Purpose of Agenda Item

To present the proposed amendments for adoption.

Expected Outcome of Agenda Item

The Board’s adoption of these proposed amendments.

Background Information

These amendments implement Public Act 92-25, which was enacted in June 2001. That Act made changes in the activities that are allowable for funding under Section 2-3.51 of the School Code (Reading Improvement Block Grant Program) and also changed the requirements for districts’ measurement and reporting of students’ reading performance.

Although funds under this program may still be used in grades K-6, the focus of the program has been altered. Emphasis has been placed on early reading intervention and the early identification of students with reading difficulties, as well as on professional development for teachers. All programs of support, whether for very young students or for those in grades 3 through 6, are required by the new legislation to be based on scientific research and best practice and to provide on-going training for the teachers in the program. One-quarter of the funds a district receives may be used for classroom reading materials.

All these programmatic specifications are delineated in the law and are therefore not repeated in the rules. Instead, changes are needed mainly in the portions of the rules that describe the requirements for methods of measuring students’ reading performance. Due to legislative changes enacted in 1998, districts are ineligible for continued funding if they do not demonstrate that they are making “performance progress” and are required to seek approval from the State Board for the methods they propose to use to show their progress. This year’s changes require them to use methods that permit measurement of the reading growth of students who receive direct instruction as a result of these grant funds, as well as to show the impact of the staff
development activities funded under this grant. Section 260.55 shows the major portion of these changes, while other sections of the rules are being brought into conformance with them. Several other technical changes are also included.

While these proposed amendments were under development, we were contacted by representatives of the Illinois Business Roundtable who were interested in strengthening school districts’ accountability for the use of funds received under this block grant. A preliminary discussion of the related issues revealed several aspects of the Roundtable’s concerns that the agency needed to examine further. These involve technical matters connected with the testing of students’ growth in reading as well as consideration of statutory parameters.

Because of the immediate effectiveness of the legislative changes (July 1, 2001), we needed to initiate this rulemaking as quickly as possible and could not delay the proposal while these issues were clarified. We believe there is some change that can be made as a result of the comments received on the proposed rules, while acceptance of other suggestions would require a new rulemaking. Further, the new federal requirements for progress in reading that are set forth in HR 1 will have a bearing on the way in which we might wish to strengthen accountability for state reading funds. Therefore, initiation of any further changes in this grant program should await the outcome of our broad-based analysis of HR 1 so that the two systems will work together.

These amendments were presented for the Board’s initial review at the November 2001 meeting and subsequently published in the Illinois Register to elicit public comment. Two items were received, including written comment supplementing the prior discussions with the Business Roundtable. These are discussed in the Summary and Analysis of Public Comment below.

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

*Policy Implications:* We believe these amendments reflect the implications of the recent changes in the law. As noted above, a discussion of possible further changes in policy is found in the Summary and Analysis of Public Comment.

*Budget Implications:* This rulemaking has no budgetary implications for the agency.

*Legislative Action:* None needed.

*Communications:* Please see “Next Steps” below.

**Superintendent’s Recommendation**

Adopt the proposed amendments to Part 260, including the changes recommended in response to public comment.
**Next Steps**

The adopted amendments will be submitted to the Joint Committee on Administrative Rules to trigger JCAR’s review. When that process is complete, the adopted rules will be filed with the Secretary of State and disseminated as appropriate to the various parties with an interest in their content.

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**Summary and Analysis of Public Comment**

**Reading Improvement Program (Part 260)**

**Comment**

General concern was expressed for districts’ accountability for their use of the funds provided under this grant. The Illinois Business Roundtable (IBRT) objected to the fact that all districts that apply for funding have continued to receive it over the last four years and linked that situation to the failure of the rules to specify a minimum amount of performance progress that is required. These commenters advocated prescribing a concrete increase in performance (8.5 percentage points) that would be required for every two-year period.

**Analysis**

Under Section 2-3.51 of the School Code and Section 260.55(h) of these rules, the current grant year (2001-2002) was the first during which failure to make performance progress could have resulted in a loss of eligibility for funding on the part of any district. The funding provisions that were in place with respect to prior years meant universal eligibility for those submitting the very brief applications stipulated in the law. It should also be noted that the law requires demonstration of performance progress on an annual basis, so we would not be able to implement a two-year cycle as suggested.

**Comment**

The same commenters noted that the new federal legislation would require states to make significant progress in reading and that the State Board should establish requirements consistent with HR 1.

**Analysis**

We agree that the new federal requirements will compel us to take an even closer look at reading performance. Indeed, it will soon become necessary to quantify performance progress in reading on an annual basis for federal purposes, at least for schools that receive assistance under Title I to avoid being designated for school improvement or corrective action. We agree also that the requirements connected to the Reading Improvement Program should be made congruent with the provisions of HR 1 in such a way as to give districts incentives to use their state grant funds to the greatest possible effect.
As noted above, the ramifications of HR 1 are still being analyzed. Several ideas come to mind for tying Part 260 into that system for improvement, but legislative action might be required and the agency should not act in haste to implement changes until their consistency with HR 1 as a whole can be assured. It should also be understood that we would not be able to impose substantive new requirements in response to the comments on the current set of amendments, because the affected school districts would not have had an opportunity to comment on those. Changes of this nature will need to be accomplished in a separate rulemaking.

**Recommendation**

Staff should give further consideration to amendments that would work in conjunction with the new provisions of the federal law and advise the Superintendent regarding any additional amendments that would be warranted in time for the next grant cycle. In the meantime, no percentage figure should be added to the current definition of “performance progress” in these rules.

**Comment**

It was suggested that the State Board specify priorities for districts’ use of the funds provided under this grant program and also use those funds as leverage to give districts incentives to expend local funds in targeted areas of need. For example, it was proposed that districts be required to use these grant funds to serve at least all the students who do not meet standards on the state assessment in grades 3 and 5. This would avoid giving districts an incentive to spend large sums of money on just a few students (and then claim to have made performance progress based on their achievement).

**Analysis**

Some information about the context of the reading improvement block grant may be useful in discussing these comments. The law lists the activities for which the funds may be used and now establishes the requirement that early reading intervention programs and programs of support must focus on scientifically based research. Funds are distributed to eligible districts based on a per-pupil formula that is also set forth in the law.

The Chicago Public Schools receive approximately 30 percent of the funds appropriated for this program each year. Article 1D of the School Code (Block Grants for Districts with Over 500,000 Inhabitants) governs that district’s use of these funds, which are thus not subject to the rules in Part 260. The remaining funds are distributed to the state’s other school districts that serve grades K-6, of which more than 790 receive amounts ranging from $2,153 to $1,205,136.

The downstate average starting teacher’s salary for FY 01 was $30,381, and over 340 districts received less than that amount under this grant. Under these circumstances, it would not be reasonable for the agency to identify for all districts the student population they must serve with the funds or to require services to all students in any group.

In fact, for many districts the funding received from the reading improvement block grant is crucial but not necessarily adequate to enhance the services provided to large groups
of students. The amendments to Sections 260.50 and 260.55 as proposed reflect the law’s requirements for a scientific basis for reading initiatives and for reporting the growth of the students directly served by the grant. Here again, we believe the implementation of HR 1’s requirements and their integration into the overall Illinois accountability system will provide more significant “leverage” for districts to address the needs of students who are not currently meeting standards.

**Recommendation**
No change should be made in response to these comments.

**Comment**
The commenters suggested that districts not be permitted to rely upon locally developed assessments as their methods for demonstrating performance progress. They stated that such forms of measurement are not valid, reliable, or comparable and particularly took issue with the use of measurements not aligned with the Illinois Learning Standards. A related concern was stated in connection with the acceptable standard of performance on any measure, i.e., whether the standard a district views as “acceptable” represents a minimum competency to read.

**Analysis**
Section 2-3.51 of the School Code was amended in 1998 (by P.A. 90-640) specifically to permit the use of measurements other than the state assessment, which was previously the only allowable method for demonstrating improvement. Therefore we doubt the agency has the authority to preclude by rule the use of locally identified or developed assessments. In addition, it is not necessary for various districts’ methods to be comparable, since they are not competing with each other for funding under this program but are required to make progress with respect to their own earlier performance. It should also be pointed out that Section 2-3.63 of the School Code requires districts’ local learning objectives to be consistent with the State Goals for Learning. Therefore, locally chosen or developed assessments have at least as great a likelihood of alignment with Illinois standards as do standardized tests that are commercially available on a nationwide basis, such as the Iowa Test of Basic Skills.

Staff responsible for administering this grant program indicate that very few districts use methods that are exclusively locally developed; in many instances a mixture of local and standardized assessments is used to demonstrate growth in reading. Thus we believe variety in the forms of measurement *per se* is not a matter warranting serious concern. Nevertheless, districts’ accountability could be strengthened somewhat if their descriptions of their proposed methods were required to indicate how it was determined that those methods are aligned with the Illinois Learning Standards in reading.

No evidence was presented that districts are establishing artificially low standards in order to inflate their reports of performance. We therefore do not believe it would be useful to attempt to require that each district’s acceptable level of performance on its assessment measures represent some form of minimal competency to read. In order to be enforceable, such a requirement would have to be stated very explicitly for every grade from kindergarten through 6, which would be especially problematic in the very early grades.
Recommendation
Section 260.55(a)(2) should be amplified as follows:

2) If a proposed assessment instrument is locally developed or chosen, the applicant shall:

A) indicate the acceptable standard of performance on that measure; and

B) describe the means by which the applicant’s staff determined that the proposed measure is aligned with the Illinois Learning Standards in the area of reading; and

C) certify to the State Superintendent that the instrument measures what it is intended to measure and can be expected to yield consistent results, including a description of the methods by which the applicant’s staff arrived at the conclusion that this is the case.

Comment
Several points raised by the representatives of the IBRT were based on the assumption that funding provided through the Reading Improvement Program is used for discrete “projects”. Thus it was suggested, among other things, that the rules require applications for funding to describe the populations to be served by “the proposed project” and describe how the project would enhance the school readiness of children. Further, projects should serve all children; the forms of measurement used to demonstrate performance progress should measure the reading growth of at least all those who did not meet standards on the ISAT; reporting should be required on all children in kindergarten and first grade who are identified as having difficulty on early diagnostic assessments; and the agency should require the disaggregation of performance data so as not to “mask” poor performance on the part of some groups with improvement on the part of others.

Analysis
As explained above, districts do not compete for these grant funds by applying to implement initiatives that are judged on their competitive merits, as is the case in many other grant programs administered by the agency. Bearing in mind the widely disparate amounts of money involved, it would also not be feasible to expect that separate “projects” could be implemented in all cases.

It should be emphasized that we have no disagreement with the commenters’ underlying desire to see school districts take responsibility for promoting the reading success of all their students. Much of the broader reporting of students’ performance which they have advocated is accomplished via the School Report Card, and staff within the agency are already working to identify the modifications that will be needed to increase its specificity in response to the new requirements of HR 1.

With respect to accountability for the funds provided under this specific program, however, the law now provides that districts’ claims of performance progress must be based on the reading growth of the students directly affected by the grant. Further
disaggregation of the data for those students would serve no purpose in this context, because it is the group as a whole that must make progress in order to create continued eligibility for funding on the part of the district. These comments have alerted us to the fact that the proposed amendment is probably not explicit enough in this regard.

**Recommendation**
The definition of “performance progress” found in Section 260.55(i) should be amplified as shown below.

i) h) Commencing with the 2001-2002 school year, an An applicant will be eligible for continued funding only if its assessment results on the approved measure(s) for the preceding year indicate that it made “performance progress” as required by Section 2-3.51 of the School Code. “Performance progress” must be demonstrated with regard to the students who received direct instruction and those whose reading instructors engaged in professional development as a result of this grant and, with respect to that group of students, means any of the following:

**Comment**
A set of draft revisions to the rules was submitted that displayed numerous suggestions for changes beyond those discussed individually above.

**Analysis**
Many of the suggested changes would convey requirements that are already implicit in the rules because they are stated in the statute. Agencies are discouraged from repeating statutory language in rules unless that is necessary for context. Consequently the absence of the language from the proposed amendments does not signify any particular difference of opinion between the agency and the representatives of the Business Roundtable who prepared the alternative draft. In other instances, additions were suggested that could not be accepted because they contradicted specific provisions in the statute. We have clarified some of these matters with the authors of these proposals and will provide any additional information they need in order to understand how these rules accomplish certain purposes.

**Comment**
One additional letter of public comment was received in which the respondent expressed the hope that the program would not change so that districts could continue using the methods they believe best.

**Analysis**
As outlined above, this set of amendments to Part 260 reflects changes made in the statute which the agency must observe.

**Recommendation**
No change should be made in the proposed rules in response to this comment.