

108TH CONGRESS  
1ST SESSION

# H. R. 1576

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

APRIL 2, 2003

Mr. STARK (for himself and Mr. HOLT) 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 2003,  
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 2003 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 in the most recent preceding  
9                   fiscal year for which satisfactory data  
10                  are available; and

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

18           “(ii) the average per-pupil expenditure  
19           in public elementary and secondary schools  
20           in the United States in the most recent  
21           preceding fiscal year for which satisfactory  
22           data are available; and

23                   “(iii) the total number of children  
24                   with disabilities, in all States, receiving  
25                   special education and related services

1 under this part (other than under section  
2 619) in the most recent preceding fiscal  
3 year for which satisfactory data are avail-  
4 able, except that the number under this  
5 clause may not exceed 12 percent of the  
6 total number of all children aged 5  
7 through 17 in all States; and

8 “(B) by adding to the amount derived  
9 under subparagraph (A)—

10 “(i) 1 percent of such amount, which  
11 shall be used to permit the Secretary to  
12 carry out subsection (b); and

13 “(ii) 1.24 percent of such amount,  
14 which shall be used to provide assistance to  
15 the Secretary of the Interior in accordance  
16 with subsection (i).”.

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

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

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

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

2                   “(A) IN GENERAL.—

3                           “(i) REQUIREMENT.—In addition to  
4                           any amount a State otherwise receives  
5                           under the preceding provisions of this sub-  
6                           section, each State shall receive a bonus  
7                           payment determined in accordance with  
8                           this paragraph.

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

20                           “(iii) SUBGRANTS TO LOCAL EDU-  
21                           CATIONAL AGENCIES.—The State shall dis-  
22                           tribute some or all of each bonus payment  
23                           received under this paragraph to local edu-  
24                           cational agencies. The State may allocate  
25                           such funds to such agencies based on—

1                   “(I) their respective populations  
2                   of children living in poverty;

3                   “(II) the severity of their respec-  
4                   tive special education populations;

5                   “(III) their respective adminis-  
6                   trative costs;

7                   “(IV) their prevention and reme-  
8                   diation efforts; or

9                   “(V) any other factors the State  
10                  deems relevant to the cost of pro-  
11                  viding special education and related  
12                  services to children with disabilities.

13                  “(iv) FUNDING.—For the purpose of  
14                  carrying out this paragraph, there is au-  
15                  thorized to be appropriated, and there is  
16                  appropriated, for each fiscal year after fis-  
17                  cal year 2003, an amount equal to the sum  
18                  of the amounts required to be paid to each  
19                  State under this paragraph for such fiscal  
20                  year.

21                  “(B) OUTCOME INDICATORS.—

22                  “(i) INDICATORS.—Each local edu-  
23                  cational agency in a State shall measure  
24                  the differences between children with dis-  
25                  abilities receiving special education and re-

1           lated services under this part (other than  
2           under section 619) from the agency, and  
3           other children served by the agency, using  
4           the following outcome indicators:

5                   “(I) The academic achievement  
6                   of students in elementary and sec-  
7                   ondary schools, as measured by per-  
8                   formance on adequate yearly progress  
9                   assessments carried out under section  
10                  1111 of the Elementary and Sec-  
11                  ondary Act of 1965 (29 U.S.C. 6311).

12                  “(II) The rate of average daily  
13                  attendance for students in elementary  
14                  schools and secondary schools.

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

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

21                  “(V) The postsecondary edu-  
22                  cation enrollment, and the employ-  
23                  ment status, of students who are ceas-  
24                  ing to be served by the agency by rea-

1 son of separation from secondary  
2 school.

3 “(ii) OPERATIONAL DEFINITIONS;  
4 TEST ACCOMMODATIONS.—

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

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

1 must be reliable and remain substan-  
2 tially the same from year to year.

3 “(iii) MEASUREMENT.—A local edu-  
4 cational agency shall make the measure-  
5 ment described in clause (i), for each indi-  
6 cator described in clause (i) and each  
7 school year, by comparing—

8 “(I) the performance difference  
9 (if any), for the most recent preceding  
10 school year, but only if satisfactory  
11 data are available for such year; with

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

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

1           “(I) children with disabilities re-  
2           ceiving special education and related  
3           services under this part (other than  
4           under section 619) from the agency;  
5           and

6           “(II) other children served by the  
7           agency.

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

18          “(vi)   STATISTICAL   DISAGGREGATION  
19          OF SPECIAL EDUCATION STUDENTS.—For  
20          the purpose of calculating performance  
21          with respect to outcome indicators under  
22          this paragraph, data on a child with a dis-  
23          ability who receives special education or re-  
24          lated services from a local educational  
25          agency under this part (other than under

1 section 619) shall be disaggregated from  
2 the general education population of such  
3 agency for the remainder of the child’s ele-  
4 mentary and secondary education within  
5 the jurisdiction of such agency, even if the  
6 child ceases to receive special education or  
7 related services.

8 “(C) LOCAL EDUCATIONAL AGENCY CAL-  
9 CULATIONS.—

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

18 “(ii) REDUCTION IN OUTCOME DIF-  
19 FERENCE.—

20 “(I) IN GENERAL.—With respect  
21 to each outcome indicator described in  
22 subparagraph (B)(i) and each fiscal  
23 year, the local educational agency  
24 shall determine, in accordance with  
25 subparagraph (B), the applicable per-

1           centage reduction, if any, in the dif-  
2           ference between the outcome for chil-  
3           dren with disabilities and children  
4           without disabilities.

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

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

23          “(IV) MINIMALLY-PERFORMING  
24          AGENCIES.—If the percentage reduc-  
25          tion that otherwise would be credited

1 for a local educational agency under  
2 this clause is greater than zero but  
3 less than 1 percent, the local edu-  
4 cation agency shall be credited as if  
5 its percentage reduction under sub-  
6 clause (I) were 1 percent.

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

19 “(iii) DETERMINATION OF FUNDING  
20 PROPORTION.—The local educational agen-  
21 cy shall determine a funding proportion,  
22 based on a percentage reduction calculated  
23 under clause (ii), which shall be used by  
24 the agency. The maximum funding propor-  
25 tion shall be 1 percent, which shall be used

1 only in the case of the maximum percent-  
2 age reduction under clause (ii) of 5 per-  
3 cent. All other funding proportions shall be  
4 ratably reduced below 1 percent. In any  
5 case in which a percentage reduction under  
6 clause (ii) is zero or less, the funding pro-  
7 portion determined under this clause shall  
8 be zero.

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

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

24 “(vi) CREDIT.—The local educational  
25 agency shall receive a dollar amount credit

1 with respect to performance on each out-  
2 come indicator described in subparagraph  
3 (B)(i). Such credit shall equal the product  
4 determined under clause (v) with respect  
5 to such indicator.

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

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

21 “(III) the maximum funding pro-  
22 portion described in clause (iii) shall  
23 be  $1\frac{2}{3}$  percent in lieu of 1 percent,  
24 and the local educational agency may  
25 receive a dollar amount credit under

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

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

22           “(D) BONUS PAYMENTS TO STATES.—

23           “(i) STATE REPORTS TO SEC-  
24          RETARY.—Each State annually shall sub-  
25          mit to the Secretary a report, at such time

1 and in such manner as the Secretary shall  
2 specify, containing the data, measure-  
3 ments, and calculations of each local edu-  
4 cational agency in the State pursuant to  
5 subparagraphs (B) and (C).

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

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

14 “(II) the bonus payment received  
15 by the State for the preceding fiscal  
16 year.

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

1 the State receives an amount under this  
2 section that equals such maximum amount.

3 “(iv) REDETERMINATIONS.—In any  
4 case in which a local educational agency  
5 has made an error, has used data improp-  
6 erly, or has used data that are not satis-  
7 factory, Secretary shall redetermine any  
8 determination made by such agency under  
9 this paragraph.

10 “(E) REPORTS TO CONGRESS.—The Sec-  
11 retary shall submit to the Congress an annual  
12 report describing—

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

15 “(ii) the data, measurements, and cal-  
16 culations that were the basis for such pay-  
17 ments.”.

18 **SEC. 4. MODIFICATIONS TO FUNDING FOR PRESCHOOL**  
19 **GRANTS.**

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

23 “(j) FUNDING.—

24 “(1) IN GENERAL.—For the purpose of car-  
25 rying out this section, there is authorized to be ap-

1       appropriated, and there is appropriated, for each fiscal  
2       year after fiscal year 2003, the amount determined  
3       under paragraph (2) for such year.

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

10               “(A) such aggregate amount; and

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

17 **SEC. 5. MODIFICATIONS TO FUNDING FOR INFANTS AND**  
18 **TODDLERS WITH DISABILITIES.**

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

22 **“SEC. 645. FUNDING.**

23       “(a) IN GENERAL.—For the purpose of carrying out  
24 this part, there is authorized to be appropriated, and there

1 is appropriated, for each fiscal year after fiscal year 2003,  
 2 the amount determined under subsection (b) for 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 States  
 7 under this part for the preceding fiscal year by the product  
 8 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 645 to read as follows:

“Sec. 645. Funding.”.

19 **SEC. 6. MODIFICATIONS TO FUNDING FOR STATE PRO-**  
 20 **GRAM IMPROVEMENT GRANTS FOR CHIL-**  
 21 **DREN WITH DISABILITIES.**

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

1 **“SEC. 656. FUNDING.**

2       “(a) IN GENERAL.—For the purpose of carrying out  
3 this subpart, there is authorized to be appropriated, and  
4 there is appropriated, for each fiscal year after fiscal year  
5 2003, the amount determined under subsection (b) for  
6 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 to State edu-  
11 cational agencies under this subpart for the preceding fis-  
12 cal year by the 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 656 to read as follows:

“Sec. 656. Funding.”.

1 **SEC. 7. MODIFICATIONS TO FUNDING FOR RESEARCH AND**  
2 **INNOVATION TO IMPROVE SERVICES AND RE-**  
3 **SULTS FOR CHILDREN WITH DISABILITIES.**

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

7 “(g) 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 2003, 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. 8. MODIFICATIONS TO FUNDING FOR PERSONNEL**  
2 **PREPARATION TO IMPROVE SERVICES AND**  
3 **RESULTS FOR CHILDREN WITH DISABILITIES.**

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

7 “(j) 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 2003, 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. 9. MODIFICATIONS TO FUNDING FOR IMPROVING**  
2 **EARLY INTERVENTION, EDUCATIONAL, AND**  
3 **TRANSITIONAL SERVICES.**

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

7 **“SEC. 686. FUNDING.**

8 “(a) IN GENERAL.—For the purpose of carrying out  
9 sections 681 through 685, there is authorized to be appro-  
10 priated, and there is appropriated, for each fiscal year  
11 after fiscal year 2003, the amount determined under sub-  
12 section (b) for such year.

13 “(b) DETERMINATION OF AMOUNTS.—For each fis-  
14 cal year described in subsection (a), the amount described  
15 in such subsection shall be determined by increasing the  
16 aggregate amount provided by the Secretary under sec-  
17 tions 681 through 685 for the preceding fiscal year by the  
18 product of—

19 “(1) such aggregate amount; and

20 “(2) the percentage increase in the aggregate  
21 amount provided by the Secretary to States under  
22 section 611 for such fiscal year over the aggregate  
23 amount provided by the Secretary to States under  
24 such section for the preceding fiscal year.”.

25 (b) CLERICAL AMENDMENT.—The table of contents  
26 of the Individuals with Disabilities Education Act (20

1 U.S.C. 1400 et seq.) is amended by amending the item  
2 relating to section 686 to read as follows:

“Sec. 686. Funding.”.

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

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

9 “(e) FUNDING.—

10 “(1) IN GENERAL.—For the purpose of car-  
11 rying out this section, there is authorized to be ap-  
12 propriated, and there is appropriated, for each fiscal  
13 year after fiscal year 2003, the amount determined  
14 under paragraph (2) for such year.

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

21 “(A) such aggregate amount; and

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

1           retary to States under such section for the pre-  
2           ceding fiscal year.”.

3 **SEC. 11. EFFECTIVE DATE.**

4           The amendments made by this Act shall take effect  
5 on October 1, 2003, or the date of the enactment of this  
6 Act, whichever occurs later.

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