October 23, 2026

High-Cost Funding Pools

Supporting Students With Individualized Education Programs in Nevada

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Contingency Account for Special Education (CASE) Eligibility Criteria

CASE Eligibility Requirements

- The student must meet the criteria for significant disabilities.
- The services provided must be extraordinary.
- The services must be well documented in the Individualized Education Program (IEP).
- The services clearly go beyond the scope of what the district or charter school typically provides.
- The district must not receive funding for the same services from another source (e.g., insurance or Medicaid).
- The total cost must exceed available funding for the student.

CASE Data FY 22–26

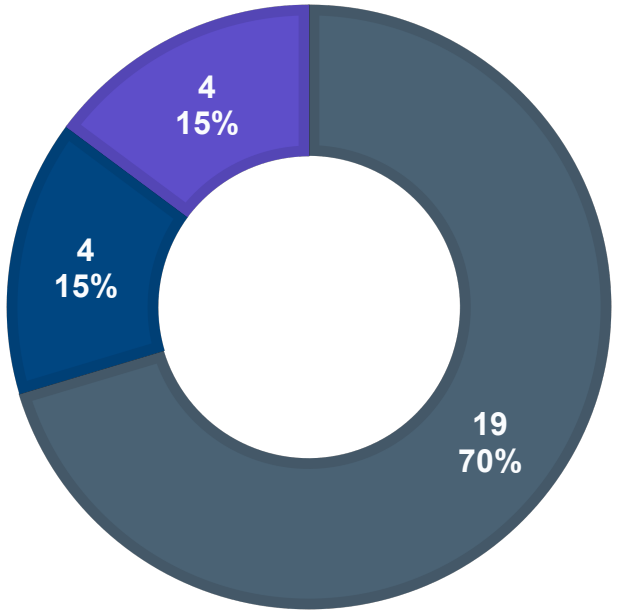
CASE Requests and Awards

Fiscal Year	Requests	Amount Requested	Awards	Amount Awarded
FY22	2	$441,849.78	2	$429,218.66
FY23	3	$562,117.98	1	$337,914.42
FY24	2	$479,618.85	2	$459,088.90
FY25	7	$1,427,297.02	7	$1,398,149.28
FY26	5	$1,472,151.71	5	$1,445,258.48
Total	**19**	**$4,383,035.34**	**17**	**$4,069,629.74**

WestEd

How Other States Fund High-Cost Pools

Funding Sources for High-Cost Funding Pools

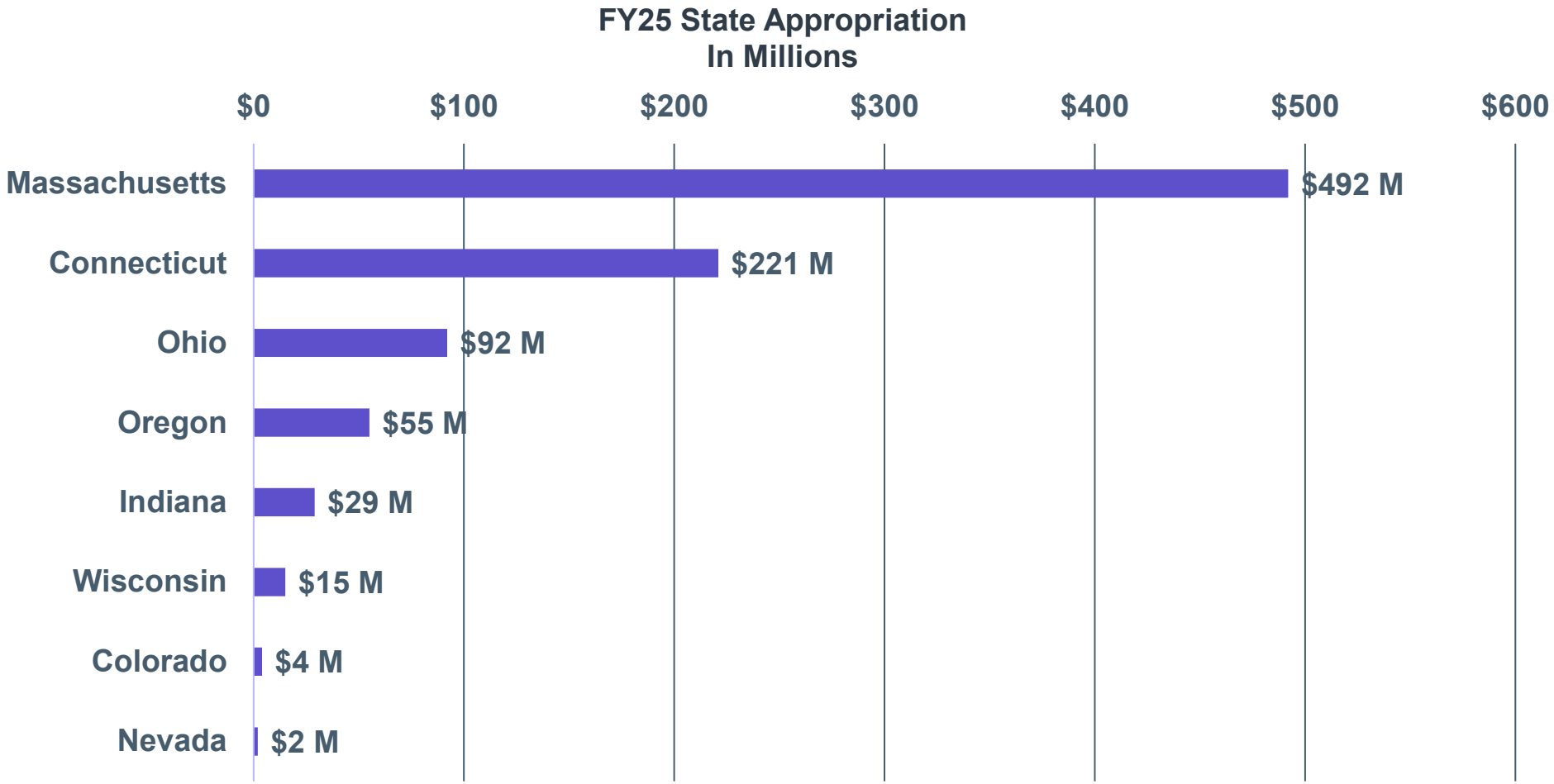


State-Funded Only
Relies on 100 percent state dollars with no federal set-aside; 19 states use this approach, including Nevada's CASE program.

Blended
Combines a federal IDEA set-aside with state appropriations.

IDEA-Funded
Draws only on the federal 34 CFR §300.704(c) state-level set-aside with no additional state dollars committed.

Funding With State Dollars Is Common



Three-Times Average-Cost Threshold Used Widely

The federal regulation governing IDEA high-cost funds (34 CFR §300.704(c)) defines a qualifying student as one costing more than three times the average per-pupil expenditure. Most states use this multiple even when the fund is paid for entirely with state dollars.

Most states use three times the average per-pupil cost.

- Tennessee ($38,248), Arizona ($27,483), Missouri (three times ADA), and West Virginia ($46,839) all set thresholds at three times the state's own average.

Some states use a flat-dollar threshold.

- Oregon and Wisconsin both use a flat $30,000 threshold.

Nevada does not use a multiplier or flat dollar amount through the current CASE structure.

- CASE eligibility is a case-by-case determination based on the established criteria.

Comparison: Selected States

State	Fund	Funding	Criteria
Wisconsin	High-Cost Special Education Aid	State	$30,000 flat
Connecticut	Excess Cost Grant	State	4.5 times average cost
New Jersey	Extraordinary Aid (EXAID)	State	$40,000/$55,000 flat
Oregon	High-Cost Disabilities Account	State	$30,000 flat
Nevada	Contingency Account (CASE)	State	Cost exceeds funds available
Arizona	HCC Claims + ESEN Fund	Blended	3 times average cost
Washington	State Safety Net Fund	Blended	Need-based review
Tennessee	IDEA High-Cost State Plan	IDEA	3 times average cost
West Virginia	High-Cost/High-Acuity Fund	Blended	3 times average cost

High-Cost Fund Choices

Choice	Option A	Option B	Additional Consideration
Funding Source	100% state dollars	100% IDEA	Blend of state and IDEA funds
Budget Parameters	Entitlement	Capped pool	N/A
Eligibility Threshold	Flat dollar amount	Multiple of an average cost	N/A
Placement Consideration	Same rate in- and out-of-district	Separate rates for in- and out-of-district placements	N/A

Nevada Leader Input

Fiscal and Administrative Considerations

- **Funding adequacy**. Exercise caution and plan carefully when expanding eligibility criteria, because it would increase the number of eligible requests or the amount, affecting funding.
- **Ongoing state obligations**. Changes to CASE eligibility or amounts will affect Maintenance of State Financial Support (MFS) going forward.
- **Administrative capacity**. More applications or broader eligibility may require additional NDE staff and revised review procedures.
- **Cash flow and predictability**. LEAs must pay for services before receiving reimbursement, regardless of whether CASE funding is approved. Applications must be submitted before expenses are finalized, making it hard to estimate actual costs. Consider moving the application timeline after the fiscal year ends (June 30 each year).
- **Rural and remote staffing needs**. Serving remote rural staffing needs requires specialized staff, which increases costs.
- **Meeting state requirements**. PreK Early Childhood Interactive Classroom funding requires additional paraprofessional support to maintain required ratios.

Eligibility Considerations

- **Extraordinary program costs**. Expand funding beyond individual student reimbursement to include overall program support for low-incidence or specialized populations in rural settings.
- **Exhaustion of funds**. Consider refining the entry threshold so an LEA does not have to prove it has exhausted all available funding before applying.
- **Per-pupil threshold**. Establish a clear per-pupil threshold metric to provide greater predictability and fiscal stability.

Key Policy Questions

The Commission on School Funding could consider the following questions before determining whether and how to modify CASE.

- **What funding gap should CASE address?** Extraordinary individual student costs, broader high-cost services, specialized program capacity, or some combination?
- **Should the eligibility threshold change?** Would a statewide dollar threshold or cost multiplier improve consistency and predictability across LEAs?
- **Should programmatic funding be separate?** Would a distinct funding mechanism better support specialized classrooms, regional service delivery, and rural LEA needs?
- **How should reimbursement work?** Could changes to application deadlines, cost estimates, and final reconciliation improve LEA access?
- **What additional funding and infrastructure would be needed?** How would proposed changes affect appropriations, state funding obligations, and administrative workload?

Recommendations

- The scope of high-cost special education services warrants additional conversation and research before making any recommendations for changes.
- In addition to CASE, other mechanisms to support high-cost programmatic needs should be explored and considered by the Commission.