

AN ACT concerning education.

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

Section 5. The School Code is amended by changing Sections 14-1.08 and 14-7.02 and by adding Section 14-1.08a as follows:

(105 ILCS 5/14-1.08) (from Ch. 122, par. 14-1.08)

Sec. 14-1.08. Special educational facilities and services. "Special educational facilities and services" includes private special schools, separate public special education day schools, special classes, special housing, including residential facilities, special instruction, special reader service, braillists and typists for children with visual disabilities, sign language interpreters, transportation, maintenance, instructional material, therapy, professional consultant services, medical services only for diagnostic and evaluation purposes provided by a physician licensed to practice medicine in all its branches to determine a child's need for special education and related services, psychological services, school social worker services, special administrative services, salaries of all required special personnel, and other special educational services, including special equipment for use in the classroom, required by the child because of his disability if such services or special

equipment are approved by the State Superintendent of Education and the child is eligible therefor under this Article and the regulations of the State Board of Education.

(Source: P.A. 89-397, eff. 8-20-95.)

(105 ILCS 5/14-1.08a new)

Sec. 14-1.08a. Separate public special education day school. "Separate public special education day school" means a separate special education program or facility that is established by a school district, public school, regional office of education, or special education cooperative exclusively to meet the needs of special education students who cannot be educated in the general school environment and that provides services comparable to a private special education school.

(105 ILCS 5/14-7.02) (from Ch. 122, par. 14-7.02)

Sec. 14-7.02. Children attending private special education schools, separate public special education day schools, public out-of-state schools, public school residential facilities, or private special education facilities.

(a) The General Assembly recognizes that non-public schools or special education facilities provide an important service in the educational system in Illinois.

(b) If a student's individualized education program (IEP) team determines that because of his or her disability the

special education program of a district is unable to meet the needs of the child and the child attends a non-public school or special education facility, a public out-of-state school or a special education facility owned and operated by a county government unit that provides special educational services required by the child and is in compliance with the appropriate rules and regulations of the State Superintendent of Education, the school district in which the child is a resident shall pay the actual cost of tuition for special education and related services provided during the regular school term and during the summer school term if the child's educational needs so require, excluding room, board and transportation costs charged the child by that non-public school or special education facility, public out-of-state school or county special education facility, or \$4,500 per year, whichever is less, and shall provide him any necessary transportation. "Nonpublic special education facility" shall include a residential facility, within or without the State of Illinois, which provides special education and related services to meet the needs of the child by utilizing private schools or public schools, whether located on the site or off the site of the residential facility. Resident district financial responsibility and reimbursement applies for both nonpublic special education facilities that are approved by the State Board of Education pursuant to 23 Ill. Adm. Code 401 or other applicable laws or rules and for emergency

residential placements in nonpublic special education facilities that are not approved by the State Board of Education pursuant to 23 Ill. Adm. Code 401 or other applicable laws or rules, subject to the requirements of this Section.

(c) Prior to the placement of a child in an out-of-state special education residential facility, the school district must refer to the child or the child's parent or guardian the option to place the child in a special education residential facility located within this State, if any, that provides treatment and services comparable to those provided by the out-of-state special education residential facility. The school district must review annually the placement of a child in an out-of-state special education residential facility. As a part of the review, the school district must refer to the child or the child's parent or guardian the option to place the child in a comparable special education residential facility located within this State, if any.

(c-5) Before a provider that operates a nonpublic special education facility terminates a student's placement in that facility, the provider must request an IEP meeting from the contracting school district. If the provider elects to terminate the student's placement following the IEP meeting, the provider must give written notice to this effect to the parent or guardian, the contracting public school district, and the State Board of Education no later than 20 business days

before the date of termination, unless the health and safety of any student are endangered. The notice must include the detailed reasons for the termination and any actions taken to address the reason for the termination.

(d) Payments shall be made by the resident school district to the entity providing the educational services, whether the entity is the nonpublic special education facility or the school district wherein the facility is located, no less than once per quarter, unless otherwise agreed to in writing by the parties.

(e) A school district may residentially place a student in a nonpublic special education facility providing educational services, but not approved by the State Board of Education pursuant to 23 Ill. Adm. Code 401 or other applicable laws or rules, provided that the State Board of Education provides an emergency and student-specific approval for residential placement. The State Board of Education shall promptly, within 10 days after the request, approve a request for emergency and student-specific approval for residential placement if the following have been demonstrated to the State Board of Education:

(1) the facility demonstrates appropriate licensure of teachers for the student population;

(2) the facility demonstrates age-appropriate curriculum;

(3) the facility provides enrollment and attendance

data;

(4) the facility demonstrates the ability to implement the child's IEP; and

(5) the school district demonstrates that it made good faith efforts to residentially place the student in an approved facility, but no approved facility has accepted the student or has availability for immediate residential placement of the student.

A resident school district may also submit such proof to the State Board of Education as may be required for its student. The State Board of Education may not unreasonably withhold approval once satisfactory proof is provided to the State Board.

(f) If an impartial due process hearing officer who is contracted by the State Board of Education pursuant to this Article orders placement of a student with a disability in a residential facility that is not approved by the State Board of Education, then, for purposes of this Section, the facility shall be deemed approved for placement and school district payments and State reimbursements shall be made accordingly.

(g) Emergency residential placement in a facility approved pursuant to subsection (e) or (f) may continue to be utilized so long as (i) the student's IEP team determines annually that such placement continues to be appropriate to meet the student's needs and (ii) at least every 3 years following the student's residential placement, the IEP team reviews

appropriate placements approved by the State Board of Education pursuant to 23 Ill. Adm. Code 401 or other applicable laws or rules to determine whether there are any approved placements that can meet the student's needs, have accepted the student, and have availability for placement of the student.

(h) The State Board of Education shall promulgate rules and regulations for determining when placement in a private special education facility is appropriate. Such rules and regulations shall take into account the various types of services needed by a child and the availability of such services to the particular child in the public school. In developing these rules and regulations the State Board of Education shall consult with the Advisory Council on Education of Children with Disabilities and hold public hearings to secure recommendations from parents, school personnel, and others concerned about this matter.

The State Board of Education shall also promulgate rules and regulations for transportation to and from a residential school. Transportation to and from home to a residential school more than once each school term shall be subject to prior approval by the State Superintendent in accordance with the rules and regulations of the State Board.

(i) A school district making tuition payments pursuant to this Section is eligible for reimbursement from the State for the amount of such payments actually made in excess of the

district per capita tuition charge for students not receiving special education services. Such reimbursement shall be approved in accordance with Section 14-12.01 and each district shall file its claims, computed in accordance with rules prescribed by the State Board of Education, on forms prescribed by the State Superintendent of Education. Data used as a basis of reimbursement claims shall be for the preceding regular school term and summer school term. Each school district shall transmit its claims to the State Board of Education on or before August 15. The State Board of Education, before approving any such claims, shall determine their accuracy and whether they are based upon services and facilities provided under approved programs. Upon approval the State Board shall cause vouchers to be prepared showing the amount due for payment of reimbursement claims to school districts, for transmittal to the State Comptroller on the 30th day of September, December, and March, respectively, and the final voucher, no later than June 20. If the money appropriated by the General Assembly for such purpose for any year is insufficient, it shall be apportioned on the basis of the claims approved.

(j) No child shall be placed in a special education program pursuant to this Section if the tuition cost for special education and related services increases more than 10 percent over the tuition cost for the previous school year or exceeds \$4,500 per year unless such costs have been approved



by the Illinois Purchased Care Review Board. The Illinois Purchased Care Review Board shall consist of the following persons, or their designees: the Directors of Children and Family Services, Public Health, Public Aid, and the Governor's Office of Management and Budget; the Secretary of Human Services; the State Superintendent of Education; and such other persons as the Governor may designate. The Review Board shall also consist of one non-voting member who is an administrator of a private, nonpublic, special education school, one non-voting member who is an administrator of a separate public special education day school, and one non-voting member from a State agency that administers and provides early childhood education and care programs and services to children and families. The Review Board shall establish rules and regulations for its determination of allowable costs and payments made by local school districts for special education, room and board, and other related services provided by non-public schools, separate public special education day schools, or special education facilities and shall establish uniform standards and criteria which it shall follow. The Review Board shall approve the usual and customary rate or rates of a special education program that (i) is offered by an out-of-state, non-public provider of integrated autism specific educational and autism specific residential services, (ii) offers 2 or more levels of residential care, including at least one locked facility, and

(iii) serves 12 or fewer Illinois students.

(k) In determining rates based on allowable costs, the Review Board shall consider any wage increases awarded by the General Assembly to front line personnel defined as direct support persons, aides, front-line supervisors, qualified intellectual disabilities professionals, nurses, and non-administrative support staff working in service settings in community-based settings within the State and adjust customary rates or rates of a special education program to be equitable to the wage increase awarded to similar staff positions in a community residential setting. Any wage increase awarded by the General Assembly to front line personnel defined as direct support persons, aides, front-line supervisors, qualified intellectual disabilities professionals, nurses, and non-administrative support staff working in community-based settings within the State, including the \$0.75 per hour increase contained in Public Act 100-23 and the \$0.50 per hour increase included in Public Act 100-23, shall also be a basis for any facility covered by this Section to appeal its rate before the Review Board under the process defined in Title 89, Part 900, Section 340 of the Illinois Administrative Code. Illinois Administrative Code Title 89, Part 900, Section 342 shall be updated to recognize wage increases awarded to community-based settings to be a basis for appeal. However, any wage increase that is captured upon appeal from a previous year shall not be counted by the

Review Board as revenue for the purpose of calculating a facility's future rate.

(l) Any definition used by the Review Board in administrative rule or policy to define "related organizations" shall include any and all exceptions contained in federal law or regulation as it pertains to the federal definition of "related organizations".

(m) The Review Board shall establish uniform definitions and criteria for accounting separately by special education, room and board and other related services costs. The Board shall also establish guidelines for the coordination of services and financial assistance provided by all State agencies to assure that no otherwise qualified child with a disability receiving services under Article 14 shall be excluded from participation in, be denied the benefits of or be subjected to discrimination under any program or activity provided by any State agency.

(n) The Review Board shall review the costs for special education and related services provided by non-public schools, separate public special education day schools, or special education facilities and shall approve or disapprove such facilities in accordance with the rules and regulations established by it with respect to allowable costs.

(o) The State Board of Education shall provide administrative and staff support for the Review Board as deemed reasonable by the State Superintendent of Education.

This support shall not include travel expenses or other compensation for any Review Board member other than the State Superintendent of Education.

(p) The Review Board shall seek the advice of the Advisory Council on Education of Children with Disabilities on the rules and regulations to be promulgated by it relative to providing special education services.

(q) If a child has been placed in a program in which the actual per pupil costs of tuition for special education and related services based on program enrollment, excluding room, board and transportation costs, exceed \$4,500 and such costs have been approved by the Review Board, the district shall pay such total costs which exceed \$4,500. A district making such tuition payments in excess of \$4,500 pursuant to this Section shall be responsible for an amount in excess of \$4,500 equal to the district per capita tuition charge and shall be eligible for reimbursement from the State for the amount of such payments actually made in excess of the district's ~~districts~~ per capita tuition charge for students not receiving special education services. If a child has been placed in a private special education school, separate public special education day school, or private special education facility, a district making tuition payments in excess of \$4,500 pursuant to this Section shall be responsible for an amount in excess of \$4,500 equal to 2 times the district's per capita tuition charge and shall be eligible for reimbursement from the State for the

amount of such payments actually made in excess of 2 times the district's per capita tuition charge for students not receiving special education services.

(r) If a child has been placed in an approved individual program and the tuition costs including room and board costs have been approved by the Review Board, then such room and board costs shall be paid by the appropriate State agency subject to the provisions of Section 14-8.01 of this Act. Room and board costs not provided by a State agency other than the State Board of Education shall be provided by the State Board of Education on a current basis. In no event, however, shall the State's liability for funding of these tuition costs begin until after the legal obligations of third party payors have been subtracted from such costs. If the money appropriated by the General Assembly for such purpose for any year is insufficient, it shall be apportioned on the basis of the claims approved. Each district shall submit estimated claims to the State Superintendent of Education. Upon approval of such claims, the State Superintendent of Education shall direct the State Comptroller to make payments on a monthly basis. The frequency for submitting estimated claims and the method of determining payment shall be prescribed in rules and regulations adopted by the State Board of Education. Such current state reimbursement shall be reduced by an amount equal to the proceeds which the child or child's parents are eligible to receive under any public or private insurance or

assistance program. Nothing in this Section shall be construed as relieving an insurer or similar third party from an otherwise valid obligation to provide or to pay for services provided to a child with a disability.

(s) If it otherwise qualifies, a school district is eligible for the transportation reimbursement under Section 14-13.01 and for the reimbursement of tuition payments under this Section whether the non-public school or special education facility, public out-of-state school or county special education facility, attended by a child who resides in that district and requires special educational services, is within or outside of the State of Illinois. However, a district is not eligible to claim transportation reimbursement under this Section unless the district certifies to the State Superintendent of Education that the district is unable to provide special educational services required by the child for the current school year.

(t) Nothing in this Section authorizes the reimbursement of a school district for the amount paid for tuition of a child attending a non-public school or special education facility, a public special education facility, a public out-of-state school, or a county special education facility unless the school district certifies to the State Superintendent of Education that the special education program of that district is unable to meet the needs of that child because of the child's ~~his~~ disability and the State Superintendent of

Education finds that the school district is in substantial compliance with Section 14-4.01. However, if a child is unilaterally placed by a State agency or any court in a non-public school or special education facility, public out-of-state school, or county special education facility, a school district shall not be required to certify to the State Superintendent of Education, for the purpose of tuition reimbursement, that the special education program of that district is unable to meet the needs of a child because of his or her disability.

(u) Any educational or related services provided, pursuant to this Section in a non-public school or special education facility or a special education facility owned and operated by a county government unit shall be at no cost to the parent or guardian of the child. However, current law and practices relative to contributions by parents or guardians for costs other than educational or related services are not affected by this amendatory Act of 1978.

(v) Reimbursement for children attending public school residential facilities shall be made in accordance with the provisions of this Section.

(w) Notwithstanding any other provision of law, any school district receiving a payment under this Section or under Section 14-7.02b, 14-13.01, or 29-5 of this Code may classify all or a portion of the funds that it receives in a particular fiscal year or from general State aid pursuant to Section

18-8.05 of this Code as funds received in connection with any funding program for which it is entitled to receive funds from the State in that fiscal year (including, without limitation, any funding program referenced in this Section), regardless of the source or timing of the receipt. The district may not classify more funds as funds received in connection with the funding program than the district is entitled to receive in that fiscal year for that program. Any classification by a district must be made by a resolution of its board of education. The resolution must identify the amount of any payments or general State aid to be classified under this paragraph and must specify the funding program to which the funds are to be treated as received in connection therewith. This resolution is controlling as to the classification of funds referenced therein. A certified copy of the resolution must be sent to the State Superintendent of Education. The resolution shall still take effect even though a copy of the resolution has not been sent to the State Superintendent of Education in a timely manner. No classification under this paragraph by a district shall affect the total amount or timing of money the district is entitled to receive under this Code. No classification under this paragraph by a district shall in any way relieve the district from or affect any requirements that otherwise would apply with respect to that funding program, including any accounting of funds by source, reporting expenditures by original source and purpose,



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reporting requirements, or requirements of providing services.

(x) The State Board of Education may adopt such rules as may be necessary to implement this Section.

(Source: P.A. 102-254, eff. 8-6-21; 102-703, eff. 4-22-22; 103-175, eff. 6-30-23; 103-546, eff. 8-11-23; revised 8-30-23.)

Section 99. Effective date. This Act takes effect July 1, 2024.