Purpose of Agenda Item

To apprise the members of the State Board of Education on current legislation before Congress and to discuss related federal education issues and funding.

Expected Outcome(s) of Agenda Item

The Board will be informed about the agency’s Governmental Affairs federal activities.

Background Information

Governmental Affairs staff continues to monitor activity in Congress regarding the FY2003 Labor/HHS/Education Appropriations bill through regular discussions with Scott Barnhart, BGR. News from Washington regarding education and education funding has been fairly quiet since the December Board meeting with Congress being adjourned and with most members at home enjoying the holidays with their families.

As stated in the December report, House and Senate appropriators are contemplating a major rewrite of the 11 remaining fiscal 2003 federal spending bills to stay within the overall budget imposed by President Bush with the backing of GOP leaders. With President Bush demanding quick action to wrap up the fiscal 2003 spending bills, an effort is under way behind the scenes to produce bills that can be cleared early in January.

President Bush’s proposed spending level for the Labor-HHS bill was significantly less than the amount authorized by the No Child Left Behind education law (PL 107-110) his administration touts. But to shift money to these programs and stay under the overall ceiling, lawmakers would have to reduce other spending.
The new Congress is expected to attempt to complete the fiscal 2003 appropriations process with a huge spending package. That unusual process would leave major decisions in the hands of a small group of appropriators, GOP leaders and White House officials.

The current continuing resolution (PL 107-294) expires January 11. Before that date, it is expected the House would pass two more continuing resolutions. One would fund the government on a stopgap basis, and the other would serve later as a vehicle for an omnibus bill.

Once the FY 03 spending bills become law, work will begin on the FY 04 appropriations bills. Governmental Affairs staff will have ISBE’s FY 04 earmark requests finalized by February 1st. Other federal activity for the coming months will include the reauthorization of IDEA, securing increased QZAB authority for Illinois, and working to keep Medicaid funding for schools at its present level.

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

**Budget Implications**

The FY03 and FY04 federal appropriations bill has implications for upcoming budget and agency action:

- Standard appropriations (e.g., for NCLB Title I, etc.) this fall have implications in the budgeting process and supporting agency and school initiatives; and
- Agency grant applications or school direct grant applications during 2002-03.

**Communication**

Governmental Affairs’ Federal Liaison will continue to communicate with BGR and the Illinois Congressional Delegation regarding FY 03 and FY 04 earmark requests.

**Superintendent’s Recommendation**

No formal action is needed at this time.

**Next Steps**

Work with the Illinois Congressional Delegation and BGR to secure as much federal funding as possible.