TN Department of **Education**

Individualized Education Account Program

2017-18 Program Report

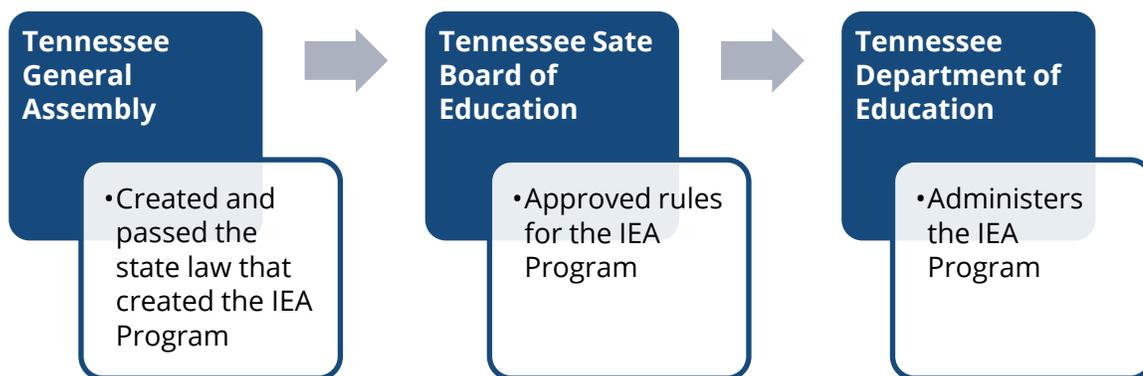Tennessee Department of Education| September 2018

Table of Contents

Introduction

The *Individualized Education Act*, signed into law on May 18, 2015, established the Individualized Education Account (IEA) Program, a 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.

The law authorized the State Board of Education (SBE) to promulgate rules for the program in consultation with the Tennessee Department of Education (the department) and the Tennessee Department of Health. The law requires the department to administer the program and approve administrative procedures.

Tennessee General Assembly
- Created and passed the state law that created the IEA Program

Tennessee Sate Board of Education
- Approved rules for the IEA Program

Tennessee Department of Education
- Administers the IEA Program

IEA Program Information

Information about the IEA Program is available on the department's IEA webpage: https://www.tn.gov/education/iea.html.

If you have any questions or need additional information about the IEA Program, please contact the IEA team at: (615) 253-3781or IEA.Questions@tn.gov.

Executive Summary and Key Points

The department's main priority in administering the IEA Program is to ensure that the program is effectively serving the parents and students of Tennessee in a manner that fulfills all legal requirements and aligns with the program's original intent as set by the state legislature.

Fast Facts:
- The first Individualized Education Accounts (IEAs) were awarded in January 2017.
- The student and private school applications for the 2017-18 school year launched on Jan. 17, 2017: Student applications were due April 3, and private school applications were due April 28.
  - 157 student applications were submitted, 114 applications were approved, and 88 students enrolled in the IEA Program for the 2017-18 school year (Aug. 1–July 31).
  - Fourteen schools were approved to participate in the IEA Program.
- A total of $574,498.01 in IEA funding was generated for the 2017-18 school year. The average amount of IEA awards across the state was approximately $6,667.01.
- $310,556.39 in IEA funding was spent in the 2017-18 school year; $303,118.77 on approved expenses, and $7,437.62 on disallowed expenses (i.e., misspent).
- Based on a department survey for the IEA Program that was completed by IEA account holders for the 2017-18 school year, of the 10 IEA Program administration satisfaction questions, 70 percent or more of account holders strongly agreed, agreed, or slightly agreed with all of the satisfaction statements (92 percent of the statements). When asked to rate their overall satisfaction with the IEA Program, 80 percent either rated it as 'Outstanding' or 'Above Average.'
- Based on a department survey for the IEA Program that was completed by the IEA school district liaisons for the 2017-18 school year, out of 18 indicators of effective program administration, 91 percent or more of respondents either agreed or strongly agreed with all 18 of the indicators.

2017-18 Challenges and Successes

Challenges

As with the creation of any new statewide program, there were a number of challenges that arose during the first full school year implementing the IEA Program. The main challenges included:

1. Monitoring the use of the IEA funds to ensure the funds were spent on approved expenses in accordance with state law, rule, and procedure.
2. Educating parents on the eligibility requirements for the IEA Program.
3. Ensuring that account holders met the IEA responsibilities in accordance with state law, rule, and procedure (e.g., submitting expense reports and receipts; submitting verification that students took the assessments required by the state IEA law).
4. Ensuring parents of students applying to participate in the IEA Program met the eligibility requirements set by state law; processing student and school applications in a timely manner and providing support to parents and schools submitting applications.[1]
5. Ensuring school districts knew how to properly report students receiving IEAs in the state systems, including reporting the students' attendance for the purposes of generating funding for the IEAs.

The department is committed to an ongoing review of the IEA Program to identify what is working well and what areas/systems can be improved based on feedback from the parents, students and schools participating in the program and our stakeholders.

While these challenges were large, they were surmountable thanks in large part to the numerous individuals across the state who provided feedback, support, and guidance in the development of the program.

Successes

1. Eighty-eight students were able to participate in the IEA Program and use IEA accounts for the educational expenses that best meet their own unique needs—an increase of 144 percent from the first IEA term.
2. Overall, parents of students in the IEA Program are satisfied with the department's administration of the program.
3. Fourteen private schools participated in the program, providing parents more educational choices for how to use the IEA funds; an increase of 56 percent from the first IEA term.
4. The department moved to a new electronic payment distribution system that now distributes IEA funding in 10 payments throughout the school year.

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[1] Public Chapter 305 signed into law on May 5, 2017 clarified the student eligibility requirements.

5. The department was able to provide effective and timely customer service to parents of students enrolled in the IEA Program and make improvements based on feedback from parents, including:
    a. Creating a new monthly email newsletter for IEA account holders to help them stay informed about upcoming deadlines, payment distribution dates, and helpful resources.
    b. Creating new live expense report sessions to provide more support to account holders with completing their expense reports. The sessions are in addition to the account holder training the department has continued to provide.
    c. Making significant improvements to the parent resources posted on the IEA webpage (e.g., *IEA Parent Handbook*) to make the resources more concise, clear, and comprehensive, as well as creating new resources for parents.
    d. Creating an IEA postcard that was mailed out to parents of students with active individualized education programs (IEPs) with one of the nine qualifying disabilities. The postcard replaces the brochure that was previously mailed out.
    e. Moving to a new electronic forms system to make it easier for parents to submit forms to the department (e.g., expense reports, expense pre-approvals).
6. In an effort to provide easy access to resources for parents of students with disabilities, including those in the IEA Program, the department worked with other state agencies and external organizations to create a list of resources for parents of students with disabilities.
7. The department has sustained its focus on transparency by continuing to publish quarterly expense report summaries that outline how much funding was distributed and how the funds were used.
8. The department has continued to engage and solicit feedback from stakeholders including convening the IEA Advisory Group; sending out the monthly IEA Update; visiting with private schools participating in the IEA Program; providing school district trainings, private school information sessions, IEA presentations at education conferences and meetings across the state; and making numerous improvements to the IEA webpages.
9. The department has processed all forms submitted by the deadlines, and in many cases (e.g., expense pre-approval processing), has processed forms five times faster, on average, than the deadlines. This processing speed means the department is able to provide the information to parents and schools much more quickly. The department is continuing to take steps to improve the efficiency of the administration of the IEA Program.
10. The rules of the program were revised based on changes from state law and feedback from parents and other stakeholders.
11. Based on a department survey for the IEA Program that was completed by the IEA school district liaisons for the 2017-18 school year, out of 18 indicators of effective program administration, 91 percent or more of respondents either agreed or strongly agreed with all 18 of the indicators.

Overview of Student and Private School Enrollment/Participation for the 2017-18 School Year

The student and private school applications for the 2017-18 school year launched on Jan. 17, 2017: Student applications were due April 3, and private school applications were due April 28 (see Table 1 below). See the [Student Enrollment Data Aug. 1, 2017–July 31, 2018 Report](#) posted on the IEA webpage for more information on student demographics for the 2017-18 school year.

For the January 2017 IEA term, 35 students enrolled in the IEA Program, and nine private schools participated.

Table 1: 2017-18 Student Enrollment

|	Parents/Students
Number of Student Applications Submitted	157
Number of Student Applications Approved	114
Number of Students Who Officially Enrolled	88
Number of Students Who Withdrew from the Program after Receiving IEA Funds	8
Number of Students Who Were Removed from the IEA Program[2]	5

Fourteen schools were approved to participate in the IEA Program for the 2017-18 school year. See the [Student Enrollment Data Aug. 1, 2017–July 31, 2018 Report](#) posted on the IEA webpage for more information on the characteristics of private schools participating in the IEA Program in the 2017-18 school year.

Account Holder Satisfaction with the IEA Program

In May 2018, the IEA Program administered surveys to IEA account holders to gauge account holders' satisfaction with the IEA Program and solicit feedback that could be used to further improve their experiences in the IEA Program. Fifteen out of a total of 76 account holders (20 percent) completed the account holder survey.

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[2] Students were removed from the IEA Program for reasons including: failure to submit the expense reports and receipts, failure to submit the assessment verification form, and enrolling the student in a public school.

Of the 10 IEA Program administration satisfaction questions, 70 percent or more of account holders strongly agreed, agreed, or slightly agreed with all of the satisfaction statements (92 percent of the statements). When asked to rate their overall satisfaction with the IEA Program, 80 percent either rated it as 'Outstanding' or 'Above Average.'

Overall Satisfaction with the IEA Program

Legend:
- ■ Outstanding
- ■ Above average
- ■ Average
- ■ Needs Improvement
- ■ Poor
- ■ N/A
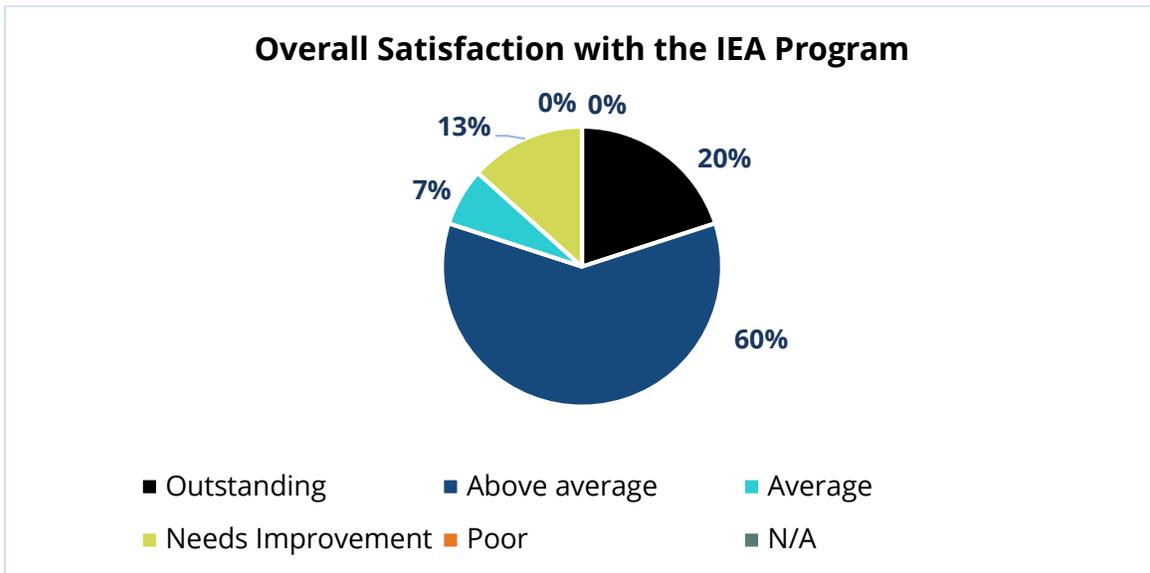
Some of the indicators that scored high on the survey include:

- The resources provided by the department, including the IEA Parent Handbook, thoroughly and clearly explain the IEA Program.
- The information on the IEA webpages is clear.
- Members of the department consistently display a high level of content knowledge of the program.
- Members of the IEA team at the department are receptive to feedback to improve the administration of the IEA Program.
- Members of the department provide regular updates about the IEA Program so that I am fully informed of any changes to the IEA Program.
- The process for submitting receipts and expense reports is clear.
- The process for submitting receipts and expense reports is easy to complete.

Some of the positive feedback received regarding the IEA Program as a whole include:
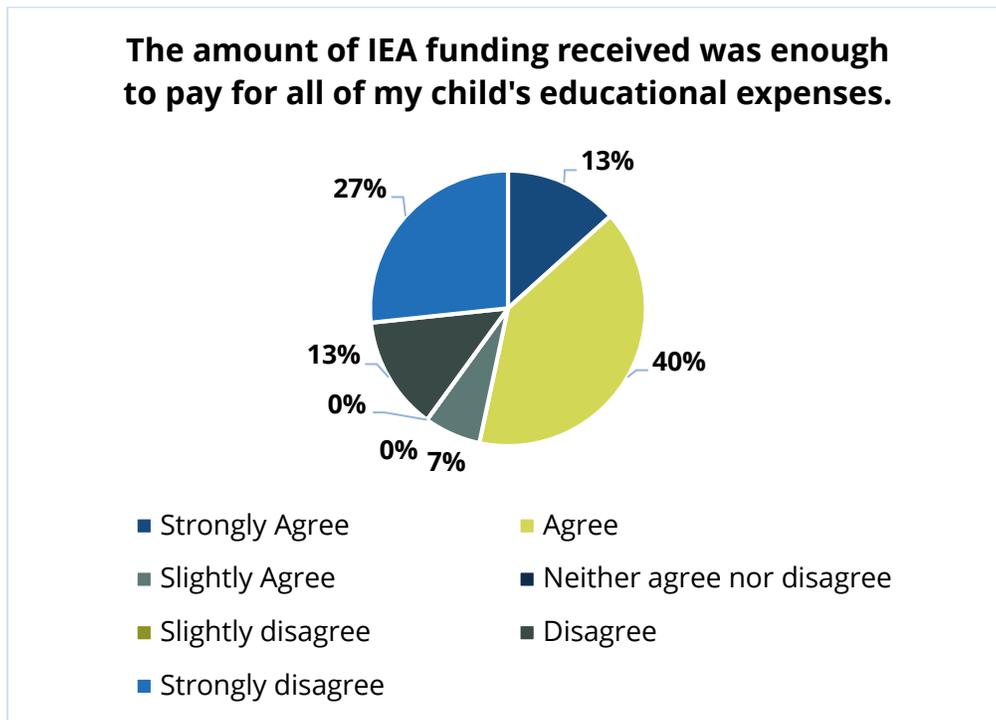
- "I am very happy this option is available for my child."
- "Thank you to any person involved in making the IEA program available in TN. Even as it is a work in progress, it is so much more beneficial for our children to have the options presented with the IEA. It is a God-send!"

Some of the comments for areas the program can be improved that the department is considering are:

- Create a centralized IEA forms website that would enable parents to access all of the IEA forms, view the status of the forms they have submitted, and see any notices from the department related to the form.

Of the account holders who responded to the survey, **60 percent reported that the amount of IEA funding received was enough to pay for all of their child's educational expenses**; 40 percent of survey

respondents reported spending more than $1,000 over the amount of IEA funding they received for their child's educational expenses.

The amount of IEA funding received was enough to pay for all of my child's educational expenses.

13%
27%
40%
13%
0%
0% 7%

- ■ Strongly Agree
- ■ Agree
- ■ Slightly Agree
- ■ Neither agree nor disagree
- ■ Slightly disagree
- ■ Disagree
- ■ Strongly disagree

IEA Funding for the 2017-18 School Year

Pursuant to state law, the maximum annual IEA award 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 six percent administrative fee that the department retains. A total of $574,498.01 in IEA funding was generated for the 2017-18 school year. The average amount of IEA awards across the state for was approximately $6,667.01 per student.[3]

IEA funds must be used on approved expenses in accordance with IEA state law, rule, and procedures (e.g., tuition at private schools approved to participate in the IEA Program, educational therapy, and curriculum). IEA account holders must submit quarterly expense reports to the department documenting how they spent the IEA funds.

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[3] All averages are based on the average number of students participating in the IEA Program for the 2017-18 school year. The average for the term is 81 students.

Table 2: 2017-18 Use of Funds

	Dollar Amount	Average Amount
IEA Funds Spent	$310,556.39	$3,834.03
IEA Funds Not Spent	$263,941.62[4]	$3,258.54

Table 3: 2017-18 Use of Funds by Approval Status

	Total Amount	Percentage
Amount of IEA Funds Spent on Approved Expenses[5]	$303,118.77	98%
Amount of IEA Funds Spent on Disallowed Expenses (i.e., Misspent)	$7,437.62	2%

Table 4: 2017-18 Misspent Funds[6]

	Total Amount
Amount of Misspent Funds Repaid by Account Holders	$2,229.81
Amount of Misspent Funds that the Department is Awaiting Repayment	$5,207.81

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[4] This amount includes IEA funds that were waived and/or withheld from IEA Payments.
[5] For a list of approved expenses, see Chapter 8 of the *IEA Parent Handbook* posted on: https://www.tn.gov/education/iea/iea-resources.html.
[6] Eleven expense reports submitted for the 2017-18 school year include misspent funds.

Table 5: 2017-18 Use of Funds by Approved Expense Category

Category	Total Amount Spent	Percentage*
Private Participating School Tuition	$113,835.49	38%
Fees Assessed by Private Participating Schools	$421.26	0%
Textbooks Required by a Private School	$0.00	0%
Online Programs	$7,782.52	3%
Public School Tuition	$0.00	0%
Fees Assessed by the Public School	$0.00	0%
Postsecondary Institution Tuition and Fees	$5,797.68	2%
Required Textbooks by the Postsecondary Institution	$0.00	0%
Educational Therapies and Services	$29,504.77	10%
Tutoring Services	$22,808.89	8%
Curriculum	$36,741.58	12%
Computer Hardware and Technological Devices	$26,913.18	9%
Transportation Service Provider Fees	$0.00	0%
Testing Fees	$667.50	0%

Category	Total Amount Spent	Percentage*
530 Coverdell Plan Contributions	$5,896.42	2%
ABLE TN Contributions	$52,749.48	17%
IEA Bank Account Fees	$0	0%

*The percentages total 101 percent due to rounding.

Conclusion

The 2017-18 school year was the first full school year of the IEA Program. The department is committed to an ongoing review of the IEA Program to identify what is working well and what areas can be improved. The department's main priority in administering the IEA Program is to ensure that the program is effectively serving the parents and students of Tennessee in a manner that fulfills all legal requirements and aligns with the state law. The department is committed to maintaining strong stakeholder engagement and communication, which are key to the successful implementation of the program. The department will release ongoing updates and communication throughout the year and will release an annual report on the implementation of the program each year.