ILLINOIS STATE BOARD OF EDUCATION
August 23, 2001

Agenda Topic: Proposed Amendments

- Part 151 (School Construction Program)
- Part 205 (Truants' Alternative and Optional Education Programs)
- Part 220 (Scientific Literacy)
- Part 225 (Alcohol and Drug Education Initiative)
- Part 228 (Transitional Bilingual Education)
- Part 235 (Preschool Educational and Coordinated Model Preschool Educational Programs)
- Part 245 (Urban Education Partnership Program)
- Part 575 (School Technology Program)

Materials: Recommended Amendments

Staff Contact(s): Mary Jayne Broncato

Purpose of Agenda Item

To present the proposed amendments for the Board's initial review and secure authorization to distribute them for public comment.

Expected Outcome(s) of Agenda Item

A motion authorizing the staff to publish the proposed amendments in the Illinois Register to elicit public comment.

Background Information

Over the last several months, Reimbursement staff and personnel in charge of various grant programs have increased the amount for when budget amendments must receive approval before grant funds can be shifted among allowable expenses. Staff have been unable to make this change, however, for a few programs for which the procedures for awarding these grant funds are stipulated in rules.

Seven sets of rules currently provide detailed information about the procedures to be used to request budget amendments. The rules for each of these programs require grantees to seek prior approval from the State Board of Education when a budget line item changes by more than $500 or 10 percent, whichever is larger. That limit has been in place for at least 15 years, and staff would now like to increase the level to $1,000 or 20 percent, whichever is larger. In addition, it is proposed that the text of this provision
be changed slightly to clarify that grantees who wish to use grant funds for allowable costs not originally indicated in their approved budgets must also go through the budget amendment process in order to receive approval for the new expenditures.

The parts of rules that will contain these changes are:

- Part 205 (Truants’ Alternative and Optional Education Programs),
- Part 220 (Scientific Literacy),
- Part 225 (Alcohol and Drug Education Initiative),
- Part 228 (Transitional Bilingual Education),
- Part 235 (Preschool Educational and Coordinated Model Preschool Educational Programs),
- Part 245 (Urban Education Partnership Program), and
- Part 575 (School Technology Program).

Other changes are proposed for the eligible applicant section for the rules governing these grant programs; those changes are discussed under “Policy Implications” below. Besides the rules listed above, this change will involve Part 151 (School Construction Program).

**Analysis and Implications for Policy, Budget, Legislative Action and Communications**

**Policy Implications:** Under the current limit for budget amendments, program staff report that a large number of amendments are submitted for approval after grant awards are made. The staff indicate that they spend a great deal of time reviewing and approving these amendments, time they believe could be better spent monitoring programs on-site and providing technical assistance. Fewer budget amendments will result in a decrease in paperwork associated with grant awards both for agency staff and grant recipients.

Increasing the amount for when preapproval is necessary also will provide for greater flexibility for grant recipients, without compromising fiscal integrity. Grantees will be allowed more freedom to shift grant funds among allowable uses in order to provide the best possible program, without having to wait for approval from the State Board. The use of these funds will be reported to the agency in the final expenditure report, allowing staff to verify that the funds were spent correctly.

The rules for competitive grant programs (i.e., require applicants to submit a proposal in response to a Request for Proposals) and for the School Maintenance Project Grants also are being amended in response to P.A. 92-56, effective July 12, 2001. This law adds “area vocational centers” as eligible applicants for school maintenance grants, state technology grants, or other competitive grants administered by the State Board of Education that are available to school districts. Area vocational centers would be subject to the same restrictions as apply to school district applicants.
Finally, other changes are proposed for several of these parts of rules to ensure that the rules conform to current law or communicate how the programs actually operate. Four parts of rules – Alcohol and Drug Education Initiative, Scientific Literacy, Preschool Educational and Coordinated Model Preschool Educational Programs, and Urban Education Partnership Program – are being amended to include as eligible applicants university laboratory schools approved by the State Board of Education and charter schools (the result of P.A. 90-566, effective January 2, 1998, and P.A. 91-407, effective August 3, 1999, respectively). In two parts of rules – Alcohol and Drug Education Initiative and Preschool Educational and Coordinated Model Preschool Educational Programs – the grant period will be amended to reflect the change in the lapse period that occurred several years ago (P.A. 89-511, effective January 1, 1997). For Transitional Bilingual Education rules, the due date for the final annual report of district expenditures is being change, as per P.A. 90-463, effective August 17, 1997. Obsolete text is also being eliminated from rules for the Urban Education Partnership Program.

**Budget Implications:** None.

**Legislative Implications:** None.

**Communications:** Please see "Next Steps" below.

**Pros and Cons of Various Actions**

The proposed amendments will assist both grantees and agency staff to reduce the paperwork associated with administering grants, without compromising fiscal integrity of the grant programs. In particular, this will allow agency staff more time for monitoring and technical assistance activities for grant recipients.

If these amendments are not pursued, then the staff would continue to process budget amendments pursuant to the current standard for those grant programs that are governed by rules. This in turn will establish two different criteria for budget amendments – $500/10 percent for those grant programs with rules and $1,000/20 percent for all other programs. This has the potential for creating confusion in the field, since many school districts are recipients of multiple grants from the agency.

The changes being made in response to recent legislation were implemented at the time the public acts took effect, and this rulemaking simply makes the rules consistent with the law.

**Superintendent’s Recommendation**

Direct the dissemination of the proposed amendments for public comment.
Next Steps

With the Board's authorization, staff will submit the proposed amendments to the Administrative Code Division for publication in the Illinois Register to elicit public comment. In addition, the proposed amendments will be placed on the agency’s web site so that individuals may review them and comment on the content, if they have concerns.
ILLINOIS STATE BOARD OF EDUCATION

DATE: July 26, 2001

MEMORANDUM

TO: Carmen Chapman-Pfeiffer

FROM: Connie Wise

SUBJECT: Proposed Rules for August Board Packet

Proposed amendments to the rules governing six competitive grant programs, along with the attached executive summary, are ready for presentation to the Board for initial review. These proposed changes increase the amount for when grantees must seek prior approval for budget amendments, as well as implement provisions from several recent public acts.

These rules have been reviewed by Legal and Governmental Relations.

If you have any questions about this rulemaking, please let me know. If you approve the rules and summary, please initial below and I will deliver them to the Superintendent's office. For your information, the Board packet deadline for this month is Friday, August 10. Thank you.

_______ Carmen Chapman-Pfeiffer