APPROPRIATIONS

As noted in the News in late December, Congress passed and President Clinton signed into law an unprecedented increase in federal education funds for FY2001 (beginning 7/1/01).

Among the highlights of the FY2001 appropriations bill are:

- **Reducing Class Size** -- $1.6 billion - a 25% increase.
- **Increasing Title I grants** -- $8.6 billion - an 8.3% increase.
- **School Renovation Grants** -- new -- $1.2 billion.
- **21st Century After-School Programs** -- $845 million - an increase of 87%.
- **Special Education Grants to States** -- $6.3 billion - a 27% increase, meaning the federal government will now be paying about 15% of the average per pupil expenditure.

Impact in Illinois of Federal Appropriations

In terms of what this means for Illinois, some select program numbers follow:

<table>
<thead>
<tr>
<th>Funding</th>
<th>FY2000 (In millions)</th>
<th>FY2001 (In millions)</th>
<th>National % +/-</th>
<th>Illinois $ +/- expected (actual)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goals 2000</td>
<td>$491</td>
<td>$38</td>
<td>-92.2%</td>
<td>[$19,453,733]</td>
</tr>
<tr>
<td>Title I - Basic</td>
<td>$6,783</td>
<td>$7,237.7</td>
<td>6.7%</td>
<td>$6,509,253</td>
</tr>
<tr>
<td>Title I - Accountability.</td>
<td>$134</td>
<td>$225</td>
<td>68%</td>
<td>$3,380,138</td>
</tr>
<tr>
<td>Title I - Capital Expenses.</td>
<td>313,221</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Title I - Even Start</td>
<td>$150</td>
<td>$250</td>
<td>66.7%</td>
<td>$3,651,944</td>
</tr>
<tr>
<td>Title II</td>
<td>$335</td>
<td>$485</td>
<td>44.8%</td>
<td>$3,800,476***</td>
</tr>
<tr>
<td>Title VI</td>
<td>$365.7</td>
<td>$385</td>
<td>5.3%</td>
<td>$23,525</td>
</tr>
<tr>
<td>IDEA-State Grants</td>
<td>$4,989.7</td>
<td>$6,339.7</td>
<td>27.1%</td>
<td>$57,900,349</td>
</tr>
<tr>
<td>Impact Aid Basic</td>
<td>$170</td>
<td>$210</td>
<td>23.5%</td>
<td>$4,654,684***</td>
</tr>
<tr>
<td>Class Size</td>
<td>$1,300</td>
<td>$1,623</td>
<td>24.8%</td>
<td>$13,479,220***</td>
</tr>
<tr>
<td>Homeless</td>
<td></td>
<td></td>
<td></td>
<td>$322,766</td>
</tr>
<tr>
<td>Vocational Educ. -- State</td>
<td>$1,055.7</td>
<td>$1,100</td>
<td>4.2%</td>
<td>$1,814,063***</td>
</tr>
<tr>
<td>Adult Education</td>
<td>$470</td>
<td>$560.5</td>
<td>19.3%</td>
<td>$1,877,064</td>
</tr>
<tr>
<td>School Renovation**</td>
<td>-0-</td>
<td>$1,300</td>
<td></td>
<td>$44,866,647</td>
</tr>
<tr>
<td>Related/other agencies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Head Start</td>
<td>$5,267</td>
<td>$6,200</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>Infants &amp; Toddlers</td>
<td></td>
<td></td>
<td></td>
<td>$368,996</td>
</tr>
</tbody>
</table>

* = USDE Funds for State Formula – Allocated and Selected Student Aid Programs for Illinois” (prepared by Budget Service 12/15/00).
** = Per USDE, 25% may be used for Part B of IDEA and/or technology activities carried out in connection with school repair and renovation. At the national level, $25M is to provide assistance in the financing of charter school facilities. Method of arriving at $44 million is unknown.
*** = ISBE projections differ slightly from USDE’s.
School Repair and Renovation Grants

As reviewed by Randy Burge and Frank Hanselman of ISBE, included in the FY 2001 Appropriations Bill, under School Improvement Programs, is $1,200,000,000 for School Repair and Renovation Grants which includes provisions for school repair and renovation, activities under part B of the Individuals with Disabilities Education Act and technology activities. Illinois’ allocation is $44,866,647. One percent may be used for state agency administrative costs.

The state education agency (SEA) shall distribute 75% of the funds ($33,649,985 in IL) to local educational agencies (LEAs) through competitive grant processes for school repair and renovation. Grants will be awarded to high poverty schools which will receive shares of the state allocation of Federal repair and renovation funds that are proportionate to their share of the state allocation of title I, part A funds. High poverty school districts are considered those with 30% or greater child poverty or LEAs with at least 10,000 poor students.

The SEA shall distribute 25% of the funds ($11,216,661 in IL) to LEAs through competitive grant processes to: carry out activities under part B of the Individuals with Disabilities Education Act (IDEA), and for technology activities that are carried out in connection with school repair and renovation.

These funds can be used for:
- Emergency repairs or renovations to public facilities only to ensure the health and safety of students and staff, including
  - Repairing, replacing, or installing roofs, electrical wiring, plumbing systems, or sewage systems
  - Repairing, replacing, or installing heating, ventilation, or air conditioning systems (including insulation); and
  - Bringing public schools into compliance with fire and safety codes.
- School facilities modifications necessary to render public school facilities accessible in order to comply with the Americans with Disabilities Act
- School facilities modifications necessary to render public school facilities accessible in order to comply with section 504 of the Rehabilitation Act
- Asbestos abatement or removal from public school facilities
- Renovation, repair, and acquisition needs related to the building infrastructure of a charter school

These funds cannot be used for:
- Payment of maintenance costs in connection with any projects constructed in whole or in part with Federal funds provided under this program
- The construction of new facilities
- Stadiums or other facilities primarily used for athletic contests or exhibitions

In terms of the 75% awards, ISBE shall award to high poverty LEAs in the aggregate, at least an amount which bears the same relationship to such total amount as the aggregate amount such LEAs received under Part A of Title I of the ESEA Act of 1965 for FY2000 bears to the aggregate amount received for such fiscal year under such part by all LEAs in the State; to rural LEAs in the aggregate, at least an amount which bears the same relationship to such total amount as the aggregate amount such LEAs received under Part A of Title I of the ESEA Act of 1965 for FY2000 bears to the aggregate amount received for such fiscal year under such part by all LEAs in the State; and the remaining funds to LEAs not receiving an award under the clauses above, including high poverty and rural LEAs that did not receive an award. High poverty LEAs are where the percentage of poor children is 30% or greater or the number of poor children is at least 10,000. In awarding the grants, the SEA shall take into account the % of poor children 5 to 17 years of age, inclusive, the need of a LEA for school repair and renovation (as demonstrated by the condition of its public school facilities), the fiscal capacity of a LEA to meet its needs for repair and renovation of public school facilities without assistance under this program, including its ability to raise funds through use of local bonding capacity and otherwise. In the case of a LEA that proposes to fund a repair or renovation project for a charter school, the extent to which the school or schools have access to funding for the project through the financing methods available to other public schools or LEAs in the State.

The SEA may require LEAs to match funds awarded. The amount of a match may be established by using a sliding scale that takes into account the relative poverty of the population served by the LEA.
In terms of the 25% awards, the SEA shall distribute to LEAs through competitive grant processes to be used for the following purposes: to carry out activities under Part B of the IDEA; for technology activities that are carried out in connection with school repair and renovation including: wiring, acquiring hardware and software, acquiring connectivity linkages and resources, acquiring microwave, fiber optics, cable, and satellite transmission equipment. Criteria for awarding IDEA grants: the need of a LEA for additional funds for a student whose individual allocable cost for expenses related to IDEA substantially exceeds the State’s average per-pupil expenditure (as defined by the IDEA), special education and related services under Part B of IDEA, assistive technology devices (as defined by the IDEA) or assistive technology services (as so defined) for children being served under Part B of IDEA, activities under Part B of IDEA in order for children with disabilities to make progress toward meeting the performance goals and indicators established by the State. Criteria for awarding technology grants: need of a LEA for additional funds for such activities.

This program will be administered in the Office of Elementary and Secondary Education at the USDE. ISBE is awaiting further guidance from USDE on this matter.

Technology and Filtering Requirement Passed by Congress

Information as prepared by Ricardo Tostado of the State Board of Education shows that education technology received a sizeable funding increase. The FY01 funding level is $872 million, an increase of $106 million. The following is a list of programs included in the final law:

- Technology Literacy Challenge Fund -- $450 million, an increase of $25 million
- Technology Innovation Challenge Grants -- $136.3 million, a decrease of $10 million
- Teacher Technology Training: (Preparing Tomorrow’s Teachers to Use Technology) -- $125 million, an increase of $50 million
- Community Technology Centers -- $64.95 million, an increase of $32.95 million
- Star Schools -- $59.3 million, an increase of $8.7 million

The agreement includes a provision that extends the current enhanced deduction for donations of computer technology and equipment through December 31, 2003, expands the enhanced deduction to include donations to public libraries and increases the age limit to three years. In addition, the law provides that the Secretary of Education may prescribe according to standards to ensure that the donations meet minimum functionality and suitability standards for educational purposes.

In addition, the law includes language that federally mandates Internet filtering for schools and libraries receiving E-rate, Title III and Library Services & Technology Act funds. Under a new federal law, passed as part of a large spending package at the end of 2000, most schools and libraries will have to use filtering software on computers with Internet access. Any school or library that receives discounted rates for telecommunications services under the E-Rate program, or receives funding through the Library Services & Technology Act or Title III, in order to purchase computers used to access the Internet, or to pay for direct costs associated with accessing the Internet, must comply with the conditions described below.

Schools and libraries must:

- adopt and implement an “Internet Safety Policy” with the following elements included:
  - operation of a “technology protection measure” that “blocks or filters Internet access to visual depictions that are” obscene, child pornography, harmful to minors, or any other Internet content a local educational agency, elementary or secondary school, or library determines is “inappropriate for minors”
  - safety and security of minors when using electronic mail, chat rooms, and other forms of direct electronic communications; (i.e. Instant Message services)
  - “hacking” and other unlawful activities by minors online;
  - unauthorized disclosure, use, and dissemination of personal identification information regarding minors; and
  - measures designed to restrict minors’ access to materials harmful to minors;
- hold at least one public meeting or hearing on the Internet Safety Policy.

The E-Rate program, Department of Education, and Institute of Museum and Library Services will require certification of compliance with the requirements under their various jurisdictions, in a manner to be determined.
As a general rule, schools and libraries must block or filter all access to “visual depictions” that are obscene, child pornography, harmful to minors, or that the local school or library authority has determined are “inappropriate for minors.” This law applies to both minors and adults. If a school or library can find a filtering software tool that allows them to filter only obscenity and child pornography, but not “harmful to minors” material when adults are using affected computers, they may use it, and allow adult access to “harmful to minors” material.

What is less clear is when, if ever, the filtering software may be disabled entirely. The bill contains several provisions addressing the issue of filtering software being disabled by a school or library administrator “to enable access for bona fide research or other lawful purposes.” (Not all such software functions that way, but if a school or library is able to find and afford such software, they may select it as their “technology protection measure”).

The question of whether and when to disable filters to access material requested by a library patron or a student is one that will require careful consideration. Those institutions that receive funding from more than one of the covered programs face conflicting requirements. The entire bill requires certification that the school “is enforcing the operation of such technology protection measure during any use of such computers by minors.” The phrase “any use” is repeated in describing the requirements for filtering adult use of the Internet. However, a later portion of the Title III and LSTA sections reads:

- **DISABLING DURING CERTAIN USE:** An administrator, supervisor, or person authorized by the responsible authority under paragraph (1) may disable the technology protection measure concerned to enable access for bona fide research or other lawful purposes.

The exception for disabling filters in the E-Rate section of the bill differs:

- **DISABLING DURING ADULT USE:** An administrator, supervisor, or other person authorized by the certifying authority under subparagraph (A)(i) may disable the technology protection measure concerned, during use by an adult, to enable access for bona fide research or other lawful purpose.

- A “minor” is defined as persons under 17 years of age, meaning that different requirements may apply to a school or library based on students’ ages as well as the source of program funds.

Not all of the timeline requirements in this bill are clear.

- The substantive Internet safety policy requirements outlined above (excluding the selection of a filtering technology) “shall apply on or after the date that is 120 days after the date of enactment” (April 14, 2001, although the deadline would likely be the following Monday, April 16, 2001). These policies must be developed with input from at least one public meeting. However, there does not appear to be a penalty or certification requirement relating to this policy requirement before the E-Rate deadline below.
- Most of the provisions of this law involve requirements for “the first program funding year following the date of enactment of this bill.” For E-Rate recipients, this suggests that July 1, 2001 is the key deadline. For schools and libraries unable to comply that quickly, because of procedural or procurement restrictions, the law allows special certification waivers during the first year, and under more limited circumstances, the second year.
- The definition of “program year” under Title III and LSTA is unclear.

Funds available under Sec. 3134, Part A of Title VI of ESEA, or Sec. 231 of LSTA may be used for the purchase or acquisition of the “technology protection measures” required by this bill. (Filtering and blocking software or services.) No additional or new funds are authorized.

**Title I Accountability**

Retained in the provisions by Congress was $45 million for state education agencies to continue to develop and align state standards and assessments. The final law includes an increase of $91 million for Title I accountability grants for schools in need of program improvement, over the new funding in 2000 of $134 million. As was the case last year, there are also school choice provisions included in these grants. These
provisions were expanded to all schools receiving Title I, Part A grants, instead of just those schools that receive the $225 million in accountability grants. The actual school choice language is below, with new provisions in bold:

**Class Size Program Changes**
Changes for class size included: if an LEA in any state has more than 10% of its elementary school teachers uncertified, it may request a waiver to use more than 25% of class size funds for professional development to help such teachers become certified; the list of authorized professional development activities is expanded (e.g., mentoring programs for new teachers, opportunities for teachers to attend multi-week institutes, and promoting the retention of highly qualified teachers who have a record of success in helping low-income students improve their academic success) and not later than 30 days after enactment Secretary must notify LEAs of their new flexibility under these provisions.

**National Competitive Grant Opportunities**
- $30 million for an Elementary School Counseling Demonstration program
- $5 million for grants to schools to improve physical education programs
- $5 million for a dropout prevention project
- $50 million for a program to promote the study of U.S. History (Secretary awards grants directly to LEAs)
- $5 million for high school reform state grants to SEAs (the Secretary would award three-year grants to SEAs who would make 90% of these funds available for competitive grants to secondary schools in order to support activities that will help students meet state standards).
- $125 million for smaller learning communities.

Additionally, there were several new programs authorized in the bill that may mean additional funding--Early Learning Opportunities and Rural Education Achievement Program.

**The new Early Learning Opportunities Act** helps communities increase, expand, and better coordinate early learning opportunities for teachers, children and their families. The Secretary of Education will work with the Secretary of HHS to make these programs accessible to parents by streamlining them into a coordinated effort. The Governor, in consultation with the leadership of the state legislature, will appoint the lead state agency. The Early Learning Opportunities Act, which is in HHS, has been authorized at $750 million for FY2001, $1 billion for FY2002, and $1.5 billion for FY2003.

The **Rural Education Achievement Program (REAP)** allows small rural LEAs to consolidate funding from certain education programs in ESEA Title I, II, III, and IV. The Secretary would award these grants on a competitive basis to LEAs, and SEAs would determine the success of the program, based on state assessments. If, after three years, the LEA did not improve performance over the first year of the program, the SEA would prohibit those schools from participating in the program. Additionally, an LEA must notify the SEA of its intention to participate in this program before the date set by the SEA. An eligible LEA under this program must have an average daily attendance of less than 600 students, and all schools in the LEA must be designated with a School Locale Code of 7 or 8 by the Secretary of Education. While the program is authorized to receive $62,500,000 for FY2001, it is unclear if this funding was appropriated in H.R. 5656.

**TENTATIVE 2001 CONGRESSIONAL SCHEDULE**
The House and Senate recently released their tentative schedule for the first session of the 107th Congress:

<table>
<thead>
<tr>
<th>January 20</th>
<th>Presidential inauguration</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 17-25</td>
<td>President’s Day recess</td>
</tr>
<tr>
<td>April 7-22</td>
<td>Easter recess</td>
</tr>
<tr>
<td>May 26 - June 3</td>
<td>Memorial Day recess</td>
</tr>
<tr>
<td>June 30 - July 8</td>
<td>Independence Day recess</td>
</tr>
</tbody>
</table>
PRESIDENT-ELECT BUSH NOMINATES DR. ROD PAIGE TO BE SECRETARY OF EDUCATION

Dr. Rod Paige of Houston was appointed by President-elect Bush on December 29, 2000 to head the U.S. Department of Education.

From a **local perspective**, the Houston Independent School District web page stated background information:

Dr. Rod Paige was appointed Superintendent of Schools in 1994 after having served as Dean of the College of Education at Texas Southern University. He was elected to the HISD Board of Education in 1989 and served as president in 1992.

Dr. Paige earned a Bachelor of Science degree from Jackson State University and a Master of Arts and a doctorate from Indiana University. He has served on review committees of the Texas Education Agency and has held numerous positions of responsibility with the Texas Association of School Boards and the Texas Association of School Administrators. Dr. Paige has been active in the Education Commission for the States and has served as a consultant to the Greater New Orleans Education Foundation.

Dr. Paige has been a member of the Houston Job Training Partnership Council, the State Board of Education High School Education Task Force, the Community Advisory Board of Texas Commerce Bank, the NAACP, and the Board of Directors of the Texas Business and Education Coalition and currently serves as secretary-treasurer for the Council of Great City Schools, a national organization that named him outstanding urban educator in 1999.

Dr. Paige shares with the [Houston] Board of Education authorship of the "Declaration of Beliefs and Visions" and is the creator of strategic plans for increasing scholastic achievement, parental involvement, and community support as well as programs for leadership and management training, continuous improvement, and accountability at all levels.

From a **national viewpoint**, the *New York Times* of December 30, 2000 offered the following story

Rod Paige, the superintendent of schools in Houston, discovered a few years ago that many of his principals were ignoring a new state law that ordered any child caught carrying a weapon or making a violent threat to be expelled or sent to a special school. And so Dr. Paige, a former head football coach at Texas Southern University who wrote his doctoral thesis on the reaction time of offensive lineman, did what any coach would do: he called a team meeting.

"He just about threatened those principals' lives and told them, 'You had best not keep a dangerous child on your campus,' " said Gayle Fallon, the longtime president of the Houston Federation of Teachers. "Within the next couple of weeks, we saw an influx of students into that alternative school."

In the six years that he has managed the Houston public schools, the nation's seventh-largest district, Dr. Paige, 67, has displayed similar muscle to all but compel gains in a range of other areas.

He tied principals' salaries and job security to their students' performance, and wound up demoting some administrators and coaxing others into retirement. He contracted with private companies to pick up garbage, prepare food and even run that alternative school for wayward students. He blocked failing students from being promoted. And, most dramatically, he helped nudge test scores steadily upward in the Houston district, which is largely black and Hispanic. It now ranks among the highest-performing in the state.

On December 29, 2000, President-elect George W. Bush, who as Texas governor often cited the success of Dr. Paige's district as symbolizing the new swagger in his state's public schools, asked Dr. Paige to lead the Department of Education. If confirmed, he would be the second black in the Bush cabinet, along with Gen. Colin L. Powell, Mr. Bush's designee for secretary of state.

Dr. Paige is unlikely to throw out Mr. Bush's educational playbook.
The son of a Mississippi librarian and school principal, Dr. Paige has been a vocal supporter of the annual standardized tests that Mr. Bush has championed in Texas and hopes to extend to the nation as a whole. And he has already shown openness to experimenting with using tax money to finance students’ private school tuition, as Mr. Bush has said he will ask Congress to do.

Several years ago, Dr. Paige, a Republican and an usher in his Baptist church, initiated a program that permitted students in Houston's lowest performing schools — about 3 out of 300 — to use state education money to attend private schools, as long as the school did not have a religious affiliation, said Ms. Fallon, the union leader. Only a handful of children took Dr. Paige up on the offer.

"We believe that public funds should go to students, not institutions, and there may be a time when vouchers will be part of the mix," Dr. Paige wrote in a column in the journal Education Week last month. Yet in the same article, he cautioned against grasping for a "quick-fix solution," and said that no remedy — whether vouchers or standards or standardized tests or teacher raises — should be seen as a panacea. "In Houston, we have heard all of these proposals, and we have embraced quite a few of them," he wrote. "But we have resisted the temptation to think that any one of them is powerful enough to bring about the changes needed to equip today's students — all of them — with the knowledge and skills they need to function."

Transition Team

President-elect Bush has appointed a 31-member advisory group to assist Secretary nominee Paige in his transition to USDE. The group is to provide input and related outreach for the policy coordination group appointed earlier. The group includes Lamar Alexander (former USDE Secretary), Norman Augustine (Lockheed Martin), Keith Bailey (Williams Companies), Frank Brogan (Lt. Gov. of Florida), John Chambers (Cisco Systems), Sharon Darling (national Center for Family Literacy), Williamson Evers (Hoover Institution), Chester Finn (Fordham Foundation), Floyd Flake (Edison Schools), Howard Fuller (Institute for the Transformation of Learning), Lisa Graham Keegan (Chief in Arizona), Gene Hickok (chief in Pennsylvania), Phyllis Hunter (Texas Reading Initiative), Robert King (State University of New York), Reid Lyon (NIH), Mitch Maidique (Florida International University), Bruno Manno (Annie E. Casey Foundation), John McKernan (former governor of Maine), Charles Miller (Meridian Advisors, Ltd.), Darla Moore (Rainwater, Inc.), Lynne Munson (American Enterprise Institute for Public Policy), Diana Natalicio (University of Texas-El Paso), Susan Neuman (Center for Improvement of Early Reading Achievement), Hugh Price (National Urban League), Diane Ravitch (New York University), Ed Rust (State Farm Insurance), Ted Sanders (Education Commission of the States), Andrew Sorenson (University of Alabama), Paul Vallas (Chicago Public Schools), Maris Vinovskis (University of Michigan) and Mark Yudof (University of Minnesota).

The policy experts named by Bush are: Margaret LaMontagne (Bush’s senior education advisor in Texas), who will direct the group; Sandy Kress (attorney and former president of the Dallas school board), as the chief adviser; William Hansen (Education Finance Council); Sarah Youssef (from the campaign, formerly with the Heritage Foundation); Christine Wolfe (staff of the House Education and Workforce Committee); Becky Campoverde (same); and Nina Shokraii Rees (Heritage Foundation).
Section 254(h) Act of 1934
ii 20 USC 9134(b)
iii 20 USC 6801 et seq.
iv Emphasis added. Sec. 3601(a)(1)(A)(ii) and Sec. 1712(a)(1)(A)(ii).
v Sec. 3601(a)(1)(B)(ii) and Sec. 1712(a)(1)(B)(ii).
vi Emphasis added. Sec. 3601(a)(3). The parallel section covering LSTA funds differs slightly, but not in relevant part.
vi Emphasis added. Secs. 1721(a)(D) and 1721(b)(D)