



Department of Defense

INSTRUCTION

NUMBER 1342.18
February 6, 2006

USD(P&R)

SUBJECT: Financial Assistance to Local Educational Agencies (LEAs)

References: (a) DoD Instruction 1342.18, "Financial Assistance to Local Education Agencies," August 10, 1999 (hereby canceled)
(b) Section 7703 note of title 20, United States Code
(c) Section 7703a of title 20, United States Code
(d) Section 7703 of title 20, United States Code
(e) through (k), see Enclosure 1

1. REISSUANCE AND PURPOSE

This Instruction:

- 1.1. Reissues reference (a).
- 1.2. Updates responsibilities and procedures according to reference (b) to provide financial assistance to eligible local educational agencies (LEAs) to benefit dependent students of members of the Armed Forces and DoD civilian employees.
- 1.3. Assigns responsibilities and prescribes procedures according to reference (c) for providing payments to eligible LEAs that provide services to military dependent children with severe disabilities.

2. APPLICABILITY

This Instruction applies to the Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities in the Department of Defense (hereafter referred to collectively as the "DoD Components").

3. DEFINITIONS

Terms used in this Instruction are defined in Enclosure 2.

4. POLICY

DoD shall provide financial assistance to LEAs that benefit military dependent students under reference (b) and payments to LEAs that provide services to military dependent children with severe disabilities under reference (c), when funds are appropriated for these purposes.

5. RESPONSIBILITIES

The Under Secretary of Defense for Personnel and Readiness (USD(P&R)) shall:

- 5.1. Monitor compliance with this Instruction and references (b) and (c).
- 5.2. Develop and administer procedures according to references (b) and (c) to:
 - 5.2.1. Determine the eligibility of LEAs for financial assistance.
 - 5.2.2. Provide timely notification to LEAs of their eligibility for such assistance.
 - 5.2.3. Provide timely payment of such assistance.
- 5.3. Confer with the Secretary of Education to secure data needed to implement references (b) and (c).

6. PROCEDURES

6.1. DoD Supplemental Impact Aid Program

6.1.1. When funds have been appropriated to provide financial assistance, the USD(P&R) shall notify eligible LEAs that funds are available. An LEA is eligible for assistance during a fiscal year if:

6.1.1.1. At least 20 percent (as rounded to the nearest whole percent) of the students in average daily attendance (ADA) in the schools of that LEA during the preceding school year were military dependent students as counted under subsection (a)(1) of 7703 of title 20 United States Code (reference (d));

6.1.1.2. There has been a significant increase in the number of military dependent students in ADA in the schools of that LEA as a result of a relocation of Armed Forces personnel or DoD civilian employees, or as a result of a realignment of one or more military installations as a result of the base closure process.

6.1.1.2.1. When it is anticipated that there shall be a significant increase in the number of military dependent students in ADA of an LEA, the Military Department Secretary of the affected Service shall notify the USD(P&R).

6.1.1.2.2. A significant increase for purposes of subparagraph 6.1.1.2. is an increase of at least 20 percent (as rounded to the nearest whole percent) in the ADA of the military dependent students in the schools of an LEA, as counted under Subsection (a)(1) of reference (d), between the end of the school year preceding the fiscal year for which payments are authorized and the beginning of that school year. Such increase must equal a minimum of 250 additional military dependent students.

6.1.1.3. During the period between the end of the school year preceding the fiscal year for which payments are authorized and the beginning of that school year, the LEA had an overall reduction of not less than 20 percent in the number of military dependent students as a result of the closure or realignment of military installations.

6.1.3. The USD(P&R) shall determine the eligibility of LEAs for assistance based upon data collected by the Department of Education (ED) in connection with ED's administration of the Federal Impact Aid program.

6.1.4. The data shall include the ADA figures for military dependent students in attendance at each LEA, segregated by whether such students reside on or off Federal property.

6.1.5. The USD(P&R) shall distribute funds based on the ADA of military dependent students attending each qualifying LEA. Each LEA shall receive five times more money for a student who resides on Federal property than for one who resides off Federal property. The amount of financial assistance shall be calculated as follows:

6.1.5.1. Determine the per capita amount available to LEAs for each military dependent student that resides off Federal property by dividing the total amount of dollars available to the LEA by the sum of the number of students who resided off Federal property plus five times the number of military dependent students who reside on Federal property. Example: $\$30M / [(total\ number\ off\ Federal\ property) + 5(total\ number\ on\ Federal\ property)]$.

6.1.5.2. Determine the per capita amount available to LEAs for each military dependent student residing on Federal property by multiplying the per capita amount determined under subparagraph 6.1.5.1 by five.

6.1.5.3. Each LEA's total amount of assistance shall be the sum of the number of off-Federal property students multiplied by the per capita figure determined under subparagraph

6.1.5.1, plus the number of on-Federal property students multiplied by the per capita amount found by completing the computation in subparagraph 6.1.5.2 above.

6.1.6. The figures used to compute the Average Per Pupil Expenditures (APPE) shall be obtained from data provided by ED.

6.2. DoD Impact Aid for Children with Severe Disabilities Program

6.2.1. When funds are appropriated under reference (c), the USD(P&R) shall notify LEAs that they may be eligible to receive funds. An LEA may be eligible to receive such funds if that LEA applied for and was approved by ED to receive Federal Impact Aid under reference (d) for the appropriate fiscal year.

6.2.1.1. The USD(P&R) shall identify LEAs that may be eligible for funds under reference (c) based upon the information that such LEAs have provided to ED on the Federal Impact Aid form for the appropriate fiscal year.

6.2.1.2. The data provided by ED shall include the ADA figures for military dependent children with severe disabilities in attendance at each LEA.

6.2.2. The USD(P&R) shall send correspondence to each of the identified LEAs inviting them to complete an application for payment under the criteria in reference (c). The correspondence shall include Secretary of Defense (SD) Form 816 and its continuation sheet, SD Form 816C for the appropriate school year, and guidelines for completion of SD 816 and SD 816C.

6.2.3. The USD(P&R) shall make payments to LEAs based upon the data collected by ED in connection with its administration of the Federal Impact Aid program and upon information submitted and certified by the LEAs. If the amount available for a fiscal year is insufficient to pay the full amount LEAs are eligible to receive, the USD(P&R) shall ratably reduce the amounts of payments made to all eligible LEAs by an equal percentage.

6.2.4. The USD(P&R) shall comply with all other applicable provisions of reference (c) in providing payment to LEAs.

7. INFORMATION REQUIREMENTS

This Instruction authorizes use of the following forms¹


7.1. SD Form 816, "Application for Department of Defense Impact Aid for Children with Severe Disabilities for School Year 20XX-20XX."

¹ Copies of SD Forms 816 and 816C may be obtained at <http://www.dtic.mil/whs/directives/infomgt/forms/formsprogram.htm>

7.2. SD Form 816C, "Application for Department of Defense Impact Aid for Children with Severe Disabilities for School Year 20XX-20XX," Continuation Sheet.

8. EFFECTIVE DATE

This Instruction is effective immediately.



David S. C. Chu
Under Secretary of Defense
(Personnel and Readiness)

Enclosures - 2

- E1. References, continued
- E2. Definitions

E1. ENCLOSURE 1

REFERENCES, continued

- (e) Section 7713 of title 20, United States Code
- (f) Section 1437 of title 42, United States Code
- (g) Section 11411 of title 42, United States Code
- (h) Section 4101 of title 25, United States Code
- (i) Section 1414(d) of title 20, United States Code
- (j) Section 403(1)(A) of the Act of September 30, 1950 (Public Law 874, 81st Congress)
- (k) Section 101 of title 37, United States Code

E2. ENCLOSURE 2

DEFINITIONS

E2.1.1. Average Daily Attendance (ADA). The aggregate number of days in attendance of all students during a school year divided by the number of days school is in session during that year.

E2.1.2. Average Per Pupil Expenditure (APPE). In the case of a State or of the United States:

E2.1.2.1. Without regard to the source of funds:

E2.1.2.1.1. The aggregate current expenditures, during the third fiscal year preceding the fiscal year for which the determination is made (or, if satisfactory data for that year are not available, during the most recent preceding fiscal year for which satisfactory data are available) of all LEAs in the State or, in the case of the United States, for all States, plus:

E2.1.2.1.2. Any direct current expenditures by the State for the operation of those LEAs; divided by:

E2.1.2.1.3. The aggregate number of children in ADA to whom those LEAs provided free public education during the preceding year.

E2.1.2.2. Figures used for the national and State APPE shall be obtained from data provided by ED.

E2.1.3. Children with Disabilities.

E2.1.3.1. Children with mental retardation, hearing impairments including deafness, speech, or language impairments, visual impairment including blindness, serious emotional disturbance, orthopedic impairments, autism, traumatic brain injury, other health impairments, or specific learning disabilities; and who, by reason thereof, need special education and related services.

E2.1.3.2. The term “children with disabilities” for children aged 3 through 9 may, at the discretion of the State and the LEA, include a child 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 who, by reason thereof, need special education and related services.

E2.1.4. Children with Severe Disabilities. 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 (including 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.

E2.1.5. Federal Property, as defined in Section 7713 of title 20, United States Code (reference (e)).

E2.1.5.1. In General. Except as provided in subparagraphs E.1.1.5.2. through E.1.1.5.6., the term “Federal property” means real property that is not subject to taxation by any State or any political subdivision of a State due to Federal agreement, law, or policy, and:

E2.1.5.1.1. Owned by the United States or leased by the United States from another entity.

E2.1.5.1.2. Held in trust by the United States for individual Indians or Indian tribes or held by individual Indians or Indian tribes subject to restrictions on alienation imposed by the United States.

E2.1.5.1.2.1. Conveyed at any time under the Alaska Native Claims Settlement Act to a Native individual, Native group, or village or regional corporation.

E2.1.5.1.2.2. Public land owned by the United States that is designated for the sole use and benefit of individual Indians or Indian tribes; or

E2.1.5.1.2.3. Used for low-rent housing, as described in subparagraph E1.1.5.1.3 below, or that is located on land described in subparagraphs E1.1.5.2.1 through E1.1.5.2.2 above, or on land that met one of those descriptions immediately before such property’s use for such housing;

E2.1.5.1.3. Part of a low-rent housing project assisted under the United States Housing Act of 1937 (reference (f)).

E2.1.5.1.3.1. Used to provide housing for homeless children at closed military installations according to section 501 of the Stewart B. McKinney Homeless Assistance Act (reference (g)); or

E2.1.5.1.3.2. Used for affordable housing assisted under the Native American Housing Assistance and Self-Determination Act of 1996 (reference (h)); or

E2.1.5.1.3.3. Owned by a foreign government or by an international organization.

E2.1.5.2. Schools Providing Flight Training to Members of the Air Force. The term “Federal property” includes any school providing flight training to members of the Air Force under contract with the Air Force at an airport owned by a State or political subdivision of a State, so long as it is not subject to taxation by any State or any political subdivision of a State, and whether or not that tax exemption is due to Federal agreement, law, or policy.

E2.1.5.3. Non-Federal Easements, Leases, Licenses, Permits, Improvements, and Certain Other Real Property. The term “Federal property” includes, whether or not subject to taxation by a state or political subdivision of a state:

E2.1.5.3.1. Any non-Federal easement, lease, license, permit, or other such interest in Federal property as described in this paragraph, but not including any non-Federal fee-simple interest.

E2.1.5.3.2. Any improvement on Federal property as otherwise described in this paragraph; and

E2.1.5.3.3. Real property that, immediately before its sale or transfer to a non-Federal party, was owned by the United States and qualified as Federal property, but only for 1 year beyond the end of the fiscal year of such sale or transfer.

E2.1.5.4. Certain Postal Service Property and Pipelines and Utility Lines. The term “Federal property” does not include:

E2.1.5.4.1. Any real property under the jurisdiction of the United States Postal Service that is used primarily for the provision of postal services; or

E2.1.5.4.2. Pipelines and utility lines.

E2.1.5.5. Property Regarding Which State or Local Tax Revenues May Not Be Expended, Allocated, or Available for Free Public Education. “Federal property” does not include any property on which children reside and that is otherwise described in this paragraph if:

E2.1.5.5.1. No tax revenues of the State or of any political subdivision of the State may be expended for the free public education of children who reside on that Federal property; or

E2.1.5.5.2. No tax revenues of the State are allocated or available for the free public education of such children.

E2.1.5.6. Property Located in the State of Oklahoma Owned By Indian Housing Authority for Low-Income Housing. The term “Federal property” includes any real property located in the State of Oklahoma that is owned by an Indian housing authority and used for low-

income housing (including housing assisted under or authorized by Section 1414(d) of title 20, United States Code (reference (i))); and at any time:

E2.1.5.6.1. Was designated by treaty as tribal land; or

E2.1.5.6.2. Satisfied the definition of Federal property under section 403(1)(A) of the Act of September 30, 1950 (Public Law 874, 81st Congress) (reference (j)) (as such Act was in effect on the day preceding the date of enactment of the Improving America's Schools Act of 1994).

E2.1.6. Free Appropriate Public Education. Special education and related services provided at public expense, under public supervision and direction, and without charge that meet the standards of the State educational agency; include an appropriate preschool, elementary, or secondary education in the State involved; and are provided in conformity with the individualized education program required under reference (i).

E2.1.7. Free Public Education. Education that is provided at public expense, under public supervision and direction, and without tuition charge, as elementary or secondary education, as determined under applicable State law. The term does not include any education beyond grade 12.

E2.1.8. Local Educational Agency (LEA). A board of education or other legally constituted local school authority having administrative control and direction of free public elementary and secondary education through grade 12, in a county, township, independent school district, or other school district. It also includes any State agency that directly operates and maintains facilities for providing free public education.

E2.1.9. Military Dependent Child. For purposes of reference (c), a dependent child who:

E2.1.9.1. Resides on eligible Federal property with a parent who is an official of, and accredited by, a foreign government and is a military foreign officer; or

E2.1.9.2. Resides on eligible Federal property and has a parent on active duty in the uniformed services, as defined in Section 101 of title 37, United States Code (reference (k)); or

E2.1.9.3. Has a parent on active duty in the uniformed services but does not reside on Federal property; or

E2.1.9.4. Has a parent who is an official of, and has been accredited by, a foreign government and is a foreign military officer but does not reside on eligible Federal property.

E2.1.10. Military Dependent Student. For purposes of reference (b), a student that is a dependent child of a member of the Armed Forces or a dependent child of a civilian employee of the Department of Defense.