Purpose of Agenda Item

To apprise the Board members on current legislation before Congress, and discuss related federal education issues and funding.

Expected Outcome(s) of Agenda Item

- The Board will be informed about the agency’s Governmental Affairs Division federal activities.
- The Board will provide direction regarding federal legislative activity.

Background Information

In addition to this report, the Governmental Affairs Division will prepare regular updates on relevant legislative and funding issues from Washington.

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

Policy Implications

The reauthorization of IDEA will create major policy debate in Washington. The Board should establish its policy positions in regard to special education and should work with the new Governor to establish state positions and priorities that can be communicated to our Congressional Delegation.

Budget Implications

The FY03 Federal Appropriations bills have implications for upcoming budget development and agency action:
• The amount of increase for standard appropriations (e.g., for NCLB Title I, etc.) this fall and the corresponding increase in SEA administration and leadership funds have implications for the budgeting process and supporting agency and school initiatives;
• Full funding of IDEA as a condition of the reauthorization of IDEA could have significant implications for the amount of state set-aside funds available for agency use but will be limited by Illinois state law capping SEA use of IDEA funds at a 3% increase per year;
• The number of special requests for the agency supported by our delegation to be funded in the appropriation process (e.g., earmark funding in FY03) may not be known until late December but must still be accounted for in the state appropriations process as the agency develops its FY03 budget.

Congress is in recess now. They return after the Labor Day holiday to tackle virtually all of the federal appropriations and remaining large issues such as completing the reauthorization of IDEA and OERI.

**Superintendent’s Recommendation**

No formal action is needed at this time.

**Next Steps**

Continue to work with partners to secure as much federal funding as possible for Illinois school districts.
Education Appropriations

The Senate Labor/HHS/Education Appropriations Committee met July 18th and passed the FY2003 funding bill by voice vote. The bill would increase funding for education programs by $4.2 billion, $2.8 billion above the President’s budget request and the House Budget Resolution. Highlights of the bill include:

- $11.85 billion for Title I, ESEA ($1.5 billion above FY2002)
- $3.1 billion for Title II, Teacher Quality, ESEA ($250 million above FY2002); and
- $9.3 billion for Special Education ($1 billion above FY2002)

Committee Chairman, Sen. Tom Harkin (D-IA) faced pressure to limit spending to the allocation allotted by the Appropriations Committee. Many Members, however, expressed concern that the bill did not provide enough resources for education. Members of the Senate HELP Committee, are expected to introduce amendments to the bill during floor debate, which would include additional increases for education programs.

Minority Leader Trent Lott, Miss., said he will support moving fiscal 2003 appropriations bills through the Senate in September, even if their total cost will exceed President Bush's budget by at least $9 billion dollars. While Lott publicly defends the White House's tight spending targets, he predicted that at some point in the fall the administration "will show some appropriate flexibility." Lott made his remarks as efforts are underway to reach a budget agreement in which the Senate would embrace a higher overall spending level than that sought by Bush, while extending budget enforcement rules.

Under pressure from House fiscal conservatives, the House Leadership decided to postpone consideration of several FY03 appropriations bills to allow Members to focus on more contentious spending bills, including the Labor/HHS/Education Appropriations bill. Conservatives had voiced concern that Members would not be willing to stay within the House budget resolution’s spending limit of $759 billion if more difficult domestic bills where left undone until the end of the session.

Under the new agreement, the Labor/HHS/Education appropriations bill is scheduled for marked up sometime during the first week of September, when Congress returns from August recess. However, the appropriations process is not likely to be completed until after the November election.

IDEA Reauthorization

The Individuals with Disabilities Act (IDEA) is scheduled for reauthorization this year. Congress and the Administration have been actively working on IDEA, but it is unlikely...
that a final bill will be passed this year. There are several factors that make passage of IDEA this year doubtful. First, with an election year, there is a limited amount of legislative days remaining, particularly now that Congress is considering the creation of the Department of Homeland Security. Finally the issue of full funding for IDEA has been linked to a newly reauthorized bill and some in Congress are reluctant to address full funding this year.

The Council of Chief State School Officials (CCSSO) has been at the forefront of activity on IDEA reauthorization. They created a six page summary of IDEA CCSSO recommendations that was distributed to Congress and the Administration. The also used these recommendations to develop joint principles on IDEA with the National Governors Association. The NGA adopted these principles at their mid-July annual meeting. They are as follows.

**National Governors Association Adopt New Special Education Policy**

The nation’s governors voted to adopt an historic joint policy in support of quality education for all students, including students with disabilities, during the closing plenary session of the NGA Annual Meeting in Boise, Idaho. The new IDEA Policy (HR-23) was developed in preparation for the upcoming reauthorization effort.

Developed jointly with the Council of Chief State School Officers (CCSSO), the IDEA policy marks the first time in NGA history that a policy that has been developed in conjunction with another major state organization. HR-23 directs federal support to the education of children with disabilities as well as enhances the opportunity for students with disabilities to be prepared for, and participate in the 21st Century economy.

The joint policy was developed by a working group of governors and chief state school officers led by Gov. Musgrove and Suellen K. Reed of Indiana, president of CCSSO.

The policy calls for:

- Congress and the Administration to meet its full mandatory funding commitment of 40 percent of the average per pupil expenditure. (Currently the federal government provides less than 17 percent.) Additionally, the federal government should provide sufficient flexibility in the use of funds to allow states and school districts to implement the new IDEA in concert with the No Child Left Behind Act and state reform measures.

- The primary goal of the new IDEA must be to improve educational outcomes for individuals with disabilities. Procedural protections to be retained, but paperwork associated with them should be streamlined. Increased emphasis must be placed on teaching and learning and closing the achievement gap between children with disabilities and their non-disabled peers.

- Improved outcomes are dependent upon a unified system of quality services and accountability. Quality services must be provided to all children. General education and special education must be flexible and responsive to individual needs. All teachers must be prepared to teach diverse learners and no child should be excluded from the accountability systems.
OERI, NAEP/NAGB, NCES Reauthorization

With the passage of NCLB Congress has turned its attention to the business of reauthorization of the Office of Education Research and Improvement (OREI). There is some sense of urgency within the education community to see these programs reauthorized, especially as states move to implement No Child Left Behind. The outlook for reauthorization this year is uncertain, despite pressure from the U.S. Department of Education.