Ad Hoc Strategic Plan Committee of the Whole

Thursday, September 21, 2006
8:30 a.m.

9-040 James R. Thompson Center
100 West Randolph Street
Chicago, Illinois

Public Conference Call Access Number: 1-866-297-6391 (listen only)
Confirmation # 1 5 7 2 0 6 4 5

AGENDA

1. Public Participation

2. Review of Strategic Plan based on FY07 Budget (Randy Dunn and Senior Staff, Ronny Wickenhauser)

3. Additional Items

4. Adjourn

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

NOTE: Materials for this meeting will be sent out under separate cover and also made available on the website.
TO: Illinois State Board of Education
FROM: Dr. Randy J. Dunn, State Superintendent of Education

Agenda Topic: Review of Strategic Plan Based On FY07 Budget

Materials: Strategic Plan – FY07 Expenditure Plan
              Regional Financial Consultant Coverage Maps

Staff Contact(s): Ronny Wickenhauser, Division Administrator, Budget and Financial Management

Purpose of Agenda Item
To discuss the allocation of the $500,000 appropriation for the Strategic Plan in the FY07 budget.

Relationship to/Implications for the State Board’s Strategic Plan
The FY07 budget includes $500,000 for the Strategic Plan.

Expected Outcome(s) of Agenda Item
The Board will approve the planned expenditure of funds as presented.

Background Information
The State Board of Education made a budget recommendation to the Governor and General Assembly in January 2006. In that recommendation, the Board requested $4.4 million for the Strategic Plan in FY07. The final budget included an appropriation of $500,000.

At its August Board Retreat meetings, the Board discussed how best to use the resources included in the FY07 budget for the Strategic Plan given the fact that the original request was not fully funded. The consensus of the Board was to focus the expenditure of Strategic Plan funds on Goal 3 of the plan. In particular, the Board voiced their support for expenditures on technology and technology-related personnel. The Board asked for a plan to be submitted to them in September.

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

Policy – The Board will need to make a policy decision to commit to the long-term development of a Data Warehouse.

Budget – The budget impact is $500,000. An appropriation for this amount is included in the FY07 budget.

Legislative Action – The Board and the agency will need to lobby for continued funding of the recommended projects, as well as specific increased funding for the development of a Data Warehouse.
Communication – N/A

Pros and Cons of Various Actions

Pros: By approving an expenditure plan for the Strategic Plan appropriation, the Board will be able to show tangible progress on the implementation of the Strategic Plan, which may be helpful in securing continued (and additional) funding for the plan.

Cons: N/A

Superintendent’s Recommendation

The Superintendent recommends that the Board approve the FY07 Expenditure Plan for the Strategic Plan.

Next Steps

Agency staff will work to implement the projects outlined. The Board will be updated periodically on the progress of each project.
ILLINOIS STATE BOARD OF EDUCATION
Strategic Plan – FY07 Expenditure Plan

<table>
<thead>
<tr>
<th>Project</th>
<th>FY07 Cost</th>
<th>Annual Cost*</th>
<th>Total Project Cost**</th>
<th>FY07 FTEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Warehouse</td>
<td>$130,000</td>
<td>$150,600</td>
<td>$12,000,000</td>
<td>0</td>
</tr>
<tr>
<td>Health/Life Safety Database</td>
<td>$50,000</td>
<td>***</td>
<td>$50,000</td>
<td>0</td>
</tr>
<tr>
<td>Regional Financial Consultants</td>
<td>$77,800</td>
<td>$116,600</td>
<td>n/a</td>
<td>2</td>
</tr>
<tr>
<td>eGrants</td>
<td>$203,300</td>
<td>$305,000</td>
<td>n/a</td>
<td>4</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$461,100</td>
<td>$572,200</td>
<td>$12,050,000</td>
<td>6</td>
</tr>
</tbody>
</table>

* Annual Cost represents the cost to maintain the project once complete
** Total Project Cost is shown as a maximum
*** Annual software licensing costs are currently being researched

DATA WAREHOUSE

**Goal 3 – Create a comprehensive data warehouse to foster and support more highly informed decision making by all ISBE constituents.**

**FY07 Actions**
- Develop and release 2 RFSPs for contractors (October-November)
- Apply for federal funds for the development of a Data Warehouse (March-May)
- Develop and release RFSP for the development of a Data Warehouse (May-June)

These funds would be used to begin tasks associated with the development of a Data Warehouse. The agency will hire a contractor ($30,000) to review the Data Warehouse feasibility study and work with agency staff to resolve policy and other issues, define the parameters and focus of the Data Warehouse, and identify the need for and develop business rules for the system. This contractor would also assist in drafting an RFSP for the development of a Data Warehouse. Additionally, the contractor will write the agency’s response to a federal RFSP for federal funding for the development of a Data Warehouse. Up to $6 million in federal funding may be available.

A second contractor will be hired ($100,000) to develop an Entity System. This system, which is basically a collection of names, addresses, phone numbers and other contact information, will centralize the identification of all entities with whom ISBE does business. Currently, ISBE has many databases – some controlled by individual divisions – that house information on entities. If a change in an entity’s contact information is made, it does not filter to all of the systems because they are not linked. Creating an Entity System is preferable prior to the development of a Data Warehouse, which in the end must have consistent entity information to operate effectively.

It should be noted that a feasibility study conducted for ISBE on developing a Data Warehouse indicated that the total project cost could range from $7 million to $12 million. ISBE should commit to seeking funding for such a large project prior to the expenditure of the initial funds suggested above.
Once complete, it is estimated that maintaining a Data Warehouse would cost approximately $150,000 annually. This would include $120,000 in staffing costs (1 ¾ FTEs), as well as $30,000 per year in annual software licensing.

<table>
<thead>
<tr>
<th>HEALTH/LIFE SAFETY DATABASE</th>
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<tr>
<td>Goal 3 – Create online management templates to support a variety of functional and instructional requirements and applications.</td>
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</tbody>
</table>

FY07 Actions
- Develop and release RFSP for contractor (October-November)
- Receive completed database from contractor (June)

ISBE currently has a great amount of difficulty processing Health/Life Safety issues and 10-year safety surveys due to the laborious process of ensuring the right building code is cited, as well as the limited staffing assigned to this function. In order to improve the Health/Life Safety process for both ISBE and districts, the agency will hire a contractor to develop a database that will move Health/Life Safety processing from paper to electronic form. It is envisioned that a Health/Life Safety database would:
  - Allow surveys and amendments to be submitted and approved electronically, from the district architect to the district Superintendent to the Regional Superintendent
  - Contain edit checks that would ensure proper codes are cited and to prevent non-Health/Life Safety repairs/upgrades from being submitted
  - Allow for electronic communication between ISBE and districts when seeking clarification on surveys and amendments
  - Allow for electronic tracking of edits made by ISBE staff to surveys and amendments
  - Allow ISBE to track a district’s Health/Life Safety needs in a comprehensive fashion
  - Allow school building demographics, such as square footage and age, to be tracked and reported

Annual software licensing fees are currently being researched.

<table>
<thead>
<tr>
<th>REGIONAL FINANCIAL CONSULTANTS</th>
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<tbody>
<tr>
<td>Goal 3 – Expand the network of ISBE Regional Financial Consultants statewide, with the goal of having a cadre of consultants available to each Regional Office of Education/Intermediate Service Centers area.</td>
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</tbody>
</table>

FY07 Actions
- Hire 2 new Regional Financial Consultants (November)

There are currently 3 Regional Financial Consultants for the entire state. These consultants cover 217, 244, and 414 districts, respectively (see attachment for a current coverage map). Three people are obviously limited to being able to provide technical assistance on financial management issues to a finite number of districts. These funds would allow 2 additional Regional Financial Consultants to be hired so that ISBE could expand its ability to assist a wider range of school districts with financial matters (see
attachment for a revised coverage map). Under the new plan, the existing Regional Financial Consultants would cover 142 (from 217), 183 (from 244), and 207 (from 414) districts, while the new consultants would cover 205 and 138 districts respectively. While 5 Regional Financial Consultants is not ideal, the addition of 2 consultants will allow ISBE to improve its ability to provide financial services to more school districts.

FY07 costs represent 8 months of salaries.

<table>
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**FY07 Actions**

- Hire 2 new Data Systems staff and 1 new Budget and Financial Management Staff (November)
- Convert 1 Budget and Financial Management staff to full time eGrant staff (November)
- Hire 1 new Budget and Financial Management staff to backfill eGrant staff shift (January)

The eGrant Management System (eGMS) was designed at a cost of $2.5 million and was built to allow school districts to apply for grants from ISBE electronically. The system allows all of the steps in the grant application process to be completed online, including the design and publication of grant forms, grant application, grant approval, and interface with FRIS for the disbursement of funds. The system also has the capability to generate multiple reports and to allow for reviewers to rate competitive grant applications online. The following applications are currently available on eGMS: NCLB consolidated (Title I-A, Title II-A, Title II-D, Title IV-A and Title V-A), the Early Childhood Block Grant (continuing applications), Rural and Low Income, and the Reading Improvement Block Grant. Enhancements needed for processing IDEA grants are currently in development and ISBE staff are testing a new competitive grant process.

The eGMS system is a powerful system that can greatly reduce the workload and paper involved – for both ISBE and schools – in the grant application process. Unfortunately, funding realities have prevented ISBE from utilizing the system to its fullest potential. Currently, there is not one employee at ISBE that is dedicated full time to the eGMS system. Staff in Data Systems and Budget and Financial Management are used on a part time basis to keep the applications currently in the system operational and to develop new applications as time allows. It was anticipated when the system was first introduced in FY03 that dozens of applications would be available electronically by now.

Funding for the Strategic Plan would be used to provide four full time staff (two in Data Systems and two in Budget and Financial Management) dedicated to the eGMS system. These staff would allow for the number of new electronic applications to dramatically increase over the next few years. This plan calls for two new technology staff to be hired in Data Systems. The Division of Budget and Financial Management will convert one of its experienced staff currently working part time on eGMS to full time utilizing these funds and will hire one new staff to work full time on eGMS. Other funds made available by this conversion will be used to hire one new budget analyst for the division.
FY07 costs represent 8 months of salaries.

Planning Participants:
Dr. Randy Dunn, State Superintendent
Ronny Wickenhauser, Division Administrator, Budget and Financial Management
Deb Vespa, Division Administrator, School Business and Support Services
Dr. Connie Wise, Division Administrator, Data Analysis
Terry Chamberlain, Division Administrator, Data Systems
Tim Imler, Division Administrator, Funding and Disbursements
Dana Kinley, Division Administrator, Curriculum and Instruction
Bonnie Robinson, Principal Consultant, Budget and Financial Management