



Department of
Education

Individualized Education Account (IEA) Program

Participating Non-Public School Handbook 2023-24

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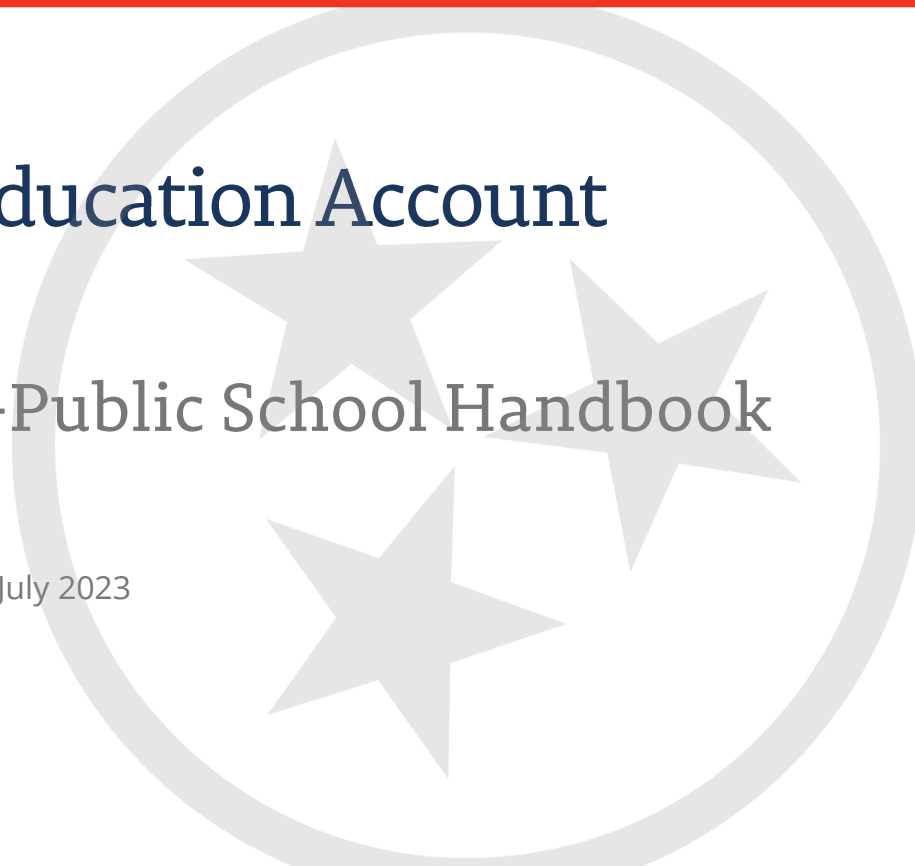


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Chapter 1: Introduction

The IEA Program is a school choice program for eligible students in grades K-12 with qualifying disabilities. The IEA Program, administered by the Tennessee Department of Education (department), provides parents, guardians, and qualified students options for choosing the educational opportunities that best meet the individual student's unique needs through access to public education funds.

The IEA Program is funded by the [Tennessee Investment and Student Achievement \(TISA\)](#) funding formula for Tennessee's K-12 public schools. The maximum annual IEA award to which an eligible student is entitled is equal to the amount representing the total funding allocation that the student generates under TISA. For the purpose of funding calculations, each eligible student who participates in the IEA program must be counted in the enrollment figures for the LEA in which the student resides and is zoned to attend. The IEA funds will be subtracted from the state funds otherwise payable to the LEA.

Definitions:

In the remainder of this document, the term “**account holder**” will be defined as: the individual (parent, legal guardian, or student who has reached the age of majority) who submits the IEA application, signs the IEA contract, manages the IEA funds, and is responsible for complying with the requirements of the IEA Program.

In the remainder of this document, the term “**parent**” will be defined as: a parent, legal guardian, person who has custody of the child pursuant to an order of a court of competent jurisdiction, or person with educational decision-making authority pursuant to a conservatorship under [Tenn. Code Ann. § 34-3-101](#) et seq., pursuant to a power of attorney for care of a minor child under [Tenn. Code Ann. § 34-6-301](#) et seq., or pursuant to a durable power of attorney under [Tenn. Code Ann. § 34-6-101](#) et seq.

In the remainder of this document, the term “**local educational agency**” (**LEA**) refers to: a public board of education or other public authority legally constituted for either administrative control or direction of, or to perform a service function for, public elementary schools or secondary schools in a city, county, township, school district, or other political subdivision of a State.

Purpose of this Handbook

This *IEA Participating Non-public School Handbook* is designed to provide comprehensive information regarding the IEA Program's policies and procedures for participating non-public schools. The *IEA Participating Non-public School Handbook* is meant to supplement the *IEA Account Holder Handbook* which details the implementation procedures and requirements for account holders participating in the IEA Program. The administrators of non-public schools interested in participating in the IEA Program should read the [IEA Account Holder Handbook](#) in addition to the *IEA Participating Non-public School Handbook*.

Both handbooks, along with additional information and answers to frequently asked questions about the IEA Program, are posted on the department's [IEA webpage](#). Please note this handbook is subject to changes at any time necessary during the contract year. The IEA team will notify participating non-public schools of any change(s) and the effective date(s).

The Law, Rules, and Procedures

The Individualized Education Act, Tennessee Code Annotated ([Tenn. Code Ann. § 49-10-1401 et seq.](#)), was signed into law by the governor of Tennessee on May 18, 2015, and the first individualized education

accounts (IEAs) were awarded in January 2017. The Tennessee State Board of Education (SBE) has approved rules, [Chapter 0520-01-11](#), and the department has developed implementation procedures for the IEA program. Links to the IEA Program Law and Rules are posted on the department's [IEA webpage](#).

Eligibility Criteria for the IEA Program

An eligible student must meet the following eligibility requirements at [Tenn. Code Ann. § 49-10-1402\(3\)](#)¹ and [SBE Rule Chapter 0520-01-11-.02\(11\)](#):

- Student is a resident of Tennessee with an active Individualized Education Program (IEP)² with one of the following disabilities listed as the primary or secondary disability in effect at the time the department receives the request for participation in the Program. For the purposes of this Chapter, the department receives the request for participation in the Program on the date the application window for the IEA program closes. Qualifying disabilities for eligible students include the following: Autism, Deaf-blindness, Developmental delay, Hearing impairment, Intellectual disability, Multiple disabilities, Orthopedic impairment, Specific learning disability, Traumatic brain injury, or Visual impairment; **and**
- Student meets at least **one** of the following requirements:
 - was previously enrolled in and attended a Tennessee public school for the entire school year immediately preceding the school year in which the student receives an IEA;
 - has not previously attended a K-12 school in Tennessee, but is currently eligible to enroll in a kindergarten program in a public school in this state;
 - has not previously attended a school in Tennessee for the one full school year immediately preceding the school year in which the student receives an IEA, and moved to Tennessee less than one year prior to the date of enrollment in the IEA Program; **or**
 - received an IEA in the previous school year.

School Options for Students Enrolled in the IEA Program

A participating student must enroll in and attend either a participating non-public school, a participating home school umbrella program, or an independent home school which meets the requirements of the department, including the requirements of Tennessee's school attendance law ([Tenn. Code Ann. § 49-6-3050](#)). Students enrolled in the IEA Program are eligible to use IEA funds for the approved expenses detailed in Ch. 5 of the [IEA Account Holder handbook](#); however, to receive IEA funds to pay for tuition, fees, and/or required textbooks for a non-public school, the school must be approved by the department and listed on the IEA program's participating non-public schools list for the IEA contract year. A current list of participating non-public schools for the IEA Program is posted under "Resources" on the [IEA webpage](#).

¹ An amendment to Tennessee Code Annotated, Title 49, was signed into law on May 11, 2022, adding Specific Learning Disability (SLD) to the list of qualifying disabilities for the IEA Program, and is available as an eligibility category with the 2023-24 enrollment season. [[Public Chapter No. 1019](#)]

² "Active IEP" means a written statement for a child with a disability that is developed, reviewed, and revised in accordance with 34 CFR §§ 300.320 through 300.324 that is being implemented on the date the application window for the IEA program closes. [SBE Rule 0520-01-11-.02(3)]

Note:

A student participating in the IEA Program may not be dually enrolled in the IEA Program AND the [Educational Savings Account \(ESA\) Program](#). Students may apply for both programs but may only participate in and receive funding from one (1) program. [Tenn. Code Ann. § 49-6-2603\(j\)](#)

Staying Informed About the IEA Program

The department provides program information and resources for account holders and participating non-public schools on the [IEA webpage](#) and through a monthly *IEA Newsletter*, dispersed via email. Please review the *Newsletter* and webpage regularly for essential information about the IEA Program. The IEA team will also host training sessions and virtual “Office Hours” to provide technical assistance to IEA account holders. Information about the dates, times, and how to register will be posted on the department’s IEA webpage and announced through the *IEA Newsletter*. If you are unable to attend a training, a recording will be posted on the IEA webpage.

IEA Program Contact Information:

If you have any questions or need additional information about the IEA Program, please contact the IEA team by leaving a voicemail at **(615) 253-3781** or sending an email to IEA.Questions@tn.gov.

Secure Email

The Family Educational Rights and Privacy Act of 1974 (FERPA) is the federal law that protects the privacy of student education records. The department ensures that student information is kept confidential and secure. To securely send electronic communications to external users, including non-public administrators, IEA account holders, and applicants, the IEA team will send any documents containing financial information by secure email. An email sent from the State IEA Program will originate from a tn.gov email address and will list “[secure email]” in the subject line. The body of the email will contain directions to view the contents of the email.

Fraud, Waste, or Abuse Reporting

Citizens and agencies are encouraged to report fraud, waste, or abuse in State and Local government. **NOTICE:** This agency is a recipient of taxpayer funding. If you observe an agency director or employee engaging in any activity which you consider to be illegal, improper, or wasteful, please call the State Comptroller’s toll-free Hotline: **1-800-232-5454**. Tennessee citizens may also report suspected fraud related to the IEA Program to the department online using this [online fraud reporting form](#).

Chapter 2: Rights and Responsibilities

Participating Non-public School Rights

In accordance with [Tenn. Code Ann. § 49-10-1406](#) and department procedures for the IEA Program:

- A participating school is autonomous and not an agent of the state or federal government.
- Neither the department nor any other state agency may regulate in any way the educational program of a participating non-public school that accepts funds from the account holder of a participating student.
- The creation of the IEA Program does not expand the regulatory authority of the state, its officers, or any school district to impose any additional regulation of non-public schools beyond those necessary to enforce the requirements of the program.
- A participating non-public school shall not be required to alter its creed, practices, admissions policies, or curriculum in order to accept participating students.
- Participating non-public schools shall be given the maximum freedom to provide for the educational needs of their students without governmental control.
 - Participating schools are not required to admit students enrolled in the IEA Program, and students must meet all requirements for admission set by the school.
 - Participating schools set their admission policies and tuition/fees. Participating schools may charge tuition/fees above the amount of the IEA award.

Participating Non-public School Responsibilities

In accordance with [SBE Rule 0520-01-11-.08](#), non-public schools participating in the IEA Program must, as part of their application to participate in the IEA Program, agree to the following:

- Provide the department with all documentation required for a student's participation, including the student fee schedules and a school calendar.
- Be academically accountable to the account holder for meeting the educational needs of the student and, at a minimum, annually provide to the account holder a written explanation of the student's progress.
- If the student is in grades 3–8, and if requested by the account holder, annually administer either a nationally norm-referenced test(s) identified by the department or the Tennessee Comprehensive Assessment Program (TCAP) test(s), or any future replacements of the TCAP test(s). (See the "Assessments" section below.)
- Comply with all health and safety laws or codes that apply to non-public schools.
- Do not discriminate against students or applicants on the basis of race, color, or national origin.
- Conduct criminal background checks on employees as defined by the IEA Program rules and rules of the [SBE Chapter 0520-01-11-.02\(7\)](#). (See the "Criminal Background Checks" section below.)
- Exclude from employment any person not permitted by state law to work in a non-public school and/or who might reasonably pose a threat to the safety of students.
- Provide account holders with a detailed receipt for all qualifying expenses. (Providing receipts to account holders is crucial to help them fulfill their contractual obligation to provide the department with

quarterly expense reports and receipts. If an account holder fails to send the department complete expense reports and receipts, the account holder/student could be removed from the IEA Program. If a non-public school charges fees outside of the tuition amount, these fees must be itemized on the receipt given to the account holder. Using IEA funds for food, field trips, or other unapproved expenses could result in the account holder/student's removal from the program.)

- Be able to accept the IEA debit card as payment for approvable charges.
- Do not hold IEA cards and run them on-site without the account holder present or copy IEA card information for use at a later date.
- Do not accept public education funds for parentally placed private school students enrolled in the IEA Program. Enrollment in the IEA Program has the same effect as a parental refusal to consent to the receipt of services under the federal Individuals with Disabilities Education Act (IDEA) as described in 20 U.S.C. § 1414. Parents of students enrolled in the IEA Program waive the right for their child to receive a free appropriate public education (FAPE), including special education and related services, and may not simultaneously receive both IEA funds and public education funds for non-public placement.
- Annually submit to the department the graduation and completion rates of students in the IEA Program following the instructions provided by the department by the deadline posted on the IEA webpage. (See "Annual Graduation and Completion Rate" section below.)
- Submit to the department a financial audit of the school conducted by a certified public accountant, if requested by the department and following the guidelines set by the department. (See the "Audit" section below.)
- If a student withdraws from the school and transfers to another school or returns to the school district, refund the tuition and fees on a prorated basis based on the number of days the student was enrolled in the school following the procedures set by the department. Account holders may not accept any payment, refund, or rebate of IEA funds from a provider of any services for the IEA Program. All refunds must be returned by the non-public school directly to the department for credit to the student's IEA account. Refunds must be received by the department within 15 calendar days of the student's withdrawal from the school. (See Chapter 4 for more information on refunds.)
- Upon a student's withdrawal from the school, send all educational records of the participating student to the school district or other school identified by the account holder. If a student transfers from a participating school, the school must provide the account holders copies of all the student's educational records within five business days of the transfer regardless of whether the account holder owes money to the school. If a school does not provide the records as required by this part, the department can remove the school from participating in the IEA Program.
- Do not send IEA accounts to collections in order to settle unpaid debts. All contracts entered are the responsibility of the private parties involved.
- Notify the IEA Program of any changes to the school's information after the IEA Participating Non-public School application is submitted each year. (See the "Updating School Information" section below.)
- Agree to allow the department to conduct site visits. (See the "School Site Visits" section below.)
- Comply with all state laws, rules, and procedures for non-public schools.
- Comply with the minimum kindergarten age requirement pursuant to [Tenn. Code Ann. § 49-6-201\(b\)\(3\)](#) Minimum Kindergarten Program Law and the State Board of Education rules for non-public school approval - [Chapter 0520-07-02](#) Non-public School Approval Process.

- Comply with all of the [IEA state laws](#), rules, and procedures for participating schools and the requirements set in the *IEA Participating Non-public School Handbook*.

Important:

- The department does not endorse any school.
- The account holder is responsible for any contract entered into with a school and for ensuring that the terms of the contract are fulfilled. The department cannot void a private contract, give legal advice, or arbitrate payment schedules.

Criminal Background Checks

All participating non-public schools must comply with the criminal background check rules pursuant to SBE Rule 0520-01-11-.02(7). On the non-public school application form, the applicant must attest and provide evidence that the school complies with these rules.

What standards must the criminal background check meet?

A “criminal background check,” at a minimum, must include checks of the Tennessee Sex Offender Registry and the Abuse Registry of the Tennessee Department of Health. In addition, all participating schools must maintain documentation that any person providing instruction or services to participating students has undergone a fingerprint-based criminal history and records check conducted by the Tennessee Bureau of Investigation (TBI) and forwarded by the TBI to the Federal Bureau of Investigation for processing pursuant to the National Child Protection Act.

To ensure that this requirement is met, participating school administrators must complete all the following steps:

- **Step 1:** To comply with the **criminal background check requirements** of the IEA Program, the school administrator must maintain verification that all school employees have completed both of the following:
 1. Complete a fingerprint background check through the [Tennessee Bureau of Investigation \(TBI\)](#). The provider will need to have an Originating Agency Identifier (ORI) number issued by the TBI to request this background check. If any school employee does not have an ORI number, the school administrator will need to request one following the instructions on the TBI website; **and**
 2. Complete a fingerprint background check through the [Federal Bureau of Investigation \(FBI\)](#).
- **Step 2:** Once the school employee has completed both the TBI and FBI fingerprint criminal background checks, the school administrator must verify that the provider has never been convicted of a felony, including conviction on a plea of guilty, a plea of nolo contendere, or order granting pre-trial diversion. The administrator must search the following two registries and ensure that the employee does not appear on either:
 - [Tennessee Department of Health Abuse Registry](#); **and**
 - [Tennessee Bureau of Investigation Sex Offender Registry](#).

Student Assessment and Reporting

As required by state law, [Tenn. Code Ann. § 49-10-1403\(e\)](#), if a student is in grades 3–8, the account holder must submit verification to the department indicating that the student has taken **either** a nationally norm-referenced test(s) approved by the department **or** the Tennessee Comprehensive Assessment Program (TCAP) test(s), or any future replacements of the TCAP tests, in at least the subjects of English language arts (ELA) and mathematics (see Ch. 3 of the [IEA Account Holder Handbook](#) for complete details).

Note:

Grade levels for students participating in the IEA Program are in accordance with department records, *not* individual instructional levels or non-public school placements. As each student in the IEA Program is required to be registered with the LEA in which they reside, the student's grade level will be listed in accordance with such records.

Students with disabilities who would have participated in the alternate assessment, **as determined on the student's most recent IEP**, are exempt from the assessment requirement. Decisions regarding a student's participation in the TCAP Alternate Assessment are made solely by the student's IEP team, and no alternate nor abbreviated testing determinations may be made outside of an IEP meeting. The IEA Program cannot make any decisions regarding a student's participation in the TCAP Alternate Assessment. Only those students for whom the most recent IEP listed that the student would participate in the Tennessee Alternate Assessment, as shown in the example below, are exempt from this assessment requirement.

State/District Mandated Tests		
<input type="checkbox"/> Student will participate in the following state/district mandated assessment(s):		
<input type="checkbox"/> Achievement	<input type="checkbox"/> EOC	<input checked="" type="checkbox"/> Tennessee Alternate Assessment
<input type="checkbox"/> WIDA Access	<input type="checkbox"/> WIDA Access (Alternate)	<input type="checkbox"/> PLAN
<input type="checkbox"/> ACT	<input type="checkbox"/> EXPLORE	
District Assessment:		
<input type="checkbox"/> No Accommodations	<input type="checkbox"/> Accommodations	

If requested by the account holder, schools participating in the IEA Program must agree to administer one of the aforementioned assessments. The school may charge account holders a fee to administer the assessment, and account holders may use IEA funding to pay assessment fees. Any assessment fees charged by the school must be included in the fee schedule submitted with the school's application to participate in the IEA Program and must be itemized on the receipt given to account holders.

If the school administers a norm-referenced test(s) to a student enrolled in the IEA Program, the school must provide the account holder with an assessment report which shall include, at a minimum:

- the name of the assessment,
- the date the assessment was administered to the student,
- the student state ID number (issued by the public school district in which the student resides),
- the name of the student (first, last, and middle initial), and
- the student's score on the assessment.

If the school administers a TCAP assessment to a student receiving an IEA, the school must identify on the forms submitted to the department the student's state ID number (issued by the public school district in which the student resides). Instructions for how to code the TCAP answer documents and Test Administration Group (TAG) for students in the IEA Program will be included in the Test Administration Manual (TAM).

Note:

Failure to submit an Assessment Verification Form and copies of the student's assessment score report or proof of exemption, if applicable, by the deadline set by the department can result in removal of the student from the IEA Program and prohibition from participating in the IEA Program in the future.

An extension to the annual IEA student assessment requirement deadline for students in grades 3-8 may be available only if the approved norm-referenced assessment is administered by a participating non-public school and that school submits a signed statement on school letterhead listing:

- the students' names who participated,
- the norm-referenced assessment(s) administered,
- the dates the assessment(s) was/were administered,
- the dates the score reports are expected, and
- an assurance that score reports will be submitted to the IEA Program by an identified date.

This signed statement must be submitted to the IEA Program before the annual deadline.

Private School Proportionate Share

The federal regulations that implement the Individuals with Disabilities Education Act (IDEA) require public education agencies (school districts) to spend a proportionate share of their federal special education funding to provide special education and related services to children with disabilities who are enrolled by their parents in non-public schools (including religious schools) located within their jurisdiction (34 C.F.R. §§ 300.132 and 133). Each school district must consult with non-public school representatives and representatives of parentally placed private school children with disabilities in order to design and develop a plan for the provision of equitable services to parentally placed private school children with disabilities (see 34 C.F.R. § 300.134).

Annual Graduation and Completion Rates

Annually, participating schools must submit to the department the graduation and completion rates of grade 12 students in the IEA Program using the form provided by the department. (See Ch. 5 for links to forms.) The completed form must be received by the department no later than June 1.

Participating schools must report all grade 12 students who participate in the IEA Program as one of the following: graduated, completed, withdrew from the school, repeating grade 12, or "other" with an explanation.

- Participating schools will define *graduation* as a student who has received a regular diploma.
- Participating schools will define *completion* as a student who has taken and passed the HiSET or GED.
- Participating schools will define *withdrawal* as a student who did not receive a regular diploma and is not returning for additional years until the age of 22.
- Participating schools will define *repeating grade 12* as a student who completed grade 12 without a regular diploma and will continue for the next school year.

Audit

The department may require participating schools to submit to the department a financial audit of the school conducted by a certified public accountant. Such audit shall include a statement that the report is free of material misstatements and fairly represents the participating school's maximum total tuition and fees. Any funds determined by the department to be expended in a manner inconsistent with this part shall be returned to the state.

Updating School Information

If at any time, the information submitted in the school application changes, including, but not limited to, the email address, physical address, or phone number, the school shall report the changes by emailing IEA.Questions@tn.gov. Schools must notify the department within 15 calendar days of the change taking effect. Failure to provide this information to the department within 15 calendar days may result in the suspension of the school's participation in the IEA Program and/or removal of the school from participating in the IEA Program.

School Site Visits

In order to participate in the IEA Program, non-public schools must agree to allow the department to conduct site visits. The purpose of the site visits is solely to verify the information reported by the schools concerning the enrollment and attendance of students, background screening of teachers, and compliance with state law, rules, and procedures.

Chapter 3: Application Process and Participation

In order to participate in the IEA Program and accept IEA funding from account holders for payment for tuition, fees, and/or textbooks, non-public schools must apply to the department, receive approval, and be placed on the approved list of IEA participating schools.

Non-public School Application Process

The IEA Participating Non-public School application window is open year-round. Applications for non-public schools to participate in the IEA Program must be completed and submitted by the school administrator, following the [instructions](#) posted on the IEA webpage.

For the school to be considered for participation in the IEA Program, the application submission must include the following forms:

- a surety bond (electronic copy) or statement by a certified public accountant (CPA) (electronic copy) (see the “Surety Bond or Statement by a Certified Public Accountant” section below);
- a school calendar (for the school year the school is applying to participate in the IEA Program); **and**
- a list of all tuition and fees (for the school year the school is applying to participate in the IEA Program).

Surety Bond or Statement by a Certified Public Accountant

Non-public schools must demonstrate financial viability to repay any funds that may be owed to the state by filing with the department financial information verifying the school has the ability to pay an aggregate amount equal to the amount of IEA funds expected to be paid during the school year. Schools can comply with this requirement by doing **one** of the following:

- File a **surety bond payable to the state from a surety**. The amount of the surety bond must be equal to the maximum number of students enrolled in the IEA Program that the school has the capacity to enroll (identified in the school’s application) multiplied by the amount of the average quarterly IEA award for the previous contract year. By October 1 of each year, the IEA Program will post the amount of the average quarterly IEA award to be used for this calculation in the next fiscal year. The bond must be signed by someone duly authorized to bind the organization to this agreement (e.g., the administrator of a non-public school). The required [surety bond template](#) and annual amount are posted on the IEA Resources webpage, **or**
- Submit a **statement by a certified public accountant**. If a school has been approved as a [Category I, II, or III](#) non-public school for five years or more, in lieu of the surety bond, the school can submit a statement from a certified public accountant confirming that the school has the ability to pay an aggregate amount equal to the maximum number of students enrolled in the IEA Program that the school has the capacity to enroll (identified in the school’s application) multiplied by the amount of the average quarterly IEA award for the previous contract year. By October 1 of each year, the IEA Program will post the amount of the average quarterly IEA award to be used for this calculation in the next fiscal year. The CPA statement must be notarized. The required [CPA template](#) and annual amount are posted on the IEA Resources webpage.

Contract Year (July 1-June 30)	Multiplier for all surety bonds/CPA statements
2023-2024	\$1600
2024-2025 and beyond	Multiplier will be posted by October 1

Next Steps After the Application is Submitted

After the department receives a participating school application, the department will notify the school administrator via email that the application has been received. All emails will be sent to the email address listed on the school's application.

The department will review the application/agreement and all supporting documentation and will notify the applicant with approval/denial status. Please allow up to 30 calendar days for the IEA team to complete the application review process.

If the department approves the school's application to participate in the IEA Program, the department will include the school on the [list of participating schools](#) for that school year posted on the department's IEA webpage.

Upon notification of approval to participate in the IEA Program, the participating school may begin accepting IEA funding from an account holder for payment of tuition, approved fees, and/or textbooks; school approval status ends upon the last date of the contract year (June 30), and the school may accept no IEA funds after this date unless the school has submitted an application and been approved to participate in the next contract year.

Inclusive Educational Setting

Non-public schools are not required to have an inclusive educational setting to participate in the IEA Program; state law does require that the department list which participating schools have an inclusive educational setting. The list of IEA participating schools is located on the [IEA webpage](#). For the purposes of the IEA Program, a participating non-public school is considered to have an inclusive educational setting if the following two criteria are met:

- Students with disabilities are educated with non-disabled children; **and**
- No more than 50 percent of the students in an individual classroom or setting are students with disabilities.

Reminder:

Non-public schools are not required to have an inclusive educational setting to participate in the IEA Program; state law simply requires that the department indicate on the participating school list which schools have an inclusive educational setting.

Suspension and Revocation of a Participating School

The department may deny, suspend, or revoke a school's participation in the IEA Program if it is determined that the school has failed to comply with any of the IEA law, rules, or department procedures.

The department may deny, suspend, or revoke a school's participation in the IEA Program if the department determines that an owner or operator of the school is operating or has operated a company/organization/

educational institution in this state or in another state or jurisdiction in a manner contrary to the health, safety, or welfare of the public. In making such a determination, the department may consider factors that include, but are not limited to: acts or omissions by an owner or operator that led to a previous denial or revocation of participation in Tennessee's IEA or ESA Programs or similar programs in other states; an owner's or operator's failure to reimburse the department for IEA funds improperly received or retained by a school; imposition of a prior criminal sanction related to an owner's or operator's management or operation of an educational institution; imposition of a civil fine or administrative fine, license revocation or suspension, or program eligibility suspension, termination, or revocation related to an owner's or operator's management or operation of a company/organization/educational institution; or other types of criminal proceedings in which an owner or operator was found guilty of, regardless of adjudication, or entered a plea of nolo contendere or guilty to any offense involving fraud, deceit, dishonesty, or moral turpitude.

Definition: The term "owner or operator" includes an owner, operator, superintendent, principal, or administrator of (or a person who has equivalent decision-making authority over) a non-public school participating in the IEA Program.

The department may immediately suspend a school's participation in the IEA Program if it is determined that there is probable cause to believe that there is:

- an imminent threat to the health, safety, or welfare of the students; **and/or**
- fraudulent activity on the part of the school; in incidents of alleged fraudulent activity pursuant to this section, the department is authorized to release personally identifiable records or reports of students to the following persons or organizations:
 - a court of competent jurisdiction in compliance with an order of that court or the attorney of record in accordance with a lawfully issued subpoena, consistent with the Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g;
 - a person or entity authorized by a court of competent jurisdiction in compliance with an order of that court or the attorney of record pursuant to a lawfully issued subpoena, consistent with the Family Educational Rights and Privacy Act, 20 U.S.C. §. 1232g; and/or
 - any person, entity, or authority issuing a subpoena for law enforcement purposes when the court or other issuing agency has ordered that the existence or the contents of the subpoena or the information furnished in response to the subpoena not be disclosed, consistent with the Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g, and 34 C.F.R. § 99.31.

For a determination of non-compliance, the department will send notice, via email, to the school administrator which includes any findings of non-compliance along with proposed actions. If the finding of non-compliance is correctable within a reasonable amount of time and if the health, safety, or welfare of the students is not threatened, the department may issue a notice of non-compliance which provides the school with a timeframe within which to provide evidence of compliance before the department takes further action to suspend or revoke the school's participation in the IEA Program.

- 1) If the department issues a notice of noncompliance:
 - a) the school administrator shall be given a reasonable period from the date of the notice, as determined by the department, to demonstrate compliance; and
 - b) the notice shall state the reasons for the noncompliance, provide instructions on how to demonstrate compliance, and give a deadline for demonstrating compliance to the department.

- 2) If the department issues a notice of proposed action denying, suspending, or revoking a school's participation:
 - a) the notice shall state the reasons for the action; and
 - b) the notice shall specify the school's right to appeal.

If the department suspends or terminates a school's participation, the department shall notify affected participating students/account holders of the decision. If a participating school is suspended or if a participating school withdraws from the IEA Program, affected participating students remain eligible to participate in the IEA Program, via another participating school or a home school option approved by the department. Any department order of suspension or termination may be appealed pursuant to the appeals procedures in the rules of the [SBE Chapter 0520-01-11-.10](#) (see section below).

Appeal Procedures: Request for Reconsideration

In accordance with [SBE Rule 0520-01-11-.10](#), a participating school may appeal any department decision regarding the school's suspension or termination from the IEA Program. To appeal a department decision, the administrator of the participating school must complete the following:

- **Step 1:** Step One appeals shall be reviewed by the Commissioner or the Commissioner's Designee. Step One appeals must be submitted to the department within fourteen (14) calendar days of the department electronically sending the determination that is being appealed. The day that the department sends the determination shall not count as part of the fourteen (14) calendar days. To file a Step One appeal, complete the Step One [Appeal Form for Participating Schools](#) posted on the [IEA webpage](#), and email the completed form to IEA.Questions@tn.gov. Appeal forms submitted after the deadline, incomplete appeal forms, or appeal forms with vague language that does not clearly articulate the issue on appeal will not be reviewed. The department shall make a determination and issue an electronic notification to the appealing party within forty-five (45) calendar days of receiving the Step One appeal.
- **Step 2:** If the department denies the Step One appeal, the appealing party may file a Step Two appeal. Step Two appeals shall be reviewed by an administrative law judge in accordance with the procedures set forth in the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301 et seq. Step Two appeals must be submitted to the department within thirty (30) calendar days of the department electronically sending the Step One determination. The day that the department sends the Step One determination shall not count as part of the thirty (30) calendar days. To file a UAPA appeal, please complete the [UAPA Appeal Form](#) posted on the [IEA webpage](#). After the UAPA appeal form has been submitted to the department, you will be notified by an administrative law judge who will set the date and time of your hearing.

School Renewal

Annually, participating school administrators must complete and submit a new application to the department, along with all supporting documentation, and be approved in order to continue to participate in the IEA Program for the next school year. Participating Non-public School applications are accepted year-round. In order to renew participation in the IEA Program, participating school administrators should plan to submit applications and supporting documentation each spring for the upcoming school year.

Chapter 4: Use of IEA Funds

Account holders will receive access to IEA funds (state and local public education funds) via a debit card account. The IEA funds are administered by the department through a state contract with Conduent, State & Local Solutions, Inc., and IEA funds are disbursed to account holders on a quarterly basis.

IEA funds may only be used in accordance with the requirements listed in [Tenn. Code Ann. § Title 49, Chapter 10, Part 14](#), [SBE rules 0520-01-11-.06](#), and the [IEA Account Holder Handbook](#). For a complete list of the approved uses of IEA funds, see Chapters 5 and 6 of the *IEA Account Holder Handbook*. While an account holder may use IEA funds to pay for tuition, fees, and/or required textbooks at an IEA participating school that is approved by the department, please note the following requirements and limitations:

- **The IEA Program is direct payment only. The IEA Program will not reimburse account holders for any personal funds spent.**
- Use of IEA funds must be for the sole benefit of the participating student for which the IEA account is established.
- Account holders may only prepay for tuition and/or services at a participating school for services rendered during the IEA contract period for that school year.
- IEA funds **cannot** be used to pay for tuition or fees for home-school umbrella programs/schools *unless* the program/school is listed as an approved IEA participating school on the IEA webpage.
- IEA funds **cannot** be used to pay for a student's **full-time** enrollment in an online learning program/course unless the school providing the program/course is listed as an approved IEA participating school on the IEA webpage (see the section below for restrictions for online courses).
- There are expenses for which IEA funds *cannot* be used. These include, but are not limited to:
 - any fees or costs due to cancelled or missed appointments;
 - paraprofessionals to provide tutoring or therapy services;
 - medical expenses;
 - food;
 - before-school and/or after-school care;
 - summer camp (different from an academic summer school);
 - extracurricular and athletic fees, unless required for enrollment in the participating school;
 - supply fees (which include consumable items/materials);
 - clothing or uniforms;
 - field trips; or
 - any expenses (including services) paid for, provided, or billed outside of the IEA contract period (July 1-June 30).
- An IEA contract is between the department and an account holder, not a non-public school. The account holder is responsible for any contract signed with a non-public school and for ensuring that the terms of the contract are fulfilled.
 - The account holder is responsible for payment of all ineligible expenses and any eligible expenses in excess of the amount of the IEA.

- The department cannot void a private contract, give legal advice, or arbitrate payment schedules.
- Schools cannot hold IEA debit cards or copy debit card information for use at a later date without the account holder present.
- Participating schools cannot accept public education funds for parentally-placed private school students enrolled in the IEA Program.
- If a participating school misuses or fraudulently spends IEA funds, the school will be responsible for repaying those funds to the state treasurer, and the school will be immediately removed from the IEA Program. Cases of fraud and misuse of funds may also be referred to the state comptroller's office and/or the state attorney general's office.

Refunds

Account holders may **not** accept any payment, refund, or rebate of IEA funds from a provider of any goods or services for the IEA Program.

All refunds to account holders should be placed back on the IEA debit card by the school. If the school official is unable to refund the funds directly back to the IEA debit card, the school official must mail the department a certified check or money order matching the amount of the refund. All such refunds must be returned by the school directly to the department for credit to the student's IEA account and received by the department **within fifteen (15) calendar days** of the service being cancelled or the student's withdrawal from the school. Checks or money orders should be made payable to the *Tennessee Department of Education*. With the check or money order, the school official must include a letter with the student's name, account holder's name, and the reason the funds are being returned to the state.

Mail the check and letter to:

Tennessee Department of Education
Individualized Education Account Program
Division of Choice
710 James Robertson Parkway
Andrew Johnson Tower
Nashville, TN 37243

Chapter 5: Quick Link References

Education Choices in Tennessee

<https://www.tn.gov/education/families/school-options.html>

Email address for IEA Questions

IEA.Questions@tn.gov

Federal Bureau of Investigation (FBI)

<https://www.fbi.gov/services/cjis/identity-history-summary-checks>

IEA Account Holder Handbook

<https://www.tn.gov/content/dam/tn/education/iea/2023-24%20IEA%20Account%20Holder%20Handbook.pdf>

IEA webpage

<https://www.tn.gov/education/iea.html>

Tennessee Bureau of Investigation (TBI)

<https://www.tn.gov/tbi/divisions/cjis-division/background-checks.html>

Tennessee Bureau of Investigation Sex Offender Registry

<https://www.tn.gov/tbi/general-information/tennessee-sex-offender-registry.html>

Tennessee Department of Health Abuse Registry

<https://www.tn.gov/didd/divisions/protection-from-harm/abuse-registry.html>

Tennessee Higher Education Commission on Post-secondary Education

<https://www.tn.gov/thec.html>

Tennessee State Board of Education (SBE) Rule for IEA Program - Chapter 0520-01-11

<https://publications.tnsosfiles.com/rules/0520/0520-01/0520-01-11.20220327.pdf>

Tennessee Code Annotated References

Tennessee's School Attendance Law (1)

[Tenn. Code Ann. § 49-6-3001](#)

Individualized Education Act

[Tenn. Code Ann. § 49-10-14](#)

IEA Program Forms

CPA Statement Template for Participating Schools

<https://www.tn.gov/content/dam/tn/education/iea/IEA%20CPA%20Statement%20rev.pdf>

Graduation & Completion Form

https://stateoftennessee.formstack.com/forms/participating_school_12th_grade_students_graduation_and_completion_form

Surety Bond for Participating Schools Template

<https://www.tn.gov/content/dam/tn/education/iea/IEA%20Surety%20Bond%20rev.pdf>