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**Individualized Education Accounts, Rule 0520-01-11**

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**The Background:**

On May 18, 2015, Governor Haslam signed into law the Individualized Education Act (Public Chapter 431) which creates individualized education accounts (IEAs) for eligible students with disabilities to use for educational purposes. The program provides options for parents of certain students with disabilities to choose the educational opportunities that best meet the individual needs of their child by giving them direct access to state and local public education funds. The program will go into effect in the 2016-17 school year. The student application window will open by August 2, 2016, and students will be able to enroll in the program beginning January 1, 2017.

The proposed rules were developed by State Board staff and the Tennessee Department of Education in consultation with the Tennessee Department of Health and were informed by feedback from stakeholders from across Tennessee. The rules were approved by the State Board on final read on January 19, 2016. After final approval of the rules, the Attorney General's office provided several suggested revisions. The rules being presented on final read have been revised based on this feedback. Key revisions made include:

- Adds "account holder" definition to clarify account holders can be parents or students that have attained the age of majority.
- Revises the appeals procedure to align with established procedures.
- Revises payment frequency pursuant to Chapter 620 of the Public Acts of 2016.
- Adds ABLE account to the list of approved IEA expenses per Chapter 793 of the Public Acts of 2016.

**The Fiscal Analysis Impact:**

Tenn. Code Ann. § 49-1-212 requires that the Department prepare a fiscal analysis of any policy, rule or regulation proposed to the State Board of Education. This item has no financial impact on an LEA. (Chapter 431 of the Public Acts of 2015 impacts LEAs to the extent it transfers Basic Education Program (BEP) funds associated with program participants to IEA accounts. The proposed rules do not result in any additional impact.)

**The Recommendation:**

The Department of Education recommends adoption of this item on final reading. The SBE staff concurs with this recommendation.