**24:05:19:02.  Reallocation of local education agency funds.** If the department determines that a local education agency is adequately providing a free appropriate public education to all certified children with disabilities residing within the legal boundaries of the district with state and local funds, the department may reallocate a portion or all of a district's Individuals with Disabilities Education Act, Part B funds that are not needed by that district to provide FAPE to other districts in the state which are not adequately providing special education and related services to all its resident certified children with disabilities.

After the department distributes funds to an eligible local education agency that is not serving any children with disabilities, the department shall determine, within a reasonable period of time before the end of the carryover period for the use of federal Part B funds, whether the local education agency has obligated the funds. The department may reallocate any of those funds not obligated by the local education agency to other local education agencies in the state that are not adequately providing special education and related services to all children with disabilities residing in the areas served by those other local education agencies.

**Source:** 16 SDR 41, effective September 7, 1989; 23 SDR 31, effective September 8, 1996; 33 SDR 236, effective July 5, 2007; 36 SDR 96, effective December 8, 2009.

**General Authority:** SDCL 13-37-1.1.

**Law Implemented:** SDCL 13-37-1.1.