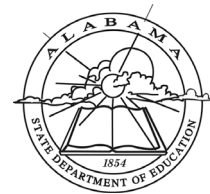




STATE OF ALABAMA
DEPARTMENT OF EDUCATION



Eric G. Mackey, Ed.D.
State Superintendent of Education

July 30, 2026

MEMORANDUM

TO: City and County Superintendents of Education

FROM: Eric G. Mackey 
State Superintendent of Education

RE: Fiscal Year (FY) 2027 Special Education Services Application for Alabama High-Cost Fund (ALHCF)

The Alabama State Department of Education (ALSDE), Special Education Services (SES) Section, is pleased to announce the opportunity for local education agencies (LEAs) to receive additional funding support through the FY 2027 Alabama High-Cost Fund (ALHCF). The ALSDE, SES, reserved ten percent (10%) of the *Individuals with Disabilities Education Act* (IDEA), Part B, allocation for other state-level activities pursuant to the regulations under 34 CFR 300.704(b)(1) in order to make these grants available.

The ALHCF is intended to provide funding support for the LEAs in the provision of direct special education and related services for children who are classified as a child with high needs (i.e., unduly expensive, extraordinary, and beyond the routine and reasonable special education and related services provided by the LEA) and whose cost exceeds \$42,459.00, which is three times the average per-pupil expenditure amount for FY 2025.

These funds are awarded for FY 2027 and are available from October 1, 2026, through September 30, 2027, with the official effective date designated upon award. Applications for supplemental funds must be submitted and approved prior to expenditures. All funds awarded must be expended by September 30, 2027, and are not automatically awarded in subsequent years.

For consideration in the award allocation of these funds, it is imperative that the LEAs comply with all application requirements. An LEA may apply to receive FY 2027 ALHCF by completing and submitting an [electronic application](#).

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The application window is currently open and will follow the tentative timeline of submission dates listed below:

Application Submission Deadlines (Electronic Submission Date By)
• August 21, 2026 • November 6, 2026 (Note: Additional application submission dates may be added if funds remain after each submission deadline.)

If you have questions or need clarification, please contact the ALSDE, SES Section, by email at sesgrants@alsde.edu or by telephone at 334-694-4782.

EGM/ER/SH

Attachments

cc: Directors and Coordinators of Special Education
Chief School Financial Officers
Mrs. Angela Martin
Mr. Arthur Watts, Jr.
Mrs. Shanthia Washington
Mrs. Nancy Smith
Mr. Brady Vaughn
Mr. Justin Todd
Dr. DaLee Chambers
Mrs. Erika Richburg

FY26-2055

Special Education Services Application for Supplemental Financial Assistance ALABAMA HIGH-COST FUND (ALHCF) Federal Funding

Federal Supplemental Funds: Alabama Fiscal Year (FY) 2027

The ALHCF, fund source 3213, is intended to provide additional funding for local education agencies (LEAs) in the provision of direct special education and related services to high-needs children and youth with disabilities by reducing the financial impact associated with providing direct special education and related services for high-cost children and youth with disabilities.

Definition of a High-Needs Child with a Disability:

“A child with high needs is a child with a disability as classified under IDEA and receives special education and related services identified in an individualized education program (IEP) that exceeds the typical needs of a child with a disability, thus creating a financial impact on the LEA. When the costs to provide a free and appropriate public education (FAPE) to a child with a disability exceeds three times the average per-pupil expenditure, an LEA may request an ALHCF grant. Only costs identified in the student’s IEP and that are associated with providing direct, special education and related services to the student are considered in determining whether a student is a high-needs child.”

ALHCF Eligibility Criteria for Applying:

- The LEA has a Special Education LEA Determination Status of “Meets Requirements” for School Year (SY) 2024-2025, Federal Fiscal Year (FFY) 2024.
- The LEA has a student that meets the definition of a high-needs student, enrolled within the LEA requesting funds and receives special education and related educational services from that LEA.
- The student is 3-21 years of age inclusive and has a current IEP and Eligibility report.
- The LEA has documentation to support funding and services needed.
- For FY 2027, the LEA has documentation to support costs for the student that exceed \$42,459.00, which is three times the average per-pupil expenditure (based on FY 2025 PPE).
- The LEA has a current approved electronic Grant Application Process (eGAP) application for IDEA, Part B Preschool funding.
- The LEA did not lapse IDEA, Part B, Funds during the previous fiscal year.
- The LEA did not carry forward 30 percent or more of its FY 2025 IDEA, Part B, formula funds.
- All awarded grants must provide a means for assessing the impact of the grant award.

An LEA may choose to complete multiple applications for different high-cost children with disabilities as appropriate for the fiscal year ending September 30, 2027. Applications for groups of children are not accepted for this grant. The following information **must** be included with **all** applications that are submitted:

- Required signatures on the application indicate assurance that the expenditures related to this student exceed the cost of three times the average per-pupil amount (i.e., the costs exceed \$42,459.00).
- Proposed budget.
- Detailed explanation of the financial need and catastrophic impact on the LEA.

For consideration in the award allocation of these funds, it is imperative that the LEAs comply with all application requirements. These funds are for SY 2026-2027 and are available from October 1, 2026, through September 30, 2027, with the official effective date designated upon award.

If the child approved for an ALHCF grant no longer needs the services designated in the application, or if the child withdraws or transfers to another LEA, the LEA that was allocated funds must notify the Alabama State Department of Education (ALSDE) in writing no later than 10 days after the child's status changes. The LEA that received funds will not be eligible to retain any remaining unobligated or unexpended funds.

The application window is currently open and will follow the tentative timeline of submission dates listed below:

Application Submission Deadlines (Electronic Submission Date By)	
• August 21, 2026 • November 6, 2026	

(Note: Additional application submission dates may be added if funds remain after each submission deadline).

If you have questions or need clarification, please contact the ALSDE, Special Education Services (SES) Section, by email at sesgrants@alsde.edu or by telephone at 334-694-4782.

Special Education Services Application for Financial Assistance
ALABAMA HIGH-COST FUND (ALHCF)
Federal Funding

SECTION 1: LEA APPLICANT INFORMATION

School Year: 2026-2027

Local Education Agency: _____

LEA Code: _____

LEA Mailing Address: _____

Superintendent: _____

Email Address: _____

Telephone Number: _____

Special Education Coordinator: _____

Email Address: _____

Telephone Number: _____

Chief School Financial Officer: _____

Email Address: _____

Telephone Number: _____

Signature of Superintendent

Date

Signature of Special Education Coordinator

Date

Signature of Chief School Financial Officer

Date

SECTION 2: STUDENT INFORMATION

The Alabama High-Cost Fund (ALHCF) is for individual children and youth with disabilities. Applications for groups of children and youth are not accepted for this grant.

Name of Student: _____

State Student ID: _____

Disability Area: _____

Secondary Issues: _____

Date of Birth: _____

Name of School: _____

School Mailing Address: _____

The subject matter of this application:

☐ Previously funded ☐ Previously submitted,
but not funded ☐ New application

Indicate Previous Grant Number

SECTION 3: STATEMENT OF NEED

- 3.1. In the space below, explain the problem that will be addressed through the application funding. Provide specific details for the unique characteristics of the student determined to be “high-needs” (include developmental, cognitive, social-emotional, and medical factors).

3.2. Describe the timelines established to monitor the progress of the child (include timelines and describe the data that will be used to monitor progress).

3.3. Will the plan result in a reduction of services in the future?

If yes, describe the anticipated outcomes for the child as a result of this intensive intervention.

If no, describe the chronic nature of the child's disability.

SECTION 4: STATEMENT OF FINANCIAL NEED

- 4.1. Provide a detailed statement of the individualized education program (IEP) services developed for the student and the expected cost of each service. A detailed statement should include all evaluations/consultations and services provided in the IEP.

- 4.2. Provide a detailed statement of the financial impact on the special education program of the local education agency (LEA) if such services were funded solely by the LEA.

- 4.3. Provide a detailed statement showing each anticipated source of funds (including local) for the proposed expenditures in this application by the special education program of the local education agency.

Budget Information

SECTION 5: COST BREAKDOWN

PROVIDE THE SPECIFIC and/or PRORATED COST BREAKDOWN TO MEET THE UNIQUE NEEDS OF THIS HIGH-COST CHILD/YOUTH. Complete the Cost Worksheet Summary in Section 6 to calculate the amounts for the line-item cost totals listed below. (Total cost of over \$42,459.00 should be used as the minimum to be considered in the application.)

1 Special Education Services	\$
2 Related Services	\$
3 Other Costs	\$
4 Total Cost of Child/Youth	\$
5 Minus 3 X annual cost	-\$ 42,459.00
6 Minus third-party funds (Example: Health insurance) – if none indicate N/A	-\$
TOTAL Allowable ALHCF (Line 4 minus lines 5 and 6)	\$

SECTION 6: COST WORKSHEET SUMMARY

Use this worksheet to itemize the totals recorded for the ALHCF application. *All services calculated for cost must be included in the student's IEP.*

Provide the proposed budget amount(s), account code(s), and a brief description of expenditure(s) associated with the special education, related services, and other costs for the designated child. Local prorated amounts, when applicable, should be used for the proposed expenditures where services provided are for multiple students.

Category of Expenditure	Description of Expenditure	Account Code	Amount
1. Special Education Services (Example: Teacher Costs, Materials/Supplies specific to the child)			
Total	Transfer this amount to Line 1 - Special Ed Services		\$

Category of Expenditure	Description of Expenditure	Account Code	Amount
2. Related Services (Example: Transportation, OT, PT, Nursing Services)			
Total	Transfer this amount to Line 2 - Related Services		\$

Category of Expenditure	Description of Expenditure	Account Code	Amount
3. Other Costs (Example: Consultations, Training Costs, Independent Evaluations)			
Total	Transfer this amount to Line 3 - Other Costs		\$

Category of Expenditure	Description of Expenditure	Account Code	Amount
6. Third-party funds (Example: Health Insurance)			
Total	Transfer this amount to Line 6 - Third Party Costs		\$