What Parents Should Know...

About Special Education Funding in South Dakota

Understanding Special Ed. Funding

Special Education funding is a complicated and sometimes controversial topic. Understanding the education funding processes in South Dakota is important for families as they seek to ensure that the educational needs of their child/youth with a disability are met. South Dakota Parent Connection staff have heard statements about funding such as: “The school district receives $15,000 from the state to educate my child with a disability, I want to make sure they are spending it for the services he needs;” and “My school district says they don’t have the funds/staff to provide the services we think our child needs.” These statements require further conversation on the part of families and school personnel to reach consensus about programming for their child on an IEP. It is the responsibility of the local school district to provide a free, appropriate, public education (FAPE).

Special education services were federally mandated in 1975 with the passage of the Education for All Handicapped Children Act. This was later modified and became the Individuals with Disabilities Education Act (IDEA) and requires states to provide children with special education services as a condition of receiving federal funds.

When IDEA was enacted, it was estimated that children with disabilities cost approximately twice as much to educate as other children. Congress took that estimate figure into account when setting the maximum federal contribution at 40 percent of state average per pupil expenditure. Estimates of excess cost have not changed much over time. On average, most states estimate that special education monies from the federal government make up less than 15% of the cost. Rising special education spending is primarily the result of an expansion of the student population identified as “disabled,” and less the result of a disproportionate increase in the cost of special education services. This leaves local school districts and the state to fund the remaining costs.  

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South Dakota General Education Funding

General education funding provides the foundation for all K-12 students. The amount of state aid provided to local school districts for general K-12 education is based on an equitable formula that starts with the same amount of funding per student. Small schools receive more money per student. The total amount of per-student funding for a school district is paid for by a combination of money raised by the school district through local property taxes and money raised by the state through statewide taxes. School districts also have other sources of revenue for general education beyond state aid. Some other revenue sources include federal grants, utility taxes, bank franchise taxes, rental income, investment income, and fines. Schools have other specialized funds to pay for certain education projects: capital outlay and bond redemption over and above the per student allocation and federal, state and local funds over and above the per-student allocation for special education. The Department of Education (DOE) website provides a detailed and understandable explanation of how funding K-12 education works. [http://doe.sd.gov/ofm/documents/SAbrief16.pdf](http://doe.sd.gov/ofm/documents/SAbrief16.pdf). The per student allocation for 2014-2015 is $4,781.

Special Education Funding

Funding special education takes a similar approach and addresses the additional costs to educate students with disabilities. In 1997, a new formula to allocate special education funding for South Dakota public school districts was implemented. The new formula is based on allocating special education aid based on a student count and average cost per disability to serve special education students. Included in this legislation was a companion piece of supplemental aid for which districts may apply called Extraordinary Cost Funds (ECF).

The 2013 legislative session and new South Dakota administrative rules made significant changes to special education formula funding and the extraordinary cost funds application process. Local school districts may be eligible to receive ECF if the district meets certain criteria. Applications that may be submitted include a student with significant support needs (High Cost Student) which means expenditures for the student must exceed twice the funding level, a high cost program, or supplemental aid. In 2014 the total appropriation for ECF was $4,000,000 and 36 districts applied. This information is highlighted in a DOE brief. [https://doe.sd.gov/ofm/documents/ECFBri_15.pdf](https://doe.sd.gov/ofm/documents/ECFBri_15.pdf)

The proposed allocations for special education for 2015 are as follows: (SB 54 19th SD Legislative Assembly)

- Level one: a mild disability .......................................................... $4,896.58
- Level two: cognitive disability or emotional disorder .................. $12,037.48
- Level three: hearing impairment, deafness, visual impairment, deaf-blindness, orthopedic impairment or traumatic brain injury ........................................... $16,002.36
- Level four: autism .................................................................. $14,288.28
- Level five: multiple disabilities ................................................... $21,634.78
- Level six: prolonged assistance .................................................. $7,796.66

Does this mean that those exact dollars will be spent on one student? Not necessarily. The amounts are based on a formula that considers number of students and needs of students—the education of some students based on need may exceed the allocated dollars and the education of other students may be right on target or below the allocated dollars.

Let's consider the statements we often hear from parents quoted at the beginning of this article. “The school district receives $15,000 from the state to educate my child with a disability, I want to make sure they are spending it for the services he needs.” This would be a bookkeeping nightmare if the local district had to keep a separate account of expenditures for each child in the district. However, providing information about the cost of services might be helpful to ensure that families are comfortable with the services provided.

“My school district says they don't have the funds/staff to provide the services we think our child needs.” This might be considered a denial of services based on money. Placement decisions are made by the IEP team based on what a student needs, not on funds available. Understanding how the formulas work is important if families and schools are to effectively partner to meet the needs of all students and in particular, students with disabilities.

Locally elected school boards should keep families and the public informed about the cost of educating all students in the district. Additionally, families and school personnel should engage in open discussions about the costs of services for students with disabilities and the importance of educating all students to their fullest potential. Sharing these discussions with policy makers at the local, state and federal level can inform decision making regarding education funding.
Extended School Year (ESY) is special education or related services provided to students with an IEP (individualized education plan) when school is not in session, such as summer or other breaks. ESY cannot be limited to particular categories of disability, types of service, or age/grade. ESY is designed to:

- Maintain a student’s skills if they are likely to experience significant regression in the absence of services and an excessive amount of time to re-learn the skills once back in school
- Capitalize on a student’s emerging skills
- Address critical life skills addressed in a student’s IEP

How does a student qualify for ESY services?
The IEP team determines if ESY is needed, there is no one tool to qualify a student. ESY services to prevent regression of academic, communication, physical, self-help, or behavioral skills can be based on measurable data to indicate a pattern of regression, or a more subjective “likelihood” of regression of skills. The IEP team may consider ESY services to support “emerging skills” for a student on the brink of learning, acquiring or at a critical stage of developing a new skill. Finally, the IEP team may determine ESY services are needed to support “critical life skills” included in the student’s IEP goals.

Is there a cost to the family?
No. ESY is part of an individualized Free Appropriate Public Education (FAPE). An IEP team may decide that enrolling the student in an activity that has a cost is an appropriate way to provide ESY services; the school should cover those and related costs.

Does the plan for ESY have to include all of the IEP’s goals and services?
No. The IEP team decides on the goal(s) appropriate for the student at that time.

If my child received services last summer, will he or she get the same thing next summer?
Not necessarily. This is determined by the IEP team, either in the annual meeting (any time of year) or through an addendum, and is based on the student’s current needs and priority goals.

Do ESY services have to be in the Least Restrictive Environment, the same as during the school year?
No. The courts and the US Department of Education have recognized that it may be very difficult to create the same inclusive environment when most general education students are not in school.

Does the family have to go along with the ESY program that the school recommends?
No. Students are not required to attend ESY; parents may decide not to have their student participate. If a parent does not agree with the level of ESY services discussed during the IEP team meeting and offered the student, they can request reconsideration. A new IEP team meeting will be convened to consider the request along with reasons for the denial.

To Learn More About ESY...
Primer on the Provision of Extended School Year Services for Parents and Educators is a handy 15-point summary and has a two-page checklist. Available online at https://doe.sd.gov/oess/documents/SE_ExtScYr.pdf or contact SDPC at 1-800-640-4553 to request a hard copy. What Parents Should Know ...About Special Education in South Dakota (pages 124-125) and Dare to Dialogue...Reach Yes! (pages 9-10). Available from SDPC at sdpc@sdparent.org or call 1-800-640-4553.
Visit www.sdparent.org (Our Resources, Virtual Library, ESY) for additional resources.

ESY Can Be Based On Additional Factors Besides Those Listed
- Nature and Severity of Impairment
- Student’s Rate of Progress
- Parent’s Ability to Provide Educational Structure at Home
- Student’s Ability to Interact with Non-Disabled Students
- Curriculum That Requires Continued Attention
- Availability of Alternative Resources
- Break Would Intensify “Interfering Behavior,” such as Aggression or Self-Injury
- Vocational Needs
The ABLE Act (Achieving a Better Life Experience Act), passed last year by Congress and signed into law by President Obama in January, allows people with disabilities (with an age of onset up to 26 years old) and their families the opportunity to create a tax-exempt savings account that can be used for maintaining health, independence and quality of life. The National Disability Institute has created a list of 10 items about ABLE accounts that individuals with disabilities and their families should know:

**What is an ABLE account?**

ABLE Accounts are tax-advantaged savings accounts for individuals with disabilities and their families. Income earned by the accounts would not be taxed. Contributions to the account made by any person (the account beneficiary, family and friends) would not be tax deductible.

**Why the need for ABLE accounts?**

Millions of individuals with disabilities and their families depend on a wide variety of public benefits for income, health care, food and housing assistance. Eligibility for these public benefits (SSI, SNAP, Medicaid) require meeting a means or resource test that limits eligibility to individuals who report not more than $2,000 in cash savings, retirement funds and other items of significant value. To remain eligible for these public benefits, an individual must remain poor. For the first time in public policy, the ABLE Act recognizes the extra and significant costs of living with a disability. These include costs, related to raising a child with significant disabilities or a working age adult with disabilities, for accessible housing and transportation, personal assistance services, assistive technology and health care not covered by insurance, Medicaid or Medicare.

For the first time, eligible individuals and families will be allowed to establish ABLE savings accounts that will not affect their eligibility for SSI, Medicaid and other public benefits. The legislation explains further that an ABLE account will, with private savings, “secure funding for disability-related expenses on behalf of designated beneficiaries with disabilities that will supplement, but not supplant, benefits provided through private insurance, Medicaid, SSI, the beneficiary’s employment and other sources.”

**Am I eligible for an ABLE account?**

Passage of legislation is a result of a series of compromises. The final version of the ABLE Act limits eligibility to individuals with significant disabilities with an age of onset of disability before turning 26 years of age. If you meet this criteria and are also receiving benefits already under SSI and/or SSDI, you are automatically eligible to establish an ABLE account. If you are not a recipient of SSI and/or SSDI, but still meet the age of onset disability requirement, you would still be eligible to open an ABLE account if you meet SSI criteria regarding significant functional limitations. The regulations to be written in 2015 by the Treasury Department will have to explain further the standard of proof and required medical documentation. You need not be under the age of 26 to be eligible for an ABLE account. You could be over the age of 26, but must have the documentation of disability that indicates age of onset before the age of 26.

**Are there limits to how much money can be put in an ABLE account?**

The total annual contributions by all participating individuals, including family and friends, is $14,000. The amount will be adjusted annually for inflation. Under current tax law, $14,000 is the maximum amount that individuals can make as a gift to someone else and not pay taxes (gift tax exclusion). The total limit over time that could be made to an ABLE account will be subject to the individual state and their limit for education-related 529 savings accounts. Many states have set this limit at more than $300,000 per plan. However, for individuals with disabilities who are recipients of SSI and Medicaid, the ABLE Act sets some further limitations. The first $100,000 in ABLE accounts would be exempted from the SSI $2,000 individual resource limit. If and when an ABLE account exceeds $100,000, the beneficiary would be suspended from eligibility for SSI benefits and no longer receive that monthly income. However, the beneficiary would continue to be eligible for Medicaid. States would be able to recoup some expenses through Medicaid upon the death of the beneficiary.

**Which expenses are allowed by ABLE accounts?**

A “qualified disability expense” means any expense related to the designated beneficiary as a result of living a life with disabilities. These include education, housing, transportation, employment training and support, assistive technology, personal support services, health care expenses, financial management and administrative services and other expenses which will be further described in regulations to be developed in 2015 by the Treasury Department.

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Where do I go to open an ABLE account?

Each state is responsible for establishing and operating an ABLE program. If a state should choose not to establish its own program, the state may choose to contract with another state to still offer its eligible individuals with significant disabilities the opportunity to open an ABLE account.

The Department of Treasury is developing regulations that will guide the states in terms of a) the information required to be presented to open an ABLE account; b) the documentation needed to meet the requirements of ABLE account eligibility for a person with a disability; and c) the definition details of “qualified disability expenses” and the documentation that will be needed for tax reporting.

No accounts can be established until the regulations are finalized following a public comment period on proposed rules for program implementation. States will begin to accept applications to establish ABLE accounts before the end of 2015.

Can I have more than one ABLE account?

No. The ABLE Act limits the opportunity to one ABLE account per eligible individual.

Will states offer options to invest the savings contributed to an ABLE account?

Like state 529 college savings plans, states are likely to offer qualified individuals and families multiple options to establish ABLE accounts with varied investment strategies. Each individual and family will need to project possible future needs and costs over time, and to assess their risk tolerance for possible future investment strategies to grow their savings. Account contributors or designated beneficiaries are limited, by the ABLE Act, to change the way their money is invested in the account up to two times per year.

How many eligible individuals and families might benefit from establishing an ABLE account?

There are 58 million individuals with disabilities in the United States. To meet the definition of significant disability required by the legislation to be eligible to establish an ABLE account, the conservative number would be approximately 10 percent of the larger group, or 5.8 million individuals and families. Further analysis is needed to understand more fully the size of this market and more about their needs for new savings and investment products.

How is an ABLE account different than a special needs or pooled trust?

An ABLE Account will provide more choice and control for the beneficiary and family. Cost of establishing an account will be considerably less than either a Special Needs Trust (SNT) or Pooled Income Trust. With an ABLE account, account owners will have the ability to control their funds and, if circumstances change, still have other options available to them. Determining which option is the most appropriate will depend upon individual circumstances. For many families, the ABLE account will be a significant and viable option in addition to, rather than instead of, a Trust program.

Note: The above information was provided by National Disability Institute (NDI), a national nonprofit organization dedicated to building a better economic future for people with disabilities.
The Parent Education series is held the second Thursday of each month during the school year from 7 - 8:30 p.m. (Central Time) or 6 - 7:30 p.m. (Mountain Time). Sessions are offered online using Adobe Connect with the ability to ask questions through a chat feature. The link to participate online is [https://usdcd.adobeconnect.com/parenteductionsessions/](https://usdcd.adobeconnect.com/parenteductionsessions/). Participants may also attend the presentation each month at the University of South Dakota School of Medicine Center for Disabilities, 1400 W. 22nd Avenue, Room 126 in Sioux Falls (no child care provided). Following the live presentations, the recorded presentations are posted at [www.sdparent.org](http://www.sdparent.org) (Family Life, Parent Education Series) for viewing anytime.

The sessions are appropriate for all parents and those working with or supporting children with special needs. Pre-registration is encouraged, but not required. Register at [www.sdparent.org](http://www.sdparent.org) (Family Life, Parent Education Series) where you will also find materials which may be provided in advance of the presentation and previously recorded sessions. Call Tana at 605-361-3171 or 1-800-640-4553 if you have questions.

**April 9**  
**Financial Planning**  
Discussion explaining how to make sure your child with special needs is taken care of in the event of your death and how to get started. Items to be discussed: Wills, Special Needs Trusts, and Payback Trusts. Presenter: Gabe Nelson, Certified Financial Planner at Gabe Nelson Financial

**May 14**  
**Special Olympics South Dakota- We Aren’t Just a Track Meet**  
Come find out how Special Olympics is more than just a track meet. Special Olympics is a sports organization offering opportunities for all abilities, an agent for social change, and benefits athletes and their families in the classroom, home and community. Hear first-hand from athletes and advocates who have participated in Special Olympics. Presenter: Johna Thum, Special Events Director- Special Olympics South Dakota

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**Join the Fun on April 25 in Sioux Falls**

Sibshops will be **Saturday, April 25** from 10 a.m. - 1 p.m. in conjunction with Partners in Policymaking. The event will be held at the Ramkota, 3200 West Maple, in Sioux Falls. Lunch will be provided.

Sibshops is a free program designed specifically for brothers and sisters, ages 6-12, of children with special needs or disabilities. Sibshops is a time to meet other brothers and sisters of children with special needs, build friendships, have fun, do recreational activities, and share feelings with others who really know what it is like to have a sibling with a disability.

Pre-registration is required to attend. To register online for the April Sibshops visit [https://www.surveymonkey.com/r/ZWCGYQ5](https://www.surveymonkey.com/r/ZWCGYQ5) or call 1-800-640-4553 or 605-361-3171. Even if you have registered for a previous Sibshops, you still need to register for this upcoming Sibshops. For more information on Sibshops visit [www.sdparent.org](http://www.sdparent.org) (Family Life, Siblings)

Sibshops is a joint project of South Dakota Parent Connection, Here4YOUth, LifeScape, and the University of South Dakota Sanford School of Medicine Center for Disabilities.
Are You Ready for Summer?


If you’re like most parents of children with special needs, summer arrangements for your kids must be made well in advance. This year, don’t wait until the last minute to read those materials, make those phone calls, fill out those forms. Eliminate the stress of looming deadlines by scheduling some uninterrupted, focused time to take care of your summer plans. Take a look at your calendar and find a block of time—perhaps an hour or more—this week. Reserve that time for summer planning. Here are some things you may want to consider as you put your summer plans in place:

**Therapy**—What therapies will your child need to continue over the summer? Which ones can be put on hold? What are the therapists’ summer schedules? Summer school/classes/lessons—What forms need to be filled out? What accommodations can be made, if necessary?

**Sitters**—Will you need time with the sitter to go over summertime routines and how-to’s? What are your expectations the time your sitter will spend with your children this summer? (Visit [www.sdparent.org](http://www.sdparent.org) (Our Resources, Virtual Library, Child Care and Respite Care) for Joan’s article “How to Find, Train and Keep Great Sitters When You Have a Child with Special Needs.” and other tips on finding caregivers.

**Daycare**—Do you need to fill out any special permission forms? Will the care providers need any special warm-weather-related instructions?

**Camps**—Are there medical records you’ll need to submit with the camp application? Will you need to meet with the camp director and/or staff to discuss your child’s needs?

**Vacation**—If you’re traveling for vacation this summer, which hotels are the most family friendly? Which activities and destinations have accommodations or special programs for children with special needs?

**Respite Care**—Do you need to take a break? There are a growing number of excellent respite care programs that you may want to investigate. Remember to “care for the caregiver”—replenish your own inner reserves with some time off to relax, recharge, and renew.

**Downtime**—Block out dates and times on the summer calendar NOW for downtime. I know, it seems paradoxical to have to schedule downtime! But downtime is essential to the well being of everyone in the family. Make it a priority by providing regular time to just “be.”

It’s going to feel great to have all the summer preparations done in advance!
South Dakota Parent Connection has been empowering families across South Dakota for 30 Years! SDPC invites you and your family to celebrate 30 Years of Empowering Families on May 20 at Main Street Square in Rapid City and May 21 at Sertoma Park in Sioux Falls. Both celebrations will be from 4 - 7 p.m. for all families of children with special health needs or disabilities and the professionals who work with them. There will be food, music, activities and a celebration of families. “Empowering Families for 30 Years” will be a unique, local, family friendly festival. If you wish to support SDPC in celebrating families, please visit www.sdparent.org to make a donation. More details will be announced soon, but mark your calendar today!