

FY26 Tennessee IDEA High-Cost State Plan

2025-26 School Year

Federal Guidelines

34 CFR § 300.704 allows the Tennessee Department of Education (department) to reserve funds to assist local educational agencies (LEAs) in providing educational services to high-need children with disabilities. The regulation requires the department to establish a definition of a high-need child with a disability that addresses the financial impact on the budget of an LEA and ensures that the cost of educating the child is greater than three times the average per-pupil expenditure as defined in § 9101 of the Elementary and Secondary Education Act (ESEA).

Additional funds for high-need students with disabilities are subject to the availability of federal funds as specified in Public Law 108-446 §§ 602(8), 611(e)(3). These additional federal funds are distributed to school systems based on special education expenditures from the general purpose school funds only. These additional awarded funds received by the LEA must be budgeted and expended as general purpose funds in the 71200, 72220, and 72710 series for audit purposes and included in the review for maintenance of effort. Functionally Delayed and Intellectually Gifted are state disability categories, not federal; therefore, requests for reimbursement for these disabilities are not accepted.

Purpose

IDEA high-cost funds are not used to establish, support, or administer the program and remain under the control of the state until disbursed to an LEA to support a specific high-need child. IDEA high-cost funds are intended to assist LEAs in the provision of direct special education and related services to these high-need children.

IDEA high-cost funds are intended to provide additional funding to schools to ease the strain on the budgets for the provision of multiple or complex services necessary to support students with disabilities.

Definition

A high-need child with a disability receives special education and related services identified in an individualized education program (IEP) that exceed the typical needs of a child with a disability, thus creating a financial impact on the LEA. Only costs identified in the child's IEP are considered in determining whether a child is a high-need child. The definition is aligned to the federal definition that ensures that the **cost of the high-need child with a disability is greater than three times the average per pupil expenditure in Tennessee** and takes into account the number and percentage of high-need children with disabilities served by an LEA as specified in § 300.704 (c)(3) state-level activities.

IDEA High-Cost State Plan 2026

High-cost reimbursement amounts have varied annually, based on funding availability, LEA flow-through, discretionary carry-over, and other funding sources made available to LEAs. The department conducted a survey and received input from LEAs for the school year **2025-26** IDEA high cost. The High-Cost State Plan aligns with the federal definition. The disbursement of high-cost funds based on the federal definition will be reimbursed as funding is available. For the school year **2025-26**, the department will reimburse approved high-cost requests at a percentage until funds are exhausted. IDEA high-cost requests that do not meet the federal definition will not be considered for high-cost reimbursement. The ePlan Data and Information application for IDEA high cost will open for this sole category for school year **2025-26** submissions.

Eligible Category Defined

High-cost or high-need students placed and served by the LEA require extensive and costly special education and related services that create a severe financial burden on the LEA. Additional funds will be used to assist in the provision of such a high-cost program when the additional cost is greater than three times the state's average per-pupil expenditures. **The percentage of reimbursement for high-cost is determined based on the available money in the state set-aside discretionary pool for the respective school year and the total amount approved by all LEAs for this category.** Approval will be determined after a review of the IEP(s) and the required supporting documentation for eligible direct expenditures.

When applying for high-cost reimbursement, LEAs will be allowed a maximum of 0.3 percent of the **Dec. 1, 2024**, census count for the **total** number of students ages 3-21

served. LEAs with a Dec. census count of less than 600 will be allowed to submit up to two (2) high-cost student reimbursement requests. The **Dec. 1, 2024**, census count for the LEA is pre-loaded to the page in ePlan. The maximum number of allowable requests for the LEA is automatically calculated and will be pre-populated in the submission portal (ePlan). If these numbers are incorrect, please contact Jerri.Nave@tn.gov for assistance.

To qualify for an IDEA high-cost reimbursement, the general purpose expenditures must be three (3) times the state average per-pupil expenditure for fiscal year (FY) 25 for the **2024-25** school year (§ 611(e)(3)(C)). The state average per-pupil expenditure information is also located on the TN State Report Card. The state average per-pupil expenditure amount for FY2025 is \$13,866. Three times the state's average per-pupil expenditure is \$41,598 in 2026. This is the minimum threshold amount of expenditures to submit an IDEA high-cost student reimbursement application for consideration for school year 2025-26.

Allowable expenditures for determining a high-cost student must be found in the IEP for the school year date range:

- One-on-one assistance
- Specialized equipment specific to the student and required to provide free and appropriate public education (FAPE)
- Special transportation exceeding the requirements of special education buses/vans
- Cost of contractual services for an eligible student
- Extended School Year (ESY) is a special education service provided to students. Considerations for determining a student's need for ESY include, but are not limited to:
 - Regression of skills during school breaks and the time needed to recoup skills
 - Regression of behavior to a level that could require a change of least restrictive environment (LRE)
 - Insufficient data to determine if the student does regress, or if regression requires significant time to recoup

- A break from routine results in harmful behavior to self or others
- Student's physical health requires continuous intervention and services

Non-allowable expenditures for determining an IDEA high-cost student:

- Pro-rated salaries for teachers or teaching assistants already providing special education services
- Pro-rated salaries of related services personnel already providing services
- Pro-rated salaries of special education bus drivers and attendants already providing services
- Pro-rated time of director, supervisor, principal, school psychologist, and/or counselor for administrative duties, meetings, etc.
- Specialized equipment/materials already provided by the LEA
- Legal fees
- Depreciation of equipment
- Summer Learning Camp - Summer Learning Camp is considered a general education program and not a special education service. LEAs that extend invitations to students with disabilities to participate in Summer Learning Camp must ensure that these students have access to the program. LEAs are obligated to take appropriate measures to provide students with disabilities with an equal opportunity to participate in summer learning. Therefore, if a student requires special transportation to access the summer program, the LEA is obligated to provide it. It is important to note that Summer Learning Camp is not a special education service, and it should not be documented in the student's IEP, nor are the costs associated with summer learning reimbursable with IDEA funds.

The formula for determining eligible high-cost reimbursement is the submitted total student's general purpose direct expenditures minus the LEA's general purpose per-pupil expenditures. For students counted on the **Dec. 1, 2024**, census, the per-pupil federal funds expenditure is also deducted from the total student's general purpose direct expenditures. LEAs must pay particular attention to the federal deduction for students ages 3-5 and 6-21. These federal deduction amounts are provided in ePlan. The student's total general purpose direct expenditures must then be greater than three times the state per-pupil average. These general purpose and federal per-pupil specific LEA deductions are calculated by the department and pre-populated into the submission portal (ePlan). For high-cost reimbursement, the age of the student on **Dec. 1, 2025**, will be used as the determining factor.

For high-cost students not on the **Dec. 1, 2024**, census, the federal per-pupil amount is not deducted from the total general purpose direct expenditures.

LEAs request reimbursement for students by completing the IDEA High-Cost application in ePlan.

ePlan *High-Cost Application* Page:

For each student, provide:

- State Student ID (7-digit number)
- Student date of birth
- School attended in **2025-26**
- The disability(ies) documented on the student's IEP
- Whether the student was reported on the **Dec. 1, 2024**, census
- Documentation of total general purpose expenditures incurred by the LEA
 - Service types
 - Service frequency
 - Service date range
 - Service expenditure
- ePlan auto-calculates the total student expenditure for each student.

ePlan *Related Documents* Page:

For each student, submit the following:

- One (1) PDF document for IEP Documentation to include all of the following, in this order:
 - IEP cover page- State Student ID included
 - IEP services pages- covering the entire school year; State Student ID included on each page; if there are multiple IEPs, include them in chronological order.
- One (1) document utilizing the IDEA Reimbursement Request Supporting Document Template provided:
 - One template per student must be provided with the summary of the general purpose direct expenditures found in the financial supporting documentation.
- One (1) PDF document for Supporting Documentation to include:
 - Financial supporting documentation of reimbursable expenditure amounts with State Student ID included on each page.

- Documents should be saved as:
 - *[Student's Initials][State Student ID number][School Year][IEP]*
Example: "BP 1234567 2025-2026 IEP"
 - *[Student's Initials][State Student ID number][School Year][SUMMARY]*
Example: "BP 1234567 2025-2026 SUMMARY"
 - *[Student's Initials][State Student ID number][School Year][SUPDOC]*
Example: "BP 1234567 2025-2026 SUPDOC"

LEAs shall not submit more reimbursement requests than the maximum allowable for the LEA. Maximum allowable includes the total of *all* 3-5 and 6-21 submissions.

IDEA High-Cost Submission and Disbursement Process

On **July 1, 2026**, the IDEA high-cost instrument will open in ePlan. LEAs must submit their high-cost application with supporting documentation before it closes on **Aug. 17, 2026**. The school year **2025-26** IDEA High-Cost application can be accessed through the department's online grants management platform, ***ePlan.tn.gov***. When the instrument closes, the department IDEA team will review all submitted documentation for approval. The department will determine award amounts and provide notification of award to the superintendent and IDEA director. Notification of award disbursement will be made as soon as possible, but no later than **Jan. 31** of each fiscal year.

For additional support, a technical guide, training opportunities, and office hours will be available. For additional information, please contact Jerri.Nave@tn.gov.

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