

CHAPTER 24:05:33.01

EXTRAORDINARY COSTS

Section

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24:05:33.01:01. Extraordinary Cost Oversight Board. The department shall establish an Extraordinary Cost Oversight Board to review all school district requests for extraordinary cost funds. The board shall meet a minimum of ~~twice a year~~ once a year and shall recommend to the

secretary those districts which should be approved for extraordinary cost fund expenditures, as well as those districts which should not be approved for such expenditures.

The secretary has final authority to approve or disapprove extraordinary cost fund expenditures.

Source: 23 SDR 31, effective September 8, 1996.

General Authority: SDCL 13-37-1.1, 13-37-46.

Law Implemented: SDCL 13-37-1.1, 13-37-38, 13-37-46.

24:05:33.01:02. Terms of board members. The secretary shall appoint seven members to the Extraordinary Cost Oversight Board. Appointment to the board is limited to a maximum of five years. The secretary shall use a staggered appointment schedule when appointing members.

Source: 23 SDR 31, effective September 8, 1996.

General Authority: SDCL 13-37-1.1, 13-37-46.

Law Implemented: SDCL 13-37-46.

24:05:33.01:03. Composition of board. The membership of the Extraordinary Cost Oversight Board shall include representatives from each of the following groups:

- (1) Department of Education;

- (2) School districts with an average daily membership of 2,000 or greater;
- (3) School districts with an average daily membership of 360 to 2,000;
- (4) School districts with an average daily membership of less than 360.

Source: 23 SDR 31, effective September 8, 1996; 33 SDR 236, effective July 5, 2007.

General Authority: SDCL 13-37-1.1, 13-37-46.

Law Implemented: SDCL 13-37-46.

24:05:33.01:04. Board alternates. The secretary shall appoint alternates for the board members as follows to serve in place of a board member who may have a conflict of interest:

- (1) School districts with an average daily membership of 2,000 or greater;
- (2) School districts with an average daily membership of 360 to 2,000;
- (3) School districts with an average daily membership of less than 360.

Alternates shall serve the same term as the equivalent board appointee.

Source: 23 SDR 31, effective September 8, 1996; 33 SDR 236, effective July 5, 2007.

General Authority: SDCL 13-37-1.1, 13-37-46.

Law Implemented: SDCL 13-37-46.

24:05:33.01:05. Extraordinary costs. ~~Extraordinary costs include the cost of providing a free appropriate public education to students with disabilities that is not covered by a district's~~

~~revenues from the maximum tax levy as defined in SDCL 13-37-16.~~ Extraordinary costs shall be defined as follows:

- 1) High Cost Student - the costs of an extraordinary high cost student is defined as a student who has been identified as eligible for special education and related services and has a current Individualized Education Program (IEP). The intensity, frequency and diversity of the special education needs of the student exceed the typical needs of a child with a disability. The cost of providing such services is at least twice the funding allocation for the student as defined in SDCL 13-35-37.1.
- 3) High Cost Program - the costs of an extraordinary high cost program is defined as a program for children that have been identified as eligible for special education and related services and each one having a current Individualized Education Program (IEP). The intensity, frequency and diversity of the special education needs of one or more of the students exceeds the typical needs of a child with a disability. The cost of providing such services meets the eligibility criteria outlined on the application form.
- 4) Supplemental Aid - the costs of an extraordinary supplemental aid program is defined as a program for children that have been identified as eligible for special education and related services and each one having a current Individualized Education Program (IEP) and the cost to provide such services is in excess of the total revenues available. The maximum allowable request for a school district is \$50,000.

Source: 23 SDR 63, effective January 1, 1997.

General Authority: SDCL 13-37-1.1.

Law Implemented: SDCL 13-37-1.1, 13-37-38, 13-37-39, 13-37-40, 13-37-41.

24:05:33.01:06. Applications. Eligible school districts must apply for extraordinary cost funds on a forms provided by the secretary. A school district's application for extraordinary cost funds may not include requests for funding of capital acquisitions. An eligible school district may apply for extraordinary cost funds based on a high cost student or a high cost program or supplemental aid or may apply based on both high cost student and supplemental aid. A school district that applies for extraordinary cost funds based on a high cost program may not apply for supplemental aid.

Source: 23 SDR 63, effective January 1, 1997.

General Authority: SDCL 13-37-1.1.

Law Implemented: SDCL 13-37-1.1, 13-37-38, 13-37-39, 13-37-40, 13-37-41.

24:05:33.01:07. Required documentation. A school district's application for extraordinary cost funds must include the following documentation:

- ~~(1) The most recent annual financial report of the school district; and~~
- ~~—— (2) For special education funds, the most recent balance sheet and statement of revenues, expenditures and changes in fund balance - budget and actual for the portion of the fiscal year~~

completed for special education funds, prepared in accordance with generally accepted accounting principles.

The Extraordinary Cost Oversight Board and the secretary of the Department of Education may not consider an application for extraordinary costs funds if the individual education programs do not meet the requirements of this article, the school district does not use generally accepted accounting principles, or special education revenues and expenditures are not recorded in accordance with the accounting manual provided for in SDCL 4-11-6.

Source: 23 SDR 63, effective January 1, 1997; 26 SDR 150, effective May 22, 2000; 33 SDR 236, effective July 5, 2007.

General Authority: SDCL 13-37-1.1.

Law Implemented: SDCL 13-37-1.1, 13-37-38, 13-37-39, 13-37-40, 13-37-41.

Cross-References:

Individual education program, ch 24:05:27.

Auditing, accounting, and review standards, § 20:37:11:07.

Accounting principles, § 20:37:11:08.

Accounting manual for counties, municipalities, school districts and their agencies, SDCL 4-11-6.

Source: 23 SDR 63, effective January 1, 1997; 33 SDR 236, effective July 5, 2007.

General Authority: SDCL 13-37-1.1.

Law Implemented: SDCL [13-37-1.1](#), [13-37-38](#), [13-37-39](#), [13-37-40](#), [13-37-41](#).

24:05:33.01:09. Maximum tax levy required. To be eligible for extraordinary cost funds, a school district must levy ~~and expend~~ the maximum amount allowed pursuant to SDCL [13-37-16](#).

~~The department may allocate extraordinary cost funds to a school district only after the difference between the actual local tax effort and the required levy has been reconciled.~~

Source: 23 SDR 63, effective January 1, 1997.

General Authority: SDCL 13-37-1.1.

Law Implemented: SDCL 13-37-1.1, 13-37-38, 13-37-39, 13-37-40, 13-37-41.

24:05:33.01:10. Reconsideration of extraordinary cost fund applications.

When a school district's extraordinary cost fund application has not been recommended for funding by the Extraordinary Cost Fund Board and the secretary, the school district has 10 working days to submit a written request to the secretary for a reconsideration of their application. The secretary of education has 10 working days to either uphold the denial of funding or approve funding for all or a portion of the requested amount.

Source:

General Authority: SDCL 13-37-1.1.

Law Implemented: SDCL 13-37-1.1, 13-37-38, 13-37-39, 13-37-40, 13-37-41.

24:05:33.01:11. Repayment of funds in excess of allowable fund balance.

Extraordinary cost funds must be repaid to the Department of Education when a school district ends the fiscal year in excess of the allowable special education fund balance as per SDCL 13-37-44. The amount of the repayment is equal to the amount in excess of the allowable fund balance and may not exceed the total extraordinary cost funds paid to the district in the fiscal year.

Source:

General Authority: SDCL 13-37-1.1.

Law Implemented: SDCL 13-37-1.1, 13-37-38, 13-37-39, 13-37-40, 13-37-41.

24:05:33.01:12. Prior year expenditures. Extraordinary cost funds may not be approved to fund a prior year expenditure of the school district.

Source:

General Authority: SDCL 13-37-1.1.

Law Implemented: SDCL 13-37-1.1, 13-37-38, 13-37-39, 13-37-40, 13-37-41.

24:05:22.01:13. Funds set aside for supplemental aid applications. Ten percent of the total appropriation for extraordinary cost funds shall be set aside to fund the supplemental aid

applications. If the applications for supplemental aid are in excess of the ten percent the board may adjust or prorate the requested amounts. Any remaining funds from the set aside for supplemental aid may be used by the extraordinary cost fund board to fund either high cost student or high cost program applications.

The Extraordinary Cost Fund board shall give funding priority to applications for high cost students.

Source:

General Authority: SDCL 13-37-1.1.

Law Implemented: SDCL 13-37-1.1, 13-37-38, 13-37-39, 13-37-40, 13-37-41.