What is a mandated categorical program?
In general, a mandated categorical program and the funds appropriated for it are earmarked and mandated by statute for a particular purpose or population and may be used for that purpose or population only.

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 conduct “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. cognitive or emotional/behavior impairments), or a low incidence nature (e.g. deaf, hearing impaired, visually impaired, orthopedically impaired, multiple impairments, 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. Illinois takes a count of all students with disabilities receiving services as of December 1 each year. Historical child count data can be accessed at http://www.isbe.net/funding/pdf/sp_ed_child_count.pdf.

Chicago District 299 (Article 1D)
Amended: PA 97-0238 enacted on July 1, 2011
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.

PA 97-0238 effective August 2, 2011, requires Chicago District 299 to submit expenditures by programs, population and service levels by program and administrative expenditures by program in the same manner as all other districts.

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 2017 Appropriation = $233,000,000
Chicago District 299 (48.4%) = $112,772,000

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 2017 Appropriation = $303,829,700
Chicago District 299 (29.2%) = $88,718,300
Personnel Reimbursement (105 ILCS 5/14-13.01)
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.) ½ 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.) ½ 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.) ½ 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 2017 Appropriation = $442,400,000
Chicago District 299 (19.1%) = $84,498,400

Special Transportation (105 ILCS 5/14-13.01(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 4/5 (80%) of the district’s allowable costs for transporting pupils with disabilities. Districts are reimbursed quarterly for their claims against prior-year expenses.

FY 2017 Appropriation = $450,500,000
Chicago District 299 (30.7%) = $138,303,500
Orphanage Tuition (105 ILCS 5/14-7.03)
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 2017 Appropriation = $95,000,000
Chicago District 299 (35.8%) = $34,010,000

Summer School (105 ILCS 5/18-4.3)
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 X 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 pupil ADA ($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 X 0.30 = $952.38)

FY 2017 Appropriation = $11,700,000
Chicago District 299 (54.4%) = $6,364,800
Regular Transportation (105 ILCS 5/29)
Laws of 1961, effective March 1965

School transportation requirements are outlined in Article 29 of the School Code [105 ILCS 5/29]. The requirement to provide free transportation for students beyond 1.5 miles from their assigned school was established in the law in July 1939. It is important to note, however, that not all types of districts are required to provide transportation.

Section 29-3 states “Community consolidated districts, community unit districts, consolidated districts, consolidated high school districts, optional elementary unit districts, combined high school - unit districts, combined school districts . . . shall provide free transportation for pupils residing at a distance of one and one-half miles or more from any school to which they are assigned for attendance maintained within the district, except for those pupils for whom the school board shall certify to the State Board of Education that adequate transportation for the public is available.”

In the 2016-17 school year, out of 852 districts, only 491 are required by law to transport students.

<table>
<thead>
<tr>
<th>Type of District</th>
<th>Number of District Types</th>
<th>Number Required to Transport</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>369</td>
<td>132</td>
</tr>
<tr>
<td>High School</td>
<td>97</td>
<td>5</td>
</tr>
<tr>
<td>Unit</td>
<td>386</td>
<td>354</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>852</strong></td>
<td><strong>491</strong></td>
</tr>
</tbody>
</table>

Districts not mandated to provide transportation that chose to do so can still submit claims for reimbursement from the Regular/Vocational Transportation line item.

Four Categories of Transportation:

Regular – Eligible Students are those who reside 1.5 miles or more from the assigned attendance center or less than 1 ½ miles with IDOT serious safety hazard approval due to rail or vehicular traffic.

Vocational – Eligible students are those who are transported 1.5 miles or more one way from their assigned attendance center to a vocation program located at: an area vocational center; another school district; or a building or other trades skill development site.

Special Education – Eligible students are those with Individualized Education Programs (IEPs) that have special transportation as a related service. If a special needs student does not have transportation as a related service, they are transported on regular routes.

Non-reimbursable – Includes students transported for regular pre-kindergarten on exclusive routes, regular summer school and non-curriculum-related field trips such as transporting participants or spectators to and from athletic contests, academic contests, extracurricular and/or co-curricular activities.

Allocation of Expenditures:

Expenditures are spread across the categories of transportation provided based on the ratio of miles per category to total miles driven.
State Reimbursement:

School districts are required to submit claims to ISBE by August 15 each year for the costs of transporting students for the previous school year.

Regular Transportation – Total allowable expenditures minus the Equalized Assessed Valuation (EAV) qualifying amount ("local share") and costs for transporting ineligible students. The EAV qualifying amount is calculated by multiplying the districts EAV by a statutorily set qualifying rate:

High School District Qualifying Rate = .05%
Elementary District Qualifying Rate = .06%
Unit District Qualifying Rate = .07%

Unit District Regular Reimbursement Example
1. Total Regular Transportation Costs $228,633
2. General state aid equalized assessed valuation (EAV) $36,377,228
3. District Adjusted EAV times .07% $25,464
4. Reimbursement Amount - Total Regular Trans Costs minus EAV times .07% $203,169

The minimum claim is $16 times the number of eligible pupils transported. The maximum reimbursement for transporting vocational pupils is 80 percent of allowable costs. As required by law, payments are vouchered in quarterly installments on or before September 30, December 30, March 30 and June 15.

Vocational Transportation – Total expenditures multiplied by 80%. The remaining 20% is the district’s “local share.”

Special Education Transportation - Total expenditures multiplied by 80%. The remaining 20% is the district’s “local share.”

FY 2017 Appropriation = $205,808,900
Chicago District 299 (3.9%) = $8,026,500

School Breakfast and Lunch Program (105 ILCS 125/)
Last Change: P.A. 96-158, effective August 2009

This program reimburses school districts that operate free breakfast programs, school breakfast programs, free lunch programs, or school lunch programs for a portion of the costs of food served in balanced, nutritious breakfasts or lunches. The State Board of Education shall reimburse not less than $0.15 or the actual cost, whichever is less, to school districts for each free lunch or breakfast served by them to eligible students. Districts are reimbursed based on monthly claims filed to the State Board of Education. If the total amount of the claims received for the year, exceeds the amount appropriated for that year, the money shall be apportioned to each claimant in an equitable manner based on meals claimed.

FY 2017 Appropriation = $9,000,000
Chicago District 299 (50.7%) = $4,563,000
Regular Education Orphanage Program (105 ILCS 5/18-3)
Last Change: PA95-0793 Effective August 2009

This claim is restricted to pupils housed in Orphanages, Children's Homes, Detention Centers and/or Penal Institutions who attend either the regular classes of the district or are educated in regular education classes on site. Orphanages and Children's Homes must accept children from the state at large. Children residing in foster family homes are not eligible. Claims for students with disabilities who have Individualized Education Programs (IEPs) are claimed under the Special Education Orphanage program (Section 14-7.03) on an individual student basis. Students living at residential alcohol or drug treatment facilities are not to be claimed for reimbursement under the Orphanage Act, but will be claimed under Section 18-8.05 of the School Code.

Estimated payments are computed and vouchered in the current school year via quarterly installments on or before September 30, December 31, March 31 based on each district’s prior year’s claim. Per P.A. 95-0793 effective August 8, 2008 claims for eligible students served in the regular term must be received at the Illinois State Board of Education (ISBE) on or before July 15.

Final payments are vouchered on or before August 15 based on the average daily attendance for each eligible child multiplied by a weighted factor of 1.2 times the per capita tuition of the school district. Claims for eligible students served in the summer term must be received at ISBE on or before November 1.

Final payments are vouchered on or before December 15 based on actual costs. In addition, documented costs in excess of the formula calculation for students served in the regular term may be claimed.

Formula Example – Regular Term:
Average daily attendance (ADA) of eligible pupils is 12.00 days of attendance
District’s per capita tuition charge = $6,000
District’s reimbursement calculation:
District’s per capita tuition charge of $6,000 X 1.2 = $7,200
ADA 12.00 X $7,200 = $86,400 district reimbursement amount
FY 2017 Appropriation = $11,500,000

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