

107<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5001

To amend the Individuals with Disabilities Education Act to establish a method to provide outcome-based funding increases to States, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 21, 2002

Mr. STARK introduced the following bill; which was referred to the Committee on Education and the Workforce

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## A BILL

To amend the Individuals with Disabilities Education Act to establish a method to provide outcome-based funding increases to States, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Realizing the Spirit  
5 of IDEA Act”.

6 **SEC. 2. FINDINGS; PURPOSE.**

7 (a) FINDINGS.—The Congress finds as follows:

8 (1) Since its enactment, the Individuals with  
9 Disabilities Education Act has successfully increased

1 the access of children with disabilities to a free ap-  
2 propriate public education.

3 (2) Maintaining the procedural safeguards de-  
4 tailed in such Act is critical to achieving better aca-  
5 demic outcomes for children with disabilities.

6 (3) When compared to children without disabil-  
7 ities, children with disabilities are more likely to  
8 drop out of school, complete school without a di-  
9 ploma, not attend school regularly, and have poor  
10 academic achievement.

11 (4) After leaving secondary school, individuals  
12 with disabilities frequently do not receive postsec-  
13 ondary education and experience high rates of unem-  
14 ployment.

15 (5) Despite their disabilities, children with dis-  
16 abilities are capable of learning and becoming pro-  
17 ductive members of society.

18 (6) There is evidence that effective interven-  
19 tions are available that will enhance the academic  
20 and overall adaptive functioning of children with dis-  
21 abilities.

22 (b) PURPOSE.—The purpose of this Act is to achieve  
23 mandatory maximum funding for the Individuals with Dis-  
24 abilities Education Act, and to require educational agen-  
25 cies to demonstrate improvement in the outcomes of chil-

1 dren with disabilities in order to qualify for Federal fund-  
 2 ing increases.

3 **SEC. 3. MODIFICATIONS TO FUNDING FOR ASSISTANCE**  
 4 **FOR EDUCATION OF CHILDREN WITH DIS-**  
 5 **ABILITIES.**

6 (a) MODIFICATION TO AGGREGATE FUNDING.—

7 (1) IN GENERAL.—Section 611 of the Individ-  
 8 uals with Disabilities Education Act (20 U.S.C.  
 9 1411) is amended—

10 (A) in the section heading, by striking  
 11 “AUTHORIZATION OF APPROPRIA-  
 12 TIONS.” and inserting “FUNDING.”; and

13 (B) by amending subsection (j) to read as  
 14 follows:

15 “(j) FUNDING.—

16 “(1) IN GENERAL.—For the purpose of car-  
 17 rying out this part, other than section 619, there is  
 18 authorized to be appropriated, and there is appro-  
 19 priated, for each fiscal year after fiscal year 2002,  
 20 the amount determined under paragraph (2) for  
 21 such year.

22 “(2) DETERMINATION OF AMOUNTS.—For each  
 23 fiscal year described in paragraph (1), the amount  
 24 described in such paragraph shall be determined—

25 “(A) by multiplying—

1           “(i) the percentage obtained by divid-  
2           ing the aggregate amount provided by the  
3           Secretary to States under this section for  
4           fiscal year 2002 by the product of—

5                   “(I) the average per-pupil ex-  
6                   penditure in public elementary and  
7                   secondary schools in the United  
8                   States; and

9                   “(II) the total number of children  
10                  with disabilities, in all States, receiv-  
11                  ing special education and related serv-  
12                  ices under this part (other than under  
13                  section 619) in the most recent pre-  
14                  ceding fiscal year for which satisfac-  
15                  tory data are available;

16                  “(ii) the average per-pupil expenditure  
17                  in public elementary and secondary schools  
18                  in the United States; and

19                  “(iii) the total number of children  
20                  with disabilities, in all States, receiving  
21                  special education and related services  
22                  under this part (other than under section  
23                  619) in the most recent preceding fiscal  
24                  year for which satisfactory data are avail-  
25                  able, except that the number under this

1 clause may not exceed 12 percent of the  
2 total number of all children aged 5  
3 through 17 in all States; and

4 “(B) by adding to the amount derived  
5 under subparagraph (A)—

6 “(i) 1 percent of such amount, which  
7 shall be used to carry out subsection (b);  
8 and

9 “(ii) 1.226 percent of such amount,  
10 which shall be used to provide assistance to  
11 the Secretary of the Interior in accordance  
12 with subsection (i).”.

13 (2) CLERICAL AMENDMENT.—The table of con-  
14 tents of the Individuals with Disabilities Education  
15 Act (20 U.S.C. 1400 et seq.) is amended by amend-  
16 ing the item relating to section 611 to read as fol-  
17 lows:

“Sec. 611. Authorization; allotment; use of funds; funding.”.

18 (b) OUTCOME-BASED BONUS PAYMENTS TO  
19 STATES.—Section 611(e) of the Individuals with Disabil-  
20 ities Education Act (20 U.S.C. 1411(e)) is amended by  
21 adding at the end the following:

22 “(5) OUTCOME-BASED BONUS PAYMENTS.—

23 “(A) IN GENERAL.—

24 “(i) REQUIREMENT.—In addition to  
25 any amount a State otherwise receives

1 under the preceding provisions of this sub-  
2 section, each State shall receive a bonus  
3 payment determined in accordance with  
4 this paragraph.

5 “(ii) USE OF FUNDS.—A State shall  
6 expend a bonus payment received under  
7 this paragraph for educational purposes,  
8 except that funds received under this para-  
9 graph shall be used to supplement, and not  
10 supplant, non-Federal funds that would  
11 otherwise be used for educational purposes.  
12 Such a payment shall not be subject to the  
13 terms and conditions otherwise applicable  
14 to the use of State allocations made under  
15 this section.

16 “(iii) SUBGRANTS TO LOCAL EDU-  
17 CATIONAL AGENCIES.—If a State distrib-  
18 utes some or all of a bonus payment re-  
19 ceived under this paragraph to local edu-  
20 cational agencies, the State may allocate  
21 such funds to such agencies based on—

22 “(I) their respective populations  
23 of children living in poverty;

24 “(II) the severity of their respec-  
25 tive special education populations;

1                   “(III) their respective adminis-  
2                   trative costs;

3                   “(IV) their prevention efforts; or

4                   “(V) any other factors the State  
5                   deems relevant to the cost of pro-  
6                   viding special education and related  
7                   services to children with disabilities.

8                   “(iv) FUNDING.—For the purpose of  
9                   carrying out this paragraph, there is au-  
10                  thorized to be appropriated, and there is  
11                  appropriated, for each fiscal year after fis-  
12                  cal year 2002, an amount equal to the sum  
13                  of the amounts required to be paid to each  
14                  State under this paragraph for such fiscal  
15                  year.

16                  “(B) OUTCOME INDICATORS.—

17                  “(i) INDICATORS.—Each local edu-  
18                  cational agency in a State shall measure  
19                  the differences between children with dis-  
20                  abilities receiving special education and re-  
21                  lated services under this part (other than  
22                  under section 619) from the agency, and  
23                  other children served by the agency, using  
24                  the following outcome indicators:

1           “(I) The academic achievement  
2 of students in elementary and sec-  
3 ondary schools, as measured by per-  
4 formance on the national or State as-  
5 sessment of educational progress car-  
6 ried out under section 1111 of the El-  
7 ementary and Secondary Education  
8 Act of 1965 (29 U.S.C. 6311).

9           “(II) The rate of average daily  
10 attendance for students in elementary  
11 schools and secondary schools.

12           “(III) The dropout rate for stu-  
13 dents in secondary schools, as deter-  
14 mined under section 612(a)(16).

15           “(IV) The graduation rate of stu-  
16 dents in secondary schools, as deter-  
17 mined under section 612(a)(16).

18           “(V) The postsecondary edu-  
19 cation enrollment, and the employ-  
20 ment status, of students who are ceas-  
21 ing to be served by the agency by rea-  
22 son of separation from secondary  
23 school.

24           “(ii) OPERATIONAL DEFINITIONS;  
25 TEST ACCOMMODATIONS.—



1                   “(I) OPERATIONAL DEFINI-  
2                   TIONS.—Each State, in consultation  
3                   with the Secretary, may develop oper-  
4                   ational definitions and methods of cal-  
5                   culation with respect to each of the  
6                   outcome indicators described in clause  
7                   (i), as long as the criteria used are re-  
8                   liable and valid and remain substan-  
9                   tially the same from year to year.

10                   “(II) TEST ACCOMMODATIONS.—  
11                   To the extent not prohibited under  
12                   other law, for purposes of computing  
13                   bonuses under this paragraph, special  
14                   accommodations in taking tests of  
15                   academic achievement described in  
16                   clause (i)(I) may be offered to certain  
17                   children with disabilities, as long as  
18                   such accommodations yield results  
19                   that are reliable and valid. The cri-  
20                   teria used for determining appropriate  
21                   accommodations under this subclause  
22                   must be reliable and remain substan-  
23                   tially the same from year to year.

24                   “(iii) MEASUREMENT.—A local edu-  
25                   cational agency shall make the measure-

1           ment described in clause (i), for each indi-  
2           cator described in clause (i) and each fiscal  
3           year, by comparing—

4                   “(I) the performance difference  
5                   (if any), for the most recent preceding  
6                   fiscal year, but only if satisfactory  
7                   data are available for such year; with

8                   “(II) the average of such per-  
9                   formance differences (if any) for the 3  
10                  school years that precede such most  
11                  recent preceding year, but only if sat-  
12                  isfactory data are available for all  
13                  such years.

14                  “(iv) PERCENTAGE REDUCTION IN  
15                  OUTCOME DIFFERENCE.—A local edu-  
16                  cational agency shall convert each meas-  
17                  urement under clause (iii) into a percent-  
18                  age reduction (if there is a reduction), for  
19                  the most recent preceding fiscal year, in  
20                  the difference between the outcome for—

21                   “(I) children with disabilities re-  
22                   ceiving special education and related  
23                   services under this part (other than  
24                   under section 619) from the agency;  
25                   and

1                   “(II) other children served by the  
2                   agency.

3                   “(v)       MINIMUM       PARTICIPATION  
4                   LEVEL.—In order for any measurement  
5                   made under clause (iii) to be used under  
6                   this paragraph, it must be based on data  
7                   for not less than 90 percent of the children  
8                   with disabilities for whom the applicable  
9                   local educational agency was providing spe-  
10                  cial education and related services under  
11                  this part (other than under section 619)  
12                  during the period measured.

13                  “(vi)   STATISTICAL   DISAGGREGATION  
14                  OF SPECIAL EDUCATION STUDENTS.—For  
15                  the purpose of calculating performance  
16                  with respect to outcome indicators under  
17                  this paragraph, data on a child with a dis-  
18                  ability who receives special education or re-  
19                  lated services from a local educational  
20                  agency under this part (other than under  
21                  section 619) shall be disaggregated from  
22                  the general education population of such  
23                  agency for the remainder of the child’s ele-  
24                  mentary and secondary education within  
25                  the jurisdiction of such agency, even if the

1 child ceases to receive special education or  
2 related services.

3 “(C) LOCAL EDUCATIONAL AGENCY CAL-  
4 CULATIONS.—

5 “(i) IN GENERAL.—For purposes of  
6 calculating the payments to States under  
7 subparagraph (D), each local educational  
8 agency shall receive a credit with respect  
9 to performance on the outcome indicators  
10 described in subparagraph (B)(i). Such  
11 credit shall be calculated in accordance  
12 with this subparagraph.

13 “(ii) REDUCTION IN OUTCOME DIF-  
14 FERENCE.—

15 “(I) IN GENERAL.—With respect  
16 to each outcome indicator described in  
17 subparagraph (B)(i) and each fiscal  
18 year, the local educational agency  
19 shall determine, in accordance with  
20 subparagraph (B), the applicable per-  
21 centage reduction, if any, in the dif-  
22 ference between the outcome for chil-  
23 dren with disabilities and children  
24 without disabilities.

1           “(II) MAXIMUM.—The maximum  
2           percentage reduction which may be  
3           credited for any local education agen-  
4           cy under this clause with respect to  
5           any individual outcome indicator is 5  
6           percent.

7           “(III) HIGH-PERFORMING AGEN-  
8           CIES.—If the local educational agency  
9           determines, in accordance with sub-  
10          paragraph (B), that there is no meas-  
11          urable difference with respect to an  
12          outcome indicator between the out-  
13          come for children with disabilities and  
14          children without disabilities for the  
15          most recent preceding fiscal year, the  
16          local education agency shall be cred-  
17          ited as if its percentage reduction  
18          under subclause (I) were 5 percent.

19          “(IV) MINIMALLY-PERFORMING  
20          AGENCIES.—If the percentage reduc-  
21          tion that otherwise would be credited  
22          for a local educational agency under  
23          this clause is greater than zero but  
24          less than 1 percent, the local edu-  
25          cation agency shall be credited as if

1 its percentage reduction under sub-  
2 clause (I) were 1 percent.

3 “(V) SPECIAL RULE FOR LEAS  
4 WITH FEW STUDENTS WITH DISABIL-  
5 TIES.—In the case of a local edu-  
6 cational agency enrolling less than 10  
7 children with disabilities for the fiscal  
8 year concerned, the local educational  
9 agency may elect to make the deter-  
10 minations under subparagraph (B)  
11 and this subparagraph using aggre-  
12 gated data reflecting performance by  
13 all local educational agencies in the  
14 State.

15 “(iii) DETERMINATION OF FUNDING  
16 PROPORTION.—The local educational agen-  
17 cy shall determine a funding proportion,  
18 based on a percentage reduction calculated  
19 under clause (ii), which shall be used by  
20 the agency. The maximum funding propor-  
21 tion shall be 1 percent, which shall be used  
22 only in the case of the maximum percent-  
23 age reduction under clause (ii) of 5 per-  
24 cent. All other funding proportions shall be  
25 ratably reduced below 1 percent. In any

1 case in which a percentage reduction under  
2 clause (ii) is zero or less, the funding pro-  
3 portion determined under this clause shall  
4 be zero.

5 “(iv) AVERAGE PER-PUPIL EXPENDI-  
6 TURE.—The local educational agency shall  
7 multiply the funding proportion determined  
8 under clause (iii) by the average per-pupil  
9 expenditure in public elementary and sec-  
10 ondary schools in the United States.

11 “(v) POPULATION OF CHILDREN RE-  
12 CEIVING SERVICES.—The local educational  
13 agency shall multiply the product deter-  
14 mined under clause (iv) by the number of  
15 children with disabilities receiving special  
16 education and related services from the  
17 local educational agency for the most re-  
18 cent preceding year for which satisfactory  
19 data are available.

20 “(vi) CREDIT.—The local educational  
21 agency shall receive a dollar amount credit  
22 with respect to performance on each out-  
23 come indicator described in subparagraph  
24 (B)(i). Such credit shall equal the product

1 determined under clause (v) with respect  
2 to such indicator.

3 “(vii) SPECIAL RULES FOR LEAS  
4 SERVING ONLY ELEMENTARY SCHOOL STU-  
5 DENTS.—In the case of a local educational  
6 agency that does not provide secondary  
7 education (as determined under State law),  
8 at the option of the State—

9 “(I) the maximum funding pro-  
10 portion described in clause (iii) shall  
11 be 2.5 percent in lieu of 1 percent,  
12 and the local educational agency may  
13 receive a dollar amount credit under  
14 this subparagraph with respect to per-  
15 formance only on the outcome indica-  
16 tors described in subclauses (I) and  
17 (II) of subparagraph (B)(i); or

18 “(III) the maximum funding pro-  
19 portion described in clause (iii) shall  
20 be 1  $\frac{2}{3}$  percent in lieu of 1 percent,  
21 and the local educational agency may  
22 receive a dollar amount credit under  
23 this subparagraph with respect to per-  
24 formance only on the outcome indica-  
25 tors described in subclauses (I) and



1 (II) of subparagraph (B)(i) and an  
2 additional outcome indicator that  
3 measures the differences between chil-  
4 dren with disabilities receiving special  
5 education and related services under  
6 this part (other than under section  
7 619) from the agency, and other chil-  
8 dren served by the agency, with re-  
9 spect to grade-to-grade retention  
10 rates.

11 “(viii) LEA REPORTS TO STATES.—  
12 Each local educational agency annually  
13 shall submit to the State a report, at such  
14 time and in such manner as the State shall  
15 specify, containing the data, measure-  
16 ments, and calculations of the agency pur-  
17 suant to subparagraph (B) and this sub-  
18 paragraph.

19 “(D) BONUS PAYMENTS TO STATES.—

20 “(i) STATE REPORTS TO SEC-  
21 RETARY.—Each State annually shall sub-  
22 mit to the Secretary a report, at such time  
23 and in such manner as the Secretary shall  
24 specify, containing the data, measure-  
25 ments, and calculations of each local edu-

1 cational agency in the State pursuant to  
2 subparagraphs (B) and (C).

3 “(ii) CALCULATION OF PAYMENT  
4 AMOUNT.—Subject to clauses (iii) and (iv),  
5 each State shall receive a bonus payment  
6 for a fiscal year equal to—

7 “(I) the sum of all dollar amount  
8 credits determined under subpara-  
9 graph (C) for such year for all local  
10 educational agencies in the State; plus

11 “(II) the bonus payment received  
12 by the State for the preceding fiscal  
13 year.

14 “(iii) LIMITATION.—In no case may a  
15 State receive a bonus payment under this  
16 paragraph for a fiscal year that would  
17 cause the State to receive an amount  
18 under this section for the year that exceeds  
19 the maximum amount described in sub-  
20 section (a)(2). The Secretary shall reduce  
21 the bonus payment to such a State until  
22 the State receives an amount under this  
23 section that equals such maximum amount.

24 “(iv) REDETERMINATIONS.—In any  
25 case in which a local educational agency

1           has made an error, has used data improv-  
2           erly, or has used data that are not satis-  
3           factory, Secretary shall redetermine any  
4           determination made by such agency under  
5           this paragraph.

6           “(E) REPORTS TO CONGRESS.—The Sec-  
7           retary shall submit to the Congress an annual  
8           report describing—

9                   “(i) the most recent bonus payments  
10                  made to States under this paragraph; and

11                   “(ii) the data, measurements, and cal-  
12                  culations that were the basis for such pay-  
13                  ments.”.

14 **SEC. 4. MODIFICATIONS TO FUNDING FOR PRESCHOOL**  
15 **GRANTS.**

16           Section 619(j) of the Individuals with Disabilities  
17 Education Act (20 U.S.C. 1419(j)) is amended to read  
18 as follows:

19           “(j) FUNDING.—

20                   “(1) IN GENERAL.—For the purpose of car-  
21                  rying out this section, there is authorized to be ap-  
22                  propriated, and there is appropriated, for each fiscal  
23                  year after fiscal year 2002, the amount determined  
24                  under paragraph (2) for such year.

1           “(2) DETERMINATION OF AMOUNTS.—For each  
 2           fiscal year described in paragraph (1), the amount  
 3           described in such paragraph shall be determined by  
 4           increasing the aggregate amount provided by the  
 5           Secretary to States under this section for the pre-  
 6           ceding fiscal year by the product of—

7                   “(A) such aggregate amount; and

8                   “(B) the percentage increase in the aggre-  
 9           gate amount provided by the Secretary to  
 10          States under section 611 for such fiscal year  
 11          over the aggregate amount provided by the Sec-  
 12          retary to States under such section for the pre-  
 13          ceding fiscal year.”.

14 **SEC. 5. MODIFICATIONS TO FUNDING FOR INFANTS AND**  
 15 **TODDLERS WITH DISABILITIES.**

16          (a) IN GENERAL.—Section 645 of the Individuals  
 17          with Disabilities Education Act (20 U.S.C. 1445) is  
 18          amended to read as follows:

19 **“SEC. 645. FUNDING.**

20          “(a) IN GENERAL.—For the purpose of carrying out  
 21          this part, there is authorized to be appropriated, and there  
 22          is appropriated, for each fiscal year after fiscal year 2002,  
 23          the amount determined under subsection (b) for such year.

24          “(b) DETERMINATION OF AMOUNTS.—For each fis-  
 25          cal year described in subsection (a), the amount described

1 in such subsection shall be determined by increasing the  
 2 aggregate amount provided by the Secretary to States  
 3 under this part for the preceding fiscal year by the product  
 4 of—

5           “(1) such aggregate amount; and

6           “(2) the percentage increase in the aggregate  
 7 amount provided by the Secretary to States under  
 8 section 611 for such fiscal year over the aggregate  
 9 amount provided by the Secretary to States under  
 10 such section for the preceding fiscal year.”.

11       (b) CLERICAL AMENDMENT.—The table of contents  
 12 of the Individuals with Disabilities Education Act (20  
 13 U.S.C. 1400 et seq.) is amended by amending the item  
 14 relating to section 645 to read as follows:

“Sec. 645. Funding.”.

15 **SEC. 6. MODIFICATIONS TO FUNDING FOR STATE PRO-**  
 16 **GRAM IMPROVEMENT GRANTS FOR CHIL-**  
 17 **DREN WITH DISABILITIES.**

18       (a) IN GENERAL.—Section 656 of the Individuals  
 19 with Disabilities Education Act (20 U.S.C. 1456) is  
 20 amended to read as follows:

21 **“SEC. 656. FUNDING.**

22       “(a) IN GENERAL.—For the purpose of carrying out  
 23 this subpart, there is authorized to be appropriated, and  
 24 there is appropriated, for each fiscal year after fiscal year

1 2002, the amount determined under subsection (b) for  
2 such year.

3 “(b) DETERMINATION OF AMOUNTS.—For each fis-  
4 cal year described in subsection (a), the amount described  
5 in such subsection shall be determined by increasing the  
6 aggregate amount provided by the Secretary to State edu-  
7 cational agencies under this subpart for the preceding fis-  
8 cal year by the product of—

9 “(1) such aggregate amount; and

10 “(2) the percentage increase in the aggregate  
11 amount provided by the Secretary to States under  
12 section 611 for such fiscal year over the aggregate  
13 amount provided by the Secretary to States under  
14 such section for the preceding fiscal year.”.

15 (b) CLERICAL AMENDMENT.—The table of contents  
16 of the Individuals with Disabilities Education Act (20  
17 U.S.C. 1400 et seq.) is amended by amending the item  
18 relating to section 656 to read as follows:

“Sec. 656. Funding.”.

19 **SEC. 7. MODIFICATIONS TO FUNDING FOR RESEARCH AND**  
20 **INNOVATION TO IMPROVE SERVICES AND RE-**  
21 **SULTS FOR CHILDREN WITH DISABILITIES.**

22 Section 672(g) of the Individuals with Disabilities  
23 Education Act (20 U.S.C. 1472(g)) is amended to read  
24 as follows:

25 “(g) FUNDING.—

1           “(1) IN GENERAL.—For the purpose of car-  
 2           rying out this section, there is authorized to be ap-  
 3           propriated, and there is appropriated, for each fiscal  
 4           year after fiscal year 2002, the amount determined  
 5           under paragraph (2) for such year.

6           “(2) DETERMINATION OF AMOUNTS.—For each  
 7           fiscal year described in paragraph (1), the amount  
 8           described in such paragraph shall be determined by  
 9           increasing the aggregate amount provided by the  
 10          Secretary to eligible entities under this section for  
 11          the preceding fiscal year by the product of—

12                   “(A) such aggregate amount; and

13                   “(B) the percentage increase in the aggre-  
 14                   gate amount provided by the Secretary to  
 15                   States under section 611 for such fiscal year  
 16                   over the aggregate amount provided by the Sec-  
 17                   retary to States under such section for the pre-  
 18                   ceding fiscal year.”.

19 **SEC. 8. MODIFICATIONS TO FUNDING FOR PERSONNEL**  
 20 **PREPARATION TO IMPROVE SERVICES AND**  
 21 **RESULTS FOR CHILDREN WITH DISABILITIES.**

22          Section 673(j) of the Individuals with Disabilities  
 23          Education Act (20 U.S.C. 1473(j)) is amended to read  
 24          as follows:

25           “(j) FUNDING.—

1           “(1) IN GENERAL.—For the purpose of car-  
2           rying out this section, there is authorized to be ap-  
3           propriated, and there is appropriated, for each fiscal  
4           year after fiscal year 2002, the amount determined  
5           under paragraph (2) for such year.

6           “(2) DETERMINATION OF AMOUNTS.—For each  
7           fiscal year described in paragraph (1), the amount  
8           described in such paragraph shall be determined by  
9           increasing the aggregate amount provided by the  
10          Secretary to eligible entities under this section for  
11          the preceding fiscal year by the product of—

12                   “(A) such aggregate amount; and

13                   “(B) the percentage increase in the aggre-  
14                   gate amount provided by the Secretary to  
15                   States under section 611 for such fiscal year  
16                   over the aggregate amount provided by the Sec-  
17                   retary to States under such section for the pre-  
18                   ceding fiscal year.”.

19 **SEC. 9. MODIFICATIONS TO FUNDING FOR IMPROVING**  
20                   **EARLY INTERVENTION, EDUCATIONAL, AND**  
21                   **TRANSITIONAL SERVICES.**

22          (a) IN GENERAL.—Section 686 of the Individuals  
23          with Disabilities Education Act (20 U.S.C. 1486) is  
24          amended to read as follows:



1 **“SEC. 686. FUNDING.**

2       “(a) IN GENERAL.—For the purpose of carrying out  
3 sections 681 through 685, there is authorized to be appro-  
4 priated, and there is appropriated, for each fiscal year  
5 after fiscal year 2002, the amount determined under sub-  
6 section (b) for such year.

7       “(b) DETERMINATION OF AMOUNTS.—For each fis-  
8 cal year described in subsection (a), the amount described  
9 in such subsection shall be determined by increasing the  
10 aggregate amount provided by the Secretary under sec-  
11 tions 681 through 685 for the preceding fiscal year by the  
12 product of—

13               “(1) such aggregate amount; and

14               “(2) the percentage increase in the aggregate  
15 amount provided by the Secretary to States under  
16 section 611 for such fiscal year over the aggregate  
17 amount provided by the Secretary to States under  
18 such section for the preceding fiscal year.”.

19       (b) CLERICAL AMENDMENT.—The table of contents  
20 of the Individuals with Disabilities Education Act (20  
21 U.S.C. 1400 et seq.) is amended by amending the item  
22 relating to section 686 to read as follows:

“Sec. 686. Funding.”.

1 **SEC. 10. MODIFICATIONS TO FUNDING FOR TECHNOLOGY**  
2 **DEVELOPMENT, DEMONSTRATION, AND UTI-**  
3 **LIZATION; AND MEDIA SERVICES.**

4 Section 687(e) of the Individuals with Disabilities  
5 Education Act (20 U.S.C. 1487(e)) is amended to read  
6 as follows:

7 “(e) FUNDING.—

8 “(1) IN GENERAL.—For the purpose of car-  
9 rying out this section, there is authorized to be ap-  
10 propriated, and there is appropriated, for each fiscal  
11 year after fiscal year 2002, the amount determined  
12 under paragraph (2) for such year.

13 “(2) DETERMINATION OF AMOUNTS.—For each  
14 fiscal year described in paragraph (1), the amount  
15 described in such paragraph shall be determined by  
16 increasing the aggregate amount provided by the  
17 Secretary to eligible entities under this section for  
18 the preceding fiscal year by the product of—

19 “(A) such aggregate amount; and

20 “(B) the percentage increase in the aggre-  
21 gate amount provided by the Secretary to  
22 States under section 611 for such fiscal year  
23 over the aggregate amount provided by the Sec-  
24 retary to States under such section for the pre-  
25 ceding fiscal year.”.

1 **SEC. 11. EFFECTIVE DATE.**

2       The amendments made by this Act shall take effect  
3 on October 1, 2002, or the date of the enactment of this  
4 Act, whichever occurs later.

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