

The Texas Education Agency (TEA) proposes new §102.1601, concerning educational programs. The proposed new section would implement the Supplemental Special Education Services (SSES) program added by Senate Bill (SB) 1716, 87th Texas Legislature, Regular Session, 2021.

BACKGROUND INFORMATION AND JUSTIFICATION: SB 1716, 87th Texas Legislature, Regular Session, 2021, added Texas Education Code (TEC), Chapter 29, Subchapter A-1, to establish the SSES program. The program is designed to address concerns that have arisen as a result of the coronavirus pandemic for students receiving special education services. It provides additional funds for eligible students who are served in special education to use for supplemental services and materials. These supplemental services and materials are not and cannot be considered as part of the provision of a free appropriate public education as set out in a student's individualized education program. The SSES program expires September 1, 2024.

Under SB 1716, the commissioner is required to establish rules to implement and administer the SSES program. Proposed new §102.1601 would establish the parameters to allow eligible students to be provided with funds that may be used for goods and services with TEA-approved providers and vendors. In accordance with statute, certain eligible students will be given priority based on enrollment in a school district or open-enrollment charter school that is eligible for a compensatory education allotment. In addition, TEA may prioritize applicants with economic need based on qualification for the National School Lunch Program.

FISCAL IMPACT: Jennifer Alexander, deputy commissioner for special populations, has determined that for the first five-year period the proposal is in effect there are no additional costs to state or local government, including school districts and open-enrollment charter schools, required to comply with the proposal.

LOCAL EMPLOYMENT IMPACT: The proposal has no effect on local economy; therefore, no local employment impact statement is required under Texas Government Code, §2001.022.

SMALL BUSINESS, MICROBUSINESS, AND RURAL COMMUNITY IMPACT: The proposal has no direct adverse economic impact for small businesses, microbusinesses, or rural communities; therefore, no regulatory flexibility analysis, specified in Texas Government Code, §2006.002, is required.

COST INCREASE TO REGULATED PERSONS: The proposal does not impose a cost on regulated persons, another state agency, a special district, or a local government and, therefore, is not subject to Texas Government Code, §2001.0045.

TAKINGS IMPACT ASSESSMENT: The proposal does not impose a burden on private real property and, therefore, does not constitute a taking under Texas Government Code, §2007.043.

GOVERNMENT GROWTH IMPACT: TEA staff prepared a Government Growth Impact Statement assessment for this proposed rulemaking. During the first five years the proposed rulemaking would be in effect, it would create a new regulation to implement the SSES program created by SB 1716, 87th Texas Legislature, Regular Session, 2021.

The proposed rulemaking would not create or eliminate a government program; would not require the creation of new employee positions or elimination of existing employee positions; would not require an increase or decrease in future legislative appropriations to the agency; would not require an increase or decrease in fees paid to the agency; would not expand, limit, or repeal an existing regulation; would not increase or decrease the number of individuals subject to its applicability; and would not positively or adversely affect the state's economy.

PUBLIC BENEFIT AND COST TO PERSONS: Ms. Alexander has determined that for each year of the first five years the proposal is in effect, the public benefit anticipated as a result of enforcing the proposal would be implementing the SSES program created by SB 1716, 87th Texas Legislature, Regular Session, 2021. The SSES program provides a benefit of additional services and instructional materials to eligible students and prioritizes students with financial need. There is no anticipated economic cost to persons who are required to comply with the proposal.

DATA AND REPORTING IMPACT: The proposal would have no data and reporting impact.

PRINCIPAL AND CLASSROOM TEACHER PAPERWORK REQUIREMENTS: TEA has determined that the proposal would not require a written report or other paperwork to be completed by a principal or classroom teacher.

PUBLIC COMMENTS: The public comment period on the proposal begins October 8, 2021, and ends November 8, 2021. Public hearings to solicit testimony and input on the proposal will be held at 9:00 a.m. on October 19 and 21, 2021, via Zoom. The public may participate in either hearing virtually by linking to the hearings at <https://us02web.zoom.us/j/87809241946>. The public may attend one or both hearings. Anyone wishing to testify at one of the hearings must sign in between 8:30 a.m. and 9:00 a.m. on the day of the respective hearing. Each hearing will conclude once all who have signed in have been given the opportunity to comment. Each individual's comments are limited to three minutes, and each individual may comment only once. Both hearings will be recorded and made available publicly. Parties who are interested in providing written comments in addition to, or in lieu of, public testimony are encouraged to send written comments to spedrule@tea.texas.gov. Questions about the hearings should be directed to SpecialEducation@tea.texas.gov. Additionally, persons requiring special accommodations, including the use of an interpreter, should notify the agency by emailing SpecialEducation@tea.texas.gov at least five working days before the respective hearing. A form for submitting public comments is available on the TEA website at [https://tea.texas.gov/About_TEA/Laws_and_Rules/Commissioner_Rules_\(TAC\)/Proposed_Commissioner_of_Education_Rules/](https://tea.texas.gov/About_TEA/Laws_and_Rules/Commissioner_Rules_(TAC)/Proposed_Commissioner_of_Education_Rules/).

STATUTORY AUTHORITY. The new section is proposed under Texas Education Code (TEC), §29.041, as added by Senate Bill (SB) 1716, 87th Texas Legislature, Regular Session, 2021, which establishes requirements for providing a supplemental special education services and instructional materials program for certain public school students receiving special education services and requires the commissioner by rule to determine, in accordance with TEC, Chapter 29, Subchapter A-1, the criteria for providing a program to provide supplemental special education services and instructional materials for eligible public school students; TEC, §29.042, as added by SB 1716, 87th Texas Legislature, Regular Session, 2021, which requires the commissioner to determine requirements related to the establishment and administration of the SSES program; TEC, §29.043, as added by SB 1716, 87th Texas Legislature, Regular Session, 2021, which requires the commissioner to establish an application process for the SSES program; TEC, §29.044, as added by SB 1716, 87th Texas Legislature, Regular Session, 2021, which requires the commissioner to determine eligibility criteria for the approval of an application submitted under TEC, §29.043; TEC, §29.045, as added by SB 1716, 87th Texas Legislature, Regular Session, 2021, which requires the commissioner to determine requirements for students meeting eligibility criteria and requirements for assigning and maintaining accounts under TEC, §29.042(b); TEC, §29.046, as added by SB 1716, 87th Texas Legislature, Regular Session, 2021, which requires the commissioner to determine requirements and restrictions related to account use for accounts assigned to students under TEC, §29.045; TEC, §29.047, as added by SB 1716, 87th Texas Legislature, Regular Session, 2021, which requires the commissioner to determine requirements related to criteria and application for agency-approved providers and vendors; TEC, §29.048, as added by SB 1716, 87th Texas Legislature, Regular Session, 2021, which requires the commissioner to determine responsibilities for the admission, review, and dismissal committee; and TEC, §29.049, as added by SB 1716, 87th Texas Legislature, Regular Session, 2021, which requires that the commissioner adopt rules as necessary to establish and administer the SSES and instructional materials program.

CROSS REFERENCE TO STATUTE. The new section implements Texas Education Code, §§29.041-29.049.

<rule>

§102.1601. Supplemental Special Education Services and Instructional Materials Program for Certain Public School Students Receiving Special Education Services.

- (a) Definitions. For the purposes of this section, the following definitions apply.
- (1) Eligible student--A student who meets all program eligibility criteria under Texas Education Code (TEC), §29.044, and this section.
 - (2) Management system--The online system provided by the marketplace vendor to allow for account creation, management of funds, and access to the marketplace.
 - (3) Marketplace--The virtual platform where parents and guardians with Supplemental Special Education Services (SSES) program funds may purchase goods and services.

- (4) Marketplace vendor--The vendor chosen by the Texas Education Agency (TEA) to create an online marketplace for the use of SSES program funds.
 - (5) Supplemental special education instructional materials--This term has the meaning defined in TEC, §29.041, and specifically excludes materials that are provided as compensatory services or as a means of providing a student with a free appropriate public education.
 - (6) Supplemental special education services--This term has the meaning defined in TEC, §29.041, and specifically excludes services that are provided as compensatory services or as a means of providing a student with a free appropriate public education.
- (b) Eligibility criteria. All students currently enrolled in a Texas public school district or open-enrollment charter school who are served in a special education program during the 2021-2022 or 2022-2023 school year, including, but not limited to, students in early childhood special education, prekindergarten, Kindergarten-Grade 12, and 18-and-over transition programs, are eligible for the SSES program with the following exclusions:
- (1) students who do not reside in Texas or move out of the state, not including military-connected students entitled to enroll or remain enrolled while outside the state; or
 - (2) students who previously received a federally funded SSES grant.
- (c) Awards. Parents and guardians of eligible students may receive grants as long as funds are available of up to \$1,500 for use in the purchasing of supplemental special education materials and supplemental special education services through the curated marketplace of educational goods and services. Parents and guardians may receive only one grant for each eligible student. Students enrolled in a school district or open-enrollment charter school that is eligible for a compensatory education allotment under TEC, §48.104, will be prioritized to receive a grant award. TEA will prioritize, as necessary, the awarding of applicant accounts based on applicants qualifying for the National School Lunch Program and available funds.
- (d) Establishment of the marketplace.
- (1) In accordance with TEC, §29.042(d), TEA shall award an education service center with an operational and school district support grant, which may include, but is not limited to, the following operational requirements:
 - (A) writing and administering a contract for a vendor for the SSES marketplace that curates the content in its marketplace for educational relevancy;
 - (B) providing technical assistance to parents and guardians throughout the SSES program process;
 - (C) serving as the main point of contact for the selected marketplace vendor to ensure eligible student accounts are appropriately spent down;
 - (D) approving or denying all purchases from the SSES marketplace, including communication with parents and guardians about purchase order requests;
 - (E) increasing the number of qualified service providers in the marketplace; and
 - (F) approving or denying all potential service providers.
 - (2) Materials and service providers may apply to be listed in the marketplace. To become an approved marketplace service provider, an applicant must sign a service provider agreement and comply with licensing, safety, and employee background checks.
 - (A) Organization service providers are required to provide their Texas Tax ID for TEA to verify the validity of the organization.
 - (B) Individual service providers are required to provide proof of credentials and licensing in accordance with the individual service provider categories established by TEA.
 - (3) TEA shall provide a process for the application and approval of vendors to the marketplace.

- (4) TEA and the marketplace vendor shall provide a curated list of vendors through which parents and guardians can purchase educationally relevant materials. The established marketplace vendor shall be responsible for ensuring the vendors comply with SSES program parameters as they relate to the marketplace and be responsible for all communications with marketplace vendors.
- (e) Application process for grant on behalf of a student.
- (1) TEA is responsible for the application process and the determination of which applicants are approved for SSES program grants.
 - (2) Parents and guardians who would like to apply on behalf of their eligible students must complete the online application.
 - (3) Upon approval of the application:
 - (A) TEA shall send contact information for parents and guardians of eligible students in a secure manner to the online marketplace vendor for account creation and distribution;
 - (B) parents and guardians of eligible students will receive an email to the same email address provided during application from the marketplace vendor with information on how to access their accounts; and
 - (C) parents and guardians will be awarded an account of not more than \$1,500 per eligible student to be used to purchase supplemental special education services and supplemental special education materials.
 - (4) Parents and guardians of students who are deemed not eligible or who are determined to have violated account use restrictions under subsection (h) of this section will receive notification from TEA and be provided an opportunity to appeal the denial or account use determination. TEA shall exercise its discretion to determine the validity of any such appeal.
 - (5) If necessary, eligible students will be placed on a waitlist and parents and guardians will be notified. Should additional funds become available, priority will be given in the order established by the waitlist and in accordance with subsection (c) of this section.
 - (6) TEA shall maintain confidentiality of students' personally identifiable information in accordance with the Family Educational Rights and Privacy Act and, to the extent applicable, the Health Insurance Portability and Accountability Act.
- (f) Approval of application; assignment of account.
- (1) TEA shall set aside funds for a pre-determined number of accounts of up to \$1,500 per account to be awarded to parents and guardians of eligible students.
 - (2) Parents and guardians with more than one eligible student may apply and receive a grant for each eligible student.
 - (3) Approved parents and guardians will receive an award notification email from the marketplace vendor and may begin spending account funds upon completion of account setup.
 - (4) Within 30 calendar days from receiving an award notification email, parents and guardians must:
 - (A) access or log in to their account or the account may be subject to reclamation; and
 - (B) agree to and sign the SSES parental acknowledgement affidavit.
- (g) Use of funds. Use of SSES program funds provided to parents and guardians are limited as follows.
- (1) Only supplemental special education materials and supplemental special education services available through the marketplace of approved providers and vendors may be purchased with SSES program funds.
 - (2) Supplemental special education materials and services must directly benefit the eligible student's educational needs.

- (3) Supplemental special education materials shall be used in compliance with TEA purchasing guidelines.
 - (4) If TEA approves vendors for a category of instructional material under subsection (d) of this section, instructional materials must be purchased from the TEA-approved vendor for that category of instructional material. If TEA does not establish criteria for a category of instructional materials, funds in a student's account may be used to purchase the instructional materials from any vendor.
 - (5) TEA has full authority to reject or deny any purchase.
 - (6) Parents may not use SSES program funds for reimbursement of goods or services obtained outside of the marketplace. SSES program funds shall not be paid directly to parents or guardians of eligible students.
- (h) Account use restrictions. TEA may, subject to the appeal process referenced in subsection (e)(4) of this section, close or suspend accounts and reclaim a portion or all of the funds from accounts in the marketplace if:
- (1) the materials or services that parents or guardians attempt to purchase are not educational in nature or are deemed to be in violation of the purchasing guidelines set forth by TEA;
 - (2) it is determined that the materials or services purchased do not meet the definitions in subsection (a)(5) and (6) of this section;
 - (3) the SSES program parental acknowledgement affidavit is not signed within 30 calendar days of receipt of account email from the marketplace vendor;
 - (4) account holders do not begin spending funds from their accounts within six months after account creation; or
 - (5) a student no longer meets the eligibility criteria set out in subsection (b) of this section.
- (i) Requirements to provide information.
- (1) School districts and open-enrollment charter schools shall notify parents and guardians of students served by special education of the SSES program and how to apply.
 - (2) At the student's next admission, review, and dismissal (ARD) committee meeting, the ARD committee shall determine if a student has been awarded an SSES account. At this meeting, upon learning that a student has been awarded an account, the ARD committee shall provide:
 - (A) information about types of goods and services that are available to the eligible student; and
 - (B) instructions and resources on accessing the online accounts.
- (j) Restrictions. A student's ARD committee may not consider a student's current or anticipated eligibility for any supplemental special education services or materials that may be provided under this section when developing or revising a student's individualized education program, when determining a student's educational setting, or in the provision of a free appropriate public education.