New Directors Monthly Update: April 2019

High Cost Funds (HCF)

High Cost Fund (HCF) is an optional grant you can apply for if you have students with disabilities whose services identified in their IEPs exceed the typical needs of a child with a disability.

Who is Eligible to Apply for a HCF Grant?

There are certain eligibility criteria that apply to both the LEA (ISD and Open-Enrollment Charter School) and the student with disabilities.

Eligibility Criteria for the LEA:

Any ISD or Charter School may apply for a HCF award if they meet the following criteria:

- Placements supported by funds requested through a HCF reimbursement are consistent with the Least Restrictive Environment requirements of 34 CFR 300.114-300.118
- The LEA must not have lapsed IDEA-B Formula or Discretionary Deaf funds from the previous school year (lasing of IDEA-B Formula funds will not be applicable to the 18-19 HCF grant since the 17-18 Special Education grant will not close until 9/30/19)
- The LEA must not have carried forward 60% or more of its IDEA-B Formula funds from the previous school year (not applicable to the 18-19 HCF grant since the 17-18 IDEA-B Formula grant did not allow carryover)
- LEA has students with disabilities who qualify as a high-need student
- LEA submits the HCF application within the timeframe established by TEA (May 1, 2019 deadline for the 18-19 HCF grant)

Eligibility Criteria for the Student with Disabilities:

- The costs to provide FAPE to the child exceed three times the state’s Average Per Pupil Expenditure (APPE), which varies each year
  - For the 2018-2019 HCF grant, the student’s Total Costs listed on the High Cost Fund application must be at least $29,277
- Only costs identified in the child’s IEP and associated with providing direct special education and related services to the child are considered in determining whether the student is a high-need student
- The costs associated with providing FAPE to the child create a financial impact on the LEA

Three Types of Students with Disabilities Who May Qualify as a High-Need Student:

- Student with Disabilities placed in a nonpublic residential facility (Instructional Setting Code 50)
  - The LEA must have first submitted a Non-Public Residential application in TEAL and the status of that application must be “Finalized”
  - The amount of the residential 25% set-aside TEA determines must be spent for this particular student must be at least $29,277
A portion of the residential 25% set-aside for that child will be eligible for a HCF award

- Student with Disabilities placed in a nonpublic day school (Instructional Setting Code 60)
  - The LEA must have first submitted a Non-Public Day application in TEAL and the status of that application must be “Complete”
  - The expenses for the student (Nonpublic Day tuition and other applicable costs) must be at least $29,277
  - A portion of the expense will be eligible for a HCF award

- In-District Student (Not placed in a nonpublic residential facility or a nonpublic day school)
  - Total eligible costs must be at least $29,277 for the child to be eligible
    - The state average per pupil expenditure (APPE) of $9,759 will be subtracted from the award amount
  - SHARS reimbursement, if applicable, will be subtracted from the award amount

How Do I Apply?

Submit the High Cost Fund application in the TEAL system by the deadline of May 1, 2019.

If you are a member of a Special Education Shared Services Arrangement (SSA)*, your Fiscal Agent submits the application on your behalf. Notify your Fiscal Agent if you would like an application submitted.

*Special Education SSA is NOT:

- RDSPD (Regional Day School Program for the Deaf) SSA or
- VI (Visual Impairment) Cooperative

When are Awards Granted?

After TEA reviews all HCF applications received from LEAs statewide, TEA will determine award amounts, based on availability of funds.

If the amount of LEA requests exceed the funds TEA has available to award, the awards will be prorated with a weighted formula:
• In-District students will carry the highest weight, followed by
• Non-Public Day students, followed by
• Non-Public Residential students

Notification of awards will be made as soon as possible, but no later than July 1.

**Where May I Find Additional Information?**

• TEA’s HCF website: [https://tea.texas.gov/Academics/Special_Student_Populations/Special_Education/Programs_and_Services/Special_Education_Funding/High_Cost_Funds/](https://tea.texas.gov/Academics/Special_Student_Populations/Special_Education/Programs_and_Services/Special_Education_Funding/High_Cost_Funds/)

• ESC-20’s Funding & Compliance website: [https://www.esc20.net/page/ci_se.FundingResources](https://www.esc20.net/page/ci_se.FundingResources)
  o Select the red toggle titled “High Cost Fund (HCF)”
  o You must disable your pop-up blocker on your internet browser to view resources on the webpage