Notes for LEA Worksheet

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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'S THE POINT OF EXCESS COST?

The Excess Cost calculation is designed to calculate the average annual per-student expenditure, which multiplied by the number of students with disabilities represents the amount the LEA is to spend before drawing VI-B money. The format and presentation of the Excess Cost worksheet reflects the IDEA requirements.

WHO SHOULD PROVIDE INPUT ON THE EXCESS COST WORKSHEET?

As a large portion of Excess Cost deals with the LEA's general budget, special education directors are advised to enlist the help of staff who are familiar with the LEA's budget. Such staff may include business managers, board clerks, or superintendents. Special education directors will need to identify the secondary specific expenditures of the "IDEA VI-B funds" line item along with a portion of the "Federal Funds" and "State and Local Special Education Expenditure" line items. Refer to "WHAT IS THE TAB ENTITLED "FORM ASSISTANT FOR INTER&COOP" AND WHAT DOES IT MEAN TO ME?" section for more discussion on the appropriate treatment of these line items. Directors of Coops or Interlocals, please refer to the PDF document titled "Process for Coop_Interlocal Directors" for further discussion on disseminating material within the Coop/Interlocal.

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 LEA to only identify secondary specific expenditures. Once the LEA 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 LEA EXCESS COST WORKSHEET?

The worksheet entitled "LEA" is to be completed by the fiscal entity responsible for requesting and receiving Title VIB funds, which includes complying with all applicable federal requirements. LEAs include stand-alone districts, Coops, or Interlocals. Member districts of Coops and Interlocals will complete the Excel file titled "Excess Cost Worksheet Member District."

WHAT IS THE ROLE OF THE SPECIAL ED DIRECTOR IN THIS PROCESS?

The overall role of the special education director in this process is to disseminate the excess cost worksheets to the appropriate staff who can answer the general education expenditure line items, complete the special education expenditure line items, review the completed worksheets for completeness and general accuracy, and submit the completed worksheets to KSDE.

Directors of Coops and Interlocals have a slightly more involved role. Please view the PDF entitled "Excess Cost Process for Coops & Interlocals" for further discussion on the process for directors of Coops and Interlocals. Coop/Interlocal directors will need disseminate the Excess Cost Member District worksheets to the appropriate personnel of their member districts and collect the completed worksheets back from the member districts. Once the worksheets have been received from the member districts, directors will need to sum the line items from each member district worksheet and enter that sum in the corresponding line item of the LEA worksheet. Special attention will be required for the "Federal Funds" and "State & Local Special ed. expenditures" line items. Please refer to the "WHAT IS THE TAB ENTITLED "FORM ASSISTANT FOR INTER&COOP" AND WHAT DOES IT MEAN TO ME?" for more discussion on the appropriate treatment of these line items. Special ed. directors will need to identify the secondary specific expenditures of the entire amount for the "IDEA Part B" line item.

WHEN ARE THE WORKSHEETS DUE FOR FY12?

All Excess Cost worksheets are due to KSDE by June 30, 2012.

HOW DO I SUBMIT COMPLETED WORKSHEETS?

Save a copy of the completed LEA worksheet along with a copy of each member district worksheet at the LEA. Send a copy of the completed LEA worksheet (Excel file) along with a copy of all the member district worksheets (Excel files) to KSDE (drobinson@ksde.org). Do not submit faxed or printed copies.

WHY ARE THERE DIFFERENCES BETWEEN THE LEA AND MEMBER DISTRICT WORKSHEETS?

IDEA expenditures are not included as they are only applicable to the LEA. Child count numbers and the excess cost calculation per pupil was omitted from the member district worksheet because the worksheet is intended to only report the general expenditures of the member districts to the special education director in calculating excess cost and not to determine a member district excess cost amount. Excess cost is not determined at the member district level because member districts are not responsible for requesting and receiving Title VIB funds.

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 listed Codes 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>
<tr><td></td><td></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 plus IDEA Draws
Capital Outlay	Total Code 16 plus all 700's
Debt Service	Total Codes 62, 63, 66, and 67
IDEA Part B	Total IDEA drawdown (as requested through Form 240)
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 for stand-alone districts and Interlocals (code 78 for Coops) less lines 55, 60, 65, 250, 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 reported on line 175 less lines 250 and 251 as these lines are captured in Code 78 of the sponsoring district. Lines 250 and 251 are also not included in the aggregate listed for the LEA. Stand-alone districts not a member of a Coop/Interlocal do not subtract 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 four guiding points in this order when identifying secondary specific 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 fourth 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. Use the Dec 1 count to prorate special education expenditures.

Further discussion on identifying secondary expenditures:
LEAs 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 LEAs 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. LEAs 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.

WHY & HOW DO INTERLOCALS ENTER DATA IN A MEMBER DISTRICT WORKSHEET?

The Interlocal itself must complete a member district worksheet as the Interlocal is a separate component of the LEA and has specific expenditures that must be accounted.
This is a good time to reiterate the Interlocal data that appear on the Member District Worksheet after entering a 600 number in the district box, only represents the expenditures of the Interlocal itself. The data that appear on the LEA Worksheet after entering a 600 number in the LEA box represents the entire LEA which comprises the Interlocal and all its member districts.
To view the Interlocal's specific data, enter the Interlocal's number in the Member District Worksheet then click on the "Totals" tab. The numbers listed in this tab are from the Interlocal's budget and are presented for the director's convenience in dividing expenses between elementary and secondary

without requiring the director to calculate the Interlocal expenses from the Member District Worksheet and the LEA Worksheet. The totals from the Member District Worksheets should equal the amount presented in the LEA Worksheet.

WHAT IS THE TAB ENTITLED "FORM ASSISTANT FOR INTER&COOP" AND WHAT DOES IT MEAN TO ME?

Coops and Interlocals have to complete the "Federal Funds" portion of this tab, but ONLY COOPS HAVE TO COMPLETE THE "STATE AND LOCAL SPECIAL EDUCATION" PORTION OF THIS TAB.

Because the member district worksheets do not contain the expenditures at the sponsoring agency level (sponsoring district for Coop and Interlocal level for Interlocals) for the "Federal Funds" and "State and Local special education funds" line items, an additional step is required to determine the sponsoring agency's portion of these expenditures. Specific instructions for the "Federal Funds" portion and the "State and Local special education expenditures" follow:

For the FEDERAL FUNDS line item portion:

Both Interlocals and Coops must complete the Federal expenditure portion of the "Form Assistant for Inter&Coop" tab.

The "Federal Funds" line item in the LEA worksheet includes IDEA drawdowns, which is not included in any of the member district worksheets. This step isolates the portion of Federal funds represented by IDEA drawdowns of which the special Ed. Director will separate between secondary and elementary. The "Form Assistant for Inter&Coop" tab is only included on the LEA excess cost worksheet.

Instructions for completing the "Federal Funds" line item portion of the "Form Assistant for Inter&Coop" tab:

Note: Remember, the instructions immediately below this sentence are only concerned with the "Form Assistant for Inter&Coop" tab.

- Sum the elementary "Federal funds" line item from the member district worksheets and enter the sum in the first shaded box entitle "Step 1" of the "Form Assistant for Inter&Coop" tab.
- Sum the secondary "Federal funds" line item from the member district worksheets and enter the sum in the shaded box entitled "Step 2," which is directly under the elementary box.
- Identify the secondary expenditures from the result in Step 3. Refer to the above guidance in identifying secondary specific expenditures.
- Add the secondary expenditures identified from the result in Step 3 to the amount in Step 2, and enter this sum in the "Federal Funds" shaded box on the "Excess Cost" tab of the Excess Cost Worksheet_LEA.

For the STATE AND LOCAL SPECIAL EDUCATION EXPENDITURES line item portion:

ONLY COOPs have to complete this portion of the "Form Assistant for Inter&Coop" tab. INTERLOCALS do NOT have to complete this portion.

The "State and local special education expenditures" line item in the LEA worksheet includes state and local funds not accounted on the member district worksheets. These state and local funds not included on the member district worksheets are the assessments and state flow-through the Coop/Interlocal receives from the member districts and subsequently spends on special education.

Instructions for completing the "State and local special education expenditures" line item portion of the "Form Assistant for Inter&Coop" tab:

Note: Remember, the instructions immediately below this sentence are only concerned with the "Form Assistant for Inter&Coop" tab.

- Sum the elementary "State and local special education expenditures" line item from the member district worksheets and enter the sum in the first shaded box entitle "Step 1" of the "Form Assistant for Inter&Coop" tab.
- Sum the secondary "State and local special education expenditures" line item from the member district worksheets and enter the sum in the shaded box entitled "Step 2," which is directly under the elementary box.
- Identify the secondary expenditures from the result in Step 3. Refer to the above guidance in identifying secondary specific expenditures.
- Add the secondary expenditures identified from the result in Step 3 to the amount in Step 2, and enter this sum in the "State and local special education expenditures" shaded box on the "Excess Cost" tab of the Excess Cost Worksheet_LEA.

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 LEA.