

State Special Education Preschool Grant Funding Guidance

The State Special Education Preschool Grant provides annual funding to support pre-K students who receive special education services. The total state funding available each year is determined by the state budget. For FY26, the amount was \$18 million. The FY27 amount will be announced following approval of the state budget by the General Assembly.

Eligibility and Funding Formula

All districts that generate special education Average Daily Membership (ADM) for pre-K students with disabilities are eligible. Funding is calculated using the Unique Learning Need (ULN) weights from the Tennessee Investment in Student Achievement (TISA) formula.

ULN weights are based on special education option codes generated through Individualized Education Programs (IEPs) in TN PULSE.

Special Education Option Codes

When IEP teams enter services and hours into TN PULSE, the system converts those entries into special education option codes.

- A student may generate both a primary and secondary option code, depending on the type and number of service hours.
 - Both codes, if applicable, generate funding.
- All special education option code data flow from TN PULSE to TEDS, where it is merged with ADM data for funding purposes.

The table below summarizes the option codes generated by service types and hours.

Special Education Option Code	Services & Hours Descriptions
Option 1	Consultation - Minimum of 2 contacts/month, except OT/PT (minimum of 3 contacts/year). Time must be reported. Direct Services equal to or less than 1 hour/week. Related Services equal less than 1 hour/week.
Option 2	Direct Services more than or equal to 1, but less than 4 hours/week; or any one Related Service more than or equal to 1, but less than 4 hours/week.
Option 3	Direct Services more than or equal to 4, but less than 9 hours/week; or any one Related Service more than or equal to 4, but less than 9 hours/week.
Option 4	Direct Services more than or equal to 9, but less than 14 hours/week; or any one Related Service more than or equal to 9, but less than 14 hours/week.
Option 5	Direct Services more than or equal to 14, but less than 23 hours/week; or any one Related Service more than or equal to 14, but less than 23 hours/week.
Option 6	Ancillary Services - Attendant provided so that the student can spend at least 4 hours/day in less restrictive and general education settings.
Option 7	Direct Services - Special Education services 23 or more hours/week; or, any one Related Service 23 or more hours/week.

Option 8	Self-Contained or CDC - The sum of all direct services plus related services listed below plus up to 10 hours/week of special education educational assistant in the general program equals 32.5 or more hours/week. In addition, at least two Related Services from those specified below must be received for at least the minimum times listed. 1 Hour/Week: Psychological Services, Counseling Services, Speech/Language Services, Vision Services, Hearing Services 3 contacts/year, with time span reported: Occupational Therapy, Physical Therapy
Option 9	Residential Services - Provided at least 24 hours/day.
Option 10	Hospital/Homebound - Provided 3 or more hours/week.

Option Codes and ULN Assignments

After determining a student's special education option code(s) from the IEP, the option codes are then converted to their ULN assignments. The table below includes the crosswalk of option codes to ULN assignments. Please note that option codes do not correspond directly to ULN assignments.

ULN Breakouts	ULN Code
SPED Option 1	1
SPED Option 2	2
SPED Option 3	3
SPED Option 4	6
SPED Option 5	7
SPED Option 6	8
SPED Option 7	9
SPED Option 8	9
SPED Option 9	10
SPED Option 10	10

Special Education ADM

Special Education ADM (SPED ADM) is calculated based on the service period the student generates a given option code.

- Service start and end dates entered in TN PULSE flow into TEDS to generate SPED ADM.
- A student may generate SPED ADM in two different ULNs for the same period of time if the student has both a primary and secondary option code.
- If an IEP meeting changes a student's services mid-period, SPED ADM is prorated to reflect the time spent in each ULN.

State Special Education Preschool Grant Funding Calculation

The table below shows a sample district calculation using FY26 rates.

State Special Education Preschool Grant - FY26 Calculator									
Element	Weight		Students/Services		Base				Funding
ULN 1	15%	X	5.20	X	\$	7,295	=	\$	5,690.10
ULN 2	20%	X	4.60	X	\$	7,295	=	\$	6,711.40
ULN 3	40%	X	3.70	X	\$	7,295	=	\$	10,796.60
ULN 4	60%	X	-	X	\$	7,295	=	\$	-
ULN 5	70%	X	-	X	\$	7,295	=	\$	-
ULN 6	75%	X	8.00	X	\$	7,295	=	\$	43,770.00
ULN 7	80%	X	9.20	X	\$	7,295	=	\$	53,691.20
ULN 8	100%	X	2.50	X	\$	7,295	=	\$	18,237.50
ULN 9	125%	X	2.10	X	\$	7,295	=	\$	19,149.38
ULN 10	150%	X	-	X	\$	7,295	=	\$	-
TOTAL								\$	158,046.18

Important Note: Final allocations are prorated based on state budget allocations.

Example:

If statewide calculated allocations total \$30 million, but the state budget provides \$18 million, then districts would receive 60 percent of their calculated amount.

- In the example calculation above, the district would receive \$94,827.71 instead of \$158,046.18.

Data Requirements for State Special Education Preschool Funding

A student with a disability generates state special education preschool grant funding if:

- For preschool students served under an IEP and enrolled in a LEA-operated pre-K program:
 - The student is scheduled to a general education pre-K or comprehensive preschool course code in TEDS to generate Base ADM. The class type should be "T" - Traditional or "C" - Self-Contained in order to generate ADM. "P" - Pull-Out courses do not generate ADM.
 - The student should be scheduled to reflect the actual time that the student is enrolled and expected to attend the program.

- For pre-K students served under an IEP but **not** enrolled in a LEA-operated pre-K program, including those who receive drop-in special education services only or who attend a community-based childcare or private preschool:
 1. The student is primarily enrolled at the district's Special Education Service School.
 2. The student is scheduled using the Preschool Special Education Service course code in TEDS to generate Base ADM. The class type should be "T" - Traditional or "C" - Self-Contained in order to generate ADM. "P" - Pull-Out courses do not generate ADM. The student should be scheduled at the Special Education Service School.
 3. (Optional) If the student is receiving the special education services in a LEA-operated pre-K program, the student can also be scheduled at the school where the services are provided.
 4. The students should be scheduled to reflect the actual length of services provided.

PK/PS Course Code Type	Description
General Education Course Codes 3-year-old only: G23P01 Multi-age: G23P00 4-year-old only: G23P02	This course code should be used for general education programs. To be considered a general education setting, at least 50 percent of students enrolled must be children without disabilities.
Comprehensive Course Code S23P00	This course code should be only for students with disabilities ages 3-5, not yet enrolled in kindergarten, whose least restrictive environment (LRE) is a separate special education classroom.
Special Education Service Course Code (for use with Special Education Service Only Schools) S23P01	Children who have an IEP but are not enrolled in a LEA-operated pre-K program, including those who receive drop-in special education services only or who attend a community-based childcare, Head Start, private, or other setting not operated by the LEA.

Note: The information in the table above is for scheduling related to the SPED PK grant funding. For broader guidance, please refer to the Course Catalog Management System to ensure the most recent course codes are used for scheduling.