LOUISIANA DEPARTMENT OF EDUCATION

Office of Teaching and Learning

High Cost Services Allocation

2026-2027 School Year

Introduction

The Louisiana Department of Education (LDOE) has established a High Cost Services grant to support school systems and schools that serve our state's students with the most difficult needs. This High Cost Services grant is intended to provide additional funding for high-cost special education services for students with disabilities. This fund is made up of money from the state's Individuals with Disabilities Education Act (IDEA) allocation and Minimum Foundation Program (MFP) formula.

The High Cost Services Grant application is included in the Unified Application process on the state's electronic Grants Management System (eGMS). This document contains guidance concerning the application for these funds and the expenses allowable under the High Cost Services Grant allocation process.

General Information

1. A local education agency (LEA) is eligible to apply for the High Cost Services grant on behalf of any student, ages 3-21, with an active Individualized Education Plan (IEP) who receives services that are deemed to be greater than three times the average per pupil expenditure. The average per pupil expenditure is $17,769. LEAs may apply for students whose total cost of education in the 2025-2026 school year exceeded $53,307. When determining eligibility, LEAs should consider all costs associated with educating the child in the previous school year. LEAs should do a cost analysis of all students with IEPs in their jurisdiction and determine the appropriate students to submit applications for through this grant.
    a. NOTE: Round two will account for any student who is new to the LEA and meets the eligibility criteria. Further details about round two are explained later in this document.
2. High Cost Services funds are student-specific and cannot be used to support any other students.
    a. If the student approved for funds no longer needs the services designated in the application, or if the student withdraws or transfers to another LEA, the LEA that was allocated funds must notify the LDOE in writing no later than 10 days after the student's status changes.
        i. The LEA that received funds will not be eligible to retain any remaining unobligated or unexpended funds.

ii. Any remaining unobligated or unexpended funds will follow the student who transfers to any LEA within the state if the system or school requests or confirms the need for the funds.

iii. Any specialized equipment purchased with High Cost Services funds will follow the student to any LEA within the state and shall become part of the receiving LEA's inventory list.

b. LDOE staff will monitor High Cost Services and student jurisdiction through the Special Education Reporting (SER) system and other auditing systems.

3. LEAs may apply for reimbursement of allowable costs that exceed the eligibility threshold of $53,307 and are associated with educating a specific student with a disability as identified in the student's IEP. When completing applications in eGMS, the system will indicate the amount of eligible reimbursement for the individual student application based on the total amount entered as the cost to educate the student in the prior year, compared to the eligibility criteria of the grant. This calculation represents a deduction that is inclusive of the MFP state and local amount allocated on behalf of each student from Levels 1, 2, and 3. LEAs must keep accurate internal records of all expenses from the prior year used for justification that the student meets the eligibility criteria of the grant, as all expenses are subject to further audit.

a. Example: If the total cost to educate the student in the prior year was $70,000, the LEA may apply for reimbursement of up to $34,462.

i. Process: The average per-pupil amount ($17,769) is subtracted from the eligibility criteria a student must meet to be eligible to participate in the grant ($53,307). The remaining balance ($35,538), which is inclusive of the MFP, is subtracted from the total cost to educate the student in the previous year ($70,000) to determine the amount that can be requested for reimbursement: $34,462.

b. ***Allowable*** costs under both funding sources are limited to:

i. Certified teachers or interpreters in specific low-incidence disability areas, for example, Deaf/Hard of Hearing and Visual Impairment, where students are receiving the majority of their services from a generically certified special education teacher. Both specialty teachers, interpreters, and any 1:1 teachers must be described on the IEP.

ii. One-on-one or two-on-one paraprofessional support to address the student's high-cost services. The terms "child-specific aide" or "1:1 or 2:1 paraprofessional" **must** be indicated on the IEP.

iii. Special transportation costs are limited to personnel, equipment, or services required for the specific high-need cost as identified on the IEP. Any transportation costs not specific to the high-need student or prorated for this student are unallowable. Services must be provided directly to the student and must be clearly described on the IEP under "Special Transportation."

iv. Specialized equipment or supplies must be described in the student's IEP.

v. Specialized staff training needed to implement the student's high-cost services is described in the student's IEP.

vi. Related services, such as nursing services, occupational therapy, physical therapy, speech-language pathology, educational interpreters, and mental health professional counselor, that are **above and beyond what the majority of students in the school are receiving**. A typical service delivery model is considered to be 30 minutes twice a week.

c. ***Unallowable*** costs under both funding sources include:

i. Basic classroom costs, such as teachers, materials and supplies, transportation (other than student-specific special transportation as described in the IEP), and other routine costs associated with the provision of special education and related services to students with disabilities.

ii. The salary and benefits of a bus driver are not reimbursable if the student qualifies as high cost and other students (not qualifying as high cost) are on the bus at the same time. Any transportation costs not specific to the high-need student or prorated for this student are unallowable.

iii. Related services costs that are provided at the same level as all other students with disabilities. For example, a typical service delivery model is 30 minutes twice a week.

iv. Construction costs such as buildings and sidewalks.

v. Legal fees, court costs, or other costs associated with a cause of action brought on behalf of a student with a disability to ensure a free and appropriate education (FAPE) for the child.

Furthermore, LEAs may not use IDEA funds to pay for medical services eligible under the State Medicaid Program per guidance from the United States Department of Education (USDOE), Office of Special Education Programs (OSEP).

4. Use of Funds.

High Cost Services Allocation funds are intended to provide additional funding to school systems and schools to ease the strain on their budgets for the provision of multiple or complex services necessary to support students with disabilities.

IDEA requires school systems or schools to spend the same level of state and local funding (general funds) that they spent in the prior year on special education services for students with disabilities. This is called Maintenance of Effort or MOE.

a. If IDEA funds provided through this allocation replace general funds spent on special education services in the prior year, the same amount of general funds replaced with IDEA funds must be spent on other special education services to meet MOE.

b. Since MFP formula funds and other state revenue funds are general funds, MOE is not negatively impacted if the school system or school spends these new MFP formula dollars on special education services for a high-need child, provided the funding level remains the same as in the prior year.

High Cost Services Allocation funds provided through the MFP formula do not carry over and must be expended or encumbered before **June 30, 2027**. State funds must be claimed by **June 30, 2027,** or they will revert to the State Treasury. The portion of the allocation supported with IDEA

funds must be expended and encumbered before **September 30, 2027**. Unused IDEA funds will revert to the LDOE after **September 30, 2027**.

c. There will be one budget in eGMS for the MFP formula portion and the IDEA portion of the High Cost Services Allocation.

   i. Requests for reimbursement will be submitted to that one allocation.

   ii. Funds will be drawn down from the MFP formula until these portions are exhausted.

   iii. Funding then switches to the IDEA portion until the IDEA portion is exhausted.

Application Process

The following procedures will be implemented:

1. The application will be accessible in the electronic grants management system (eGMS) as a competitive grant application. The funding period for the MFP formula funds allocation is **July 1, 2026** through **June 30, 2027**. The IDEA funding portion has a funding period through **September 30, 2027**.

2. Applications must be received by the LDOE by the date outlined in the application release. A second application cycle will be held in **October 2026** for students who are new to the LEA. This includes any student who meets the eligibility criteria and is enrolled in the LEA after the last day of the 2025-2026 fiscal year but prior to **September 30, 2026**. Round two applications will be submitted using projected costs to educate the student for the 2026-2027 school year based on the services outlined in the student's IEP.

3. For each student for whom they are applying, LEAs must include materials, services, supports, and/or personnel included in the application based on actual expenditures from the prior year. The total amount of funds needed to provide FAPE to the student in the prior year must be greater than $53,307. Persons reviewing and submitting applications must take appropriate actions to ensure the confidentiality of all personally identifiable data, information, and records collected or submitted throughout the process and must provide the specific section(s) as to where the LDOE staff reviewing the application can find justification of the requested expense in the student's IEP.

4. For the purpose of meeting eligibility criteria, the full amount expended on the student in the prior school year must be included in the application, and the LEA must keep records of all expenses used to support the student meeting the eligibility criteria. Requests for funds through this grant will only be permitted for students meeting the eligibility threshold of $53,307.

5. Current year applications, meeting the minimum submission requirements, will be considered for funding.

6. Students who were approved for funds but transfer to another LEA will have their funds transferred if the new LEA requests or confirms the need for the funds.

7. If the needs of the student approved for funds change related to changes in the IEP, budget amendments are allowed throughout the year.

8. The LDOE will make disbursements of both Round 1 and Round 2 allocations in late Spring 2027.

Allocation Methodology

Applications will be funded based on the needs of the student, the cost to educate the student, and the availability of funds. Once all requests have been reviewed and the qualifying applications selected, the allocation of the available funds will be calculated. The LDOE has designated $4.4 million from IDEA funds ($2.76 million is allocated for Round 1 and $1.64 million is allocated for Round 2). Based on legislative approval of the budget, the LDOE will designate the use of MFP formula funds to increase the available funds for High Cost Services. The allocation methodology will be the same for both the original application and the second application cycles. The calculation is as follows:

1. The MFP state and local amount allocated on behalf of each student from Levels 1, 2, and 3 was included in the deduction from the total amount spent on the student in the prior school year to determine the amount eligible to be requested for reimbursement.

2. Once costs associated with providing services for a student with disabilities have been verified, the city or parish school system or other public schools will be eligible to receive an allocation to assist with these costs.

3. The allocation will be limited by the amount budgeted for the High Cost Services Allocation. In order to be equitably distributed, the total allocation provided to city and parish school systems versus other public schools shall be proportional to the share of total qualifying applications submitted by city and parish school systems versus other public schools.

4. For each LEA, the eligible costs are totaled and used to calculate the Percent Impact on the budget of the LEA by assessing the eligible amount as a percent of total state and local revenue.

5. The Percent Impact will be ranked from highest to lowest within the two separate categories – school systems and other public schools.

6. Next, each of the two rank listings will be divided into four weighted tiers so that the total amount of funding in each group is allocated. The highest tier will be weighted 100%, with the other tiers being a smaller amount. The weight determined for each tier below 100% is dependent on the total value of the requests and the total funds available.

7. Final allocations will be the net eligible costs times the weighted percent of the tier in which the cost was ranked. No individual LEA will be eligible to receive more than 25% of the pot of available funds (Note: The LDOE reserves the right to adjust this percentage based on the statewide impact of submissions in the given grant year).