

Good morning,

It is a pleasure to be here this morning, to discuss, listen, and better understand the challenging issues South Dakotans face in providing the best education to our children so they can help create their best possible future.

I'd like to express my appreciation to the Legislature for passing SB 3 and to Governor Noem for signing the legislation to keep this important work moving forward. It was an honor to participate in the appointments of some of these members and I wish you all well in your work.

In the six months I've been in this position, there have been many complex issues, but few as confounding as the wider concerns of Special Education. Nor is there an issue that involves as many players as does special education. From the students themselves, their families, special education teachers, the school districts, various counseling and residential facilities, state agencies, university researchers, the state legislature, the state's judicial system, federal law and regulations, with each having their concerns, methods, reporting requirements, expertise, and of course passion about this issue. Fortunately, this committee has been charged with a limited set of issues regarding the causes and the rising numbers and therefore rising costs – specifically with out of district placements.

As many of you are aware, South Dakota and the nation, have seen an increasing number of students with disabilities, particularly in the last few years. The number of

students with autism has risen significantly and Dr. Eric Kurtz will be discussing that further this morning. On another issue, DoE is working with the schools and university faculty, supported by grant dollars, to ascertain what better methods we can use to bring children with dyslexia to their full potential. Certainly, more can be done and we are open to flexible strategies and effective evidence based methodologies for these students. Whatever the reason for the rising numbers of students with disabilities, we can't forget that these kids, can contribute a great deal to our society and in ways that are not always measurable.

From the Department of Education's perspective, we see that that vast majority of these children are educated in their schools' general classroom, with many being provided specific instruction while remaining in their school. Not only is this best for kids' education, but it helps keep costs in line with budgets. But we've seen a steady rise in children needing to be placed in separate day programs, while those in residential facilities have declined or held steady in the last five years. It is important to note, and that is why we asked the bill be amended to show this, that one of the largest drivers of cost is out of district placements, and while those are rising, it would appear from our information and reporting that the fastest growing disabilities, like autism, are being taught in their home district and in the general classroom keeping costs under control. Serious emotional needs are also a growing concern, and the hardest hit in this area are our native American communities.

However, as you know, many of these methods have a higher cost and the rising numbers of Special Education students has quickly translated into rising educational costs to families and school districts. As I previously stated, one of the highest costs is the out of district placements. This often needs to be done for children with emotional and cognitive needs which many school districts are unable to provide for. To help manage these “extra-ordinary costs”, the legislature created the Extraordinary Cost Fund in 1997 as an emergency reserve to which South Dakota’s school districts could apply if their costs went beyond their ability. The ECF was nearly depleted in Fiscal Years 2016, 2017, and 2018. However, in the recently completed FY 19, the ECF had \$1.1 million remaining it could roll into FY 20. So, we start FY 2020 with \$5.1 million in the ECF account. Furthermore, South Dakota’s three largest school districts, appear to have ended their school year with special education funding left in their reserves and so while I’ve got no crystal ball, no need appears on the horizon that would indicate a depletion of FY 20 funds from the state’s ECF.

Therefore, fiscally, we are in better shape than we were at this time last year.

Nevertheless, these are complicated issues – especially with providing funding for exploring ways to ease the burden of out of district placements. Whatever the amount available in the ECF, it is certainly worth developing policy recommendations or potential legislation to support schools in their work to provide a high-quality education to this portion of South Dakota’s next generation.

As always, the Department stands by ready to assist this committee. Linda Turner, the Director of Special Education in the department looks forward to supporting your work and will be doing a presentation this afternoon. At that time, she will get into the details of cost drivers and where we see the trends. We look forward to working with you all and providing all the support we can. We'll be happy to communicate any requests with Chair Rasmussen and the LRC staff and in the manor the committee requests.

Thank you.