

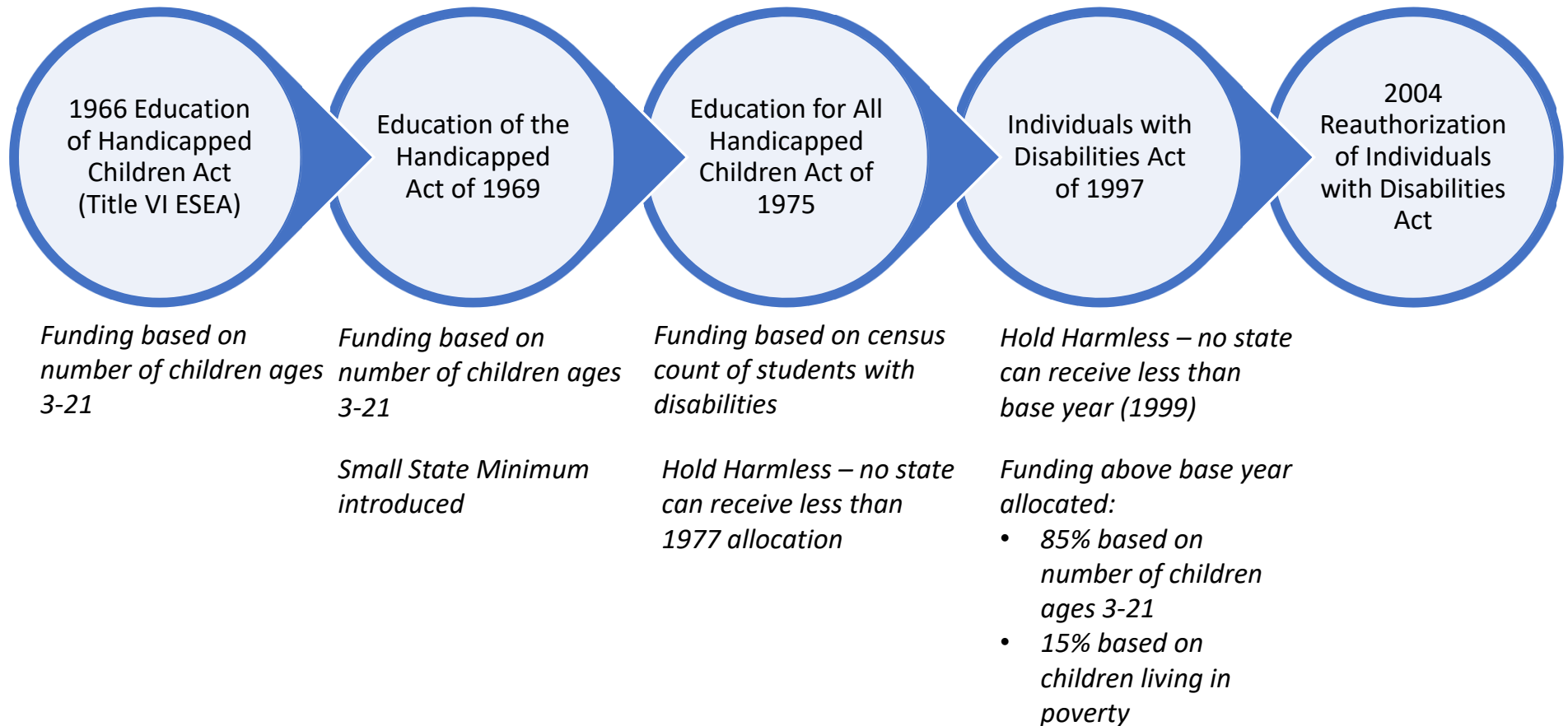
# Overview of Special Education Funding for School Districts

SD DOE Presentation to the  
Extraordinary Cost Fund for Special Education Study  
June 13, 2018

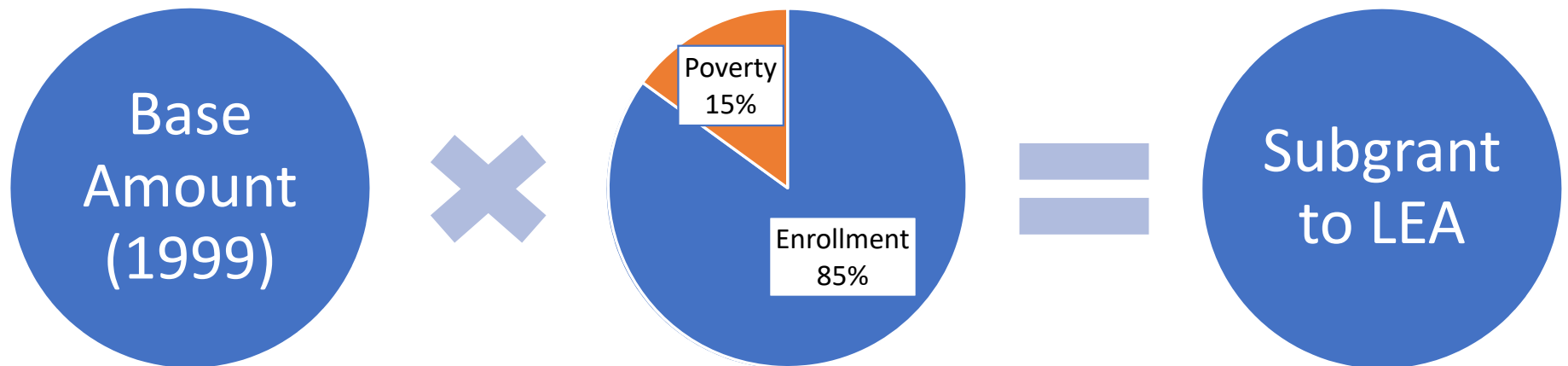
# Special Education Funding Sources

- Federal:
  - Individuals with Disabilities Act (IDEA)
    - Part B Section 611
    - Part B Section 619 (Preschool)
    - Part C (Birth to Three)
- State/local
  - State Aid to Special Education
    - State/local partnership
  - Extraordinary Cost Fund
  - Additional property tax levy

# History of Special Education Funding - Federal



# Allocations to Schools

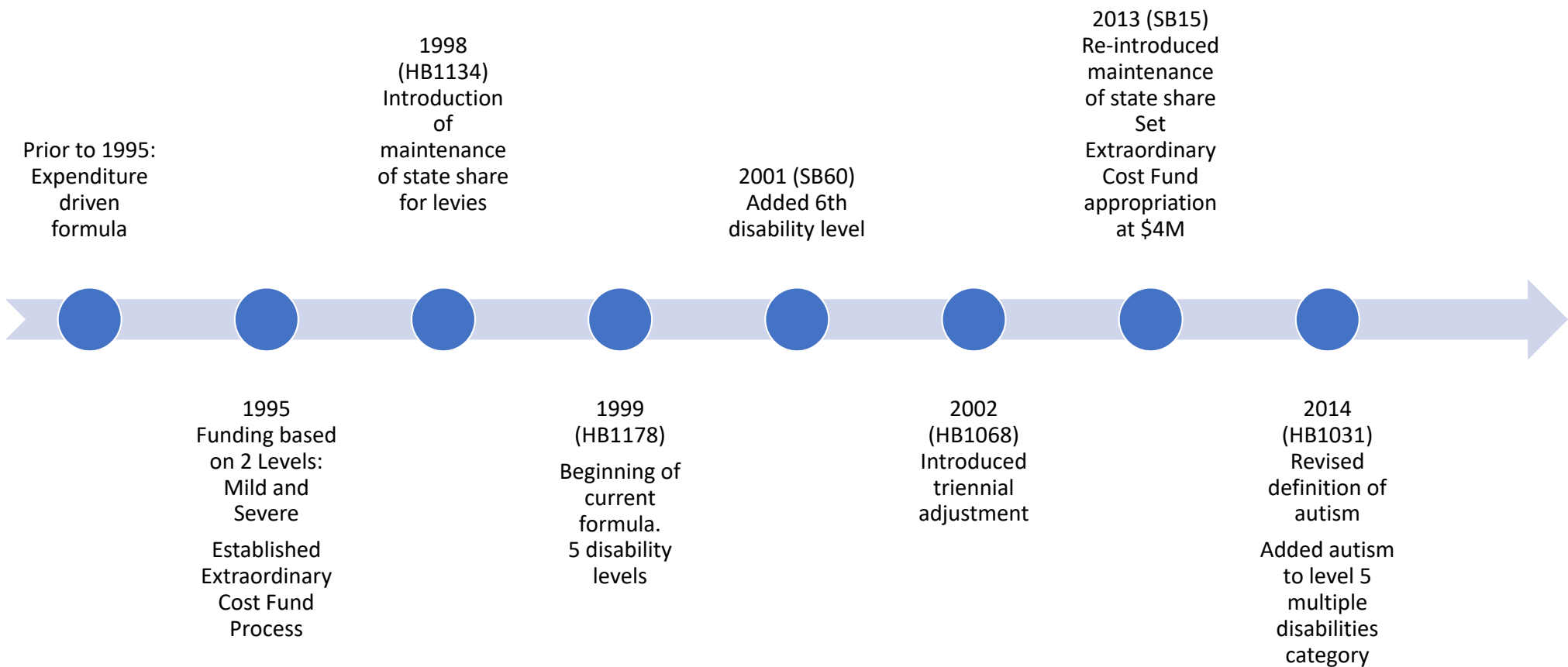


# State Cooperative Projects

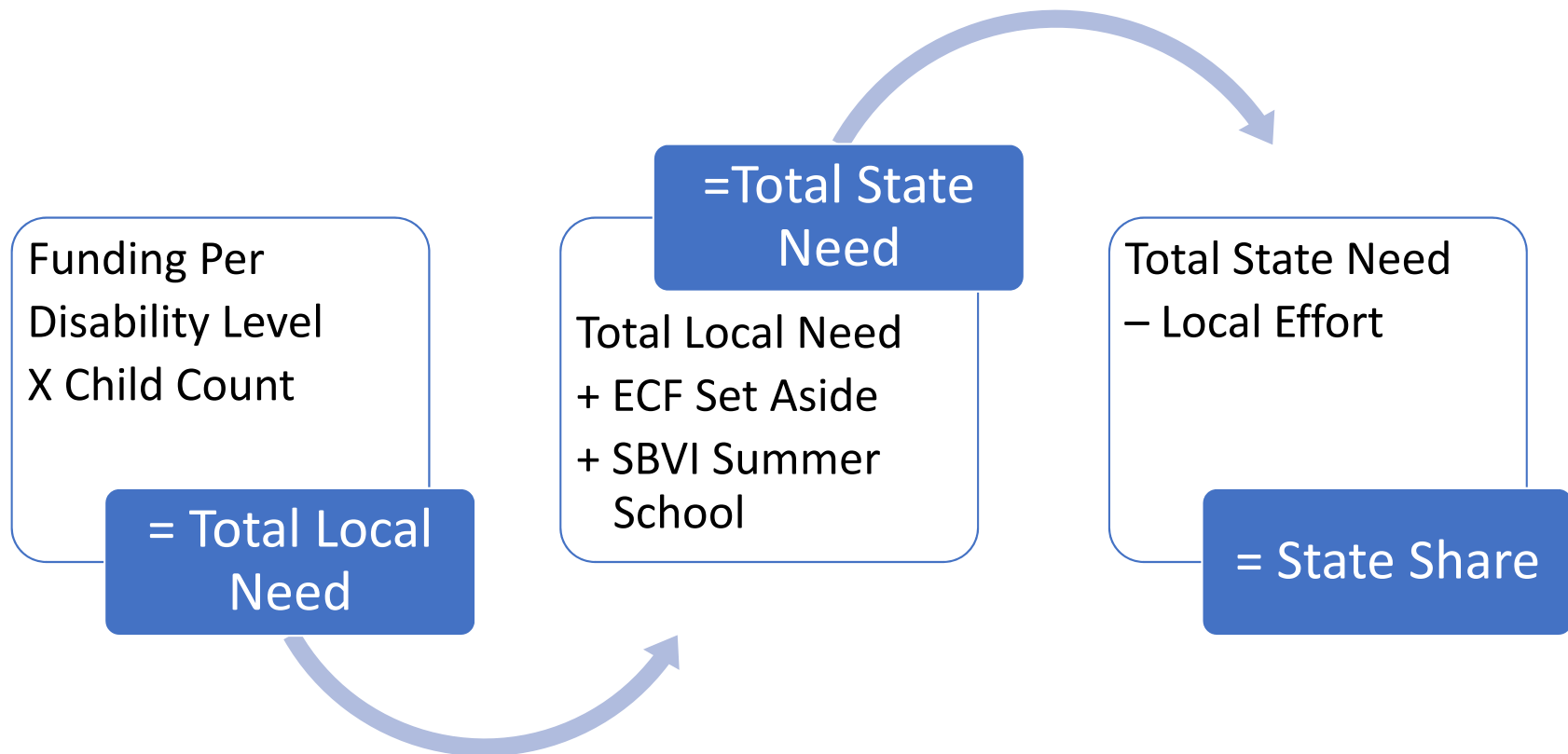
- School districts can assign its Federal IDEA Part B grants to an Educational Cooperative
- Cooperative submits an application on behalf of school districts participating in the project
- Cooperative serves as the project fiscal agent and coordinates all project service and activities in accordance with the grant application
- Funding stays at the cooperative level and state/local funds are used at the district level for other special education costs
- Districts still responsible for FAPE and meeting provisions of the grant

*\*see handout [1.FY2018 Cooperative Projects.pdf](#)*

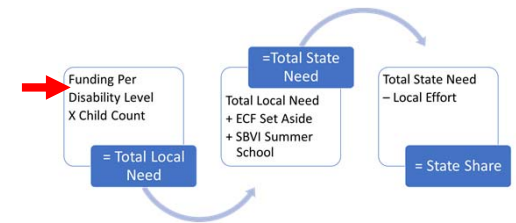
# History of Special Education Funding - State



# State Aid to Special Education Formula



# Funding Disability Levels

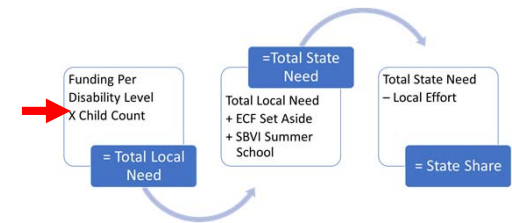


Funding Disability Level	Disability	FY2019 Amount
Level 1	Specific Learning Disabled, Speech/Language Impairment, Other Health Impaired, and Developmentally Delayed	\$5,527.09 (Multiply district prior year ADM X 10%)
Level 2	Emotional Disturbance and Cognitive Disability	\$12,756.08
Level 3	Deaf/Blind, Hearing Impairments, Orthopedic Impairments, Visually Impaired, Deafness, and Traumatic Brain Injury	\$16,258.12
Level 4	Autism	\$15,766.80
Level 5	Multiple Disabilities (must include two or more level 2, 3, or 4 disabilities, not including Deaf/Blind)	\$28,161.22
Level 6	Prolonged Assistance (children ages 0-2)	\$8,111.33

*\*see handout [2.History Disability Allocation.pdf](#)*



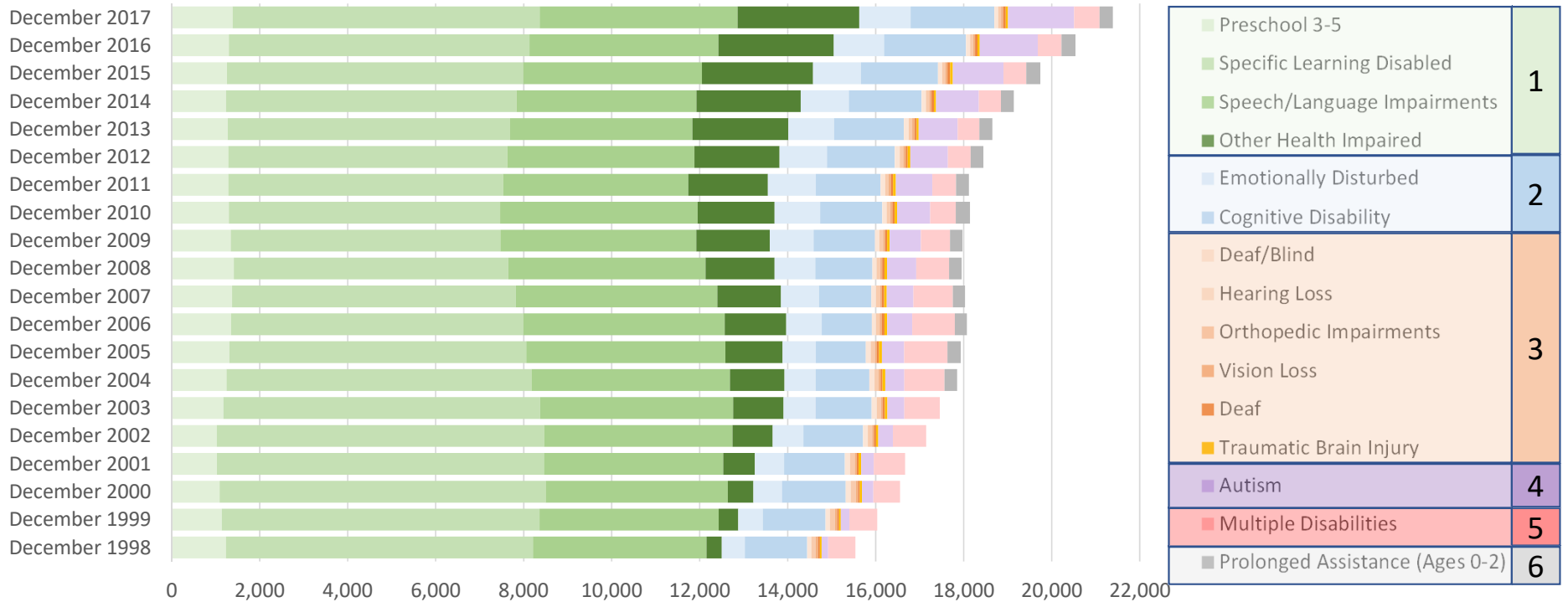
# Child Count



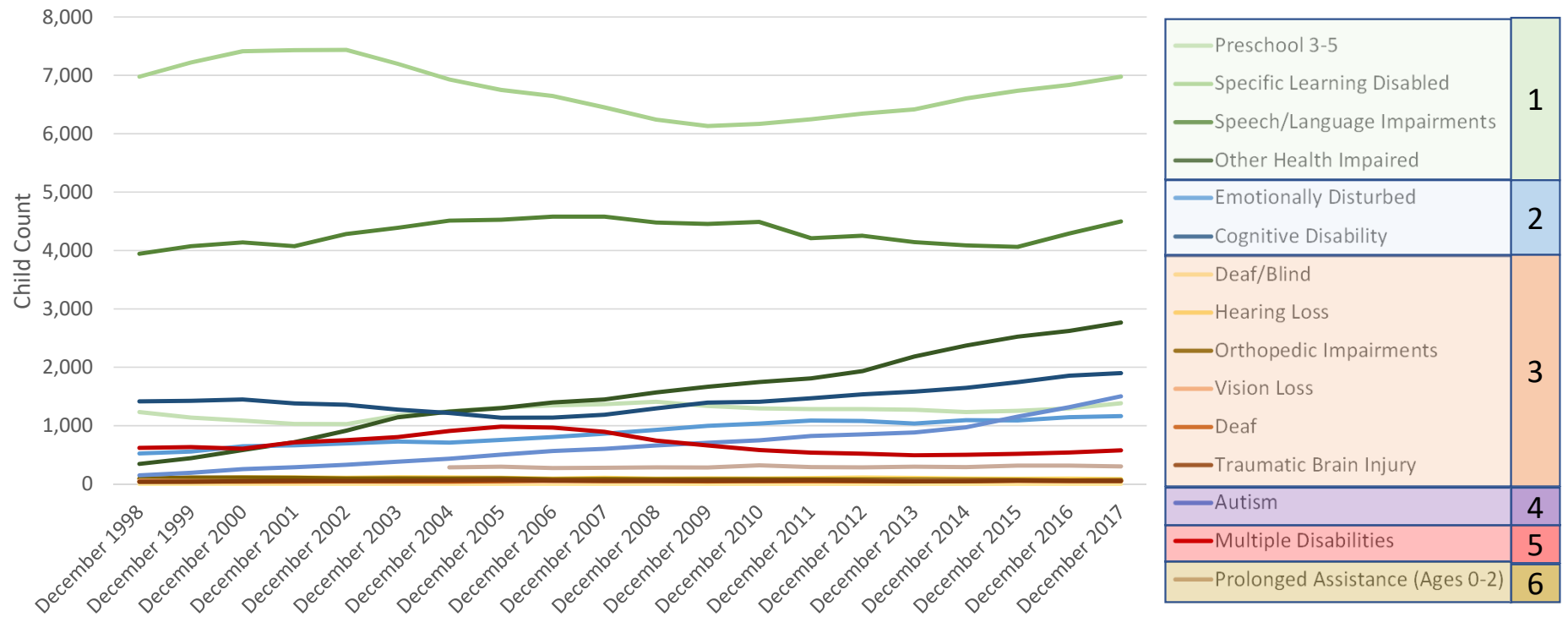
- Unduplicated count of all children with disabilities ages 3-21 receiving special education and related services according to an IEP
- Collected by disability
- Count is as of December 1
- Count from prior fiscal year used for state aid to special education funding
  - December 2017 count used for FY2019 funding
- This does not affect the amount of federal dollars received at the state or local level

*\*see handout [3.Child Count Public Stats.pdf](#)*

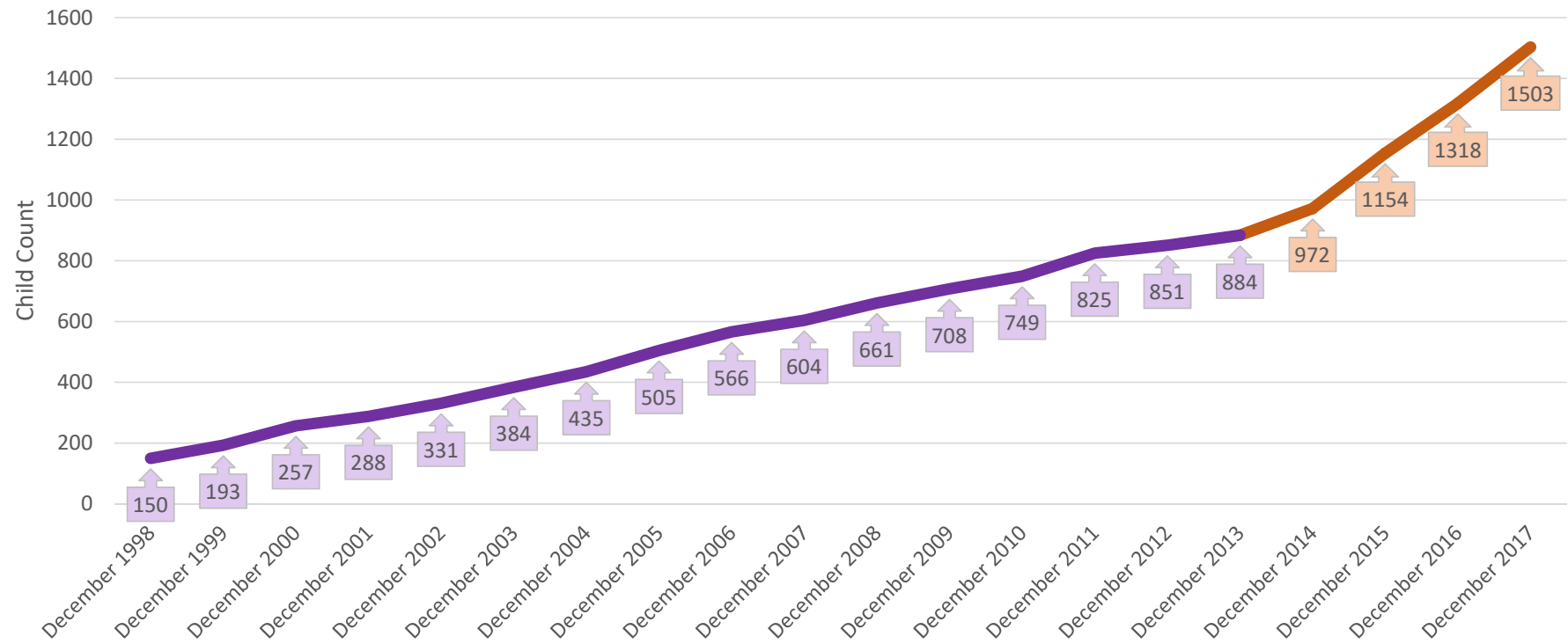
# History of Child Count



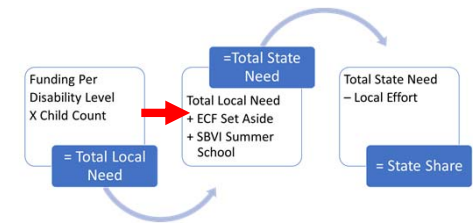
# History of Child Count – Another Look



# History of Child Count - Autism



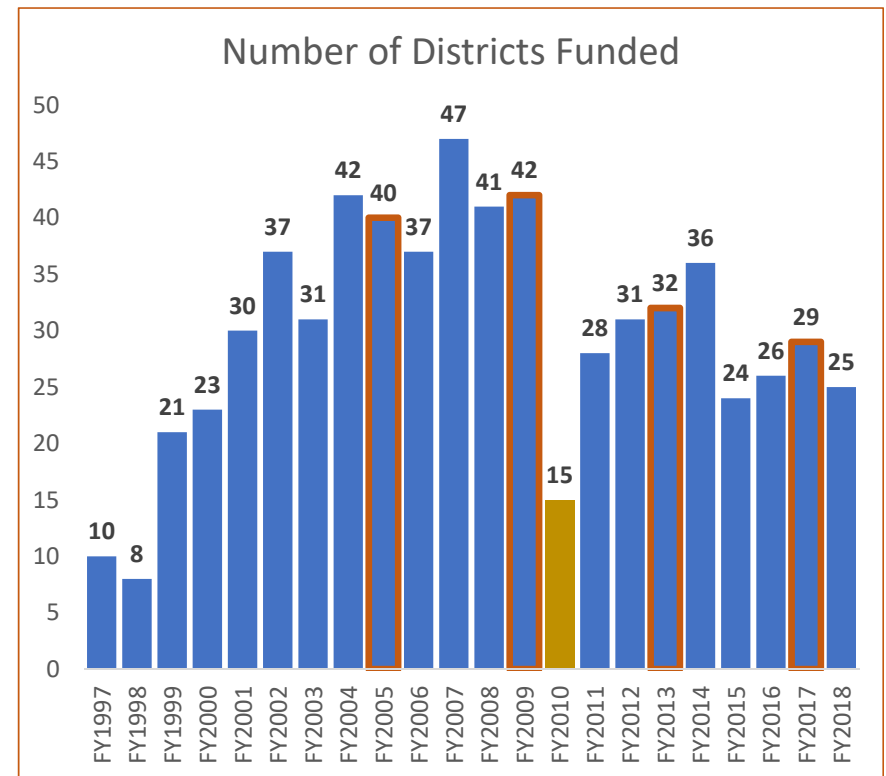
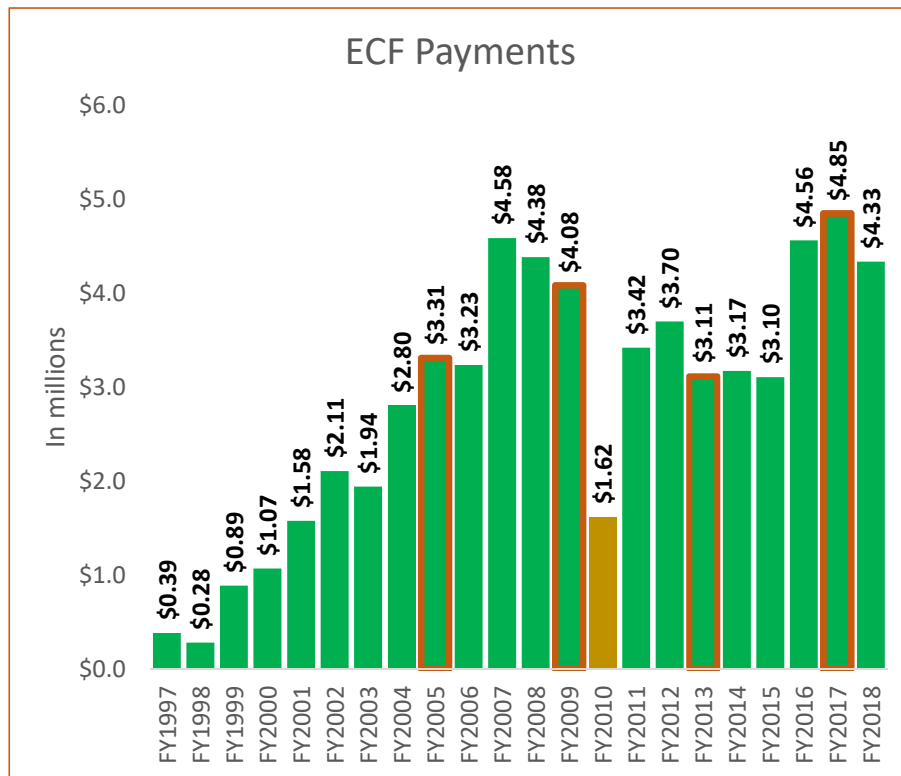
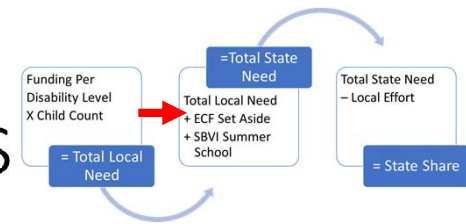
# Extraordinary Cost Fund



- The 2013 legislative session and new South Dakota administrative rules made significant changes to the extraordinary cost funds application process
  - Prior to FY2014, available funding was based on funds remaining after the formula was fully funded plus funds carried over from previous year (up to 5.75% if the state aid to special education formula)
  - Beginning in FY2014, set at \$4M plus funds set aside for ECF from previous fiscal year that were not used, however total amount cannot exceed \$5.5M
- Local school districts may be eligible to receive ECF if the district meets certain criteria. Applications that may be submitted include:
  - High Cost Student - student with significant support needs which means expenditures for the student must exceed twice the funding level
  - High Cost Program
  - Supplemental Aid.

*\*see handout [4.ECF Brief.pdf](#)*

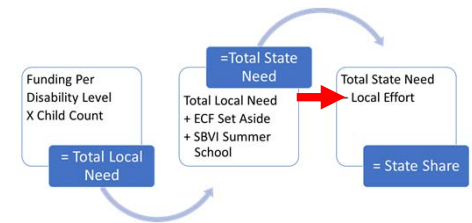
# Extraordinary Cost Fund Payments



\*see handout [5.ECF Payments By District 1997-2018.pdf](#)

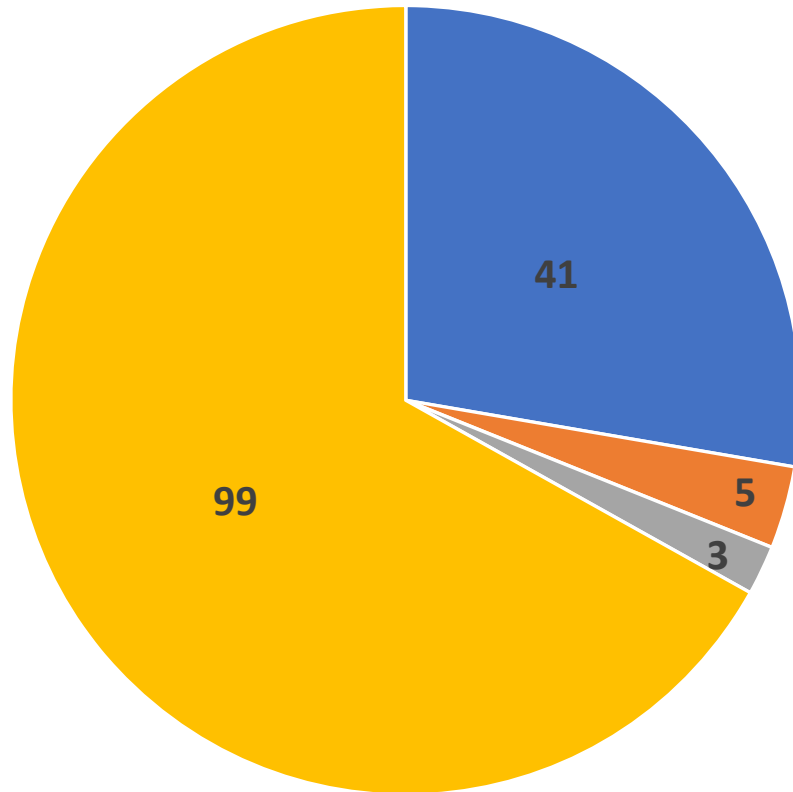
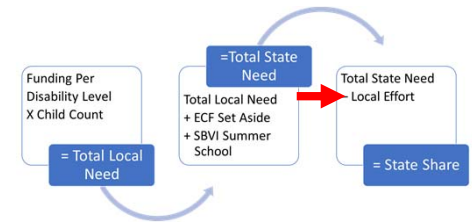
# Special Ed Levies

- Levy is the same for all property classes
- Formula levy and a maximum levy
- Provision for maintenance of state share was introduced in 1998 but wasn't followed
  - Re-established in 2013 session for taxes payable in 2014 (SB15)
  - State share target is 39.3%



Year Payable	Formula	Max Levy
1999	1.40	1.60
2000	1.35	1.55
2001-2004	1.30	1.50
2005	1.25	1.45
2006-2013	1.20	1.40
2014	1.352	1.552
2015	1.278	1.478
2016	1.209	1.409
2017 (Rebase)	1.305	1.505
2018	1.261	1.461
2019	1.367	1.567

# Local Effort: What Are Districts Levying?



■ Below Formula ■ At Formula ■ Between Formula and Max ■ At Max

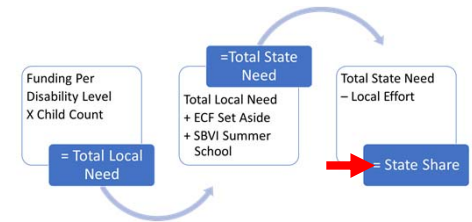
## Lost Local Effort:

- In FY2018, 94 districts did not receive any state funding for Special Education
  - Amount of local effort raised exceeds the formula need
  - Amount exceeded statewide totaled over \$23M

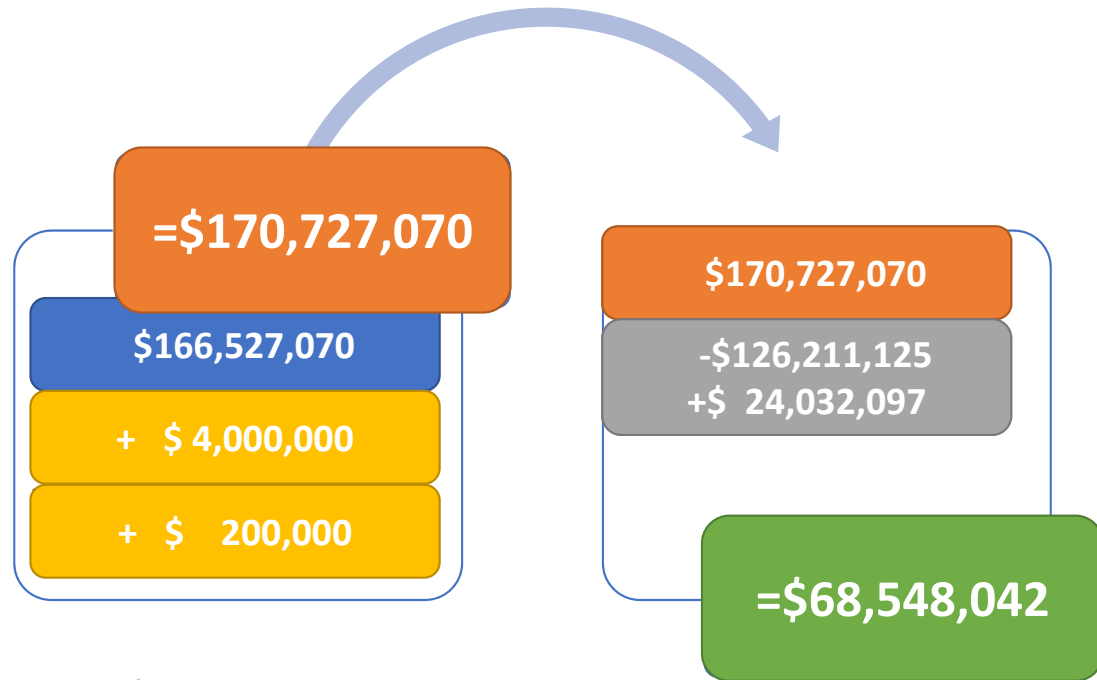
*\*see handout [6.SpEd Levies.pdf](#)*



# State Aid to Special Education



	Funding Level \$	Child Count	= Need
1	\$ 5,527.09	14,711	\$81,310,679
2	\$12,756.08	3,113	\$39,709,677
3	\$16,258.12	333	\$ 5,413,954
4	\$15,766.80	1,510	\$23,807,868
5	\$28,161.22	491	\$13,827,159
6	\$ 8,111.33	303	\$ 2,457,733
Total Local Need			\$166,527,070



# Maintenance of Effort – School Districts

Based on expenditures from year to year. School districts must pass at least one of the four MOE tests to demonstrate compliance:

1. At least the same combined amount of local and state funds was expended on special education activities as the previous year
2. At least the same amount of local funds was expended on special education activities as the previous year
3. At least the same student per capita amount from local and state funds was expended on special education activities as the previous year
4. At least the same student per capita amount from local funds was expended on special education activities as the previous year.

*\*see handout [7.LEA MOE Overview.pdf](#)*

# Maintenance of Effort - State

- State cannot reduce the amount of support made available

The standard of State financial support provided at 34 CFR §300.163(a) is a different standard than the LEA maintenance of effort (MOE) standard delineated at 34 CFR §300.203(b). The LEA standard at 34 CFR §300.203(b) requires that an LEA both budget, in each subsequent year, at least the same amount that it expended in the most recent prior year for which information is available, and expend, from year to year, at least the same amount that it expended in the previous year. The comparison, for LEA MOE compliance, is expenditures from year to year.

For SEAs, the comparison is the amount of State financial support provided (made available) for special education and related services from year to year, regardless of the amount actually expended.

- Includes more than just State Aid to Special Education
  - Includes support by other State agencies
    - Human Services Center Special Education Teacher
    - SD School for the Deaf
    - SD School for the Blind and Visually Impaired

# Triennial Funding Rebase

- SDCL 13-37-35.2 provides for a recalculation of the payments by disability level on a triennial basis.
- The recalculation is to be based on the statewide average expenditures by school districts by disability over a three year period.
- The average costs by disability level are then inflated forward to year being budgeted based on the index factor
- Last rebase was in FY2017
  - Based on FY2013 through FY2015

*\*see handout [8.Updated Triennial Adj thru 2017.pdf](#)*

# Additional Resources

- Special Education Program Information: <http://doe.sd.gov/sped/>
- Fiscal Information:
  - Federal Grant Allocations: <http://doe.sd.gov/ofm/grantallocations.aspx>
  - State Aid to Special Education: <http://doe.sd.gov/ofm/statefunding.aspx>
  - School District Fund Balances: <http://doe.sd.gov/ofm/schfinance.aspx>
  - Extraordinary Cost Fund: <http://doe.sd.gov/ofm/exordincost.aspx>