

Out-of-District Manual

Excess Costs

Tuition Costs or Excess Costs are defined as “the amount of expenditures for special education services over and above applicable revenues...for a child with a disability who receives his or her special education services in an eligible facility...” *ECEA Rules 9.01(8)*.

Approved Facility Schools that wish to establish an excess cost rate, submit an application each fall to CDE. CDE sets an individual rate for each approved facility school program based on expected revenues and expenditures for special education services. Rates are set once each school year and apply to that particular year only. CDE does not set excess cost rates for summer school programs or ESY services.

Expenditures related to costs of special education personnel are only included for positions that are filled by appropriately qualified staff. This means, for example, that if a facility does not employ or contract with a speech/language specialist at the time excess cost applications are submitted, the costs of a speech language specialist are not included in that facility’s excess cost rate. If a child who needs speech language services is placed in that particular facility, the administrative unit of residence (AUR) is responsible to send a speech/language specialist or make arrangements to contract with a qualified person in the area.

The excess cost rate setting process results in two daily rates – a Daily Rate (or excess cost rate) and an “Other Education Costs” rate (sometimes referred to as “indirect” rate). The Daily Rate is the tuition or excess cost rate that administrative units of residence are required to pay for special education students who are placed into a facility by a public agency. The indirect rate represents legitimate education costs, but not special ed costs. Colorado school districts or AURs are not required to pay the indirect or Other Education Costs rate.

A contract needs to be established between the approved facility school and the administrative unit of residence for each child with a disability that is placed by a public agency into the approved program. The specific wording of the contract is up to the agencies involved, but both facility schools and districts are strongly encouraged to be very clear in the wording of the contract so that everyone involved is in agreement with the services to be provided and the costs to be paid. The contract should always address the CDE approved excess cost rate and specific dates of service that the contract is in effect. If relevant to the specific student in question, any costs or agreements related to additional services such as speech/language services, OT, or 1 to 1 paraprofessionals should be specified in the contract. In addition, if the district is placing the student for day treatment services, then the costs for the treatment services should be included. If the district is placing the student for “school only” services, the payment of PPR by the district must be addressed.

If needed, separate contracts can be established, but every payment that is expected from a district or administrative unit and each service for which payment is made, must be addressed in a contract agreed to by both agencies and specific to the student in question.

It is critical to be specific in the terms used. For example, the term “educational services” is not specific as to whether the district is paying PPR as for a “school-only” placement or if this only includes excess costs and may lead to misunderstandings. It is important that the terms of the contract be clearly defined and understood by those involved not only for purposes of PPR billing but also for the October count.

The excess cost rates for approved facility schools are often not approved by the State Board of Education until late in the fall or after the first of the year. Once approved however, the rate is applicable to that entire school year. For students placed early in the school year, prior to the approval of the rates, contracts should be established but instead of the dollar amount of the approved rate, the term “CDE approved rate” can be used. For established facilities, the administrative unit may agree to pay at last year’s rate until the new rates are approved. In either case, once the current school year rates are approved, adjustments will need to be made.

Administrative Unit Information

- Approved excess cost rates for facilities are posted on the CDE web site each year to be used as a reference.
- While most facilities apply for and establish an excess cost rate, some do not. If a facility in question does not appear on the list of approved rates, contact the Facility Schools Unit to verify whether or not the particular facility is approved.
- For approved facilities schools that do not have an established excess cost rate, the administrative unit of residence is still responsible for special education assessments, the IEP process, transportation (if applicable), etc.

Facility Information

- It is critical that excess cost applications be turned in on time, be completed accurately and that staff licensure issues be resolved prior to the beginning of the school year. Recently excess cost rates have not been approved until late in the fall or after the first of the year due to the time it takes to resolve problems and issues. If applications are submitted in better form, then rates can be approved earlier.
- Be sure to establish contracts right away. Do not wait until the rates are approved.
 - Although a new facility, location or program may be opened and approved at any time of year, since excess cost rates are only set once a year, if the program is not approved by the excess cost application deadline, it will not have an approved rate until the following school year. This should be taken into consideration in planning new programs.

Resources

Excess cost application forms and list of approved rates:
http://www.cde.state.co.us/cdespedfin/EXCO_Rates.htm

For questions regarding the excess cost application forms or process contact Lauren Rossini at
rossini_l@cde.state.co.us

For more information contact:

Colorado Department of Education
Office of Facility Schools
1560 Broadway, Suite 1175
Denver, CO 80202
Fax: (303) 866-6767
facility_schools@cde.state.co.us

Facility Schools Web page:
<http://www.cde.state.co.us/facilityschools/index.asp>

Kama Linscome
303 866-6876
linscome_k@cde.state.co.us

Dema Herrera
303 866-6473
herrera_d@cde.state.co.us

Robin Singer
303 866-5509
singer_r@cde.state.co.us

Ellen Hunter
303 866-6244
hunter_e@cde.state.co.us