

Illinois State Board of Education

Finance & Audit Committee of the Whole

January 13, 2010

1:15 p.m.

(This meeting will begin immediately following the Governor's State of the State Address.)

All open meetings will be audio cast on the Internet at: www.isbe.net

AGENDA *(timeframes are estimated for planning purposes)*

- I. Roll Call
- II. Board Member Participation by Other Means
- III. Public Participation *(time allotted at the call of the Chairman)*
- IV. Minutes of the December Finance & Audit Committee of the Whole Meeting **(p. 2)**
- V. Discussion of FY2011 Budget Recommendation *(Linda Mitchell) 1:30 – 4:00 p.m. (pp. 3-26)*
- VI. Committee Agenda Planning/Additional Items
- VII. Committee Wrap-up – as needed (Superintendent Koch)
- VIII. Adjourn

* Items listed with an asterisk (*) will be discussed in committee and Board action may be taken in the plenary session.

FINANCE AND AUDIT COMMITTEE OF THE WHOLE

Illinois State Board of Education
100 North First Street
Springfield, Illinois
December 16, 2009

I. ROLL CALL: Chairman Karon called the meeting to order.

Members Present

Ms. Joyce Karon, Chairman
Dr. Andrea Brown
Dr. David Fields
Ms. Lanita Koster
Mr. Jesse Ruiz
Dr. Chris Ward
Dr. Vinni Hall

Members Absent

Staff Present

Superintendent Koch
Linda Mitchell
Scott Taylor
Deb Vespa
Marica Cullen
Connie Wise
Beth Hanselman

II. BOARD MEMBER PARTICIPATION BY OTHER MEANS: None

III. PUBLIC PARTICIPATION: Jack Wuest from the Alternative Schools Network; Joanne Dempsey from Econ Illinois; Kevin Frank, Sue Hokkanen, Bryan Wunar and Nicole Kowrazit from the Museum of Science and Industry; Janet Hughes, Laura Reigle, Tracy Dalton and Duane Bradley from School District 113A; Patrick Thompson, Brett Grant and LaTasha Nesbetta from VEYA all spoke about funding.

IV. MINUTES OF THE OCTOBER FINANCE AND AUDIT COMMITTEE MEETING: Dr. David Fields moved that the minutes of the October Finance and Audit Committee be accepted. Dr. Christopher Ward seconded the motion. The motion passed by unanimous voice vote.

V. CONTRACTS & GRANTS OVER \$1 MILLION: The Board will take action on A and B below in the plenary session. The committee chose not to forward C to the Board for action in the plenary session.

- A.** Illinois Violence Prevention Authority Grant for Social Emotional Professional Development (Beth Hanselman)
- B.** RFSP for General State Aid ARRA Audit (Linda Mitchell)
- C.** Classroom Cubed Grant (Connie Wise/Marica Cullen)

VI. FINANCIAL STATUS OF LEMONT-BROMBEREK COMMUNITY SCHOOL DISTRICT #113A:

Ms. Deb Vespa summarized the financial situation of the Lemont-Bromberek school district and indicated that the staff recommendation was that Lemont Bromberek CSD 113A be certified as in financial difficulty. The committee also heard statements from the local superintendent and local board president, as well as statements from residents of the community.

VII. DISCUSSION OF FY2011 BUDGET RECOMMENDATIONS: Committee Chair Joyce Karon summarized the testimony heard at the eight budget hearings held across the state over the past four months. Superintendent Koch, Ms. Linda Mitchell and Mr. Scott Taylor provided the Board with analyses to assist in preparation of the budget. The Board will finalize a budget recommendation at its January meeting, and that recommendation is forwarded to the Governor and General Assembly for their consideration. During the spring, the Superintendent and staff participate in General Assembly appropriation committee hearings to advocate for the Board's recommendations.

VIII. COMMITTEE AGENDA PLANNING AND ADDITIONAL ITEMS: None was given.

IX. COMMITTEE WRAP-UP: None was given.

X. ADJOURNMENT:

ILLINOIS STATE BOARD OF EDUCATION MEETING
January 13-14, 2010

TO: Finance and Audit Committee

FROM: Christopher A. Koch, Ed.D., State Superintendent of Education 
Linda Riley Mitchell, Chief Financial Officer 

Agenda Topic: FY 2011 Budget

Materials: FY 2011 Budget Hearing Summary (Exhibit A)
FY 2011 General State Aid Budget Options Matrix (Exhibit B)
FY 2011 Mandated Categorical – 100% Statutory Formula (Exhibit C)
District 299 FY 2010 Educational Services Block Grant Summary (Exhibit D)
District 299 FY 2010 MCAT Block Grant Estimations (Exhibit E)
FY 2011 Mandated Categorical Funding recommendation (Exhibit F)
District 299 FY 2010 General Education Block Grant Summary (Exhibit G)
Other Midwestern States' Certification Fees (Exhibit H)
Summary of Staff Recommendation (Exhibit I)
FY 2011 Budget Recommendation (Appendix A)

Staff Contact(s): Scott Taylor, Division Administrator, Budget and Financial Management

Purpose of Agenda Item

The purpose of this agenda item is to discuss and vote on a Fiscal Year 2011 budget.

Relationship to/Implications for the State Board's Strategic Plan

The FY 2011 budget provides funding to allow the Agency to implement the Board's strategic goals.

Expected Outcome(s) of Agenda Item

The committee will vote on a FY 2011 budget recommendation and will forward that recommendation for consideration by the full Board at its plenary session.

Background Information

As advocates of education funding, the Board assesses the need for funding in the state. A series of eight public FY 2011 budget hearings were held throughout the state including Champaign, Mt. Vernon, De Kalb, Peoria, Chicago, Springfield, Wheeling and Mundelein. A summary of the requests made at the budget hearings is shown on Exhibit A.

Several speakers advocated for more than one program. Others advocated for new funding sources for education. As in hearings held in past years, there were many advocates for Career and Technical Education Programs, Agricultural Education, and Special Education. Regional Superintendents advocated for increases in programs delivered through the ROE Services line.

Illinois State Board of Education

Exhibit A

FY 2011 Budget Hearing Summary

Program	FY 09Funding	FY 10 Funding	FY 11 Request
GSA/Poverty Grant	\$4,581,561,600	\$4,600,305,100	\$4,600,305,100
Early Childhood Block Grant	\$380,261,400	\$342,235,300	\$380,261,400
Bilingual	\$75,652,000	\$68,086,800	\$75,652,000
ADA Block Grant	\$74,841,000	\$18,710,300	\$74,841,000
Reading Improvement Block Grant	\$76,139,800	\$68,525,800	\$68,525,800
Illinois Textbook Loan	\$42,826,500	\$0	\$42,826,500
Career & Technical Education	\$38,562,100	\$38,562,100	\$38,562,100
ROE's Salaries/Services	\$16,090,000	\$14,222,100	\$25,000,000
Truant Alternative & Optional Education Program	\$20,078,100	\$18,070,300	\$20,078,000
Drug Prevention	NA	NA	\$20,000,000
Regional Safe Schools	\$18,535,500	\$16,682,000	\$18,535,500
National Board Certified Teachers	\$11,485,000	\$5,742,500	\$15,000,000
Beginning Teacher Induction and Mentoring	\$14,000,000	\$9,380,000	\$14,000,000
Transportation Reimbursement Program	\$11,954,700	\$0	\$12,100,000
After School Matters	\$500,000	\$5,000,000	\$10,000,000
Gifted Education	\$7,000,000	\$0	\$7,000,000
Community Schools	NA	NA	\$5,000,000
Grow Your Own Teachers	\$3,500,000	\$3,150,000	\$4,500,000
Technology for Success	\$4,169,700	\$4,169,700	\$4,169,700
Homeless	\$3,000,000	\$0	\$4,000,000
Re-Enrolling Students -- Alternative School Network	\$4,000,000	\$3,600,000	\$4,000,000
Philip J. Rock Center and School	\$3,577,800	\$3,577,800	\$3,688,657
Transitional Impact Aid - Charter Schools	\$3,421,500	\$0	\$3,421,500
Agricultural Education	\$3,381,200	\$3,043,100	\$3,043,100
Children's Mental Health Partnership	\$3,000,000	\$2,700,000	\$3,000,000
Instructional Materials for Visually Impaired	\$2,121,000	\$1,421,000	\$2,621,000
On-Line Databases	NA	NA	\$2,500,000
Principal Mentoring	\$3,100,000	\$2,077,000	\$2,100,000
Teach for America	\$450,000	\$225,000	\$2,000,000
Statewide System of Support	\$3,342,700	\$1,671,400	\$1,671,400
Recording for Blind & Dyslexic	\$1,218,800	\$816,600	\$1,218,000
Museum of Science & Industry	\$200,000	NA	\$500,000
Parent Mentor Collaborative	NA	NA	\$300,000
Illinois Governmental Internship Program	\$129,900	\$0	\$275,000
Visionaries Educating Youth & Adults(VEYA)	NA	NA	\$253,200
Teacher Retention Study if Qualify for RTTT	NA	NA	\$250,000
Special Olympics	NA	NA	\$250,000
Abstinence Education	NA	NA	\$103,000
Economic Education	NA	NA	\$100,000
2010 Democracy School Initiative	NA	NA	\$84,000
Support HB 174 New Revenue			
Youth Empowerment Seminars	NA	NA	No specific amt
Mandated Category			Fully Fund
Special Education - Private Tuition			Fully Fund
Special Education			Fully Fund
(NBPTS) National Board for Professional Teaching Standards			Fully Fund
Driver's Education	Use PA 96-0625 funds for intended purpose		
State Foreign Language Coordinator position	Leverage fed Foreign Language Program funding		
State School Nurse Consultant position	Hire ISBE staff member for statewide coordination		
21st Century Community Learning			No specific amt

At the December 16-17, 2009 Board meeting, staff presented three scenarios for funding in FY 2011 as summarized below.

- \$1 Billion Reduction –assumes no new funding mechanism would become available in FY 2011 to offset the \$922 million in General Funds appropriations which ISBE received in FY 2010 from the American Recovery and Reinvestment Act (ARRA) State Fiscal Stabilization.
- Level Funding – assumes the State would approve a new funding mechanism to replace the General Revenue Funds (GRF) received from American Recovery and Reinvestment Act (ARRA) in FY 2010. It would reallocate funding and maintain GRF at a level appropriation.
- Full Needs Funding – This scenario would provide funding including the foundation level at the Education Funding Advisory Board (EFAB) methodology. It would also reflect restoring some budget line items that had been cut in FY 2010 to the FY 2009 level.

Since the December meeting, staff has analyzed these three scenarios further and would recommend that the Board seek level General Funds for FY 2011.

Superintendent's Recommendation

The Superintendent recommends that the Board seek no increase in General Funds appropriations for FY 2011, and requests that the recommendations outlined in Appendix A be forwarded to the Board for consideration at its plenary session. The Superintendent further recommends that the Board authorize Agency staff to present the recommendations for spending authority for other state and federal funds outlined in Appendix A to the full Board for consideration at its plenary session.

Next Steps

Agency staff will prepare updated materials for the full Board to consider and vote on during its plenary session. Once the Board gives final approval to a FY 2011 budget recommendation, that recommendation will be forwarded to the Governor and the General Assembly. It will also be posted on the Agency's website.

ILLINOIS STATE BOARD OF EDUCATION

Superintendent Recommended FY 2011 Budget

General State Aid (GSA)

For FY 2011, the Superintendent recommends that the Board seek an increase in funding to allow the foundation level to remain at \$6,119 an increase in cost of \$43.4 million. This foundation level can be funded with no overall increase to the ISBE General Funds budget between FY 2010 and FY 2011.

Staff has developed a GSA matrix based on estimated data, which is shown as Exhibit B on the following page. It also shows that estimated data indicate Corporate Personal Property Replacement Tax (CPPRT) decreased by \$122.3 million statewide. This decline, coupled with the fact that the rate of growth for Equalized Assessed value (EAV) has declined, means that, to maintain the foundation level at the FY 2010 amount of \$6,119 would require an increase of \$43.4 million in the GSA appropriation and level funding for GSA would result in a \$30 reduction in the foundation level.

GSA Hold Harmless and Poverty Hold Harmless

Between FY 2009 and FY 2010, new districts were allowed to become eligible for GSA Hold Harmless payments, but the appropriation was cut by 40 percent, from \$28.1 million in FY 2009 to \$15.7 million in FY 2010. For FY 2011, the Superintendent recommends that the Board approve a 50 percent reduction in the GSA Hold Harmless appropriation to \$7.8 million, and work on legislation to not allow any additional districts be eligible for these payments. Staff would further recommend that the Board seek no appropriation for GSA Hold Harmless in FY 2012.

A second Hold Harmless provision for which a phase-out has been initiated in FY 2010 is the Poverty Hold Harmless. FY 2003 is the year that serves as the basis of comparison to determine the potential need for Hold Harmless payments. The Poverty Hold Harmless included a phase-out schedule. Payments made in FY 2010 for Poverty Hold Harmless are equal to 66% of the poverty grant a district received in FY 2003. Fifty-seven (57) school districts will receive Poverty Hold Harmless payments in FY 2010 at a cost of \$2.2 million.

According to this phase-out, Poverty Hold Harmless payments made in FY 2011 will be based on 33% of the payment made in FY 2003. Staff expects that very few districts will be eligible for this program in FY 2011. Poverty Hold Harmless payments would then end.

Mandated Categoricals (MCATs) and Educational Block Grants

Staff has completed estimates of the funding needed to fully fund the MCATs in FY 2011. Based on these estimates, an additional \$14 million would be needed in FY 2011 if the GSA foundation level was to remain at \$6,119. The increase needed is shown by program in Exhibit C, and can be funded through a reallocation of General Funds.

Illinois State Board of Education
Exhibit B
FY11 General State Aid Budget Options Matrix
ESTIMATED Data - December 2009
(Dollars in Millions)

	FY10 APPROP	FY10 FINAL	\$100 Decrease	Flat Approp \$30 dec.	Recommendation No Increase to FLEVEL	\$50 Increase	Adequacy/ EFAB Model* FY 2011 \$1,873 inc.
GSA Foundation Level	\$6,119	\$6,119	\$6,019	\$6,089	\$6,119	\$6,169	\$7,992
GSA Appropriation	4,600.3	4,619.2	4,500.0	4,600.2	4,643.7	4,716.4	7,547.8
GSA Only \$ Change from FY10 Approp		18.9	-100.3	-0.1	43.4	116.1	2,947.5
GSA Formula Amount Only	3,480.6	3,480.6	3,090.0	3,190.2	3,233.7	3,306.4	6,137.8
GSA Poverty Grant Only	1,100.4	1,119.3	1,370.0	1,370.0	1,370.0	1,370.0	1,370.0
GSA Adjustments	19.4	19.4	40.0	40.0	40.0	40.0	40.0
Full Hold Harmless	15.7	35.9	53.6	48.4	46.6	43.6	8.9
<i># of districts - includes new</i>	<i>101</i>	<i>101</i>	<i>139</i>	<i>129</i>	<i>124</i>	<i>120</i>	<i>22</i>
Total GSA & Full HH	4,616.0	4,655.1	4,553.6	4,648.6	4,690.3	4,759.9	7,556.8
GSA & Full HH \$ Change from FY10 Approp		39.1	(72.4)	32.3	64.3	134.0	2,930.8
<i>GSA Hold Harmless Phase-Out</i>							
Full HH - No New Districts			\$45.2	\$42.8	\$41.7	\$39.9	\$8.9
<i># of districts - no new</i>			<i>95</i>	<i>93</i>	<i>93</i>	<i>93</i>	<i>22</i>
50% of FY10 HH Appropriation			\$7.8	\$7.8	\$7.8	\$7.8	\$7.8
GSA & 50% HH \$ Change from FY10 Approp			(108.2)	(8.0)	35.6	108.2	2,939.7

* The Adequacy Model is the Augenblick and Myers Methodology that had been utilized by EFAB.

** Scenario includes the elimination of the Alternate and Flat Grant GSA Formulas and GSA Hold Harmless

Assumptions for FY11 Estimates:

- 33% Hold Harmless on FY11 Poverty Grant
- Chicago 299 had a flat estimate for 2009-10 ADA
- 2009 DHS counts are estimated
- \$40 M built in for FY11 to offset prior year and current year EAV adjustments
- \$25M cap on prior year EAV adjustments
- Corporate Personal Property Replacement Tax *decreased* by \$122.3M statewide

Illinois State Board of Education			
Exhibit C			
FY 2011 Mandated Categorical - 100 % Statutory Formulas			
(Dollars in Thousands)			
	FY 2010	FY 2011	
	Approp	100%	Difference
<u>Educational Services Block Grant</u>			
Sp Ed - Personnel	459,600.0	464,500.0	4,900.0
Sp Ed - Funding for Children Requiring Sp Ed	334,236.8	331,838.7	-2,398.1
Sp Ed - Orphanage 7.03	120,200.0	101,000.0	-19,200.0
Sp Ed - Private Tuition	181,100.0	208,400.0	27,300.0
Sp Ed - Summer School	11,700.0	12,500.0	800.0
Sp Ed - Transportation	<u>429,700.0</u>	<u>431,000.0</u>	<u>1,300.0</u>
Sub-Total Special Ed Categoricals	1,536,536.8	1,549,238.7	12,701.9
Free Lunch/Breakfast - State	26,300.0	26,300.0	0.0
Regular Orphanage Tuition	13,000.0	12,000.0	-1,000.0
Transportation - Reg & Voc	<u>351,100.0</u>	<u>354,000.0</u>	<u>2,900.0</u>
Sub-Total Other MCATs	390,400.0	392,300.0	1,900.0
Total Educational Services Block Grants	1,926,936.8	1,941,538.7	14,601.9

As discussed at the December meeting, the Chicago Block Grant is reflected in the calculation of a number of the MCATs. CPS District 299 is allocated funding for a number of programs through block grants based on proportions that were calculated in FY 1995. Exhibit D below lists the programs identified in 105 ILCS 5/1D-1(c) to receive funding through educational services block grants. It also shows the Chicago Block Grant percentages and FY 2010 funding amounts for each program.

Exhibit D			
District 299 FY 2010 Educational Services Block Grant Summary			
(Dollars in Thousands)			
	FY 2010	Baseline %	Chicago 299
	Approp	FY 1995	Amount
<u>Educational Services Block Grant</u>			
Sp Ed - Personnel	459,600.0	19.1%	87,783.6
Sp Ed - Funding for Children Requiring Sp Ed	334,236.8	29.2%	97,597.1
Sp Ed - Orphanage 7.03	120,200.0	35.8%	43,031.6
Sp Ed - Private Tuition	181,100.0	48.4%	87,652.4
Sp Ed - Summer School	11,700.0	54.4%	6,364.8
Sp Ed - Transportation	<u>429,700.0</u>	<u>30.7%</u>	<u>131,917.9</u>
Sub-Total Special Ed Categoricals	1,536,536.8		454,347.4
Free Lunch/Breakfast - State	26,300.0	50.7%	13,334.1
Transportation - Reg & Voc	<u>351,100.0</u>	<u>3.9%</u>	<u>13,692.9</u>
Sub-Total Other MCATs	377,400.0		750,341.1
<i>Sub-Total All Mandated Categoricals</i>	<i>1,913,936.8</i>		<i>1,204,688.6</i>
Bilingual Education	0.0	<u>100.0%</u>	0.0
Total Educational Services Block Grants	1,913,936.8		1,204,688.6
* Regular Orphanage Tuition is not distributed to District 299 via a Block Grant.			

Due to changes in the Illinois student population, the proportion of students in District 299 has declined dramatically in some categories since FY 1995.

The June 2009 report from the Taxpayer's Action Board recommended that the block grants be reconsidered and amounts be determined based upon service levels.

Staff has estimated the impact of recalibrating the proportions used to determine the amount of the Chicago Block Grants and these changes are shown in Exhibit E. For the MCATs, this recalibration will result in an actual budgetary savings which reduces the amount of funding needed.

District 299 FY 2010 MCAT Block Grant Estimation				
Exhibit E				
(Dollars in Thousands)				
		Estimated %	Potential	Estimated
	FY 2010	3-Yr Average	Recomputed	Reduction in
	Allocation	06/07 - 08/09	Allocation	Allocation
Sp Ed - Personnel	87,783.6	10.4%	47,798.4	39,985.2
Sp Ed - Private Tuition	87,652.4	15.1%	27,273.7	60,378.7
Sp Ed - Summer School	6,364.8	15.1%	1,766.7	4,598.1
Sp Ed - Transportation	131,917.9	5.2%	22,344.4	109,573.5
	313,718.7		99,183.2	214,535.5

Given the substantial impact on District 299 for these four programs alone, staff is recommending that the Board seek a graduated change in the proportion and transition District 299 to a method based on actual claims. Eliminating the block grants could help address the potentially differential cost component between Chicago and the rest of the State. It would also be a step toward paying for specific services and allowing the funding to follow the unique needs of individual students. However, creating a claim based system for MCATs would take time to design and implement. Creating such a system would also increase the administrative burden on both CPS and ISBE staff at a time when additional funding for staff is not likely. The actual amount of savings to be generated from reporting based on actual claims is difficult to accurately project as the data is currently unavailable. District 299 has not been required to maintain this information.

Staff will develop a legislative proposal which would recalculate the block grant proportions identified in 105 ILCS 5/1D-1(c), with the exception of Bilingual Education and Funding for Children Requiring Special Education Services, beginning in FY 2011 based on the average of the three previous years' data. The proposal would reduce the District 299 allocation in FY 2011 by no more than 25 percent of the difference between the old and new proportion and by no more than 50 percent in FY 2012. At the same time, ISBE staff would work with CPS to develop a claims based system and measure the impact that transitioning to this system would have on District 299. The expectation would be that the transition to the claims based system would occur in 2013. It is estimated that reducing the proportion by 25 percent in FY 2011 would allow the Board to reallocate approximately \$53.6 million to other priorities. Under this proposal, funding for Children Requiring Special Education Services would be based on a formula at the level estimated to be full funding.

In summary, it is recommended that FY 2011 funding be sufficient to increase MCATs to 100% of the statutory formulas shown in Exhibit C. It would also be recommended that the District 299 allocation for the block grants be decreased in FY 2011 by no more than 25 percent of the difference between the old and new proportions calculated. The Superintendent's FY 2011 recommendation for MCAT funding is summarized in Exhibit F below.

Illinois State Board of Education			
Exhibit F			
FY 2011 Mandated Categorical Recommendation			
(Dollars in Thousands)			
		Minus	
	FY 2011	One-Fourth	FY 2011
	100%	Block Grant	Recommend
<u>Educational Services Block Grant</u>			
Sp Ed - Personnel	464,500.0	9,996.3	454,503.7
Sp Ed - Funding for Children Requiring Sp Ed	331,838.7	0.0	331,838.7
Sp Ed - Orphanage 7.03	101,000.0	0.0	101,000.0
Sp Ed - Private Tuition	208,400.0	15,094.7	193,305.3
Sp Ed - Summer School	12,500.0	1,149.5	11,350.5
Sp Ed - Transportation	<u>431,000.0</u>	<u>27,393.4</u>	<u>403,606.6</u>
Sub-Total Special Ed Categoricals	1,549,238.7	53,633.9	1,495,604.8
Free Lunch/Breakfast - State	26,300.0	0.0	26,300.0
Regular Orphanage Tuition	12,000.0	0.0	12,000.0
Transportation - Reg & Voc	<u>354,000.0</u>	<u>0.0</u>	<u>354,000.0</u>
Sub-Total Other MCATs	392,300.0	0.0	392,300.0
Total Mandated Categoricals	1,941,538.7	53,633.9	1,887,904.8

For Bilingual Education, District 299 would submit claims like other districts. This was the case in FY 2010 because ISBE received its appropriation in lump sums. The proposed legislation would codify the continuation of this practice. Staff is also recommending that \$7.6 million of the funding saved from implementing the first year of recalibrating the educational services block grant proportions would be allocated to Bilingual Education, which would restore Bilingual Education funding to its FY 2009 level. The purpose of this increase would be to provide additional funding to help meet Early Childhood Bilingual Services recently mandated.

Programs with General Education Block Grants

District 299 also receives block grants for programs listed in 105 ILCS 5/1D-1(b) based on a proportion calculated in 1995. Recalculating the proportions for these programs would not result in budgetary savings, but would reallocate available funding among eligible districts. Programs defined to have a block grant component in 105 ILCS 5/1D-1(b), which were funded in FY 2010, are listed in Exhibit G.

Staff does not recommend that these proportions be recalibrated at this time as data used to recalculate these proportions are not currently gathered. Recalculating these proportions would require at least one year of lead time to complete.

Illinois State Board of Education			
Exhibit G			
District 299 FY 2010 General Education Block Grant Summary			
(Dollars in Thousands)			
	FY 2010	Baseline %	Chicago 299
	Approp	FY 1995	Amount
<u>General Education Block Grant</u>			
Agriculture Education	3,043.1	1.1%	33.5
Early Childhood Block	342,235.3	37.0%	126,627.1
Reading Improvement Block	68,525.8	29.7%	20,352.2
Extended Learning Opportunities (Bridges)	20,715.3	44.0%	9,114.7
Truants Alternative Optional Education	<u>18,070.3</u>	<u>26.8%</u>	<u>4,842.8</u>
Total of General Education	452,589.8		160,970.3

Early Childhood

For FY 2011, staff is recommending a \$38.0 million increase in Early Childhood Education using funding reallocated from other lines. This will restore Early Childhood to its FY 2009 funding level.

Other Programs with General Education Block Grants

For all other programs with General Education Block Grants, staff is recommending level funding for FY 2011.

Standards, Assessments and Accountability

The agency selects, develops, and administers various statewide tests to measure individual academic achievement in accordance with state law and requirements of the No Child Left Behind (NCLB) Act. ISBE contracts with vendors to provide assessment related services. For FY 2011, a \$2.4 million decrease is being recommended for Standards, Assessments and Accountability.

Specifically, it is recommended that two assessment instruments be eliminated in FY 2011, the Illinois Consumer Education Test (ICEPT), and writing assessments.

Illinois statute specifies that students will be assessed in writing. Historically, costs for writing test development, analysis, scoring, and reporting range from \$3.3 million to \$3.7 million, with additional costs incurred for the writing portion for Limited English Proficient students. Costs for this assessment must be paid with General Revenue Funds, as writing is not required by federal law (PL 107-110). Eliminating the writing portion of assessments in FY 2011 would reduce assessment costs by \$5.0 million.

Staff would recommend allocating \$500,000 of this savings to the Standards, Materials, and Training for Teachers line for professional development of teachers to administer these assessments at the local level to guide instruction in the classroom. ISBE would make these assessments available through its web site and a rubric for scoring, which, with the proper training would provide a formative writing assessment tool at the local level.

105 ILCS 5/27-12.1 specifies that public school students in grades 9 through 12 shall be provided instruction in the area of consumer education (e.g., comparison shopping, budgeting, installment purchasing) and that completion of instruction in consumer education is required prior to graduation. Successful performance on the ICEPT exempts students from this course requirement. Last year, approximately 8,000 students took the ICEPT, and over the past five fiscal years costs for test development, administration, scoring and reporting for the ICEPT range from \$110,800 to \$119,900. Costs for this state-mandated assessment must be paid with General Revenue Funds. Eliminating the ICEPT in FY 2011 is estimated to make approximately \$120,000 available for reallocation. Such a revision would require a change in existing statutes.

Staff would propose reallocating this \$120,000 to the Standards, Materials and Training for Teachers line to develop a standards-based framework of expected student outcomes for the consumer education course in Illinois. It would also be recommended that a portion of the funding saved by the elimination of these two assessments be reallocated to other areas. The application for State Fiscal Stabilization Funds (SFSF) funding indicated that the state commitment to the Growth Model would increase by \$500,000 in FY 2011. Also, recent Board action increased requirements for ELL exit assessments. An additional \$675,000 will be needed in Assessments to fund these additional requirements. Also, ISBE recently applied for a federal ARRA grant to help fund the creation of its Longitudinal Data System (LDS). In order to qualify for this grant, the State must increase its LDS appropriation by an additional \$900,000 in FY 2011. Based on these changes the net decrease to the Assessment budget line would be \$2.4 million.

Regional Superintendents and Assistant Superintendents

Salaries

105 ILCS 5/3-2.5 requires salaries for Regional Superintendents and Assistant Superintendents to be adjusted for the Consumer Price Index (CPI) each year. At this time, it is estimated that the CPI will increase by no more than three percent this year. Requesting funding sufficient to pay a three percent salary increase, as well as the retirement contribution, would require an additional \$300,000, or a total of \$9.4 million.

New Initiatives

High Priority School Intervention

High Priority School Interventions would allow for support and, where necessary, involuntary intervention, for the 188 schools statewide designated as High Priority Schools. ISBE was required to develop the High Priority Schools list by the federal government as part of our Phase II application for State Fiscal Stabilization Funds. The federal government has indicated that a greater emphasis must be made on improvements of these schools.

Performance Evaluations

This new \$2.5 million budget line item would provide a state funding source to support school districts efforts to revamp teacher and principal performance evaluations. Districts' revamped teacher and principal performance evaluations will need to incorporate student growth as a significant factor, and the State will need to develop systems to assist school districts in this transformational effort to make performance evaluations of staff more meaningful.

Agency Operations

Salaries and Related Benefits

Despite a critical and ongoing need for additional resources, it is not recommended that the Board seek additional spending authority to increase staffing levels in FY 2011. Management will continue to work to maintain adequate staffing levels within the bounds created by these limits in spending authority. The American Federation of State, County, and Municipal Employees (AFSCME) contract contained no salary increases in FY 2010 and a three percent increase in salary in FY 2011. Agency management is currently negotiating a new contract with the Illinois Federation of State Office Educators (IFSOE) for FY 2010. Depending on the outcome of these negotiations, additional operations funding may be needed in FY 2011. Staff is recommending that the Board seek a \$1.7 million increase to accommodate the return of the retirement contribution line item to the Agency budget.

Fund Sweeps

Due to fund sweeps mandated as part of the FY 2010 budget, two ISBE special purpose funds are expected to be depleted at the end of FY 2010. These are the Emergency Financial Assistance Fund and the Temporary Relocation Expense Fund. The sweeps legislation mandates that money needed in FY 2010 be returned to the special purpose funds so that all FY 2010 commitments can be met. For both of these funds, however, staff expect that the need in FY 2011 will outpace revenue and recommends that the Board seek \$100,000 in GRF for deposit into the Emergency Financial Assistance Fund and \$300,000 in GRF for deposit into the Temporary Relocation Expense Fund for FY 2011.

Other State Funds

Teacher Certification

Illinois currently charges a \$30 application fee for Teacher Certifications, which is less than fees charged by neighboring states. See Exhibit H below. In recent years, ISBE has processed a volume of approximately 47,000 applications annually and the present \$30 application fee generates approximately \$1.4 million in revenue. Staff is developing legislation which will allow certification fees to be set by rules and is examining the possibility of raising the application fee to \$65 and raising other certification fees – particularly those charged to out-of-state residents. Increasing fees could generate additional revenue to pay for teacher certification activities and provide some relief to General Funds administrative requirements. However, it should be noted that in recent years teacher certification fees have been swept to bolster GRF. The final changes in the certification fees would be made in consultation with the State Teacher Certification Board.

Illinois State Board of Education				
Exhibit H				
Other Midwestern States' Teacher Certification Fees				
STATE	LICENSE FEE	RENEWAL FEE	PARAPRO FEE	REGISTRATION FEE
ILLINOIS	\$30.00	\$0.00	\$0.00	\$25.00 for 5 years
IOWA	\$85.00	\$85.00	N/A	\$85.00
INDIANA	\$35.00	\$35.00	N/A	N/A
KENTUCKY	\$50.00	\$50.00	N/A	\$50.00
MINNESOTA	\$57.00	\$57.00	N/A	N/A
WISCONSIN	\$100.00	\$100.00	N/A	N/A

Driver's Education Fund

ISBE disburses fees collected by the Illinois Secretary of State, which are deposited into the Driver's Education Fund, to school districts to pay for costs associated with driver's education. PA 96-625 provided for \$9 of court supervision fines to be deposited into this fund for disbursement to districts. This funding is designated to offset the additional costs associated with the new Graduated Driver's License (GDL) Laws. It is recommended that the Board seek an increase of \$6.5 million in appropriated spending authority from this fund in FY 2011.

A summary of the Superintendent's recommendation is shown as Exhibit I.

Illinois State Board of Education			
Exhibit I			
Summary of FY 2011 Budget Recommendation			
FY 2010 General Funds Budget			\$7,307.9
Reductions in Budget for FY 2011			
<u>Reductions in Hold Harmlesses</u>			
	GSA Hold Harmless Phase-Out		(7.8)
	Poverty Hold Harmless Phase-Out		(1.8)
	First year 25 % reduction of Chicago Block Grant		(53.6)
	Elimination of two Assessments		(5.1)
	Textbook loan reapprop not required		(42.8)
	Other Reductions		(6.9)
Total reductions			(118.0)
Increases in Budget for FY 2011			
	General State Aid		43.4
	Mandated Categoricals		14.6
	Early Childhood		38.0
	Bilingual Education		7.6
	Operations Increases		2.2
	New Initiative - High Priority School Intervention		1.5
	New Initiative - Performance Evaluations		2.5
	Other Increases		8.2
Total increases			118.0
FY 2011 General Funds Budget Recommendation			\$7,307.9
Other State Funds--Estimated Revenue Enhancements for FY 2011			
	Increase in PBVS Fees		\$0.1
	Increases in Certification Fees		3.3
Other State Funds--Total New Revenue			\$3.4

Other Issues

Private Business Vocational Schools

ISBE currently collects fees from Private Business Vocational Schools (PBVS) which are deposited directly into GRF. Over the past several years, these fees have averaged approximately \$147,000. Doubling these fees would produce another \$147,000. ISBE would need to establish a special purpose fund as a repository for these funds to directly benefit from increasing these fees.

Consolidation

The Taxpayer Action Board report urged state policy makers to accelerate consolidation. It noted that Illinois supports 870 separate school districts, the third highest number of districts in the nation. Of these 870 districts, approximately 200 are single-school districts.

The report also conceded that efforts to consolidate districts had been “mixed at best,” and “significant district consolidation will require new legislation that mandates action if Illinois is to generate the necessary budgetary savings.” It also noted that savings from school consolidations would likely begin no earlier than two to three years after new legislation had been enacted and that “full savings could only be realized once all consolidations are completed and transition payments are finalized.”

In order to build the broad political consensus which would be necessary to enact legislation creating such a dramatic change, the Taxpayer Action Board report recommended creating a District Consolidation Commission. Such a commission could set consolidation and reorganization guidelines, select candidate districts and establish a process for implementation, and support the creation of legislation that mandates the consolidation recommendations it makes.

The Taxpayer Action Board also recommended consolidating K-12 Intermediate Service Agencies. Illinois maintains five types of Intermediate Service Agencies for Education:

- (1) Regional Offices of Education (ROE);
- (2) Educational Employment Systems (EFE);
- (3) Learning Technology Centers (LTC);
- (4) Professional Development Centers (PDC); and
- (5) Intermediate Service Centers (ISC).

The report recommended aligning the boundaries for each of these Intermediate Agencies, and mandating the consolidation of EFE's and LTC's under ROE's and ultimately consider consolidating ROE's.

If the Board wishes to accept these recommendations of the Taxpayer Action Board in some form, staff could work with state policy makers to enact these recommendations.

OTHER FINANCIAL INFORMATION

Additional Scenario One: A \$1 Billion Reduction

At the December meeting, the Board was provided information on the State's financial condition. The State's deficit approaches \$12 billion. The economic impact of declines in retail sales and rising unemployment result in lower state revenues. The backlog of unpaid bills in the Comptroller's Office now exceeds \$5 billion. Therefore, it is possible that the State will be unable to replace the \$922 million provided in FY 2010 through the federal American Reinvestment and Recovery Act State Fiscal Stabilization Fund. ISBE would then need to reduce its budget by \$922 million.

Nearly 90 percent of the FY 2010 ISBE Budget consists of General State Aid and Mandated Categoricals. Thus, if the Board needs to reduce the FY 2011 Budget from FY 2010 by \$922 million, it would face having to make reductions in GSA as well as other categories. In making such reductions, the Board could also seek to statutorily to change the GSA formula. Making general reductions in GSA would be most harmful to foundation level districts where the need is greater. Much of the impact should then be focused on flat and alternate grant districts. If the Alternate Grant is to be eliminated, the threshold for Alternate Grants would need to be changed to 100 percent of the foundation level with 182 districts eliminated. Another 26 districts would move from Alternate to foundation level with this change. This could include eliminating \$506.4 million from GSA, decreasing the foundation level by \$364 to \$5,755. Eliminating flat grant districts and alternate grant districts for reductions of \$20.2 million and \$130.8 million respectively. The combined impact of these measures would result in a \$657.4 million reduction in GSA.

Other possible reductions would include eliminating the items that had been funded from the Governor's special purpose fund in July 2009. Included in the ISBE FY 2010 budget is \$150.7 million the Governor restored utilizing discretionary funding. With reductions in available revenues restored items such as \$85.3 million in Early Childhood Education, \$30.5 million in Reading Improvement Block Grant, \$11.3 million in Bilingual Education, and \$8.0 million in Truant Alternative and Optional Education would likely be eliminated.

Additional Scenario Two: A \$3.2 Billion Full Needs Budget

As advocates for education in Illinois, the State Board evaluates the needs of local education agencies and shares information with the General Assembly and the Governor. Education is an investment in the future. In these economic times, such an investment is difficult to resource, but remains sorely needed.

As in prior years, staff has performed a calculation of the General State Aid (GSA) foundation level according to the methodology used by the Education Funding Advisory Board (EFAB). EFAB has convened and is reviewing the methodology and is scheduled to make a recommendation in January 2011 to inform the FY 2012 budget process.

Using the existing EFAB methodology, the foundation level would increase to \$7,992. This represents an increase of \$1,873 over the FY 2010 foundation level of \$6,119. The cost of funding this foundation level increase is \$2.9 billion. EFAB has been apprised of this calculation in their meeting on December 22, 2009.

Preliminary estimates indicate that a full needs budget would necessitate a \$3.2 billion increase in the ISBE appropriation. Besides the GSA increase, other budget line items would grow. In order to have a smoother transition, the Chicago Block Grants would be phased out beginning in FY 2012 and a claims based system would be implemented the next year.

Under a full needs budget, there would be significant increases in many programs with an attempt made to return to the FY 2009 funding levels for many appropriations.

APPENDIX A
ILLINOIS STATE BOARD OF EDUCATION
 FY2011 Staff Recommended Budget Request

\$000s	FY10 Appropriation	FY11 Draft Budget	FY10 to FY11 Increase (Decrease)	Percent Increase (Decrease)
GENERAL FUNDS				
GRANTS				
<i>General State Aid</i>				
General State Aid--No increase in foundation level (\$6,119)	4,600,305.1	4,643,743.8	43,438.7	0.9%
General State Aid - Hold Harmless	15,670.6	7,835.3	(7,835.3)	-50.0%
<i>Subtotal, General State Aid</i>	<i>4,615,975.7</i>	<i>4,651,579.1</i>	<i>35,603.4</i>	<i>0.8%</i>
<i>Mandated Categoricals</i>				
Sp Ed - Personnel Reimbursement	459,600.0	454,503.7	(5,096.3)	-1.1%
Sp Ed - Funding for Children Requiring Sp Ed Services	334,236.8	331,838.7	(2,398.1)	-0.7%
Sp Ed - Orphanage Tuition	120,200.0	101,000.0	(19,200.0)	-16.0%
Sp Ed - Private Tuition	181,100.0	193,305.3	12,205.3	6.7%
Sp Ed - Summer School	11,700.0	11,350.5	(349.5)	-3.0%
Sp Ed - Transportation	429,700.0	403,606.6	(26,093.4)	-6.1%
<i>Subtotal, Special Ed Categoricals</i>	<i>1,536,536.8</i>	<i>1,495,604.8</i>	<i>(40,932.0)</i>	<i>-2.7%</i>
Illinois Free Lunch/Breakfast	26,300.0	26,300.0	0.0	0.0%
Orphanage Tuition	13,000.0	12,000.0	(1,000.0)	-7.7%
Transportation - Regular/Vocational	351,100.0	354,000.0	2,900.0	0.8%
<i>Subtotal, Mandated Categoricals</i>	<i>1,926,936.8</i>	<i>1,887,904.8</i>	<i>(39,032.0)</i>	<i>-2.0%</i>
<i>Standards, Assessments and Accountability</i>				
Assessments	28,606.8	24,161.8	(4,445.0)	-15.5%
Growth Model	3,000.0	3,500.0	500.0	16.7%
Longitudinal Data System	250.0	1,150.0	900.0	360.0%
Response to Intervention	1,340.0	1,340.0	0.0	0.0%
ADP and Standards Materials and Training for Teacher	500.0	1,120.0	620.0	124.0%
<i>Subtotal, Standards, Assessments and Accountability</i>	<i>33,696.8</i>	<i>31,271.8</i>	<i>(2,425.0)</i>	<i>-7.2%</i>

\$000s	FY10 Appropriation	FY11 Draft Budget	FY10 to FY11 Increase (Decrease)	Percent Increase (Decrease)
<u>Curriculum and Instruction</u>				
Advance Placement Classes	823.5	1,647.0	823.5	100.0%
After School Matters	5,000.0	500.0	(4,500.0)	-90.0%
Agricultural Education	3,043.1	3,043.1	0.0	0.0%
Arts and Foreign Language	2,000.0	2,000.0	0.0	0.0%
Bilingual Education	68,086.8	75,652.0	7,565.2	11.1%
Career and Technical Education Programs	38,562.1	38,562.1	0.0	0.0%
Classroom Cubed	1,000.0	0.0	(1,000.0)	-100.0%
Early Childhood Education	342,235.3	380,261.4	38,026.1	11.1%
Extended Learning Opportunities (Summer Bridges)	20,715.3	20,715.3	0.0	0.0%
High Priority School Intervention		1,500.0	1,500.0	NA
Reading Improvement Block Grant	68,525.8	68,525.8	0.0	0.0%
Statewide System of Support	1,671.4	1,671.4	0.0	0.0%
Tax Equivalent Grants	222.6	222.6	0.0	0.0%
Technology for Success (IVHS and LTC's)	4,169.7	6,346.2	2,176.5	52.2%
Textbook Loan Program - Reappropriation	42,826.5	0.0	(42,826.5)	-100.0%
<i>Subtotal, Curriculum and Instruction</i>	598,882.1	600,646.9	1,764.8	0.3%
<u>Regional Offices of Education</u>				
Regional Offices of Education - Bus Driver Training	70.0	70.0	0.0	0.0%
Regional Offices of Education - Salaries	9,100.0	9,400.0	300.0	3.3%
Regional Offices of Education - School Services	4,950.1	4,950.1	0.0	0.0%
Regional Offices of Education - Supervisory Expenses	102.0	102.0	0.0	0.0%
<i>Subtotal, Regional Offices of Education</i>	14,222.1	14,522.1	300.0	2.1%
<u>Special Education</u>				
Autism	100.0	100.0	0.0	0.0%
Blind and Dyslexic	816.6	816.6	0.0	0.0%
Children's Mental Health Partnership	2,700.0	2,700.0	0.0	0.0%
Community and Residential Services Authority	575.0	575.0	0.0	0.0%
Materials Center for the Visually Impaired	1,421.1	1,421.1	0.0	0.0%
Philip J. Rock Center and School	3,577.8	3,577.8	0.0	0.0%
<i>Subtotal, Special Education</i>	9,190.5	9,190.5	0.0	0.0%

\$000s	FY10 Appropriation	FY11 Draft Budget	FY10 to FY11 Increase (Decrease)	Percent Increase (Decrease)
<i>Educator Quality and Support</i>				
Grow Your Own Teachers	3,150.0	1,750.0	(1,400.0)	-44.4%
National Board Certification	5,742.5	5,742.5	0.0	0.0%
Performance Evaluations		2,500.0	2,500.0	NA
Principal Mentoring Program	2,077.0	2,077.0	0.0	0.0%
Teach for America	225.0	225.0	0.0	0.0%
Teacher and Administrator Mentoring Program	9,380.0	9,380.0	0.0	0.0%
<i>Subtotal, Educator Quality and Support</i>	20,574.5	21,674.5	1,100.0	5.3%
<i>Other Statewide District Categorical Assistance</i>				
District Consolidation Costs	3,700.0	3,720.0	20.0	0.5%
<i>Subtotal, Other Statewide District Categorical Assistance</i>	3,700.0	3,720.0	20.0	0.5%
<i>Student Health and Safety Initiatives</i>				
ADA Block Grant	18,710.3	18,710.3	0.0	0.0%
Alternative Learning/Regional Safe Schools	16,682.0	16,682.0	0.0	0.0%
Re-Enrolling Students - Alternative Schools Network	3,600.0	3,600.0	0.0	0.0%
School Breakfast Incentive Program	361.8	361.8	0.0	0.0%
Truant Alternative and Optional Education	18,070.3	18,070.3	0.0	0.0%
<i>Subtotal, Student Health & Safety Initiatives before lump sums</i>	57,424.4	57,424.4	0.0	0.0%
Temporary Relocation Expense Fund Deposit--Lump Sum	100.0	300.0	200.0	200.0%
Emergency Relocation Expense Fund Deposit - Lump Sum	0.0	100.0	100.0	NA
Educator Investigations/Hearings--Lump Sum	375.0	500.0	125.0	33.3%
<i>Subtotal, Student Health and Safety Initiatives</i>	57,899.4	58,324.4	425.0	0.7%
TOTAL - GRANTS	7,281,077.9	7,278,834.1	(2,243.8)	0.0%

\$000s	FY10 Appropriation	FY11 Draft Budget	FY10 to FY11 Increase (Decrease)	Percent Increase (Decrease)
ADMINISTRATION --GENERAL FUNDS				
Personal Services	17,088.0	17,600.6	512.6	3.0%
Retirement Pick-Up	213.9	216.0	2.1	1.0%
Retirement	0.0	1,729.1	1,729.1	NA
Social Security/Medicare	1,307.2	1,307.2	0.0	0.0%
<i>Subtotal</i>	18,609.1	20,852.9	2,243.8	12.1%
Contractual	6,757.2	6,757.2	0.0	0.0%
Travel	350.0	350.0	0.0	0.0%
Commodities	75.0	75.0	0.0	0.0%
Printing	93.2	93.2	0.0	0.0%
Equipment	153.9	153.9	0.0	0.0%
Telecommunications	486.1	486.1	0.0	0.0%
Operation of Automotive Equipment	25.0	25.0	0.0	0.0%
Subtotal, Operations	26,549.5	28,793.3	2,243.8	8.5%
Strategic Plan	250.0	250.0	0.0	0.0%
Subtotal, Lump Sums	250.0	250.0	0.0	0.0%
TOTAL - ADMINISTRATION AND LUMP SUMS	26,799.5	29,043.3	2,243.8	8.4%
TOTAL - GENERAL FUNDS	7,265,050.9	7,307,877.4	42,826.5	0.6%
TOTAL - GENERAL FUNDS w/ Reappropriations	7,307,877.4	7,307,877.4	0.0	0.0%
ADMINISTRATION--OTHER STATE FUNDS				
Personal Services	160.0	164.8	4.8	3.0%
Retirement Pick-Up	30.9	31.8	0.9	3.0%
Retirement	3.0	3.1	0.1	3.0%
Social Security/Medicare	6.1	6.3	0.2	3.0%
Group Insurance	40.0	41.2	1.2	3.0%
Subtotal, Operations	240.0	247.2	7.2	3.0%
Ordinary & Contingent Expenses - Indirect Cost Recovery	7,015.2	7,015.2	0.0	0.0%
Ordinary & Contingent Expenses - Teacher Cert. Fees - Chicago	1,008.9	2,208.9	1,200.0	118.9%
Ordinary & Contingent Expenses - Teacher Certificate Fees	1,600.0	3,700.0	2,100.0	131.3%
Ordinary & Contingent Expenses - School Infrastructure Fund	0.0	600.0	600.0	NA
Subtotal, Lump Sums	9,624.1	13,524.1	3,900.0	40.5%
TOTAL - ADMINISTRATION	9,864.1	13,771.3	3,907.2	39.6%

\$000s	FY10 Appropriation	FY11 Draft Budget	FY10 to FY11 Increase (Decrease)	Percent Increase (Decrease)
GRANTS--OTHER STATE FUNDS				
Charter Schools Revolving Loan Fund	20.0	20.0	0.0	0.0%
Drivers Education Fund	17,929.6	24,454.6	6,525.0	36.4%
School District Emergency Financial Assistance Fund	1,000.0	1,000.0	0.0	0.0%
School Technology Revolving Loan Fund	5,000.0	5,000.0	0.0	0.0%
State Board of Education Special Purpose Trust Fund	8,484.8	8,484.8	0.0	0.0%
Temporary Relocation Expenses Revolving Grant Fund	1,400.0	1,400.0	0.0	0.0%
Capital Development Fund	25,000.0	25,000.0	0.0	0.0%
Build Illinois Bond Fund	10,000.0	10,000.0	0.0	0.0%
School Infrastructure Fund	100,000.0	100,000.0	0.0	0.0%
Subtotal, Grants	168,834.4	175,359.4	6,525.0	3.9%
TOTAL - GRANTS	168,834.4	175,359.4	6,525.0	3.9%
TOTAL--OTHER STATE FUNDS	178,698.5	189,130.7	10,432.2	5.8%
FEDERAL FUNDS				
ADMINISTRATION				
Operations				
Personal Services	16,150.7	16,150.7	0.0	0.0%
Retirement Pick-Up	105.5	105.5	0.0	0.0%
Retirement	3,834.5	3,834.5	0.0	0.0%
Social Security/Medicare	1,129.0	1,129.0	0.0	0.0%
Group Insurance	3,709.1	3,709.1	0.0	0.0%
<i>Subtotal</i>	<i>24,928.8</i>	<i>24,928.8</i>	<i>0.0</i>	<i>0.0%</i>
Contractual	21,310.0	24,310.0	3,000.0	14.1%
Travel	2,030.0	2,030.0	0.0	0.0%
Commodities	410.0	410.0	0.0	0.0%
Printing	498.0	498.0	0.0	0.0%
Equipment	616.0	616.0	0.0	0.0%
Telecommunications	459.0	459.0	0.0	0.0%
Subtotal, Operations	50,251.8	53,251.8	3,000.0	6.0%
TOTAL-- ADMINISTRATION	50,251.8	53,251.8	3,000.0	6.0%

\$000s	FY10 Appropriation	FY11 Draft Budget	FY10 to FY11 Increase (Decrease)	Percent Increase (Decrease)
GRANTS				
<u>Career and Technical Education</u>				
Career and Technical Education - Basic	55,000.0	55,000.0	0.0	0.0%
Career and Technical Education - Tech Prep	5,000.0	5,000.0	0.0	0.0%
Subtotal, Career and Technical Education	60,000.0	60,000.0	0.0	0.0%
<u>Child Nutrition</u>				
Child Nutrition Programs	675,000.0	725,000.0	50,000.0	7.4%
Child Nutrition Programs - ARRA	3,657.3	3,657.3	0.0	0.0%
Subtotal, Child Nutrition	678,657.3	728,657.3	50,000.0	7.4%
<u>Individuals with Disabilities Act</u>				
Individuals with Disabilities Education Act	570,000.0	650,000.0	80,000.0	14.0%
Individuals with Disabilities Education Act - ARRA	506,479.8	506,479.8	0.0	0.0%
Individuals with Disabilities Education Act - Deaf and Blind	450.0	450.0	0.0	0.0%
Individuals with Disabilities Education Act - Model Outreach	400.0	400.0	0.0	0.0%
Individuals with Disabilities Education Act - Preschool	25,000.0	25,000.0	0.0	0.0%
Individuals with Disabilities Education Act - Preschool - ARRA	18,311.5	18,311.5	0.0	0.0%
Individuals with Disabilities Education Act - State Improvement	3,200.0	3,200.0	0.0	0.0%
Subtotal, Individuals with Disabilities Act	1,123,841.2	1,203,841.2	80,000.0	7.1%
<u>NCLB (excluding Assessments)</u>				
NCLB - Title I - Advanced Placement Program	2,000.0	2,000.0	0.0	0.0%
NCLB - Title I	750,000.0	750,000.0	0.0	0.0%
NCLB - Title I - ARRA	544,464.5	544,464.5	0.0	0.0%
NCLB - Title I - Reading First	60,000.0	20,000.0	(40,000.0)	-66.7%
NCLB - Title I - Striving Readers		1,500.0	1,500.0	NA
NCLB - Title II - Enhancing Education Through Technology	20,000.0	20,000.0	0.0	0.0%
NCLB - Title II - Enhancing Education Through Technology - ARRA	26,523.2	26,523.2	0.0	0.0%
NCLB - Title II - Math/Science Partnerships	15,000.0	12,000.0	(3,000.0)	-20.0%
NCLB - Title II - Teacher/Principal Training	135,000.0	135,000.0	0.0	0.0%
NCLB - Title II - Transition to Teaching	1,000.0	300.0	(700.0)	-70.0%
NCLB - Title III - Language Acquisition	40,000.0	40,000.0	0.0	0.0%
NCLB - Title IV - 21st Century/Community Service Programs	55,000.0	55,000.0	0.0	0.0%
NCLB - Title IV - Safe and Drug Free Schools	15,000.0	15,000.0	0.0	0.0%
NCLB - Title V - Charter Schools	9,000.0	9,000.0	0.0	0.0%
NCLB - Title V - Innovative Programs	8,000.0	0.0	(8,000.0)	-100.0%
NCLB - Title VI - Rural and Low Income Schools	1,500.0	2,000.0	500.0	33.3%
NCLB - Title X - Homeless Education	3,250.0	3,500.0	250.0	7.7%
NCLB - Title X - Homeless Education - ARRA	2,581.6	2,581.6	0.0	0.0%
Subtotal, NCLB (excluding Assessments)	1,688,319.3	1,638,869.3	(49,450.0)	-2.9%

\$000s	FY10 Appropriation	FY11 Draft Budget	FY10 to FY11 Increase (Decrease)	Percent Increase (Decrease)
<i>Assessments</i>				
Assessments	23,780.3	23,780.3	0.0	0.0%
ONPAR	2,000.0	2,000.0	0.0	0.0%
<i>Subtotal, Assessments</i>	25,780.3	25,780.3	0.0	0.0%
<i>Other Grants</i>				
Congressional Special Projects	5,000.0	5,000.0	0.0	0.0%
Integration of Schools and Mental Health Systems	400.0	0.0	(400.0)	-100.0%
Learn and Serve America	2,500.0	2,500.0	0.0	0.0%
Refugee Children	0.0	0.0	0.0	NA
Longitudinal Data System	2,700.0	3,200.0	500.0	18.5%
Longitudinal Data System - ARRA	0.0	4,300.0	4,300.0	NA
<i>Subtotal, Other Grants</i>	10,600.0	15,000.0	4,400.0	41.5%
TOTAL - GRANTS	3,587,198.1	3,672,148.1	84,950.0	2.4%
TOTAL - FEDERAL FUNDS	3,637,449.9	3,725,399.9	87,950.0	2.4%
GRAND TOTAL	11,081,199.3	11,222,408.0	141,208.7	1.3%
GRAND TOTAL w/ Reappropriations	11,124,025.8	11,222,408.0	98,382.2	0.9%