



Illinois State Board of Education

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MEMORANDUM

October 17, 2006

TO: District Superintendents
Directors of Special Education

FROM: Tim Imler
Division Administrator
Division of Funding and Disbursement Services

RE: Amended Rules for Determining Special Education Per Capita Tuition Charge (Part 130)

Amended rules for Determining Special Education Per Capita Tuition Charge (Part 130) went into effect on October 5, 2006 and are now applicable for the 2006-07 school year and thereafter. The new rules can be accessed by clicking on the following link at <http://www.isbe.net/rules/archive/pdfs/130ARK.pdf>. The Education Reform and Accountability Act of 2004 directed the Illinois State Board of Education (ISBE) to conduct a review of all its rules with a view toward streamlining procedures and reducing forms and paperwork. The amended Part 130 rules represent a collaborative effort between the ISBE and the Illinois Alliance of Administrators of Special Education.

The Part 130 rules for Determining Special Education Per Capita Tuition Charge must be used by all local education agencies to calculate costs for special education programs which in turn are used for district billings and/or transmitting reimbursement claims for Special Education Orphanage (Section 14-7.03) and Special Education Excess Cost (Section 14-7.02b) to the ISBE. A summary of the major changes and what they mean to all local education agency administrators are provided below. All of the rule changes in context are located at the end of the memorandum.

1. Section 130.10 - Definitions "Program" has been defined to focus on narrower subsets of special education services that are designated by local education agencies to meet the needs for an identified group of students. For purposes of filing reimbursement claims under Special Education Orphanage and Excess Cost to the Illinois State Board of Education, local education are precluded from combining all costs related to special education and terming the entire combination one "program".

The result of this change is that Orphanage or Excess Cost reimbursement for students who are not extraordinarily expensive to serve (e.g. speech/language) will no longer be potentially inflated by the cost of students who are very expensive to serve.

2. Section 130.10 – Definitions “Time in Special Education” has been added to help clarify the percent time in special education which is used to calculate the adjusted average daily enrollment for special education students in a program. This should not be confused with the percentages calculated for a student’s Educational Environment in the least restrictive environment.

The percent used for each student in calculating the costs for a special education program reflects the amount of time that a student receives special education services under his or her IEP at the time of entry into the special education program as compared to the total amount of time in the student’s regular instructional day. Further, the instructional day may not be “bell to bell” and should omit passing periods, lunch and recess unless the student’s IEP requires support during those times.

3. Section 130.30 – Allowable Expenditures for Determining Per Capita Cost has been amended to allow expenditures in functional accounts 2113 Social Work Services, 2140 Psychological Services, 2150 Speech Pathology and Audiology Services, and 2330 Special Area Administrative Services (i.e. Director of Special Education) to be divided by the total number of special education students enrolled instead of the total district enrollment.

This change allows greater flexibility for local education agencies to increase the percent of cost of these expenditures when calculating the total cost for operating their special education program.

If you have questions regarding the amended rules for Determining Special Education Per Capita Tuition Charge (Part 130) please contact Jodi Whitlow jwhitlow@isbe.net at 217-782-5256.

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER I: STATE BOARD OF EDUCATION
SUBCHAPTER c: FINANCE

PART 130
DETERMINING SPECIAL EDUCATION PER CAPITA TUITION CHARGE

Section	
130.10	Definitions
130.20	Applicability
130.30	Allowable Expenditures for Determining Per Capita Cost
130.40	Expenditures Not Allowed in the Per Capita Cost
130.45	Calculation of Individual Cost
130.50	Tuition Billing

AUTHORITY: Implementing and authorized by Sections 14-7.01, 14-7.02b, and 14-7.03 of the School Code [105 ILCS 5/14-7.01, 14-7.02b, and 14-7.03].

SOURCE: Adopted at 11 Ill. Reg. 5942, effective March 23, 1987; amended at 16 Ill. Reg. 9475, effective June 9, 1992; amended at 24 Ill. Reg. 4936, effective March 10, 2000; amended at 30 Ill. Reg. _____, effective _____.

Section 130.10 Definitions

"Average Daily Attendance" - The number of full-time equivalent days a pupil is in attendance in a program divided by the number of days school is in session.

"Average Daily Enrollment" - For an individual pupil, the number of days a pupil is enrolled in a program divided by the number of days a program is in session, multiplied by the percentage of the school day the pupil participates in the program. For a program, the Average Daily Enrollment is the total of the Average Daily Enrollment figures for all students enrolled in it.

"Days in Session" – The number of actual pupil attendance days reported on the final calendar for the school year.

"District Per Capita Tuition Charge" - District expenditures (including allowable depreciation) associated with providing education during the regular school term from local taxes and common school fund monies, calculated by deducting revenues for various state categorical programs as shown on the district's annual financial statement filed in accordance with Section 3-15.1 of the School Code [105 ILCS 5/3-15.1], local user fees, and federal receipts, other than federal impact aid, from the operating expense; then dividing the result by the annual average daily attendance of the district.

Eligible Pupils" - All children with disabilities as defined in Sections 14-1.02 and 14-1.03a of the School Code [105 ILCS 5/14-1.02 and 14-1.03a] and in 23 Ill. Adm. Code 226 (Special Education).

“IEP” – A pupil’s individualized education program (see 23 Ill. Adm. Code 226).

"Local Education Agency" - A public educational agency at the local level ~~that~~ ~~which~~ operates schools or contracts for educational services. This includes school districts, school districts providing services under a joint agreement pursuant to Section 10-22.31a of the School Code [105 ILCS 5/10-22.31a], educational service regions pursuant to Section 3A-1 of the School Code [105 ILCS 5/3A-1], educational (intermediate) service centers pursuant to Section 2-3.62 of the School Code [105 ILCS 5/2-3.62] and 23 Ill. Adm. Code 525 (Regional Offices of Education and Intermediate Services), public university laboratory schools pursuant to Section 18-8.05(K) of the School Code [105 ILCS 5/18-8.05(K)], and governing boards formed pursuant to Section 10-22.31 or Section 3-15.14 of the School Code [105 ILCS 5/10-22.31 or 3-15.14].

"Local Educational Facilities" - Buildings, including sites and site improvements, operated by a local education agency.

"Program" – For purposes of the reimbursement of claims under Sections 14-7.02b and 14-7.03 of the School Code [105 ILCS 5/14-7.02b and 14-7.03], a ~~Any~~ combination of special education instructional services, supportive services, supplies, materials, physical plant adjustments, and other special educational facilities designated by a local education agency as meeting the common educational needs of a group of students with disabilities that constituting a specific special education program for purposes of this Part (e.g., behavior disordered, learning disabled, mentally impaired) ~~which~~ also conforms to the requirements set forth in Section 110.50(c)(11) of the ~~Program Accounting Manual (23 Ill. Adm. Code 110).~~

“Program Accounting Manual” or “Manual” – 23 Ill. Adm. Code 110.

"Special Education" - Those instructional programs, supportive services, supplies, materials, physical plant adjustments, and other special educational facilities described in Article 14 of the School Code [105 ILCS 5/Art. 14] and 23 Ill. Adm. Code 226 ~~(Special Education)~~, that ~~which~~ modify, supplement, support, or are in place of the standard educational program of the public school, and that ~~which~~ are needed to meet the needs of eligible pupils.

"Special Educational Facility and Services" – ~~See For the purpose of this Part, this term has the meaning given it in~~ Section 14-1.08 of the School Code [105 ILCS 5/14-1.08].

"Special Education Per Capita Cost" - The average expenditure per eligible pupil incurred by a local education agency in the implementation and maintenance of each special education program, ~~(e.g. behavior disordered, learning disabled, mentally impaired).~~ ~~Such per capita costs shall be~~ computed by dividing the allowable program expenditures by the average daily enrollment of all eligible participating pupils in the manner prescribed in this Part.

"Special Education Pupil Transportation" - Those transportation services that ~~which~~ are in addition to the regular pupil transportation services provided by the local education agency, and that ~~which~~ are required and provided in accordance with the provisions of 23 Ill. Adm. Code 226 (~~Special Education~~).

"Special School" - An educational setting that ~~which~~ is established by the local education agency exclusively to meet the needs of exceptional pupils.

"The School Code" - The School Code [105 ILCS 5].

"Time in Special Education" – For purposes of the reimbursement of claims under Sections 14-7.02b and 14-7.03 of the School Code, the percentage that reflects the amount of time for which a pupil receives special education services under his or her IEP at the time of entry into the special education program as compared to the total amount of time in the pupil’s regular instructional day. The instructional school day is not “bell to bell” and should omit passing periods, lunch, and recess unless the pupil’s IEP requires support during those times.

"Total Number of Pupils Enrolled" - The total enrollment of the local education agency for the school year, as reported to the State Board of Education on the Fall Enrollment and Housing Report.

"Total Number of Special Education Pupils Enrolled" - The total number of pupils reported to the State Board of Education as being enrolled in special education programs on December 1 of a particular year. For special education joint agreements and regional programs, this is the sum of all member districts' enrolled special education pupils as of December 1.

(Source: Amended at 30 Ill. Reg. _____, effective _____)

Section 130.20 Applicability

This Part applies ~~These rules apply~~ to:

- a) any local education agency; whose special educational facilities and services are attended by ~~exceptional~~ pupils with disabilities from another local education agency; and that ~~which~~ does not bill using the District Per Capita Tuition Charge and instead enters into a contractual agreement that ~~which~~ provides for tuition charges as authorized under Section 14-7.01 of the School Code [105 ILCS 5/14-7.01]; and ~~to~~
- b) the calculation of claims under Section 14-7.02b or ~~Sections 14-7.02a and/or 14-7.03~~ of the School Code.

(Source: Amended at 30 Ill. Reg. _____, effective _____)

Section 130.30 Allowable Expenditures for Determining Per Capita Cost

- a) All local education agencies operating special educational facilities shall maintain evidence of their accountability for funds as prescribed in the 23 III. Adm. Code 110 (Program Accounting Manual).
- b) Accounting dimensions used to record expenditures used in calculating ~~computing~~ per capita costs shall ~~minimally~~ include at least the fund, fiscal year, four-digit function number, and object. Functions and objects must correspond to and be traceable to the official budget and annual financial report of the local education agency.
- c) Expenditures for equipment necessary for the operation of a special educational facility either shall be included in the expenditures in the year of purchase, if the total cost is less than \$2500, or shall be depreciated on a five-year schedule, if the total cost is \$2500 or more. If equipment is purchased solely for the benefit of one pupil and billed in that manner, the district billed is the owner of the equipment.
- d) Per capita instructional costs recorded in functions 1201-1220 of the Manual ~~1201-1239~~ shall be calculated ~~computed~~ by dividing the allowable expenditures, minus individual student costs such as individual aides, by the average daily enrollment of the pupils served in the specific special education program.
- e) Per capita expenditures ~~Expenditures for pupil support services shall be~~ recorded in the functional accounts ~~2110 (Attendance and Social Work Services), 2120 (Guidance Services), 2130 (Health Services), 2140 (Psychological Services), 2150 (Speech Pathology and Audiology Services), 2210 (Improvement of Instruction), and 2220 (Educational Media Services) as specified in the 23 III. Adm. Code 110 (Program Accounting Manual)~~ shall be calculated as provided in this subsection (e).
 - 1) Expenditures in each functional area shall be allocated ~~separated~~ as follows:
 - A) All expenditures for specific special education programs;
 - B) All expenditures that which are incurred in support of all eligible pupils and that which cannot be directly allocated to a specific special education program as required in subsection (e)(1)(A) of this Section; and
 - C) All expenditures that which are incurred in support of the general pupil population, including eligible pupils.
 - 2) Per capita pupil support services costs for a specific special education program shall be calculated ~~computed~~ by dividing the allowable expenditures by the average daily enrollment of the pupils served in the program.

- 3) Per capita pupil support services costs incurred in support of all eligible children shall be calculated ~~computed~~ by dividing the allowable expenditures by the total number of special education pupils enrolled.
 - 4) Per capita pupil support services costs incurred in support of the general pupil population shall be calculated ~~computed~~ by dividing the allowable expenditures by the total number of pupils enrolled.
- f) Per capita expenditures recorded in the functional accounts 2113 (Social Work Services), 2140 (Psychological Services), and 2150 (Speech Pathology and Audiology Services) as specified in the Program Accounting Manual shall be calculated by dividing the allowable expenditures by the total number of special education pupils enrolled.
- g) Per capita expenditures ~~Expenditures for general administrative services shall be~~ recorded in the functional accounts 2310 (Board of Education Services), 2320 (Executive Administrative Services), 2330 (Special Area Administrative Services), 2410 (Office of the Principal Services), 2510 (Direction of Business Support Services), 2520 (Fiscal Services), 2570 (Internal Services), and 2600 (Support Services Central) as specified in the 23-III. Adm. Code 110 (Program Accounting Manual) ~~and shall be calculated by dividing the allowable expenditures by the total number of pupils enrolled. separated as follows:~~
- 1) ~~Expenditures for special education administration;~~
 - 2) ~~Expenditures for general administration; and~~
 - 3) ~~Expenditures for special education administration for group programs operated under the provisions of Section 14-7.03 of the School Code [105 ILCS 5/14-7.03].~~
- h) ~~g)~~ Per capita special education administration costs recorded in the functional account 2330 (Special Area Administrative Services) incurred in support of all eligible children shall be calculated ~~computed~~ by dividing the allowable expenditures by the total number of special education pupils enrolled.
- ~~h) Per capita general administration costs incurred in support of the general pupil population shall be computed by dividing the allowable expenditures by the total number of pupils enrolled.~~
- i) Operation and Maintenance
- 1) Expenditures for the operation and maintenance of buildings owned by a local education agency shall be allocated to each program according to the number of classrooms used and the average cost per classroom. The average cost per classroom shall be identified by dividing the total amount of expenditures for operations and maintenance, excluding capital outlay, by the total number of classrooms ~~reported to the State Board of Education on the Facility Inventory Report.~~

- 2) If a privately owned building is used, the portion of the operation and maintenance costs attributable to a specific program shall be determined by dividing the square footage of the portion of the building so used by the square footage of the building or buildings for which operation and maintenance costs are incurred.
- j) Depreciation and Rent
- 1) Depreciation of physical facilities owned by the local education agency shall be calculated using the rate provided in Section 14-7.01 of the School Code [~~105 ILCS 5/14-7.01~~]. The local education agency may not rent facilities from itself. The depreciation rate specified in Section 14-7.01(f) of the School Code must be applied to all owned facilities. Operations and maintenance costs for owned facilities may be claimed as provided in subsection (i) of this Section.
 - 2) If the local educational facility is rented by the local education agency, the actual rent paid for the physical facilities is to be divided by the average daily enrollment of the pupils served within the facility. If the rented facility is used for both instructional and administrative functions, the square footage used for instruction shall be divided by the total square footage rented. The result of this division shall be multiplied by the rental fee paid to determine the portion of rent applicable to the program.
- k) Interest paid for costs of operating a program approved pursuant to Section 14-7.03 of the School Code shall be segregated in the accounts of the local agency and claimed in total. Per capita interest costs shall be computed by dividing the other interest expenditures recorded in function 5100, exclusive of interest for capital expenditures, by either:
- 1) the total number of pupils enrolled, if the local education agency serves both special and regular education students; or
 - 2) the total number of special education pupils enrolled, if the local education agency serves only special education students.
- l) Twenty percent of the total cost incurred for special education pupil transportation, or such total cost minus reimbursement received during the current year from the State of Illinois under Section 14-13.01(b) of the School Code [105 ILCS 5/14-13.01(b)], whichever is less, may be included in the computation of the per capita cost. However, for pupils claimed under Section 14-7.03 of the School Code, one hundred percent of the transportation costs shall be included in the computation and not claimed for special education pupil transportation reimbursement.
- m) Non-special education (i.e., regular) program costs charged to other districts must be calculated in accordance with Section 10-20.12a of the School Code [105 ILCS 5/10-20.12a] and billed to the district of residence based on a percentage of the student's time spent in non-special education classes.

- n) Social Security and Illinois Municipal Retirement Fund contributions by the employer; the amounts ~~so~~ recovered shall be returned to the funds ~~fund(s)~~ from which the expenditures were made.
- o) Expenditures for liability insurance; the amounts ~~so~~ recovered shall be returned to the funds ~~fund(s)~~ from which the expenditures were made.

(Source: Amended at 30 Ill. Reg. _____, effective _____)

Section 130.40 Expenditures Not Allowed in the Per Capita Cost

- a) Food service expenditures may not be claimed for reimbursement under Section ~~14-7.02a or 14-7.03~~ of the School Code [~~105 ILCS 5/14-7.02a or 14-7.03~~], unless they are directly related to instructional methodology or techniques, for example in homemaking, cooking, or consumer education courses. However, food service expenditures may be billed to the district of residence of a pupil served.
- b) Expenditures from revenue received from state reimbursement during the current year for special education personnel under Section 14-13.01 of the School Code, allocated to each program based on the number of positions in the program divided by the number of positions claimed for special education personnel reimbursement.
- c) Expenditures ~~that which~~ are reimbursed from federal sources, except for health care services as provided in Section 14-7.04 of the School Code [105 ILCS 5/14-7.04]; the amount of federal reimbursement for such services need not be deducted.
- d) Expenditures for life-safety building improvements or asbestos abatement.
- e) Expenditures classified (see ~~23 Ill. Adm. Code 110~~, Table D of the Program Accounting Manual) as Capital Outlay (object code 500), except specialized equipment purchased for the specific special education program, which may be included based upon a depreciation schedule of five years.
- f) Expenditures for purchased services (object code 300) other than those recorded in accounts ~~1201-1220 1201-1239~~ (Instruction), 2113 (Social Work Services), 2130 (Health Services), 2140 (Psychological Services), 2150 (Speech Pathology and Audiology Services), 2210 (Improvement of Instruction), 2220 (Educational Media Services), and 2540 (Operation and Maintenance).
- g) Expenditures applicable to one student only.

(Source: Amended at 30 Ill. Reg. _____, effective _____)

Section 130.45 Calculation of Individual Cost

- a) The individual cost for a specific special education pupil is the per capita cost of the specific special education program in which the pupil is enrolled plus the result of multiplying:
- 1) the serving district's per capita tuition rate as computed per Section 10-20.12a of the School Code, by
 - 2) the percentage of the school week the pupil spends in the regular education program, as stated in the pupil's Individualized Education Program (IEP) at the time the pupil entered the specific special education program for the school year being billed or claimed, by
 - 3) the average daily enrollment of the pupil.
- b) When the local education agency providing educational services also provides special transportation services to the pupil, the serving local education agency may calculate the pupil's transportation cost and add this transportation cost to the tuition bill. These transportation costs, paid by the district of residence, may not be claimed by the serving local education agency under Section 14-13.01(b) of the School Code. The district of residence may claim 20 percent of the transportation cost for the pupil when the pupil's educational costs are claimed for reimbursement under Section ~~14-7.02b~~ 14-7.02a of the School Code. However, if the pupil is claimed for reimbursement under Section 14-7.03 of the School Code, 100 percent of the transportation cost may be claimed.
- c) The individual costs not included in the per capita cost for the program may be included in the individual cost. These costs are limited to:
- 1) an individual aide for one ~~pupil or two pupils~~;
 - 2) special equipment for one ~~individual~~ pupil;
 - 3) specific, unique related services provided for a pupil ~~that which~~ are not provided to other pupils in the program, ~~that which~~ are not a part of the normal program service configuration, and whose costs are not included in the special education per capita cost for the program; and
 - 4) legal costs associated with students eligible, served, and claimed under Section 14-7.03 of the School Code.

(Source: Amended at 30 Ill. Reg. _____, effective _____)