

SPECIAL EDUCATION WASHINGTON STATE EXCESS COSTS METHODOLOGY GUIDANCE

PURPOSE

The purpose of the special education excess cost accounting methodology is to ensure that special education students, as a class, receive basic education support to which all students are entitled and that special education revenues are used to supplement basic education support.

The Washington State Excess Costs Methodology (WSECM) provides a uniform statewide method of allocating basic education support for special education services.

ACCOUNTING DEFINITION

The *Accounting Manual for Public School Districts in the State of Washington* defines special education excess costs as follows:

“Excess costs” are those expenditures for special education and related services for special education students that exceed the amount needed to provide a basic education to those students.

ASSUMPTIONS OF THE WSECM EXCESS COSTS METHOD

The new WSECM relies on each school district’s prior year December federal child count Report 1077–Implementation of Least Restrictive Environment to determine the amount of service provided to special education students outside the regular classroom.

The WSECM assumes that:

- Special education students receive their appropriate share of basic education support from basic education staff when served in the regular classroom.
- When special education students are served outside the regular classroom, basic education dollars follow them to partially support the special education services they receive.

Federally-funded special education services are also supplemental and are charged to the federal special education program consistent with federal guidance. (See OMB Circular A-87 and SPI Bulletin No. 006-04.)

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OVERVIEW

The WSECM addresses excess costs in the following fashion:

- Districts code their state special education staff directly to Program 21 state special education.
- OSPI calculates a split in the general apportionment revenue between basic education and special education programs based upon each district's prior year December 1st child count information. The special education portion of the general apportionment funding is paid to districts under Revenue Code 3121 - Special Education, General Apportionment. The state excess cost special education funding will continue to be paid under Revenue 4121.
- Determination of a district's K-4 and K-12 ratio will include inclusion of a portion of the certificated instructional staff information reported in the S-275 for Program 21. This portion is based upon the percentage used to determine the 3121 revenue.

Expenditure Coding

- Districts shall code special education staff to the appropriate special education program based upon the employee's assignment data.
- Districts shall report grade group assignments within Program 21 for certificated instructional employee duties with a suffix 0.

Revenue Split

OSPI performs a calculation monthly to determine the amount to be paid to the districts under Revenue Code 3121 - Special Education, General Apportionment on the 1220 report. Districts shall expend this revenue in the state Program 21 to meet the program expenditure requirements of the state special education program.

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ILLUSTRATION FOR THE 2009–10 SCHOOL YEAR

Student December 1st Reporting

A. Sample District information reported on the December 2008 Form 1077 is summarized as follows:

	Percent of Day in Regular Class	Midpoint Used	Child Count	Calculated FTE
Table 1				
Age 6–11	80%–100%	92%	333	306.36
Age 12–21	80%–100%	87%	217	188.79
Table 2	40%–79%	64%	380	243.20
Table 3	0%–39%	13%	148	19.24
Tables 28, 29 & 8		0%	13	.00
Grand Total			1,091	757.59
Line 1: Percentage of Time in Basic Ed				69.44%
Line 2: Percentage of Time in Special Ed				30.56%

Other District Information

B. The district's state recovery rate calculated for 2009–10 is 16.7%.

- The district's annual average age 5–21 special education students served from the P-223H is 1,200. (**Serving** districts receive the BEA funding.)
- The average BEA rate from line G of the district's Report 1220 is \$4,671.11.

Calculations

C. The calculated general apportionment revenue generated by the age 5–21 special education students served is calculated as:

$$1,200 * \$4,671.11 = \$5,605,332.$$

D. Before applying the revenue split, an amount based upon the district's state recovery rate is set aside for the districtwide expenditures.

$$\$5,605,332 / 1.167 (1+State Recovery) = \$4,803,197.94$$

E. The percentage of time in special education, as determined above on line 2 is multiplied by the amount from step D to determine the general apportionment revenue to be paid under Revenue Code 3121 - Special Education, General Apportionment.

$$\$4,803,197.94 * 30.56\% = \$1,467,857.29$$