Agenda Topic: Proposed Amendments – Part 575 (School Technology Program)

Materials: Recommended Amendments

Staff Contact(s): Lugene Finley
Rich Dehart

Purpose of Agenda Item
To present the proposed amendments as an item for immediate action.

Expected Outcome(s) of Agenda Item
The Board's adoption of these amendments.

Background Information
P.A. 90-548, effective January 1, 1998, established the School Technology Revolving Loan Fund (see Section 2-3.117a of the School Code). In order to put the program in place as soon as possible, the agency in May of that year promulgated emergency rules (23 Ill. Adm. Code 575, Subpart B). The emergency rules and the subsequent ordinary rulemaking were formulated by a committee, representative of various divisions of the agency, to establish parameters for the submission of applications, use of the loan proceeds, repayment procedures, and terms of the loan agreement.

The School Technology Revolving Loan Program is the first revolving loan program that the agency has operated. As such, staff have identified procedural concerns not envisioned by the original team when the rules were first written. The rules now need to be amended in order to address these concerns. Additionally, a review by the Internal Audit Office also highlighted areas that the initial rules failed to address. In response, staff are proposing several changes to the current rules, and those changes are summarized below.

The rules were published in the Illinois Register February 16, 2001, to elicit public comment. No public comment was received.
Analysis and Implications for Policy, Budget, Legislative Action and Communications

Policy Implications: At the time that the legislation establishing the School Technology Revolving Loan Fund was enacted, the General Assembly intended that the program be straightforward and easy for school districts to access. For that reason, staff developed a one-page loan application and required little in the way of reporting regarding use of loan proceeds, other than what was approved in the school district's application. In order to provide for better accountability for the program and to address certain procedural concerns, the proposed amendments address required signatures, late submissions, agency review timelines, late fees, certain reporting requirements, and repayment procedures in the event that the district fails to use the loan as required.

Budget Implications: None.

Legislative Implications: None.

Communications: See "Next Steps" below.

Pros and Cons of Various Actions

These rules deal exclusively with the State Board's process for awarding loans. As such, there is no "action" contemplated or proposed. Adopting the changes presented here would bring the rules into alignment with recommendations both from program staff and the agency's Internal Audit Office. These changes will increase accountability for how loan proceeds are used without unduly hampering applicants' ability to qualify for the program. Any changes contemplated for the FY2002 loan cycle depend on these proposed amendments going forward.

Superintendent’s Recommendation

Adopt the proposed amendments as presented in the attached version.

Next Steps

With the Board's adoption of these amendments, staff will submit the required notice materials to the Joint Committee on Administrative Rules to initiate the Joint Committee's review. When that review is complete, staff will submit the rules to the Administrative Code Division for publication in the Illinois Register and filing with the Secretary of State. Once the amendments are in effect, all eligible recipients of these funds will be notified of the changes.
DATE: April 3, 2001

MEMORANDUM

TO: Michael Dunn  
    Carmen Chapman-Pfeiffer

FROM: Connie Wise

SUBJECT: Proposed Rules for April Board Packet

Amendments to the rules governing School Technology Program (Part 575), along with the attached executive summary, are ready for presentation to the Board for adoption at its April 19, 2001, meeting. The proposed amendments were published in the Illinois Register on February 16, 2001, to elicit public comment; none was received.

If you have any questions about this rulemaking, please let me know. If you approve the rules and summary, please initial below and staff will deliver them to the Superintendent’s office by the board packet deadline of Friday, April 6. Thank you.

_______ Michael Dunn
_______ Carmen Chapman-Pfeiffer