



February 1, 2017

The IAASE appreciates that special education placement decisions are based on meeting the student's educational needs. The Individual Education Plan (IEP) team, using a collaborative decision-making process, considers all the relevant variables and determines how to best meet the student's needs. Regardless of the extent and type of student needs, financial variables, such as reimbursement based on type of educational placement, should not be considered in the placement decision-making process.

The IAASE recognizes that IEP teams consider all the unique variables related to a student's needs when determining the best educational placement. Therefore students with similar needs may best be served in different settings. This is reflected in that currently throughout Illinois students with the most significant disabilities having the greatest learning needs and representing the highest costs are placed within the full continuum of educational settings (i.e. general educational, public day programs, private schools).

Under the current special education reimbursement system school districts receive greater reimbursement for students receiving their education in private schools than for students receiving their education in public schools. This differentiated reimbursement system is unfair and increases the possibility of making special educational placement decisions based on financial reasons rather than student need. It is also contrary to least restrictive environment (LRE) expectations as noted in the federal law Individuals with Disabilities Education Act (IDEA). This law notes that states may not use any funding mechanism that distributes funds based on the type of setting in which the child is served.

The IAASE believes that school districts should be reimbursed equally for students with the most significant learning needs, regardless of the educational setting in which the student is educated. Thus, reimbursement would be placement neutral. The Illinois State Board of Education (ISBE) agrees with and supports the IAASE perspective regarding reimbursement equalization.

In order to achieve reimbursement equalization, the IAASE, working in conjunction with the School Management Alliance (Illinois Association of School Administrators, Illinois Association of School Business Officials, Illinois Association of School Boards, and the Illinois Principals Association) has developed the following proposal:

1. School districts would access reimbursements once their costs have reached the 2x per capita tuition charge.
2. School districts would access reimbursement for students with the greatest needs and representing the highest costs, regardless of placement.
3. There would be a cap/ceiling on claims (\$100,000) for reimbursement.

This revised system does not require additional funds in order to be implemented.

More importantly, the implementation of this proposal would eliminate the possibility of making special education placement decisions based on financial reasons and increase the potential for placements that are consistent with LRE expectations.



Fact Sheet – Illinois House Bill 484

Sponsor: Representative Will Davis

- The Individuals with Disabilities Education Act (IDEA) requires schools to provide a full continuum of special education and related services. Services must be provided in the least restrictive environment as determined by a student's Individualized Educational Planning (IEP) team. In some circumstances, the least restrictive environment is a placement outside of the school district or in a highly specialized program with significant support within the district. Placements outside of the school district include public placements (such as those found in special education cooperatives), private placements, and placements in the home/ hospital setting.
- In most cases, educating students outside of the school district or in a highly specialized program with significant support within the district is **extremely costly** and **well above** the per capita tuition charge for the student's home school district.
- Illinois reimburses school districts for the costs associated with educating special education students placed outside of the district in public programs (special education cooperatives) or in a highly specialized program with significant support within the district once the cost of these placements has reached the 4x per capita tuition charge. However, Illinois reimburses school districts for the costs associated with educating special education students placed outside of the district in private programs, a more restrictive setting, once the cost of these placements has reached the 2x per capita tuition charge.

Example:

	District A Student placed in <i>private</i> placement	District B Student placed in <i>public</i> placement
Per Capita Tuition Charge (PCTC)	\$10,000	\$10,000
Placement Costs	\$45,000	\$45,000
Reimbursement Level	2x the PCTC	4x the PCTC
Reimbursement from State	\$25,000	\$5,000

- When this reimbursement model was developed close to 30 years ago, it made sense for private schools to receive this "favored" status in the law since they were working with some of the most challenging and difficult to educate students. However, ***the nature of special education services has changed in the last 30 years***. Many of the most difficult-to-educate students are now being educated by special education cooperatives and public schools.
- House Bill 484 would adjust the reimbursement model to make it possible for public schools to access reimbursements once their costs have reached the 2x per capita tuition charge. This is referred to as equalization. Under the new model, in both examples listed above the school district would receive an equal amount of reimbursement from the State.
- This legislation will allow additional funds to flow back to public schools throughout the State. The enrollment at private schools and in public cooperative placements would be unchanged.

Who Supports this Bill?

- The Illinois Association of School Administrators, Illinois Association of School Business Officials

Shannon Miller Bellini, Governmental Relations Specialist Dr. Lea Anne Frost, IAASE President
 Dr. Judith Hackett, IAASE Legislative Committee Co-Chair Dr. Kevin Rubenstein, IAASE President-Elect
 Melissa Taylor, IAASE Past President Eric Scroggs, IAASE Liaison to Governor Rauner
 Dr. Tim Thomas, IAASE Legislative Committee Co-Chair