

**GUIDELINES**  
**FOR LOCAL EDUCATIONAL AGENCIES APPLYING FOR**  
**DEPARTMENT OF DEFENSE (DOD) IMPACT AID**  
**FOR**  
**CHILDREN WITH SEVERE DISABILITIES**

**Purpose of the DoD Impact Aid for Children with Severe Disabilities Funds**

Section 363 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, P.L. 106-398 (codified at 20 U.S.C. 7703a) authorizes the Secretary of Defense to make a payment to each local educational agency (LEA) eligible to receive a payment on behalf of a military dependent child with a severe disability. These payments are for costs incurred in providing a free appropriate public education to each such child where the costs exceed specific criteria. Payments are made for special education and related services costs that are in excess of the average regular education per pupil expenditure in the State in which the LEA is located, less funds received from other sources for the special education costs of these military dependent children. These funds include those received from the State under the Individuals with Disabilities Education Act (IDEA) (20 U.S.C. 1400 et seq), and from any other sources to defray the costs of providing educational and related services to the child, which are received due to the presence of a severe disabling condition of such child.

**Who May Apply**

LEAs are eligible to apply for FY 2009 DoD Impact Aid for Children with Severe Disabilities only if they have applied and have been approved to receive Federal Impact Aid under Section 8003 of the Elementary and Secondary Education Act of 1965, as amended (20 U.S.C. 7703), from the U.S. Department of Education (ED) for fiscal year 2009 (FY 2009) (School Year 2007-2008).

**Threshold Eligibility for LEAs to Apply for Funds**

Eligible LEAs must have submitted an application to the ED for Federal Impact Aid for FY 2009, on which they indicated that they provided a free appropriate public education to military dependent children as described in subparagraph (A)(ii), (B), (D)(i) or (D)(ii) of section 8003(a)(1) of the Elementary and Secondary Education Act of 1965, as amended (20 U.S.C. 7703(a)(1)). LEAs may apply to the DoD Impact Aid for Children with Severe Disabilities for military dependent children with severe disabilities to whom they provided services during school year 2007-2008. These children must have been claimed by the LEA on the ED Application for Federal Impact Aid – Section 8003, to be children with disabilities (CWD). If, for any reason, the child was not identified by the LEA on the above mentioned application sent to ED (e.g., the child did not attend the school at the time the application was submitted, the parent did not complete the form stating military dependent, etc.), the LEA cannot claim the child for purposes of the DoD Impact Aid for Children with Severe Disabilities. If the LEA has specific questions regarding the child's eligibility for the Federal Impact Aid program, it should contact the ED.

**THE DEPARTMENT OF DEFENSE WILL ACCEPT AS ELIGIBLE ONLY THOSE CHILDREN CERTIFIED BY THE DEPARTMENT OF EDUCATION FOR THE SPECIFIED SCHOOL YEAR.**

This notice and application for DoD Impact Aid for Children with Severe Disabilities is sent only to those LEAs that have applied and qualified for the ED Federal Impact Aid program and have reported providing educational services to military dependent children with disabilities.

### **How to Apply**

An application and signature sheet (page 1 of the application) must be submitted (see submission instructions below). The application is identified as the Secretary of Defense Form number 816 (SD 816), with the form number SD 816C as a continuation sheet for those who need it. A sample "Section II - Payment Determination" is included as part of the form attachment.

To access the fillable application form, go to the Military K-12 Partners website at: [http://militaryk12partners.dodea.edu/reference\\_impactaid\\_disabilities.html](http://militaryk12partners.dodea.edu/reference_impactaid_disabilities.html). Scroll down to SD 816 or SD 816C and click on the link to the form.

The forms are available as a fillable ADOBE/PDF. It is necessary for applicants to download the form and save it to the hard drive on their computers to work on it. To do this, they will need to have a version of Adobe on their computer. You can download a free version at the Military K-12 Partners: [http://militaryk12partners.dodea.edu/reference\\_impactaid\\_disabilities.html](http://militaryk12partners.dodea.edu/reference_impactaid_disabilities.html). Under Required forms, click on "download Acrobat Reader for free" and download the Adobe Reader 9.1 software. Once this is complete, you will be able to save the fillable application form onto your computer.

### **Submission Instructions and Deadline**

The deadline for submitting an application is **5 PM EST, July 8, 2009**.

- Submit application by email only, as an attachment to [Dodea.impactaid@hq.dodea.edu](mailto:Dodea.impactaid@hq.dodea.edu).
- Submit signature sheet by fax only, to (703) 588-5330. The signature sheet must include the *email address of the certifying representative of the LEA*, whether it is the Superintendent or a designated representative authorized to act on behalf of the Superintendent.
- Both the electronic application and the faxed signature sheet must be received by **5 PM EST, July 8, 2009** to be eligible for FY 2009 funds.

**PLEASE DO NOT MAIL APPLICATIONS OR SEND BY A DELIVERY SERVICE (FEDEX, UPS, Airborne Express, etc.). RETAIN THE ORIGINAL IN THE LEA'S FILES. IF WE SHOULD LATER NEED ACCESS TO THE ORIGINAL APPLICATION, WE WILL ADVISE THE LEA.**

### **Late Applications**

Signature sheets that have a fax imprinted date later than **5 PM EST, July 8, 2009** or emailed applications sent later than **5 PM EST, July 8, 2009** will not be accepted.

### **Definition of Severe Disabilities**

For the purpose of determining eligibility for funds, the following definitions apply:

#### **Section 222.50 of title 34, Code of Federal Regulations:**

##### **Children with disabilities means children –**

(1)(i) With mental retardation, hearing impairments including deafness, speech or language impairments, visual impairment including blindness, serious emotional disturbance (hereinafter referred to as emotional disturbance), orthopedic impairments, autism, traumatic brain injury, other health impairments, or specific learning disabilities; *deaf-blindness, or multiple disabilities*, and (ii) Who, by reason thereof, need special education and related services.

(2) The term children with disabilities for children aged 3 *through 9, may at the discretion of the State and the local educational agency (34 CFR 300.7(b))*, include children –

(i) Experiencing developmental delays, as defined by the State and as measured by appropriate diagnostic instruments and procedures, in one or more of the following areas: physical

development, cognitive development, communication development, social or emotional development, or adaptive development; and

(ii) Who, by reason thereof, need special education and related services.

**Section 222.80(b) of title 34, Code of Federal Regulations:**

*Children with severe disabilities* means children with disabilities who because of the intensity of their physical, mental, or emotional problems need highly specialized education, social, psychological, and medical services in order to maximize their full potential for useful and meaningful participation in society and for self-fulfillment. The term includes those children with disabilities with severe emotional disturbance, schizophrenia, autism, severe and profound mental retardation, and those who have two or more serious disabilities such as deaf-blindness, mental retardation and blindness, and cerebral palsy and deafness.

**Criteria to Determine Eligibility for Payment**

For the LEA to be determined eligible for payment under the DoD Impact Aid for Children for Severe Disabilities program, the LEA must have applied for and been determined eligible for payment under the Federal Impact Aid Program by the ED for the specified school year.

In addition, under Section 363(a) of Public Law 106-398, the LEA must have provided services to **two (2) or more military dependent children with severe disabilities**. These military dependent children with severe disabilities must have been counted by the LEA on the Federal Impact Aid program application for the specified school year. Payments will be made to LEAs for costs incurred in providing a free and appropriate education to each such child only when payment was made on behalf of children whose individual educational or related services cost exceeded either (a) five times the national or State average per pupil expenditure (whichever is lower) for a special education (SPED) program that is located outside the boundaries of the school district of the LEA that pays for the services, or (b) three times the State average per pupil expenditure for an SPED program offered by the LEA, or within the boundaries of the district served by the LEA.

**Section 363(b) of Public Law 106-398:**

The amount of payment to the eligible local educational agency for a fiscal year for each child with a severe disability shall be –

- (1) the payment made on behalf of the child with a severe disability that is in excess of the average per pupil expenditure in the State in which the local educational agency is located; less
- (2) the sum of the funds received by the local educational agency –
  - A. from the State in which the child resides to defray the educational and related services for such child;
  - B. under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq) to defray the educational and related services for such child; and
  - C. from any other source to defray the costs of providing educational and related services to the child, which are received due to the presence of a severe disabling condition of such child (*e.g., Medicaid, Federal Impact Aid - Section 8003 for Children with Disabilities (CWD)*).

**Please note:**

The ED will provide DoD with the amounts received by the LEA from the State, under the IDEA, and under Federal Impact Aid for Children with Disabilities.



### **Where to Obtain Necessary Data**

In order to compute its maximum payment amount, the LEA will need to obtain data on special education costs of individual military dependent children who have severe disabilities and meet the threshold for payments. LEAs will need to identify the number of children who were residing on base or off base. If any of the eligible children were residing in base housing or in military housing undergoing renovation or rebuilding, and deemed as eligible for on-base housing, LEAs will also need to identify the number on the front page of the application. This information should be obtainable from the LEA representative that completed the ED Impact Aid Application for FY 2009.

Additionally, the LEA will need the amount of the average per pupil expenditure for regular education in the State in which the LEA is located. The appropriate data, from the ED, National Center for Education Statistics (NCES), is provided with these guidelines.

The LEA should determine its justifiable special education costs for each eligible military dependent child with severe disabilities to see if the LEA meets the criteria. Please review the section below on how to determine special education costs.

### **How to Determine Special Education Costs**

A breakdown of special education costs for individual students must be justifiable and submitted when requested. Only costs that are for special education and related services listed on the child's Individual Education Plan (IEP) are justifiable. These justifiable costs should be expenses that can be easily attributed to the specific military child with severe disabilities for whom the claim is being made and for the specified school year (i.e., the previous school year). **These costs can include direct costs and consultation costs but not case management costs, LEA indirect costs, or benefits.** All costs (including salaries) should be based on the specified school year.

Listed below are examples of procedures for determining the special education costs for a specific military child with severe disabilities. It is not mandatory that the LEA use the exact methods listed below, but the costs must be deemed justifiable by the DoD.

1. **Teacher Cost:**

The cost of the special education teacher that provides services to the military dependent child with severe disabilities prorated by the number of children in the class.

**Example A: Teacher Cost** The teacher's salary is \$50,000 and she services 10 special education children, one of whom is the military dependent child with severe disabilities, the teacher's salary should be divided by 10 to arrive at a teacher cost of \$5,000 for the child with severe disabilities. *Please include salary only-- but not benefits or other indirect costs.*

2. **Teacher's Aide Cost:**

If there is a special education teacher's aide that is assigned to the class and provides services to the military dependent child with severe disabilities, prorate the aide's salary by the number of children for which she provides services. If she provides services to only one class, prorate by the number of children in the class, but if she provides services to multiple classes, prorate her salary by all of the children in all of the classes for which she provides services.

**Example B: Teacher's Aide Cost** The teacher's aide's salary is \$20,000 and she services 10 special education children, one of whom is the military dependent child with severe disabilities, the aide's salary should be divided by 10 to arrive at an aide cost of \$2,000 for the child with severe disabilities. However, if that aide also provides services to another class of 10 children, her salary should be divided by 20 to arrive at an aide cost of \$1,000. If the aide is assigned only to the child with severe disabilities, her entire salary may be used for special education cost. *Please include salary only-- but not benefits or other indirect costs.*

3. **Supplies and Equipment Cost:**

If "special" supplies or equipment have been purchased for the particular military dependent child due to his/her educational plan, the cost of those supplies and/or equipment can be included. If, however, the supplies and/or equipment are purchased for more than one child, the cost must be prorated among the number of children. Depreciation must be factored into the cost of equipment by using a 5-year period for all equipment except computers, which require a 3-year depreciation period. *Depreciation, as used here, is the allocation of the cost of an asset over a period of time for accounting and tax purposes.*

**Example C: Supplies Cost** Supplies purchased by the LEA for a special education class of children with severe disabilities cost \$5,000. These supplies were used by 10 children with disabilities during the school year. Divide the cost of the supplies by the 10 children to arrive at a cost of \$500 per child. Therefore, \$500 would be the cost the LEA can assess for the military dependent child with severe disabilities in the class.

**Example D: Equipment Cost** The LEA purchases a \$2,000 computer unit for a special education class of children with severe disabilities. The computer is used by 20 children with disabilities during the school year. Since computers are depreciated over a 3-year period, divide the cost of the computer equipment by 3 (years) to get \$666.67. Next, divide the yearly cost of the computer by the 20 children who used it to arrive at a cost of per pupil cost of \$33.33. Therefore, \$33.33 is the cost the LEA can assess for the military dependent child with severe disabilities who used the computer, for the cost of the computer.

4. **Transportation Cost:**

If the LEA provided special transportation for the child with severe disabilities *according to the child's IEP*, the cost of the transportation services and the driver's salary should be prorated among the number of children that are serviced by the vehicle and the driver. The vehicle, however, must be depreciated over 5 years with the salvage value taken into consideration. The driver's salary must be prorated among the number of children for whom the driver provided services. If the vehicle is leased, the annual lease cost can be prorated among the number of children that are transported in the vehicle.

**Example E: Transportation Cost** A school bus is purchased for \$60,000 for use for special education children. The bus was used to transport 40 children during the school year. Since vehicles are depreciated over a 5-year period and the salvage value is expected to be \$8,000, subtract \$8,000 from \$60,000, which equals \$52,000. Then divide \$52,000 by 5 (years), which results in \$10,400 per year. Next, divide the yearly cost of the bus by 40 children to get \$260. Therefore, \$260 is the cost the LEA can assess for the military dependent child with severe disabilities for the cost of the bus. In addition, if the driver is

paid \$20,000 a year (for a part-time driver) and he provides three bus runs for 120 children, the LEA can divide \$20,000 by 120 to arrive at a driver's cost of \$166.67 per child. The LEA can then assess a cost of \$260 plus \$166.67 or \$426.67 for the transportation for the child with severe disabilities but only if it is included as a service on the child's IEP.

If the LEA can justify transportation costs for the child, and there is an aide assigned to the bus for the special education children, the aide's salary can be prorated in a similar method as determined for the bus driver, and included in the transportation cost. *For both bus drivers and aides, please include salary only-- but not benefits or other indirect costs.*

5. **Tuition Cost:**

If the military dependent child is in a program where there is a set cost or tuition per special education child, the tuition cost can be submitted. However, additional cost of staff, supplies or equipment cannot be included unless the LEA is responsible for the direct payment of these costs in addition to the costs of tuition.

6. **Related Services Cost:**

If the LEA is responsible for the costs of related services providers (speech, occupational therapy, etc.), the service provider's cost could be prorated by the number of children serviced to arrive at a per child rate.

**Example F: Related Services Cost** If the occupational therapist makes \$50,000 and sees 20 children for approximately the same amount of time, divide the \$50,000 salary by 20 children to arrive at a per child cost of \$2,500 for the military dependent child.

Although LEAs are not required to submit their cost justification with their application, it is recommended that they have a spreadsheet available to defend their submitted costs if it is requested by DoD prior to making an eligibility and payment determination.

**Where to Obtain National and State Average Per Pupil Expenditure**

For purposes of establishing the national and State per pupil expenditure, only data obtained from the ED, National Center for Education Statistics (NCES) for State Per Pupil Expenditures (SPPE) will be accepted. A chart entitled NCES CCD FY 2006 Finance Data, December 17, 2007 is enclosed.

*Note: If the LEA's State lists a different amount for per pupil expenditure, DoD will use the figure provided by NCES.*

**Where to Obtain the Amount Received from Sources other than State, the Individuals with Disabilities Act, or Federal Impact Aid**

Box number three (3) on page two (2) of the application should **only** be completed if the LEA receives funds other than those received from the State, IDEA, or Federal Impact Aid from the ED for the eligible children with severe disabilities. An example of such a payment would be from Medicaid. If the LEA receives such payments, it should be able to identify the amount of the payments for the eligible children. This information would, most likely, be obtained from its finance office. If the LEA is not aware of any such payments received for the eligible children, it should put a zero in box number 3.

### **Who Must Sign as Certifying Representative of the LEA**

The application must be signed by the Superintendent of Schools, or a designated representative authorized to act on behalf of the Superintendent, who certifies that the information submitted is accurate. An original signature must be faxed or sent by electronic mail to the required office. The email address of this official shall be included on the signature sheet of the application submission. *Do not mail original signatures to DoD; retain originals in your files.*

### **Computation of Payments**

Determinations of payment amounts will be based on the total amount of funds requested. If the funds appropriated for FY 2009 are insufficient to pay the full amount to all LEAs for justified costs, the payments to LEAs will be ratably reduced by an equal percentage.

### **When Can LEAs Expect Notification and Payment?**

Notifications to eligible LEAs on the amount of payment of DoD Impact Aid for Children with Severe Disabilities are estimated to be made by **August 15, 2009**, with a payment date of approximately **September 30, 2009**.

### **How Can LEAs Use the DoD Impact Aid for Children with Severe Disabilities Funds?**

The DoD Impact Aid for Children with Severe Disabilities is a reimbursement for money previously utilized for military dependent children with severe disabilities and, therefore, may be used without restriction.

### **NEED ADDITIONAL INFORMATION?**

Information about this program is also available on the web. To visit the Military-K12 Partners website click the following link:

[http://militaryk12partners.dodea.edu/reference\\_impactaid\\_disabilities.html](http://militaryk12partners.dodea.edu/reference_impactaid_disabilities.html).

*If you have questions, please contact Ms. Keisha Brown via phone at (703) 588-3178, facsimile at (703) 588-5330, or email at [Dodea.impactaid@hq.dodea.edu](mailto:Dodea.impactaid@hq.dodea.edu).*