

Gifted and Talented Funding in Iowa

Iowa Code 257.46 Funding.

1. The budget of an approved gifted and talented children program for a school district, after subtracting funds received from other sources for the purpose, shall be funded annually on a basis of one-fourth or more from the district cost of the school district.

2. The remaining portion of the budget shall be funded by the thirty-eight dollar increase in allowable growth for the school budget year beginning July 1, 1999, multiplied by a district's budget enrollment. The thirty-eight dollar increase for the school budget year beginning July 1, 1999, shall increase in subsequent years by each year's state percent growth. School districts shall annually report the amount expended for a gifted and talented program to the department of education. The portion of a school district's budget which corresponds to the thirty-eight dollar increase in allowable growth for the school budget year beginning July 1, 1999, added to the amount in subsection 1, shall be utilized exclusively for a school district's gifted and talented program.

3. If any portion of the gifted and talented program budget remains unexpended at the end of the budget year, the remainder shall be carried over to the subsequent budget year and added to the gifted and talented program budget for that year.

Talented and Gifted Funding included in the District Cost Per Pupil (DCPP) and required local match to be taken from the Regular Program District Cost (RPDC)

Budget Year	75% of funding included in DCPP	25% local match from RPDC	Total Per Budget Enrollment
1999-2000	38	12.67	50.67
2000-2001	40	13.33	53.33
2001-2002	42	14.00	56.00
2002-2003	42	14.00	56.00
2003-2004	43	14.33	57.33
2004-2005	44	14.67	58.67
2005-2006	46	15.33	61.33
2006-2007	48	16.00	64.00
2007-2008	50	16.67	66.67
2008-2009	52	17.33	69.33
2009-2010	54	18.00	72.00
2010-2011	55	18.33	73.33
2011-2012	55	18.33	73.33
2012-2013	56	18.67	74.67

CHAPTER 59 GIFTED AND TALENTED PROGRAMS

281—59.5(257) Responsibilities of school districts.

59.5(10) Program budget. When programs are jointly provided by two or more school districts or by a school district in cooperation with another educational agency, the budget shall specify how each cooperating school district or agency will determine the portion of the program costs to be provided by each school district or agency and shall provide a budget that specifies the contribution of each school district or agency.

59.5(11) Appropriate expenditures. The purpose of the funding described in Iowa Code section 257.45 is to provide for the needs of identified gifted and talented students beyond those needs that are

provided by the regular school program. The funding shall be used only for expenditures directly related to providing the gifted and talented program described in the program plan. Appropriate expenditures are delineated in 281—Chapter 98.

59.5(12) *Inappropriate expenditures.* Inappropriate expenditures are delineated in 281—Chapter 98.

59.5(13) *Financial management.* Gifted and talented funding is categorical funding and follows the general provisions in 281—Chapter 98.

59.5(14) *Annual reporting.* School districts shall include and identify the detail of financial transactions related to gifted and talented resources, expenditures, and carryforward balances on their certified annual report. School districts shall use the account coding appropriate to the gifted and talented program as defined by Uniform Financing Accounting for Iowa School Districts and AEAs. Each school district shall certify its certified annual report following the close of the fiscal year but no later than September 15.

**CHAPTER 98
FINANCIAL MANAGEMENT OF CATEGORICAL FUNDING
DIVISION I
GENERAL PROVISIONS**

281—98.1(256,257) Definitions.

“Categorical funding” means financial support from state and federal governments that is targeted for particular categories of students, special program, or special purposes. This support is in addition to school district or area education agency general purpose revenue, is beyond the basic educational program, and most often has restrictions on its use. Where categorical funding requires a local match, that local match also is considered to be categorical funding. Categorical funding includes both grants in aid and budgetary allocations. Although grants in aid and budgetary allocations are both categorical funding, they are defined separately to distinguish unique characteristics of each type of categorical funding.

“Grants in aid” means financial support that is either allocated to the school district or area education agency or for which a school district or area education agency applies, usually from state or federal appropriations. This support is paid separately from state foundation aid. In the general fund, grants in aid become miscellaneous income and increase budget authority when the support is received as revenue.

“Budgetary allocation” means the portion of the funding that is specifically earmarked for a particular purpose or designated program and which, in the case of the general fund, has been rolled into, or added to, the school district cost per pupil or school district regular program cost. Budgetary allocations may include both state aid and property tax. Budgetary allocations increase budget authority on the first day of the fiscal year for which the allocation has been certified or on the date that the school budget review committee approves modified allowable growth for a specific purpose or program; the budgetary authority remains even if the full amount of revenue is not received or if the local board does not levy a cash reserve. There is no assumption that a school district or area education agency will receive the same amount of revenue as it has received in budget authority due to delinquent property taxes, cuts in state aid, or legislative decisions to fund other instructional programs off the top of state aid. The school district or area education agency must expend the full amount of budgetary authority for the specific purposes for which it was earmarked. When the school district or state cost per pupil is transferred from one school district to another school district in the form of tuition as required by Iowa Code, any budgetary allocation that is included in the school district or state cost per pupil shall be considered transferred to the receiving school district and shall be expended for the specific purpose for which it was earmarked.

“Supplement, not supplant” means that the categorical funding shall be in addition to general purpose revenues; shall not be used to provide services required by federal or state law, administrative rule, or local policy; and that general purpose revenues shall not be diverted for other purposes because of the availability of categorical funding. Supplanting is presumed to have occurred if the school district or area

education agency uses categorical funding to provide services that it was required to make available under other categorical funding or law, or uses categorical funding to provide services that it provided in prior years from general purpose revenues, or uses categorical funding to provide services to a particular group of children or programs that it uses general purpose revenues to provide the same or similar services to other groups of children or programs. These presumptions are rebuttable if the school district or area education agency can demonstrate that it would not have provided the services in question with general purpose revenues if the categorical funding had not been available.

281—98.2(256,257) General finance. The categorical funding provided for various purposes to school districts and area education agencies includes general financial characteristics that are detailed in the following subrules.

98.2(1) Indirect cost recovery. Categorical funding provided by the state to school districts or area education agencies is not eligible for indirect cost recovery unless the Iowa Code section authorizing the funding or allocation expressly states that indirect cost recovery is permitted from that source. If the Iowa Code permits indirect cost recovery, the school district or area education agency shall utilize its restricted indirect cost rate developed by the department for federal programs from data submitted by the school district or area education agency on its certified annual report.

98.2(2) Restriction on supplanting. Categorical funding shall supplement, but shall not supplant, expenditures in the appropriate fund into which the categorical funding is deposited and accounted for, unless the Iowa Code section authorizing the funding or allocation expressly states that supplanting is permitted from that source.

98.2(3) Mandatory carryforward. Any portion of categorical funding provided by the state that is not expended by the end of the fiscal year in which it was received by or for which it was allocated to the school district or area education agency shall be carried forward as a reserved fund balance and added to the subsequent year's budget for that purpose. The funding can only be expended for the purposes permitted for that categorical funding. Where a local match is required for categorical funding, the amount unexpended at the end of the fiscal year that is carried forward shall not be used as part of the required local match.

98.2(5) Expenditures. Expenditures from categorical funding shall be limited to direct costs of providing the program or service for which the funding was intended. Expenditures shall not include costs that are allocated costs or that are considered indirect costs or overhead. Expenditures for the functions of administration, business and central services, operation and maintenance of plant, transportation, enterprise and community service operations, facility acquisition and construction, or debt service generally are not allowed from categorical funding unless expressly allowed by the Iowa Code or if the expenditure represents a direct, allowable cost. In order for costs of administration, business and central services, operation and maintenance of plant, transportation, or enterprise and community service operations to be considered direct costs, the costs must be necessary because of something that is unique to the program that is causing the need for the service, not otherwise needed or not otherwise provided to similar programs; the costs must be in addition to those which are normally incurred; and the costs must be measurable directly without allocating. Where a local match is required for categorical funding, that local match requirement shall not be met by the use of other categorical funding except where expressly allowed by the Iowa Code. Expenditures shall not include reimbursing the school district or area education agency for expenditures it paid in a previous year in excess of the funding available for that year.

98.2(6) Restriction on duplication. The school district or area education agency shall not charge the same cost to more than one funding source.

98.2(7) Excess expenditures. The school district or area education agency shall not charge to categorical funding more expenditures than the total of the current year's funding or allocation plus any carryforward balance from the previous year.

98.2(8) Commingling prohibited. Categorical funding shall not be commingled with other funding.

All categorical funding shall be accounted for separately from other funding. School districts and area education agencies shall use a project code and program code as defined by Uniform Financial Accounting for Iowa School Districts and Area Education Agencies, as appropriate or required.

Page 6 of 23

281—98.20(257) Gifted and talented program. Gifted and talented funding is included in the school district cost per pupil calculated for each school district under the school foundation formula. The per pupil amount increases each year by the allowable growth percentage. This amount must account for no more than 75 percent of the school district's total gifted and talented budget. The school district must also provide a local match from the school district's regular program school district cost and this portion must be a minimum of 25 percent of the total gifted and talented budget. In addition, school districts may have donations and grants, and the school district may contribute more local school district resources toward the program. The 75 percent portion, the local match, and all donations and grants shall be accounted for as categorical funding.

The purpose of the gifted and talented funding described in Iowa Code section 257.46 is to provide for identified gifted students' needs beyond those provided by the regular school program pursuant to each gifted student's individualized plan. The funding shall be used only for expenditures that are directly related to providing the gifted and talented program.

98.20(1) Appropriate uses of categorical funding. Appropriate uses of the gifted and talented program funding include, but are not limited to:

- a. Salary and benefits for the teacher of gifted and talented students. If the teacher is a part-time gifted and talented and a part-time regular classroom teacher, then the portion that is related to providing the gifted and talented program can be charged to the program, but the regular classroom portion could not.
- b. Staff development for the gifted and talented teacher.
- c. Resources, materials, software, supplies, purchased services that meet all of the following criteria: 1) meet the needs of K-12 identified students, 2) are beyond those provided by the regular school program, 3) are necessary to provide the services listed on the gifted student's individualized plan, and 4) will remain with the K-12 gifted and talented program.

98.20(2) Inappropriate uses of categorical funding. Inappropriate uses of the gifted and talented program funding include, but are not limited to, indirect costs or use charges, operational or maintenance costs, capital expenditures other than equipment, student transportation, administrative costs, or any other expenditures not directly related to providing the gifted and talented program beyond the scope of the regular classroom.

For questions, contact:

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