

Illinois Education Roundtable 2009 Policy Briefs

Mandated Categorical Funding

Sufficient funds must be annually appropriated to fully fund current categorical programs. Further, any new mandates must be fully funded by new revenues from State of Illinois sources.

Statement of the Problem:

- Mandated Categorical (MCAT) funding provides partial reimbursement for nine programs required by the state. Even MCATs that are fully funded leave a significant portion of Special Ed programs under funded, forcing schools to assume responsibility for the shortfall, taking money away from other programs and services.
- For eleven of the past fifteen years, three of the six Special Ed MCATs were prorated as low as 86%.
- Costs continue to increase:
 - The cost of transporting a Special Ed student is 80% higher than a regular student, which is compounded by the dramatic increase of general transportation costs.
 - The number of students requiring extraordinary services has steadily increased. The cost of educating a student with a severe disability or multiple disabilities can exceed \$30,000. This leaves a growing shortfall between costs and reimbursement.
- In spring 2008, ISBE estimated the shortfall between special education expenditures and reimbursement was over \$900 million. Since Special Ed services are mandated by the state and federal government, local taxpayers are responsible for the shortfall.

Preferred Solution:

- Fully fund Mandated Categorical programs.

Resources Required:

- Full funding of MCATs is estimated to require an increase of \$145 million for FY2010.

Additional Implications, Resources, or Issues:

- Consider streamlining the funding of special education categorical programs. For example, there is a proposal that would eliminate the Special Ed Extraordinary categorical and add the additional funding to the Special Ed personnel reimbursement categorical.
- Legislation should allow districts to levy for the shortfall of Special Education costs outside of the tax cap and should allow non-PTELL districts to levy actual Special Education costs instead of being restricted by the limiting rate.