

DATE:	May 28, 2026
SUBJECT:	Special Education Funding Update
CATEGORY:	Special Education Programs, Data, and Finance
NEXT STEPS:	Share with appropriate staff

On April 16, 2026, the Texas Education Agency (TEA) released [guidance](#) on the state's special education allotment and required data collection and reporting for special education as the field and state transition to the new intensity of services funding model.

The purpose of this communication is to provide an update to the April 16th guidance and to notify school systems of a grant opportunity to assist with student-level data review over the summer.

Overview and Funding

[House Bill \(HB\) 2](#), Article 4, and [Senate Bill \(SB\) 568](#), passed during the 89th Regular Session, made significant changes to how the state will fund special education beginning in the 2026-2027 SY. Texas is transitioning from an instructional arrangement/setting-based funding system to a service intensity model so that students' needs specifically drive the funding received from the state special education allotment, irrespective of instructional arrangement/setting.

Texas Education Code (TEC), [§48.1022\(b\)](#), effective on September 1, 2026, states the following:

For the 2026-2027 school year, the commissioner shall determine the formulas through which school districts receive funding under Sections [48.102](#) and [48.1021](#). In determining the formulas, the commissioner shall ensure the estimated statewide amount provided by the sum of the allotments under Sections [48.102](#) and [48.1021](#) for the 2026-2027 school year is approximately \$250 million greater than the amount that would have been provided under the allotment under Section 48.102, as that section existed on September 1, 2025, for that school year, calculating both amounts using the basic allotment in effect for the 2026-2027 school year.

[TEC, §48.102](#), as amended effective September 1, 2026, and [TEC, §48.1021](#), which also goes into effect September 1, 2026, reflect the two new allotments under the new state special education funding system – tiers of intensity and service group allotments.

Data Collection and Reporting Requirements for 2026-2027 School Year (SY)

Note that the following supersedes the guidance provided in a portion of the April 16, 2026, To the Administrator Addressed (TAA) letter, under the same heading:

In order to adequately capture both systems for the entirety of the 2026-2027 SY, TEA has established the following requirements:

- As in typical years, any instructional arrangement/setting codes indicated in the PEIMS Summer submission for a student will be carried over into the 2026–2027 school year until an end date is entered, due to a change in the student's individualized education program (IEP) that warrants a new instructional arrangement/setting code.

- During the 2026–2027 school year, when an IEP is revised or developed and results in changes to the student’s special education and related services, the instructional arrangement/setting code will be updated accordingly. The previous instructional arrangement/setting code will be reported with an end date, and the revised code will be reported with a new beginning date.
- **By the first PEIMS Attendance Submission reporting period (1st Six Weeks Attendance), due October 8, 2026**, each school system is expected to review IEPs that are in place as of the first day of the 2026-2027 SY for at least 50 percent of their students receiving special education services and enter:
 - the student’s tier of intensity,
 - any applicable service group(s), and
 - the average number of minutes per instructional day the student spends in a special education setting.

These data elements will be reported with a begin date of the first day of the school year. Once entered, these values, including the instructional arrangement/setting code, will remain in place with no end date unless the student’s specifically designed instruction (SDI), as documented in the IEP, is revised.

- **By the second PEIMS Attendance Submission reporting period (2nd Six Weeks Attendance), due December 3, 2026**, school systems must report data regarding a student’s eligible days present in the tier of intensity, applicable service group(s), and the average number of minutes per instructional day the student spends in a special education setting for students whose data was not included in the first Attendance Submission. The begin date for these students will still be the first day of the school year, unless an Admission, Review, and Dismissal (ARD) committee meeting results in a revision to the student’s IEP services that affects the tier of intensity, service group(s), or minutes in a special education setting. By the second PEIMS Attendance Submission, eligible days present will be reported for both the instructional arrangement/setting and the tier of intensity for all students served in special education and who are eligible for funding.
- School systems report eligible days present for the instructional arrangement/setting and the tier of intensity, service group(s), and average number of minutes per instructional day the student spends in a special education setting for **all** reporting periods in the PEIMS Summer Submission (even for those students whose tier of intensity data was not reported in the first PEIMS Attendance Submission).

Additionally, if school systems determine that clarifications need to be made or data errors need to be corrected after the first or subsequent PEIMS Attendance Submissions, they are able to make those corrections in the PEIMS Summer Submission due in June (first submission) and July (Summer Resubmission) 2027.

Available Grant to Provide Financial Support During the Summer

To assist with the IEP review process to identify the necessary data elements to submit in the first or second PEIMS Attendance Submission, TEA will be making a one-time extra-duty stipend grant available to school systems.

Education Service Center (ESC) 10 will administer the grant for staff stipends. School systems with an enrollment of at least 50 students receiving special education services are eligible for the grant. If the fiscal agent for a Shared Services Arrangement (SSA) has been tasked with this review by its members but each individual member has fewer than 50 students receiving special education services, the SSA is eligible to apply if the total number of students receiving special education services from all members is at least 50.

Funds are to be used this summer to help cover staffing costs for reviewing student records and determining the tier of intensity, applicable service group(s), and average number of minutes a student spends per instructional day in a special education setting. Eligible school systems or SSAs who receive funding will be required to affirm that the funds will be used to support this work over the summer and agree to submit at least 10 percent of their total population of students receiving special education services through TEA's [early data request](#) process, due by August 14, 2026.

More information about the grant will be released soon; contact your special education personnel at your regional ESC for more information.

Postponement of Educational Environment Data Element

As mentioned in the April 16, 2026 TAA, TEA introduced a new data element called "educational environment," which was scheduled to be collected starting in the 2026-2027 SY. Based on feedback, TEA will be delaying the collection of this new data element until the 2027-2028 SY.

Questions and Training Opportunities

As a reminder, TEA is hosting Zoom office hours every Thursday from 9-9:30 a.m. and 4-4:30 p.m. The [registration link](#) to join these office hours will remain the same. Each school system is also encouraged to reach out to its regional education service center (ESC) special education personnel for assistance.

Questions can also be submitted to spedfunding@tea.texas.gov. For any questions or further clarification regarding PEIMS reporting, please enter a TSDS Incident Management System (TIMS) ticket or email TSDSCustomerSupport@tea.texas.gov.