AGENDA

1. Roll Call

2. Board Member Participation by Other Means

3. Public Participation

4. Discussion Items
   a. FY 08 Budget Update (Linda Mitchell & Ronny Wickenhauser) (pp. 4-23)

5. Decision Items
   a. Minutes of the March Finance and Audit Committee Meeting (pp. 2-3)
   *b. Update on Financial Profile - Cicero School District (Debby Vespa) (Plenary pp. 78-80)
   *c. Review FY06 Financial & Compliance Audit Report and Audit Status (Plenary pp. 73-77)
      (Lisa LaBonte)

6. Committee Agenda Planning/Additional Items

7. Adjourn

NOTE: At the conclusion of any discussion item in which the committee is ready to make a decision, a discussion item may be immediately moved for a decision.

* Items listed with an asterisk (*) will be discussed in committee and Board action may be taken in the plenary session.
1. PUBLIC PARTICIPATION
   1. Joe Glassford from SASED spoke regarding private placement reimbursement. He asked to be able to come back and present a case to the board for approval for a placement of a child in a special education situation.

   2. Judy Pacey, an ROE Superintendent, spoke regarding Bus Driver Training Funds. She would like ISBE to help lobby for the line item to be put back into legislation for the Bus Driver Training.

2. DISCUSSION ITEMS
   A. FY08 Budget Update
      Linda Mitchell thanked the Board for their participation in the House and Senate Budget Hearings. She reviewed the Appropriation Committee meetings that had taken place since the last Board meeting.

      Ronny Wickenhauser discussed the funding for the Bus Driver Training Funds. Ronny then discussed budget information presented to the General Assembly as well as responses by the agency to questions from the House. Ronny discussed the difference between the Governor’s Budget proposal and that of ISBE. He noted operations will suffer significantly next year if the budget passes at a flat administration level. Ronny also noted that a flat administration budget level would eliminate the funding the board had requested for the data warehouse as well as technology funding requested to update our servers.

      Ed Geppert noted that ISBE needs the minimum of the 60 headcount, data warehouse and the improvements of the computer equipment to be able to do the job. He emphasized support for the Governor’s increase to education funding and discussed similarities between the ISBE budget and the budget proposal made by the Governor.

   B. Drivers Education
      Tim Imler gave a presentation on Drivers Education. Tim discussed the history of the program, funding, curriculum and the Graduated Driver’s License Task Force.

   C. ISBE Quality Assurance Self-Assessment Report
      Lisa LaBonte stated that ISBE was required to have an external quality assurance review to look at compliance standards and to determine whether ISBE is following the standards. The external evaluator looked at agency compliance with the code of ethics and also compliance with the Fiscal Control and Internal Auditing Act.
The external evaluator noted that ISBE partially conformed to professional standards, conformed to code of ethics and did not conform to the Fiscal Control and Internal Auditing Act (FCIAA) requirements. The state internal audit advisory board, in reviewing the report and documentation that was presented to them, did not agree with the opinion, primarily because only one audit was done during the year and a half time period that was reviewed due to the absence of internal audit staff. One audit was not sufficient to meet the requirements of an internal audit department.

Lisa also noted that the audit department staff has declined from eight staff to three staff from the time period of 2001 to the current year.

In order to meet requirements of FCIAA to cover major systems of internal control, ISBE will have to contract out some of the remaining audits in FY07.

3. DECISION ITEMS

A. Minutes of the February Finance and Audit Committee Meeting
   The minutes were approved and accepted.

B. Report on Financial Condition of School Districts
   Deb Vespa discussed the annual school financial profile. Profile information was received for all school districts, with the exception of Cicero. There have been some legal issues with the Treasurer in that community. Deb stated that she hoped to present Cicero at next month’s Board meeting. There has been overall improvement in the scores for the financial profile. There are more school districts on the financial recognition category, which is the highest category for the profile, and fewer districts on the watch category.

   Deb noted that the agency has started to receive and review FY07 budgets.

4. ADJOURN
TO: Finance and Audit Committee


Agenda Topic: FY08 Budget Update

Materials: Letter to the Senate Appropriations III Committee in Response to Questions Asked at the 3/8/07 hearing (to be provided at a later date)
Letter to House Elementary and Secondary Education Appropriation Committee in Response to Questions Asked at the 3/13/07 Hearing (to be provided at a later date)

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

Purpose of Agenda Item
To update the committee on the FY08 budget process.

Relationship to/Implications for the State Board’s Strategic Plan
N/A – this is an informational item only.

Expected Outcome(s) of Agenda Item
N/A – this is an informational item only.

Background Information
The State Board of Education adopted a fiscal year 2008 budget on January 18, 2007. To date, the Superintendent, agency staff and some Board members have testified at three hearings in front of the General Assembly, including two House hearings and one Senate hearing.

The Governor introduced his fiscal year 2008 budget on March 7, 2007. The Governor has also introduced his legislative plan for education, which is contained in Senate Bill 1.

Analysis and Implications for Policy, Budget, Legislative Action and Communications
N/A – this is an informational item only.

Pros and Cons of Various Actions
N/A – this is an informational item only.

Superintendent’s Recommendation
N/A – this is an informational item only.

Next Steps
Agency staff will continue to update the committee on the fiscal year 2008 budget as necessary.
April 5, 2007

The Honorable Mattie Hunter  
Chairperson  
Senate Appropriations III Committee  
611C State Capitol  
Springfield, Illinois 62706

Dear Senator Hunter:

Thank you for the opportunity to testify before the Senate Appropriations III Committee on the State Board of Education's proposed fiscal year 2008 budget.

During the hearing a few questions were raised that we were unable to answer immediately. Our response to those outstanding questions follows.

1. How much money is in the State Board of Education's budget for teacher recruitment?

<table>
<thead>
<tr>
<th>Program</th>
<th>FY07</th>
<th>FY08 Proposed</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grow Your Own Teachers (State)</td>
<td>$3,000,000</td>
<td>$4,500,000</td>
<td>To recruit and prepare parent and community leaders and paraeducators to become effective teachers in hard-to-staff schools and teaching positions in schools serving a substantial percentage of low-income students.</td>
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<tr>
<td>Teach for America (State)</td>
<td>$450,000</td>
<td>$450,000</td>
<td>To provide an alternative route to teacher certification for college graduates who did not originally choose teaching careers by utilizing an extensive mentoring and induction component to support these new teachers in their classrooms. The premise is to recruit only the “best and brightest” who will form a “bonus corps” of talented individuals with greater potential of staying in teaching or other educational leadership jobs to serve underachieving students.</td>
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</table>
Title II – Transition to Teaching (Federal) | $659,682 (grant award) | TBD (grant award) | To identify and assist mid-career professionals and recent college graduates with degrees in areas other than education to become certified bilingual teachers.

Title II – Teacher/Principal Training (Federal) | $113,310,498* (grant award) | TBD (grant award) | To provide funds to increase student academic achievement by reducing class size and elevating teacher and principal quality through recruitment, hiring and retention strategies.

*Not all of these funds are used for teacher recruitment, however, schools may use these funds for such purposes.

Additionally, the Troops to Teachers program, which is in the Department of Veterans’ Affairs budget (formerly in ISBE’s budget), provides funding to recruit and prepare military personnel for second careers as teachers. The budget for this program is $250,000 in both fiscal years 2007 and 2008 (proposed).

2. Based on available research, in what area or areas does education spending have the greatest impact?

It is not possible to point to one investment in education that will improve all schools. Research shows that each school situation is unique and requires its own individual approach to reform. However, there are some studies that can be used as guides to good investments in education.

- According to research by Dr. Ron Ferguson of Harvard University, every additional dollar spent on more qualified teachers results in greater achievement gains than any other educational expenditure.
- “Measured Progress: A Report on the High School Reform Movement” by Craig D. Jerald identifies more rigorous curricula, graduation standards and helping educators to become more supportive of students as critical to producing significant improvements in high schools.
- A study entitled “Unlock the Pre-K Door: Get Poor and Moderate Income Kids Off to a Good Start by Giving Them Access to High-Quality Pre Kindergarten” indicates that pre-kindergarten education helps reduce the achievement gap between rich and poor and white and minority students.
- Research on creating a national corps of “Super Principals” with strong leadership skills is the key to well-performing schools.
- “Success in Sight: A Comprehensive Approach to School Improvement” by Cicchinelli, et.al., identifies a variety of factors for “what works in schools,” including:
  - Guaranteed and viable curriculum
  - Challenging goals and effective feedback
  - Parent and community involvement
  - Save and orderly environment
  - Collegiality and professionalism
  - Instructional strategies
  - Classroom management
  - Classroom curriculum design
3. What funds are allocated for bilingual education?

The State Board of Education’s budget includes both state and federal funds for bilingual education. The Board’s proposed budget (as does the Governor’s budget) includes $75.0 million in state funds for bilingual education. This is an $8.4 million, or 12.7%, increase over the fiscal year 2007 level. Additionally, the Board requested an additional $2.5 million ($7 million total) for bilingual assessments in our budget proposal. This increase was not included in the Governor’s budget.

ISBE’s budget also includes federal funding from Title III of the Elementary and Secondary Education Act for bilingual education, including a $28.8 million grant award for fiscal year 2007. The fiscal year 2008 federal award is unknown at this time.

Currently, downstate school districts are reimbursed approximately 64% of their eligible costs (Chicago is not included in this number because they receive their funds through the Chicago Block Grant). The proposed increase in the state appropriation for bilingual education will bring the proration up to approximately 72%. The cost to fully reimburse eligible bilingual costs is estimated to be around $44 million.

4. What funds are set aside for class size reduction? What would statewide implementation cost?

Based on 2005 data, it is estimated that statewide implementation of the Class Size Reduction initiative would cost approximately $624 million.

Important items to note:

- The data this calculation is based on is a snapshot in time and does not reflect the ebb and flow of children that K-3 grade levels may experience from year to year.
- This calculation is based on statewide averages, thus the numbers may be deflated by districts with class sizes already below the 15:1 ratio.
- This calculation does not assume any capital costs if additional space is needed to add new teachers.

The State Board of Education’s budget recommendation includes $10 million for the Class Size Reduction Pilot Project. The Board did not recommend an increase from the fiscal year 2007 budget.

5. Provide some materials on early childhood education standards.

Links to early childhood education standards can be found below.
6. How many half-time kindergarten programs are there?

There are 673 schools that only offer half-day kindergarten. There are another 232 schools that offer a combination of half-day and full-day kindergarten.

7. Are there any studies that show the impact of early childhood education on children in Illinois? If so, please provide the results.

The State Board of Education does collect data on early childhood education outcomes, however, the agency’s longitudinal data on kids who have participated in the program does not include a control group so scientific comparisons between children who have participated in early childhood education and those who have not are not possible. The agency does submit a report to the General Assembly every three years that shows the performance of children who participated in early childhood education on state standardized tests compared to the performance of all children at that grade level. A copy of the most recent report can be found at http://www.isbe.net/research/pdfs/prek_evaluation.pdf. The next report is scheduled to be released this summer.

It should be noted that while there are no statewide Illinois specific studies, there is evidence to indicate the positive effects of early childhood education on children. Below is a list of studies that address early childhood education:

- “Early Intervention on a Large Scale,” Arthur J. Rolnick and Rob Grunewald, Federal Reserve Bank of Minnesota
- “The Effects of State Prekindergarten Programs on Young Children’s School Readiness in Five States,” W. Steven Barnett, Cynthia Lamy and Kwanghee Jung, The national Institute for Early Education Research, Rutgers University
- “An Economic Analysis of Pre-K in Arkansas,” Clive R. Belfield, Prepared for Pre-K Now
- “The Effects of Universal Pre-K on Cognitive Development,” William T. Gormley, Jr., Ted Gayer, Deborah Philips and Brittany Dawson
8. What is being done to increase the number of accredited early childhood education teachers?

The State Board of Education currently uses funds from the early childhood education appropriation for teacher preparation. In fiscal year 2007, ISBE awarded $100,000 to the Department of Human Services to be used in coordination with a federal grant program. This combination of state and federal funds will allow recipients to complete a bachelor’s degree and become an early childhood certified teacher. In addition, ISBE is funding $375,127 in planning grants to four collaborations between higher education institutions and community early childhood providers (Northern Illinois University, Rock Island Regional Office of Education, Chicago Metropolitan Association of Educators of Young Children and the Erikson Institute) to form cohorts for coursework leading to certification. Recipients will be obligated to work in areas of high need. The actual implementation of these grants will begin in fiscal year 2008.

9. Provide a list of programs eliminated since fiscal year 2004 and the reason for their elimination.

State Programs

- Fast Growth Grants – Provided funding to school districts with greater than 10,000 Average Daily Attendance funding if their growth is greater than 1.5% over the most recent two years or to any other districts that have growth over 7.5% in the most recent two years.
  - Last fiscal year funded: 2005
  - Reason for elimination: There have been no appropriations for this program.

- Teachers Academy for Math and Science – The Teachers’ Academy for Mathematics and Science (TAMS), established in Chicago with funding from the U.S. Department of Energy, the National Science Foundation and the State Board of Education, provided on-site mathematics, science and technology professional development to selected schools, especially low-performing schools, in Chicago and selected schools statewide.
  - Last fiscal year funded: 2005
  - Reason for elimination: TAMS declined funding from the state in 2006. Additionally, there were issues with TAMS inappropriately spending state funds.

- Uhlich Children’s Advantage Network – Provided funding to assist children in foster care or residential treatment who had experienced trauma. Programs included therapeutic recreation activities, trauma management, community service programs and educational advocacy.
  - Last fiscal year funded: 2006
  - Reason for elimination: This was a one-time special supplemental appropriation made in fiscal year 2006.
Federal Programs

- Hurricane Katrina and Hurricane Rita Relief – Funds provided by the federal government to states to offset the costs of taking in students displaced by Hurricanes Katrina and Rita in the 2005-2006 school year.
  - Last fiscal year funded: 2006
  - Reason for elimination: This was a one-time federal grant to states.
- Refugee Children - Covered some of the costs of educating refugee children (individuals who enter the United States under the Immigration and Naturalization Services classification of refugee) incurred by local school districts in which significant numbers of refugee children reside and to help provide educationally-related support services, culturally-related social services and mental health-related services for refugee students, their families and school staff.
  - Last fiscal year funded: 2005
  - Reason for elimination: The federal government changed eligibility for these funds. ISBE is no longer an eligible applicant. The state Department of Human Services now receives these funds. DHS could subgrant some of the funds to ISBE, however, the federal government has reduced the amount of money available to states from this program and there has been insufficient funding to provide any subgrants to ISBE.
- School-to-Work – Funds assisted in planning and developing statewide school-to-work systems. Grants were awarded competitively to states to establish comprehensive, statewide school-to-work systems that offer young Americans access to education and training programs designed to prepare them for a first job in a high-skill, high-wage career, and to increase their opportunities for further education.
  - Last fiscal year funded: 2005
  - Reason for elimination: The federal government eliminated funding for this program.
- Charter Schools – Provided funds to charter schools for planning and start-up costs. Grants are awarded to states on a competitive basis.
  - Last fiscal year funded: 2005
  - Reason for elimination: Illinois was not selected to receive funding when the last round of competitive grants were awarded.

10. What is ISBE doing to ensure that curriculum related to the Holocaust and other genocide events is being taught in the schools?

The State Board of Education’s division of Curriculum and Instruction provides links to curriculum resources on its website:

- www.isbe.net/ils/social_science/pdf/holocaust_study.pdf
- www.isbe.net/ils/social_science/pdf/genocide.pdf
11. Can you work with the Department of Employment Security to issue guidance on rules for the payment of unemployment insurance by parochial schools?

The agency has contacted the Department of Employment Security to work on this issue.

* * * * *

I would like to once again thank you and members of the committee for the opportunity to testify. If you or other members of the committee have questions, please do not hesitate to contact my office. I look forward to working with you and members of the committee on the State Board of Education’s budget throughout the spring session.

Sincerely,

Christopher A. Koch, Ed.D.
State Superintendent of Education (Interim)

cc: Members of the Senate Appropriations III Committee
Members of the State Board of Education
April 10, 2007

The Honorable Cynthia Soto  
Chairperson  
House Elementary and Secondary  
    Education Appropriation Committee  
288 S Stratton Office Building  
Springfield, Illinois 62706

Dear Representative Soto:

Thank you for the opportunity to testify before the House Elementary and Secondary Education Appropriation Committee on March 13 on the State Board of Education's proposed fiscal year 2008 budget.

During the hearing a few questions were raised that we were unable to answer immediately. Our response to those outstanding questions follows.

1. **How many full day kindergarten programs are there in the state?**

   There are currently 1,346 schools that operate full-day kindergarten programs. There are another 232 schools that offer some combination of full- and half-day kindergarten programs.

2. **Are there additional federal Career and Technical Education funds available?**

   The Carl D. Perkins Career and Technical Improvement Act allows states to keep up to 5% of its grant award for administrative purposes. However, the Act also requires states to provide a dollar for dollar match in order to access these funds. For the most recent grant award, the state was eligible for $2.3 million in administrative funds, however, only about $1.0 million was drawn from the federal government due to a lack of state administrative matching dollars. In order to be able to draw the full amount of federal funds available, the State Board of Education would need an additional $683,000 in state administrative appropriations and the Illinois Community College Board, which receives 40% of the funds under this Act, would need an additional $573,000 in state appropriations.
3. Was the Emergency Financial Assistance Fund swept or subject to chargebacks in FY04, FY05, FY06 or FY07? Has there been any impact as a result of fund sweeps or chargebacks?

- FY04: $0 Sweep, $0 Chargeback
- FY05: $0 Sweep, $0 Chargeback
- FY06: $2,130,848 Sweep, $0 Chargeback
- FY07: $993,750 Sweep, $0 Chargeback

Impact – No impact as no school districts have qualified for funding.

4. Was the Technology Revolving Loan Program Fund swept or subject to chargebacks in FY04, FY05, FY06 or FY07? Has there been any impact as a result of fund sweeps or chargebacks?

- FY04: $6,000,000 Sweep, $1,440,000 Chargeback
- FY05: $49,775,000 Sweep, $586,020 Chargeback
- FY06: $19,158 Sweep, $588,000 Chargeback
- FY07: $0 Sweep, $116,800 Chargeback

Impact – ISBE has a $5 million appropriation from this fund. ISBE received $8 million in applications in fiscal year 2006 but was only able to award approximately $3.7 million in due to the chargebacks and sweeps done in FY05 and FY06. Additionally, ISBE received $5 million in applications in fiscal year 2007 but was only able to award approximately $3.1 million, also due to the chargebacks and sweeps done in FY05, FY06 and FY07.

5. How will the additional funds requested by ISBE for the Technology for Success program be used?

It is anticipated that the State Board of Education would reinstate a school technology grant program that was eliminated in fiscal year 2005. This program provided grants to schools for various technology based learning resources, including:

- Computers, servers, modems, printers, and other peripheral equipment
- Software and optical media
- CD ROM drives and laser disc players
- Installation, cabling, wiring, network hardware, and routers
- Online services and charges for connectivity
- Other equipment or technological devices integral to the effective use of technology
- Staff development and/or other activities related to the use of technology

Under the previous program, the agency solicited applications through a request-for-proposals process and awarded funds for technology needs on a competitive basis. The agency, in its selection of participants, was allowed to consider not only the reason for the request and the educational benefits of the request, but also
demographic and geographical factors. The agency was also allowed to request some level of local funding for districts to be eligible for grants from this program.

6. **Prioritize the 60 positions requested by the agency.**

The State Board of Education believes that all 60 positions in its fiscal year 2008 budget request are a priority. Attachment A lists the positions requested, including the statutory requirement linked to each position as well as the funding source of each position requested (15 of the 60 positions will be paid for with federal funds). Attachment B provides a detailed justification for each position.

7. **Provide a breakout for how the dollars proposed for “Growth Models” in fiscal year 2008 will be used.**

As the State Board of Education works to put data collection process in place to qualify for measurement of student learning outcomes under the increased flexibility put in place by the United States Department of Education with the implementation of Growth Models, it will be necessary to help schools and districts with their data infrastructure. The State Board of Education is proposing to provide assistance to schools in fiscal year 2008 and has allocated $3.0 million for this purpose. Growth Models allow schools to identify individual student gains from one year to the next, rather than looking at student proficiency levels compared to a set grade level target. The funding included in the fiscal year 2008 budget will be used for data retreats around the state to help educators figure out how to use available assessment data in their decision-making, to provide benchmark tests that are linked to the Prairie State Achievement Exam (PSAE) so that educators can gauge the progress of their students and make better decisions about their teaching throughout the year, and this will give everyone access to the Illinois Interactive Report Card (IIRC), which allows schools to manipulate test data to best meet their needs and make better decisions.

The following dot points show how the funds proposed for Growth Models in the fiscal year 2008 budget would be allocated.

- Explore test – $1,000,000
- Plan Test – $1,200,000
- Upgrade IIRC reporting – $600,000
- Professional Development – $200,000

8. **Provide information on how dollars for alternative education flows. Is there an incentive for kids to be steered to alternative schools?**

Formula grants are distributed to Regional Offices of Education (ROE’s) and Chicago Public Schools based on the ratio of the recipients best three months average daily attendance compared to the statewide total, plus $30,000. Alternative education/regional safe school programs also receive funding through General State
Aid formula, which takes the best three months average daily attendance (or the three year average, whichever is greater) and multiplies it by the foundation level.

The State Board of Education is not aware of any incentives to push children into an alternative learning setting, unless enrollment at a particular provider is very low and/or declining, in which case someone may have an incentive to steer children to that provider in order to keep it running.

If there are particular concerns regarding alternative learning in a specific region of the state, staff at the State Board of Education would be happy to look into the matter.

9. Is the Children's Mental Health Partnership program cost effective?

Services provided by the Illinois Children's Mental Health Partnership (ICMHP) services are extremely cost-effective because they are designed to promote social/emotional development, prevent mental health problems from occurring, and intervene early where problems do exist so as to prevent more serious and more costly problems from developing later.

According to figures released by the Illinois Department of Healthcare and Family Services, the expanded Screening and Assessment Service System (SASS) services that the ICMHP ACT mandated for all Medicaid children resulted in savings of $44 million in hospital costs over the last two years due to the provision of less expensive and more appropriate community services for children experiencing acute mental health problems.

10. What percentage of at-risk children identified prior to the implementation of the Preschool for All program are currently being served?

The Preschool for All program has a goal of serving all at-risk children who want the service. Because the statutory definition of "at risk" includes multiple factors, there is no single statistic that tells us how many at-risk children there are in Illinois. To date, the local programs providing Preschool for All are all programs that serve primarily at-risk children. Overall, approximately 72% of the total enrollment goal set out at the beginning of the Preschool for All program is anticipated to be met by the end of fiscal year 2007.

Though there is no single statistic that captures the statutory definition of "at risk", a white paper prepared by Chicago Metropolis 2020 on reaching "at-risk" children attempts to identify areas in the state where additional resources are needed in order to serve "at-risk" children. Chicago Metropolis 2020, using the count of three- and four-year-olds at 185% or less of the federal poverty level as the proxy definition for "at-risk" children, identified several areas in the state where additional capacity for "at-risk" early childhood programs may be needed. Based on its analysis, 26
Counties¹ were identified as needing additional early childhood education support. Because Preschool for All funds local programs through an RFP process, the State Board and Early Learning Council are focusing on these 26 counties to increase the number of applications for programs serving at-risk children in those communities.

11. How will ISBE use the additional funds requested in its budget for Autism?

ISBE is currently serving 50 families through the Autism Focus Family Support model. There are 87 families on a waiting list due to lack of additional funds. Additionally, there are plans to establish a coaching network, modeled after the PBIS network that would provide ongoing training and support to district-owned coaches. Anyone trained as a district autism coach would also be qualified to provide behavior intervention support for any student with significant behavioral needs.

12. Provide detail on what will be included in the $100 million proposed by the Governor for “Targeted Initiatives.”

These funds will be dedicated to funding proven strategies that help raise student achievement and reduce risk factors that threaten student success. Funds will be used for after school tutoring, professional development, curriculum and materials improvement, longer schools days, and other programs designed to improve results in schools. Districts will be held to high standards, and those that fail to embrace reforms will be subject to strict measures, including state takeover.

* * * * *

I would like to once again thank you and members of the committee for the opportunity to testify. I look forward to working with you and members of the committee on the State Board of Education's budget throughout the spring session.

Sincerely,

Christopher A. Koch, Ed.D.
State Superintendent of Education (Interim)

cc:  Members of the House Elementary and Secondary Education Appropriation Committee
     Members of the State Board of Education

¹ Counties include Gallatin, Marion, Jasper, Effingham, Cumberland, Moultrie, Douglas, Champaign, Ford, Iroquois, Macon, Logan, Tazewell, Peoria, Marshall, McDonough, Mercer, Stephenson, Boone, McHenry, Lake, DeKalb, Kane, DuPage, Will, and Suburban Cook
<table>
<thead>
<tr>
<th>Division</th>
<th>Brief Description</th>
<th>Positions</th>
<th>Citation</th>
<th>Estimated Cost</th>
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<tbody>
<tr>
<td>Accountability</td>
<td>Non-Public School Recognition</td>
<td>1 Principal Consultant</td>
<td>105 ILCS 5/2-3.25o</td>
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<td>Various Agency Systems Support</td>
<td>1 Principal Consultant</td>
<td></td>
<td></td>
<td>$71,296</td>
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<tr>
<td>Early Childhood</td>
<td>Preschool for All</td>
<td>5 Principal Consultant</td>
<td>105 ILCS 5/2-3.71e</td>
<td>$283,890</td>
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<tr>
<td>Support Functions</td>
<td>1 Support</td>
<td></td>
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<td>$36,102</td>
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<tr>
<td>English Language Learning</td>
<td>State Bilingual and Title III Monitoring</td>
<td>5 Principal Consultant</td>
<td>105 ILCS 5/14C &amp; P.L. 107-110</td>
<td>$170,388</td>
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<tr>
<td>External Assurance</td>
<td>Monitoring Functions</td>
<td>2 Consultant</td>
<td>105 ILCS 5/2-3.32 &amp; 34 CFR 80.40</td>
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<td>Supervisory Duties</td>
<td>1 Principal Consultant</td>
<td>105 ILCS 5/2-3.32 &amp; 34 CFR 80.40</td>
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<td>Federal Programs</td>
<td>Title I &amp; School Improvement Grants</td>
<td>1 Principal Consultant</td>
<td>P.L. 107-110</td>
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<tr>
<td>Internal Audit</td>
<td>Auditing Functions</td>
<td>1 Principal Consultant</td>
<td>105 ILCS 5/1A-10 &amp; 30 ILCS 10</td>
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<td>Health/Life Safety Functions</td>
<td>2 Principal Consultant</td>
<td>105 ILCS 5/2-3.12, 17-2.11 &amp; 23 IAC 180</td>
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<td>Regional Financial Consultant</td>
<td>1 Principal Consultant</td>
<td>105 ILCS 5/1A-8, 18, 1E, 1F</td>
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<td>Special Education</td>
<td>Mental Health Functions</td>
<td>1 Principal Consultant</td>
<td>P.L. 107-110</td>
<td>$71,296</td>
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</table>

**TOTAL** | **60** | | | **$2,439,782** | **$1,069,440** | **$3,509,222**


**STAFFING NEEDS JUSTIFICATION**

**Accountability (One Position)**

One professional position for Non-Public School Recognition process - The majority of Illinois' non-public schools request recognition under State law (105 ILCS 5/2-3.25(o)). There are 719 nonpublic schools recognized for the 2006-07 school year. Currently, non-public K-12 and high schools are re-evaluated for recognition every four years and K-8 schools are re-evaluated every six years. Currently each staff member must complete 90 school visits and accompanying documentation per year. There are currently two professional staff and one half-time support staff responsible for the Non-Public School Recognition process.

**Student Assessment (Three Positions)**

One professional position for Data Coordination – The increased demands of data preparation and accuracy brought about by NCLB reporting requirements require coordination of assessment data among contractors, coordination of data assembly analysis between ISBE and contractors and coordination of the data needs for each assessment. This position will lead the data correction process between local districts and ISBE, act as the liaison with other divisions to coordinate assessment data, serve as the technological contact person for the division, and lead the web management of assessment data.

One professional position for Math Assessment - With the full implementation of mathematics in grades three through eight and grade 11 as required by NCLB, an additional staff position is necessary to meet the demands of the mathematics assessments, prepare informational materials, and conduct professional preparation sessions for local school personnel.

One professional position for Bilingual Assessment - Student Assessment currently contracts with a bilingual specialist to work on the statutorily-mandated State bilingual assessment tests. Duties include coordinating between the Student Assessment and English Language Learning Divisions, conducting professional development on test administration, and assisting with test development and policy decisions with the test developer.

**Budget/Funding and Disbursements (Three Positions)**

Three professional positions for Legislative Special Projects - The Divisions of Budget and Financial Management and Funding and Disbursements have principal responsibility for Legislative Special Projects. In FY 2007, there are nearly 300 projects totaling over $41 million. Staff work includes proposal review, amendments as needed, writing grant agreements and project budget approval. Grantees require frequent follow-up on required documentation and reports. There is currently no dedicated Agency staff to oversee these projects. Current ISBE staff work on these projects in addition to their normal duties.

**Career and Technical Education (Five positions)**

One professional position for Agricultural Education - ISBE is currently not in compliance with 105 ILCS 5/2-3.80 of the Illinois School Code which requires a minimum of two Agricultural Education staff. The statute charges ISBE with implementation of the Building Illinois Through Quality Agricultural Education strategic plan which is a comprehensive Pre-K through adult plan, additional monitoring of approved programs and leadership in Agricultural Education. Staff must administer over 300 grants to local districts which include onsite monitoring of a minimum of ten percent per year. Staff administers and directs the Facilitating Coordination in Agricultural Education project used to provide technical assistance, professional development and curriculum materials to all levels of education. Staff works with elementary agricultural awareness programs, secondary career and technical education programs in agriculture, community college agricultural education programs and
teacher education programs in agricultural education. ISBE staff for Agricultural Education is currently 0.5.

Four professional positions for Perkins Programs - The new Perkins legislation includes new requirements for accountability and data collection at the local level and collaboration with post-secondary partners. Performance data gathering, reporting, and analysis will be crucial to the smooth delivery of funding from the Federal level to the State level. Going against the recent trend of reducing staff numbers by reducing field service, the new Perkins legislation requires local involvement with performance data in new ways. Tasks to be completed include:

- Design, draft and completion of accountability portion of the State Plan;
- Collection and reporting of eight to ten additional accountability measures;
- Development a new reporting system to replace the present obsolete systems;
- Coordination of trend analysis of data between ISBE and ICCB;
- Development of performance targets with local educational units, requiring supervision and technical assistance;
- Responsibility to improve performance of field professionals not directly accountable to the Agency, requiring support and coaching in order to reach performance goals and maintained the supply of funds from the Federal government.
- A new performance system will need to be developed, requiring both expertise in Career and Technical Education (CTE) fields as well as data and programming literacy.
- Data literacy will be necessary for our CTE administrators in the field and will require data interpretation training. Travel throughout the State will be crucial to ensure success.
- A manual of accountability and data interpretation will need to be developed and training undertaken for CTE administrators in the field.
- The Agency will need to provide continuous support in the interpretation of local data. The Division of Career and Technical Education is requesting one new staff person for these duties.

One professional position for Programs of Study (part of four above) - This position will coordinate the updating of all programs of study, work with programmers to develop an online system for program approval, maintain and continuously update the program approval system, administer grants associated with curriculum development and administer grants and contracts associated with technical assessment.

One professional position for Data and Technical Assistance (part of four above) - The new Perkins requirements will create the need for a position to coordinate the delivery of technical assistance to the 58 Education for Employment systems that serve as the regional administrators for Federal Perkins funding, and to provide development, testing and support of the Student Information System (SIS) database.

One professional position for ICCB Perkins Oversight (part of four above) - The Illinois Community College Board (ICCB) is a Perkins subgrantee and receives a considerable portion of the federal Perkins money provided to Illinois. ISBE has been cited recently because of ICCB's inadequate oversight of those funds. The new position will oversee ICCB to ensure compliance with federal Perkins legislation, and plan and coordinate interaction between secondary and post-secondary entities in developing dual-credit programs, agreement articulation between high schools and community colleges and curriculum alignment between high schools.

One professional position for Professional Development and Technical Assistance (part of four above) - This position will assist with performance data requirements, including working with programmers to develop a web based performance data collection system, developing systems of accountability relating to
the input and analysis of performance data, train career and technical education administrators in the new data reporting requirements and conduct technical assistance visits to the 58 Education for Employment systems to develop corrective action plans, as necessary.

Teacher Certification (Three Positions)
One professional position for Administrator Certifications and Professional Development – The Division currently has one staff member assigned to work on Administrator certificate renewals and Administrator Academies. Fiscal year 2007 brought new duties related to the administration of the statutorily required Principal Mentoring Program. The Division anticipates future legislation requiring a Superintendent Mentoring Program.

One support position for Switchboard - The Certification Division receives up to 250 calls per day. Current staffing relies on temporary employees (limited to 90 days), and a floater who has been covering the switchboard in the afternoon. The availability of the floater position is ending. Certification staff must set aside their certification duties to answer phones.

One support position for Mail and Filing - The Division needs additional general secretarial support to handle mail and maintain files.

Curriculum and Instruction (Nine Positions)
Four professional positions for Reading First - The Reading First grant agreement that with the U.S. Department of Education (USDOE) requires the Agency to employ eight staff members to provide professional development and technical assistance to sub-grantees. ISBE currently only has four individuals for this program and is in violation of the agreement with USDOE. This program provides $37 million to Illinois annually and funding is specifically set aside per the agreement to pay for the required staff.

One professional position for Illinois Learning Standards - The Illinois Learning Standards recognize seven fundamental learning areas to include English Language Arts, mathematics, science, social studies, physical development and health, fine arts, and foreign languages. There are currently two principal consultants on staff that handle English Language Arts and Mathematics. There is no other dedicated staff with content expertise to work on matters related to the Illinois Learning Standards.

One professional position for Pilot Projects - The Illinois State Board of Education received appropriations for several new grant programs, including the Class Size Reduction Pilot Project ($10 million), the Technology Immersion Pilot Project ($5 million) and Arts and Foreign Language grants ($4 million). These projects require a full-time staff person each to administer, however, funding has not been provided to administer these programs. The Division Administrator is currently handling some of the administrative duties for these grants.

One professional position for Learn and Serve America - ISBE is responsible for administering the Learn and Serve America program. In fiscal year 2007, ISBE negotiated an interagency agreement with the Lieutenant Governor’s office to manage this grant as the Agency did not have staff available to administer it. The National Corporation for Community and Service Learning is responsible for the Learn and Serve America program and has indicated that the intergovernmental agreement with the Lieutenant Governor’s office must be a short-term solution.

One professional position for Grant Application Review - The Curriculum and Instruction Division currently contracts with an individual to review the budgets for the numerous grant applications received by the Division. The Agency’s agreement with its profession employee union (IFSOE) dictates that this position be an Agency employee.

One support position for Clerical Support - Support staff is needed to eliminate the backlog of paperwork required to administer
the various programs in the Division and maintain currency in the future.

**Data Analysis (Four Positions)**

*Four professional positions for Data Quality* - The Illinois School Code mandates that ISBE maintain a student database to track the data the Agency is required to collect and maintain. These data are used for many things and have implications in assessment data and reports to U.S. Department of Education, the Governor and the General Assembly. These new data quality positions will be responsible for ensuring that the data in the student database is reliable, including working with all of the districts throughout Illinois on data quality measures.

**Data Systems (Eight Positions)**

*Two professional positions for Student Information System* – The Agency’s contract (IBM) to develop the Student Information System (SIS) expires June 30, 2007. ISBE currently does not have staff available to continue the support and enhancements in the future.

*One professional position for Child Nutrition System* - The Agency’s contract (Fidelis) to support and enhance the Child Nutrition System expires June 30, 2007. There are many new enhancements needed to the system in the near future as well as support required for the system. The current contract with Fidelis is for $139,725. This contract will have to remain at this level or increase if Agency positions are not available to support and enhance the system.

*Five professional positions for System Support* - ISBE continues to add on a monthly basis to its 200+ supported applications with no systems being retired. Analysts have too many applications to support in an efficient and timely manner. With the increase of web-based applications designed for district, school and other entities use, our customer base has increased tremendously and requires changes and support in a timely manner.

**Early Childhood (Six Positions)**

*Five professional positions and one support position for Early Childhood Block Grant (Preschool for All)* - Funding for early childhood programs has grown by $135 million over the past four years, and includes the initial phase of the Preschool for All program. The number of programs funded has increased from 713 in fiscal year 2003 to 963 in fiscal year 2007. Additionally, the Division must review all of the applications each year for previously funded projects to continue to receive funding. In fiscal year 2008 the Division will have to review the 963 projects from fiscal year 2007 and any new projects for fiscal year 2008. The Division currently has eight staff members, with four staff members dedicated to State early childhood and four staff members with responsibilities for other programs, such as Even Start and IDEA Preschool (special education).

**English Language Learning (Six Positions)**

*Five professional positions* – These positions are required to come into compliance with the Title III comprehensive monitoring plan and to be able to address questions posed by the U.S. Civil Rights Division’s investigation into our monitoring activities. In 2005 U.S. Department of Education cited ISBE for not monitoring school districts. ISBE has an approved comprehensive monitoring plan with the Office of English Language Acquisition (OELA) on how Title III LI/LEP and Immigrant Education Program services will be provided and how funding will be used. The plan states that the Division of English Language Learning must monitor 100 districts and complete 100 follow-up visits for the districts monitored the previous year. The Division currently has seven professional staff which, in addition to required monitoring, is also responsible for the Transition to Teaching program, Immigrant Education Program, Migrant Education Program, Visiting Teacher Exchange Program, bilingual assessments, and Title III accountability. ISBE is currently in violation of the approved comprehensive monitoring plan as the Division has only conducted two compliance monitoring visits in this fiscal year. In a document dated December 11, 2006, the
U.S. Department of Justice Civil Rights Division, notified the Division that it is seeking an explanation of the actions the Division has taken to monitor districts in 2006, 2007 and 2008.

One support position – The Division of English Language Learning is requesting two support staff to assist the professionals requested above.

External Assurance (Four Positions)
Two professional positions to monitor Chicago Public Schools (CPS) - ISBE does not currently have staff available to conduct monitoring of CPS programmatic and fiscal issues. Federal regulations require the Agency to monitor all of its sub-recipients. ISBE is out of compliance by not monitoring CPS. The Division needs these positions to conduct monitoring activities for CPS.

One professional position for field work - ISBE’s current external audit plan requires 23 staff positions to complete required field work. There are currently 20 staff positions available to complete these audits.

One supervisor position – This position is needed to provide technical support, supervision and evaluation for downstate field staff. Additionally, this position will serve as the lead auditor for high profile audits.

Federal Programs (Three Positions)
One professional position for Non-Public School Improvement Technical Assistance in Central and Southern Illinois - The Illinois State Board of Education does not currently have anyone to assist non-public schools with Title I school improvement issues in the southern half of the state. The result is that the Agency is not providing the support required by NCLB.

Two professional positions for Program Monitoring - ISBE is not currently providing program monitoring required by NCLB, including required visits to districts determined to be out of compliance with NCLB. A 2005 Federal audit cited ISBE for this. As the number of districts and schools in School Improvement Status and/or Academic Early Warning and Watch Status grows these positions will become critical to complying with NCLB and State law.

Internal Audit (One Position)
One professional position for Auditing - Senate Bill 3000 requires ISBE to have an Internal Audit Division. The Internal Audit Division currently consists of a Chief Internal Auditor and one staff member. An additional professional position is needed to provide adequate audit coverage of ISBE programs and internal control systems. The Fiscal Control and Internal Auditing Act (30 ILCS 10) (FCIAA) also requires ISBE to maintain a full-time program of Internal Auditing. Each major system of accounting and administrative control is required to be audited at least once every two years. Internal Audit is also required to perform reviews of major new electronic data processing systems and major modifications of those systems before installation. Internal Audit has been unable to meet the requirements of FCIAA. The fiscal year 2006 Financial and Compliance audit will include a finding on the lack of compliance with FCIAA and a recommendation that additional staff is needed.

School Business and Support (Three Positions)
One professional staff position for Health/Life Safety Surveys - Currently there is one staff person to review and approve/deny all ten-year Health/Life and Safety Surveys from each school district for each of their buildings. The Division has been cited for the last two years because the review of each survey has not been conducted in a timely fashion.

One professional staff position for Health/Life Safety Amendments - Currently there is one staff person to review all the Health/Life Safety Amendments from each school district for each of their buildings. These amendments may be in accompaniment with the 10 year Safety Survey mentioned above or they may be amendments submitted independent of a ten year survey. The Division has been cited for the last two years for the processing of the amendments.
since one staff person cannot adequately review amendments in the timelines denoted by the external auditors. Last year ISBE received 1,007 amendments for 311 school districts of which $252,958,652 was requested for approval and $233,643,289 was approved. Therefore ISBE denied $19,315,363 in items the Regional Superintendents approved.

**One professional staff position for Regional Financial Consulting** – This position is being requested to assist with overseeing school districts with financial non-compliance issues such as A-133 findings, audit/management letters that cite financial discrepancies such as inappropriate use of activity funds, review complaints ISBE receives regarding financial issues, and assist with monitoring such panels as voluntary oversight panels, financial oversight panels and school finance authorities, and review financial audit notes to determine districts with financial discrepancies. This position will also assist with providing financial forecasting, financial analysis, and completing budgets to area school districts.

**Special Education (One Position)**

*One professional position to integrate Schools and Mental Health Systems* - ISBE received a Federal grant to integrate schools and mental health systems. This new position will be responsible for the management and coordination of all collaborative and liaison activities associated with the Illinois School and Mental Health Initiative. This includes, but is not limited to: a) identifying and recommending policy and procedure changes to promote service coordination and linkage; b) coordinating cross-system and within system training and technical assistance for schools, mental health and other agencies participating in local collaborative efforts; c) collaborating in the design and implementation of the data collection, reporting and evaluation systems established for the initiative; and d) management of the U.S. Department of Education grant with the assistance of a Project Management Team comprised minimally of ISBE, the Department of Human Services, the Department of Juvenile Justice, and the Illinois Children's Mental Health Partnership. This position is required to comply with the activities associated with these grant dollars.