

PAEC ANALYSIS OF DISTRICT 89 DEPARTURE RATIONALE

District 89 posted two documents to its web site on an unknown date concerning the District's decision to withdraw from its membership in the PAEC Joint Agreement. One of the documents purports to be an impact analysis of District 89 restructuring its special education service program for a future outside of PAEC. The other is labeled a "Program Review and Proposal for Modification of Special Education Services Delivery." From all outward appearances, these documents appear to be District 89's public explanation for why it wants to abandon its membership in PAEC and conduct its own special education program. These documents were brought to the attention of PAEC in February or March of 2014 by District 89 parents whose children attend PAEC programs.

PAEC reviewed the documents and found them to contain many errors and inaccuracies. A request was made to District 89's legal counsel to remove the documents from the district's web site due to their numerous factual misstatements and errors. The response to that request was an invitation to identify what elements of the two documents might be wrong so that District 89 could evaluate the situation and consider revising them.

Unfortunately, District 89 has apparently chosen to conduct the discussion in public by leaving the documents available. This document is PAEC's response to, and rebuttal of, the inaccuracies and misstatements contained in District 89's rationale for departing PAEC.

District 89's Financial Rationale Is Simply Wrong: Not Only Will The District Not Save Money, It Will Actually Spend More To Run Its Own Program Than The Cost Of Staying In PAEC.

The centerpiece of District 89's departure rationale is the purported opportunity to save money by operating its own special education program, as opposed to outsourcing that program to PAEC as the District currently does. The District's financial rationale, however, makes incorrect assumptions in many cases and overlooks entire categories of expenses in reaching the incorrect conclusion that a District-operated program would be more than \$1.2 million less expensive than what the District pays to PAEC each year.

The PAEC analysis of District 89's assumptions, which is summarized below and discussed in detail in the supporting attachments, reaches two important conclusions. The first is that **District 89 will not save \$1.2 million in operating its own program.** The second is that **District 89 will spend at least \$200,000 more** per year (and in likelihood, even more) to run its own special education program than it would spend to remain a member of PAEC and have its children served there. The result is a swing of more than \$1.4 million dollars from the incorrect estimate of net savings to a reality of substantial additional expense. This difference primarily comes from four areas of error:

- Expense items which District 89 failed to include at all
- Expense items for which District 89 used incorrect figures that were too small
- Overly optimistic reimbursement estimates by District 89
- Refunds that District 89 failed to include that are unique to PAEC membership

There is Reason to Believe That the District's Actual Loss May Well be Greater Than Even PAEC Estimates.

Not included among the missing expenses are several categories of additional expense that District 89 has failed to include in its computations that can't be easily estimated, even though it is certain that additional costs will be incurred. These are areas like worker's compensation insurance and property/casualty insurance cost increases. While the District has included some estimate of an increase in this area, the District's underestimate of the additional staff required to run its own program (discussed elsewhere) guarantees that the District's moderate estimates of insurance cost increases will prove to be underestimated because the rates for workers' compensation insurance coverage rise with the wages paid out.

The District's estimates also fail to account for the cost of an Extended Summer School Session that will be a legal requirement for some of the students. The District paid PAEC over \$50,000 for its students' participation in that program in 2013. It certainly cannot operate such a program for free.

There is also a collection of miscellaneous expenses and cost increases not accounted for, which include: utility costs (more students in the district's buildings means more utility costs); unemployment compensation cost (a larger staff means higher costs in this area); the higher costs of substitutes for the additional teachers and aides (these costs go up with the size of the staff); increases in the cost of the District's annual audit (special education programs have additional, specific audit requirements for which auditors charge additional fees); an enlarged budget need for interpreters for parent meetings (many of the students served by PAEC come from homes in which English is not the primary language); the District will need to construct or rent Home Living space for students to work on daily living skills and such space will not be developed for free; more students in the buildings means a higher set of costs for the lunch program; and an enlargement of transportation costs as the District's cost of getting special education students to their required programming out-of-district will be markedly higher than the PAEC programs that currently operate in, or immediately adjacent to District 89 (there is no closer program than PAEC for District 89). The transportation cost also bears a specific reference as well for the fact that PAEC's efforts to control transportation costs have resulted in a decrease in such costs to District 89 of more than \$600,000 per year since FY2011 (\$2,013,015 then, versus \$1,396,782 now). With lower contracted transportation volumes than PAEC has, it is unlikely that District 89 can expect to maintain the level of transportation costs PAEC is able to secure.

PAEC's financial analysis does not attempt to quantify these particular additional expenses, which means that the actual cost of District 89's program would be much higher than even PAEC's estimates.

Areas in Which District 89 Has Underestimated Costs

Support Staff

The PAEC Department Leads conducted a thorough analysis of the recommended support staff required to effectively service the 80 students currently in PAEC operated programs that District 89 indicates that they would be able to serve in-district. The analysis is based on a variety of criteria for determining caseloads and the extensive experience of the Department Leads and personnel serving the population of students. The district's conclusion of necessary support staff failed to include necessary assistive technology support. Minimally, at least a 1.0 FTE school psychologist must be added in order to conduct the required evaluations/interventions and attend the necessary meetings. The District 89 projections also failed to include two nurses who serve two District 89 students on a one-to-one basis and two special education teachers providing instruction to homebound students due to severe medical conditions that make it impossible for these students to come to school. Those staff needs cannot, by definition, be less for District 89 than they are for PAEC. Similarly, the District failed to account for its obligation to provide support and services to the Private/Parochial schools located within District 89. At a minimum, the District's support staff needs are underestimated by the following:

Speech & Language	.55 FTE
Occupational Therapy	.6 FTE
Physical Therapy	.18 FTE
Psychologists	1.0 FTE
2 one-on-one nurses	2.0 FTE (Currently assigned to medically fragile students)
2 teacher tutors	5 hours per week (To service homebound students plus transportation)

Adding in these minimally missing additional staff yields a support staff cost as follows:

Speech	2.05 FTE	\$159,900 (With Assistive Technology)
OT	1.5 FTE	\$124,800 (With Assistive Technology)
PT	1.18 FTE	\$ 92,040
Psych	1.0 FTE	\$ 78,000
Nurse	1.0 FTE	\$ 78,000
One-On-One Nurses	2.0 FTE	\$ 90,000
Adaptive PE	1.0 FTE	\$ 78,000
Music Therapist	1.0 FTE	\$ 78,000
Social Worker	1.0 FTE	\$ 78,000
Part-Time Teachers (2)		\$ 10,000 (For homebound students and transportation)
Teacher/Speech/Language Pathologist		\$ 12,000 (For Private/Parochial Services)

This yields a new, **minimum** Support Staff total of \$878,740, **which is \$293,740 more than the District's estimate for that line item.** PAEC's estimates are conservative and likely lower than the actual cost would be. In part, the estimates are likely still low because even the PAEC estimates don't account for the following additional and legally required staff work:

- Attending IEP, PDM, EDC, Transition, Building, Program and Department Meetings
- Assembling, building or adjusting students' equipment
- Medicaid Reimbursement Program Billing (Fee for Service & Moment in Time)
- Writing treatment notes, reports for quarterlies, annual reviews and equipment letters (medical necessity, DCFS, special equipment requests)
- Communication to parents/guardians (emails, phone conversations, notes sent home)
- Communication to vendors regarding student equipment (emails, phone conversations, letters)
- Collaboration with school professionals and outside professionals (emails, phone conversations, notes)
- Professional Development, which includes attending and presenting trainings to staff
- Participating in pre-referral screenings and/or evaluations
- Travel time between schools
- Interventions for students At-Risk (Tier 2)
- Crisis Management

The certainty is that District 89's program will require more staff than even PAEC estimates, and PAEC's estimates are higher than District 89's.

Program Aides

District 89 projected a need for 15 Program Aides and indicated that they expect to receive money from the State (State Personnel Reimbursement) at the rate of \$4,500 per staff. They used that figure to create an assumed net cost of \$26,600 per FTE. In fact, the actual State Personnel Reimbursement is only \$3,500 per such FTE. This means that District 89 has underestimated the cost of Program Aides by \$1,000 per person. The District's estimates also fails to account for 5 one-on-one program aides in PAEC operated programs serving District 89 students pursuant to IEP requirements. These costs should also be added, which yields a new Program Aides total of \$552,000, not \$399,000. **On this line item alone, the District underestimated its costs by \$153,000.**

Additional Supplies, Curriculum and Material

The cost of acquiring just the extensive equipment for the orthopedically challenged students alone will exceed \$100,000. Those costs do not take into account the need for additional technology, new curriculum materials and other adaptive equipment and materials. Adding those in with the most conservative of estimates would yield a total in excess of \$150,000 to establish these programs. Examples of the equipment and supplies would include: changing tables, screens for privacy, specialized lifting equipment, positioning chairs, gait trainers, therapeutic swings, treadmill, equipment for making hand splints, walkers, special mats for positioning, standing and mobility devices, rubber gloves, diapers, specialized eating utensils, specialized food preparation equipment, refrigerators for medications, computers, modifications for computer access, evacuation chairs, specialized equipment for sensory programming, a range of curricula and testing materials for all programs, and Speech/Language supplies/equipment including augmentative communication devices. **PAEC is using the \$150,000 figure to remain conservative, but the cost will certainly be higher.**

Administrator of Special Programs

The District estimates the entire supervisory cost of its own special education program to be the cost of a single administrator. The need to attend the required meetings alone makes it impossible for a single person to perform this job, not to mention the need for supervision, program administration and the other needs of the program. The District's estimates fail to account for these needs. The fact that the District has already eliminated its staff of in-house special education coordinators only underscores the fact that the District's estimate here is exceedingly low. It is impossible at this juncture to reliably estimate how many additional staff beyond the District's estimate will be required, but the work required certainly exceeds the work that a single person could be reasonably expected to perform on his or her own. At a bare minimum, **at least one additional administrator will be required.** How many more remains to be seen. Undoubtedly, at least some mid level staff will need to be returned to the coordinators' roles.

Legal Costs

District 89 has projected \$15,000 as the estimated legal costs which are underestimated given the additional students with the most significant disabilities. Given even a small number of Due Process Hearings and/or ISBE complaints, the District would well exceed the \$15,000. Thus, **PAEC is conservatively estimating \$30,000 to provide the minimum legal support for the additional special education programs.** The students that PAEC serve present the most challenging and high risk disabilities which often require legal consultation and support, even when there is no complaint from parents.

Operations and Maintenance Costs

District 89 is projecting no additional costs for the operation and maintenance of 10 additional classrooms. PAEC projects the need for **additional custodial services at \$55,000** based on average PAEC custodial salaries and \$10,000 for maintenance supplies based on experience in the operation of these kinds of classrooms. Not only will there be a need for classroom space to serve students, but there would likely be additional office space required for staff to support programming and maintenance needs in other areas of the school buildings due to additional staff and students being present there.

It is likely that the current bathroom structures will not be equipped to accommodate the specialized wheelchairs and positioning chairs. Bathrooms would require safety bars, specialized lifting equipment or space for a two person transfer of students, changing tables for personal care, access to a water source and partitions for privacy. There may be other necessary modifications to the physical plant(s) for student accessibility and safety.

There would also need to be space for therapeutic treatment and storage of equipment in each school where students would be attending.

PAEC cannot, at this point, reliably estimate these additional costs, but it has included the one certain cost it can quantify, the cost of one additional custodian.

Infinitec

PAEC makes use of Infinitec services and if District 89 would withdraw from PAEC it would be important to continue this contract because the assistive and instructional technology equipment services, technical support, information, and online training with testing offered by Infinitec are irreplaceable at the cost charged.

Assuming District 89 was able to pay the PAEC rate for Infinitec (which is passed on to District 89 by PAEC at actual cost), the participation fee would be \$.55 per child enrolled in the school district. Based on the Fall Housing Report as submitted to the Illinois State Board of Education by District 89 for 2013-14, **the minimal Infinitec cost would be \$2,750.** Of course, District 89 could elect to forego Infinitec, but the cost of doing so would be several times higher than the cost of staying with Infinitec.

District 89's Errors in Computing Transportation Reimbursement

District 89 indicates in their cost analysis that they would receive 100% reimbursement for transportation costs, less \$600, which can only be a typographical error. During FY13, the ISBE transportation reimbursement was set at the 80% level. From that 80% level, the reimbursement was prorated at 97.2%. Thus, **District 89 will receive \$299,573 less in offsetting revenue than what is indicated in their report based on the prorated reimbursement.**

• Financial Conclusion •

Taking into account only the quantifiable and conservative estimates of cost, District 89's special education program being run in-house would cost at least \$5,179,865, which is at least **\$682,740 more than the District's incorrect estimate.**

Similarly, **the District has overestimated its revenue potential by at least \$299,573.**

The District's model also fails to report to the public that every year, after the audit is completed, PAEC remits to member districts any excess funds it holds. **In the last five years, District 89 has received an average of \$453,518 per year in such reimbursements,** further offsetting the cost of PAEC's services as computed by District 89. Those reimbursements will not be returned to District 89 after withdrawing from PAEC.

When everything currently quantifiable is factored in to even the most conservative estimates (and to the exclusion of the highly probable additional expenses outlined above), **the District will not save even a dollar in running its own special education program. In fact, it will spend at least \$200,820 more than simply remaining a PAEC member.** See the attached updated financial analysis.

PAEC Programs Set the Pace for Cost Effectiveness

That a district trying to provide special education services on its own would struggle to financially compete with PAEC is not a surprising conclusion. A comparison of the cost of placing a student at PAEC with the cost of placing them in other cooperative programs shows impressive results.

In all, the fact that the PAEC Program is less expensive should not be surprising. The cooperative's size permits it cost saving opportunities that would not be available to a single school district and its ongoing efforts at cost control have resulted in program costs that are consistently the least expensive cooperative services in northeastern Illinois. Consider the following results of a Survey conducted in February of 2014 of the per pupil costs of the following programs:

**Alternative Therapeutic Day Schools (Severe Behavior/Emotional Disabilities)*

PAEC	\$16,678
LASEC	\$24,600
SEDOM	\$26,800
SASED	\$28,324
Hillside Academy	\$31,483
CASE	\$34,259
Joseph Academy	\$34,621
AERO	\$35,682
MacNeal School	\$36,929

**Autism Program for students (Moderate to Severe Disabilities)*

PAEC	\$20,200
SASED	\$31,770
SEDOM	\$33,213
Mid-Valley	\$34,426
AERO	\$38,699
LADSE	\$36,946

**Intellectual Disabilities (Moderate Disabilities)*

PAEC	\$21,345
SEDOM	\$28,706
AERO	\$28,854
SASED	\$29,984
LADSE	\$36,946

**Intellectual Disabilities (Severe Disabilities)*

PAEC	\$20,801
Mid-Valley	\$29,339
SEDOM	\$33,309
LADSE	\$36,946

**Multiple Disabilities (Severe)*

PAEC	\$20,801
SASED	\$30,589
SEDOM	\$33,309
LADSE	\$36,946
AERO	\$45,181
Mid Valley	\$54,632

**Intellectual Disability (Mild to Moderate: 18-21 year old Transition Program)*

Mid-Valley	\$20,172
PAEC	\$21,345
SEDOM	\$24,403
AERO (2 programs)	\$28,854/\$38,699
SASED	\$29,984

The only conceivable way that District 89 could operate a special education program less expensively than it could by staying in PAEC would be for the District's special education program to be so extensively gutted as to ensure that the District's special education students would simply be warehoused and not educated to their fullest potential.

For a significant portion of the 2013-2014 school year, District 89 deliberately elected to send students to out-of-district placements at non-PAEC locations at dramatically higher costs than the expense of the similar PAEC offering. Perhaps if District 89 truly wanted to save money, it should rethink those assignments.

Other Matters

The District 89 documents also make passing references to other rationales for departing PAEC. Each is without merit.

1. PAEC is Not Out of Compliance with Program Forms

One ominous-sounding indictment is that PAEC is out of compliance with program forms, and seven examples are offered. Each of the seven is completely and entirely incorrect. In every case, PAEC has the necessary forms that contain and collect the necessary information.

2. District 89 Cannot Unilaterally Reduce the Number of Students Taking the IAA

Another complaint charges that too many District 89 students at PAEC take the Illinois Alternate Assessment instead of the ISAT test. This complaint overlooks the fact that District 89 personnel serve on its students' IEP teams. It is those teams that determined that the students needed to take the IAA rather than the ISAT and District 89 personnel have not objected. The fact is that the IAA is administered because the IEP calls for it. If the IEP calls for the IAA to be administered, then District 89 hosting its own special education program cannot change that because those students' needs would not magically change. This complaint is not valid since no reduction is possible unless District 89 plans to ignore the IEPs and administer a different examination.

A deeper look at testing tells a more important story. The District 89 students in PAEC programs have shown both improvements on their IAA performance and, in some cases, performance above state averages. See the attachments for more data.

3. There is no Preschool Flow Thru Grant Money for District 89 to Spend

The District's rationale bemoans the failure of PAEC to share any of the \$25,253 Preschool Flow Thru Grant that PAEC received on behalf of District 89. This complaint fails to disclose the fact that District 89 enrolled seven students in the PAEC Preschool Program. That program costs \$20,801 for each student, which means that not only isn't there any excess Preschool Flow Thru money to be had at District 89, but that the District's costs far outstrip the "lost" grant funds. District 89's Preschool Flow Thru Grant reduced the amount it would otherwise have needed to pay for the students it enrolled in the PAEC Preschool Program. As with the IAA issue, this problem will not magically be solved by District 89 running its own program, unless District 89 is prepared to ignore IEPs and unilaterally place students who need special assistance in non-special education preschool classes.

4. District 89 Students at PAEC are Not More Truant

District 89 compared the attendance rate of its special education students that currently attend District 89 schools to the attendance rate of its special education students served at PAEC. While PAEC does not have access to the details of the special education served exclusively in District 89, the District reports that the students served in-District miss an average of 9.74 days per year, while the District 89 children served in PAEC settings average 12.40 days absent per year. On average, then, it appears that the District 89 students served at PAEC miss, on average, three days more of school than their peers in District 89 programs.

This complaint fails to take into account the nature of the students involved. The students that attend PAEC-operated programs have the most involved disabilities and several students are medically fragile with progressive disorders. Others have had repeated surgeries and other serious medical conditions related to their disabilities, all of which have an impact on overall attendance data. The suggestion in the District 89 document is that the extra days out were simply truancies but District 89 offers no evidence to support that assertion. If the most medically challenged students are missing only 3 days more per year than their less-challenged peers, it would appear that PAEC is doing extremely well on the subject of truancy avoidance.

5. PAEC is Not Withholding Funds from District 89

One of District 89's criticisms is that PAEC retains the vast majority of the IDEA grant funds allocated for District 89, which implies that there would be a windfall of funds to the District if District 89 left PAEC. This criticism fails to disclose two important pieces of information. The first is that PAEC uses a formula to allocate a portion of the IDEA grant directly to each member district in order to permit the member districts to improve local instruction for special education purposes. The second is that, in the case of District 89, the IDEA grant funds retained by PAEC total just over \$1,000,000. That sum is much less than District 89's bill for PAEC services for the year and is simply applied to reduce the amount District 89 would otherwise need to pay PAEC each year. District 89 therefore fully benefits from every dollar of the IDEA grant received each year.

6. PAEC Parent Surveys Show Widespread Satisfaction.

That PAEC does well, not only economically, but educationally, is perhaps best illustrated by the parents' responses to surveys. The satisfaction of parents with PAEC services is extremely high. See the attached pages for the compiled results of the surveys conducted between August 2013 and June 2014.

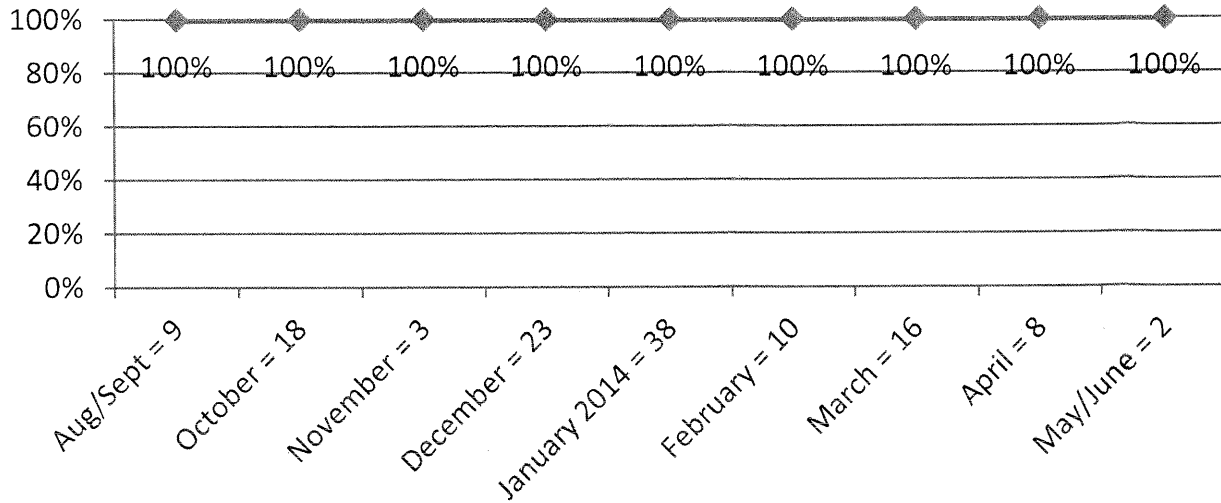
Overall Conclusion

That District 89 students are better off in PAEC is academically and economically unassailable. PAEC remains committed to serving the needs of District 89's children in the same caring and cost effective manner it has done from its inception. If need be, PAEC will use its resources to block District 89's withdrawal because that action will harm the educational opportunities of all of the special education students in the area (most particularly, those who remain in PAEC) and result in either more expensive or less effective services to District 89 and non-District 89 students alike.

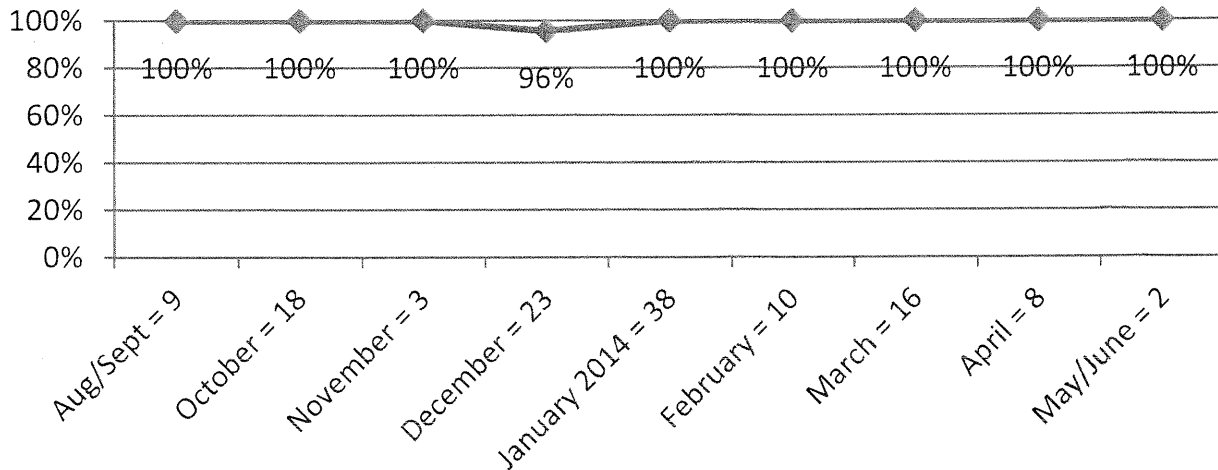
PAEC believes that there are better uses for the resources of both PAEC and District 89 than for this disagreement to continue and escalate and calls upon District 89 to rescind its withdrawal petition.

**PAEC Parent IEP Survey
Responses for PAEC-run Programs
August 2013 - June 2014
Total Responses: 127**

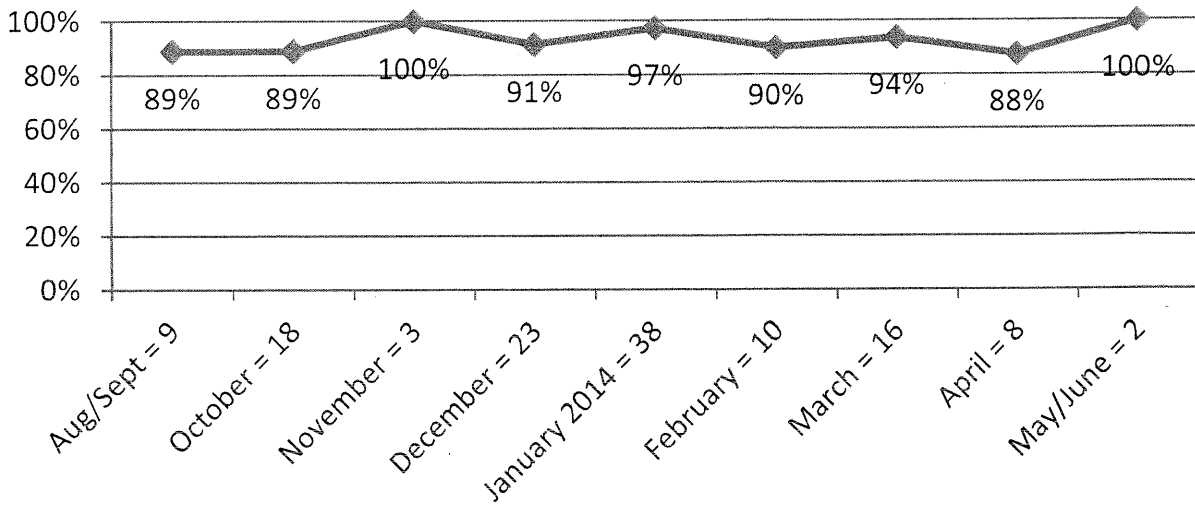
1. I received at least 10 days notice for the meeting or signed an agreement to waive the 10 day notice.



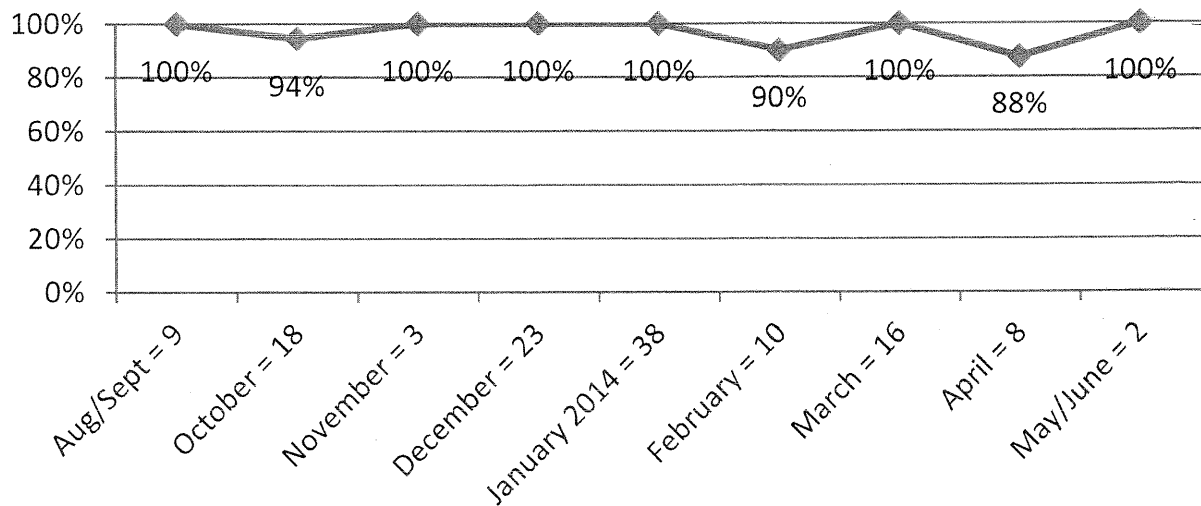
2. The facilitator clearly explained the purpose and process of the meeting.



3. I was comfortable expressing my thoughts and concerns during the meeting.

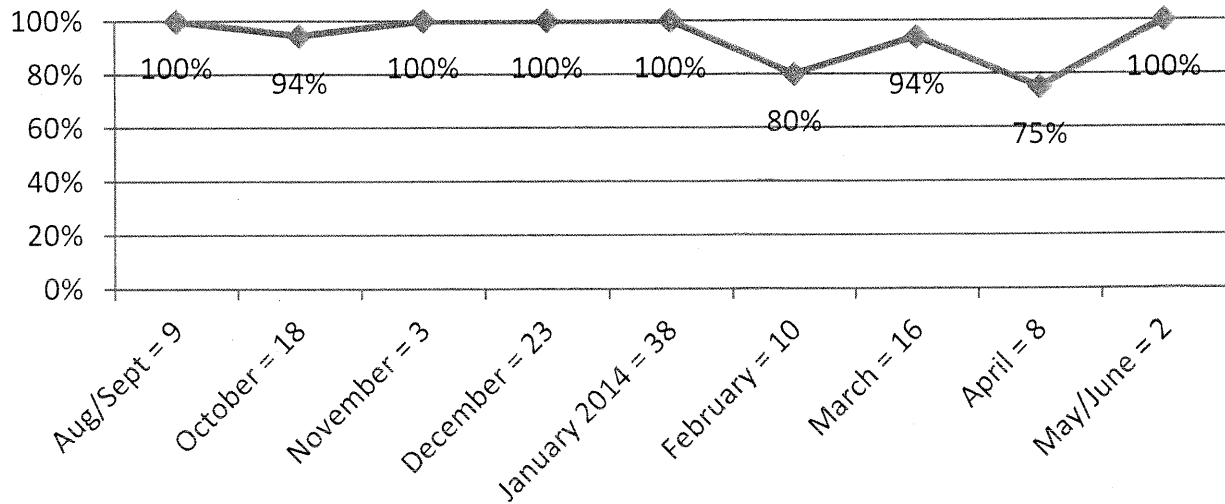


4. The school's team members summarized evaluations and reports concisely and clearly.

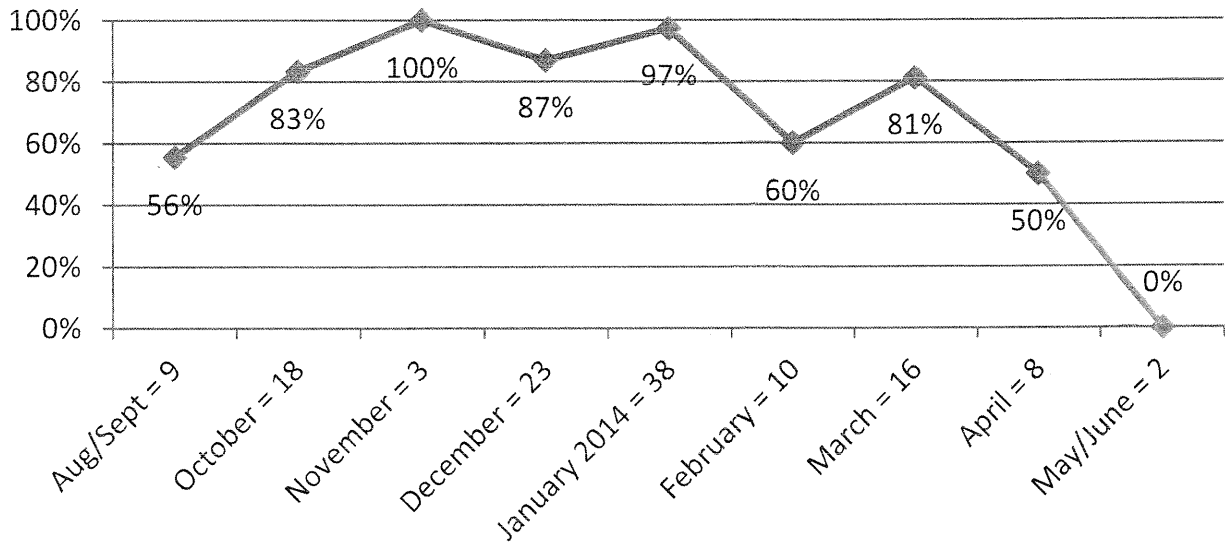


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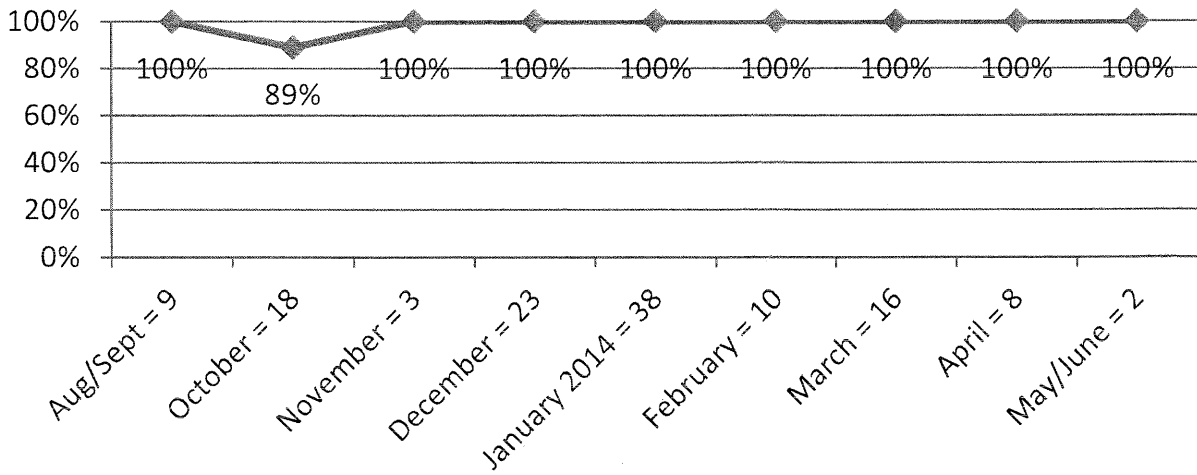
5. The school's team explained the progress of my student in terms that I understood.



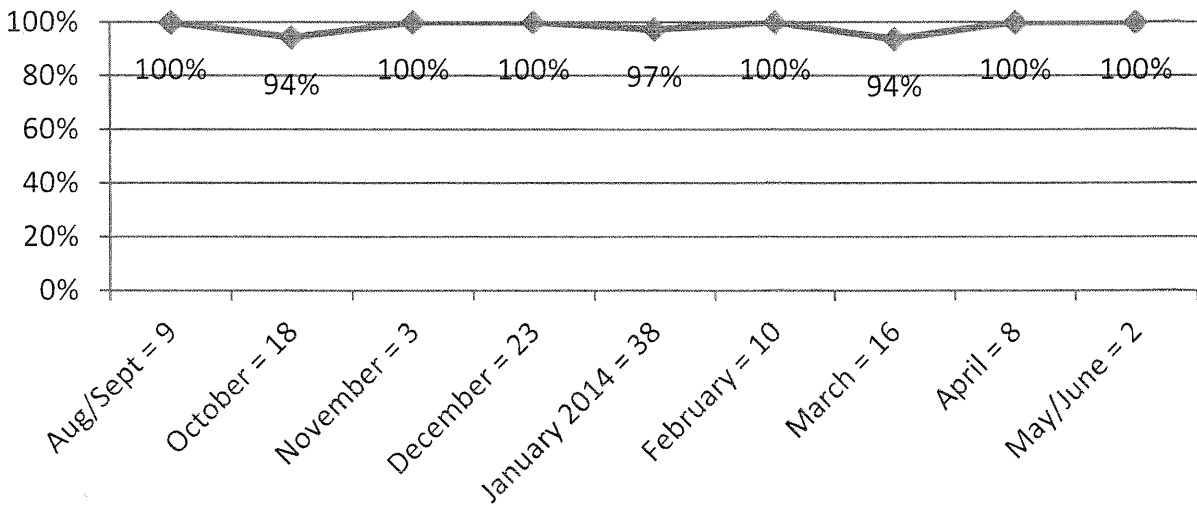
6. Were charts/graphs included?



7. The IEP team considered my student's strengths.

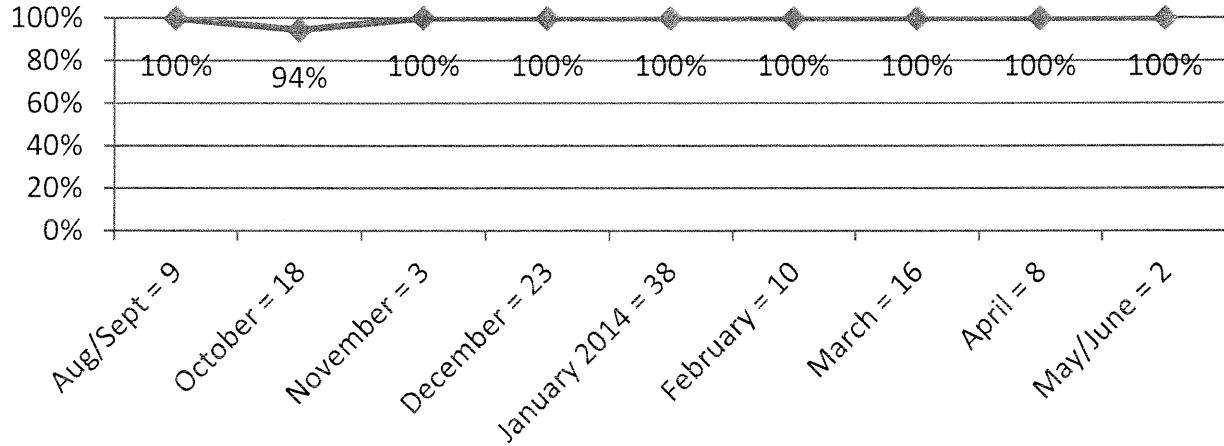


8. The programs and services described in the IEP are addressing the needs of my student.

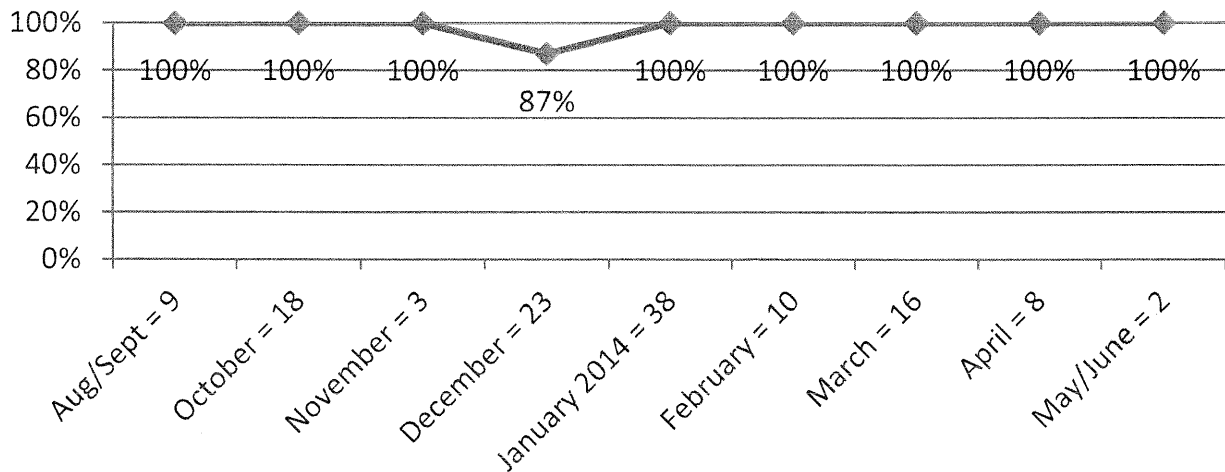


PAEC Parent IEP Survey
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9. I understood the goals and objectives that were written for my student and how they would be measured.



10. At the end of the IEP meeting, the decisions were summarized.



Student Progress Data from the IAA based on the Illinois State Report Card

The following information is student progress data taken from the 2013 Illinois District Report Card for District 89. The majority of students in PAEC programs other than the therapeutic schools take the IAA. Overall, the data indicates that students who took the IAA performed above or near the state average for proficiency or showed improvement from the previous year. Due to the small numbers of District 89 students in PAEC programs taking the ISAT, an appropriate comparison of District 89 students to the state ISAT averages could not be made.

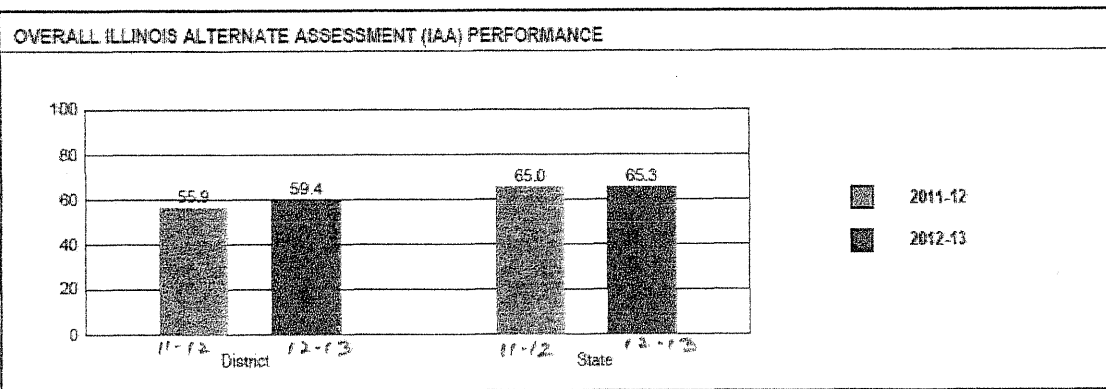
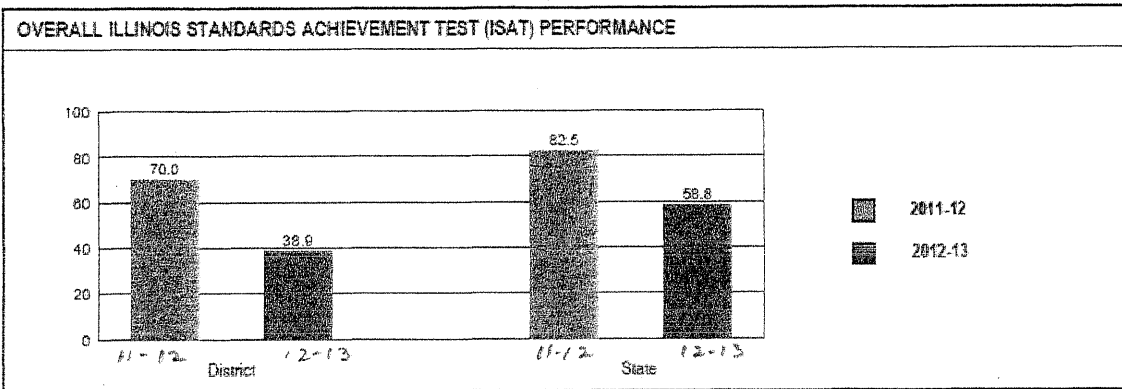
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Maywood-Melrose Park-Broadview 89

5

OVERALL STUDENT PERFORMANCE

These charts present the overall percentages of state test scores categorized as meeting or exceeding the Illinois Learning Standards for your district and the state. They represent your district's performance in reading and mathematics. The ISAT reading and math cut scores were reset for school year 2013. Starting in 2013, Illinois raised the performance cut scores in reading and math to align with college and career ready expectations.

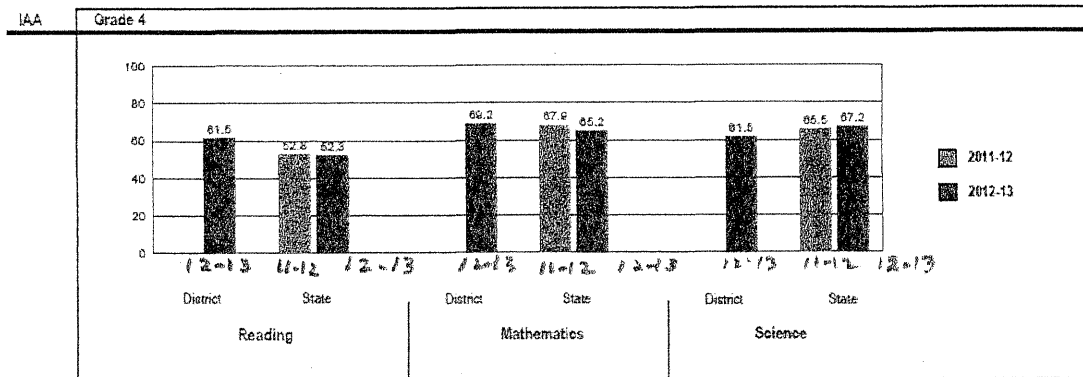


IAA scores in the Progressing and Attaining performance levels count the same, respectively, as scores on other state assessments that meet or exceed Standards.

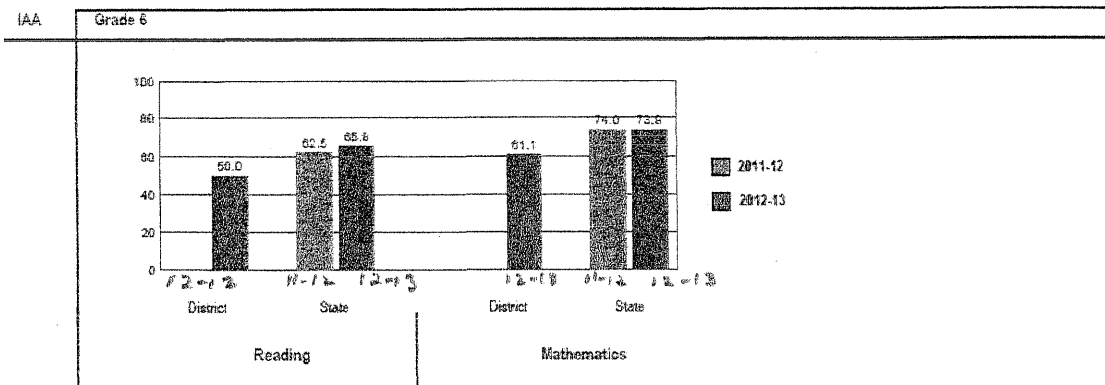
District 89 students showed improvement on IAA assessments from 2011-12 to 2012-13. This improvement was greater than the average improvement across the state.

IAA PERFORMANCE

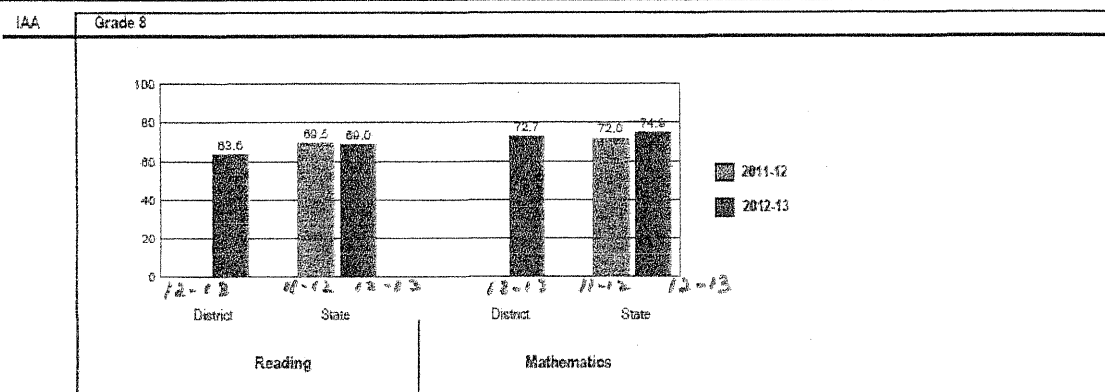
These charts provide information on attainment of the Illinois Learning Standards. They show the percents of student scores meeting or exceeding Standards for the grades and subjects tested on IAA.



District 89 Fourth graders did better than the state average for Reading and Math in 2012-2013 on the IAA. They improved in both Reading and Math from the previous year.



District 89 Sixth graders fell below the state average in Reading and Math in 2012-2013 on the IAA. They improved in both categories from the previous year.



District 89 Eighth graders fell below the state average in math but near the state average for Math in 2012-2013 on the IAA. No information was available on this group from the previous report card.

Description of PAEC's Projected Cost Analysis offsetting revenue of 10 classrooms to support approximately 80 students projected by District 89 for return to district from PAEC compared to District 89 FY13 payments to PAEC

	Expenditures*	Revenues
Claims Coordinator of Student Services –oversees transportation, files, SPED reimbursement and manages Medicaid claims	\$90,000	
10 teachers for programs (base salary of \$67,000 + maximum benefits allotment + retirement - \$9000 Personnel Reimbursement)	\$780,000	
2.05 FTE Speech/Language Pathologists, 1.5 FTE Occupational Therapist, 1.18 FTE Physical Therapist, 1.0 FTE Psychologist, 1.0 FTE School Certified Nurse, 2.0 FTE One-On-One Nurses, 1.0 FTE Adaptive PE Teacher, 1.0 FTE Music Therapist, and 1.0 FTE Social Worker (base salary of \$67,000 + maximum benefits allotment + retirement - \$9000 Personnel Reimbursement) Speech/Language Pathologist and Teacher for Private/Parochial Services and 2 part-time Teacher Tutors	\$878,740 **	
3 Behavior Specialists (base salary of \$67,000 - maximum benefits allotment + retirement -\$9000 Personnel Reimbursement)	\$234,000	
'20' Program Aides - State Personnel Reimbursement (\$3,500)	\$552,000**	
Workers Compensation and Property Casualty Insurance Increases	\$18,275**	
Professional Development	\$25,000	
Additional Supply, Curriculum and Material	\$150,000**	
Administrator of Special Programs (LEA IEP meetings and support programs instructionally)	\$206,500**	
Transportation Cost for all students with specialized transportation- Estimated cost of 6 vans and bus aides + 5 trips	\$1,347,600	
Estimated cost of average legal cost associated with Joint Agreement	\$30,000**	
Tuition for 20 students who are recommended to continue outside placement	\$800,000	
Custodial/Maintenance	\$55,000**	
Maintenance/Supplies	\$10,000**	
Infinitec Contract	\$2,750**	
District 89 Costs	TOTAL	
	\$5,179,865	
Return of offsetting revenue – FY14 IDEA Pre School		\$25,256
Return of offsetting Revenue FY14 IDEA Flow Thru		\$1,091,621
Return of Offsetting Revenue – State Transportation Claim		\$1,047,427**
Medicaid Administrative Claim - current claim potential per Illinois Department of Healthcare		\$275,000
Offsetting revenue	TOTAL	\$2,439,304
District 89 costs after offsetting revenues	TOTAL	
	\$2,740,561	
District 89 FY'13 Payments to PAEC	\$2,993,259	
5 year average audit refund to District 89		\$453,518
PAEC costs after offsetting revenues	TOTAL	\$2,539,741
Difference in costs PAEC vs. District 89	TOTAL	\$200,820

** EXPLANATION ATTACHED