TO: Illinois State Board of Education
FROM: Robert E. Schiller, Superintendent
Lynne Haeffele Curry, Director
Respicio Vazquez, General Counsel

Agenda Topic: Action Item: Rules for Adoption -- Alternative Learning Opportunities Program (Part 240)

Materials: Proposed Amendments

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Purpose(s) of Agenda Item
To present the proposed amendments for adoption.

Expected Outcome of Agenda Item
The Board's adoption of the proposed amendments to Part 240.

Background Information
The amendments contained in this set of rules clarify which entities are eligible to claim General State Aid (GSA) for students who are enrolled in Alternative Learning Opportunities Programs that school districts may establish under Article 13B of the School Code.

Section 13B-50.15 of the School Code provides that regional offices of education that operate approved Alternative Learning Opportunities Programs (ALOPs) on behalf of school districts “are entitled to receive general State aid at the foundation level of support” (emphasis added). The law, however, does not explicitly state whether these regional offices can submit a claim directly to the State Board of Education to receive GSA. For this reason, the rules adopted by the Board in July 2002 did not provide for regional offices to submit claims for GSA when they are operating ALOPs on behalf of school districts, but to receive GSA for those students enrolled in the program from the school district or districts that established the program.

As the implementation of the program begins (28 programs have received approval to operate), it came to the attention of staff that regional superintendents and the sponsor of
the ALOP legislation had intended for regional offices of education to be allowed to submit claims for GSA directly, just as they do for other alternative programs that are authorized under the School Code.

These proposed amendments were presented for the Board's initial review at the February 2003 meeting and subsequently were published in the Illinois Register to elicit public comment. No public comment was received.

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

**Policy Implications:** ALOPs differ from other alternative programs that are operated by regional offices of education in that the students who are "enrolled" in these programs retain their enrollment in their resident districts. ALOPs are intended to be programs that provide additional resources to improve student learning -- be those resources academic or support services -- rather than separate schools operated independently from the regular school program of the district. For this reason, the accountability for student achievement and compliance with all laws and rules that govern public schools remain with the school district that established the program and are not “transferred” to the entity with which the district may have contracted to operate the program.

Article 13B recognizes that while a school district may wish to establish an ALOP, it may not have the capacity to operate the program itself; therefore, the law allows for school districts to contract with a number of entities for this purpose. When the operator of the program is a regional office of education, it can receive GSA at what is known as the foundation level of support, an amount that may be greater than the GSA that the school district would have received for students who are not enrolled in the ALOPs. For this reason, it makes sense for the regional office to submit a claim directly to the State Board in order to receive the full foundation level rather relying on the school district(s) to make up the difference between the higher foundation level and the amount the district(s) would receive.

The proposed amendments allow regional offices of education to directly submit GSA claims to the State Board, provided that there is a cooperative agreement between the regional office and school district(s) that are establishing the program. This provision to allow for submission of the claim by the regional office will not apply to other entities, such as intermediate service centers, community colleges, health and human services agencies, and other public and private, not-for-profit agencies, that may be under contract with a school district to operate an ALOP.

Since students may enter an ALOP in the middle of a school year, the proposed amendments further provide that GSA can be claimed only for the time period in which those students are enrolled in the program. A similar provision is proposed for school districts.

**Budget Implications:** None.

**Legislative Implications:** None needed.
Communications: Please see “Next Steps” below.

Pros and Cons of Various Actions

It is anticipated that these rules will be in effect by June when GSA claims are due. Having rules in place will avoid any challenges to regional offices’ submission of claims, should regional offices operate any of ALOPs approved by the State Board.

Superintendent’s Recommendation

Adopt the following motion:

The State Board of Education hereby adopts the proposed rulemaking for:

   Alternative Learning Opportunities Program (23 Illinois Administrative Code 240).

Further, the Board authorizes the State Superintendent of Education to make such technical or nonsubstantive changes as the State Superintendent may deem necessary in response to suggestions or objections of the Joint Committee on Administrative Rules.

Next Steps

Notice of the adopted rules will be submitted to the Joint Committee on Administrative Rules to initiate JCAR’s review. When that process is complete, the adopted rules will be filed with the Secretary of State and disseminated as appropriate.