

# GOVERNOR'S STIMULUS EXECUTIVE COMMITTEE PROPOSAL

2009 American Recovery and Reinvestment Act



## Public School Information

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# Governor's Stimulus Executive Committee Proposal

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## EXECUTIVE SUMMARY

The State of Idaho will receive an estimated \$351,473,200 for public education through the American Recovery and Reinvestment Act of 2009 (ARRA). Of that funding, approximately \$166,175,700 will be used to stabilize the K-12 public schools budget in fiscal years 2009, 2010 and 2011. Since the state estimates budget shortfalls of more than \$200 million over the three fiscal years, it is clear that the Idaho Legislature will still need to make reductions to the FY2010 public schools budget. Superintendent of Public Instruction Tom Luna has proposed 10 ideas for how the Idaho Legislature can reduce the public schools budget by \$62 million in FY2010 while maintaining student-teacher contact hours and those programs that have the most immediate impact on student achievement.

In order to receive the estimated \$166,175,700 in State Fiscal Stabilization Funds through ARRA, Idaho Governor C.L. "Butch" Otter must submit an application to the U.S. Secretary of Education Arne Duncan, outlining how the state meets specified assurances and how the state will spend the stabilization funds. The following report outlines how the State of Idaho meets the following assurances:

1. Maintenance of Effort
2. Achieving Equity in Teacher Distribution
3. Improving Collection and Use of Data
4. Standards and Assessments
5. Supporting Struggling Schools

The State Department of Education is confident that current and past efforts meet these assurances. However, for the Improving Collection and Use of Data assurance, the State Department of Education has outlined its work to develop a statewide longitudinal data system. However, since this project is still in the early stages, the state needs additional funding to prove it can fully meet the assurance required by Section 14005(d)(3) of ARRA.

In addition to the State Fiscal Stabilization Funds, the State of Idaho will also receive an estimated \$104,426,900 in formula grants through ARRA that will flow directly to Local Education Agencies, such as school districts and public charter schools. The federal government has not issued official guidance on how the funding in these formula grants can be spent. The

following report outlines how the state will spend this funding assuming the current regulations and guidelines for these formula grants remain the same. Here is a brief overview of these formula grants and how the funding will be spent:

**Title I-A: \$45,510,300**

Title I-A provides funding for high-poverty schools to ensure all students receive a high-quality education and funds all No Child Left Behind (NCLB) programs. NCLB ties accountability to Title I-A funding.

- Title I-A Grants to LEAs: \$34,907,300  
Use of Funds: Professional development, summer school, before- and after-school programs, tutoring and other supplemental services.
- Title I School Improvement Grants: \$10,603,300  
Use of Funds: Expanding the Idaho Building Capacity Project, regional school improvement planning workshops, superintendents' professional learning community, new school improvement planning software for schools and districts.

**Title II-D Educational Technology: \$3,209,400**

Title II-D seeks to “improve student achievement through the use of technology in elementary and secondary schools.”

Use of Funds: Professional development, hardware, software and other technological services.

**McKinney-Vento Homeless Assistance: \$191,000**

The McKinney-Vento Homeless Assistance Act ensures a free and equal education to homeless students.

Use of Funds: Professional development for educators and parents, supplemental instruction, school supplies, transportation costs, mentoring, and assistance with health costs.

**IDEA Part B: \$55,516,200**

The Individuals with Disabilities Education Act (IDEA) ensures children with disabilities, ages 3-21, receive special education services. The federal government is supposed to fund IDEA at 40 percent but has only ever funded it up to 25 percent. The State Department of Education estimates the stimulus funding will give the state nearly 40 percent in funding from the federal government, but a final percentage cannot be determined until the state receives official guidance from the federal government.

- IDEA Part B School age: \$53,247,400
- IDEA Part B Preschool: \$2,268,800
- Use of Funds: Curriculum development, assistive technology, early intervention services, statewide high-cost fund, training for charter schools, parental involvement activities and professional development.

**School Lunch Equipment: \$469,300**

Currently, none of the U.S. Department of Agriculture (USDA) National School Lunch Program Funds are earmarked for school lunch equipment. The preliminary guidance Idaho has received on this grant is that the funding will be allocated to school districts and public charter schools through competitive grants. Schools with 50% or more students that qualify for Free and Reduced-Price lunches will get highest priority.

Use of Funds: Refrigerators, ovens, microwaves, mixers and other small equipment.

**Innovative Program Grants:** The U.S. Secretary of Education has discretion over State Incentive Fund Grants and Innovative Program Grants. Idaho is awaiting further guidance on the application process for these competitive grants.

## STATE FISCAL STABILIZATION FUND

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### INTRODUCTION

In September 2008, Superintendent of Public Instruction Tom Luna submitted an initial proposal for the FY2010 Public Schools Budget, requesting a 5.4 percent increase in general funds based on the budget projections that were available at that time. Just days after Superintendent Luna submitted this budget, the economy took a turn for the worse. Idaho Governor C.L. "Butch" Otter ordered a 1 percent holdback in FY2009 budgets. The Governor ordered an additional 3 percent holdback in December and asked state agencies to keep another 2 percent in reserves. Fortunately, thanks to the foresight of the Idaho Legislature, public schools were held harmless from the budgetary holdbacks in FY2009 because of the Public Education Stabilization Fund (PESF), a rainy day fund set up in 2006, covered the shortfalls.

Even though public schools were held harmless in the current year, it became apparent that public schools could not remain harmless in FY2010 as state revenues continued to decline. Superintendent Luna revised his proposal for the FY2010 Public Schools Budget in January and proposed the Legislature reduce the public schools budget by \$62 million. Superintendent Luna told lawmakers that \$62 million was the maximum amount of cuts the state could make without hurting student achievement in the short-term or long-term. If Idaho had to cut further than \$62 million, Superintendent Luna told lawmakers the state must look at alternative sources of revenue.

By the beginning of February, it looked as if the Legislature would need to cut public education even further. The Idaho Legislature's budget committee, the Joint Finance-Appropriations Committee (JFAC), took action on several items on Friday, February 13, 2009 right before the stimulus package passed Congress. First, JFAC and the Governor ordered all state agencies to reduce FY2009 budgets by an additional 2 percent -- a total of 6 percent for the current fiscal year. For public schools, this meant an estimated \$85 million would need to be taken from the Public Education Stabilization Fund in FY2009.

Second, JFAC approved a \$109 million target for reductions to the FY2010 Public Schools Budget. These budget reductions included the \$62 million in cuts to the public schools budget that Superintendent Luna had proposed and an additional 5 percent cut in pay for Idaho teachers, administrators and other school personnel. JFAC also cautioned that public schools could face up to \$130 million in cuts in FY2010 depending on state revenues in the coming month.

Finally, at the same time JFAC approved these measures, the U.S. Congress approved the American Recovery and Reinvestment Act of 2009 (ARRA), which would provide an estimated \$300 million for public education in Idaho. Of that, about \$166 million would help offset cuts to the K-12 Public Schools Budget in FY2009, FY2010 and FY2011. With public schools facing cuts of \$85 million in the current year and up to \$130 million in FY2010 and possibly further cuts in FY2011, it is clear this funding will help offset some but not all of the cuts to public education across the three fiscal years. The following report will detail how the funding for public education for Idaho can be used across FY2009, FY2010 and FY2011 and the process the State of Idaho must follow to apply for this funding.

**APPLICATION PROCESS**

Under Section 14005 of Title XIV of ARRA, Governor Otter is required to submit an application to the U.S. Department of Education in order to receive State Fiscal Stabilization Funds. The application must demonstrate the need for stimulus funding and assurances for how Idaho is currently working to improve our public education system.

According to Section 14005 of Title XIV of ARRA, the Governor's application must:

- (1) include the assurances described in subsection (d);*
- (2) provide baseline data that demonstrates the State's current status in each of the areas described in such assurances; and*
- (3) describe how the State intends to use its allocation, including whether the State will use such allocation to meet maintenance of effort requirements under the ESEA and IDEA and, in such cases, what amount will be used to meet such requirements.*

The Assurances outlined in Section 14005(d) are as follows:

- (1) MAINTENANCE OF EFFORT-*
  - (A) ELEMENTARY AND SECONDARY EDUCATION- The State will, in each of fiscal years 2009, 2010, and 2011, maintain State support for elementary and secondary education at least at the level of such support in fiscal year 2006.*
  - (B) HIGHER EDUCATION- The State will, in each of fiscal years 2009, 2010, and 2011, maintain State support for public institutions of higher education (not including support for capital projects or for research and development or tuition and fees paid by students) at least at the level of such support in fiscal year 2006.*
- (2) ACHIEVING EQUITY IN TEACHER DISTRIBUTION- The State will take actions to improve teacher effectiveness and comply with section 1111(b)(8)(C) of the ESEA (20 U.S.C. 6311(b)(8)(C)) in order to address inequities in the distribution of highly qualified teachers between high- and low-poverty schools, and to ensure that low-income and minority children are not taught at higher rates than other children by inexperienced, unqualified, or out-of-field teachers.*
- (3) IMPROVING COLLECTION AND USE OF DATA- The State will establish a longitudinal data system that includes the elements described in section 6401(e)(2)(D) of the America COMPETES Act (20 U.S.C. 9871).*
- (4) STANDARDS AND ASSESSMENTS- The State--*
  - (A) will enhance the quality of the academic assessments it administers pursuant to section 1111(b)(3) of the ESEA (20 U.S.C. 6311(b)(3)) through activities such as those described in section 6112(a) of such Act (20 U.S.C. 7301a(a));*

*(B) will comply with the requirements of paragraphs (3)(C)(ix) and (6) of section 1111(b) of the ESEA (20 U.S.C. 6311(b)) and section 612(a)(16) of the IDEA (20 U.S.C. 1412(a)(16)) related to the inclusion of children with disabilities and limited English proficient students in State assessments, the development of valid and reliable assessments for those students, and the provision of accommodations that enable their participation in State assessments; and*

*(C) will take steps to improve State academic content standards and student academic achievement standards consistent with section 6401(e)(1)(9)(A)(ii) of the America COMPETES Act.*

*(5) SUPPORTING STRUGGLING SCHOOLS- The State will ensure compliance with the requirements of section 1116(a)(7)(C)(iv) and section 1116(a)(8)(B) of the ESEA with respect to schools identified under such sections.*

### **Assurances and Baseline Data**

Superintendent Luna and the State Department of Education have worked on multiple fronts to improved education in Idaho, including the areas outlined by the American Recovery and Reinvestment Act. The State of Idaho will continue to make progress and meet the assurances listed below.

The following is a description of each Assurance and Baseline Data, as required under Title XIV, Section 14005(d):

#### **(1) Maintenance of Effort for Elementary and Secondary Education:**

The legislation requires Idaho to assure that it is maintaining support for public schools in FY2009, FY2010 and FY2011 at a level that is no less than the level of state support in FY2006. In FY2006, the state appropriated \$1,040,600,000 for the Public Schools Budget. If the FY2009 Public Schools Budget is reduced by \$85.1 million, state funding for public schools would not fall below \$1,395,800,000, an amount well above the FY2006 appropriation. Based on current revenue projections, it is unlikely that the FY2010 or FY2011 Public School Budget appropriation levels will fall below the FY2009 level to any significant degree.

Superintendent Luna's goal is to maintain state support for K-12 public schools with a maximum of \$62 million in budget reductions, after funding growth. He does not believe the Legislature can cut the public schools budget any more than \$62 million without harming student achievement.

#### **(2) Achieving Equity in Teacher Distribution**

Under the No Child Left Behind Act of 2001, all states must ensure that 100 percent of teachers are deemed highly qualified, which means teachers must have: 1) a bachelor's degree, 2) full state certification or licensure, and 3) proof of content competency. Teachers must demonstrate competency in one of several ways: 1) a major in the subject they teach, 2) credits equivalent to a major in the subject, 3) passage of a state-approved test, 4) an advanced certification from the state, 5) a content-specific graduate degree, or 6) HOUSSE rubric. The Highly Objective Uniform State Standard of Evaluation, or HOUSSE, allowed states to develop a rubric for

veteran teachers to demonstrate subject-matter competency by showing proof of a combination of teaching experience, professional development, and knowledge in the subject garnered over their time in the profession.

When Superintendent Tom Luna took office in January 2007, an estimated 29 percent of Idaho teachers did not meet Highly Qualified Teacher (HQT) requirements. This was, in part, because districts were reporting veteran teachers as Highly Qualified though they had never completed a HOUSSE rubric. Prior to 2007, the Idaho State Department of Education considered any Idaho certificated teacher as meeting HQT status; and the HOUSSE rubric was used only for misassignments when teachers were teaching outside of their area of endorsement. Since then, the State Department of Education has worked to increase accountability, provide more flexibility by creating sound alternative pathways, and focus our statewide resources on schools that need the most assistance. Specifically, the State Department of Education has taken steps to provide focused technical and financial assistance to help rural and low-income districts in meeting the HQT goals.

In February 2007, the State Department of Education increased accountability for all school districts to meet the HQT requirements. The State Department of Education scheduled extensive workshops around the state to train district personnel in understanding federal guidelines around HQT status. Department staff also audited HOUSSE rubrics on file with local school districts to ensure teachers filling out these forms had actually met the HQT requirements.

In the 2007-08 school year, the Department also made a concerted effort to focus its resources in providing assistance to districts that needed it most. The Department clarified state assignment codes for teaching positions and restricted these codes so the state could see exactly which core content areas were being taught by non-HQT teachers statewide. As a result, Department staff learned that middle school math courses had a great need for teachers meeting HQT requirements. Therefore, the state started targeting a portion of Title II-A state activity funds specifically on rural school districts with high numbers of non-HQT teaching middle school math. Superintendent Luna implemented the Idaho Math Initiative statewide to offer high-quality professional development for math teachers across all grades. In addition, the Department, under the leadership of Superintendent Luna, partnered with an existing professional development program for school principals, known as the Principal Academy of Leadership (PAL). Through this partnership, the principals participating in PAL chose up to three middle school math teachers from their schools to receive professional development in best practices and content knowledge specific to Algebra. All these efforts will help ensure middle school math teachers are able to pass the Praxis II test to meet the HQT requirements and promote student achievement in the future.

In addition to these efforts, the Department's Teacher Certification staff has worked to remove unnecessary barriers and redundancies in the certification and endorsement process. For example, the Department has now made it simpler for teachers who have proof of being qualified as HQT in another state to move to Idaho and immediately qualify as HQT in the same content area. The Department has also created an alternate route to endorsements to streamline the process for qualified Idaho teachers to earn additional endorsements in core content areas with an emphasis on content knowledge and appropriate pedagogy.

Since 2007, Idaho has significantly increased the number of HQT teachers across the state. In the 2007-2008 school year, 93 percent of teachers met HQT requirements, up from 71 percent the previous year. In the current 2008-2009 school year, preliminary estimates show about 95 percent of Idaho teachers now meet HQT requirements. Districts still struggling with HQT are clearly those in rural areas, for whom we have already begun creating opportunities to network with neighboring districts and are providing technical assistance and resources from the state level.

Our work to ensure 100 percent of Idaho teachers are HQT is continuing every day. In the current school year, Department staff began working closely with those school districts that did not have all HQT teachers on staff and had not meet Adequate Yearly Progress (AYP) under No Child Left Behind for more than two consecutive years. In further implementing Section 2141 of ESEA, in the 2009-10 school year a comprehensive individual professional development plan will be required for each teacher within a district not meeting HQT. The state will work closely with these districts to ensure targeted technical assistance for teachers. This increased effort will not only help us meet the requirements of No Child Left Behind but also improve student achievement across Idaho.

### **(3) Improving Collection and Use of Data**

Currently, Idaho is just one of six states without a statewide longitudinal data system. When Superintendent Luna took office two years ago, he recognized the importance of data in improving our education system and immediately began working to fundamentally change the way the state collects, stores, and uses student information. Idaho began the process of developing and implementing a statewide longitudinal data system in 2008 with initial funding of \$2.5 million from the Idaho Legislature. In addition to helping guide instruction and measure academic progress, data from the longitudinal data system will be used to meet state and federal reporting requirements, respond to legislative requests for information and support educational research and improvement. Idaho set the following goals for its Statewide Longitudinal Data System in 2008:

- Facilitate analysis and research to improve academic achievement and close achievement gaps.
- Provide historical district, school, student and staff information to program offices.
- Link student and staff data across time and program.
- Support interoperability in the districts.
- Provide safe and secure access to data from schools and districts.
- Provide appropriate historical assessment data to teachers and staff.
- Integrate data access and utilities in enterprise portal.
- Reduce impacts of high mobility through support for efficient and complete transfer of education records.
- Align K-12 data systems with higher education.

The key initiative elements for the longitudinal data system included the following:

- Unique Student Identifier
- Integrated data warehouse
- Improving/replacing existing source systems
- Business intelligence tools

- Information distribution program
- Data quality assurance program
- Disseminating lessons learned and best practices

In 2008, the Idaho State Department of Education estimated the project would cost about \$11 million with an additional \$1.8 million in ongoing funding after full implementation. The Idaho Legislature funded the initial development phase of the project with \$2.5 million in FY2009. In addition to this funding, the State Department of Education applied for a \$5.9 million grant from the U.S. Department of Education to continue the project in partnership with ongoing state funding. Even with this grant, the state will still need additional funding to develop and implement the following initiatives:

- Statewide Portal
- Statewide Directory Services
- IBEDS rewrite
- Project Management Office
- District Technical Support

To preserve the scope of the initiative, meet commitments in the grant application, and remain on schedule, the State Department of Education requests an additional \$2 million from the Idaho Governor as per Section 14002, Part (b)(1) of Title XIV of the American Recovery and Reinvestment Act.

#### **(4) Standards and Assessments**

Idaho has made significant progress since 2005 to revise its academic achievement standards and the assessments aligned to these standards. Here is an overview of the state has completed in recent years and the state's goals for the future.

##### Idaho Content Standards

Beginning in 1998, nearly 400 volunteers from varied backgrounds dedicated over 35,000 volunteer hours to create the Idaho Achievement Standards. Statewide public hearings were held to gather input throughout the entire process and the achievement standards were approved in 2000. After the development of the Idaho Achievement Standards and statewide assessment, two independent studies identified problems with the alignment of Idaho Standards Achievement Test (ISAT) to the state's achievement standards. The studies showed some standards areas were not adequately covered, meaning too few questions were asked to determine if the student had mastered the standard; some standards were not assessed; and other standards were over assessed. In addition, the studies found that some questions did not adequately measure the difficulty of some standards. To ensure that the ISAT meets quality test standards, as well as federal requirements, the problems had to be corrected. A national testing expert also found fault with how the state's achievement standards were organized. Those faults include a lack of progression of the standards from grade to grade, some standards were written to guide instruction rather than to identify what students should know, and some standards were too vague. These problems were directly related to the alignment issues and had to be revised to improve the ISAT.

In 2005, work began to reorganize the state standards into clear statements of what students are expected to know and be able to do in a specific grade level or required high school class. Revised achievement standards would identify the specific content skills and knowledge students needed to master in order to graduate from Idaho's public schools. Idaho State Department of Education content specialists began working with Idaho teachers to reorganize and revise the standards and included:

- Reorganizing and revising the standards
- Creating a new blueprint or design for the ISAT
- Writing new tests based the blueprint
- Setting new proficiency scores
- Writing new grade level achievement/proficiency standards by subject

The Idaho Achievement Standards underwent the first major review and revision since their adoption in 2000 and were approved in 2006 with a new name: Idaho Content Standards. The revision process involved teams of grade-level teachers and content-level specialists from schools districts as well as staff from the State Department of Education and the Office of State Board of Education. Draft of the revisions underwent a public review and comments were received and incorporated into the final version. The end result of this effort was the creation of state content standards that are clearer and easier for teachers to use and for the public to understand.

The state content standards are the minimum standards used by every school district in the state in order to establish a level of academic achievement necessary to graduate from Idaho's public schools. Each school district may set standards more rigorous than the state content standards, but no district shall use any standards less rigorous than those set forth in the rules governing thoroughness, approved by the State Board of Education. Content standards describe the knowledge, concepts, and skills that students are expected to acquire at each grade level in each content area. Currently, the Idaho Content Standards for each subject area are reviewed and revised on a six-year rotation schedule and presented to the State Board of Education for consideration of temporary and proposed rules and to the Idaho State Legislature for approval. Content Standards have been developed in seven subject areas for K-12:

- English Language Arts
- Mathematics
- Science
- Social Studies
- Health
- Humanities
- Physical Education

#### Idaho Standards Achievement Test (ISAT)

The Idaho Standards Achievement Test (ISAT) is the statewide standardized assessment that measures student achievement in grades 3-8 and 10 to meet the requirements pursuant to section 1111(b)(3) of the Elementary and Secondary Education Act (ESEA). The ISAT is administered in the spring of each school year and measures achievement in math, reading, language usage, and science. Science is administered to grades 5, 7 and 10 only. The ISAT was originally created to measure student's knowledge of the Idaho Achievement Standards at each grade level.

Students are also required to meet proficiency on the ISAT in 10th grade to meet Idaho high school graduation requirements.

In 2005, the ISAT was rejected by the U.S. Department of Education. Idaho responded immediately and has made major revisions to the ISAT. The State Department of Education completely revised the content standards in math, reading, language usage and science in time to begin work on a new ISAT in 2006 and the first administration in spring 2007. Based on the content standards and test blueprints developed by the Department coupled with the work plan and timeline created with a new test vendor, Idaho received full approval for the ISAT in 2006. Subsequent work includes setting new content standards; independent, third-party alignment studies for math, reading, language usage and science; and technical reports for the 2007 and 2008 test administration.

Each year, Idaho recruits a statewide committee to participate in item development, item review, bias and sensitivity reviews, and item data reviews. The state forms reviews before the operational test is administered to students in the spring. The cycle of improvement continues as Idaho adds new test items to the bank. Idaho has just completed the peer review of the science test. The test was piloted in 2007 and administered in 2008. The areas identified in the peer review process have been addressed to the satisfaction of the U.S. Department of Education and approval is pending. The Idaho Standards Achievement Test is valid and reliable. All technical and operational aspects are reported on the State Board of Education web site at <http://www.boardofed.idaho.gov/saa/index.asp>.

Accommodations are allowed on the ISAT for special education and Limited English Proficient (LEP) students if that accommodation is used in the classroom and the student has an individual plan on file. The ISAT program has implemented an audio version of the ISAT, which standardizes the reading accommodation for special education and LEP students. In 2008, Idaho added a standardized audio accommodation on the math and science tests. A standardized audio accommodation on the language usage test was added in 2009. Currently, Idaho is working with the Northwest Regional Comprehensive Center to revise and refine the allowable accommodations for LEP students.

#### Idaho English Language Assessment (IELA)

Idaho has administered the Idaho English Language Assessment (IELA) to all students in a Limited English Proficient (LEP) program since 2006. Item development and review took place in 2007 in order to bring the test into further alignment with Idaho's English language development standards and to build new forms of the test for alternate year administrations. The IELA program will provide a parent brochure in English and Spanish after the 2008 administration. The IELA program is currently undergoing an external review, which will provide guidance for areas of focus for the assessment program. Growth and proficiency on the IELA is calculated for each student year to year. The Idaho State Board of Education recently approved the recommendations from a committee of educators to change the Accountability Committee and Annual Measurable Achievement Objectives (AMAO) targets to more accurately reflect the achievement expectation for LEP students on the IELA. Idaho adopted the recent US Department of Education flexibility to exempt the minimum subgroup size (34 for Idaho) from accountability targets.

#### Idaho Alternate Assessment (IAA)

Under the requirements of ESEA and the IDEA of 2004, Idaho is required to provide a technically sound alternate assessment to the ISAT for students with severe disabilities. The Title I and Special Education teams at the Idaho State Department of Education have been focusing on improving the technical quality of the Idaho Alternate Assessment in Science (IAA-Science) for students with severe cognitive disabilities. While the battery of Idaho Alternate Assessments was fully approved in 2006, changes and new developments in the arena of assessment and guidance from the U.S. Department of Education in 2007 led to some concerns about Idaho's alternate assessment design, particularly relating to Science. When it was submitted for peer review after the new federal guidance of 2007, the peer reviewers provided a number of considerations to the state that are being used to redesign the IAA-Science.

Due to the considerations raised during the peer review process, the State Department of Education (SDE) undertook a substantial project of completely redesigning the IAA-Science with a number of goals in mind. First, the SDE is designing an assessment that is technically sound in its validity and reliability. The state is using the 2007 USDOE *Standards and Assessment Peer Review Guidance* document along with the peer reviewer notes to ensure that all aspects of the new assessment design conform to current best practices in alternate assessment. To this end, the state has been collaborating with the USDOE liaison, experts in the field of assessment, and other pertinent individuals to develop a test that is well constructed within the time constraints of the 2008-2009 school year. Second, the SDE plans to use this process to influence decisions that relate to the other content areas of alternate assessment with the goal of developing improvements in the technical quality of the entire battery during SY 2009-2010.

Third, the SDE is developing a more streamlined process of ensuring the inclusion of all eligible students. This includes ensuring a better alignment in how students are documented as participating in the test through student data management systems at the district and state levels. Fourth, the SDE has been working diligently to inform stakeholders of the rationale for these changes and has made every effort to make the changes easily comprehensible and to facilitate ease of implementation at the local level. For example, the previous test administration manual was lengthy and quite technical which made accessibility by teachers and other stakeholders more difficult.

The SDE has created a new test administration handbook that is far shorter and more easily accessible to the average teacher involved in the assessment of students with severe disabilities. Furthermore, the SDE conducted a series of four repeated webinars to disseminate the information and assist schools and teachers in the transition process. Fifth, the SDE is engaged in a USDOE grant partnership with the states of Utah and Florida to develop improved alternate assessments for Math, a partnership that will last throughout SY 2009-2010 and beyond and which will be beneficial to these three states and possibly others. Finally, the SDE is in the process of building a more secure and well designed web-based system for scoring and managing student test data. This scoring system will be complete by the end of April and will facilitate a key change in the scoring process of the IAA-Science, which will contribute greatly to improvements in test validity.

The new IAA-Science is a portfolio-type assessment, meaning that it is made up of performance-based student work and other evidence that demonstrates a student's mastery of the academic content standards. The students with severe cognitive disabilities are assessed according to

grade-level content standards, as is required by the ESEA, though these standards are extended to make them more accessible to a very diverse set of students with disabilities. The SDE has worked closely with the state's Science Coordinator to ensure alignment of test items with the intent of the state content standards. Furthermore, the portfolio test design will better enable the state to develop a stronger set of alternate achievement standards, as is permitted under the ESEA, for students with severe cognitive disabilities. These alternate achievement standards will be set by a committee of practitioners and stakeholders from throughout the state during late spring as part of the assessment scoring process called "standards setting". They will be uniquely tailored to the grade-level content standards that are demonstrated in the student portfolios.

### **(5) Supporting Struggling Schools**

Idaho has made great strides in the past two years to provide an increased level of technical assistance to schools and districts identified for corrective action pursuant to the No Child Left Behind Act of 2001. Historically, the state has offered its underperforming schools and districts a variety of technical assistance programs to meet the requirements of Section 1116(a)(7)(C)(iv) of ESEA, including but not limited to Title I, Reading First, Making Middle Grades Work, and the Principal Academy of Leadership (PAL). Other programs designed to serve various student populations such as special education, Limited English Proficient (LEP) and migrant students have also provided ongoing technical assistance throughout the state. The technical assistance provided through each of these programs has continued to evolve, providing increased levels of support each year.

Despite the efforts of these programs, the charge still remained for the state to establish a comprehensive statewide system of support. In Fall 2008, Idaho applied for additional federal school improvement funds (1003g) and, upon approval, used the funds to develop and implement the Idaho Building Capacity (IBC) project. IBC is a new system of support for Idaho schools and districts that are in needs improvement status under NCLB. Based on a needs assessment that indicated a need for increased support and technical assistance to Idaho schools and districts in needs improvement status, additional federal grant funds were obtained to jumpstart a pilot project to establish a statewide system of support in Idaho. The pilot project (Cohort I) began in January 2008 and is serving 19 sites for a three-year period. The project will provide scaffolded support designed to assist local school districts and charter schools in building their own internal capacity to sustain their school improvement efforts. A rigorous school and district selection process has been developed, with a goal to select schools and districts that are in needs improvement status and serve a high percentage of at-risk students (combined percentage of economically disadvantaged, migratory, English language learners, and students with disabilities) and have limited local resources.

A key component of this statewide system of support is the utilization of recently retired, highly distinguished educators who are trained by the state to assist school and district leaders as they facilitate the work of school improvement in Idaho's neediest schools and districts. Capacity Builders (CBs) are assigned to a school or district site within the IBC network. They are provided with monthly training and given guidance on the work of school improvement. However, the IBC project does not prescribe to a cookie-cutter approach to school improvement. Capacity Builders are provided with a "tool kit" of school improvement resources, and then in

partnership with school and district leaders, help create and implement a customized school improvement plan.

During the initial pilot in the 2007-08 school year, IBC served 19 schools and district sites in Southwest Idaho. In its second year, the project now serves 54 school/district sites across the state in partnership with three Idaho institutions of higher education. Additionally, the state has organized a series of monthly webinar trainings delivered online that are related to the *Nine Characteristics of High Performing Schools* (Shannon & Blysm, 2007). These trainings are available to *all* schools and districts statewide. This has proven to be an effective venue for providing best practices information and support to educators statewide, and at very little cost.

Idaho has seen significant progress in the types and amount of high-level technical assistance offered statewide. As a result, twice as many Idaho schools are making AYP now compared to the previous year. Here is a snapshot of the progress Idaho has seen:

|                             |     |
|-----------------------------|-----|
| Schools That Made AYP 06-07 | 167 |
| Schools That Made AYP 07-08 | 301 |

|                               |    |
|-------------------------------|----|
| Districts That Made AYP 06-07 | 33 |
| Districts That Made AYP 07-08 | 46 |

## Idaho Use of State Fiscal Stabilization Funds

### Summary

- The amount of federal funding it anticipates receiving under the Act:
  - Estimated \$166,175,700 for K-12 public schools budget
- Time frame for receipt of funds:
  - One sum to be spent over FY 2009, FY 2010, and FY 2011
- Whether the anticipated federal funding is allocated through an existing or new federal program:
  - Will not be allocated through a federal program
- Current levels of state funding for the agency that is appropriated, requested or held in any account by or for the agency that would be impacted positively or negatively by the receipt of federal stimulus funding:
  - The Public Schools Budget is facing a budget shortfall of \$85,097,600 in FY2009 due to 6 percent in budgetary holdbacks ordered so far during the current fiscal year, a budget shortfall of between \$109 million and \$130 million for FY2010, and similar budget shortfalls in FY2011.
- Whether additional spending authority would be necessary to expend the federal funds:
  - Yes
- Whether any additional state employees are necessary to oversee or administer the federal funds and if so how many:
  - The intent of the Idaho State Department of Education is not to hire any new FTEs for this purpose; however, we are still awaiting official guidance from the US Department of Education.
- Requirements under the Act associated with spending federal funding, including but not limited to state match or cost share requirements, percentage limitations and timeframes:
  - No requirements such as state match, cost share requirements, or percentage limitations and timeframes were included in the text of the legislation, and the U.S. Department of Education has not issued official guidance on how Idaho can spend or distribute the stimulus funding. For planning purposes, the Idaho State Department of Education assumes the federal government will utilize current regulations.
- When federal funding ends:
  - Federal funding must be obligated by September 30, 2011 and spent by December 31, 2011.

Idaho estimates it will receive \$201,700,000 for the stabilization of K-12 and higher education budgets over FY2009, FY2010 and FY2011. Since this amount of funding is not enough to cover budget shortfalls across these three fiscal years, Idaho will allocate the funds to K-12 and institutions of higher education budgets in proportion to the relative shortfall in state support for both education sectors, pursuant to Section 14002(2)(B) of Title XIV of the American Recovery and Reinvestment Act. Therefore, Idaho will allocate an estimated \$166,175,700 to the K-12 Public Schools Budget and an estimated \$35,524,300 to the higher education budgets. The chart in Addendum A describes how the State of Idaho intends to use its allocation of State Fiscal Stabilization Funds to offset reductions to the K-12 Public School Budgets in FY2009, FY2010 and FY2011. Here is a brief overview of the information depicted in the chart:

- FY2009  
The Public Schools Budget is facing a budget shortfall of \$85,097,600 in FY2009 due to 6 percent in budgetary holdbacks ordered so far during the current fiscal year. The state plans to use a portion of the State Fiscal Stabilization Funds to cover the mid-year budget reduction

of \$85,097,600, which leaves \$81,078,100 to cover budget shortfalls to K-12 public education in FY2010 and FY2011.

- FY2010

The Public Schools Budget is facing a budget shortfall of between \$109 million and \$130 million for FY2010. The state plans to use an estimated \$47,352,900 in State Fiscal Stabilization Funds to cover the 5 percent cuts to school personnel salaries that the Idaho Legislature approved earlier this year. The state will still need to reduce the public schools budget by an additional \$62 million.

- FY2011

The Public Schools Budget is estimated to face similar budget shortfalls in FY2011 as it is facing for FY2010. With this in mind, the state plans to reserve \$33,725,200 in State Fiscal Stabilization Funds to cover budget shortfalls in FY2011. Even with this funding, the state will still likely face a shortfall of \$34,527,700 in that fiscal year.

This funding scenario assumes that the Idaho Legislature has not tapped the state Public Education Stabilization Fund to supplement the Public Schools Budget during FY2009, FY2010, or FY2011. Superintendent Luna supports leaving the Public Education Stabilization Fund intact as much as possible, recognizing the possibility that state revenues could continue to decline and mid-year holdbacks may be necessary.

## **TITLE I-A**

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### Summary

- The amount of federal funding it anticipates receiving under the Act
  - Estimated \$45,510,300 for Title I-A Grants to LEAs and Title I School Improvement Funds
- Time frame for receipt of funds
  - One sum to be spent over 27 months
- Whether the anticipated federal funding is allocated through an existing or new federal program:
  - Existing program- Title I-A of No Child Left Behind Act of 2001
- Current levels of state funding for the agency that is appropriated, requested or held in any account by or for the agency that would be impacted positively or negatively by the receipt of federal stimulus funding:
  - In the current year, Idaho received \$46,662,554 in Title I-A Grants to LEAs.
- Whether additional spending authority would be necessary to expend the federal funds:
  - Yes
- Whether any additional state employees are necessary to oversee or administer the federal funds and if so how many:
  - The intent of the Idaho State Department of Education is not to hire any new FTEs for this purpose; however, we are still awaiting official guidance from the US Department of Education.
- Requirements under the Act associated with spending federal funding, including but not limited to state match or cost share requirements, percentage limitations and timeframes:
  - No requirements such as state match, cost share requirements, or percentage limitations and timeframes were included in the text of the legislation, and the U.S. Department of Education has not issued official guidance on how Idaho can spend or distribute the stimulus funding. For planning purposes, the Idaho State Department of Education assumes the federal government will utilize current regulations.
- When federal funding ends:
  - Federal funding must be obligated by September 30, 2011 and spent by December 31, 2011.

### **Title I-A Funding in Idaho**

Title I-A is a federal program intended to help ensure that all children have the opportunity to obtain a high-quality education and reach proficiency on challenging state academic standards and assessments, despite their socioeconomic status. Title I-A funds the programs associated with the No Child Left Behind Act of 2001. It provides flexible funding that may be used to provide additional instructional staff, professional development, extended-time programs, and other strategies for raising student achievement in high-poverty schools. The program focuses on promoting schoolwide reform in high-poverty schools and ensuring students' access to scientifically based instructional strategies and challenging academic content. Since the implementation of No Child Left Behind, Title I-A provisions now provide a mechanism for holding states, school districts, and schools accountable for improving the academic achievement of all students and turning around low-performing schools, while providing alternatives to students in such schools to enable those students to receive a high-quality education.

Title I-A funding is allocated to Idaho in two different parts:

- Grants to Local Education Agencies (LEAs)
- School Improvement Grants

#### *Title I-A Grants to Local Education Agencies*

A Local Education Agency (LEA) is a public school district or public charter school. Title I Grants to LEAs provide financial assistance to LEAs for services that improve the teaching and learning of children at risk of not meeting challenging academic standards, especially those children who reside in areas with high concentrations of children from low-income families. The U.S. Department of Education allocates this Title I-A funding to LEAs through four statutory formulas: Basic Grants, Concentration Grants, Targeted Grants and Education Finance Incentive Grants. The stimulus funding will only be distributed through two formulas: Targeted Grants and Education Finance Incentive Grants. States are required to reserve 4 percent of the total allocation for school improvement activities. For more information on these formulas, please see Addendum B.

In the current year, Idaho received \$46,662,554 in Title I-A Grants to LEAs funding. The funding is used for a variety of activities including but not limited to: Personnel, professional development, supplies and materials, equipment, financial incentives for teachers in Title I schools, supplemental education services (tutoring), parent involvement activities.

#### *Title I School Improvement Grants*

In addition to the 4 percent of the Grants to LEAs funding that states are required to reserve for school improvement activities, states can apply for additional grants for school improvement under Title I, Section 1003(g) of the Elementary and Secondary Education Act. This section authorizes formula grants to states to assist schools identified for improvement, corrective action, and restructuring under No Child Left Behind. Schools are identified in one of those categories if they do not meet the Adequate Yearly Progress (AYP) goals for two or more consecutive years. A school will not make AYP if it does not meet any one of the 41 indicators for two consecutive years. The 41 indicators include but are not limited to the subject areas tested on the Idaho Standards Achievement Test (ISAT) and student subgroup populations, such as Limited English Proficient students, students with disabilities, economically disadvantaged students, Hispanic students and Native American students. Funds are used for the purpose of strengthening the capacity of states to carry out their program improvement responsibilities required under sections 1116 and 1117 of Title I by (1) building state capacity to provide leadership in implementing effective school improvement strategies for LEAs and schools that have been identified for improvement, are in corrective action, and are in the restructuring process; and (2) providing resources to LEAs to support school improvement activities, including the development and implementation of effective school improvement plans.

To be eligible to receive Title I School Improvement Funds, the LEA must have one or more schools identified for school improvement, corrective action, or restructuring under section 1116(b) of Title I. The state is required to subgrant at least 95 percent of their allocations to LEAs with schools in improvement, corrective action, or restructuring to support technical assistance to such schools and to make available additional resources to implement school improvement activities. A state may retain up to 5 percent of the grant amount received for administration, evaluation, and technical assistance expenses. At the LEA level, these funds may

be used for any reasonable costs associated with carrying out school improvement, corrective action, or restructuring activities described in section 1116(b).

Idaho has made great strides in the past two years toward providing an increased level of technical assistance to schools and districts identified by the state as needing improvement through the Idaho Building Capacity Project (IBC) described above in the "Support for Struggling Schools" section of the Assurances (*Refer to page 13*).

In the current year, Idaho received \$1,700,000 in School Improvement Funds and used this funding to expand IBC. Now, the state serves 54 school/district sites statewide through IBC and also offers a series of monthly webinar trainings delivered online that related to the *Nine Characteristics of High Performing Schools* (Shannon & Blysm, 2007).

### **Title I-A Stimulus Funding in Idaho**

Idaho will receive an estimated \$45,510,300 for Title I-A Grants to LEAs and Title I School Improvement Funds through the American Recovery and Reinvestment Act. Since it takes two years for a school identified as needs improvement to get out of corrective action under No Child Left Behind, Idaho can use this influx of federal stimulus funding to invest additional resources in one-time expenditures that will boost student achievement significantly over the next two years. Here is a brief overview of how Idaho intends to spend this funding. *Please note: The U.S. Department of Education has not issued official guidance on how Idaho can spend or distribute the stimulus funding for Title I-A. For planning purposes, the Idaho State Department of Education assumes the federal government will utilize current regulations.*

#### *Title I-A Grants to LEAs*

Idaho is estimated to receive \$34,907,298 in stimulus funding for Title I-A Grants to LEAs. This influx of stimulus funding will greatly benefit Idaho schools that are identified as not meeting AYP goals set forth in No Child Left Behind. Schools have two years to get out of Needs Improvement status under No Child Left Behind; therefore, this funding will provide the one-time resources they need to help the school meet AYP goals. Possible uses of one-time funds for school improvement include but are not limited to: summer school, extended-day programs, focused professional development, tutoring and updated technology.

Here is an outline of ways in which the Idaho State Department of Education could partner with LEAs to utilize the LEAs' Title I-A funding effectively and efficiently:

1. State Department of Education will develop a system to recruit, train, and support instructional coaches to work one-on-one with schools in Needs Improvement. The coaches would work as consultants, not employees of the school, district or state. The instructional coaches will provide professional development to train teachers to:
  - a) provide effective instruction to all students in core subjects
  - b) provide intervention and tutoring for students who need additional academic support
2. Intensive professional development for two years to develop schoolwide training for all teachers and staff at Title I schools that are currently not receiving Title I funding. Currently, about 120 eligible Title I schools not being served with Title I funding, primarily at the middle and high school levels, because Idaho does not receive enough funding for all schools. This additional funding would be used to train staff on how to

- create schoolwide reforms that will be sustainable after the additional Title I funds are discontinued.
3. Summer school programs
  4. Before and after school programs (especially middle and high schools)
  5. Additional Supplemental Education Services (after-school tutoring) for economically disadvantaged students in schools in Needs Improvement
  6. Long-term and ongoing professional development based on the reason the district or school has been identified as Needs Improvement
  7. Updating or acquiring equipment to provide Title I services
  8. Technology and necessary infrastructure (new or updated)
  9. Develop sustainable partnerships with district patrons, school parents, and the business community through parental involvement activities

#### *Title I School Improvement Funds*

Idaho is estimated to receive \$10,603,000 in Title I School Improvement Funds. Idaho has developed a strong, research-based plan for providing technical assistance and leveled support to schools and districts that the state has identified as needing improvement with School Improvement Funds. Limited funding has prevented the state from serving *all* schools and districts identified as needing improvement with the highest levels of available support. The additional stimulus funding could be used to expand current structures and services to provide this support, required by NCLB, to *all* eligible schools and districts in Idaho. With this additional influx of funds, Idaho has a unique opportunity over the next two years to provide an unprecedented level of technical assistance and support to Idaho schools and districts, which will result in increased student achievement statewide and reduce the number of schools identified as Need Improvement.

Here is a brief overview of how the Idaho State Department of Education would spend additional School Improvement Funds on one-time projects over the next two years:

- **Expand the Idaho Building Capacity (IBC) Project:** This project, built by utilizing research based models of key states with proven results, is currently serving 54 sites across the state in partnership with three Idaho Universities. Distinguished educators serve as independent contractors providing technical assistance to school and district leadership teams. While the project currently serves 54 sites, an additional 377 sites are currently eligible for such services. Only 20 percent of eligible districts and 16 percent of eligible schools identified by the state as needing improvement are currently being served with this high level of technical assistance and support. Additional funds would allow Idaho to serve *all* eligible for the support and services required by NCLB. This will ensure Idaho schools receive the intense, focused guidance they need to build a foundation for a viable school reform model that is sustainable after funding is discontinued in two years. In addition, the state will use a portion of this funding to conduct an evaluation of the IBC project to analyze its impact on student achievement since 2008.
- **Launch New School Improvement Planning System:** Schools identified as Needs Improvement under No Child Left Behind are required to submit a school improvement plan to the state annually, describing how they will work toward meeting AYP over the next year. The current Continuous Improvement Planning (CIP) Tool is outdated and inefficient. Newer, more efficient technologies are available for school improvement planning; however,

the state has not had the resources to implement a new program in the past. With additional one-time funding, Idaho could launch a new online school improvement planning system, known as the Ways to Improve School Effectiveness (WISE) Tool, which will streamline the school improvement planning process. Staff at the State Department of Education will also provide training for school and district personnel over the next two years.

- **Establish Superintendents' Professional Learning Community Network:** Idaho already invests time and resources in programs that offer professional development to teachers, paraprofessionals and school principals. However, little to no funding has been available to establish professional development opportunities for district superintendents and charter school administrators. The Idaho District Superintendent Professional Learning Community Network would be designed to engage superintendents in professional conversation on issues of school improvement, educational reform, leadership and other critical topics.
- **Develop Best Practice Models:** A goal of the State Department of Education is to identify successful education programs across the state and share those successes with other schools so they can implement similar models. With this additional funding, the state would develop a process for highly successful schools and districts to disseminate their proven best practices on raising student achievement to other schools across the state.

## TITLE II-D EDUCATIONAL TECHNOLOGY

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### Summary

- The amount of federal funding it anticipates receiving under the Act
  - Estimated to receive \$3,209,400
- Time frame for receipt of funds:
  - One sum to be spent over 27 months
- Whether the anticipated federal funding is allocated through an existing or new federal program:
  - Existing program- Title II-D of the No Child Left Behind Act of 2001
- Current levels of state funding for the agency that is appropriated, requested or held in any account by or for the agency that would be impacted positively or negatively by the receipt of federal stimulus funding:
  - \$1,300,000
- Whether additional spending authority would be necessary to expend the federal funds:
  - Yes
- Whether any additional state employees are necessary to oversee or administer the federal funds and if so how many:
  - The intent of the Idaho State Department of Education is not to hire any new FTEs for this purpose; however, we are still awaiting official guidance from the US Department of Education.
- Requirements under the Act associated with spending federal funding, including but not limited to state match or cost share requirements, percentage limitations and timeframes:
  - No requirements such as state match, cost share requirements, or percentage limitations and timeframes were included in the text of the legislation, and the U.S. Department of Education has not issued official guidance on how Idaho can spend or distribute the stimulus funding. For planning purposes, the Idaho State Department of Education assumes the federal government will utilize current regulations.
- When federal funding ends:
  - Federal funding must be obligated by September 30, 2011 and spent by December 31, 2011.

### **Title II-D Funding in Idaho**

Title II-D of the No Child Left Behind Act of 2001 is the federal law, also known as the Enhancing Education Through Technology Act, that seeks to “improve student achievement through the use of technology in elementary and secondary schools.”

Idaho is currently appropriated \$1,300,000 for Title II-D. Idaho retains 5 percent of the allocations for state-level activities, and the state distributes one-half of the remainder by formula to eligible local educational agencies and the other one-half competitively to eligible local entities. Districts eligible for the competitive sub-grants are (a) located in poverty areas, and (b) either identified for improvement or corrective action under section 1116 of ESEA or (c) have a substantial need for assistance in acquiring and using technology.

**Title II-D Stimulus Funding in Idaho**

Idaho is expected to receive \$3,209,400 in additional stimulus funds through Title II-D. *Please note: The U.S. Department of Education has not issued official guidance on how Idaho can spend or distribute the stimulus funding for Title II-D. For planning purposes, the Idaho State Department of Education assumes the federal government will utilize current regulations.* Under this assumption, 5 percent of the funding could be used at the state level. The funding retained at the state level will be used to offer professional development and training to school and district personnel. The state will also use the funding to administer the additional grants. The remaining 95 percent would flow through to eligible schools and districts through established formulas and a competitive grant process. Of this flow-through funding, 25 percent can be spent on professional development and 75 percent on hardware, software, or other services. Typically, these are one-time expenses that would not require ongoing funding to sustain.

The following are examples of how eligible school districts have spent Title II-D funds in previous years and how they might be able to spend the additional funding received through the stimulus package:

- **LCD Interactive Literacy Learning:** The use of LCD technology is integral to the McDougal Littell reading curriculum and is targeted to improve student reading, writing and technology skills. Teachers will also be able to incorporate interactive reading units, assist in lesson concepts such as writing, grammar and spelling while simultaneously focus on students using visual, auditory and tactile learning modes.
- **Technology for Teachers:** This plan proposes to advance the use of technology in the classroom in the following ways:
  - by providing teachers and students greater access to technology
  - by providing specialized advanced-topic training specific to the needs of district education professionals
  - by delivering a series of International Society of Technology in Education (ISTE) research-based classes to achieve technology literacy equivalence between all district education professionals.
- **PEAK Learning (Performance Excellence for All Kids):** The PEAK Model of Learning will provide early diagnosis of learning difficulties and intervention strategies that will help students succeed in the areas of math, language and reading. It is a consistent, extensible and highly motivational delivery method that will also provide students with flexible instruction that can meet the needs of all learning styles. Key learning systems would be implemented as supplements to classroom instruction:
  - the Waterford Reading and Math series (levels 1, 2, and 3)
  - Renaissance Place for Accelerated Reading and Math supplements
  - STAR Math and Reading Assessment tools
- **TALK II (Teaching Academic Language & Knowledge II):** The TALK II plan will improve student achievement by increasing access to educational technology:
  - Individualized student instruction in language development through ELLIS Essentials academic instructional software
  - High-quality staff development programs that are aligned with state standards, focused on using technology to improve classroom instruction and the use of ELLIS Essentials courseware
  - The replacement of obsolete computers and printers.

## **McKINNEY-VENTO HOMELESS ASSISTANCE**

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### Summary

- The amount of federal funding it anticipates receiving under the Act:
  - Estimated to receive \$191,000
- Time frame for receipt of funds:
  - One sum to be spent over 27 months
- Whether the anticipated federal funding is allocated through an existing or new federal program:
  - Existing program- The McKinney-Vento Homeless Assistance Act reauthorized by the No Child Left Behind Act of 2001
- Current levels of state funding for the agency that is appropriated, requested or held in any account by or for the agency that would be impacted positively or negatively by the receipt of federal stimulus funding:
  - \$217,598
- Whether additional spending authority would be necessary to expend the federal funds:
  - Yes
- Whether any additional state employees are necessary to oversee or administer the federal funds and if so how many:
  - The intent of the Idaho State Department of Education is not to hire any new FTEs for this purpose; however, we are still awaiting official guidance from the US Department of Education.
- Requirements under the Act associated with spending federal funding, including but not limited to state match or cost share requirements, percentage limitations and timeframes:
  - No requirements such as state match, cost share requirements, or percentage limitations and timeframes were included in the text of the legislation, and the U.S. Department of Education has not issued official guidance on how Idaho can spend or distribute the stimulus funding. For planning purposes, the Idaho State Department of Education assumes the federal government will utilize current regulations.
- When federal funding ends:
  - Federal funding must be obligated by September 30, 2011 and spent by December 31, 2011.

### Detailed Plan

#### **McKinney-Vento Homeless Assistance in Idaho**

The McKinney-Vento Homeless Assistance Act is a federal law, originally authorized in 1987 and reauthorized by the No Child Left Behind Act of 2001, that ensures a free and equal education to homeless students. The McKinney-Vento Act defines homeless children and youth as individuals who lack a fixed, regular, and adequate nighttime residence.

Idaho requires districts to set aside one-fourth of 1 percent of their Title I allocation to first support homeless students in non-title I schools and then to support homeless students in title I schools. In addition, states receive federal funding based on the proportion of funds allocated under Title I, Part A of the Elementary and Secondary Education Act of 1965 (ESEA) for the

given fiscal year. The 2008-2009 McKinney-Vento allocation for Idaho was \$217,598. By law, Idaho may use up to 25 percent of its McKinney Vento allocation for state-level activities and administration. However, Idaho spent less than \$10,000 (approximately 4.6%) in 2007-2008 on state level activities and anticipates spending less than \$15,000 (approximately 7%) on state level activities in order to offer more funds to districts through the sub-grant process. State level funds have previously been allocated for personnel costs and to send selected local education liaisons to the National Association for the Education of Homeless Children and Youth's Annual Conference.

States have two options for allocating McKinney-Vento funds: competitive sub-grants or a per-pupil allocation distributed to each district. Idaho currently distributes McKinney-Vento funds through a competitive sub-grant process. Although the nine districts that applied for funding for the 2008-2009 current school year were awarded sub-grants, Idaho was not able to fund all districts that applied for the 2007-2008 school year. By law, all districts are required to designate a local liaison for homeless children and youth to ensure that an identification process is in place and that McKinney-Vento funds are used to meet the needs of identified students.

McKinney-Vento (Section 723) identifies 16 allowable activities for children and youth experiencing homelessness:

- (1) Tutoring, supplemental instruction, and enriched educational
- (2) Expedited evaluations of the strengths and needs
- (3) Professional development and other activities for educators and pupil services
- (4) Referral services to homeless children and youths for medical, dental, mental, and other health services
- (5) Assistance to defray the excess cost of transportation
- (6) Developmentally appropriate early childhood education programs
- (7) Services and assistance to attract, engage, and retain homeless children and youths, and unaccompanied youths, in public school programs and services
- (8) Before- and after-school, mentoring, and summer programs
- (9) Payment of fees and other costs associated with tracking, obtaining, and transferring records necessary to enroll homeless children and youths in school
- (10) Education and training to the parents of homeless children and youths about the rights of, and resources available to, such children and youths
- (11) Development of coordination between schools and agencies providing services to homeless children and youths
- (12) Pupil services (including violence prevention counseling) and referrals for such services
- (13) Activities to address the particular needs of homeless children and youths that may arise from domestic violence
- (14) Adaptation of space and purchase of supplies for any nonschool facilities
- (15) School supplies
- (16) Other extraordinary or emergency assistance needed to enable homeless children and youths to attend school.

Provisions within McKinney-Vento prohibit these funds from being used to support activities that the local school district or charter school would otherwise be required to provide.

**McKinney-Vento Stimulus Funding in Idaho**

Idaho will receive an estimated \$191,000 in additional funding for McKinney-Vento pursuant to Title VIII of the American Recovery and Reinvestment Act. Idaho can use this additional funding effectively and efficiently over the next two years to ensure Idaho school districts are properly identifying and serving homeless students, in accordance with federal law. *Please note: The U.S. Department of Education has not issued official guidance on how Idaho can spend or distribute the stimulus funding for McKinney-Vento Homeless Assistance. For planning purposes, the Idaho State Department of Education assumes the federal government will utilize current regulations.*

Here is an overview of how Idaho plans to utilize this funding assuming it is subject to the current rules and regulations in place. The state can retain up to \$47,750 of the \$191,000 for state-level activities and administration. Idaho will use this one-time stimulus funding to provide much-needed training to Idaho school districts on how to properly identify students in homeless situations. According to research from the Urban Institute, approximately 10 percent of all children experiencing poverty will experience homelessness at some point in the year. In 2007-2008, Idaho reported 101,695 students participated in the Free and Reduced Price lunch program, but only about 2 percent, or 2,112 children, were identified in homeless situations that year. Of the About 54 percent of Idaho's local school districts and charter schools reported no homeless students in the 2007-08 school year. The statewide training will provide Idaho school and district personnel with information on the requirements of McKinney-Vento, how they can develop and implement better processes for identifying homeless students, and the best practices for serving homeless students.

The remaining funds will be disbursed as one-time competitive sub-grants for districts to use on aforementioned allowable activities to serve the influx of students that will be estimated to be identified after the statewide training takes place. The stimulus funds will be distributed, monitored, and evaluated by existing staff at the State Department of Education according to current monitoring cycles and procedures.

## INDIVIDUALS WITH DISABILITIES EDUCATION ACT (IDEA)

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### Summary

- The amount of federal funding it anticipates receiving under the Act:
  - Estimated to receive approximately \$55,516,000 in Part B School age and Preschool funding
- Time frame for receipt of funds:
  - One sum to be spent over 27 months
- Whether the anticipated federal funding is allocated through an existing or new federal program:
  - Existing program- Individuals with Disabilities Education Act (IDEA)
- Current levels of state funding for the agency that is appropriated, requested or held in any account by or for the agency that would be impacted positively or negatively by the receipt of federal stimulus funding:
  - \$51,586,394 in IDEA Part B School age and \$2,152,049 in IDEA Part B Preschool
- Whether additional spending authority would be necessary to expend the federal funds:
  - Yes
- Whether any additional state employees are necessary to oversee or administer the federal funds and if so how many:
  - The intent of the Idaho State Department of Education is not to hire any new FTEs for this purpose; however, we are still awaiting official guidance from the US Department of Education.
- Requirements under the Act associated with spending federal funding, including but not limited to state match or cost share requirements, percentage limitations and timeframes:
  - No requirements such as state match, cost share requirements, or percentage limitations and timeframes were included in the text of the legislation, and the U.S. Department of Education has not issued official guidance on how Idaho can spend or distribute the stimulus funding. For planning purposes, the Idaho State Department of Education assumes the federal government will utilize current regulations.
- When federal funding ends:
  - Federal funding must be obligated by September 30, 2011 and spent by December 31, 2011.

### **IDEA in Idaho**

The Individuals with Disabilities Education Act (IDEA) is the federal law that ensures services to children with disabilities throughout the nation. It was enacted in 1975 but has been amended many times since. IDEA provides federal financial assistance and governance to state education agencies (SEAs) and LEAs to guarantee special education and related services to eligible children with disabilities. Every state receives these funds and must follow all of IDEA's specific regulations, including those for an evaluation to determine if a student is eligible for special education and the additional requirements for subsequent services and re-evaluation. Currently, about 27,800 students are served under IDEA in Idaho public schools.

Infants and toddlers with disabilities (birth to age 2) receive early intervention services under IDEA Part C. In Idaho, these services are provided by the Idaho Department of Health and Welfare. Children and youth (ages 3-21) receive special education and related services under IDEA Part B, which is administered by the Idaho State Department of Education (SDE).

IDEA Part B funds are allocated by formula set forth in IDEA (2004) in two parts: IDEA Part B School age and IDEA Part B Preschool. For 2008-2009, Idaho received \$51,586,394 in IDEA Part B School age. Of this amount, 90 percent is allocated and flowed through to LEAs, which are school districts and charter schools. The remaining 10 percent is retained at the state level to use for administration of the grant and for support services, technical assistance and general supervision activities. Preschool Grant figures are not yet available for 2008-2009; however, in 2007-2008, 100 percent of the Preschool grant (\$2,152,049) was flowed through to school districts to provide services to children with disabilities aged 3-5. This was possible, because the 10% set-aside for administrative funds from the IDEA Part B School-age grant was enough to administer preschool programs at the state level.

There is a significant need for additional IDEA Part B funding in the state. In the original legislation, the federal government committed to funding 40 percent of IDEA costs and states would fund the remaining 60 percent. However, the federal government has never funded the full 40 percent. In Idaho in the 2007-2008 school year, for example, IDEA Part B funding only covered approximately 25 percent of the total costs of providing special education and related services to children with disabilities. In previous years, Idaho faced similar funding shortfalls. These insufficiencies must then be covered by state general fund. Additional funding from the American Recovery and Reinvestment Act (ARRA) would greatly assist implementing IDEA basic requirements as mandated by federal law.

### **IDEA Stimulus Funding in Idaho**

Idaho is estimated to receive approximately \$55,516,000 in Part B School age and Preschool funding under Title VIII of ARRA. *Please note: The U.S. Department of Education has not issued official guidance on how Idaho can spend or distribute the stimulus funding for IDEA Part B. For planning purposes, the Idaho State Department of Education assumes the federal government will utilize current regulations.* Currently, there is a cap on how much IDEA funding a state can retain for state-level activities. Idaho has reached that cap for the current fiscal year. Unless the official guidance grants further flexibility at the state level, all of the additional stimulus funding could flow through directly to school districts for the purpose of providing special education and related services to Idaho school children, ages 3-21, with disabilities. These flow-through funds will enable school districts and LEAs to maintain current levels of special education staffing and contracts for the provision of necessary related services. However, the official guidance could give states more flexibility to increase the funding a state is allowed to retain at the state level for administration and other activities.

In addition, the state may be allowed to set guidance for how LEAs can utilize the stimulus funds. According to, IDEA 300.201, the state could create a policy outlining how LEAs can utilize the stimulus funding. IDEA 300.201 states, "The LEA, in providing for the education of children with disabilities within its jurisdiction, must have in effect policies, procedures, and programs that are consistent with the State policies and procedures established under 300.101 through 300.163, and 300.165 through 300.174." If a policy is not set by the state, the assumption until official guidance is released from the federal government is that the funds are to

be “used only to pay the excess costs of providing special education and related services to children with disabilities” with no further regulation from the state.

Even though the federal government has not issued official guidance, U.S. Secretary of Education Arne Duncan has said local school districts will have a considerable amount of flexibility for supplanting IDEA funds. Since the federal government has never fully funded this mandate, the Secretary made it clear that the stimulus funding can be used to supplant the state and local dollars that school districts have had to use to fill the hole the federal government left in IDEA.

The following is an overview of how the state could use the additional stimulus funding on one-time expenditures to help improve student achievement statewide if it is able to retain funding at the state level:

#### *Curriculum Development*

IDEA 1997 required the State of Idaho to provide an alternate assessment to students with disabilities who cannot participate in the regular state- or district-wide assessments. The Idaho Alternate Assessment (IAA) is a rating scale assessment that is administered online. Curriculum now needs to be developed to match the new extended standards for severe needs students and provide instruction on the achievement standards, and the IAA needs to be moved to a performance assessment for all content areas. After these things are accomplished, professionals using these tests will be trained on how to use and interpret the tests.

#### *Early Intervening Services*

With additional funds for early intervening services, districts could offer their best teachers a bonus to teach in difficult schools, provide mentoring or coaching programs with Response to Intervention, and utilize the existing Positive Behavior Support contract at the University of Idaho to expand training and support for local education agencies in the area of behavioral intervention.

#### *High-Cost Fund*

The establishment of a pool of funding for provision of services to high need, low-incidence students with severe disabilities (a high cost fund) is outlined in IDEA law. This fund could then be sustained after establishment with ongoing Part B funds. Districts could also pool money to create a regional service agency to serve low incidence disabilities (blind, deaf, autism, etc.) in the area.

#### *Charter Schools*

These stimulus funds would be used to create training modules and train trainers to provide specialized assistance to new and start-up charter schools around development of successful special education programs.

#### *Assistive Technology*

Assistive technology is hardware and software devices that provided disabled people with the technology need to become more independent in their communication. The University of Idaho is currently working on the Assistive Technology Project, which would provide Idahoans with assistive equipment. Stimulus funds would be used to build upon that structure and train Assistive Technology Teams in school districts.

*Early Childhood*

These stimulus funds would be used to introduce the revised Early Learning Guidelines and companion documents, align them with current K standards, print the guidelines, and train educators on them. The funds would also be used to contract with individuals to assess young Limited English Proficient children from Spanish speaking homes for special education eligibility, and conduct preschool training on Positive Beginning Modules.

*Secondary Mentoring*

The Secondary Mentoring program uses mentors to help special education students transition from beyond academics and into life skills to become contributing members of society. The program structure is currently in place, but is in need of additional funding to train additional mentors.

*Parent Leadership Project*

Funding is needed for a parental involvement project in the early phases of development under the new Parent Involvement Coordinator at SDE.

*Data Systems*

Develop and implement statewide Individual Education Program (IEP) and Child Count data collection software, which would be maintained with ongoing Part B funding.

## SCHOOL LUNCH EQUIPMENT

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### Summary

- The amount of federal funding it anticipates receiving under the Act:
  - Estimated to receive \$469,300
- Time frame for receipt of funds:
  - One sum to be spent over 27 months
- Whether the anticipated federal funding is allocated through an existing or new federal program:
  - No existing program
- Current levels of state funding for the agency that is appropriated, requested or held in any account by or for the agency that would be impacted positively or negatively by the receipt of federal stimulus funding:
  - Currently, none of the USDA funding that Idaho receives is earmarked specifically for purchasing school lunch equipment. Idaho schools use a portion of the federal National School Lunch Program funds from the USDA or state general funds to purchase needed equipment.
- Whether additional spending authority would be necessary to expend the federal funds:
  - Yes
- Whether any additional state employees are necessary to oversee or administer the federal funds and if so how many:
  - The intent of the Idaho State Department of Education is not to hire any new FTEs for this purpose; however, we are still awaiting official guidance from the US Department of Education.
- Requirements under the Act associated with spending federal funding, including but not limited to state match or cost share requirements, percentage limitations and timeframes:
  - No requirements such as state match, cost share requirements, or percentage limitations and timeframes were included in the text of the legislation, and the U.S. Department of Education has not issued official guidance on how Idaho can spend or distribute the stimulus funding. For planning purposes, the Idaho State Department of Education assumes the federal government will utilize current regulations.
- When federal funding ends:
  - Federal funding must be obligated by September 30, 2011 and spent by December 31, 2011.

### **School Lunch Equipment in Idaho**

Idaho Child Nutrition Programs at the State Department of Education provide education, leadership, technical assistance, training, resources, oversight and guidance on policies and regulations to ensure the nutritional well-being of Idaho students. These programs provide cash assistance and commodity foods through established U.S. Department of Agriculture (USDA) programs to ensure children are adequately fed in public, private, and charter schools, residential child care institutions, preschools, and child and adult care centers and homes. The meals provided are guided by the U.S. Dietary Guidelines for Americans.

Currently, none of the USDA funding that Idaho receives is earmarked specifically for purchasing school lunch equipment. Idaho schools use a portion of the federal National School Lunch Program funds from the USDA or state general funds to purchase needed equipment.

**School Lunch Equipment Stimulus Funding in Idaho**

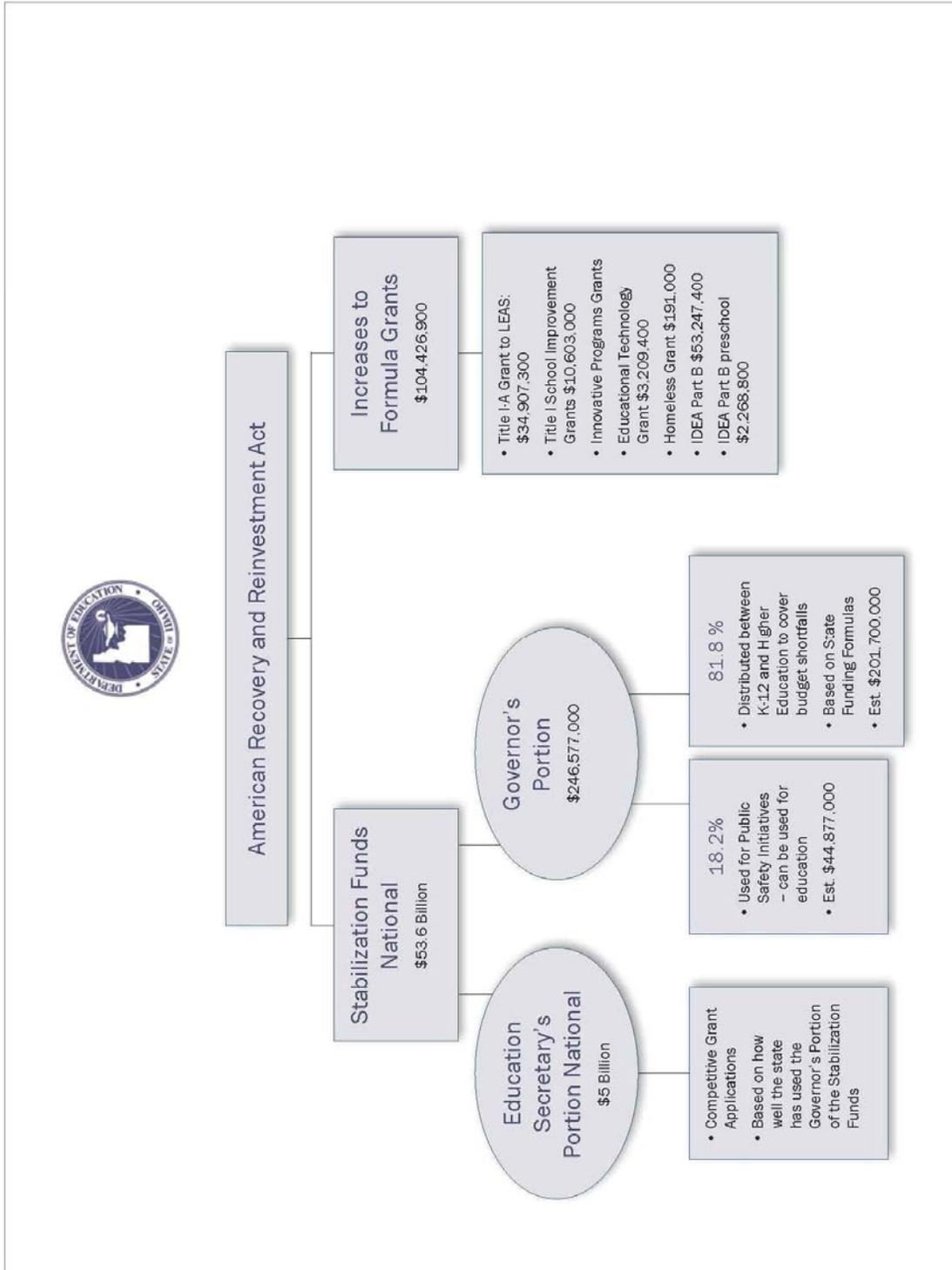
Idaho is estimated to receive \$469,300 specifically for school lunch equipment purchases pursuant to Title I of the American Recovery and Reinvestment Act of 2009. The USDA often puts strict guidelines on what can and cannot be spent with federal dollars; however, guidance on the ARRA funds has not been released yet. The only guidance USDA has provided to date has said the school lunch equipment funding must be distributed through a competitive grant process, and schools with 50 percent or more students participating in the Free and Reduced-Price Lunch program should receive highest priority.

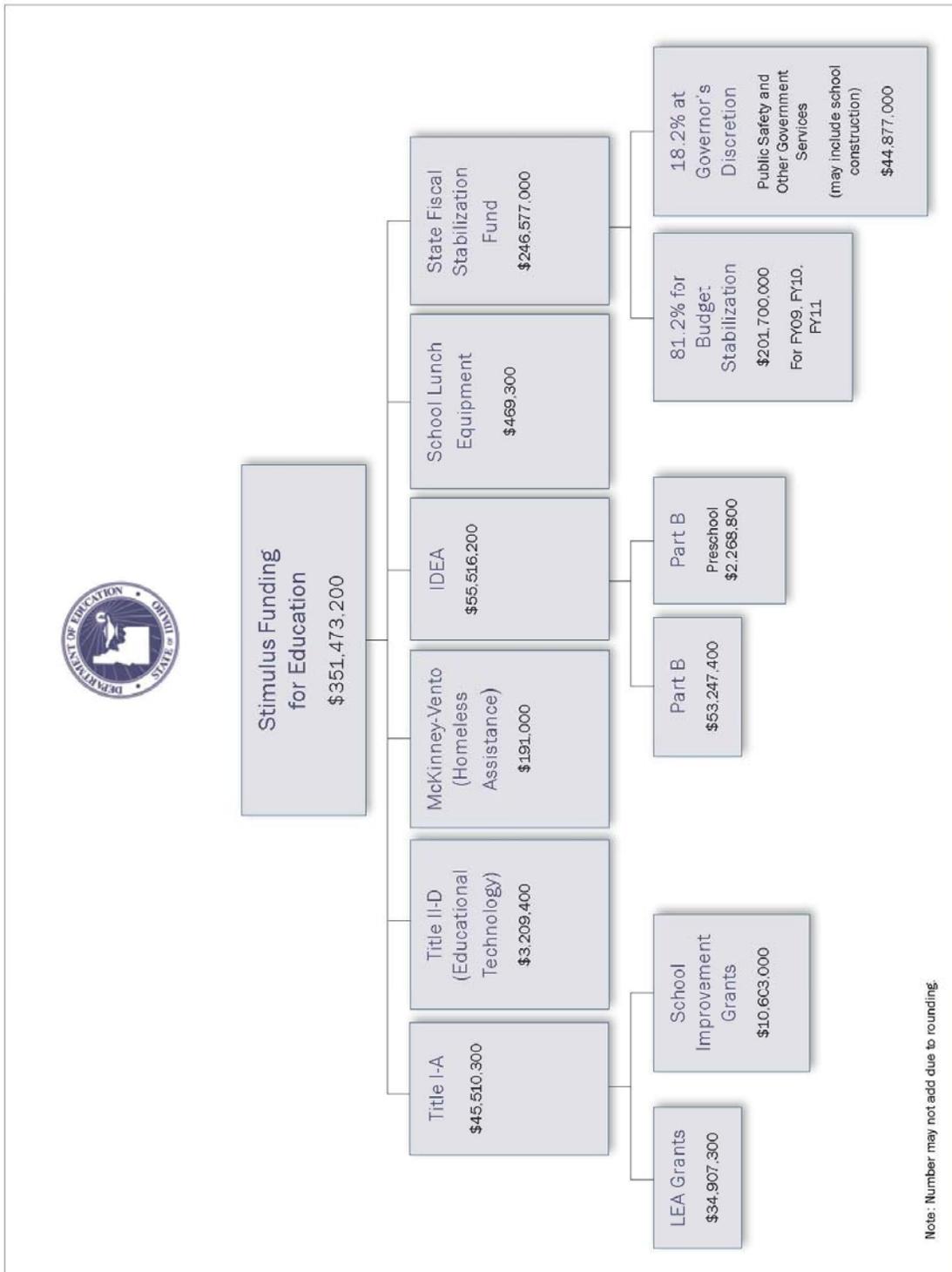
School districts have already expressed interest in applying for these competitive grants for approved equipment such as refrigerators, ovens, microwaves, dishwashers, salad bars, serving lines, cafeteria tables, preparation tables, computer equipment to record daily student activity, utility carts, grinders, mixers, and other small equipment. The Idaho State Department of Education already has a process in place for their nutrition education grants and Fresh Fruit and Vegetables Program where grant applications are reviewed blindly by a panel of judges and awarded based upon need as demonstrated by their percentage of students on the Free and Reduced Lunch program. A similar process will be developed for review of the stimulus equipment applications. None of the stimulus money will be needed for administration at the state level since the Idaho Child Nutrition Programs have an existing program in place for accepting and awarding competitive grants.

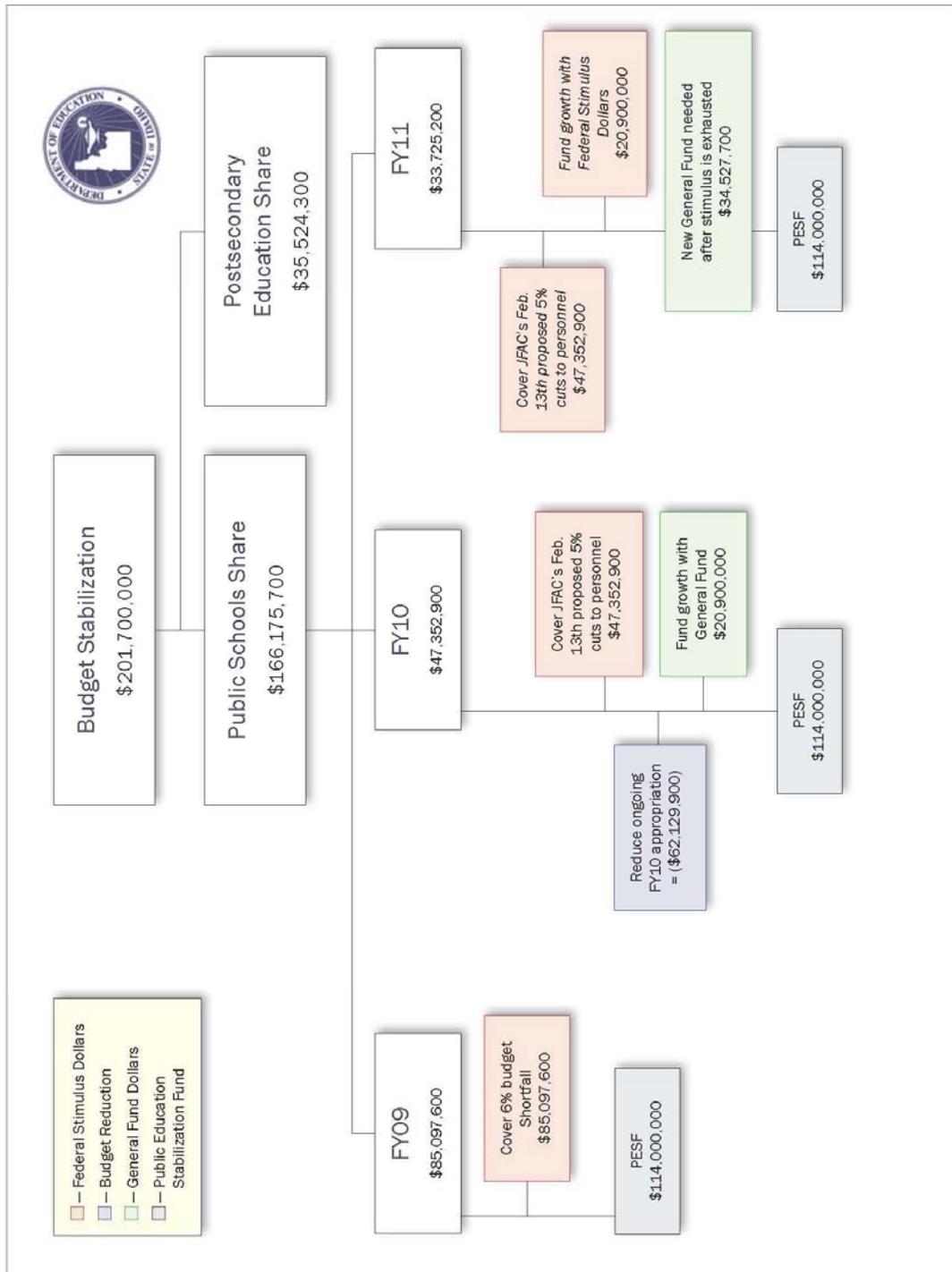
## ADDENDUM A

### STATE FISCAL STABILIZATION FUNDS IN IDAHO

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## **ADDENDUM B**

### **Process for Title I-A Funding**

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The Idaho State Department of Education (SDE) receives a table that lists preliminary fiscal year (FY) 2008 formula allocations (which are initially available for school year (SY) 2008-09) by school district for Title I, Part A Grants to Local Educational Agencies (LEAs). The final allocations, which the Department of Education (ED) expects to release in May, will change slightly because of revisions in certain Title I formula data elements. Of the \$13.9 billion appropriated for Title I, Part A, approximately \$6 billion will become available on July 1, 2008, and the remaining \$7.9 billion will become available on October 1, 2008.

Title I Grants to LEAs provide financial assistance to LEAs for services that improve the teaching and learning of children at risk of not meeting challenging academic standards, especially those children who reside in areas with high concentrations of children from low-income families. ED reserves funds to meet the special educational needs of Indian children in schools supported by the Bureau of Indian Education and for the Outlying Areas. In addition, up to \$4 million in funds from Title I Basic Grants supports updating census poverty data used to calculate LEA allocations. ED allocates Title I, Part A funds to LEAs through four statutory formulas—Basic Grants, Concentration Grants, Targeted Grants, and Education Finance Incentive Grants. The following describe the specific allocation provisions for each formula funded under PL 110-161.

**Basic Grants (Title I, Part A, section 1124):** ED allocates Basic Grant funds to LEAs through a statutory formula based primarily on the number of children, ages 5 through 17, from low-income families, which the Census Bureau updates annually, and on each State's per-pupil expenditure for education. In addition, the formula includes annually collected counts of children in locally operated institutions for neglected or delinquent children, in foster homes, and in families above poverty that receive assistance under the Temporary Assistance for Needy Families program. In order to receive a Basic Grant, an LEA must have at least 10 formula children and the number of those children must exceed two percent of the LEA's total population ages 5 through 17. To determine these preliminary allocations, ED used the Census Bureau's income year 2005 school district estimates, which are based on LEA boundaries as they existed in SY 2005-06 and on State per-pupil expenditures for SY 2005-06. Both of these data elements will also be used to calculate final FY 2008 allocations. These preliminary allocations also factor in the non-census data used to determine the previous year's allocations. ED will update these data elements when it calculates final FY 2008 allocations. Because of LEA consolidations and the creation of new LEAs since SY 2005-06, the list of LEAs used by ED to determine LEA allocations may not match the current list of school districts for many States. Thus, State Educational Agencies (SEAs) must adjust ED's LEA allocations to account for eligible LEAs that did not receive a Federal allocation. The statute also gives States the flexibility to use alternative poverty data (which, by statute, ED must approve) to redistribute ED-determined Title I Basic Grant allocations for LEAs with fewer than 20,000 total residents. The statute further requires that each eligible LEA receive at least 85, 90, or 95 percent of the amount it was allocated in the preceding year, depending on the LEA's poverty rate. The "hold-harmless" percentage guarantee varies according to the percentage of formula children in each LEA.

**Concentration Grants (Title I, Part A, section 1124A):** ED allocates Concentration Grant funds to LEAs in which the number of children counted for Basic Grant formula purposes exceeds 6,500

children or 15 percent of the total population ages 5 through 17. As with Basic Grants, SEAs must adjust ED's allocations to account for differences between State and Federal lists of LEAs and may use alternative poverty data for LEAs with fewer than 20,000 total residents. The hold-harmless requirement for Concentration Grants operates in the same way as it does for Basic Grants except that an LEA is guaranteed its hold-harmless amount for four consecutive years even if it is no longer eligible. Section 1122(c)(2) of the statute provides that LEAs failing to meet the eligibility threshold after four years are no longer protected by the hold-harmless provision.

**Targeted Grants (Title I, Part A, section 1125):** The Targeted Grants formula uses the same data elements as Basic and Concentration Grants. ED then adjusts the number of formula children to give greater weight to those LEAs with higher numbers or percentages of formula children. In order to receive a Targeted Grant, the number of formula children in an LEA counted for Basic Grant allocation purposes must be at least 10 and equal or exceed five percent of the LEA's total population ages 5 through 17. As with Basic and Concentration Grants, SEAs must adjust ED's allocations to account for differences between State and Federal lists of LEAs and may use alternative poverty data for LEAs with fewer than 20,000 total residents. The hold-harmless requirement for eligible LEAs works the same as it does for Basic Grants. The hold-harmless percentages, however, are based on the unweighted number of children used in the Targeted Grants formula.

**Education Finance Incentive Grants (Title I, Part A, section 1125A):** The Education Finance Incentive Grants (EFIG) formula, in addition to using the number of Title I formula children and each State's per-pupil expenditures, distributes funds to States based on (1) an effort factor that measures a State's effort to provide financial support for education compared to its relative wealth as measured by its per capita income, and (2) an equity factor that measures the degree to which education expenditures vary among school districts within a State. The EFIG formula benefits States that spend more money on education relative to their wealth and States that have a greater degree of equalized education expenditures among their LEAs. Once a State's EFIG allocation is determined, ED allocates funds among LEAs within a State using a weighted formula that is similar to the Targeted Grants formula. The within-State weights used for determining LEA allocations, however, vary among States according to the degree to which each State's expenditures are equalized across its school districts. The eligibility criteria used to determine whether an LEA qualifies for an EFIG allocation are the same as for Targeted Grants. As with Basic, Concentration, and Targeted Grants, SEAs must adjust ED's allocations to account for differences between State and Federal lists of LEAs and may use alternative poverty data for LEAs with fewer than 20,000 total residents. The hold-harmless requirement for eligible LEAs works the same as it does for Basic Grants. The hold-harmless percentages, however, are based on the unweighted number of children used in the EFIG formula.

#### **Additional Information**

SEAs are required to reserve four percent of the amount received under Title I, Part A for school improvement activities authorized in sections 1116 and 1117 of Title I. When reserving funds for this purpose, an SEA must ensure that no LEA receives less in total under Title I, Part A than it received in the prior year because of the four percent reservation. An SEA must suballocate not less than 95 percent of these funds to LEAs in accordance with criteria specified in section 1003(c) of Title I.

Section 1004(a) of Title I also allows an SEA to reserve for State administration not more than one percent or \$400,000, whichever is greater, from funds allocated to the State under Parts A, C, and D (Subpart 1) of Title I. However, for the first time the exception provision in section 1004(b) applies

because the \$14.3 billion appropriated in total for Title I, Parts A, C, and D exceeds \$14 billion. Under section 1004(b) the amount an SEA reserves for State administration may not exceed one percent of the amount it would otherwise receive if \$14 billion were allocated among the States for Title I, Parts A, C, and D. ED will provide each State with what its preliminary allocations for Parts A, C, and D would have been had \$14 billion been allocated to the States for these programs so that each State can calculate the maximum amount it may reserve for State administration.

The authorizing statute further provides that an SEA may reserve up to five percent of the Title I, Part A amount received in excess of the prior year amount for the State's academic achievement awards program authorized in section 1117(b)(1) of Title I.

*Source: (taken from March 28, 2008 Congressional Notification of Preliminary Fiscal Year 2008)*