
BUDGET UNIT BRIEF – FY 2027

Fiscal Services Division

July 1, 2026



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

Therapeutic Classroom Incentive Grant Program

Purpose and History

The Therapeutic Classroom Incentive Grant Program provides competitive grants to school districts for the establishment of therapeutic classrooms. The Department of Education (DE) develops grant selection criteria, with highest priority given to applications submitted by school districts located in Mental Health and Disability Services Regions providing children's behavioral health services and proposing to serve the most students. The DE is to award the grants equitably across small (fewer than 600 pupils), medium (600 to 2,499 pupils), and large (more than 2,499 pupils) school districts.

A therapeutic classroom is defined as a classroom designed for the purpose of providing support for any student whose emotional, social, or behavioral needs interfere with the student's ability to be successful in the current educational environment, with or without supports, until the student is able to successfully return to the student's current education environment, with or without supports, including but not limited to the general education classroom.

Funding

Statewide funding for grants not to exceed the product of the State cost per pupil (SCPP) multiplied by a weighting of 1.50 multiplied by 150 pupils. Grants are awarded by estimated classroom size as follows:

- A classroom of 1 to 5 pupils will receive the funding for 5 pupils.
- A classroom of 6 to 10 pupils will receive the funding for 10 pupils.
- A classroom of 11 to 15 pupils will receive the funding for 15 pupils.

The General Assembly currently appropriates \$2.4 million annually. Effective FY 2024, any moneys that remain unencumbered or unobligated in the affiliated Therapeutic Classroom Transportation appropriation may be deposited for use in the Therapeutic Classroom Incentive Fund. In FY 2025, \$500,000 was transferred into the Fund. The DE may also accept gifts, grants, bequests, and other private contributions, as well as federal moneys, for deposit in the Therapeutic Classroom Incentive Fund.

Related Statutes and Administrative Rules

Iowa Code section [256.25](#)

Iowa Administrative Code [281—14](#)

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More Information

Iowa Department of Education: educateiowa.gov

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