

**Illinois State Board of Education
Funding and Disbursement Services
Mandated Categorical Program Funding Overview
Updated October, 2021**

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 eligible to receive services or be in a special education program receiving direct or related services approved by a public school district as of December 1 each year. Historical child count data can be accessed at <https://www.isbe.net/Documents/sped-child-count-history.pdf>.

The State of Illinois provides funding for the following mandated categorical programs:

Special Education 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. 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 paid for the school year, including summer school when approved. If a student is enrolled less than a full year, all items are prorated down accordingly.

FY 2022 Appropriation = \$152,320,000

Special Education 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 Program (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 2022 Appropriation = \$387,682,600

Special Education Orphanage Tuition (105 ILCS 5/14-7.03)**Last Change: P.A. 101-0017, effective June 2019**

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 youth in care 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.

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. 101-0017 effective June 4, 2019, claims for eligible students served in the regular term must be received at the Illinois State Board of Education (ISBE) on or before June 15. Claims may be amended until August 1.

Final payments are vouchered on or before August 31 based on actual per pupil educational costs for providing service delivery less federal funds and certain limitations on administrative, supervisory, and facility use costs. 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.

FY 2022 Appropriation = \$93,000,000

Regular Education 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 2019-20 school year, out of 852 districts, which includes the Department of Juvenile Justice, 491 are required by law to transport students.

Type of District	Number of District Types	Number Required to Transport
Elementary	368	132
High School	97	5
Unit	386	354
Il Dept of Juvenile Justice	1	0
Total:	852	491

Districts not mandated to provide transportation that chose to do so can still submit claims for reimbursement from the Regular/Vocational Transportation line item but must follow all statutory requirements identical to those districts that are required to transport.

Four Categories of Transportation:

Regular – Eligible Students are those who reside 1.5 miles or more from the assigned attendance center or less than 1.5 miles with an Illinois Department of Transportation 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 approved as a related service. If a special needs student does not have transportation approved 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 2022 Appropriation = \$281,323,800

School Breakfast and Lunch Program (105 ILCS 125/)
Last Change: PA 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 2022 Appropriation = \$9,000,000

Regular Education Orphanage Program (105 ILCS 5/18-3)
Last Change: PA 101-0017, effective June 2019

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 are counted for the Evidence Based Funding program per Section 18-8.15 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. 101-0017 effective June 4, 2019, claims for eligible students served in the regular term must be received at the Illinois State Board of Education (ISBE) on or before June 15. Claims may be amended until August 1.

Final payments are vouchered on or before August 31 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 2022 Appropriation = \$9,900,000

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