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
                Sally Vogl

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
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).

The eligible applicant section is also being changed in order for the rules to be in compliance with recently enacted legislation. Besides the rules listed above, this change will involve Part 151 (School Construction Program).

These rules were published in the Illinois Register September 7, 2001, to elicit public comment; none was received.

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

**Policy Implications:** The change in the limit for when budget amendments must be submitted for approval will reduce paperwork for State Board staff and grant recipients, provide greater flexibility for grant recipients to earmark funds for locally determined needs within allowable categories, and preserve fiscal accountability.

Other changes will make the eligible applicant sections for each of these parts of rules consistent with recent legislation that allows area vocational centers and approved public university laboratory schools to apply for grants under the same circumstances as school districts can apply for funding. The grant period will be amended in two parts of these rules to reflect the change in the lapse period that occurred several years ago.

**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

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, Requests for Proposals or application documents, as applicable, will be changed to incorporate the changes.
MEMORANDUM

TO: Michael Dunn
    Carmen Chapman-Pfeiffer

FROM: Connie Wise

SUBJECT: Proposed Rules for November Board Packet

Amendments to the rules governing eight grant programs, along with the attached executive summary, are ready for presentation to the Board for adoption at its November 15, 2001, meeting. The proposed amendments were published in the Illinois Register on September 7, 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, November 2. Thank you.

________ Michael Dunn
________ Carmen Chapman-Pfeiffer