**Agenda Topic:** Proposed Amendment - Part 140 (Calculation of Excess Cost Under Section 18-3 of the School Code)

**Materials:** Recommended Amendment

**Staff Contact:** Marcia Sailsbury

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**Purpose of Agenda Item**

To present the proposed amendment for the Board’s initial review and secure authorization to distribute them for public comment.

**Expected Outcome of Agenda Item**

A motion authorizing the staff to publish the proposed amendments in the Illinois Register to elicit public comment.

**Background Information**

This set of rules deals with the reimbursement that is available to school districts that provide educational services to groups of students who reside in settings such as orphanages and detention centers. Section 18-3 of the School Code allows districts to claim reimbursement for these programs at 1.2 times the district’s per capita tuition charge. It also permits them to claim reimbursement for costs they incur that are in excess of that amount. The rules in Part 140 identify the information districts must submit to substantiate their claims and set forth the basis upon which reimbursement will be calculated.

P.A. 92-94, enacted during 2001, amended Section 18-3 to add the availability of reimbursement for expenditures related to the summer term. Part 140 needs to be amended to convey this information. The proposed amendments will define the summer term and the period to be covered by each claim (July 1 through June 30).

**Analysis and Implications for Policy, Budget, Legislative Action, and Communications**

*Policy Implications:* This rulemaking does not represent a true policy decision on the part of the Board, because the General Assembly has already enacted this provision. Therefore the amendment has no policy implications *per se.*
**Budget Implications:** The potential growth in total claims due to this legislation is estimated at $1.5 million, but our budget request for FY03 funding represents a reduction in the appropriation. However, the agency has consistently lapsed funds appropriated in this line item, so we expect this amount to be adequate.

**Legislative Action:** None needed.

**Communications:** The change in the law has already been communicated to school districts by the staff responsible for this program.

**Superintendent’s Recommendation**

Direct the dissemination of the proposed amendment to Part 140 for public comment.

**Next Steps**

With the Board’s authorization, staff will submit the proposed amendments to the Administrative Code Division for publication in the Illinois Register to elicit public comment. Additional means such as the Superintendent’s Bulletin will also be used to inform school districts of the opportunity to comment on this rulemaking.