

ILLINOIS
Overview of State Special Education Funding
Current As Of June 2009

What is special education and what is required?

Special education is the provision of specialized instruction, and related services if required, to eligible children and youth with disabilities who require said services. While special education services have been provided for more than 100 years by the State or school districts, it was in 1965, effective 1969, that the State mandated school districts, individually and collectively, provide services for individuals ages 3-21, and do "child find" activities ages birth – 21. The federal requirements of 1975 modified State law slightly. In 1991 the Early Intervention Services Systems Act added the requirement of school districts serving children birth through age 2 in conjunction with community-based organizations.

Disabilities served are of a high incidence nature (e.g. learning disabilities or speech/language impairments), a moderate incidence (e.g. mental retardation or emotional/behavior impairments), or a low incidence nature (e.g. deaf or hard of hearing, visually impaired, physically impaired, multiply impaired, autism or traumatic brain injury). Children and youth with attention deficit disorders are not considered disabled under the federal or state education requirements but may need services pursuant to the federal Section 504 of the Rehabilitation Act of 1973 which requires nondiscrimination. Over 320,000 children are served annually (12-1-07).

Chicago District 299 (Article ID)

Last Change: P.A. 89-15, effective May 30, 1995

Chicago District 299 receives all of their state special education funds via the Educational Services Block Grant. Since fiscal year 1996 the amount of the district's block grant has been determined as follows: (i) with respect to each special education program that is included within the Educational Services Block Grant, the district receives an amount equal to the same percentage of the current fiscal year appropriation made for each program as the percentage of the appropriation received by the district from the 1995 fiscal year appropriation made for that program, and (ii) the total amount that is due the district under the Educational Services Block Grant shall be the aggregate of the amounts that the district is entitled to receive for the fiscal year with respect to each program that is included within the block grant.

All other Illinois school districts receive their state special education funding via the formulas described below.

Private Tuition (105 ILCS 5/14-7.02)

Last Change: P.A. 80-1405, effective August 1978

This program provides reimbursement for a portion of the private facility tuition costs incurred by the district from the prior school year. The private tuition reimbursement formula states that the district is obligated to pay the first per capita tuition charge with local funds. Then the state reimburses the difference between \$4,500 and the district's first per capita tuition charge, if any. The school district is then required to expend a second per capita tuition charge with local funds, with the state reimbursing any excess over this amount. In practice, given that no nonpublic programs have a per capita tuition rate less than \$4,500, the school district pays two times the district per capita tuition charge and the state reimburses the district for the remainder of the approved tuition rate for a school year, including summer school when approved. If a student is in attendance less than a full year, all items are prorated down accordingly.

FY 2009 Appropriation = \$151,600,000

Chicago District 299 (48.4%) = \$73,374,400

Funding for Children Requiring Special Education Services (105 ILCS 5/14-7.02b)

Substantive Change: P.A. 93-1022, effective August 2004

Amended: P.A. 95-0705, effective January 8, 2008

This program replaced the Sp Ed Extraordinary line item (Section 14-7.02a) which was repealed in August 2004. This program provides funding for costs incurred the prior school year. Funds are distributed per a “block grant” type model and may be used for any special needs student served by the school district.

Funds are distributed to school districts based on two variables: (1) 85% of the funds are distributed based on each district’s best 3 months average daily attendance from the most recent General State Aid claim and (2) 15% on poverty as used in General State Aid (i.e. three year average as reported to ISBE from the Dept of Human Services). The law also provides a mechanism for districts to claim special needs students with “excess costs,” which is defined as educational costs in excess of four district per capita tuition charges. The difference between the actual student cost and four district per capita tuition charges is reimbursed from excess federal room and board funds.

P.A. 95-0705 amended the statute further. The new law made changes to Section 14-7.02b stating that, for fiscal year 2008 and each fiscal year thereafter, individual school districts must not receive payments under that Section totaling less than they received for fiscal year 2007 (commonly referred to as a “hold harmless” provision). However, the language further states that any “hold harmless” funding is to be “computed last and shall be separate calculation from any other calculation set forth in [Section 14-7.02b].”

The “other calculation” referenced in the new language is the existing split of the entire appropriation--85% based on each district’s average daily attendance and 15% on poverty which were used in General State Aid. Thus, under the new statutory scheme, the Agency determines the 85-15 calculation for each district and, if the amount calculated for any district is less than what the district received in FY 2007, the district is eligible for hold harmless. A separate supplemental appropriation is required to bring such districts back to their FY 2007 level.

FY 2009 Appropriation = \$331,051,100
Chicago District 299 (29.2%) = \$96,666,900

Personnel Reimbursement (Section 14-13.01)

Last Change: P.A. 95-0707 effective January 11, 2008

This program reimburses districts and cooperatives a portion of the costs that employ the necessary staff to serve children and youth with disabilities, ages 3-21 years old. Staff that are employed for these specialized purposes include teachers, school social workers, school nurses, school psychologists, school counselors, physical and occupational therapist, individual or classroom aides, readers, administrators, and other staff assigned to work in the area of special education. These staff people are additional instructional and related service personnel beyond the regular classroom teachers. Districts are reimbursed for prior-year expenditures.

For each full-time certified professional the state reimburses the lesser of

- a.) The local salary per teacher (defined as total salary minus federal funds)
- b.) The full time equivalent (FTE) days of the teacher divided by 180 times \$9,000

For each non-certified staff worker the state reimburses the lesser of

- a.) The local salary per worker (defined as total salary minus federal funds)
- b.) $\frac{1}{2}$ of the total salary (defined as all funds that contribute to total salary)
- c.) The full time equivalent (FTE) days of the worker divided by 180 times \$3,500

For each staff worker serving children in a home or hospital setting the state reimburses the lesser of:

- a.) $\frac{1}{2}$ the total salary (defined as all funds that contribute to total salary)
- b.) The full time equivalent (FTE) of the pupils served multiplied by \$1,000
- c.) \$9,000 per teacher

For each reader working with blind or partially seeing children the state reimburses the lesser of:

- a.) $\frac{1}{2}$ the total salary (defined as all funds that contribute to total salary)
- b.) The full time equivalent (FTE) of the pupils served multiplied by \$400

FY 2009 Appropriation = \$426,100,000
Chicago District 299 (19.1%) = \$81,385,100

Special Transportation (Section 14-13.01(b))
Last Change: Laws of 1965, effective July 1965

This program reimburses school districts a portion of the costs incurred in transporting pupils with disabilities who have special transportation needs. Reimbursement is provided for transporting students with disabilities if their Individualized Education Plan (IEP) requires special transportation assistance as a related service, or the nature of their disability is such that the service is required. The state program pays a maximum of $\frac{4}{5}$ of the district's allowable costs for transporting pupils with disabilities. Districts are reimbursed quarterly for their claims against prior-year expenses.

FY 2009 Appropriation = \$383,300,000
Chicago District 299 (30.7%) = \$117,673,100

Orphanage Tuition (Section 14-7.03)
Last Change: P.A. 79-797, effective July 1973

This program reimburses on a current year basis 100% of the tuition costs for eligible students with disabilities who are under the guardianship of a public agency or who reside in state residential facilities. This line item includes regular term and summer term. All students must be verified as a ward of the state to be eligible for funding under Section 14-7.03. Most of the special needs students claimed under Section 14-7.03 are verified via a cross check with the Department of Children and Family Services (DCFS) or the serving district must provide court documentation that parental guardianship has been removed from the natural parent.

In some instances, parental rights do not necessarily need to be terminated for a special education pupil to be claimed under this statute. If a state agency (e.g. DCFS) places a pupil in a state-owned institution, the district where the facility is located becomes the pupil's district of residence and can make a claim under 14-7.03.

FY 2009 Appropriation = \$101,800,000
Chicago District 299 (35.8%) = \$36,444,400

Summer School (Section 18-4.3)

Last Change: P.A. 79-1350, effective August 1976

This program reimburses school districts a portion of the educational costs for special needs students that attend summer programs. The basic requirements for eligibility are as follows: (1) the pupil must be enrolled in one or more courses offered for at least 60 clock hours in the summer session; (2) the pupil must be eligible pursuant to Section 14-7.02 (Private Facility) or 14-7.02b (Funding for Children Requiring Special Education Services); and (3) there shall not be a tuition charge to families to insure a "free, appropriate public education."

Formula example (downstate claims):

District has one eligible special needs summer enrolled pupil

Reported average daily attendance (ADA) for the pupil is 0.24

Multiply the ADA by the statutory weighted equivalent of 1.25 ($0.24 \times 1.25 = 0.30$)

General State Aid (GSA) Entitlement for District = \$2,000,000

District's best three months ADA reported from most recent GSA claim = 630.00

Calculate District's GSA per ADA pupil ($\$2,000,000 / 630.00 = \$3,174.60$)

District's reimbursement is calculated by multiplying the district ADA per pupil by the weighted equivalent of pupils reported ($\$3,174.60 \times 0.30 = \952.38)

FY 2009 Appropriation = \$11,000,000

Chicago District 299 (54.4%) = \$5,984,000

Prepared By:

Tim Imler

Division Administrator

Funding and Disbursement Services

Illinois State Board of Education

Phone: 217-782-5256

Fax: 217-782-3910