



## To the Administrator Addressed

Commissioner Mike Morath

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<b>DATE:</b>	<b>September 9, 2021</b>
<b>SUBJECT:</b>	<b>Change to Nonpublic Residential funding</b>
<b>CATEGORY:</b>	<b>Federal Funds</b>
<b>NEXT STEPS:</b>	<b>Share with business and special education program staff</b>

The purpose of this letter is to inform local educational agencies (LEAs) of a change to nonpublic residential funding under IDEA-B. The Whitehouse Office of Budget Management (OMB) announced late 2020 that they will no longer allow states to grant pre-award with federal grant funding without specific approval. The Department of Grant Compliance and Administration of the Texas Education Agency (TEA) sought an exemption from OSEP/USDE, but they have yet to respond to that request. The nonpublic residential funding program currently uses IDEA-B discretionary dollars; however, given this policy change by the OMB, TEA must change the funding model to remain in compliance.

Beginning with school year 2021-2022, TEA will fund the nonpublic residential program as an annual reimbursement. TEA will open a reimbursement window in the summer following each school year, to prevent creating issues with pre-award. All other timelines, application windows, and requirements regarding nonpublic residential placements, approvals, and monitoring remain in place and unchanged at this time.

We understand that for LEAs with current nonpublic residential contracts this is a substantial change from the prior grant model. To support LEAs with this 2021-2022 transition year, TEA will conduct a mid-year reimbursement in January 2022. Beginning with the 2022-2023 school year, the reimbursement will be annual and occur in the summer following the application close date.

TEA will provide additional information on this process throughout the year and will communicate with LEAs that have and make nonpublic residential placements throughout the school year.

### Questions

If you have any programmatic questions, please contact the Division of Nonpublic School and High Cost Funds by phone at (512) 463-9414 or email at [npdayandres@tea.texas.gov](mailto:npdayandres@tea.texas.gov).

For finance and grants questions, please contact the Department of Grant Compliance and Administration at (512) 463-8992 or email at [grantsupport@tea.texas.gov](mailto:grantsupport@tea.texas.gov).