

Introduction

A local educational agency (LEA) that places a student with disabilities in a nonpublic residential program through the admission, review, and dismissal (ARD) committee process to provide the student a free appropriate public education (FAPE) is required to notify the Texas Education Agency (TEA) of the placement by submitting the Nonpublic Residential APEX application.

Please refer to the [Special Education in Nonpublic Programs](#) webpage for application requirements and program information.

Upon submission of the application, the TEA Nonpublic Team will perform a program and fiscal review of the application and determine eligibility for funding.

After the fiscal review is complete, the application will be finalized and the 'Agency Use Only' section of the application will display the various fund sources to be used toward the total cost, as prescribed in law, [19 Texas Administrative Code \(TAC\) §89.1092](#), and outlined in this document. The LEA may also request High Cost Funds (HCF) for a portion of the costs if (a) HCF eligibility criteria are met, (b) the Nonpublic Residential application is in finalized status during the HCF application window for that year, and (c) the HCF APEX application is submitted by the HCF application deadline.

State Foundation School Program (Education Cost):

LEAs receive state funding from the Foundation School Program (FSP) via the LEA's Summary of Finances (SOF) for the education cost, based on a formula prescribed in [Texas Education Code \(TEC\) §48.102](#). In accordance with [19 TAC §89.1092\(e\)\(2\)\(A\)](#), the education cost of nonpublic residential program contracts shall be funded with state funds on the same basis as nonpublic day program contract costs.

The calculation methodology for the state special education allotment varies according to the instructional setting code assigned to the student. Therefore, it is imperative that the LEA indicates the correct instructional setting code in the student's individualized education program (IEP), in its local attendance accounting system, and in the Texas Student Data System (TSDS) Public Education Information Management System (PEIMS).

If the student is provided special education and related services through a contractual agreement with an approved nonpublic residential program provider, the LEA must use instructional setting code 50 to ensure proper state funding. Please refer to the [Student Attendance Accounting Handbook \(SAAH\)](#) for guidance on instructional arrangements.

As explained in the [SAAH](#), instructional setting code 50 does not generate average daily attendance (ADA) or contact hours. Therefore, the state special education allotment for

students with instructional setting code 50 will be based on full-time equivalent (FTE) data derived from the approved Nonpublic Residential APEX application. The FTE data will then be incorporated in the LEA's Near-Final (NF) Summary of Finances (SOF) report, generated after the end of the fiscal year.

The amount of the state special education allotment expected to be received via the SOF is displayed in the 'Agency Use Only' table of the finalized Nonpublic Residential APEX application.

Local Tax Share:

The LEA must spend its local tax share per average daily attendance for a portion of the related services and residential care costs for each student application in accordance with [19 TAC §89.1092\(e\)\(2\)\(B\)](#). The amount of local funds required to be used toward the specific student's costs is displayed in the 'Agency Use Only' table of the finalized Nonpublic Residential APEX application.

25% Residential Set-Aside:

LEAs are required to set-aside 25% of the **base** portion of their Individuals with Disabilities Education Act, Part B (IDEA-B) **Formula Planning** allocation to be used toward nonpublic residential placements (instructional setting code 50), as described in the [Program Guidelines](#) for the Special Education Consolidated Grant Application (Federal). The Residential Set-Aside may be funded by the LEA with IDEA-B Formula funds or from an equivalent amount of state and/or local funds.

The LEA's Residential Set-Aside must be used toward the remainder of the related services and residential care costs after applying the LEA's local tax share toward these costs in accordance with [19 TAC §89.1092\(e\)\(2\)\(B\)](#). If the LEA submits more than one Nonpublic Residential student application and the Residential Set-Aside was not used in full toward the first student's costs, the remaining amount of the Residential Set-Aside will be applied to each subsequent student's costs until the maximum amount of the LEA's Residential Set-Aside has been exhausted.

The amount of the LEA's Residential Set-Aside required to be used toward the specific student's costs is displayed in the 'Agency Use Only' table of the finalized Nonpublic Residential APEX application.

IDEA-B Discretionary Residential Reimbursement:

If the sum of the State FSP allotment, local tax share, and Residential Set-Aside is not sufficient to cover the total cost of the residential placement, the LEA will be awarded

IDEA-B Discretionary Residential funds to cover the remaining balance of the nonpublic residential contract placement cost.

The amount of the IDEA-B Discretionary Residential reimbursement award, if applicable, will be displayed in the 'Agency Use Only' table of the finalized Nonpublic Residential APEX application. To receive the approved reimbursement payment, the LEA must submit a payment request form to TEA by the established deadline(s). The link to the payment request form(s) is emailed to applicable LEAs during the year.

Once the LEA receives the IDEA-B Discretionary Residential reimbursement payment, the LEA must reclassify residential contract expenditures coded to the original fund source (e.g., IDEA-B Formula funds or the general fund) to the IDEA-B Discretionary Residential fund source (226/315) in the amount of the IDEA-B Discretionary Residential reimbursement payment applicable to the specific student's costs.

High Cost Funds (HCF):

The High Cost Fund (HCF) is a potential source for additional, optional funding, contingent upon the LEA satisfying the HCF eligibility criteria and submitting a HCF APEX application. The HCF application is a separate application from the required Nonpublic Residential application.

If the Nonpublic Residential APEX application is in finalized status and the Residential Set-Aside amount being used for the specific student equals or exceeds the HCF Qualifying Cost Amount for that HCF application year, the LEA may submit a HCF APEX application for the student. Only the Residential Set-Aside amount, rather than the entire cost of the placement, is considered the requested amount in the HCF application.

Please refer to the [High Cost Funds](#) webpage for information and resources, including the HCF Qualifying Cost Amount and the HCF application window for the current year.

The amount of the HCF reimbursement award, if applicable, will be displayed in the HCF APEX application on the first business day in July. To receive the approved HCF reimbursement payment, the LEA must submit a payment request form to TEA by the established deadline. The link to the payment request form will be emailed to applicable LEAs in July.

Once the LEA receives the HCF reimbursement payment, the LEA must reclassify residential contract expenditures that were coded to the original fund source (e.g., IDEA-B Formula funds or the general fund) to the HCF fund source (226/315) in the amount of the HCF reimbursement payment applicable to the specific student's costs.

Information for Special Education Shared Services Arrangements (SSAs):

The Nonpublic Residential and the HCF APEX applications are submitted by the fiscal agent of the special education shared services arrangement (SSA) on behalf of the SSA member(s). The IDEA-B Discretionary Residential reimbursement payment, if applicable, and the HCF reimbursement payment, if applicable, are provided to the fiscal agent on behalf of the SSA member(s). The State FSP allotment for the education cost is funded directly to the member LEA and will be incorporated in the applicable member's Summary of Finances.