

**ILLINOIS STATE BOARD OF EDUCATION**  
**FINANCE & AUDIT COMMITTEE OF THE WHOLE**

**Location: Office of the Capital Development Board**  
**Room 14-612 (Video Conference Room)**  
**100 W. Randolph Street**  
**Chicago, Illinois**

**January 26, 2009**  
**9:30 a.m.**

All open meetings will be audio cast on the Internet at: [www.isbe.net](http://www.isbe.net)

**AGENDA** *(timeframes are estimated for planning purposes)*

1. Roll Call
2. Board Member Participation by Other Means
3. Public Participation 9:30 – 9:45 a.m.
4. Minutes of the December Finance & Audit Committee Meeting **(FAC Packet pp. 2-4)**
- \*5. State Board of Education FY10 Budget 9:50 – Noon **(pp. 5-23)**  
**12:00-12:30 Break for Lunch**  
**12:30 – 1:30 Return to Finance & Audit Committee discussion (as needed)**
6. Committee Agenda Planning/Additional Items
7. Committee Wrap-up *(Superintendent Koch)*
8. Adjourn

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

**FINANCE AND AUDIT COMMITTEE OF THE WHOLE**

Illinois State Board of Education  
100 N. First Street  
Springfield, Illinois  
December 17, 2008

<p><b>ROLL CALL</b></p>	<p>Chairman Clark called the meeting to order.</p> <table border="0"> <tr> <td><u>Members Present</u></td> <td><u>Members Absent</u></td> </tr> <tr> <td>Mr. Dean Clark, Chairman</td> <td>None</td> </tr> <tr> <td>Dr. Vinni Hall</td> <td></td> </tr> <tr> <td>Mr. Jesse Ruiz</td> <td><u>Others Present</u></td> </tr> <tr> <td>Dr. Chris Ward</td> <td>Superintendent Koch</td> </tr> <tr> <td>Dr. Andrea Brown</td> <td>Linda Mitchell</td> </tr> <tr> <td>Dr. David Fields</td> <td>Toni Waggoner</td> </tr> <tr> <td>Ms. Brenda Holmes</td> <td>Jason Hall</td> </tr> <tr> <td>Ms. Joyce Karon</td> <td>Tim Imler</td> </tr> <tr> <td>Ms. Lanita Koster</td> <td>Deb Vespa</td> </tr> </table>	<u>Members Present</u>	<u>Members Absent</u>	Mr. Dean Clark, Chairman	None	Dr. Vinni Hall		Mr. Jesse Ruiz	<u>Others Present</u>	Dr. Chris Ward	Superintendent Koch	Dr. Andrea Brown	Linda Mitchell	Dr. David Fields	Toni Waggoner	Ms. Brenda Holmes	Jason Hall	Ms. Joyce Karon	Tim Imler	Ms. Lanita Koster	Deb Vespa
<u>Members Present</u>	<u>Members Absent</u>																				
Mr. Dean Clark, Chairman	None																				
Dr. Vinni Hall																					
Mr. Jesse Ruiz	<u>Others Present</u>																				
Dr. Chris Ward	Superintendent Koch																				
Dr. Andrea Brown	Linda Mitchell																				
Dr. David Fields	Toni Waggoner																				
Ms. Brenda Holmes	Jason Hall																				
Ms. Joyce Karon	Tim Imler																				
Ms. Lanita Koster	Deb Vespa																				
<p><b>BOARD MEMBER PARTICIPATION BY OTHER MEANS</b></p>	<p>None</p>																				
<p><b>PUBLIC PARTICIPATION</b></p>	<p>Erica Lindley from ED-RED spoke about full funding of personnel reimbursement and prorating of MCATs to 92.7%.</p>																				
<p><b>MINUTES OF THE OCTOBER FINANCE AND AUDIT COMMITTEE MEETING</b></p>	<p><u>Motion:</u> Dr. David Fields moved that the minutes of the October Finance and Audit Committee be accepted. Ms. Joyce Karon seconded the motion. Motion passed by unanimous voice vote.</p>																				
<p><b>CONSENT AGENDA</b></p>	<p><u>Consent Agenda:</u> The following consent agenda was approved by the committee:</p> <ul style="list-style-type: none"> <li>○ <b>Capital Needs Assessment Report.</b> Ms. Linda Mitchell stated that the Capital Needs Assessment Report is due by January 1 every two years. This is a joint report that is completed with the assistance of the Capital Development Board.</li> <li>○ <b>Proviso Township High School District #209 Financial Plan.</b> Ms. Mitchell stated that the Proviso Township High School District #209 Financial Plan that was to have been submitted by the district by December 8, 2008 had been received.</li> <li>○ <b>Proviso Township High School District #209 Financial Oversight Panel.</b> Ms. Mitchell stated that the Proviso Township High School District #209 has requested that ISBE consider them as a candidate for a Financial Oversight Panel. The ISBE staff would recommend that the panel be established.</li> </ul>																				

FINANCE AND AUDIT COMMITTEE OF THE WHOLE  
DECEMBER 2008



<p><b>LEGISLATIVE GRANTS AND OTHER SPECIAL INITIATIVES</b></p>	<p>Ms. Mitchell stated that she had one legislative grant for consideration by the Board. The organization is Youth Guidance.</p> <p>Dr. Koch's recommendation to the Committee and to the Board is to disapprove this request and any other requests for which there is not a specific line in the budget due to the financial situation of the state.</p> <p>The committee agreed with the Superintendent's recommendation.</p>
<p><b>DISCUSSION OF FY10 BUDGET RECOMMENDATION</b></p>	<p>Ms. Mitchell said that ISBE has conducted seven budget hearings and has had a meeting with the Governor's Office of Management and Budget (GOMB) and the CFO's of various state agencies. She stated that as has been discussed at previous meetings, due to cash flow problems in the state, the Comptroller is currently holding \$300 million of MCATs (mandated categoricals) which were vouchered in September. The MCATS would be disbursed once financing is closed in about a week and the cash is in hand. Ms. Mitchell said that a \$2 billion deficit is projected for this year.</p> <p>A flat budget scenario was presented based upon the Board's strategic priorities. Ms. Mitchell stated that right now ISBE is in Union negotiations with AFSCME, and the IFSOE contract is coming to an end at the end of the fiscal year.</p> <p>Dr. Fields suggested that if organizations came to a budget hearing to make a presentation, then they should be listed on the sheet for Board consideration. Ms. Mitchell stated that she would review the listing and logs to make sure that those who presented were reflected on the list.</p> <p>Ms. Holmes stated that for new some new programs substantive language will be needed and the Board has not seen that language. She also asked specifically what funds have been swept over the years and from what line items. Ms. Mitchell said she would provide a history of sweeps.</p> <p>Ms. Waggoner spoke about updating the methodology from Augenblick and Myers. Ms. Waggoner said if it would have been done in FY09 for FY08 recommendation number that would have been \$7,131 as opposed to the \$7,388 based upon the Employment Cost Index.</p> <p>Ms. Mitchell spoke about the Hold Harmless information in the packet. Discussion took place regarding phasing down or phasing out Hold Harmless.</p> <p>Dr. Koch explained that the criteria used in developing this budget were evaluating line items with the most impact, and whether or not they were linked to the strategic plan. Dr. Koch suggested that they could provide more detail at the next meeting.</p>

FINANCE AND AUDIT COMMITTEE OF THE WHOLE  
 DECEMBER 2008

	<p>There was a request for justification for the personnel increase in the budget, the possibility of requesting funding from a program line item to fund personnel.</p> <p>Mr. Imler explained the process of developing Mandated Categorical projections, as well as Block Grants for Chicago. Chicago consists of approximately 19.6% of the state enrollment.</p> <p>Dr. Koch indicated that he will return with more information at the January committee meeting for the Board's consideration.</p>
<p><b>COMMITTEE WRAP-UP</b></p>	<p>In summary, the committee discussed the Capital Needs Assessment as well as the Proviso School District's Financial Plan and the request for the Oversight Panel. There was discussion about legislative grants and the FY10 Budget. Finally, there was a request for a history of the fund sweeps and for a look at a larger budget request for FY10.</p>
<p><b>COMMITTEE AGENDA        PLANNING AND ADDITIONAL        ITEMS</b></p>	<p>FY10 Budget.</p>
<p><b>ADJOURNMENT</b></p>	<p><b><u>Motion:</u></b>        Dr. David Fields moved for adjournment of the Finance and Audit Committee of the Whole. Dr. Christopher Ward seconded the motion. Motion passed by unanimous voice vote.</p>

**ILLINOIS STATE BOARD OF EDUCATION MEETING**  
**January 26-27, 2009**

**TO:** Illinois State Board of Education

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

**Agenda Topic:** FY2010 Budget—A Foundation for the Future

*Materials:* FY2010 Key Budget Line Items Summary (Narrative)  
FY2010 Budget Recommendation Detail-- Discussion Worksheet  
FY2007-FY2009 Appropriation History  
FY2010 Budget Hearing Requests Summary  
General State Aid Budget Options  
Mandated Categorical Summary  
FY2010 New Position Requests and Headcount Summary

**Purpose of Agenda Item**

The purpose of this agenda item is to discuss and vote on a Fiscal Year 2010 budget recommendation.

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

The Fiscal Year 2010 budget provides funding to allow the Agency to implement the Board's strategic goals.

**Expected Outcome(s) of Agenda Item**

The committee will vote on a Fiscal Year 2010 budget recommendation and will forward that recommendation for consideration by the full Board at its plenary session.

**Background Information**

In August, 2008, the Board began to prepare a new strategic plan and has focused its analysis of the Fiscal Year 2010 budget according to its new goals. As in prior years, ISBE conducted public hearings throughout the State to gather information in preparation for the FY 2010 budget. This year, hearing participants were asked to demonstrate the alignment of their budget proposals with one of the Board's three strategic goals for education in Illinois. Budget staff developed a summary of budget needs based upon input from the public and discussion with Agency staff.

Members of the Board and staff reviewed program effectiveness data at its October and November meetings. At its December meeting, the Board reviewed preliminary calculations of General State Aid (GSA) and the Mandated Categoricals (MCATS). To aid in this effort, Agency staff prepared estimates of the General State Aid foundation level calculated using the

methodology employed by the Education Funding Advisory Board (EFAB). Using this methodology, the foundation level would need to be increased from \$5,959 to \$7,388 and thus the GSA line item would require a \$2.15 billion increase over Fiscal 2009. At these Board meetings, the Board also heard information regarding the State's economic situation and the impact on cash flow and tax revenues.

A new budget and financial reporting format was developed for better communication in accordance with the Board's goals. In the new format, budget line items are grouped based upon the Board's strategic priorities.

At its December Board meeting, the Board reviewed a budget scenario showing an essentially flat budget, with net expenditures approximating FY 2009 levels for only a \$2.1 million increase on \$7.4 billion in state funding; however, the Board indicated that it would prefer to support greater funding for mandated categoricals and thus directed staff to revise the budget proposal. Board members felt strongly that more investment in Illinois students' education was necessary as a foundation for the future. Ultimately, the economic fortunes of the State can only be helped by having a better educated and prepared workforce.

### **Funding Principles**

Fiscal Year 2010 is anticipated to be a tight budget year for the State and this Agency. It is projected that the economy will continue to decline and that it will be difficult to fund growth in the ISBE budget. The Board's decisions regarding programs and funding have been based upon three key principles:

- 1) support for the largest number of children in need with the greatest flexibility for districts;
- 2) alignment with the strategic plan goals adopted by the Board in August 2008:
  - Every Student will demonstrate **academic achievement** and be prepared for success after high school.
  - Every Student will be supported by **highly prepared and effective teachers** and school leaders.
  - Every school will offer a **safe and healthy learning environment** for all students; and,
- 3) introduction of only minimal new programs and mandates in order to conserve scarce resources and maintain focus (i.e., the Agency is quite cognizant of the State of Illinois, the economy and other external factors in its decision making).

Each year, most of the ISBE budget is devoted to GSA and MCATs. These two elements comprise 88% of the proposed FY 2010 budget. They are received by virtually all districts in the state. In FY 2009, GSA and MCATs comprised 86% of the budget. In FY 2008, they comprised 87%. The FY 2010 budget was constructed taking into consideration the Illinois economic situation and the current limitations on the Agency with regard to staffing capacity.

## **Budget Proposal Summary**

Since the December Board meeting, staff have gathered more data, performed additional analysis of expenditures, and fine-tuned spending estimates. The current budget proposal now reflects an increase in the General Revenue Fund budget of \$166.3 million or 2.2%.

The proposal includes:

- a \$130 increase in the GSA foundation level at an additional cost of \$114.3 million;
- an \$8 million reduction in GSA Hold Harmless based on a 50% proration (the goal being to phase out the Hold Harmless over three years);
- a \$144.7 million increase to fully fund mandated categoricals;
- a \$7.9 million increase in bilingual education across the state;
- a \$119.6 million redistribution of funds from a number of programs to GSA, based on the Board's desire to target programs (like GSA) which provide flexibility for school districts;
- a \$12.5 million increase in early childhood programs for COLA adjustments and administrative costs;
- limited increases in Agency operations, totaling \$5.2 million which includes \$1.9 million for the addition of 32 Full Time Equivalent's to the Agency's General Revenue Fund headcount.;
- a \$4 million infusion for programs, such as the further development of P-20 longitudinal database and Illinois' participation in the American Diploma Project; and
- a \$1.5 million increase in the statewide system of support for programs related to the development of standards aligned curriculum for high schools.

The impact of staff's discussions and revisions to the estimates has been summarized and is presented in the attached proposed budget. The Finance and Audit Committee will review the proposal and make a recommendation to the full Board. The Board is expected to finalize a budget recommendation to the Governor and General Assembly at its January Board meeting. The Board, Superintendent and Agency staff will then expect to participate in General Assembly appropriation committee hearings to respond to questions about and advocate for the Board's recommendations.

## **Pros and Cons of Various Actions**

If the Board recommends a general funds budget increase of \$166.3 million, it demonstrates the Board's consciousness of the State's overall fiscal condition, and creates a level of expectation for education funding increases that is in line with what can reasonably be achieved in these challenging economic A \$166.3 million recommended increase focuses on high priority items consistent with the Board's principles.

Conversely, doing less or holding the budget flat may be disappointing to many who advocate for more education funding. A \$166.3 million increase, for example, means that only core programs will receive increased funding in FY 2010.

### **Superintendent's Recommendation**

The Superintendent recommends a \$166.3 million general funds increase for FY 2010, and requests that the recommendation be forwarded to the full Board for consideration at its plenary session. The Superintendent further recommends that the Board authorize Agency staff to prepare recommendations for appropriations for other state and federal funds, with such recommendations being presented to the full Board for consideration at its plenary session.

### **Next Steps**

Agency staff will prepare updated materials for the full Board to consider and vote on during its plenary session. Once the Board gives final approval to a FY 2010 budget recommendation, that recommendation will be forwarded to the Governor and to the General Assembly. It will also be posted on the Agency's website.

# ILLINOIS STATE BOARD OF EDUCATION

## FY 2010 Key Budget Line Items Summary

### **General State Aid**

The Board has directed staff to perform a calculation of the General State Aid (GSA) foundation level according to the methodology used by the Education Funding Advisory Board (EFAB). The calculation methodology, originally developed by the firm of Augenblick and Myers (A&M), was most recently used in 2005, the last year that EFAB convened. ISBE provided staff support to EFAB in performing its duties. The 2009 calculation based on 2007 data was prepared in the same manner as in prior years. Staff reviewed the calculation with the ISBE Board at its December meeting.

Such calculation resulted in a foundation level of \$7,388, which is \$1,429 more than the current foundation level of \$5,959 for Fiscal 2009. To fund GSA at the EFAB methodology foundation level of \$7,388 for Fiscal 2010 would require a \$2.15 billion increase in GSA compared to Fiscal 2009.

Significant increases in the GSA foundation level have been made in prior years. In the proposed FY10 budget, a \$130 increase in the GSA foundation level to \$6,089 is included. This would require a \$114.3 million increase in funding. In FY 2009, the foundation level rose \$225 and funding increased \$135.8 million. GSA is the foundation of education funding in Illinois and is a key element of our planning process with more than half the agency's budget devoted to General State Aid annually (63% in recent years).

### **Hold Harmless**

As was discussed in December, the proposed budget begins to phase out the GSA Hold Harmless. The Hold Harmless line item was originally intended to transition school districts by addressing reductions in funding levels received in 1997, nearly 12 years ago. The Superintendent recommends eliminating the GSA Hold Harmless over the next three years. The proposed Hold Harmless of \$18.1 million would result in a **decline** of \$8 million in FY 2010 compared to the \$26.1 million in FY 2009. Maintaining Hold Harmless at 100% would instead require a \$10.1 million **increase** to \$36.2 million in FY 2010.

### **Mandated Categoricals (MCATs)**

The proposed budget includes fully funding MCATs, resulting in a \$144.7 million increase in FY 2010.

### **Assessments**

The Agency selects, develops, and administers various statewide tests to measure individual academic achievement in accordance with state law and the requirements of the federal No Child Left Behind Act (NCLB). ISBE contracts with various vendors to provide assessment related services. In FY 2010, a \$2.5 million increase is being recommended for assessments. Additional funds are requested for new bilingual testing materials, including a Spanish

translation for math and science testing. This is estimated at a cost of \$1.8 million. The remaining increase is anticipated for psychometric services, writing skills, a detailed third party review of data processing procedures, and administrative costs.

### **New Budget Line Items**

The Superintendent recommends two new programs related to standards, assessments, and accountability.

**P- 20 Longitudinal Data System (LDS)** will allow for the integration of all ISBE Systems that collect student-level data to connect it with other data collected by the Agency (e.g. staff, special education, and career and technical education) and would allow for ISBE data to be linked to ICCB and IBHE data. This integration is needed to support the analysis of the factors that contribute to student performance. With a LDS, pre-k to 12 data maintained by ISBE could be linked to postsecondary and employment data to analyze the impact of educational programs on student outcomes. The LDS will reduce the data burden on school districts and facilitate state and federal reporting. Ultimately, ISBE would develop an education data warehouse. The Agency has sought federal grants to supplement the cost of the project for many years, but the grant requests have not been approved as state funding support could not be demonstrated. This project would take nearly four years to complete. The Agency again has applied for federal funding for this purpose but has not yet received the results of this most recent competition. Should ISBE receive federal funding, the \$2 million would accelerate the timeline for completion of a P-20 data infrastructure and a revised budget and timeline would be prepared.

**American Diploma Project and Standard Training Materials for Teachers** The American Diploma Project work in Illinois commenced in August of 2008. ISBE staff are working closely with the Illinois Board of Higher Education, the Illinois Community College Board, the Illinois Business Roundtable, and Office of the Governor to review and align our K-12 standards. The funding requested here would ensure the continuation of the review of standards by Illinois K-12, community college and higher education teachers and will help to improve overall coherence between standards, curriculum, assessment and college entry requirements. ISBE would provide professional development to school districts and teachers to show how to align classroom assessments and student performance to the Illinois Learning Standards. These projects would cost \$2 million.

### **Bilingual Education**

T Demographic trends have identified a growing and shifting population of English Language Learners (ELLs) in Illinois. Currently, there are more than 166,000 ELLs statewide with a growth of 9,790 additional students in 2009 compared to the prior year. As has been the case for many years, this growth is primarily outside District 299 (Chicago).

For at least the last decade, actual expenditures incurred by school districts outside District 299 have greatly exceeded budgeted appropriations. In FY 2009, the appropriation of \$34.2 million for school districts outside of District 299 (referred to as “Bilingual Education – Downstate” in the FY09 budget) resulted in a 66.1% prorated reimbursement for such districts, with total payments

averaging \$314 per student. The block grant for District 299, however, is not based on actual expenditures. In FY 2009, for example, the appropriation of \$41.5 million for District 299 equaled \$720 per Chicago ELL.

The State Superintendent proposes a statewide calculation of \$500 per ELL for the FY 2010 bilingual education appropriation, regardless of their location within the state. This would require a change to Article 1D of the School Code. The proposed new method would result in a net increase of \$7.9 million throughout Illinois, resulting in a \$12.7 million decrease in Chicago and a \$20.6 million increase for the rest of the State. Some additional funds have been included for administrative costs.

### **Early Childhood**

For FY 2010, we are proposing an increase of \$12.5 million. Rather than adding additional slots, this amount would be used as a COLA adjustment for existing programs and certain administrative costs. There are now 96,000 children enrolled in pre-kindergarten programs across the state.

### **Statewide System of Support**

The Statewide System of Support (SOS) provides technical assistance to schools in the development of standards aligned curriculum to assist students in meeting Annual Yearly Progress. The SOS provides assistance in developing a standards-led system to improve teaching and learning. In FY 2010, an addition \$1.5 million is proposed for SOS to assist six low performing high schools at a cost of \$250,000 per district.

### **Regional Superintendents and Assistant Superintendents**

Early Retirement Option: The Teacher's Retirement System currently takes the position that the Illinois State Board of Education is responsible for the employer contribution for Regional Superintendents and Assistant Superintendents (but not other employees of the Regional Offices of Education) who take advantage of the Early Retirement Option. ISBE has not historically itemized a budget line for such payments. To best ensure that such money will be available, the Agency recommends such a line item this year and going forward. As a result of discussions with the President of the Illinois Association of Regional Superintendents of Schools, the State Superintendent recommends that such line include \$400,000 in FY10.

Salaries State law (105 ILCS 5/3-2.5) requires salaries for Regional Superintendents and Assistant Superintendents to be adjusted for the Consumer Price Index each year. The impact of the CPI, staffing changes, and other personal services costs will cause an increase in this line item.

School Services The amount reflected as an increase in this line is a reclassification from prior years when the \$500,000 amount had been shown separately as the Superintendent Initiatives line item. The State Superintendent recommends that this amount be combined into the large line item School Services. There is a corresponding \$500,000 decrease in the Superintendent Initiatives line item.

## **Community and Residential Services Authority**

The Community and Residential Services Authority (CRSA) provides services to behavior-disordered youth. For FY 2010, a \$25,000 increase to \$600,000 was requested by the CRSA Board for salary increases for staff and administrative costs. The Illinois State Board of Education acts as the fiscal agent for CRSA.

## **Educator Misconduct**

This line item was first in the ISBE budget in FY 2009 to address costs related to the Superintendent's investigation of educator misconduct and to initiate action to suspend or revoke educator certificates where appropriate. The line item also funds payments to hearing officers for certification actions. In October 2008, the Attorney General's Office approved the assignment of an outside law firm to assist the Agency with investigations and prosecutions before the State Teacher Certification Board. Because the Agency will have the outside counsel for a full year in FY2010 and will require hearing officers, a \$120,000 increase in the line item is requested.

## **Agency Operations**

Despite growth in the overall ISBE General Revenue Fund budget from \$5.8 billion in FY 2005 to \$7.4 billion in FY 2009, the operations budget has declined. Agency Operations were \$33.1 million in FY 2005 and have dropped to \$24.3 million in FY 2009. With the loss of \$1.8 million due to funds sweeps in FY 2009 and two new union contracts expected to be in place during FY 2010, additional operational funding is desperately needed. From FY 2004 to FY 2009 sweeps of ISBE accounts totaled \$28.1 million.

Funds Sweeps – In FY 2009, Funds were swept from Teacher Certification, Driver's Education and School Technology. A loss in teacher certification funds could result in a teacher certification backlog. Driver's Education has experienced an increased need for staffing in light of the new legislation passed last year. The lack of resources in technology support remains a complaint in the school districts as requirements for data management increase under NCLB. In prioritizing staffing needs, the Agency is requesting additional appropriations from the General Revenue Funds to maintain staffing in Teacher Certification. The agency is attempting to absorb the impact of the sweeps in the other divisions.

Union Contracts – The contract for the union representing Agency clerical and operations workers – the American Federation of State, County and Municipal Employees (AFSCME) -- is currently being negotiated after expiring at the end of FY 2008. Additionally, the union representing professional staff – the Illinois Federation of State Office Educators (IFSOE) – is in the final year of its contract. IFSOE contract negotiations will begin in a few months.

Servers and Personal Computers (Contractual and Equipment) – The Agency currently operates and maintains dozens of computer programs that are accessed online by school districts, teachers, researchers and others. A solid technological infrastructure is needed to support these systems. The Agency has made a significant investment in software in recent years and has plans for a new longitudinal data system. In FY 2009, the Board authorized an investment in new servers to mitigate the risk of system failure and enhance customer service. The Agency leased servers at an annual cost of \$330,000.

Besides the new server lease contract, technology costs will rise as desktop and laptop computers are replaced. Agency desktop and laptop computers are old and cause delays and inefficiencies. Thirty five percent (35%) are over five years old--well beyond their recommended useful life. We normally replace some computers as part of our planned rotation depending upon equipment failures and staffing changes. However, much of the Agency's inventory of laptops and desktops are Gateway, a brand that has gone out of business. It is unclear whether these 410 computers will be supported and if parts will be available so more may need to be replaced.

#### Personnel Services Costs

The need for additional staff in the Agency is critical. Staffing levels have declined as Agency expenditures and programs have grown. For FY 2010, building a foundation for the future, we are requesting 32 additional positions. Last year, we requested 25 new positions. The General Assembly passed our requested increases for FY 2009. However, our staffing additions and increases in personal services expenses were later vetoed by the Governor.

Prior to going before the Board, potential requests for new staff were reviewed by the Superintendent, the Human Resources Director, and senior staff. The need for new positions was balanced with the need to control costs. Positions were prioritized by senior staff. Only the most critical positions were requested after being evaluated.

Among our requests for new positions this year are four positions in Teacher Certification. Technically, it is not the positions that are new—only the funding source. In past years, these positions had been funded from the Teacher Certification Fund, but that fund has been subject to sweeps. In October, 2008, an amendment was made to the State Finance Act to create the FY09 Budget Relief Fund. State law (30 ILCS 105/8.46) authorized sweeps of various funds. The Comptroller's Office was directed to remove \$250,000 from the Teacher Certification Fund by this law. These resources are desperately needed. In FY 2010, we propose an addition to the General Revenue Fund for these positions. We want to avoid staffing shortages and a potential backlog in the 81,000 applications that are processed by ISBE's Teacher Certification Division each year.

Our requests for additions to general fund staff are summarized below:

- Data Systems Application Support (6)
- Early Childhood Program Monitors(5)
- Teacher Certification (4)
- English Language Learning Compliance Monitors(4)
- Data Stewards (3)
- Grants and Programs System of Support (3)
- External Assurance Auditors (2)
- Educator and School Development Internal Consultants (1)
- Field Professional Training and Development Specialist(1)
- School Business Services internal financial consultants to districts (1)
- Governmental relations aide (1)
- Data Researcher (1)

These 32 new positions in GRF would cost an additional \$1.9 million and bring the agency headcount to 535.

**ILLINOIS STATE BOARD OF EDUCATION**

**FY10 Budget Recommendation - Detail**

January 26-27 Board Meeting Discussion

\$000s	FY08 Approp	FY09 Approp	FY09 Budget Increase	FY10 Budget w/ \$130 increase in Fdn Level	FY10 Increase (Decrease)	FY10 Board Budget Recommendation
<b>GENERAL FUNDS</b>						
<b>GRANTS</b>						
<b><i>General State Aid</i></b>						
General State Aid--\$130 increase in foundation level	4,454,500.0	4,590,259.9	135,759.9	4,704,523.5	114,263.6	
General State Aid - Hold Harmless	20,700.0	26,106.4	5,406.4	18,109.9	(7,996.5)	
<b><i>Subtotal, General State Aid</i></b>	<b>4,475,200.0</b>	<b>4,616,366.3</b>	<b>141,166.3</b>	<b>4,722,633.4</b>	<b>106,267.1</b>	
<b><i>Mandated Categoryals</i></b>						
Personnel Reimbursement (Special Ed)	422,463.0	426,100.0	3,637.0	459,600.0	33,500.0	
Funding for Children Requiring Sp Ed Services	335,600.0	331,051.1	(4,548.9)	334,236.8	3,185.7	
Orphanage Tuition (Special Ed)	79,400.0	101,800.0	22,400.0	120,200.0	18,400.0	
Private Tuition (Special Ed)	139,400.0	151,600.0	12,200.0	181,100.0	29,500.0	
Summer School (Special Ed)	10,000.0	11,000.0	1,000.0	11,700.0	700.0	
Transportation (Special Ed)	355,718.0	383,300.0	27,582.0	429,700.0	46,400.0	
<b><i>Subtotal, Mandated Categoryals (Special Ed)</i></b>	<b>1,342,581.0</b>	<b>1,404,851.1</b>	<b>62,270.1</b>	<b>1,536,536.8</b>	<b>131,685.7</b>	
Illinois Free Lunch/Breakfast	21,000.0	26,300.0	5,300.0	26,300.0	0.0	
Orphanage Tuition	11,500.0	11,600.0	100.0	13,000.0	1,400.0	
Transportation - Regular/Vocational	312,819.0	339,500.0	26,681.0	351,100.0	11,600.0	
<b><i>Total, Mandated Categoryals</i></b>	<b>1,687,900.0</b>	<b>1,782,251.1</b>	<b>94,351.1</b>	<b>1,926,936.8</b>	<b>144,685.7</b>	
<b><i>Standards, Assessments and Accountability</i></b>						
Assessments	17,382.0	29,982.0	12,600.0	32,514.2	2,532.2	
Growth Model	3,000.0	3,000.0	0.0	3,000.0	0.0	
Longitudinal Data System	0.0	0.0	0.0	2,000.0	2,000.0	
Response to Intervention	0.0	2,000.0	2,000.0	2,000.0	0.0	
ADP and Standards materials and training for teachers	0.0	0.0	0.0	2,000.0	2,000.0	
<b><i>Subtotal, Standards, Assessments and Accountability</i></b>	<b>20,382.0</b>	<b>34,982.0</b>	<b>14,600.0</b>	<b>41,514.2</b>	<b>6,532.2</b>	

\$000s	FY08 Approp	FY09 Approp	FY09 Budget Increase	FY10 Budget w/ \$130 increase in Fdn Level	FY10 Increase (Decrease)	FY10 Board Budget Recommendation
<b><i>Curriculum and Instruction</i></b>						
Adler Planetarium	0.0	200.0	200.0	0.0	(200.0)	
Advance Placement Classes	1,646.9	1,646.9	0.0	1,646.9	0.0	
Aerospace Education Initiative - Chicago	920.0	920.0	0.0	0.0	(920.0)	
After School Matters	0.0	500.0	500.0	0.0	(500.0)	
After School Programs	3,000.0	9,700.0	6,700.0	0.0	(9,700.0)	
Agricultural Education	2,881.2	3,381.2	500.0	3,381.2	0.0	
Arts and Foreign Language	0.0	4,000.0	4,000.0	4,000.0	0.0	
Bilingual Education - Chicago School District 299	40,896.6	41,500.0	603.4	28,819.5	(12,680.5)	
Bilingual Education - Outside Chicago School District 299	33,655.4	34,152.0	496.6	54,737.5	20,585.5	
Career and Technical Education Programs	38,562.1	38,562.1	0.0	38,562.1	0.0	
Class Size Reduction Pilot Project	8,000.0	8,000.0	0.0	0.0	(8,000.0)	
Classroom Cubed	2,000.0	2,000.0	0.0	0.0	(2,000.0)	
Curriculum Frameworks	0.0	0.0	0.0	0.0	0.0	
Early Childhood Education	347,861.4	380,261.4	32,400.0	392,761.4	12,500.0	
Extended Learning Opportunities (Summer Bridges)	22,238.1	22,238.1	0.0	22,238.1	0.0	
Gifted Education	5,000.0	7,000.0	2,000.0	0.0	(7,000.0)	
Illinois Governmental Internship Program	129.9	129.9	0.0	0.0	(129.9)	
Jobs for Illinois Graduates	4,000.0	4,000.0	0.0	0.0	(4,000.0)	
Minority Transition Programs	578.8	578.8	0.0	0.0	(578.8)	
Museum of Science and Industry	0.0	200.0	200.0	0.0	(200.0)	
Parental Participation Pilot Project	100.0	100.0	0.0	0.0	(100.0)	
Reading Improvement Block Grant	76,139.8	76,139.8	0.0	76,139.8	0.0	
Rural Technology Initiative	4,000.0	4,000.0	0.0	0.0	(4,000.0)	
Statewide System of Support	3,342.7	3,342.7	0.0	4,842.7	1,500.0	
Targeted Interventions	4,000.0	4,000.0	0.0	0.0	(4,000.0)	
Tax Equivalent Grants	222.6	222.6	0.0	0.0	(222.6)	
Technology for Success (IVHS and LTC's)	4,169.7	4,169.7	0.0	4,169.7	0.0	
Technology Immersion Pilot Project	5,000.0	0.0	(5,000.0)	0.0	0.0	
Textbook Loan Program	42,826.5	42,826.5	0.0	42,826.5	0.0	
Community Organization Programs	3,000.0	0.0	(3,000.0)	0.0	0.0	
Various After School Programs	755.0	0.0	(755.0)	0.0	0.0	
<b><i>Subtotal, Curriculum and Instruction</i></b>	<b>654,926.7</b>	<b>693,771.7</b>	<b>38,845.0</b>	<b>674,125.4</b>	<b>(19,646.3)</b>	

\$000s	FY08 Approp	FY09 Approp	FY09 Budget Increase	FY10 Budget w/ \$130 increase in Fdn Level	FY10 Increase (Decrease)	FY10 Board Budget Recommendation
<b><u>Regional Offices of Education</u></b>						
Regional Offices of Education - Supt. Initiatives	500.0	500.0	0.0	0.0	(500.0)	
Regional Offices of Education - Bus Driver Training	50.0	70.0	20.0	70.0	0.0	
Regional Offices of Education - Early Retirement Option	0.0	0.0		400.0	400.0	
Regional Offices of Education - Salaries	8,950.0	9,100.0	150.0	9,919.0	819.0	
Regional Offices of Education - School Services	6,318.0	6,318.0	0.0	6,818.0	500.0	
Regional Offices of Education - Supervisory Expenses	102.0	102.0	0.0	102.0	0.0	
<b><i>Subtotal, Regional Offices of Education</i></b>	<b>15,920.0</b>	<b>16,090.0</b>	<b>170.0</b>	<b>17,309.0</b>	<b>1,219.0</b>	
<b><u>Special Education</u></b>						
Autism	100.0	100.0	0.0	100.0	0.0	
Blind and Dyslexic	1,018.8	1,218.8	200.0	1,218.8	0.0	
Children's Mental Health Partnership	3,000.0	3,000.0	0.0	3,000.0	0.0	
Community and Residential Services Authority	541.8	575.0	33.2	600.0	25.0	
Materials Center for the Visually Impaired	2,121.0	2,121.0	0.0	2,121.0	0.0	
Philip J. Rock Center and School	3,394.5	3,577.8	183.3	3,577.8	0.0	
<b><i>Subtotal, Special Education</i></b>	<b>10,176.1</b>	<b>10,592.6</b>	<b>416.5</b>	<b>10,617.6</b>	<b>25.0</b>	
<b><u>Educator Quality and Support</u></b>						
Chicago Principals and Administrators Association	0.0	1,000.0	1,000.0	0.0	(1,000.0)	
Grow Your Own Teachers	3,000.0	3,500.0	500.0	3,500.0	0.0	
Hard to Staff Schools Incentives	3,000.0	3,000.0	0.0	0.0	(3,000.0)	
Illinois Economic Education	250.0	250.0	0.0	0.0	(250.0)	
Metro East Consortium for Child Advocacy	217.1	217.1	0.0	0.0	(217.1)	
National Board Certification	11,485.0	11,485.0	0.0	11,485.0	0.0	
Principal Mentoring Program	3,100.0	3,100.0	0.0	2,100.0	(1,000.0)	
Teach for America	450.0	450.0	0.0	450.0	0.0	
Teacher Mentoring Programs	14,000.0	14,000.0	0.0	14,000.0	0.0	
Teacher of the Year	135.0	135.0	0.0	135.0	0.0	
<b><i>Subtotal, Educator Quality and Support</i></b>	<b>35,637.1</b>	<b>37,137.1</b>	<b>1,500.0</b>	<b>31,670.0</b>	<b>(5,467.1)</b>	
<b><u>Other Statewide District Categorical Assistance</u></b>						
Charter Schools - Transition Impact Aid	3,421.5	3,421.5	0.0	3,421.5	0.0	
District Consolidation Costs	7,850.0	7,850.0	0.0	3,700.0	(4,150.0)	
Fast Growth Grants	7,500.0	7,500.0	0.0	0.0	(7,500.0)	
Transitional Assistance	5,000.0	36,763.6	31,763.6	0.0	(36,763.6)	
<b><i>Subtotal, Other Statewide District Categorical Assistance</i></b>	<b>23,771.5</b>	<b>55,535.1</b>	<b>31,763.6</b>	<b>7,121.5</b>	<b>(48,413.6)</b>	

<b>\$000s</b>	<b>FY08 Approp</b>	<b>FY09 Approp</b>	<b>FY09 Budget Increase</b>	<b>FY10 Budget w/ \$130 increase in Fdn Level</b>	<b>FY10 Increase (Decrease)</b>	<b>FY10 Board Budget Recommendation</b>
<b><i>Student Health and Safety Initiatives</i></b>						
ADA Block Grant	74,841.0	74,841.0	0.0	74,841.0	0.0	
Alternative Learning/Regional Safe Schools	18,535.5	18,535.5	0.0	18,535.5	0.0	
Healthy Kids - Chicago	0.0	3,000.0	3,000.0	0.0	(3,000.0)	
Healthy Kids - Cicero and Berwyn	0.0	1,000.0	1,000.0	0.0	(1,000.0)	
Homeless Education	0.0	3,000.0	3,000.0	0.0	(3,000.0)	
Re-Enrolling Students	4,000.0	4,000.0	0.0	0.0	(4,000.0)	
School Breakfast Incentive Program	723.5	723.5	0.0	723.5	0.0	
Truant Alternative and Optional Education	20,078.1	20,078.1	0.0	20,078.1	0.0	
<b><i>Subtotal, Student Health &amp; Safety Initiatives before lump sums</i></b>	<b>118,178.1</b>	<b>125,178.1</b>	<b>7,000.0</b>	<b>114,178.1</b>	<b>(11,000.0)</b>	
Temporary Relocation Expense Fund Deposit--Lump Sum	100.0	100.0	0.0	100.0	0.0	
Educator Misconduct Investigations--Lump Sum	0.0	375.0	375.0	495.0	120.0	
<b><i>Subtotal, Student Health and Safety Initiatives</i></b>	<b>118,278.1</b>	<b>125,653.1</b>	<b>7,375.0</b>	<b>114,773.1</b>	<b>(10,880.0)</b>	
<b><i>Other School Transportation</i></b>						
Agudath Israel of America for School Transportation	1,200.0	1,200.0	0.0	0.0	(1,200.0)	
Transportation Reimbursements to Parents/Guardians	11,954.7	11,954.7	0.0	0.0	(11,954.7)	
<b><i>Subtotal, Other School Transportation</i></b>	<b>13,154.7</b>	<b>13,154.7</b>	<b>0.0</b>	<b>0.0</b>	<b>(13,154.7)</b>	
<b>TOTAL - GRANTS</b>	<b>7,055,346.2</b>	<b>7,385,533.7</b>	<b>330,187.5</b>	<b>7,546,701.0</b>	<b>161,167.3</b>	
<b>ADMINISTRATION --GENERAL FUNDS</b>						
Personal Services	14,817.4	15,587.0	769.6	19,085.1	3,498.1	
Retirement Pick-Up	562.1	202.4	(359.7)	213.9	11.5	
Retirement	927.3	855.0	(72.3)	1,455.6	600.6	
Social Security/Medicare	463.8	731.4	267.6	731.4	0.0	
<b><i>Subtotal</i></b>	<b>16,770.6</b>	<b>17,375.8</b>	<b>605.2</b>	<b>21,486.0</b>	<b>4,110.2</b>	
Contractual	5,821.0	5,857.2	36.2	6,757.2	900.0	
Travel	348.7	313.7	(35.0)	350.0	36.3	
Commodities	59.1	59.1	0.0	75.0	15.9	
Printing	83.2	85.2	2.0	93.2	8.0	
Equipment	107.1	70.9	(36.2)	153.9	83.0	
Telecommunications	433.6	468.6	35.0	486.1	17.5	
Operation of Automotive Equipment	22.0	20.0	(2.0)	25.0	5.0	
<b><i>Subtotal, Operations</i></b>	<b>23,645.3</b>	<b>24,250.5</b>	<b>605.2</b>	<b>29,426.4</b>	<b>5,175.9</b>	
Strategic Plan	500.0	500.0	0.0	500.0	0.0	
<b><i>Subtotal, Lump Sums</i></b>	<b>500.0</b>	<b>500.0</b>	<b>0.0</b>	<b>500.0</b>	<b>0.0</b>	
<b>TOTAL - ADMINISTRATION AND LUMP SUMS</b>	<b>24,145.3</b>	<b>24,750.5</b>	<b>605.2</b>	<b>29,926.4</b>	<b>5,175.9</b>	
<b>TOTAL - GENERAL FUNDS</b>	<b>7,079,491.5</b>	<b>7,410,284.2</b>	<b>330,792.7</b>	<b>7,576,627.4</b>	<b>166,343.2</b>	

**ILLINOIS STATE BOARD OF EDUCATION**  
 General Funds Appropriation History - FY05-FY09

<b>\$000's</b>	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>
General State Aid	\$3,712,331.0	\$3,927,439.4	\$4,166,329.7	\$4,475,200.0	\$4,616,366.3
Mandated Categoricals	\$1,399,351.5	\$1,424,762.6	\$1,481,422.4	\$1,687,900.0	\$1,782,251.1
Early Childhood Education	\$243,254.5	\$273,254.5	\$318,254.5	\$347,861.4	\$380,261.4
ADA Block Grant	\$54,841.0	\$64,841.0	\$74,841.0	\$74,841.0	\$74,841.0
Reading Improvement Block Grant	\$76,139.8	\$76,139.8	\$76,139.8	\$76,139.8	\$76,139.8
Bilingual Education	\$64,552.0	\$66,552.0	\$66,552.0	\$74,552.0	\$75,652.0
Transitional Assistance	\$7,700.0	\$11,800.0	\$11,800.0	\$5,000.0	\$36,763.6
District Consolidation Costs	\$3,518.8	\$7,700.0	\$7,850.0	\$7,850.0	\$7,850.0
Textbook Loans	\$29,126.5	\$29,126.5	\$29,126.5	\$42,826.5	\$42,826.5
Other Grants	\$159,097.0	\$181,338.5	\$247,691.2	\$263,675.5	\$293,082.0
Agency Operations	\$33,105.2	\$30,932.1	\$22,774.6	\$23,645.2	\$24,250.5
<b>TOTAL GENERAL REVENUE FUNDS</b>	<b>\$5,783,017.3</b>	<b>\$6,093,886.4</b>	<b>\$6,502,781.7</b>	<b>\$7,079,491.4</b>	<b>\$7,410,284.2</b>

<b>\$000's</b>	<b>Change FY04-FY05</b>	<b>Change FY05-FY06</b>	<b>Change FY06-FY07</b>	<b>Change FY07-FY08</b>	<b>Change FY08-FY09</b>
General State Aid	\$228,131.0	\$215,108.4	\$238,890.3	\$308,870.3	\$141,166.3
Mandated Categoricals	\$94,946.5	\$25,411.1	\$56,659.8	\$206,477.6	\$94,351.1
Early Childhood Education	\$29,682.3	\$30,000.0	\$45,000.0	\$29,606.9	\$32,400.0
ADA Block Grant	\$12,000.0	\$10,000.0	\$10,000.0	\$0.0	\$0.0
Reading Improvement Block Grant	(\$3,174.6)	\$0.0	\$0.0	\$0.0	\$0.0
Bilingual Education	\$2,000.0	\$2,000.0	\$0.0	\$8,000.0	\$1,100.0
Transitional Assistance	\$2,500.0	\$4,100.0	\$0.0	(\$6,800.0)	\$31,763.6
District Consolidation Costs	\$1,849.4	\$4,181.2	\$150.0	\$0.0	\$0.0
Textbook Loans	\$0.0	\$0.0	\$0.0	\$13,700.0	\$0.0
Other Grants	(\$18,436.7)	\$22,241.5	\$66,352.7	\$15,984.3	\$29,406.5
Agency Operations	\$16,585.2	(\$2,173.1)	(\$8,157.5)	\$870.6	\$605.3
<b>TOTAL GENERAL REVENUE FUNDS</b>	<b>\$366,083.1</b>	<b>\$310,869.1</b>	<b>\$408,895.3</b>	<b>\$576,709.7</b>	<b>\$330,792.8</b>

**Illinois State Board of Education  
2010 Budget Hearing Requests Summary**

<b>\$'s in Thousands</b>	<b>Increase</b>
Early Childhood	\$77,000
Bilingual Education	\$45,000
IL Truants' Alternative and Optional Education Professional Development (TAOEP)	\$32,000
Special Ed Extraordinary (Funding for Children Requiring Special Ed Services)	\$18,000
National Board Certification	\$15,000
Special Education - Private Tuition	\$11,700
Career and Technical Education	\$10,000
Response to Intervention	\$10,000
Sexual Health Services and Sex Education	\$8,000
Assessments--Bilingual	\$7,000
Gifted Education	\$7,000
Online Data Base	\$5,000
After School Matters	\$5,000
Community Schools/Community Centers	\$5,000
Bilingual Chicago	\$3,500
Charter School Start-up Grants	\$3,500
ROE	\$1,594
Grow Your Own	\$1,000
Illinois Instructional Materials Center	\$500
Museum of Science & Industry	\$500
Freedom Schools	\$464
Teach for America	\$340
Recording for Blind & Dyslexic	\$302
Parent Mentor Collaborative Project	\$300
Visionaries Educating Young Adults (VEYA)	\$267
Illinois Institute School for the Deaf	\$160
Mental Health Recovery Migrant Pilot	\$150
Philip Rock Center	\$107
Adler Planetarium	\$100
Illinois School Psychology Internship Program	\$82
Illinois Council on Economic Education	\$40
<b>Total</b>	<b>\$268,606</b>

**ILLINOIS STATE BOARD OF EDUCATION**  
**FY10 General State Aid Budget Options**  
**ESTIMATED based on November 2008 data-- Dollars in Millions**

	<b>FY09 APPROP</b>	<b>FY09 FINAL</b>	<b>No Increase</b>	<b>Flat Approp \$37 Increase</b>	<b>\$50 Increase</b>	<b>\$50M Inc to Approp \$80 Increase</b>	<b>\$100 Increase</b>	<b>\$100M Inc to Approp \$115 Increase</b>	<b>\$130 Increase</b>	<b>\$140 Increase</b>	<b>\$150 Increase</b>	<b>\$200 Increase</b>	<b>\$250 Increase</b>	<b>\$300 Increase</b>	<b>EFAB \$446 Inc</b>	<b>EFAB Methodology \$1,429 Inc</b>
GSA Foundation Level	\$5,959	\$5,959	\$5,959	\$5,996	\$6,009	\$6,039	\$6,059	\$6,074	\$6,089	\$6,099	\$6,109	\$6,159	\$6,209	\$6,259	\$6,405	\$7,388
GSA Appropriation	4,590.3	4,581.6	4,511.2	4,565.7	4,584.9	4,629.6	4,659.6	4,682.0	4,704.5	4,719.6	4,734.6	4,810.0	4,885.7	4,961.6	5,186.2	6,743.1
GSA Formula Amount Only	3,628.2	3,619.5	3,323.3	3,377.8	3,397.0	3,441.8	3,471.7	3,494.2	3,516.7	3,531.7	3,546.7	3,622.1	3,697.8	3,773.8	3,998.3	5,555.2
GSA Poverty Grant Only	941.4	941.4	1,157.9	1,157.9	1,157.9	1,157.9	1,157.9	1,157.9	1,157.9	1,157.9	1,157.9	1,157.9	1,157.9	1,157.9	1,157.9	1,157.9
GSA Adjustments	20.8	20.8	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
\$ Change in GSA APPROP			(79.1)	(24.6)	(5.4)	39.4	69.3	91.8	114.3	129.3	144.3	219.7	295.4	371.4	595.9	2,152.8
Full Hold Harmless	26.1	26.4	43.4	41.1	40.3	38.7	37.7	37.0	36.2	35.7	35.2	32.9	30.6	28.3	22.7	7.5
\$ Change in HH Approp			17.3	15.0	14.2	12.6	11.6	10.9	10.1	9.6	9.1	6.8	4.5	2.2	(3.4)	(18.6)
50% Phase Out in HH			21.7	20.6	20.2	19.4	18.9	18.5	18.1	17.9	17.6	16.4	15.3	14.1	11.3	3.7
\$ Change in HH Approp			(4.4)	(5.5)	(5.9)	(6.7)	(7.2)	(7.6)	(8.0)	(8.2)	(8.5)	(9.7)	(10.8)	(12.0)	(14.8)	(22.4)

\* The EFAB Methodology is a calculation prepared by staff using the Adequacy Model developed by Augenblick and Myers that EFAB utilizes.

Assumptions for FY10 Estimates:

- 100% Hold Harmless on FY09 and FY10 Poverty Grant
- Chicago 299 had an estimated decrease of 7,500 students in 2008-2009 ADA
- 2008 DHS counts are estimated
- \$30 M built in for FY10 to offset prior year and current year EAV adjustments
- \$25M cap on prior year EAV adjustments
- Corporate Personal Replacement Tax increased by \$122.6M statewide

Limitations in the calculation of the FY10 Estimates:

- No data received for 7% EAV cap for Cook County for FY10
- FY09 GSA HH will need to be prorated without a transfer or supplemental
- 2007 preliminary limiting rates have been reported from the county clerks
- EAVs for all counties are estimated based upon trend data - except Cook, Lake and Kane (received from county)
- 2008-09 ADAs estimated based upon trend data

Better data should be available in February to update the FY10 GSA estimates.

**ILLINOIS STATE BOARD OF EDUCATION**  
**Mandated Categorical Summary**  
Dollars in Thousands

	Budgeted Proration	FY09 Actual Proration	FY09 Approp	FY 10 100% Statutory Formulas		
				Proration %	FY10 Request	FY09-10 \$ Growth
<b>Assumes a \$130 increase to the foundation level from \$5,959 in FY09 to \$6,089 in FY10</b>						
Sp. Ed. - Personnel	100%	96.6%	426,100.0	100%	459,600.0	33,500.0
Sp. Ed. - Funding for Children	100%	100%	331,051.1	100%	334,236.8 *	3,185.7
Sp. Ed. - Orphanage	100%	100%	101,800.0	100%	120,200.0	18,400.0
Sp. Ed. - Private Tuition	100%	96.6%	151,600.0	100%	181,100.0	29,500.0
Sp. Ed. - Summer School	100%	100%	11,000.0	100%	11,700.0	700.0
Sp. Ed. - Transportation	100%	96.9%	383,300.0	100%	429,700.0	46,400.0
Ill Free Lunch & Breakfast	100%	100%	26,300.0	100%	26,300.0	0.0
Regular Orphanage 18-3	100%	100%	11,600.0	100%	13,000.0	1,400.0
Transportation - Reg/Voc	100%	100%	339,500.0	100%	351,100.0	11,600.0
<b>Totals</b>	100%	98.9%	1,782,251.1	100%	1,926,936.8	144,685.7

**Sp. Ed. Funding for Children Requiring Special Education Services-- At Various GSA Foundation Levels**

Foundation Level Options	\$ Change	Adjusted Approp	Adjusted \$ Change	Adjusted 100% MCAT \$ Change
6,089	130	334,236.8	0.0	144,685.7
6,099	140	334,785.7	548.9	145,234.6
6,109	150	335,334.6	1,097.8	145,783.5
6,159	200	338,079.2	3,842.4	148,528.1
6,209	250	340,823.8	6,587.0	151,272.7
6,259	300	343,568.4	9,331.6	154,017.3

**ILLINOIS STATE BOARD OF EDUCATION**  
**FY2010 New Position Requests and Headcount Summary**  
**\$000s**

	Top Priorities	Current Work Performed by Contractor	Statutory Requirement	New Headcount			Salary Est.	
				GRF	Federal	Total	GRF	Federal
<b>Standards and Assessment</b>				<b>2.0</b>	<b>0.0</b>	<b>2.0</b>	<b>\$121.4</b>	<b>\$0.0</b>
Data Steward	X		105 ILCS 5/2-3.64 & 14C-3; P.L. 107-110	1.0	0.0	1.0	\$60.7	\$0.0
Data Researcher	X			1.0	0.0	1.0	\$60.7	\$0.0
<b>Data Systems</b>				<b>6.0</b>	<b>0.0</b>	<b>6.0</b>	<b>\$364.5</b>	<b>\$0.0</b>
Student Information System	X	Yes	P.L. 107-110	1.0	0.0	1.0	\$60.7	\$0.0
E-Grants System	X	Yes	(NCLB )	1.0	0.0	1.0	\$60.7	\$0.0
Child Nutrition/Agency Web Applications	X	Yes		1.0	0.0	1.0	\$60.7	\$0.0
Cash Receipts/Fiscal & HR Systems				1.0	0.0	1.0	\$60.7	\$0.0
Multiple System Support/Application Upgrades	X	Yes		1.0	0.0	1.0	\$60.7	\$0.0
Teacher Certification	X	Yes		1.0	0.0	1.0	\$60.7	\$0.0
<b>Early Childhood</b>				<b>5.0</b>	<b>0.0</b>	<b>5.0</b>	<b>\$303.5</b>	<b>\$0.0</b>
Early Childhood Block Grant/Pre-K for All	X		105 ILCS 5/2-3.71a	5.0	0.0	5.0	\$303.5	\$0.0
<b>Educator &amp; School Development</b>				<b>2.0</b>	<b>0.0</b>	<b>2.0</b>	<b>\$121.5</b>	<b>\$0.0</b>
Data Steward	X		P.L. 107-110	1.0	0.0	1.0	\$60.7	\$0.0
Principal Consultant	X			1.0	0.0	1.0	\$60.7	\$0.0
<b>English Language Learning</b>				<b>4.0</b>	<b>0.0</b>	<b>4.0</b>	<b>\$242.8</b>	<b>\$0.0</b>
State/Federal Monitoring	X		105 ILCS 5/14C, P.L. 107-110, & 23 IAC 228.60	4.0	0.0	4.0	\$242.8	\$0.0
<b>External Assurance</b>				<b>2.0</b>	<b>0.0</b>	<b>2.0</b>	<b>\$121.5</b>	<b>\$0.0</b>
Field Monitoring	X		105 ILCS 5/2-3.32 & 34 CFR 80.40	2.0	0.0	2.0	\$121.5	\$0.0
<b>Funding &amp; Disbursements</b>				<b>1.0</b>	<b>0.0</b>	<b>1.0</b>	<b>\$60.7</b>	<b>\$0.0</b>
Data Steward			P.L. 107-110	1.0	0.0	1.0	\$60.7	\$0.0
<b>Grants &amp; Programs</b>				<b>3.0</b>	<b>3.0</b>	<b>6.0</b>	<b>\$182.2</b>	<b>\$182.2</b>
Adequate Yearly Progress	X		P.L. 107-110	3.0	0.0	3.0	\$182.2	\$0.0
Program Monitoring				0.0	3.0	3.0	\$0.0	\$182.2
<b>Governmental Relations</b>				<b>1.0</b>	<b>0.0</b>	<b>1.0</b>	<b>\$47.2</b>	<b>\$0.0</b>
Support Staff		Yes	n/a	1.0	0.0	1.0	\$47.2	\$0.0

	Top Priorities	Current Work Performed by Contractor	Statutory Requirement	New Headcount			Salary Est.	
				GRF	Federal	Total	GRF	Federal
<b>School Business Services</b>				<b>1.0</b>	<b>0.0</b>	<b>1.0</b>	<b>\$60.7</b>	<b>\$0.0</b>
Regional Financial Consultant			105 ILCS 5/1A-8, 1B, 1E, 1F	1.0	0.0	1.0	\$60.7	\$0.0
<b>Special Education</b>				<b>0.0</b>	<b>1.0</b>	<b>1.0</b>	<b>\$0.0</b>	<b>\$60.7</b>
Data Steward			P.L. 107-110	0.0	1.0	1.0	\$0.0	\$60.7
<b>State Superintendent's Office</b>				<b>1.0</b>	<b>0.0</b>	<b>1.0</b>	<b>\$68.3</b>	<b>\$0.0</b>
Professional Development			n/a	1.0	0.0	1.0	\$68.3	\$0.0
<b>Teacher Certification</b>				<b>4.0</b>	<b>0.0</b>	<b>4.0</b>	<b>\$242.8</b>	<b>\$0.0</b>
Principal Consultant	X		105 ILCS 5/21-1b	4.0	0.0	4.0	\$242.8	\$0.0
<b>GRAND TOTAL</b>				<b>32.0</b>	<b>4.0</b>	<b>36.0</b>	<b>1,937.2</b>	<b>243.0</b>

**ISBE Headcount History  
(as of June 30)**

