



# Indiana Department of Education

Dr. Katie Jenner, Secretary of Education

To: Indiana Superintendents and Special Education Directors

From: Dr. Nancy J. Holsapple, Director of Special Education, Sarah Fields, Senior Fiscal Specialist

Date: April 11, 2022

Subject: Funding Sources for Students with Exceptional Needs

School corporations are requested to review this guidance in relationship to Special Education Excess Costs (SEEC). The following is a list of funding streams that may be available to local educational agencies (LEAs) to cover the costs (whole or in-part) for residential placements, day school, or 1:1 specialized services. Each fiscal year, the Indiana Department of Education (IDOE) is allocated \$24,070,000 in state funding by the Indiana General Assembly to supplement schools in funding the excess cost of providing services to students with extraordinary educational needs. The SEEC fund is a finite pool of funding, and LEAs are expected to utilize other available resources prior to applying for funding from the IDOE to ensure SEEC dollars are reserved for the most-costly and exceptional student needs.

**The expectation is that an LEA has accessed and exhausted all available resources prior to submitting a SEEC application to IDOE.**

- **ESSER II, ESSER III** – Signed into law on March 27, 2020, the United States Department of Education awarded funding to state educational agencies (SEAs) for the purpose of providing LEAs, including charter schools, with emergency relief funds to address the impact that COVID-19 has made on elementary and secondary schools across the nation. These funds can be utilized for the costs of special education.
- **IDEA, Part B American Rescue Plan (ARP)** – IDEA ARP funds are supplemental to the Part B, IDEA funds allocated to LEAs specifically for special education. These grant awards are available for LEA use until September 30, 2023. IDEA ARP funds may be used for all allowable purposes under Part B of IDEA and are subject to all requirements and provisions that apply to IDEA funds, including requirements and provisions under IDEA, EDGAR, and the OMB Uniform Guidance. Expenses for 1:1 paraprofessional or related services, residential treatment, and services in an alternative educational setting are allowable using IDEA ARP funds.
- **IDEA, Part B 619 (ages 3-5) and 611 (ages 3-21) grant funds** – IDEA, Part B grants are restricted federal funds provided to LEAs to assist with the excess cost of providing special education and related services for students with disabilities. Expenses for 1:1 paraprofessional or related services,



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residential treatment, and services in an alternative educational setting are allowable using IDEA, Part B funds.

- **Federal Medicaid funds** – Medicaid funds are unrestricted federal funds that could be recovered for costs associated with services required by an Individualized Education Plan (IEP) or allowable Medicaid Administrative Claiming (MAC) costs. Medicaid funds may be used at the discretion of the LEA, provided no local policy, school board decision, or contract/Memorandum of Understanding (MOU) directs otherwise or imposes limitations. For questions regarding federal Medicaid funds, please contact Tracy Brunner, IDOE Special Education Fiscal and Medicaid Specialist, at [tbrunner@doe.in.gov](mailto:tbrunner@doe.in.gov).
- **Title (I, IV) Program funds** – Title I funding provides financial assistance to LEAs and schools with high numbers or high percentages of children from low-income families to help ensure that all children meet challenging state academic standards. Title IV funds are intended to: (A) support a well-rounded education by incorporating advanced classes, fine arts, foreign languages, STEAM, and other innovative programming; (B) create safe and healthy schools through the utilization of social-emotional learning and healthy lifestyle habits; (C) effectively utilize technology through properly preparing staff as well as provide high-quality digital learning experiences for underserved students. LEAs which qualify for Title I or IV funding may use some of the allocation for services for students with disabilities.
- **McKinney-Vento funds** – McKinney-Vento is federal funding provided to help serve students who are homeless. These funds may support tutoring, supplemental instruction, and other educational services, expedited evaluations, and special education and related aids or services under Part B of IDEA.
- **FSSA’s Division of Mental Health & Addiction (DMHA)** – DMHA includes the local Youth Mental Health System Of Care (“SOC”), child mental health wrap-around services, and intensive community-based alternative programs and services. In addition to DMHA-funded services and programs, LEAs can watch for occasional DMHA grant announcements to help expand capacity on the [FSSA DMHA webpage](#).
- **Department of Child Services/DCS funds** – A student determined to be a child in need of services (CHINS)” or a ward of the court is eligible for Medicaid-covered treatment services and may be entitled to DCS-funded treatment services, including residential treatment, if DCS initiates placement. In extremely difficult cases, DCS may work directly with other agencies/programs (including juvenile justice, DMHA, and Medicaid) to blend funding and program services to meet the individual child’s needs.



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- **Public Health Insurance** – In addition to Medicaid reimbursements for providing covered IEP-required medical services, there may be an opportunity with parental consent to coordinate with Medicaid/Medicare managed care plans that furnish all other services to the child, unless required by an IEP.

NOTE: A child diagnosed with a developmental disability, intellectual disability, autism, or traumatic brain injury may receive **Medicaid-covered home and community-based waiver** services and supports. Though waiver services cannot be provided in the educational setting, their availability may help parents coordinate services to address the student's complete medical needs.

- **Private Health Insurance** – A parent, grandparent, or legal guardian may have group health insurance coverage that can help address medical and behavioral health needs of a student with a disability.

NOTE: A potential free appropriate public education (FAPE) violation could occur if the LEA bills private insurance *for IEP services necessary to provide FAPE*.

Please contact Sarah Fields, IDOE Senior Excess Cost Specialist, at [sfields@doe.in.gov](mailto:sfields@doe.in.gov) with questions regarding SEEC.