



DEPARTMENT OF DEFENSE EDUCATION ACTIVITY
HEADQUARTERS
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GUIDELINES FOR LOCAL EDUCATIONAL AGENCIES APPLYING FOR DOD IMPACT AID FOR MILITARY DEPENDENT STUDENTS WITH SEVERE DISABILITIES

Purpose of the DoD Impact Aid for Children with Severe Disabilities Program

Section 363 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year (FY) 2001, P.L. 106-398 (codified at 20 United States Code (U.S.C.) § 7703a), authorizes the Secretary of Defense to make a payment on behalf of military dependent students with severe disabilities to each local educational agency (LEA) eligible to receive Federal Impact Aid from the U.S. Department of Education (ED) under 20 U.S.C. § 7703.

The DoD payment for Military Students with Severe Disabilities is separate from and in addition to the ED Impact Aid payments and is to partially reimburse the LEA for costs incurred to provide special education (SPED) and related services to two or more military dependent students with severe disabilities (as described in 20 U.S.C. § 7703(a)(1), subparagraphs (A), (B), and (D) of title 34 Code of Federal Regulations (CFR) part 222.80(b)).

The DoD payment is for expenses incurred by the LEA in the same year for which the LEA received ED Impact Aid payments, and is payable to the LEA only if the LEA identified the military students with severe disabilities in its Impact Aid application, among its other children with disabilities (CWD) (defined at 34 C.F.R. part 222.50). The DoD payment made on behalf of military dependent students with severe disabilities is the amount that is in excess of the average per pupil expenditure in the State in which the LEA is located, less the sum of funds received from other sources to defray the educational and related services costs such as funds received from the State, under the Individuals With Disabilities Education Act (IDEA), and from any other sources. Funds for reimbursing LEAs for expenses incurred on behalf of military dependent students with severe disabilities are only available when Congress has appropriated funds to DoD for the FY immediately following the school year (SY) in which the LEAs incurred qualified expenses.

Who May Apply

Any LEA may apply for the DoD reimbursement if it received a notice from Department of Defense Education Activity (DoDEA) identifying the LEA as having qualified to apply for the DoD reimbursement. The LEA may apply to the DoD for reimbursement only on behalf of those military dependents with severe disabilities 1) that the LEA included in its group of CWD that it identified in its application for Impact Aid; and 2) its applications for Impact Aid and for Impact Aid for Military Dependents with Severe Disabilities are for expenses incurred in the same SY; 3) and the LEA incurred costs for educating (including providing related services to) each of two or more military dependents with severe disabilities and the cost exceeded (a) five times the national or state average per pupil expenditure (whichever is lower) for each military dependent with severe disabilities to whom the LEA provided education and related services under a program that is located outside the boundaries of the school district of the LEA that pays for the

FAPE of the child or (b) three times the state average per pupil expenditure for each military dependent student with severe disabilities who is provided educational and related services under a program offered by the LEA or within the boundaries of the district served by the LEA.

If, for any reason, the LEA did not identify a military dependent student as a CWD on the LEA's Impact Aid application it submitted to ED (e.g., because the child did not attend the school at the time the application was submitted, or the parent did not complete the form declaring a military dependent, etc.), the LEA cannot claim the child for purposes of DoD Impact Aid for Children with Severe Disabilities.

Application Procedure

An LEA must complete a Secretary of Defense (SD) form number SD 816 (and, if a continuation sheet is needed, form number SD 816C). The LEA must submit the form to DoD as an attachment to an email addressed to DoDEAImpactAid@dodea.edu. The signature and 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, must appear on the application. Please do not mail applications or send by delivery service (U.S. mail, FEDEX, UPS, Airborne Express, etc.).

The Data Universal Numbering System (DUNS) number listed on your application must be active on www.sam.gov on the date that DoDEA receives your application to be eligible to receive DoD Impact Aid.

The deadline for submitting an application is **July 15, 20XX**.
Late applications are not accepted.

How to Access the DoD Forms

The preferred forms are available in fillable Adobe/PDF (Adobe Acrobat). It is necessary for LEA applicants to download the form and save it to the hard drive on their computers to work on it.

To access the fillable application form, go to the SD Forms Inventory website at: http://www.esd.whs.mil/Directives/forms/sd_forms. Scroll down to SD816/SD816C and click on the link to the form and then click on DOWNLOAD FORM. A sample "Section II - Payment Determination" is included as part of an attachment to the SD Form 816/816c.

The Adobe PDF form can be downloaded and saved only if the LEA has purchased Adobe Acrobat software. Without the Adobe Acrobat software, an LEA can fill in the forms and print them, but they will not be able to save the data or mail the forms electronically.

If an LEA is unable to use the Adobe Acrobat software, it may request the Excel version of the form from DoDEAImpactAid@dodea.edu.

Where to Obtain Necessary Data

The LEA must obtain data on the justifiable SPED costs it incurred on behalf of each individual military dependent student with a severe disability during the previous SY. Please review the section below entitled *How to Determine Justifiable Special Education Costs*.

Of the total number of military dependent students for whom an LEA is applying for a payment, the LEA will need to identify on the first page of the application the number of students who resided in base housing, and the number that resided off base. This information is obtainable from the LEA representative that completed the ED Impact Aid Application for the previous FY.

In addition, the LEA will need the amount of the average per pupil expenditure for regular education in the state in which the LEA is located, and for the nation if it supplied SPED to a military child with disabilities in a school outside of the LEA. The Per Pupil Expenditure Chart may be obtained from <http://www.dodea.edu/Partnership/disabilities.cfm>. If your state lists a different amount for per-pupil expenditure, DoD will use the figure provided by NCES.

DoD will obtain other data from ED that it will use to verify LEA information and for calculating the amount payable to the LEA from DoD, including: the state or national average per pupil expenditure, the amount an LEA received per child under the IDEA, the amount the LEA received per child from the State, and the amount the LEA received from the ED for military dependent students who reside on or off base.

How to Determine Justifiable SPED Costs

Justifiable costs include only direct costs and consultation costs incurred to provide a child with a free appropriate public education. Thus, costs that are for SPED listed on the child's Individual Education Plan (IEP) are justifiable, provided the expenses can be directly attributed to the specific military child with severe disabilities for whom the claim is being made for the same SY for which the LEA received Impact Aid.

All other costs (including the prorata share of salaries) that are allocable to providing a FAPE to a military dependent student with severe disabilities are justifiable.

LEA's only report to DoD the totals of each student claimed; however, in order to withstand audit, LEAs must retain documentation showing a breakout of the SPED costs for each student and how the LEA calculated the total cost for each student.

Costs may not include case management costs, LEA indirect costs (i.e., General & Administrative expenses, etc.), or benefits.

Examples of methods to determine SPED costs are listed below.

1. **Teacher/Teacher's Aide Cost:** The cost of the SPED teacher (or aide) who provides services to the military dependent student with severe disabilities is prorated by the number of children in the class. If he/she provides services to only one class, divide by the number of children in the class, but if he/she provides services to a multiple classes, prorate his/her salary by all of the children in all of the classes for which he/she provides services.
Please include salary only, not employee benefits or other indirect costs.

Example:

If the teacher/aide is assigned only to the military child with severe disabilities, his/her entire salary may be used for SPED cost. If the teacher's/aide's salary is \$50,000 and he/she services 10 SPED children, one of whom is the military dependent student with severe disabilities, the teacher's/aide's salary should be

divided by 10 to arrive at a teacher cost of \$5,000 for the child with severe disabilities. However, if the teacher/aide also provides services to another class of 10 children, his/her salary should be divided by 20 to arrive at a cost of \$2,500. When multiple teachers/aides provide services to a military child with severe disabilities, the above formula applies for each teacher/aide that serves a military child with severe disabilities.

2. **Supplies and Equipment Cost:**

Section 80.3 (34 CFR 80.3) defines equipment as tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. Supplies, subsequently, are defined as items with costs that fall below the equipment threshold.

If “**special**” supplies or equipment have been purchased for the particular military dependent student due to his/her educational plan, the cost of those supplies and/or equipment, less its salvage value, called the depreciated basis, can be included. If, however, the supplies and/or equipment are purchased for more than one child, the cost depreciation basis must be prorated among the number of children receiving the benefit of those supplies or equipment. Depreciation must be factored into the cost of purchased equipment. Depreciation, as used here, is the allocation of the depreciation basis over a period of time (i.e., its useful life). The useful life authorized for depreciating equipment, except for computers, is five-years; computers may be depreciated over three-years. Thus, the depreciated cost of the equipment that may be included in the calculation of incurred expenses is $1/5^{\text{th}}$ of the depreciation basis of most equipment, and $1/3^{\text{rd}}$ the depreciation basis of computers. If equipment is leased, the lease cost, divided by the duration of the lease and prorated among the number of children using the equipment, is the effective “depreciated” expense that may be claimed.

Example A: Supplies Cost

Supplies purchased by the LEA for a SPED class of children with severe disabilities cost \$5,000. These supplies were used by 10 CWDs during the SY. 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 student with severe disabilities in the class.

Example B: Equipment Cost

The LEA purchases a \$2,000 computer unit for a SPED class of children with severe disabilities. The computer is used by 20 CWDs during the SY. Assume the salvage value of the computer is \$200.00. Since computers are depreciated over a three-year period, divide the asset’s depreciation basis (i.e., the cost of the computer equipment (\$2,000.00) after subtracting its salvage value (\$200.00), or \$1,800.00) by 3 (years) to get \$600.00. Next, divide the yearly cost of the computer by the 20 children who used it to arrive at a per-pupil cost of \$30.00. Therefore, \$30.00 is the cost the LEA can assess for the military dependent student with severe disabilities who used the computer for the cost of the computer.

3. **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 five years with the salvage value taken into consideration. If the vehicle is leased, the lease cost, divided by the duration of the lease, and prorated among the number of children, is the effective "depreciated" expense that may be claimed. The driver's salary must be prorated among the number of children for whom the driver provided services.

Example:

A school bus is purchased for \$60,000 for use for SPED children. The bus was used to transport 40 children during the SY. Since vehicles are depreciated over a five-year period and the salvage value is expected to be \$8,000, subtract \$8,000 from \$60,000, to obtain the depreciation basis, 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 \$300. Therefore, \$300 is the cost the LEA can assess for the military dependent student 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 \$300 plus \$166.67 or \$466.67 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 SPED 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/or aides, please include salary only but not benefits or other indirect costs.**

4. **Tuition Cost:** If the military dependent student is in a program where there the LEA incurred a cost or tuition per SPED child, the tuition cost can be claimed. However, additional cost of staff, supplies and/or equipment cannot be claimed unless the LEA is responsible for the direct payment of these costs in addition to the costs of tuition.
5. **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 served to arrive at a per-child rate.

Example

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 student. If the therapist sees children for varying amounts of time, use the therapists hourly rate times the time (in quarter hour intervals) spent serving the military child with severe disabilities.

Although LEAs are not required to submit their cost justification with their application, it would be prudent to 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 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 list the amount received from sources other than the State, the Individuals with Disabilities Education Act, or Federal Impact Aid to defray the costs of educational and related services to the child which are received due to the presence of a severe disabling condition. Included here are payments from Medicaid or Medicare, private contributions, or other funding sources. This information would, most likely, be obtained from the LEA's 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. The email address of this official shall be included on the signature sheet of the application submission.

How Long a Local Educational Agency Must Retain Records

According to Section 222.10 of 34, Code of Federal Regulations:

An LEA must retain the records described in Section 222.9 until the later of—

- (a) Three years after the last payment for a FY; or
- (b) If the records have been questioned on Federal audit or review, until the question is finally resolved and any necessary adjustments to payments have been made.

How Individual Student Totals Are Determined After An Application Is Received

The amount of the DoD payment to an LEA for the FY for each military dependent student with a severe disability is based on each LEA's cost determined as follows: the amount the LEA incurred on behalf of its military dependents with severe disabilities that is in excess of the average per pupil expenditure in the state in which the LEA is located; less the sum of:

- funds received by the LEA from the state in which the child resides to defray the educational and related services for such child; plus
- funds received from the state under the Individuals with Disabilities Education Act (IDEA, 20 U.S.C. 1400 et seq.) to defray the educational and related services for such child; plus
- funds received 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 CWDs). See 20 U.S.C. 7703a(b).
- CWD funds received from ED for students residing on or off federal property.

How LEA Award Payments Are Calculated

To calculate the amount to be received by each LEA, the individual student costs (see above) are added together to obtain the total cost incurred by each LEA for each military dependent with severe disabilities (i.e., on those behalf the district spent 3x or 5x the state or national average). Then the LEA totals are summed to obtain the total amount of benefits requested by all LEAs.

The total benefits requested are then compared to the total federal appropriation, which is always less than the total benefit request. The percentage of reimbursement allocable to each LEA (the LEA prorata amount) is calculated by dividing the federal funds available by the total benefit request.

When to Expect Notification and Payment

Assuming that the DoD has received its appropriation for the FY, it anticipates that it will calculate the amounts due to each LEA and notify the LEA of the amount of its Impact Aid for Military Dependent Students with Severe Disabilities incurred not later than September 1 of the FY. DoD will then make payment to each LEA by September 31 of the FY.

How LEAs Can Use DoD Impact Aid/Financial Assistance for Military Dependent Students with Severe Disabilities Funds

DoD Impact Aid for Military Children with Severe Disabilities funds must be used to provide a free appropriate public education to children with disabilities.

Definitions

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

children (students) with disabilities. Defined in Section 1401(3) of Title 20, U.S.C.

children (students) with severe disabilities. Children whose disabilities involve extensive mental, physical, or behavioral impairment, or a combination of multiple impairments, likely to be permanent in nature and greatly compromising an individual's ability to function independently in the community, perform self-care, or obtain employment, in accordance with State rules implementing the Individuals with Disabilities Education Act, applied to the States through Part 300 of Title 34, Code of Federal Regulations, and for whom the LEA is providing more special education and related services than are provided for children with mild and moderate disabilities in special education programs.

military dependent student. For purposes of DoD Impact Aid for Children with Severe Disabilities, students in ADA in the LEA, and for whom the LEA provided a FAPE during the preceding school year and who, while in attendance at the LEA one of the following applied:

Resided on Federal property with a parent who is an official of, and accredited by, a foreign government and is a foreign military officer.

Resided on Federal property and had a parent on active duty in the uniformed services.

Had a parent on active duty in the uniformed services but did not reside on Federal property.

Had a parent who is an official of, and has been accredited by, a foreign government and is a foreign military officer but did not reside on Federal property.

*LEAs cannot claim the children of DoD civilians/contractors for DoD Impact Aid for Children with Severe Disabilities

For Additional Information

Please visit the DoD Impact Aid Program website at <https://www.dodea.edu/Partnership/impact.cfm> or email DoDEA at DoDEAImpactAid@dodea.edu.