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**Individualized Education Account Rules 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 Act authorizes the State Board of Education to promulgate rules for the IEA program. This item presents the proposed rules. The proposed rules were developed by the 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 Board on first read on October 23, 2015.

The Board held a public rulemaking hearing on November 12, 2015, and five members of the public presented oral feedback on the proposed rules. There was an open public comment period for the proposed rules and 18 individuals submitted comments to the Board on the proposed rules. All comments were reviewed by the Board staff and the Department. The public comment period closed on November 19, 2015.

The rules being presented on final read to the Board have been revised based on the feedback from the public comments and the IEA External Advisory Group. The revisions made include:

- Refer to students as ‘students enrolled in the IEA Program’ or ‘students receiving IEAs’ instead of ‘IEA students.’
- Revised the definition of ‘educational therapies.’
- Changed the percentage of IEA funds that must be spent each year from 90 percent to 50 percent.

The proposed rules are available online through the Board’s website. The Board and the Department are committed to an ongoing review of the proposed rules based on feedback from stakeholders and members of the public.

The Department will also develop administrative procedures for the IEA program in accordance with the Act. External stakeholders will review and provide feedback on the proposed procedures before they are put into effect by the department.

**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. (Public Chapter 431 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.