculation between secondary and elementary.

WHAT DOES EXCESS COST MEAN TO A MEMBER DISTRICT?

Like maintenance of effort, excess cost is a fiscal requirement that is practically measured at the fiscal agent level. However, unlike maintenance of effort, excess cost considers general education expenditures of which Coop/Interlocal special education directors would have no readily available data to use. In order for the Coop/Interlocal to adequately complete the excess cost requirement, member districts must provide their district level expenditures as per the excess cost worksheet.

IS THERE ANYTHING SPECIAL ABOUT THE EXCESS COST WORKSHEETS CREATED BY KSDE?

KSDE's Excess Cost worksheets created in MS Excel are loaded with budget data submitted to KSDE allowing the district to only identify secondary specific expenditures. Once the district has identified and entered a secondary specific amount for a particular line item, the worksheet will automatically calculate an elementary amount based on the total for that line item. The determination of line item totals are discussed below under the heading "HOW WERE THE LINE ITEMS IN THE EXCESS COST WORKSHEET DETERMINED?"

WHO COMPLETES THE MEMBER DISTRICT EXCESS COST WORKSHEET?

The worksheet entitled "member district" is to be completed by the member districts within a Coop or Interlocal including the sponsoring district of the Coop and the service center of an Interlocal. Stand-alone districts not participating in a Coop or Interlocal will not complete the member district worksheet.

HOW DO I SUBMIT COMPLETED WORKSHEETS?

Save a copy of the completed member district Excel file at the district, and send a copy of the completed Excel file back to your special education director. Do not submit faxed or printed copies.

HOW WERE THE LINE ITEMS IN THE EXCESS COST WORKSHEET DETERMINED?

This table identifies the various data used to determine each line item in the "Totals" tab of the Excess Cost worksheet.

<table>
<tr><th>Excess cost line item</th><th>Calculation of figure from published district budget</th></tr>
<tr><td>Total Expenditures State & Local</td><td>Total of Codes listed less transfers and reimbursements:
<table>
<tr><th>Code</th><th>Line</th></tr>
<tr><td>06</td><td>175</td></tr>
<tr><td>08</td><td>175</td></tr>
<tr><td>11</td><td>175</td></tr>
<tr><td>13</td><td>175</td></tr>
<tr><td>14</td><td>175</td></tr>
<tr><td>15</td><td>175</td></tr>
<tr><td>16</td><td>175</td></tr>
<tr><td>18</td><td>175</td></tr>
<tr><td>24</td><td>175</td></tr>
<tr><td>26</td><td>175</td></tr>
<tr><td>29</td><td>175</td></tr>
<tr><td>30*</td><td>175</td></tr>
<tr><td>34</td><td>175</td></tr>
<tr><td>35</td><td>175</td></tr>
<tr><td>42</td><td>175</td></tr>
<tr><td>51</td><td>175</td></tr>
<tr><td>53</td><td>175</td></tr>
<tr><td>55</td><td>175</td></tr>
<tr><td>56</td><td>175</td></tr>
<tr><td>62</td><td>100</td></tr>
<tr><td>63</td><td>100</td></tr>
<tr><td>66</td><td>85</td></tr>
<tr><td>67</td><td>175</td></tr>
<tr><td>78**</td><td>175</td></tr>
</table>
Subtract transfers and reimbursements from the total of the above Codes.

<u>Transfers</u> are the 5200 subfunctions within each code listed above.</td></tr>
</table>

	Reimbursements deducted from the total are only the identified line items listed in the following table: **Code** / **Line** 06 / 50, 55†, 60, 65 08 / 60 11 / 45 13 / 45 34 / 45, 55 55 / 5, 10, 15 56 / 60
Total Expenditures Federal	Total Code 7
Capital Outlay	Total Code 16 plus all 700's
Debt Service	Total Codes 62, 63, 66, and 67
Title I Part A	Total Title I drawdown - as requested through Form 240
Title III Parts A & B	Total Title III drawdown - as requested through Form 240
State and Local special Ed. Funds	Total code 30 less lines 250 and 251
State and Local for programs under Title I and Title III	Total code 14 less lines 35 and 40

*For member districts (including the sponsoring district), the amount included from code 30 is the total less lines 250 and 251

**Code 78 is only included in the LEA worksheet and not in the Member District worksheet

† Interlocal service centers will not deduct line 55 of Code 06 from the Interlocal budget.

HOW DO I SEPARATE SECONDARY EXPENDITURES FROM TOTAL EXPENDITURES?

Use these three guiding points while separating total expenditures.

1. Review the "Totals" tab in the worksheet. The amount in the "Totals" tab is the total district expenditures for that line item. The secondary expenditures should be a portion of this amount and not greater than this amount.
2. Because secondary is defined as grades 9-12 (NG), districts may be able to view building level expenditures to successfully complete this task.
3. Districts that do not code expenditures by building or have secondary buildings that encompass additional grades than 9-12, should first capture all specifically identifiable costs for secondary that do not apply to elementary such as vocational programs, athletic programs, music programs (including marching bands), etc. then follow the third step in prorating expenditures.
4. All district wide expenditures should be prorated based on the September 20 student count present on the Excess Cost worksheet.

Further discussion on identifying secondary expenditures:
Districts may find it helpful to first break out each Excess Cost line item into its composing budget codes (using the above table) before applying the three steps in identifying the secondary specific expenditures.

"State and Local" expenditures, the first line item on the Excess Cost worksheet, is a good example to demonstrate this method as it is the largest line item for most districts due to it encompassing the majority of the budget. The breadth of budget codes this line item includes can cause difficulty in identifying secondary specific expenditures due to the multiple budgetary functions involved. To simplify the process, we can look at the above table to identify the composing budget codes of the "State and Local" line item, identify the secondary specific expenditures of the involved codes, and then add the secondary specific expenditures of each code to determine the secondary specific expenditures for the "State and Local" line item. View Illustration 1 on the last page of this document for an illustration of this discussion.

Furthering the example, the above table identifies code 6 as a part of the State and Local line item. The district identifies secondary specific expenditures from code 6 then does the same for code 8, the next code of the State and Local line item. Some of the budget codes within the State and Local line item can be easily assigned to secondary such as Driver Training, Vocational Education, and the Activity fund. The same is true for elementary, but we are only concerned in identifying the secondary because the worksheet will determine the elementary expenditures from the total.

As salaries are the preponderance of most budgets, salary schedules can be helpful in identifying secondary expenditures. Districts will have to ensure they are reviewing salaries associated with the correct line item on the Excess Cost worksheet. Salaries attributable to code 7 (Federal funds) should only be considered when working with the "Federal Funds" line item of the Excess Cost worksheet and not be included in the "State and Local" line item.

Illustration 1: Breaking out the individual budget codes of a line item for ease of determining secondary specific expenditures. This example uses round numbers for convenience.

Listing of all the budget codes encompassed within the "State and Local" line item for ease of identifying the secondary portion of this line item.

Code	Fund Name	Line 175	Less Transfers	Less Reimb.	Total Remaining	Secondary Exp	Elementary Exp
06	General	$ 24,000,000	$ 4,500,000	$ 54,000	$ 19,446,000	$ 7,500,000	$ 11,946,000
08	Supplemental General	$ 7,000,000	$ 3,700,000	$ 10,000	$ 3,290,000	$ 2,500,000	$ 790,000
11	At Risk (4yr Old)	$ 95,000			$ 95,000		$ 95,000
13	At Risk	$ 2,500,000			$ 2,500,000	$ 500,000	$ 2,000,000
14	Bilingual	Not Used in this LEA			NA		NA
15	Virtual School	Not Used in this LEA			NA		NA
16	Capital outlay	$ 1,700,000			$ 1,700,000	$ 450,000	$ 1,250,000
18	Driver Training	$ 74,000			$ 74,000	$ 74,000	$ -
24	Food Service	$ 2,000,000			$ 2,000,000	$ 650,000	$ 1,350,000
26	Prof. Development	$ 45,000			$ 45,000	$ 21,000	$ 24,000
29	Summer School	$ 9,000			$ 9,000	$ 3,000	$ 6,000
30	Special Education	$ 6,000,000			$ 6,000,000	$ 2,100,000	$ 3,900,000
34	Vocational Education	$ 580,000			$ 580,000	$ 580,000	$ -
35	Gifts and Grants	$ 2,500			$ 2,500	$ -	$ 2,500
42	Spec. Liability Expense	Not Used in this LEA			NA		NA
51	KPERS Sp. Retirement	$ 1,500,000			$ 1,500,000	$ 620,000	$ 880,000
53	Contingency Reserve	Not Used in this LEA			NA		NA
55	Textbook and fees	$ 300,000			$ 300,000	$ 132,000	$ 168,000
56	Activity Funds	$ 120,000			$ 120,000	$ 120,000	$ -
62	Bond & Interest #1	$ 2,600,000			$ 2,600,000	$ 840,000	$ 1,760,000
63	Bond & Interest #2	Not Used in this LEA			NA		NA
66	No Fund Warrants	Not Used in this LEA			NA		NA
67	Special Assessment	Not Used in this LEA			NA		NA
78	Spec Ed Coop	Not Used in this LEA			NA		NA
		$ 48,525,500				$ 16,090,000	

Breaking out the budget codes for line items that encompass many budget codes (like the "State and Local" line item) allows easier identification of secondary expenditures than trying to manage the entire amount at once.

After all the secondary specific expenditures of each code have been identified, those amounts are added to determine the secondary specific expenditure for the "State and Local" line item, which will be entered on the Excess Cost Worksheet.