AGENDA (timeframes are estimated for planning purposes)

1. Roll Call

2. Board Member Participation by Other Means

3. Public Participation (3:15 – 3:30)

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

*5. Committee Consent Agenda (3:30 – 3:40)
   a. Contracts & Grants Over $1 Million
      (1) Principal Mentoring Program – Illinois Principals Association Contract (pp. 4-5)
          Amendments (Patrick Murphy)
      (2) World-Class Innovations in Developing Assessment (WIDA) Consortium Memorandum of Understanding (ACCESS for ELLs®) (Joyce Zurkowski)
      (3) Measurement Incorporated – ISAT Writing Contract (Joyce Zurkowski) (pp. 8-9)
      (4) State Career & Technical Education Improvement & Agriculture Education (Mark Williams)

*6. Review Annual Financial Profile (3:55 – 4:15) (pp. 12-14)

7. FY10 Budget Update – verbal update (Superintendent Koch, Linda Mitchell) (4:15 – 4:30)

8. Committee Agenda Planning/Additional Items (4:30 – 4:35)

9. Committee Wrap-up (Superintendent Koch) (4:35 – 4:40)

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.

<table>
<thead>
<tr>
<th>Members Present</th>
<th>Staff Present</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Dean Clark, Chairman</td>
<td>Superintendent Koch</td>
</tr>
<tr>
<td>Dr. Andrea Brown</td>
<td>Linda Mitchell</td>
</tr>
<tr>
<td>Dr. David Fields</td>
<td>Susan Morrison</td>
</tr>
<tr>
<td>Dr. Vinni Hall</td>
<td>Darren Reisberg</td>
</tr>
<tr>
<td>Ms. Brenda Holmes</td>
<td>Matt Vanover</td>
</tr>
<tr>
<td>Ms. Joyce Karon</td>
<td>Connie Wise</td>
</tr>
<tr>
<td>Ms. Lanita Koster</td>
<td>Beth Hanselman</td>
</tr>
<tr>
<td>Mr. Jesse Ruiz</td>
<td>Linda Tomlinson</td>
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<tr>
<td>Dr. Chris Ward</td>
<td>Tim Imler</td>
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<td>Robert Wolfe</td>
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<td></td>
<td>Deb Vespa</td>
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<td>Toni Waggoner</td>
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<td>Jean Ladage</td>
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<table>
<thead>
<tr>
<th>Members Absent</th>
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</thead>
<tbody>
<tr>
<td>None</td>
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</table>

None

**PUBLIC PARTICIPATION**

*Kevin Frank* from Museum of Science and Industry discussed their programs and requested funding for the museum.

**MINUTES OF THE JANUARY FINANCE AND AUDIT COMMITTEE MEETING**

Motion:

Ms. Karon moved that the minutes of the January Finance and Audit Committee be accepted. Dr. David Fields seconded the motion. Ms. Brenda Holmes made a correction for a typographical error. The Motion passed by unanimous voice vote on the amended minutes.

**FY10 BUDGET UPDATE**

Ms. Mitchell informed the members that following the Board’s approval of the recommended budget, Agency staff reviewed the budget with legislative staff on January 30. Superintendent Koch also conducted meetings with a number of members of the appropriation committees. There have also been requests from legislators for meetings to discuss the federal stimulus package as they have many questions about the process.

Ms. Mitchell responded to questions from members of the Board regarding the federal stimulus package. And indicated that there may be a need for a supplemental FY09 budget with respect to the Stimulus legislation.

Ms. Mitchell commented that there has been no request to make reductions in K-12 education funding despite what had been asked of other agencies. The FY10 ISBE budget bill has not yet been filed.
## AUDIT UPDATE

**FY07 Financial & Compliance Audit**  
Ms. Lisa LaBonte indicated that the FY08 audits are winding down. Next year, the Auditor General's office is looking at only conducting the Financial Audit annually and the Compliance portion would be done every other year. Ms. LaBonte said that the Auditor General's legal staff has reviewed the audit findings in which statute indicates that the language is subject to appropriation and we will not be cited for those instances in the future. Ms. LaBonte reviewed the status of the remainder of the audit findings and fielded questions from Board members.

## CONTRACTS & GRANTS OVER $1 MILLION

The Committee approved moving the following contracts to be voted on at its Plenary session on February 19:

- **Contract Renewal:** Target Area Development Corporation (Grow Your Own Illinois)
- **Contract for Southern Illinois University – Carbondale:** School Meals Initiative Review
- **Contract:** Harte Hanks (Third Party Assessment Oversight)
- **Requested for Proposals (RFP):** Preschool for All Children Ages 3 to 5 years: FY10
- **Request for Proposals (RFP):** Prevention Initiative Birth to 3 Years: FY10

## COMMITTEE AGENDA PLANNING/ADDITIONAL ITEMS

Mr. Dean Clark stated that Contracts & Grants over $1 million, FY10 Budget update, a report on the financial condition, update on school districts in financial difficulty, and the annual report of school finance authorities would be on the agenda next month.

## COMMITTEE WRAP-UP

Superintendent Chris Koch reviewed that the Budget update, the findings of the Audit were discussed and that the Board would vote on the contracts and grants tomorrow.

## ADJOURNMENT

**Motion:** Dr. 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.
Illinois New Principal Mentoring Program Contract Amendments

Purpose of Agenda Item

The purpose of this agenda item is to receive the Board’s authorization to increase the contract with the Illinois Principals Association to include mentoring services for additional new principals not previously reported by local school districts in order to meet the legislative intent of the New Principal Mentoring Program, and to extend the contract for one additional year with the Illinois Principals Association to manage the New Principal Mentoring Program. At its May 2007 Board meeting, the Board approved the writing of the RFSP and posting of the same on the Procurement site. The contract was awarded to IPA and allowed for two one-year renewals.

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

This agenda item is directly linked to the Board’s Strategic Plan Goal 2: Every student will be supported by highly prepared and effective teachers and school leaders.

Expected Outcome(s) of Agenda Item

It is expected that the staff will receive the Board’s authorization to increase the contract with the Illinois Principals Association to include support of 76 new principals not previously reported as receiving mentoring services from the New Principal Mentoring Program. The increase of $209,000 (from $1,804,248 to $2,013,248) represents $2,750 per additional new principal with no additional funds to be paid to the contractor for administrative costs.

In addition, it is expected that staff will receive authorization to extend the contract with the Illinois Principals Association for the management of the New Principal Mentoring Program for one additional year as permitted in the RFSP. The contract extension will cover the provision of services in FY10 for no more than 450 new principals for a cost not to exceed $2,063,030.

Background Information

The requirement for principal mentoring is contained in P.A. 94-1039.

The purpose of the Illinois New Principal Mentoring Program is to provide new principals with the individualized mentoring support they need to successfully transition into effective educational leaders.

As of February 28, 2009 there were a reported 528 new principals statewide; that number increased to 604 with the final submission by districts of new principals requiring services.
The funding estimate for the 2009 – 2010 (FY10) academic year is based on projections of vacant and new positions for school principals in Illinois public schools. That number is not expected to exceed 450, thus the cost for FY10 shall not exceed $2,063,030. This is the final renewal. An RFSP for services for FY11 and beyond will be issued in the fall of 2009.

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

Policy Implications: None

Budget Implications: A total of $3.1 million was appropriated in ISBE’s FY08 and FY09 budgets, and the funding requested for FY10 is only $2.1 million. Total mentoring costs (mentors and providers) for FY08 were $1,452,000 and $2,013,678 for FY09.

For FY10 the projections are a maximum of $1,237,500 in total mentoring costs (mentors and providers) and a maximum of $825,530 for administration, mentor training, technology support, and all other program support.

Legislative Action: None. Existing legislation mandates the scope of these activities.

**Superintendent’s Recommendation**

I recommend that the following motion be adopted:

The Illinois State Board of Education hereby authorizes Agency staff to increase the current contract for FY09 in the amount of $209,000 for a total of $2,013,248 and to renew the contract in FY10 for $2,063,030 (subject to appropriation) with Illinois Principals Association for the management of the New Principal Mentoring Program. The total contract will not exceed $6,109,956 (which includes $2,033,678 for FY 08)

**Next Steps**

Agency staff will commence the process of amending the contract in accordance with the approved motion.
Illinois State Board of Education
Meeting
March 18-19, 2009

To: Illinois State Board of Education

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

Agenda Topic: World-Class Instructional Design and Assessment (WIDA) Consortium Memorandum of Understanding (ACCESS for ELLs®)

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

Purpose of Agenda Item

To obtain approval for the continuation of the Memorandum of Understanding for ISBE’s membership in the WIDA consortia and the provision of ACCESS for ELLs® assessment by WIDA through fiscal years 2010, 2011 and 2012 for a maximum amount of $30,190,050.

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 be called to a vote at the February Plenary session.

Background Information

Title III of NCLB federal legislation requires Limited English Proficient (LEP) students to be assessed annually for English proficiency and growth.

In January 2004, ISBE entered into an agreement with a consortium of other states (Alabama, Delaware, Georgia, Kentucky, Maine, Mississippi, New Hampshire, New Jersey, North Carolina, North Dakota, Oklahoma, Pennsylvania, Rhode Island, South Dakota, Vermont, Virginia, Wisconsin) and the District of Columbia, identified as WIDA, to develop a standards-based assessment instrument for English Language Learners (ELLs) that would be an improved measure of English proficiency. That assessment is now operational and called ACCESS for ELLs®.

Since the WIDA consortium provides the ACCESS for ELLs®, continuation of this Memorandum of Understanding is needed to provide for acquisition of tests, scoring, and reporting services for the determination of English proficiency. The costs for such services are on a per-student basis and there is some cost savings with membership in the consortium. More specifically, the cost is approximately $23 per student. The cost increase contemplated by this proposed amendment is due to projections for increases in the number of Illinois students to be assessed. There is a possibility that this contract will again need to be amended (with increased costs) if the score to
determine “proficiency” is increased (currently, Illinois sets a minimum of a 4.0 composite score for districts to use to establish “proficiency”; however, that score is currently under review).

**Financial Background:**

The amounts funded for each fiscal year are as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY05</td>
<td>$75,000</td>
</tr>
<tr>
<td>FY06</td>
<td>$4,132,760</td>
</tr>
<tr>
<td>FY07</td>
<td>$2,766,117</td>
</tr>
<tr>
<td>FY08</td>
<td>$4,000,862</td>
</tr>
<tr>
<td>FY09</td>
<td>$4,465,311</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$15,440,050</strong></td>
</tr>
</tbody>
</table>

The requested extension for FY10 ($4,500,000), FY11 ($5,000,000) and FY12 ($5,250,000) will increase the amount of the contract by $14,750,000 for a maximum of $30,190,050.

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

**Policy Implications:** The continued participation in the WIDA consortium and the extension of the WIDA ACCESS contract is the most effective manner for the state to maintain its ELL assessment and obtain the most appropriate and cost-efficient measure of English proficiency that is consistent with Title III NCLB requirements.

**Budget Implications:** The increase of $14,750,000 will be funded through State Student Assessment funds.

Legislative Action: None Required

Communication: None Required

**Pros and Cons of Various Actions**

Pros: Extending the contract will help ensure that the agency meets its federal reporting requirements.

**Superintendent’s Recommendation**

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

> The State Board hereby authorizes agency staff to extend the Memorandum of Understanding with WIDA for the ACCESS program through June 30, 2012, for an increase of $14,750,000 and a maximum amount not to exceed $30,190,050.

**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
        Connie Wise, Assistant Superintendent, Standards and Assessments
Agenda Topic:  Approval of Contract Exceeding $1 Million Dollars for Measurement Incorporated, ISAT Writing Development and Scoring Contractor
Materials:  None
Staff Contacts:  Connie Wise, Ph.D., Assistant Superintendent
                Joyce Zurkowski, Division Administrator

Purpose of Agenda Item
To obtain approval to contract with Measurement Incorporated, for the provision of development and scoring services for the Illinois Standards Achievement Test for Writing (“ISAT Writing”), to a maximum of $18,140,295.

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 of Agenda Item
This agenda item will be discussed by the Finance and Audit Committee and then be called for a vote by the Board. It is expected that staff will receive the Board’s authorization to award the contract, finalize contract negotiations, and enter into a contract with Measurement Inc. to develop and score the ISAT Writing.

Background Information
In the Spring 2005 legislative session, Section 2-3.64 of the School Code (105 ILCS 5/2-3.64) was changed to restore writing to the Illinois Standards Achievement Test (ISAT). The legislation called for incremental inclusion of writing over a three-year period. Grades 5 and 8 were assessed in the 2006-07 year, grades 5, 6 and 8 in the 2007-08 year and grades 3, 5, 6 and 8 will be assessed in the 2008-09 year and beyond.

A Request for Sealed Proposal (“RFSP”) for the development and scoring of ISAT writing was released on February 6, 2009, with proposals submitted by March 3, 2009. Those proposals have been reviewed and it is the recommendation that Measurement Incorporated be awarded the contract.

This Board had previously authorized an RFSP and award of a contract with an initial term of the contract to extend through June 30, 2009, with the option for renewal by ISBE for five additional one-year periods, with the total amount for all services not to exceed $16,746,000.00 through June 30, 2014. The RFSP required a modification to the term to allow the initial term to extend through June 30, 2010, with four additional one-year periods, e.g. July 1, 2010, through
June 30, 2011 (FY2011), July 1, 2011, through June 30, 2012 (FY2012), July 1, 2012, through June 30, 2013 (FY2013), and July 1, 2013, through June 30, 2014 (FY2014). Authorization is sought for this term, a total not to exceed amount commensurate with the proposal of the recommended bidder, and award of the contract to Measurement Incorporated.

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

Policy Implications: The nature and conduct of the writing assessments needs to be consistent and compatible with the nature and structure of the existing assessment programs. The writing assessments will be required to meet the same development criteria for data scoring and reporting as the other subjects tested with ISAT. Writing scores are not used in determining adequate yearly progress (AYP).

Budget Implications:

It is anticipated that annual costs of the development and scoring services for writing will be as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY10</td>
<td>$3,849,316</td>
</tr>
<tr>
<td>FY11</td>
<td>3,328,884</td>
</tr>
<tr>
<td>FY12</td>
<td>3,486,315</td>
</tr>
<tr>
<td>FY13</td>
<td>3,651,402</td>
</tr>
<tr>
<td>FY14</td>
<td>3,824,378</td>
</tr>
</tbody>
</table>

**TOTAL** $18,140,295

These amounts will be paid from state general funds as the writing assessment is required by state law.

Legislative Action: None anticipated beyond necessary budget.

Communication: None.

**Pros and Cons of Various Actions**

Securing this contract will allow ISBE to acquire the development and scoring services necessary to provide the state required writing assessment.

**Superintendent’s Recommendation**

I recommend that the following motion be adopted:

- The State Board hereby authorizes the State Superintendent to issue an award of contract to Measurement Incorporated for ISAT writing development and scoring, including all services necessary thereto. The initial term of the contract may extend through June 30, 2010, with the option for renewal by ISBE for four additional one year periods. The total for all services is not to exceed $18,140,295 through July 30, 2014.

**Next Steps**

Agency staff will commence the process of contracting for the required services in accordance with the approved motion.
TO: Illinois Finance and Audit Committee

FROM: Christopher Koch, Ed.D., State Superintendent of Education
      Susan Morrison, Deputy Superintendent

Agenda Topic: State Career & Technical Education Improvement & Agricultural Education
Grant Exceeding $1 Million – Parkland College – Facilitating the
Coordination of Agricultural Education (FCAE)

Materials: None

Staff Contact(s): Mark Williams, Division Administrator, Career Development and Preparation
                Harley Hepner, Principal Consultant, Career Development and Preparation
                Dora Welker, Program Consultant, Career Development and Preparation

Purpose of Agenda Item
The Division of Career Development and Preparation requests that the Parkland College – FCAE grant be renewed.

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. The Parkland College - FCAE grant assists in students receiving (a) high quality career and technical education that enhances their academic success, (b) career guidance and (c) content specific preparation for a wide range of careers.
GOAL 2: Every student will be supported by highly prepared and effective teachers and school leaders. The Parkland College - FCAE grant assists in providing professional development for instructors.

Expected Outcome(s) of Agenda Item
This agenda item will be discussed in the Finance and Audit Committee and then called for a vote in the March plenary session.

Background Information
The Parkland College-FCAE grant meets the objectives of the Illinois Plan for Agricultural Education and Illinois First Through Quality Agricultural Education: A Strategic Plan for Illinois Agricultural Education. These funds go to support local program improvement, curriculum development, teacher inservice, field support services, program coordination, pilot projects, and other important initiatives.

Analysis and Implications for Policy, Budget, Legislative Action, and Communications
Policy Implications: Approval of continued Parkland College-FCAE grant will meet the objectives of the Plan for Agricultural Education and Illinois First Through Quality Agricultural Education: A Strategic Plan for Illinois Agricultural Education. This grant will further the development of curriculum in all Career and Technical Education programs.

Budget Implications: ISBE requested $2,273,000 for the FY 10 budget--$500,000 from state Career and Technical Education for further curriculum development in all Career and Technical Education and $1,773,000 from state Agricultural Education to support local program
improvement, curriculum development, teacher inservice, field support services, program coordination, pilot projects, and other important initiatives.

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:

The State Board hereby authorizes the Agency to renew the Parkland College – FCAE grant for FY 10, to the extent such approval is in accordance with all applicable Agency rules and processes.

**Next Steps**  
ISBE will be releasing the application for FY 10 continuation funding in the near future.
TO: Illinois State Board of Education
FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
Linda Riley Mitchell, Chief Financial Officer

Agenda Topic: Review of Annual Financial Profile

Materials: Under Separate Cover:
- Fiscal Year 2009 School District Financial Profile Scores, based upon Fiscal Year 2008 Annual Financial Reports
- Analysis of Report Results

Staff Contact(s): Deb Vespa

Purpose of Agenda Item
To provide the Board information regarding the financial condition of the school districts based upon the 2009 School District Financial Profile designations from fiscal year 2008 data and to have the Board review and approve the Financial Watch List.

Relationship to/Implications for the State Board’s Strategic Plan
The Financial Profile assists in assessing the financial position of the school districts. Districts in sound financial standing are better able to accomplish strategic goals as resources can be allocated towards such purposes.

Expected Outcome(s) of Agenda Item
The expected outcome is for the Board to approve of the 2009 School District Financial Profile designation scores and financial watch list.

Background Information
Section 1A-8 of the School Code states, “To promote the financial integrity of school districts, the State Board of Education shall be provided the necessary powers to promote sound financial management and continue operation of the public schools.” The Financial Profile assists State Board staff, district administrators, and school boards in promoting sound financial management. The School District Financial Profile was designed to review the status of the school districts using categories to designate the financial position of all districts. The designation categories are: Financial Recognition, Financial Review, Financial Early Warning, and Financial Watch with Financial Recognition being the highest ranking.

This is the seventh year that the Financial Profile has been used to evaluate districts. Since the 2004 Financial Profile, the number of districts in Financial Recognition status has increased each year, until this year, reflecting economic conditions in Illinois. This year, the number of districts in Financial Recognition decreased to 590 from the previous year’s 602. Sixty-seven percent (67.8%) of districts achieved Financial Recognition this year compared to 69% percent last year. The number of Financial Watch districts decreased slightly, by one district.
Many districts have inquired about the Financial Profile results this year since some June 2008 mandated categorical payments were delayed. Although the State Board vouchered these fourth quarter payments in mid June, the Comptroller made some payments on June 30 and others in mid July. Payments that were to have been received by the school districts in Fiscal Year 2008 were not received until Fiscal Year 2009. Since most school districts are on a cash basis of accounting, these payments were not recognized until Fiscal Year 2009.

Some districts that otherwise might have achieved a higher status received a lower score due to this delay. Thus, for information purposes, the Financial Profile was calculated in two ways: (1) utilizing the standard calculation methodology and (2) revising the calculation to add late payments to the districts’ fund balances, revenue, and cash balances thus removing the effect of the state’s payment delays. For cash basis school districts, the second calculation enhanced cash basis districts’ Revenue to Fund Balance Ratio, Expenditure to Revenue Ratio, and Days Cash on Hand. For accrual basis districts, only the Days Cash on Hand Ratio was revised since the earned but not yet received revenue from the delayed payments should already have been recognized in their financial statements.

Results of the Financial Profile

<table>
<thead>
<tr>
<th></th>
<th>FY08 Financial Profile Based on FY07 data</th>
<th>FY09 Financial Profile Based on FY08 data</th>
<th>FY09 Financial Profile Based on FY08 Revised data</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
</tr>
<tr>
<td>Financial Recognition</td>
<td>602</td>
<td>69.0%</td>
<td>590</td>
</tr>
<tr>
<td>Financial Review</td>
<td>182</td>
<td>20.8%</td>
<td>181</td>
</tr>
<tr>
<td>Financial Early Warning</td>
<td>59</td>
<td>6.8%</td>
<td>70</td>
</tr>
<tr>
<td>Financial Watch</td>
<td>30</td>
<td>3.4%</td>
<td>29</td>
</tr>
<tr>
<td>Total</td>
<td>873</td>
<td>100.0%</td>
<td>870</td>
</tr>
</tbody>
</table>

The difference in the number of districts in the Financial Watch category using the standard calculation compared to the revised methodology was not significant (.8%) as shown below:

- 3.3% (29 school districts) compared to
- 2.5% (22 school districts) using the revised method.

Using the standard calculation methodology, 4.2% fewer districts achieved Financial Recognition as shown below:

- 67.8% (590 school districts) of which 178 received a perfect 4.0 score compared to
- 72.0% (626 school districts) of which 192 received a perfect 4.0 score using the revised method.

According to 105 ILCS 5/1A-8, “[a]ny financial watch list distributed by the State Board of Education . . . shall designate those school districts on the watch list that would not otherwise be
on the watch list were it not for the inability or refusal of the State of Illinois to make timely disbursements of any payments due school districts . . . .”

Besides differences in the Financial Watch (the lowest category), there were differences in other categories. Both scores and designations are reflected in the Financial Profile report.

As noted below, the Superintendent is recommending that the revised methodology be used for the 2009 School District Financial Profile.

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

Policy Implications: By the Board’s approval of the Financial Profile, they are also approving the districts categorized within the Financial Watch List. These districts will be designated as the districts ISBE will be monitoring closely for the next fiscal year.

Legislative Action: No legislative action is required at this time.

Communication: School districts within the financial recognition category will receive a certificate.

**Pros and Cons of Various Actions**

Con: The Financial Profile is a snap shot in time and reflective of the district’s financial condition on June 30 of a specific fiscal year. To assess a district’s true financial condition, the Financial Profile must be reviewed along with other financial indicators for the district.

Pro: By approving the Financial Watch List as designated by the Financial Profile, ISBE staff can begin to utilize the Financial Profile tool along with other reviews of the districts’ finances to assess the districts’ financial status.

**Superintendent’s Recommendation**

I recommend that the following motion be adopted:

The Illinois State Board of Education hereby approves the financial designations of school districts as set forth in the Fiscal Year 2009 Financial Profile Scores, which have been calculated using the revised methodology with data from the districts’ Fiscal Year 2008 Annual Financial Reports and, furthermore, recognizes that the districts designated on the Financial Watch List are those so identified from the Fiscal Year 2009 Financial Profile Calculations.

**Next Steps**

Continue to review and monitor school districts on the Financial Watch List for financial improvement or decline and to assess potential certification to the Board.

Distribute certificates of acknowledgment to school districts that obtained a Financial Profile designation of Financial Recognition.