

Quarter Three Expense Report Summary

Jan. 1–July 31, 2017 IEA Term

Introduction

The Individualized Education Act, adopted by the General Assembly in 2015, created the Individualized Education Account (IEA) Program, a new school choice program for eligible students with disabilities. The program provides options for parents and students to choose the education opportunities that best meet their own unique needs through access to public education funds.

For more information about the IEA Program, please visit: <http://www.tn.gov/education/section/iea>.

IEA Funding Distribution System

The state IEA law established the formula for calculating the amount of the IEA awards. The maximum annual amount is equal to the amount representing the per-pupil state and local funds generated and required through the Basic Education Program (BEP)—the state’s funding formula for public education—for the school district in which the student resides and is zoned to attend, minus the four percent administrative fee that the department retains.

- The average amount of IEA awards across the state for the Jan. 1–July 31, 2017 term is approximately \$3,300.
- The list of the IEA award amounts for the Jan. 1–July 31, 2017 term is posted on the IEA webpage: <http://www.tn.gov/education/topic/iea-resources>.
- As of March 15, 2017, 35 students were participating in the IEA Program for the Jan. 2017 term.
- 57,305 was distributed to IEA account holders for the quarter three payment.

Table 1: IEA Quarter 3 Award Distribution

	<i>Dollar Amount</i>
<i>Amount of Quarter 3 IEA Awards Distributed</i>	\$59,054.56
<i>Average Quarterly Award Amount (Per student)</i>	\$1,640.40

IEA Expense Reporting and Use of IEA Funding

IEA account holders must submit quarterly expense reports to the department documenting how they spent the IEA funds for that quarter. For the Jan. 1–July 31, 2017 IEA term, the first quarterly expense report was due on March 15.

The department reviewed the expense reports to ensure funds were spent appropriately. Some expenses require pre-approval before the funds can be spent (e.g., educational therapy, tutoring services, computer hardware/technological devices, and fieldtrips).

Table 2: IEA Quarter 3 Expense Report Summary

<i>Number of Expense Reports Submitted</i>	33
<i>Number of Expense Reports Not Submitted</i>	2
<i>Number and Percentage of Expense Reports with Misspent Funds</i>	8 (24%) ¹

Table 3: IEA Quarter Three Use of Funds

	<i>Dollar Amount</i>	<i>Average Amount</i>
<i>IEA Funds Spent</i>	\$30,613.16	\$900.39
<i>IEA Funds Not Spent²</i>	\$28,123.04	\$852.21

Table 4: IEA Quarter 3 Use of Funds by Approval Status

	<i>Total Amount</i>	<i>Percentage</i>
<i>Amount of IEA Funds Spent on Approved Expenses³</i>	\$26,031.81	89.2%
<i>Amount of IEA Funds Spent on Disallowed Expenses (i.e., Misspent)</i>	\$4,581.35	15%

Table 5: IEA Quarter 3 Misspent Funds

<i>Total Amount</i>

¹ This includes \$1,431.20 in IEA funds spent by one account holder who did not submit an expense report. The other account holder who did not submit an expense report did not use any of their IEA funds.

² The amount of IEA funds not spent is the amount of the quarterly award that is not spent on approved expenses during Quarter 3. Account holders can save up to 50 percent of their annual award each year. This does not include the amount of funding for the account holder who did not submit an expense report and did not use any of their IEA funds.

³ For a list of approved expenses, see Chapter 8 of the IEA Parent Handbook. <http://www.tn.gov/education/section/iea>.



<i>Amount of Misspent Funds Repaid by Account Holders</i>	\$3,150.15
<i>Amount of Misspent Funds that the department is Awaiting Repayment</i>	\$1,431.20
<i>Amount of Misspent Funds Sent to Collections</i>	\$0.00
<i>Amount of Misspent Funds Recovered Through Collections</i>	\$0.00
<i>Amount of Collections Fees Paid</i>	\$0.00

Table 6: IEA Quarter 3 Use of Funds by Approved Expense Category

<i>Category</i>	<i>Total Amount Spent</i>	<i>Percentage</i>
<i>Private Participating School Tuition</i>	\$8,055.03	30.94%
<i>Fees Assessed by Private Participating Schools</i>	\$0.00	0%
<i>Textbooks Required by a Private School</i>	\$0.00	0%
<i>Online Programs</i>	\$0.00	0%
<i>Public School Tuition</i>	\$0.00	0%
<i>Fees Assessed by the Public School</i>	\$0.00	0%
<i>Postsecondary Institution Tuition and Fees</i>	\$0.00	0%
<i>Required Textbooks by the Postsecondary Institution</i>	\$0.00	0%

<i>Educational Therapies and Services</i>	\$3,252.96	12.5%
<i>Tutoring Services</i>	\$357.82	1.4%
<i>Curriculum</i>	\$6,636.70	25.5%
<i>Computer Hardware and Technological Devices</i>	\$5,972.91	22.9%
<i>Transportation Service Provider Fees</i>	\$0.00	0%
<i>Testing Fees</i>	\$35.00	0.1%
<i>530 Coverdell Plan Contributions</i>	\$1,071.39	4.1%
<i>ABLE TN Contributions</i>	\$650.00	2.5%

Table 7: Amount of Loss to State BEP for Students who Exit IEA and Re-enroll in a Tennessee Public School District⁴

	<i>Total Amount</i>
<i>Amount of State BEP Loss</i>	\$0.00

⁴ Upon a student's exit from the IEA Program, any funds remaining in the IEA will be returned to the state treasurer to be placed in the BEP account of the education trust fund. School districts will begin receiving BEP funding for students who withdraw from the IEA Program the day students enroll in the district and the district begins reporting the students using the appropriate attendance code in the state information system (EIS). There would be a loss in funding to the state BEP if a student receives and spends their IEA payment and then returns to the school district before the end of the IEA payment quarter.