

IDEA Excess Cost Requirement

The IDEA Regulations (34 CFR 300.202) require that each local district spend at least a minimum average amount for the education of its children with disabilities before IDEA Part B funds are used. Each district must calculate the minimum average amount of state and local funds expended per student, at the elementary and high school levels, and multiply this amount by the most recent special education child count figure to determine the excess cost amount. The formula for calculating the excess cost amount is contained in Appendix A of the IDEA Regulations. Each district is required to provide an assurance that it will expend at least the amount to meet the Excess Cost requirement prior to expending the IDEA Part B funds. However, although the regulation appears specific, the district is not required to actually have expended the funds before gaining access to the IDEA funds. The district must simply assure that it has budgeted an amount equal to or greater than the Excess Cost amount.

In the past, this calculation was conducted at the local district level and the results were not collected by the OPI. In completing the IDEA Consolidated Application in the E-grants system, each school district provides an assurance to the OPI that it has calculated the Excess Cost amount, and that the district will expend at least that amount of funds to provide for the education of students with disabilities in the coming year. A recent fiscal audit by the Office of Special Education Programs at the Department of Education (OSEP) found that Montana was not in compliance with the IDEA requirements regarding Excess Costs due to the fact that we verify the assurance but not the calculation. The OSEP is now requiring that the OPI verify the calculation of the Excess Cost amount for each elementary and high school district. The calculation of the Excess Cost amount for K-12 districts must also be completed at both the elementary and high school levels.

The Excess Cost amount is not the same as the amount required for Maintenance of Effort (MOE). The MOE calculation only looks at the amount the district has expended for providing special education services (Program 280 expenditures) while the Excess Cost calculation looks at all district expenditures of state and local funds. Also, the MOE calculation compares expenditures from year-to-year while the Excess Cost calculation only looks at the most recent fiscal year.

To facilitate the calculation of the Excess Cost amount by the districts, the OPI has developed a required page in the Trustees' Financial Summary report in MAEFAIRS that will perform the calculation based on the information reported by the district and information available from other reports. This report will show the district the amount of funds that must be expended on the education of students with disabilities in the coming year and will be the basis of the OPI's verification of the calculations.

Reference 34 CFR 300.202 (b)

For additional information please contact:

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