

# The King's Daughters' School

## Funding: Frequently Asked Questions

### Proven Funding Sources (Full & Partial)

- **Private payment.** This is the primary option for funding for most families. It is the ONLY funding option for students in the Young Adult Academy and the Adult Lifestyles Programs.
- **Contracts w/ school system.** This is only an option for the school-aged Total Lifestyles Program and Center for Autism. This happens when the current, home school system determines that the least restrictive environment in which a student can be successful is a private placement. This is an IEP team decision, and the team typically tries a day placement first. However, if a day program is not sufficient, or if there's no day placement close, the IEP team may recommend a residential placement.
  - **Unilateral placement.** Some parents opt for "unilateral placement"—that is, they place the students privately without an IEP team decision and without going through due process. We do NOT recommend this route, and we require the parent to still sign the contract and ensure payment.
  - **Out-of-State School Approval.** For some states, in order for a school district to fund, the school has to be approved through the state Dept of Education as an approved out-of-state school. We currently have this option for Illinois, Washington, and California.
  - *For more information:* Contact your local school system or a special education attorney in your area.

### Proven Funding Sources (Partial)

- **529 Accounts.** 529 laws have recently changed. As a result, it IS an option to use some 529 funds to fund K-12 school, up to \$10,000 per year.
  - *For more information:* Consult a tax professional for more information.
- **ABLE Accounts.** The ABLE account is similar to a 529, but it is specifically designed for individuals with disabilities.
  - *For more information:* Consult a tax professional for more information.
- **Tennessee Individualized Education Account (IEA) Program.** *For Current Tennessee Residents ONLY (if the student is already enrolled in a TN public school, on an IEP with a "qualified" disabling condition.* Tennessee has an Individual Education Account Program, which will provide Tennessee families with an amount of money for an approved school, IF the student meets very specific criteria as to their disabling condition and IF the student is already enrolled in a Tennessee public school, on an IEP with corresponding, appropriate disabling condition. (The amount varies per year, in 2017-18, it was roughly \$6,000/year.)
  - *For more information:* Go online at <https://www.tn.gov/education/iea.html>.

### Tuition Offsets/Potential Benefits or Deductions

- **Supplemental Security Income (SSI) benefits.** At student DOES qualify for SSI benefits, IF they live outside the home and are disabled, even if they are under 18. Be aware that this residency change COULD have repercussions if your student is currently funded by a school system and/or is on your state Medicaid. A

parent/legal guardian must apply for the student, through the local Social Security office or online at <https://www.SocialSecurity.gov>.

- *For more information:* Contact your local Social Security Office and ask about SSI benefits.
- **Tax deductions.** Some families have had success with deducting tuition as a qualified medical expense. This falls under the guideline for all medical deductions: if the expense exceeds 7.5% of your AGI, then the portion that exceeds 7.5% CAN be deductible as a qualified health expense. This is only an option IF a physician has stated that residential placement is necessary and that is documented in writing. At that point, it is a possibility that any portion of tuition that exceeds 7.5% of the family's gross income COULD be considered tax deductible.
  - *For more information:* Contact your local Social Security Office and ask about SSI benefits.

### **DISALLOWED Funding Sources**

- **Medicaid (any state) or Medicaid Waiver.** KDS is not a medical facility, and does not meet requirements for receiving funding through Medicaid or Medicaid waiver. Additionally, KDS cannot take funding through the residential Medicaid or Medicaid waiver programs, as we do not meet their requirements.
- **TennCare.** TennCare is Tennessee's version of Medicaid. The reason it cannot be accepted is the same as for Medicaid or Medicaid waiver: KDS is not a medical facility.
- **Insurance.** KDS is not a medical facility, and does not meet requirements for receiving funding through insurance.
- **Other state-based waivers.** KDS has never found another state agency that would fund. The one exception is California, where the regional centers have sometimes funded the residential portion of our program.
- **Scholarships.** KDS does have a small Scholarship Fund; however, the funds are currently earmarked only for long-term students who have temporary scholarship needs, and they are typically less than 10% of the total tuition amount.

***\*\*The King's Daughters' School does not give or intend to give tax or legal advice. No communication regarding funding at The King's Daughters' School should be construed as tax or legal advice. KDS is not able to provide additional funding information beyond what is listed here and is general knowledge. Please consult your legal and/or tax professional for more information and for all legal and/or tax advice.\*\****