



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

January 10, 2017

Tony Smith, Ph.D.
State Superintendent of Education
Illinois State Board of Education
100 N. 1st Street
Springfield, Illinois 62777

Dear Superintendent Smith:

The purpose of this letter is to inform you that the U.S. Department of Education (Department) proposes to make a final determination that Illinois is not eligible for a portion of its grant under section 611 of Part B of the Individuals with Disabilities Education Act (IDEA) because the State has failed to meet the IDEA’s maintenance of State financial support (MFS) requirement in State fiscal year (SFY) 2014. 20 U.S.C. §1412(a)(18)(A) and 34 CFR §300.163(a). Under 20 U.S.C. §1412(a)(18)(B), if a State fails to meet the requirement to maintain State financial support, the Secretary is required to reduce the State’s allocation of funds under section 611, for any fiscal year following the fiscal year in which the State fails to comply with the MFS requirement, by the amount of the shortfall.

Background:

Beginning in Federal fiscal year (FFY) 2013, as part of their annual IDEA Part B applications, States were required to submit the total amount of State financial support made available for special education and related services for children with disabilities for the prior two SFYs. States provide this information in Section V of the application. In a conference call on January 7, 2015, Illinois State Board of Education (ISBE) staff informed the Department that Illinois had an MFS failure in SFY 2014 in the amount of \$2,076,649. This shortfall was confirmed by the Section V data in the State’s FFY 2015 IDEA Part B application. The actual amount of funds made available in SFYs 2013 and 2014 are listed in the table below:

SFY	Total amount of State financial support	Child Count	Per Child Amount of State financial support	Required amount of State financial support (based on per capita calculation — results in lower required amount)	Shortfall ¹
2013	\$1,567,534,028	292,844	\$5,352.80		N/A
2014	\$1,563,574,529	292,492	\$5,345.70	\$1,565,651,177.60	(\$2,076,649)

¹ States may choose to meet MFS on either a total or a per capita basis, whichever results in a lower required amount of State financial support. In this case, the per capita calculation results in a lower required amount of State financial support and, therefore, a smaller shortfall.

In a July 14, 2016 telephone call, the Department's Office of Special Education Programs (OSEP) staff informed ISBE of its intention to issue a proposed determination that the State had failed to meet the MFS requirement based on Illinois' Section V data submission. OSEP also provided ISBE with 45 days to provide additional information and/or submit a request to waive the MFS requirement in accordance with 20 U.S.C. §1412(a)(18)(C) and 34 CFR §300.163(c) for exceptional or uncontrollable circumstances on a year-to-year basis. In an email dated September 20, 2016 from Timothy Imler, ISBE stated that it "will not file a waiver and will accept the Sec 611 reduction of \$2,076,649."

Final Data and Proposed Determination:

When a State fails to maintain State financial support for special education and related services at the level required by law, the Department "shall" reduce the allocation of funds to the State under 20 U.S.C. §1411 ("section 611 grant") "for any fiscal year following the fiscal year in which the State fails" to maintain State financial support by the same amount by which the State fails to meet the requirement. 20 U.S.C. §1412(a)(18)(B) and 34 CFR §300.163(b).

Accordingly, the Department proposes to make a final determination that Illinois is not eligible for a portion of its section 611 grant under the IDEA in the amount of \$2,076,649 because of its failure to maintain State financial support for special education and related services in SFY 2014. 20 U.S.C. §1412(d)(2).

Notice and Opportunity for a Hearing

Illinois may request a hearing pursuant to the procedures in 34 CFR §§300.179 through 300.183 in connection with the Department's proposed determinations to deny eligibility to Illinois for \$2,076,649 of its IDEA Part B section 611 grant because of its failure to maintain State financial support for special education and related services by that amount in SFY 2014.

To request a hearing, ISBE must submit a letter to Andrew J. Pepin, Office of Special Education and Rehabilitative Services, 400 Maryland Avenue SW, Room 5106, Potomac Center Plaza, Washington, D.C. 20202-2600 (facsimile number 202-245-7638) not later than 30 calendar days after it receives this notice. The filing date for any written submission by a party under 34 CFR §§300.179 through 300.184 is the date the document is hand-delivered, mailed, or sent by facsimile transmission. 34 CFR §300.183(a)-(b).

Sincerely,

/s/

Sue Swenson

Deputy Assistant Secretary

Delegated the authority to perform the
functions and duties of the Assistant Secretary

cc: Illinois IDEA State Advisory Panel

Enclosure