AGENDA (timeframes are estimated for planning purposes)

1. Roll Call

2. Board Member Participation by Other Means

3. Public Participation (2:15 – 2:30)

4. Minutes of the January Finance & Audit Committee Meeting (pp. 2-3)

5. FY10 Budget Update - verbal update (Superintendent Koch, Linda Mitchell) (2:45 – 2:55)

6. Audit Update (Lisa LaBonte) (pp. 4-5)
   a. FY 07 Financial & Compliance Audit (2:55 – 3:10) (pp. 5-11)
   b. FY 07 A-133 Statewide Single Audit (3:10 – 3:25) (pp. 12-15)

*7. Contracts & Grants Over $1 Million (2:30 – 2:45)
   a. Contract Renewal: Target Area Development Corporation (Grow Your Own Illinois) (pp. 16-18) (Linda Jamali)
   b. Contract for Southern Illinois University – Carbondale (School Meals Initiative Review) (pp. 19-20) (Chris Schmitt)
   c. Contract: Harte Hanks (Third Party Assessment Oversight) (Joyce Zurkowski) (pp. 21-22)
   d. Request for Proposals (RFP): Preschool for All Children Ages 3 to 5 Years: FY10 (Kay Henderson) (pp. 23-24)
   e. Request for Proposals (RFP): Prevention Initiative Birth to 3 Years: FY10 (Kay Henderson) (pp. 25-26)

8. Committee Agenda Planning/Additional Items (3:25 – 3:30)

9. Committee Wrap-up (Superintendent Koch)

10. Adjourn

* Items listed with an asterisk (*) will be discussed in committee and Board action may be taken in the plenary session.
Chairman Clark called the meeting to order.

Members Present
- Mr. Dean Clark, Chairman
- Dr. Andrea Brown
- Dr. David Fields
- Dr. Vinni Hall
- Ms. Brenda Holmes
- Ms. Joyce Karon
- Ms. Lanita Koster
- Mr. Jesse Ruiz
- Dr. Chris Ward

Members Absent
- None

None

Jack Wuest from Alternative Schools Network spoke in support of the Re-enrolling Students program.

Jane Sharka, LouAnn Jacobs, Stephanie Stieglitz and Frances Roehm from IL School Library Media Association voiced their support for funding for on-line data bases.

Jim Dower and Don Isherwood from Urban Initiatives informed the Board about their youth sports and health education program.

Brian Daly & Don Storino from Fidelity Consulting requested support for Teach for America.

TaHesha Orji and Steven Perkins from Target Area Development Corporation voiced support of the Grow Your Own Teachers program.

Erika Lindley from ED-RED and John Moss from Glenbard 87 spoke about funding for Special Education.

Dr. David Fields moved that the minutes of the December Finance and Audit Committee be accepted. Ms. Lanita Koster seconded the motion. Motion passed by unanimous voice vote.

Superintendent Chris Koch provided the Committee a summary of his recommended budget and proposed two amendments to the recommendations. The first was to reinsert $222.6K for the Tax Equivalent Grant Program line item. District 88 is the only district that qualifies for this program with an anticipated tax revenue loss of $350,000.
The second recommendation was to increase the line item for Autism to eliminate the waiting list for this program.

The Committee discussed the strategy of focusing dollars into GSA and mandated categoricals and asked a number of questions of staff regarding specific program budget lines.

- The Committee debated the inclusion of a line item for Re-enrolling Students. Jack Wuest was present to answer questions. The Committee agreed to insert a line item for “Re-enrolling Students—Alternative Schools Network” in the amount of $4M. The Committee nevertheless made clear that it would be the last year for this line-item unless underlying legislation was enacted, and asked that Mr. Wuest work with Agency staff on such legislation.
  - The Board agreed to insert a line item for $2.5M for online databases.

Ms. Mitchell stated that the Agency budget recommendation for Federal funds was $2.298B. She further noted that there was a proposal in the U.S. House for a federal stimulus package. If and when a Federal package is passed, she stated, there will be a need to make additional adjustments to the ISBE FY10 budget, as approval is needed from the General Assembly and the Governor for the appropriation authorization to spend the Federal funds.

| COMMITTEE AGENDA PLANNING AND ADDITIONAL ITEMS | Next month’s agenda will include Contracts and Grants over $1M, FY10 Budget Update, Review of Proviso’s Financial Plan and Updates on FY07 Financial Compliance Audit and the FY07 A133 Statewide Single Audit. |
| ADJOURNMENT | Motion: Dr. Chris Ward moved for adjournment of the Finance and Audit Committee of the Whole. Dr. David Fields seconded the motion. Motion passed by unanimous voice vote. |
TO: Illinois State Board of Education
FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
Lisa LaBonte, Chief Internal Auditor

Agenda Topic: Update on the Status of Audit Findings

Materials:
- FY07 Financial and Compliance Audit Status Document
- FY 07 A-133 Statewide Single Audit Status Document

Staff Contact: Lisa LaBonte

Purpose of Agenda Item

Provide the Board with information on the progress the Agency has made in resolving audit findings from the FY07 Financial and Compliance Audit and FY07 A-133 Statewide Single Audit performed by the Auditor General.

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

N/A

Expected Outcome(s) of Agenda Item

The Committee will be updated as to the Agency's progress toward resolving its audit findings.

Background Information

The FY07 Financial and Compliance Audit report was presented to and accepted by the Board in June 2008. The FY 07 A-133 Statewide Single Audit was presented to and accepted by the Board in September 2008.

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

Policy:

1) The FY 07 Financial and Compliance Audit report contained two material findings: Noncompliance with mandated duties (21 specific mandates noted)
2) Noncompliance with the Fiscal Control and Internal Auditing Act
The FY 07 A-133 Statewide Single Audit report contained six ISBE findings:

1) Inadequate Process for Accurate and Timely Financial Reporting
2) Improper Allocation of Subrecipient Funding under the Terms of the Reading First
3) Failure to Sanction Non-comparable Local Education Agency (LEA)
4) Inadequate On-Site Fiscal Monitoring of Subrecipients
5) Inadequate On-Site Programmatic Monitoring of Subrecipients
6) Inadequate Reporting of State Matching Expenditures

**Budget:** Adequate Subrecipient Monitoring may require additional External Assurance staffing.

**Legislative:** The Legislative Audit Commission reviews and accepts each of these audits.
Legislation was proposed seeking repeal or modification of certain statutes with which the Agency is not in compliance.

**Communications:** These audits are issued by the Auditor General and are available to the public.

**Superintendent's Recommendation**

No action required

**Next Steps**

The Agency is currently in the final stages of the FY 08 Financial & Compliance audit and A-133 audit.
The audit identified 21 specific mandates for which the Agency is not in compliance.

1) The Agency did not submit the Physical Education Report for the year ended June 30, 2006 to the General Assembly and the Governor on or before January 30, 2007.


Status: Implemented. The Agency’s June 2008 Report was submitted to the Governor and General Assembly prior to the January 30, 2009 deadline. Note however, this finding will be repeated in the FY 2008 Financial & Compliance audit. This report is only due every two years, thus the Agency cannot show compliance in FY 2008.

2) The Agency failed to develop an [alternative] teacher evaluation plan as required by The School Code.

Response: By January 1, 2009 the Agency will develop an Alternative Teacher Evaluation instrument to have available, should it ever be needed.

Status: Implemented. The Alternative Teacher Evaluation instrument was developed. This mandate will not be cited for noncompliance in the 2008 Financial & Compliance audit.

3) The Agency did not provide grants to charter schools to pay for start-up costs such as educational materials and supplies, textbooks, furniture, and other equipment needed during their initial term.

Response: Appropriations for charter schools have historically been requested as one line item. Due to a lack of funding, the Agency funded Transition Impact Aid first and start-up grants if funds remained; insufficient funds were appropriated in fiscal year 2007 to provide for start-up grants. The Agency’s FY2008 Budget Recommendation included separate funding requests for Transition Impact Aid and Charter Schools Start-Up Grants.

Status: Implemented. The Agency made separate line item requests for transition aid and start-up grants. Note that funding for the start-up grants was vetoed. This mandate will not be cited for noncompliance in the 2008 Financial & Compliance audit.
Finding 07-1  Noncompliance with Mandated Duties - continued


Response: The Agency currently has appointed the required number of members to this Institute. The Agency will work to ensure that future vacancies on the Institute are filled promptly.

Status: Implemented. The Agency has the required number of members on the Illinois Institute for Entrepreneurship Education. This mandate will not be cited for noncompliance in the 2008 Financial & Compliance audit.

5) The Agency lacked the required number of representatives on the Literacy Advisory Board.

Response: The Agency currently has appointed the required number of representatives to this Board. The Agency will work to ensure that future vacancies on the Board are filled promptly.

Status: Implemented. The Agency has the required number of representatives on the Literacy Advisory Board. This mandate will not be cited for noncompliance in the 2008 Financial & Compliance audit.

6) School Boards of districts awarded Parental Participation Pilot Project grants did not submit their annual progress report to the Agency by the August 1st deadline.

Response: The Agency plans to release to Parental Participation Pilot Project grant recipients the continuation grant information which includes performance reporting forms in time to allow recipients to return annual progress reports to the Agency by the August 1st deadline.

Status: In process. The Agency placed reliance on the school districts to turn the report in on time, as part of their continuing grant application. Going forward, the school districts will be contacted, as necessary, to ensure that the annual progress reports are received prior to the August 1st deadline. The Agency will be cited for noncompliance with this mandate in the FY 2008 Financial and Compliance audit.
Finding 07-1  Noncompliance with Mandated Duties - Continued

7) The Agency did not obtain annual performance reports from recipients of Reading Improvement Block Grants. Further, the Agency failed to prepare and submit an annual report to the General Assembly on the results of the Reading Improvement Block Grant Program.

**Response:** The Agency obtained the necessary information and provided the 2007 report on the results of the Reading Improvement Block Grant program to the General Assembly in January 2008. The Agency is implementing an automated process for obtaining performance report information and has assigned a full-time staff member to the Reading Improvement Block Grant Program to help ensure that the 2008 report on the results of the Reading Improvement Block Grant Program are submitted to the General Assembly prior to the December 2008 due date.

**Status:** Implemented. The Agency submitted the Reading Improvement Block Grant report to the General Assembly prior to the December 2008 due date. This mandate will not be cited for noncompliance in the 2008 Financial & Compliance audit.

8) The Agency did not timely review, approve and process Safety Survey Reports.

**Response:** The Agency developed and implemented in January 2008 the Health/Life Safety Processing System. This system allows for electronic submission and tracking of the Safety Survey Reports. If documents are not complete and/or additional information is required, Agency staff can electronically deny a portion of or the entire survey resulting in it being returned to the district and engineer/architect for them to revise and resubmit. The automation of this process should result in more timely approval and documentation of delays in the process.

**Status:** Implemented. The auditor’s testing in FY 2008 did not identify any untimely Safety Survey Reports. This mandate will not be cited for noncompliance in the 2008 Financial & Compliance audit.
Finding 07-1  Noncompliance with Mandated Duties - Continued

9) The Agency was late submitting the Annual Statistical Report to the Governor and General Assembly. (Statistical Report is different from Annual Report).

Response: The statute requires the Agency to report to the Governor and General Assembly annually on or before January 14 the condition of the schools of the State for the preceding year, ending on June 30. The Agency is currently dependent on school districts to provide the needed data in a timely manner to report on the condition of schools. Not all school districts provide their data for the immediately preceding school year in time for the Agency to be able to report on the condition of schools by mid-January. The future utilization of the Student Identification System in the collection of this data should allow the Agency to report on the condition of schools in a more timely manner.

Status: In process. Public Act 95-793, effective January 1, 2009 modified this statute to include: "Using the most recently available data…” The inclusion of this language in this statute should resolve this finding for FY 2009. The Agency will be cited for noncompliance with this mandate in the FY 2008 Financial and Compliance audit.

10) The Agency did not implement and administer a K-3 class size reduction program to defray the costs and expenses of operating and maintaining classes in grades kindergarten through 3rd with an average class size within a specific grade of no more than 20 pupils or to hire teacher aides if a school's facilities are inadequate to allow for this specified class size.

Response: The Agency believes it is in compliance with this mandate, as the School Code (105 ILCS 5/2-3.136(a)) states, in part: “From appropriations made for purposes of this Section, the State Board shall award grants to schools . . . .” Article VIII, Section 2 of the Illinois Constitution requires all appropriations for the expenditure of funds to be approved by the General Assembly. Since the fiscal year 2007 budget, as approved by the General Assembly and signed by the Governor, did not include an appropriation for the program described in this section of the School Code, the State Board of Education did not implement the program.

Status: The Office of the Auditor General has reconsidered writing findings on mandates that contain the language “subject to appropriation” or similar verbiage. As the statute states: “From appropriations made for purposes of this Section,” and appropriations were not made, ISBE does not expect this mandate to be cited for noncompliance in the FY 2008 Financial & Compliance audit.
Finding 07-1  Noncompliance with Mandated Duties – Continued

11) The Agency was not in compliance with several requirements of the Private Business and Vocational Schools (PBVS) Act.

Response: Agency staff are aware of the requirements of the PBVS and are taking action to ensure the Agency's compliance with these requirements.

Status: In process. Additional resources have been applied to the PBVS program. The auditors noted that there has been significant improvement in maintenance of PBVS files during their FY 2008 Financial & Compliance audit. The Agency will be cited for noncompliance with this mandate in the FY 2008 Financial and Compliance audit.

12) The Agency failed to submit nominations to the Governor for his appointment to the Illinois Summer School for the Arts Board of Trustees.

Response: The Agency did not consider it necessary to make nominations to the Governor for his appointment to a board that has not been in existence since 2001 for a program that has not operated since 2000. The Agency is considering seeking repeal of this statute.

Status: Implemented. The statute was repealed. This mandate will not be cited for noncompliance in the 2008 Financial & Compliance audit.

The Agency failed to consider certain mandates (13 – 14) when establishing the annual budget:

13) The Agency did not make grants available for educational programs for gifted and talented children to qualifying school districts.

14) The Agency did not implement and administer a grant program to school districts on the academic watch list and school districts that have the lowest achieving students to be used to improve student achievement

Status: The Office of the Auditor General has reconsidered writing findings on mandates that contain the language “subject to appropriation” or similar verbiage. As these statutes state: “From appropriations made for purposes of this Section” and “from any moneys it may have available for this purpose” respectively, and appropriations were not made, ISBE does not expect this mandate to be cited for noncompliance in the FY 2008 Financial & Compliance audit.
Finding 07-1  

*Noncompliance with Mandated Duties - Continued*

The additional mandates cited for noncompliance in the FY 2007 Financial & Compliance (numbers 15 – 21) were repealed during the Spring 2008 legislative session. These mandates will not be cited for noncompliance in the FY 2008 Financial & Compliance audit.

Finding 07-2  

*Noncompliance with the Fiscal Control and Internal Auditing Act*

The Agency’s Internal Audit division did not comply with provisions of the Fiscal Control and Internal Auditing Act (30 ILCS 10/1001 et seq.).

**Response:** Internal Audit has not met the requirements for audit coverage of major systems of internal control at least once every two years and reviews of information systems development and modification projects as necessary, due to limited resources. Internal Audit is currently engaged in the process of hiring an additional staff member which would allow audit coverage of all major systems of internal control.

**Status:** In process. This finding will be repeated in the FY 2008 Financial & Compliance audit. An additional staff member joined Internal Audit in October 2008 (FY 2009). Internal Audit is making progress on their audit plan and is hopeful that all required audits for the two-year cycle will have been performed and the requirements of the Fiscal Control and Internal Auditing Act will be met for FY 2009.
Finding 07-51  *Improper Allocation of Subrecipient Funding under the Terms of the Reading First State Grants State Plan*

ISBE did not properly allocate federal funds to subrecipients of the Reading First State Grants (Reading First) program during the year ended June 30, 2007.

**Response:** The Agency is working with the US Department of Education (ED) regarding the difference in the funding model Illinois presented in their State Plan and the funding model that was implemented and is currently in use to distribute Reading First funds. The Agency is seeking ED’s approval of an amendment to the State Plan to reflect the funding model in use.

**Status:** Implemented. The Agency obtained approval from the U.S. Department of Education for modification of the Reading First funding model. This finding will not be repeated in the FY 2008 A-133 Statewide Single audit.

Finding 07-52  *Failure to Sanction Non-Comparable Local Education Agency (LEA)*

ISBE does not take adequate measures to sanction a LEA that did not meet the comparability of services requirement under the Title One Grants to Local Education Agencies (Title One) program.

**Response:** The Agency is awaiting the determination by the ED Office of Elementary & Secondary Education of the appropriate corrective action to be taken to sanction the LEA. Upon receipt of this determination, the Agency will implement the corrective action.

**Status:** ISBE must wait to receive the U.S. Department of Education’s determination of corrective action before the LEA can be sanctioned. This finding will be repeated in the FY 2008 A-133 Statewide Single audit.
Finding 07-53  *Inadequate On-Site Fiscal Monitoring of Subrecipients*

ISBE is not adequately performing on-site fiscal monitoring reviews of subrecipients of the Title One Grants to Local Educational Agencies, Special Education Cluster, Vocational Education - Basic Grants to States, Twenty-First Century Community Learning Centers, Reading First State Grants and Improving Teacher Quality State Grants programs.

**Response:** Nearly 2,800 entities receiving funding from the State Board of Education for various State and Federal programs and are subject to monitoring by the Agency’s Division of External Assurance. The Agency is working to fill External Assurance vacancies and is seeking additional staff for the External Assurance monitoring function.

In developing the multi-year monitoring plan for fiscal years beginning in FY 2009, External Assurance will review and take into account staff availability. In addition, the methodology used for selection of school districts for monitoring will be reviewed and revised to ensure that the monitoring plan provides sufficient coverage of the School District population over time. Modifications to the methodology could include the defining of risk categories and the time between monitoring cycles for low risk subrecipients.

The Agency would like to note that on-site monitoring is not a specific requirement in the Federal requirements for subrecipient monitoring.

**Status:** From October 2007 through February 2008, the Division Administrator and five staff members left External Assurance, further reducing this division’s capacity to complete their fiscal year 2008 monitoring plan. External Assurance developed a new multi-year monitoring schedule for the monitoring cycle beginning in FY 2009. The cycle for monitoring coverage of subrecipients was extended to five years to allow the plan to be completed with limited staffing levels. This finding will be repeated in the FY 2008 A-133 Statewide Single audit.
ILLINOIS STATE BOARD OF EDUCATION MEETING  
February 18, 2009

FY 2007 A-133 Statewide Single Audit Status

Finding 07-54 Inadequate On-Site Programmatic Monitoring of Subrecipients

ISBE is not adequately performing on-site programmatic monitoring reviews of subrecipients of the Title One Grants to Local Educational Agencies, Twenty-First Century Community Learning Centers, and Improving Teacher Quality State Grants programs.

Response: Nearly 2,800 entities receiving funding from the State Board of Education for various State and Federal programs and are subject to monitoring by the Agency’s Division of External Assurance. The Agency is working to fill External Assurance vacancies and is seeking additional staff for the External Assurance monitoring function.

In developing the multi-year monitoring plan for fiscal years beginning in FY 2009, External Assurance will review and take into account staff availability. In addition, the methodology used for selection of school districts for monitoring will be reviewed and revised to ensure that the monitoring plan provides sufficient coverage of the School District population and program coverage over time. Modifications to the methodology could include the defining of risk categories and the time between monitoring cycles for low risk subrecipients.

The Agency would like to note that the front-end of the grant process for these programs is set up to ensure subrecipient compliance with Federal requirements which are incorporated into the grant application review and approval process. In addition, the Agency division responsible for these programs has contracted out monitoring of Twenty First Century Community Learning Center grant recipients beginning in FY 2008.

Status: From October 2007 through February 2008, the Division Administrator and five staff members left External Assurance, further reducing this division’s capacity to complete their fiscal year 2008 monitoring plan. External Assurance developed a new multi-year monitoring schedule for the monitoring cycle beginning in FY 2009. The cycle for monitoring coverage of subrecipients was extended to five years to allow the plan to be completed with limited staffing levels.

The Division of Grants and Programs contracted for programmatic monitoring of Community Learning Center grant recipients. The Twenty First Century program will be excluded from this finding when it is repeated in the FY 2008 A-133 Statewide Single audit, leaving Title I Grants to LEAs and Teacher Quality.
Finding 07-55  *Inaccurate Reporting of State Matching Expenditures*


**Response:** The Agency has documented and communicated its procedures in determining and reporting the amount of matching funds reported by ISBE for the TANF and Illinois Free Lunch and Breakfast programs.

**Status:** Implemented.
TO: Illinois State Board of Education

FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
       Linda Tomlinson, Ph.D., Assistant Superintendent

Agenda Topic: Contract Exceeding $1 Million Dollars for Target Area Development Corporation

Staff Contact(s): Linda Jamali, Division Administrator

Purpose of Agenda Item

The purpose of this agenda item is for the Finance & Audit Committee to review the Superintendent’s recommendation that the State Board authorize the State Superintendent to enter into a grant agreement with Target Area Development Corporation for $350,000 which will increase the total to $1,896,825.

GYO has been a line-item in ISBE’s budget since FY06. In January, the State Board recommended that the FY10 budget again include a line-item for GYO for $3.5. This matter is being brought to the State Board for action because the cumulative amount of the grant to Target Area Development Corporation, if renewed for any amount that would be appropriated by the General Assembly and Governor in FY10, would be over the $1M threshold for which grant agreements are brought before the State Board.

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

Goal 2: Every student will be supported by highly prepared and effective teachers and school leaders. The GYO program focuses on recruiting and retaining paraprofessionals and parent volunteers in hard-to-staff schools who are vested in the community to become teachers, in those very same schools.

Expected Outcome(s) of Agenda Item

This agenda item will be discussed in the Finance and Audit Committee and then called for a vote at the February Plenary session.

Background Information

The Grow Your Own Teacher Education Act (110 ILCS 48) established the “Grow Your Own” Teacher Education Initiative (GYO) to increase the diversity of teachers by race, ethnicity, and disability and prepare them for hard-to-staff positions and hard-to-staff schools in areas serving a substantial percentage of low-income students. The goal of GYO is to train and place 1,000 teachers in hard to staff schools and/or positions by 2016.
Under GYO, funding is available to eligible consortia made up of four-year institutions of higher education that offer state-approved teacher education programs, targeted school districts or schools, and community organizations that seek to offer programs that enable candidates to obtain a bachelor’s degree in education and an Illinois teaching certificate. Working together, these entities are to identify paraprofessionals and parents who have been leaders in schools with hard-to-staff positions, in order to select a cohort of teacher education candidates to begin teacher training. The consortia are charged with the provision of financial and other support to the cohort that will be needed to complete teacher preparation programs. New teachers are then placed in positions in the schools targeted by the consortia. The goal is for each cohort member to remain in a hard-to-staff school or position for up to five years upon which any loans incurred through the consortia during teacher education training will be forgiven.

Target Area Development Corporation (for purposes of this memorandum, we will refer to Target Area Development Corporation and GYO Illinois interchangeably) is the statewide organization that has been funded under the “Grow Your Own” Teacher Education Initiative to provide technical assistance to the consortia and act as a liaison between the consortia, ISBE, and the Illinois legislature. GYO Illinois was awarded the contract through an RFSP process in FY 06. FY10 will be the last year this contract may be renewed.

Deliverables for FY10 include activities such as: developing consortia in geographic areas of need, providing technical support to existing consortia, tracking the profiles of candidates, maintaining the GYO website, planning and implementing the Statewide Learning Network Meetings, training consortium members, meeting with ISBE staff on a regular basis on issues of concern, development of new rules and/or legislative amendments, and communicating with individuals interested in entering a GYO program.

GYO Illinois is also subject to external evaluation by Philliber and Associates. Annual quantitative measures related to evaluating the effectiveness of GYO Illinois include the number and types of requests for technical assistance received by GYO Illinois, the number and type of technical assistance provided to the consortia, and the extent to which the consortia’s needs for technical assistance have been met. Annual qualitative measures related to GYO Illinois include the dynamics between GYO Illinois and the various consortia, the effects those dynamics have on the success of the project, and the effectiveness of GYO Illinois to advocate for and on behalf of the initiative.

The contractor has met all contract deliverables in a professional and timely manner.

**Financial Background:**

The actual amount funded for each FY is as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY06</td>
<td>$496,825</td>
</tr>
<tr>
<td>FY07</td>
<td>$350,000</td>
</tr>
<tr>
<td>FY08</td>
<td>$350,000</td>
</tr>
<tr>
<td>FY09</td>
<td>$350,000</td>
</tr>
<tr>
<td><strong>Total Contract</strong></td>
<td><strong>$1,546,825</strong></td>
</tr>
</tbody>
</table>

The requested renewal amount for FY10 will increase the contract by $350,000 for a maximum amount of $1,896,825.
Policy Implications: Approval of the contract renewal with the Target Area Development Corporation will allow the GYO Initiative to continue to grow and reach its goal of 1,000 new teachers by 2016.

Budget Implications: ISBE requested $3.5 million for the FY10 GYO budget. Funding for the Statewide Outreach Program is a part of this funding. Funding for the GYO Initiative is dependent upon the FY10 appropriation.

Legislative Action: None required.

Communication: None required.

Pros and Cons of Various Actions

See policy implications.

Superintendent’s Recommendation

I recommend that the following motion be adopted at the February Board Meeting:

The State Board hereby authorizes agency staff to renew the contract in FY10 for $350,000 with the Target Area Development Corporation to administer the GYO Statewide Outreach Program (subject to appropriation). The total contract will not exceed $1,896,825.

Next Steps

Agency staff will commence the process of renewing the contract in accordance with the approved motion.
TO: Illinois State Board of Education

FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
Linda Tomlinson, Ph.D., Assistant Superintendent

Agenda Topic: School Meals Initiative Review Contract for Southern Illinois University - Carbondale

Staff Contact(s): Chris Schmitt, Division Administrator, Nutrition Programs

Purpose of Agenda Item

To obtain approval to renew the contract in Fiscal Year 2010 (FY10) with Southern Illinois University Carbondale for a maximum amount of $1,011,900

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

Goal 3: Every school will offer a safe and healthy environment for all students. The contractor will conduct menu reviews that include computer-based nutrient analyses of the foods served in the National School Lunch Program to determine compliance with the meal patterns, nutrient standards and the Dietary Guidelines for Americans.

Expected Outcome(s) of Agenda Item

This agenda item will be discussed in the Finance and Audit Committee and then called for a vote at the February Plenary session.

Background Information

Federal Regulations for the National School Lunch Program (NSLP) found at 7 CFR 210.19 require that the Illinois State Board of Education conduct a review of sponsors participating in the school lunch program. A Sponsor in NSLP is a school food authority (SFA). This review, called the School Meals Initiative (SMI) for Healthy Children Review, will consist of a meal pattern evaluation and a nutritional analysis of the meals served by the SFAs in Illinois. The current contractor performs approx. 350 SMI reviews each year. Of the required reviews, approximately 175 will be conducted on-site at SFAs around the state and 175 will be conducted off-site. The contractor has access to the Illinois State Board of Education’s electronic Child Nutrition System and inputs review information into a central location. A standard report is issued to each SFA within 30 days of completion of the review. The review determines whether the SFAs are providing healthy meals consistent with the Recommended Daily Allowances (RDAs), calorie goals, and the Dietary Guidelines for Americans.

The contractor is required to follow USDA regulations to conduct all SMI reviews.
The contractor has done an excellent job at meeting all contract deliverables in a thorough, professional, and timely manner.

**Financial Background:**

The actual amount funded for each FY is as follows:

<table>
<thead>
<tr>
<th>FY</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY06</td>
<td>$220,000</td>
</tr>
<tr>
<td>FY07</td>
<td>$205,475</td>
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<tr>
<td>FY08</td>
<td>$195,475</td>
</tr>
<tr>
<td>FY09</td>
<td>$195,475</td>
</tr>
<tr>
<td>Total</td>
<td>$816,425</td>
</tr>
</tbody>
</table>

The requested renewal amount for FY10 will increase the contract by $195,475 for a maximum amount of $1,011,900.

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

Policy Implications: Approval of the contract renewal with Southern Illinois University Carbondale will allow the School Meals Initiative Review to be completed in the required five-year cycle set by the USDA.

Budget Implications: Funding for the School Meals Initiative Review Program is 100% federally funded by the USDA.

Legislative Action: None required.

Communication: None required.

**Pros and Cons of Various Actions**

See policy implications.

**Superintendent’s Recommendation**

I recommend that the following motion be adopted at the February Board Meeting:

> The State Board hereby authorizes agency staff to renew the contract in FY10 for $195,475 with Southern Illinois University Carbondale to contract for and conduct School Meal Initiative Reviews. The total contract will not exceed $1,011,900.

**Next Steps**

Agency staff will commence the process of renewing the contract in accordance with the approved motion.
TO: Illinois State Board of Education

FROM: Christopher A. Koch, Ed. D., State Superintendent of Education
       Connie Wise, Ph.D., Assistant Superintendent


Staff Contact(s): Connie Wise, Ph.D., Assistant Superintendent
                 Joyce Zurkowski, Division Administrator

Purpose of Agenda Item

To obtain approval to amend the Harte-Hanks Inc. contract for oversight management of Student Assessment’s vendors to a maximum of $1,110,000.

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

GOAL 1: Every student will demonstrate academic achievement and be prepared for success after high school.

Expected Outcome(s) of Agenda Item

This agenda item will be discussed in the Finance and Audit Committee and then called for a vote at the February Plenary session.

Background Information

In fiscal year 2007, Harte-Hanks, Inc. won a competitive bid to provide third-party oversight of the Assessment Division’s multiple contractors and subcontractors. This Contractor has a strong local and national record of external agency project management, strategic development, program execution, and integration of a wide array of capabilities for critiquing and analyzing contractor/vendor performance.

Harte-Hanks currently evaluates vendor practices to ensure that the high quality and accuracy of Illinois’ assessments is maintained. ISBE recently formed a Technical Advisory Committee (TAC) which requires oversight services. The TAC’s work will support Illinois in ensuring that it has a technically sound assessment system that is capable of validly measuring students’ academic achievement of the Illinois Learning Standards. This work is critical given the high stakes nature of the use of the assessment results for purposes of AYP and AMAO calculations. Amending Harte-Hanks’ current contract to include oversight of the TAC is the most cost-effective and efficient means of providing these vital services.
Financial Background

The actual amount funded for each FY is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY07</td>
<td>$134,615.32</td>
</tr>
<tr>
<td>FY08</td>
<td>$282,051.36</td>
</tr>
<tr>
<td>FY09</td>
<td>$250,000.00</td>
</tr>
<tr>
<td>FY10</td>
<td>$83,333.32</td>
</tr>
<tr>
<td>Total Contract</td>
<td>$750,000.00</td>
</tr>
</tbody>
</table>

The requested amendment for FY09 ($180,000) and FY10 ($180,000) will increase the contract by $360,000 for a maximum amount of $1,110,000.

Implications for Policy, Budget, Legislative Action and Communications

Policy Implications: Approval of this amendment will allow Assessment to expeditiously have access to the vital services of a Technical Advisory Committee.

Budget Implications: The additional amount of $360,000 will be funded through NCLB funds and State Student Assessment funds.

Legislative Action: None Required

Communication: None Required

Pros and Cons of Various Actions

Pros: The additional funds will help to maintain the technically sound status of Illinois' assessment systems.

Superintendent’s Recommendation

I recommend that the following motion be adopted at the February Board Meeting:

The State Board hereby authorizes agency staff to amend the contract for an increase of $360,000 with Harte-Hanks, Inc. for oversight management. The total contract will not exceed $1,110,000.

Next Steps

Agency staff will commence the process of amending the contract in accordance with the approved motion.
TO: Illinois State Board of Education

FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
       Susan C. Morrison, Deputy Superintendent/Chief of Staff

Agenda Topic: Request for Proposals (RFP): Preschool for All Children Ages 3 to 5 Years: FY10

Staff Contact(s): Kay Henderson
                 Cindy Zumwalt

Purpose of Agenda Item

To secure approval for the release of the Request for Proposals (RFP): Preschool for All Children Ages 3 to 5 Years (FY10) and authorization for the State Superintendent to enter into grant agreements, some of which may be in excess of $1 million, as a result of this RFP.

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

Preschool for All Children prepares 3 and 4 year olds for school success by providing them with a high quality preschool education at no cost to parents. Preschool for All relates to GOAL 1: Every student will demonstrate academic achievement and be prepared for success after high school.

Outcome(s) of Agenda Item

The Board will approve the release of the Preschool for All RFP, and authorize the State Superintendent to enter into grant agreements, some of which may be in excess of $1 million, as a result of this RFP.

Background Information

P.A. 94-1054, effective July 25, 2006, amended Section 2-3.71 of the School Code (105 ILCS 5/2-3.71) to establish the Preschool for All Children program and to provide funding for Preschool for All Children. The Preschool for All Children program significantly expands the number of young children eligible to receive high-quality preschool education by focusing not only on children who are determined to be at risk of academic failure but also serving families of low and moderate income whose children are not considered to be at risk academically and other families that choose to participate.

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

Policy Implications: none
Budget Implications: none
Legislative Action: none
Communication: none
Pros and Cons of Various Actions

See above

Superintendent’s Recommendation

The Superintendent recommends that the State Board of Education adopt the following motion:

The State Board of Education approves the release of the Request for Proposals (RFP): Preschool for All Children Ages 3 to 5 Years (FY10). Proposals received will be evaluated in comparison with other proposals received by the Illinois State Board of Education using both quantitative and qualitative criteria. Final determination for selection will be made by the State Superintendent of Education and will be based upon recommendations resulting from the evaluation/review process.

Next Steps

The FY10 Preschool for All Children Ages 3 to 5 Years RFP will be released and proposals will be evaluated in comparison with other Preschool for All Children Ages 3 to 5 Years (FY10) proposals received by the Illinois State Board of Education. Final determination for selection will be made by the State Superintendent of Education and will be based upon recommendations resulting from the evaluation/review process.
ILINOIS STATE BOARD OF EDUCATION MEETING
February 18-19, 2009

TO: Illinois State Board of Education
FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
       Susan C. Morrison, Deputy Superintendent/Chief of Staff

Agenda Topic: Request for Proposals (RFP): Prevention Initiative Birth to 3 Years: FY10

Staff Contact(s): Kay Henderson
                 Cindy Zumwalt

Purpose of Agenda Item

To secure approval for the release of the Request for Proposals (RFP): Prevention Initiative Birth to 3 (FY10) and authorization for the State Superintendent to enter into grant agreements, some of which may be in excess of $1 million, as a result of this RFP.

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

Prevention Initiative emphasizes the relationship among early education, parenting education and future success in school. Prevention Initiative offers intensive child development and family support services to at-risk families with children ages Birth to 3, thereby building a strong foundation for school readiness. Prevention Initiative relates to GOAL 1: Every student will demonstrate academic achievement and be prepared for success after high school.

Outcome(s) of Agenda Item

The Board will approve the release of the Prevention Initiative RFP, and authorize the State Superintendent to enter into grant agreements, some of which may be in excess of $1 million, as a result of this RFP.

Background Information

Section 1C-2 of the School Code (105 ILCS 5/1C-2) establishes the Early Childhood Block Grant to be administered on a competitive basis. For children from birth to age 3 years, this block grant provides funding for the Prevention Initiative for Programs Offering Coordinated Services to At-Risk Children and Their Families (birth to 3 years) to include a parental training component. The law requires that 11 percent of the block grant be used to fund programs for children birth to age 3 years. Section 2-3.89 of the School Code provides for grants to establish programs which offer coordinated services for expecting parents and families with at-risk children ages birth to 3 years. The aim of the prevention initiative is to provide early, continuous, intensive and comprehensive child development and family support services to help families build a strong foundation for learning to prepare children for later school success.

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

Policy Implications: none

Budget Implications: none
Legislative Action: none

Communication: none

**Pros and Cons of Various Actions**
See above

**Superintendent’s Recommendation**

The Superintendent recommends that the State Board of Education adopt the following motion:

The State Board of Education approves the release of the Request for Proposals (RFP): Prevention Initiative Birth to 3 Years: FY10. Proposals received will be evaluated in comparison with other proposals received by the Illinois State Board of Education using both quantitative and qualitative criteria. Final determination for selection will be made by the State Superintendent of Education and will be based upon recommendations resulting from the evaluation/review process.

**Next Steps**

The FY10 Prevention Initiative Birth to 3 Years RFP will be released and proposals will be evaluated in comparison with other Prevention Initiative Birth to 3 Years: FY10 proposals received by the Illinois State Board of Education. Final determination for selection will be made by the State Superintendent of Education and will be based upon recommendations resulting from the evaluation/review process.