



High Cost Fund Program and Application Information

2025-2026

Purpose

- The High Cost Fund is intended to assist LEAs in providing direct special education and related services to children with disabilities who have high support needs by offering reimbursement allocations to eligible LEAs, subject to availability of funds.

Defining a High Need Child

- For the purposes of the High Cost Fund, a child with a disability who has high support needs is defined as a student whose educational costs exceed **three times the State's average per-pupil expenditure (APPE)**, as outlined [in section 8101 of the Elementary and Secondary Education Act of 1965 \(ESEA\)](#).

Distribution of Funds

- If the total amount of eligible requests exceed the available funds, each LEA's reimbursement award will be prorated with a weighted formula based on the student's least restrictive environment (LRE) placement.
 - In-district placement types carry the highest weight, followed by Day placement types, and then Residential placement types.
 - **Access to awards is not guaranteed and may vary based on the availability of funds.**

*[High Cost Fund State Plan](#)

APEX, accessed through the Texas Education Agency Login (TEAL) system, is the required web application for submitting the following applications:



High Cost Funds (HCF)

- Additional potential optional funding for students with disabilities who have high support needs, subject to the availability of funds



Contracted Day Placements

- Required for Contracted Day Placements 19 Texas Administrative Code (TAC) §89.1094



Educational Residential Placements (not RF)

- Required for ARD committee placed Residential Placements 19 TAC §89.1092

View APEX User Manuals for step-by-step instructions on how to apply for an APEX user account and how to complete and submit applications.

- [**APEX Quick Start User Guide**](#)
- [**Full User Guide**](#)

APEX Applications Window for 2025–2026



Application Type	Application Opens	Application Closes
High Cost Funds	3/2/2026	5/4/2026
Nonpublic Day	9/1/2025	7/1/2026
Nonpublic Residential	9/1/2025	7/1/2026

Student with High Support Needs Criteria

- Costs of the student's **direct** special education and related services exceed three times the State average per-pupil expenditure (APPE).

25-26 Qualifying Cost Amount

State APPE \$13,642 x 3 =

\$40,926

Residential Placement Type

- Data from a finalized Residential APEX application automatically ports over when a HCF application is started.
- Eligible Residential Set-Aside amount must meet or exceed the HCF Qualifying Cost Amount.

Day Placement Type

- Data from a finalized Day APEX application automatically ports over when a HCF application is started.
- Contract (tuition) cost (including additional costs **identified in the IEP**, if applicable) must equal or exceed the HCF Qualifying Cost Amount.

In District Student

- LEA **manually adds** student and costs into the HCF application.
- Costs associated with providing **direct** special education and related services, **identified in the child's Individualized Education Program (IEP)** must equal or exceed the HCF Qualifying Cost Amount.

Notification Requirement: LEAs are required to notify TEA annually of all placements of students with disabilities in day or residential programs by submitting the Day or Residential APEX application within 30 calendar days.

- [19 Texas Administrative Code \(TAC\) §89.1094\(c\)](#)
- [19 Texas Administrative Code \(TAC\) §89.1092\(c\)](#)
- [Special Education in Nonpublic Programs webpage](#)

If **Day or Residential APEX applications** are **not** submitted within **required state timelines**, the APEX system automatically prorates contract costs based on the submission date.

Prorated costs will port over to the HCF application, if applicable.

Only costs associated with providing direct special education and related services that are identified in the child's Individualized Education Program (IEP) may be considered for a High Cost Fund request.



The cost type must be **clearly and explicitly** reflected in the student's IEP, such as:

- Bus monitor: IEP must indicate the need for a bus monitor, and whether group or individual.
- Paraprofessional or teacher 1-1 assignment: Must be clearly indicated in the IEP; vague descriptors such as "support throughout the day" are not sufficient for HCF eligibility purposes and will not be approved.



Indirect services or consult services are **not** eligible costs for HCF.

All costs entered in the HCF application must be incurred for the student between 8/1 through 7/31 of the current school year.



Extended School Year (ESY): Expenditures and contract dates beyond the regular LEA school year **through July 31** may only be included in the HCF application if the student's IEP recommends summer ESY for that timeframe.



Applications Updates for 2025-2026

LEA Participation Eligibility Criteria to be Reinstated:

- According to the [Texas High Cost Fund State Plan](#), for an LEA to meet the LEA Participation Eligibility Criteria, the LEA must not have carried forward 60% or more of its IDEA-B Formula funds from the previous grant year.
- This criterion had been placed on hold for several years due to stimulus funding.
- Effective 25-26, this criterion will be reinstated.

What to Expect:

- **When the LEA initiates a HCF application, the system will determine if the LEA exceeds the Carryover Limitation percentage.**
- **If the LEA exceeds the Carryover Limitation, the LEA will not be able to proceed with their HCF application that year and will see an ineligible message.**
- **If the LEA doesn't exceed the Carryover Limitation, the LEA will be able to continue to proceed with their HCF application that year.**

Revised School Health and Related Services (SHARS) Questions

1) Does your organization participate in the Medicaid/SHARS Reimbursement program?

Question 1: response required

Yes

No

No further questions

2) Will your organization submit SHARS Reimbursement request for this specific student for costs incurred between 08/01-07/31 of this application year?

Yes

No

No further questions

3) Will the SHARS Reimbursement request for this student include any of the specific cost items indicated in this student's HCF application?

Yes

No

No further questions

Enter the SHARS Reimbursement amount →

This is the amount you expect to receive from the SHARS reimbursement program for costs incurred between 08/01-07/31 of this application year for any of the costs in this student's HCF application. This will be an estimate/projection of the amount you expect to receive from SHARS.



Application Reminders

If a cost has been submitted by the LEA for **SHARS** reimbursement via the SHARS program, the LEA must report the SHARS request amount applicable to the specific student in the HCF application.



The APEX system will subtract the SHARS amount entered by the LEA from the total amount being requested for HCF to ensure the LEA is not reimbursed for the SHARS amount from both the HCF and SHARS programs.



It's important for the individual completing the HCF application to communicate with their SHARS personnel to identify the SHARS amount to enter in the HCF application.

Definition of Excess Transportation Costs:

The remaining amount of the student's transportation costs after subtracting the estimated state transportation allotment expected to be received from State Funding.

The APEX system calculates the excess cost amount based on LEA data entry.

Personnel Pro-Rating Calculator:

- LEAs enter an **hourly rate** for personnel or contracted service costs.
- Number of students served **includes** the HCF student.

Excess Transportation Costs Calculator:

- Help tips are available by selecting the question mark icon in the specific column heading.
- Mileage data is for the specific student's **round trip**.
- Type of Transportation options:
 - **Special Route Services:** LEA provides transportation using LEA vehicle.
 - **Private Route Services:** LEA contracts with the parent/designated agent to transport the student, or the LEA uses commercial transportation.

Application Home Page displays:

- Number of HCF applications submitted & eligible for each placement type
- Dollar amount requested & eligible for each placement type
 - Eligible amount is **not** the award amount
- Final Pro-Rated Award Amount
 - Displayed by first business day in July

Student-Specific Application Page displays:

- Review status of each cost item (approved or not approved)
 - Ineligible reason if cost not approved
- Total amount requested and total amount approved for the specific student
 - Approved amount is **not** the award amount



Award Information

If LEA requests exceed available High Cost Funds, allocations will be prorated using a weighted formula based on LRE placement:



In District Students carry the highest weight;



followed by Day Program placements;



followed by Residential Program placements.



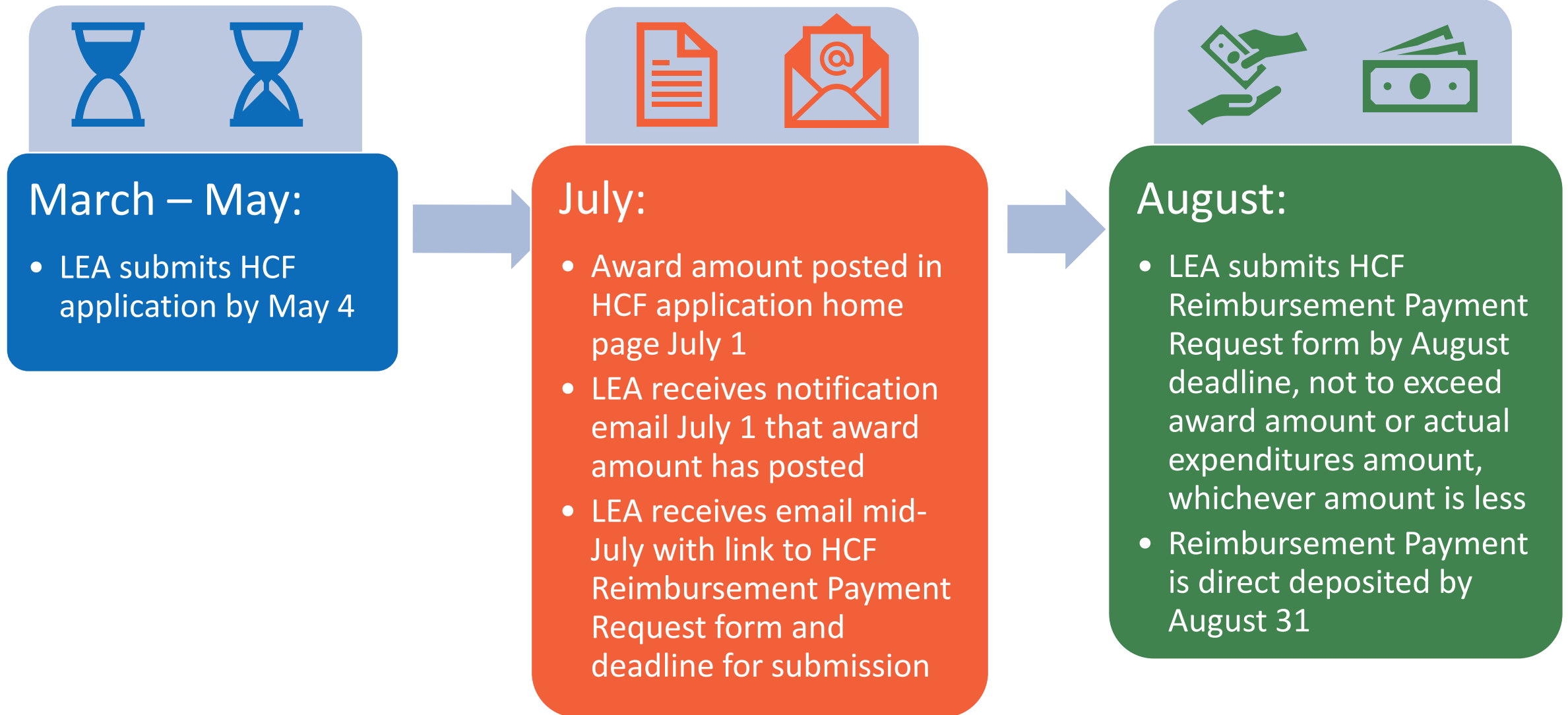
Award amounts are posted in APEX by the first business day in July

- No award letters are generated.
- LEAs receive a notification email that the award amount is posted.
- The notification email will **not** contain award specifics.
- LEAs **view the award amount** posted on their **HCF application home page**.
- ❖ *Reminder – HCF awards are not guaranteed; they are based on availability of funds and prorated based on LRE.*



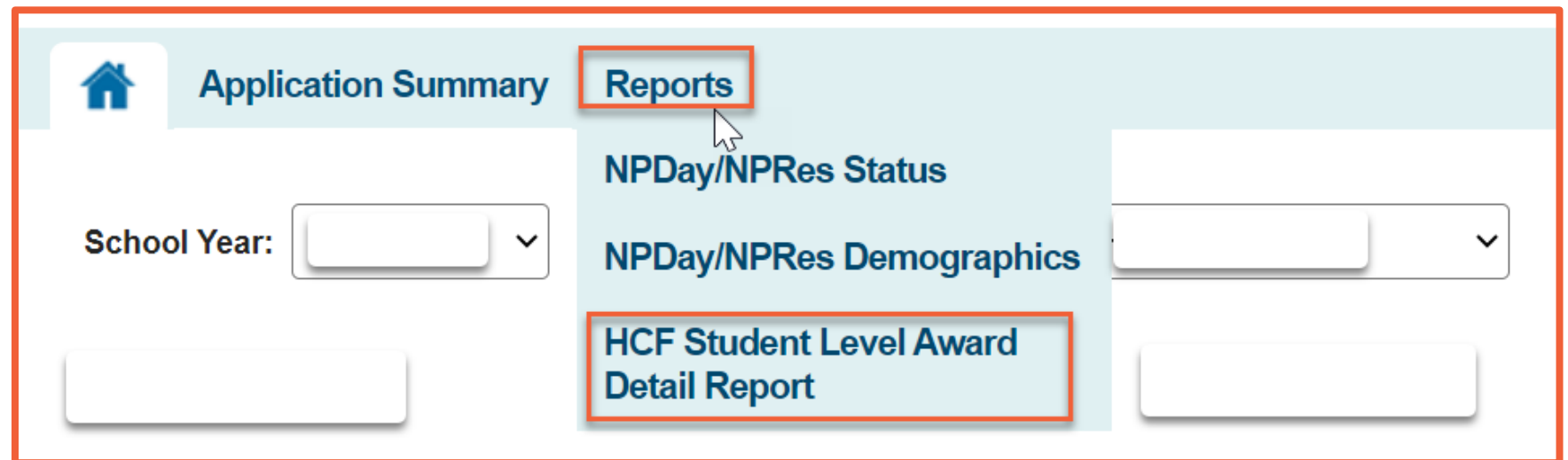
Notification emails are provided to the:

- LEA superintendent and/or special education shared services arrangement (SSA) fiscal agent superintendent, if applicable,
- LEA special education director or APEX contact, and
- Education Service Center (ESC) special education contact.



To view HCF award at the specific student level detail:

- Select 'Reports' on APEX Home page
- Select 'HCF Student Level Award Detail Report'
- Select the applicable 'School Year'
- View the portion of the award for each student



The screenshot displays the APEX application interface. At the top, there are three tabs: 'Application Summary', 'Reports', and 'Reports'. The 'Reports' tab is selected and highlighted with a red box. Below the tabs, there is a 'School Year:' label followed by a dropdown menu. To the right of the dropdown menu, there is a list of report options: 'NPDay/NPRes Status', 'NPDay/NPRes Demographics', and 'HCF Student Level Award Detail Report'. The 'HCF Student Level Award Detail Report' option is highlighted with a red box. There are also several empty input fields and dropdown menus visible in the interface.

Contact Information



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[High Cost Funds webpage](#)