



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB2457

by Rep. Ed Sullivan, Jr.

SYNOPSIS AS INTRODUCED:

105 ILCS 5/1D-1
105 ILCS 5/14-7.02b
105 ILCS 5/14-7.05

Amends the Block Grants for Chicago Article of the School Code. Removes provisions that require the educational services block grant to include Special Education and funding for children requiring special education services. Makes related changes. Effective immediately.

LRB098 10290 NHT 40475 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning education.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The School Code is amended by changing Sections
5 1D-1, 14-7.02b, and 14-7.05 as follows:

6 (105 ILCS 5/1D-1)

7 Sec. 1D-1. Block grant funding.

8 (a) For fiscal year 1996 and each fiscal year thereafter,
9 the State Board of Education shall award to a school district
10 having a population exceeding 500,000 inhabitants a general
11 education block grant and an educational services block grant,
12 determined as provided in this Section, in lieu of distributing
13 to the district separate State funding for the programs
14 described in subsections (b) and (c). The provisions of this
15 Section, however, do not apply to any federal funds that the
16 district is entitled to receive. In accordance with Section
17 2-3.32, all block grants are subject to an audit. Therefore,
18 block grant receipts and block grant expenditures shall be
19 recorded to the appropriate fund code for the designated block
20 grant.

21 (b) The general education block grant shall include the
22 following programs: REI Initiative, Summer Bridges, Preschool
23 At Risk, K-6 Comprehensive Arts, School Improvement Support,

1 Urban Education, Scientific Literacy, Substance Abuse
2 Prevention, Second Language Planning, Staff Development,
3 Outcomes and Assessment, K-6 Reading Improvement, 7-12
4 Continued Reading Improvement, Truants' Optional Education,
5 Hispanic Programs, Agriculture Education, Parental Education,
6 Prevention Initiative, Report Cards, and Criminal Background
7 Investigations. Notwithstanding any other provision of law,
8 all amounts paid under the general education block grant from
9 State appropriations to a school district in a city having a
10 population exceeding 500,000 inhabitants shall be appropriated
11 and expended by the board of that district for any of the
12 programs included in the block grant or any of the board's
13 lawful purposes.

14 (c) The educational services block grant shall include the
15 following programs: Regular and Vocational Transportation,
16 State Lunch and Free Breakfast Program, ~~Special Education~~
17 ~~(Personnel, Transportation, Orphanage, Private Tuition),~~
18 ~~funding for children requiring special education services,~~
19 Summer School, Educational Service Centers, and
20 Administrator's Academy. This subsection (c) does not relieve
21 the district of its obligation to provide the services required
22 under a program that is included within the educational
23 services block grant. It is the intention of the General
24 Assembly in enacting the provisions of this subsection (c) to
25 relieve the district of the administrative burdens that impede
26 efficiency and accompany single-program funding. The General

1 Assembly encourages the board to pursue mandate waivers
2 pursuant to Section 2-3.25g.

3 ~~The funding program included in the educational services~~
4 ~~block grant for funding for children requiring special~~
5 ~~education services in each fiscal year shall be treated in that~~
6 ~~fiscal year as a payment to the school district in respect of~~
7 ~~services provided or costs incurred in the prior fiscal year,~~
8 ~~calculated in each case as provided in this Section.~~ Nothing in
9 this Section shall change the nature of payments for any
10 program that, apart from this Section, would be or, prior to
11 adoption or amendment of this Section, was on the basis of a
12 payment in a fiscal year in respect of services provided or
13 costs incurred in the prior fiscal year, calculated in each
14 case as provided in this Section.

15 (d) For fiscal year 1996 and each fiscal year thereafter,
16 the amount of the district's block grants shall be determined
17 as follows: (i) with respect to each program that is included
18 within each block grant, the district shall receive an amount
19 equal to the same percentage of the current fiscal year
20 appropriation made for that program as the percentage of the
21 appropriation received by the district from the 1995 fiscal
22 year appropriation made for that program, and (ii) the total
23 amount that is due the district under the block grant shall be
24 the aggregate of the amounts that the district is entitled to
25 receive for the fiscal year with respect to each program that
26 is included within the block grant that the State Board of

1 Education shall award the district under this Section for that
2 fiscal year. In the case of the Summer Bridges program, the
3 amount of the district's block grant shall be equal to 44% of
4 the amount of the current fiscal year appropriation made for
5 that program.

6 (e) The district is not required to file any application or
7 other claim in order to receive the block grants to which it is
8 entitled under this Section. The State Board of Education shall
9 make payments to the district of amounts due under the
10 district's block grants on a schedule determined by the State
11 Board of Education.

12 (f) A school district to which this Section applies shall
13 report to the State Board of Education on its use of the block
14 grants in such form and detail as the State Board of Education
15 may specify. In addition, the report must include the following
16 description for the district, which must also be reported to
17 the General Assembly: block grant allocation and expenditures
18 by program; population and service levels by program; and
19 administrative expenditures by program. The State Board of
20 Education shall ensure that the reporting requirements for the
21 district are the same as for all other school districts in this
22 State.

23 (g) This paragraph provides for the treatment of block
24 grants under Article 1C for purposes of calculating the amount
25 of block grants for a district under this Section. Those block
26 grants under Article 1C are, for this purpose, treated as

1 included in the amount of appropriation for the various
2 programs set forth in paragraph (b) above. The appropriation in
3 each current fiscal year for each block grant under Article 1C
4 shall be treated for these purposes as appropriations for the
5 individual program included in that block grant. The proportion
6 of each block grant so allocated to each such program included
7 in it shall be the proportion which the appropriation for that
8 program was of all appropriations for such purposes now in that
9 block grant, in fiscal 1995.

10 Payments to the school district under this Section with
11 respect to each program for which payments to school districts
12 generally, as of the date of this amendatory Act of the 92nd
13 General Assembly, are on a reimbursement basis shall continue
14 to be made to the district on a reimbursement basis, pursuant
15 to the provisions of this Code governing those programs.

16 (h) Notwithstanding any other provision of law, any school
17 district receiving a block grant under this Section may
18 classify all or a portion of the funds that it receives in a
19 particular fiscal year from any block grant authorized under
20 this Code or from general State aid pursuant to Section 18-8.05
21 of this Code (other than supplemental general State aid) as
22 funds received in connection with any funding program for which
23 it is entitled to receive funds from the State in that fiscal
24 year (including, without limitation, any funding program
25 referred to in subsection (c) of this Section), regardless of
26 the source or timing of the receipt. The district may not

1 classify more funds as funds received in connection with the
2 funding program than the district is entitled to receive in
3 that fiscal year for that program. Any classification by a
4 district must be made by a resolution of its board of
5 education. The resolution must identify the amount of any block
6 grant or general State aid to be classified under this
7 subsection (h) and must specify the funding program to which
8 the funds are to be treated as received in connection
9 therewith. This resolution is controlling as to the
10 classification of funds referenced therein. A certified copy of
11 the resolution must be sent to the State Superintendent of
12 Education. The resolution shall still take effect even though a
13 copy of the resolution has not been sent to the State
14 Superintendent of Education in a timely manner. No
15 classification under this subsection (h) by a district shall
16 affect the total amount or timing of money the district is
17 entitled to receive under this Code. No classification under
18 this subsection (h) by a district shall in any way relieve the
19 district from or affect any requirements that otherwise would
20 apply with respect to the block grant as provided in this
21 Section, including any accounting of funds by source, reporting
22 expenditures by original source and purpose, reporting
23 requirements, or requirements of provision of services.

24 (Source: P.A. 97-238, eff. 8-2-11; 97-324, eff. 8-12-11;
25 97-813, eff. 7-13-12.)

1 (105 ILCS 5/14-7.02b)

2 Sec. 14-7.02b. Funding for children requiring special
3 education services. Payments to school districts for children
4 requiring special education services documented in their
5 individualized education program regardless of the program
6 from which these services are received, excluding children
7 claimed under Sections 14-7.02 and 14-7.03 of this Code, shall
8 be made in accordance with this Section. Funds received under
9 this Section may be used only for the provision of special
10 educational facilities and services as defined in Section
11 14-1.08 of this Code.

12 The appropriation for fiscal year 2005 and thereafter shall
13 be based upon the IDEA child count of all students in the
14 State, excluding students claimed under Sections 14-7.02 and
15 14-7.03 of this Code, on December 1 of the fiscal year 2 years
16 preceding, multiplied by 17.5% of the general State aid
17 foundation level of support established for that fiscal year
18 under Section 18-8.05 of this Code.

19 Beginning with fiscal year 2005 and through fiscal year
20 2007, individual school districts shall not receive payments
21 under this Section totaling less than they received under the
22 funding authorized under Section 14-7.02a of this Code during
23 fiscal year 2004, pursuant to the provisions of Section
24 14-7.02a as they were in effect before the effective date of
25 this amendatory Act of the 93rd General Assembly. This base
26 level funding shall be computed first.

1 Beginning with fiscal year 2008 and each fiscal year
2 thereafter, individual school districts must not receive
3 payments under this Section totaling less than they received in
4 fiscal year 2007. This funding shall be computed last and shall
5 be a separate calculation from any other calculation set forth
6 in this Section. ~~This amount is exempt from the requirements of~~
7 ~~Section 1D-1 of this Code.~~

8 An amount equal to 85% of the funds remaining in the
9 appropriation shall be allocated to school districts based upon
10 the district's average daily attendance reported for purposes
11 of Section 18-8.05 of this Code for the preceding school year.
12 Fifteen percent of the funds remaining in the appropriation
13 shall be allocated to school districts based upon the
14 district's low income eligible pupil count used in the
15 calculation of general State aid under Section 18-8.05 of this
16 Code for the same fiscal year. One hundred percent of the funds
17 computed and allocated to districts under this Section shall be
18 distributed and paid to school districts.

19 For individual students with disabilities whose program
20 costs exceed 4 times the district's per capita tuition rate as
21 calculated under Section 10-20.12a of this Code, the costs in
22 excess of 4 times the district's per capita tuition rate shall
23 be paid by the State Board of Education from unexpended IDEA
24 discretionary funds originally designated for room and board
25 reimbursement pursuant to Section 14-8.01 of this Code. The
26 amount of tuition for these children shall be determined by the

1 actual cost of maintaining classes for these children, using
2 the per capita cost formula set forth in Section 14-7.01 of
3 this Code, with the program and cost being pre-approved by the
4 State Superintendent of Education. Reimbursement for
5 individual students with disabilities whose program costs
6 exceed 4 times the district's per capita tuition rate shall be
7 claimed beginning with costs encumbered for the 2004-2005
8 school year and thereafter.

9 The State Board of Education shall prepare vouchers equal
10 to one-fourth the amount allocated to districts, for
11 transmittal to the State Comptroller on the 30th day of
12 September, December, and March, respectively, and the final
13 voucher, no later than June 20. The Comptroller shall make
14 payments pursuant to this Section to school districts as soon
15 as possible after receipt of vouchers. If the money
16 appropriated from the General Assembly for such purposes for
17 any year is insufficient, it shall be apportioned on the basis
18 of the payments due to school districts.

19 Nothing in this Section shall be construed ~~to decrease or~~
20 ~~increase the percentage of all special education funds that are~~
21 ~~allocated annually under Article 1D of this Code or~~ to alter
22 the requirement that a school district provide special
23 education services.

24 Nothing in this amendatory Act of the 93rd General Assembly
25 shall eliminate any reimbursement obligation owed as of the
26 effective date of this amendatory Act of the 93rd General

1 Assembly to a school district with in excess of 500,000
2 inhabitants.

3 (Source: P.A. 93-1022, eff. 8-24-08. 95-705, eff. 1-8-08.)

4 (105 ILCS 5/14-7.05)

5 Sec. 14-7.05. Placement in residential facility; payment
6 of educational costs. For any student with a disability in a
7 residential facility placement made or paid for by an Illinois
8 public State agency or made by any court in this State, the
9 school district of residence as determined pursuant to this
10 Article is responsible for the costs of educating the child and
11 shall be reimbursed for those costs in accordance with this
12 Code. Subject to this Section and relevant State appropriation,
13 the resident district's financial responsibility and
14 reimbursement must be calculated in accordance with the
15 provisions of Section 14-7.02 of this Code. ~~In those instances~~
16 ~~in which a district receives a block grant pursuant to Article~~
17 ~~1D of this Code, the district's financial responsibility is~~
18 ~~limited to the actual educational costs of the placement, which~~
19 ~~must be paid by the district from its block grant~~
20 ~~appropriation.~~ Resident district financial responsibility and
21 reimbursement applies for both residential facilities that are
22 approved by the State Board of Education and non-approved
23 facilities, subject to the requirements of this Section. The
24 Illinois placing agency or court remains responsible for
25 funding the residential portion of the placement and for

1 notifying the resident district prior to the placement, except
2 in emergency situations. The residential facility in which the
3 student is placed shall notify the resident district of the
4 student's enrollment as soon as practicable after the
5 placement. Failure of the placing agency or court to notify the
6 resident district prior to the placement does not absolve the
7 resident district of financial responsibility for the
8 educational costs of the placement; however, the resident
9 district shall not become financially responsible unless and
10 until it receives written notice of the placement by either the
11 placing agency, court, or residential facility. The placing
12 agency or parent shall request an individualized education
13 program (IEP) meeting from the resident district if the
14 placement would entail additional educational services beyond
15 the student's current IEP. The district of residence shall
16 retain control of the IEP process, and any changes to the IEP
17 must be done in compliance with the federal Individuals with
18 Disabilities Education Act.

19 Payments shall be made by the resident district to the
20 entity providing the educational services, whether the entity
21 is the residential facility or the school district wherein the
22 facility is located, no less than once per quarter unless
23 otherwise agreed to in writing by the parties.

24 A residential facility providing educational services
25 within the facility, but not approved by the State Board of
26 Education, is required to demonstrate proof to the State Board

1 of (i) appropriate certification of teachers for the student
2 population, (ii) age-appropriate curriculum, (iii) enrollment
3 and attendance data, and (iv) the ability to implement the
4 child's IEP. A school district is under no obligation to pay
5 such a residential facility unless and until such proof is
6 provided to the State Board's satisfaction.

7 When a dispute arises over the determination of the
8 district of residence under this Section, any person or entity,
9 including without limitation a school district or residential
10 facility, may make a written request for a residency decision
11 to the State Superintendent of Education, who, upon review of
12 materials submitted and any other items of information he or
13 she may request for submission, shall issue his or her decision
14 in writing. The decision of the State Superintendent of
15 Education is final.

16 (Source: P.A. 95-844, eff. 8-15-08; 95-938, eff. 8-29-08.)

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.