ILLINOIS STATE BOARD OF EDUCATION

BOARD OPERATIONS COMMITTEE OF THE WHOLE
Board Room, 4th Floor

December 14, 2011
5:00 p.m.
(Or immediately following previous committee discussion.)

A. Board Operations Committee Chairmanship

B. *Discussion of Election to Fill Vice Chair Vacancy (p. 2)

C. Review Nominations for Recognition (pp. 3-7)

D. *Recommendation for Amending 403b Working Plan Document (Don Evans) (pp. 8-31)

E. *Board Notification, Review, and/or Approval for the Processing of Contracts and Grants (pp. 32-35) (Darren Reisberg)

F. *Board Review of Mandated Reports (Darren Reisberg) (pp. 36-49)

G. Board Operations
   1. Board Operations Budget Review (Robert Wolfe) (p. 50)
   2. Board Operations Efficiency (Chris Koch, Jean Ladage) (pp. 51-57)

H. Additional Items

I. Motion for Closed Session

* Items listed with an asterisk (*) will be discussed in committee and action may be taken during plenary session.
TO: Illinois State Board of Education
FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
       Darren Reisberg, General Counsel

Agenda Topic: Election to Fill Vacancy – Vice Chair

Materials: None

Staff Contact(s): Darren Reisberg, General Counsel

Purpose of Agenda Item

Pursuant to Section IV of the Bylaws, vacancies occurring in the elected offices of the Board shall be filled by the Board at the next regular or special meeting thereof for the unexpired term of such officer.

Background Information

A vacancy in the Vice Chairmanship has occurred as a result of the resignation of former Vice Chairman Christopher Ward.

Expected Outcome(s) of Agenda Item

During the December plenary session, Chairman Chico will hear nominations to fill the unexpired term of Vice Chair followed by a roll call ballot.

Superintendent’s Recommendation

If only one person is nominated to fill the vacancy, the Board may move to elect the candidate and a roll call vote will verify the election.

If more than one person is nominated to fill the vacant office, a secret ballot will be collected and the Board may then move to elect the candidate with the majority of votes along with a motion to destroy the ballots.
TO: Illinois State Board of Education
FROM: Jean Ladage, Board Services Coordinator

Materials: Nomination(s)

Agenda Topic: Review Nominations for Board Recognition

Purpose of Agenda Item
To review incoming nominations received since the last Board meeting. Nomination materials that are received will be sent to Board members prior to the meeting.

Relationship to/Implications for the State Board’s Strategic Plan
This item has no direct relationship to the Strategic Plan. The State Board’s Recognition Program was developed to show the Board’s support for the outstanding work of educators, staff and school boards that are serving all children in this state.

Expected Outcome(s) of Agenda Item
Recommendation of Board action.

Background Information
In May, 2005, the Board initiated a Board Recognition Program to become more proactive in its efforts to recognize the exemplary achievements of students, teachers, school administrators, and local board members in Illinois. Upon review and acceptance, the State Board of Education will pass a resolution describing the particulars of the achievement. The signed resolutions will be presented in one of the following three ways:

- mailed to the recipient(s);
- personally awarded to the individual(s) at their respective school(s); or
- presented to recipient(s) during the State Board meeting at which their resolution is approved

Superintendent’s Recommendation
No recommendation from the Superintendent.

Next Steps
Board Operations Committee will review the nominations received and make a recommendation based on that review.
WHEREAS, Josh Stumpenhorst earned his Bachelor’s degree in Secondary Education with a minor in Social Science at North Central College and his Master’s in Curriculum and Instruction from Olivet Nazarene College; and

WHEREAS, Josh earned his National Board Certification; and

WHEREAS, Josh continuously finds new and exciting ways to exchange ideas and knowledge with other teachers, students and parents through technology utilizing YouTube and writing an educational blog that receives thousands of visitors every month; and

WHEREAS, putting his technology expertise to good use, Josh transformed the student Computer Club into an active, engaged club where students create a biweekly video news program for the entire school; and

WHEREAS, Josh combines teaching and coaching to bring positive experiences to his students on a daily basis. Every day Josh demonstrates that he is a learner as well as a teacher by creating learning experiences for his students that will help shape them into the people they want to be when they grow up; and

WHEREAS, on October 22, 2011, Josh Stumpenhorst was named the 2011-2012 Illinois Teacher of the Year by the Illinois State Board of Education; now

THEREFORE, BE IT RESOLVED that the Illinois State Board of Education extends its sincere appreciation and gratitude to Josh Stumpenhorst on this 15th day of December, 2011, for his leadership and dedication to the field of Education.
WHEREAS, Bradley Abel earned his Bachelor of Arts in Education from the University of Illinois at Urbana-Champaign and his Master of Arts in Education from Olivet-Nazarene University; and

WHEREAS, Bradley is viewed as a valued team member by his colleagues. He has demonstrated strong leadership qualities in many arenas within the school and he continuously strives to improve his teaching through mentoring and collaborating with his colleagues; and

WHEREAS, Bradley measures his effectiveness against student learning and the results have brought unprecedented success in student learning as is evident by outstanding test score data; and

WHEREAS, Bradley consistently displays his dedication to student success by requesting to teach multiple levels of students each year. He is a natural born teacher who demonstrates success, leads by example and helps students gain confidence and understand their limitless lifelong potential by becoming successful learners; and

WHEREAS, on November 9, 2011, Bradley Abel was named the 2011-2012 Milken National Educator for Illinois; now

THEREFORE, BE IT RESOLVED that the Illinois State Board of Education extends its sincere appreciation and gratitude to Bradley Abel on this 15th day of December, 2011, for his leadership and dedication to the field of Education.

________________________________________________________________________
Gery J. Chico, Chairman                  Vinni M. Hall, Secretary
________________________________________________________________________
James W. Baumann, Member                Andrea S. Brown, Member
________________________________________________________________________
Steven R. Gilford, Member               Lanita J. Koster, Member
________________________________________________________________________
David L. Fields, Member                 Melinda A. LaBarre, Member
WHEREAS, Shelly Marks has served as President of the Homewood District #153 Board of Education for nine years; and

WHEREAS, Shelly is described as a highly visible, very approachable presence in the schools and is credited with helping establish an atmosphere of collaboration and trust between the district’s administration and staff; and

WHEREAS, through Shelly’s leadership, the district has continued to demonstrate high levels of learning. On the 2011 ISAT exam, ninety percent of the District #153 students met or exceeded state standards in math and eighty-six percent in reading. Since 2006, this very diverse district has also cut its achievement gap in half as they aim for every student to be prepared for success after high school. District #153 students and staff continue to perform even while spending is less per pupil than the state average; and

WHEREAS, District #153’s school board, with Shelly at the helm, has managed to prioritize assets with the most impact on student learning, focusing on high quality staff and educational interventions; and

WHEREAS, Shelly is a strong advocate of early childhood education as a means to leveling the educational playing field for all students. She is credited for helping introduce a highly successful district-wide diversity program; now

THEREFORE, BE IT RESOLVED that the Illinois State Board of Education recognizes Shelly Marks on this 15th day of December, 2011, for her leadership and dedication to the field of education and we bestow congratulations to her on receiving the 2011 Thomas Lay Burroughs Award for Outstanding School Board President.

Gery J. Chico, Chairman
Vinni M. Hall, Secretary

James W. Baumann, Member
Andrea S. Brown, Member
David L. Fields, Member

Steven R. Gilford, Member
Lanita J. Koster, Member
Melinda A. LaBarre, Member
III. D. - Ward resolution
TO: Illinois State Board of Education

FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
       Donald W. Evans, Director of Human Resources

Agenda Topic: Amending current 403(b) plan for the Illinois State Board of Education to comply with IRS requirements.

Materials: Resolution to Amend 403(b) Plan
           403 Plan (for reference)

Staff Contact(s): Kristin Alferink, Human Resources

Purpose of Agenda Item

To review the resolution to the plan document for the Agency’s 403(b) plan.

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

This agenda item does not have linkage to the State Board’s Strategic Plan.

Expected Outcome(s) of Agenda Item

Amending the current 403(b) plan document.

Background Information

The Illinois State Board of Education currently allows its employees to participate in a Section 403(b) retirement plan. A 403(b) plan, also known as a tax-sheltered annuity (TSA) plan, is a retirement plan available to certain employees of public educational organizations, employees of certain tax-exempt organizations, and certain ministers.

In July, 2007, the Internal Revenue Service (IRS) issued final regulations governing 403(b) plans which became effective on January 1, 2009. The regulations required employers to have a written plan document in place by December 31, 2009. Accordingly, in December, 2009, the Board adopted the Agency’s 403(b) written plan document that is currently in place.

Periodically, the IRS requires plan sponsors (such as ISBE) to amend their qualified retirement plans to memorialize certain regulatory changes. These changes are required to be made on or before December 31, 2011 and are as follows:
1. Participants who were eligible to receive age 70 1/2 "required minimum distributions" during 2009 continued to receive such distributions in 2009, unless they elected otherwise.

   This provision is required to be included under the Worker, Retiree, and Employer Recovery Act of 2008, or "WRERA".

2. Participants may roll over their plan accounts to a Roth IRA, effective January 1, 2008.

   This provision is required by the Pension Protection Act of 2006, or the "PPA".

3. Plan participants who die while performing qualified military service under USERRA are eligible to receive any death-related benefits (except for plan contributions or accruals for the period of military service) that may be available under the plan, effective January 1, 2007.

   This provision is required by the Heroes Earnings Assistance and Relief Tax Act of 2008, or the "HEART Act".

In order for the Illinois State Board of Education to comply with the IRS regulations, a resolution must be passed which will serve to make the necessary changes to the Agency’s current written plan document. Aside from the amendments listed above and contained in the resolution, the Agency’s 403(b) written plan document will remain unchanged.

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

Policy Implications: None.

Budget Implications: None, unless these amendments are not adopted on or before December 31, 2011. If these amendments are not approved it could lead to taxes, interest, and penalties being assessed by the IRS if a 403 (b) plan audit were to occur.

Legislative Action: None.

Communication: Affected individuals will be notified of these changes to the Agency’s 403(b) written plan document upon the passage of this resolution.

**Pros and Cons of Various Actions**

Pros: ISBE would have a current and updated written plan document that encompasses all 403(b) plan accounts maintained by its employees.
Cons: The December 31, 2011 deadline is a firm deadline established by the IRS. As indicated above, a failure to approve of these amendments by that date could lead to taxes, interest, and penalties being assessed by the IRS if a 403 (b) plan audit were to occur.

**Superintendent’s Recommendation**

I recommend that the attached resolution be adopted.

**Next Steps**

If this resolution is passed, the 403 (b) plan will be operating under this the previously adopted plan documents with these amendments, and no further action by the Board is contemplated. Affected individuals will be notified of these changes to the Agency’s 403(b) written plan document upon the passage of this resolution.
RESOLUTION TO AMEND § 403(b) PLAN

Upon motion duly made, the following resolution was adopted by the Illinois State Board of Education (the "Board"):  

WHEREAS, the Board maintains a retirement plan qualified under Section 403(b) of the Internal Revenue Code of 1986, as amended (the "403(b) Plan").

WHEREAS, in order to maintain the 403(b) Plan’s tax qualification, the Plan must be amended to comply with certain provisions of the Pension Protection Act of 2008 (the “PPA”), the Heroes Earnings Assistance and Relief Tax Act of 2008 (the “HEART Act”), and the Worker, Retiree, and Employer Recovery Act of 2008 (“WRERA”) by the end of the Board’s 2011 Plan Year, December 31, 2011.

WHEREAS, the Board desires to amend the 403(b) Plan in order to bring the Plan into documentary compliance with the PPA, the HEART Act, and WRERA.

NOW THEREFORE, BE IT RESOLVED, the Board hereby amends the 403(b) Plan as follows:

1. The following shall be inserted as a new paragraph at the end of Section 4.5 of the 403(b) Plan document:

   “In addition, as provided under section 401(a)(37) of the Code, the Beneficiary of a Participant who dies after January 1, 2007 while performing qualified military service under section 414(u) of the Code shall be entitled to any additional benefits (other than benefit accruals or contributions relating to any period of qualified military service) provided under the Plan as if the Participant had resumed employment and then had a Severance of Employment on account of death.”

2. The following shall be inserted as a new paragraph at the end of Section 6.3 of the 403(b) Plan document:

   “Notwithstanding the foregoing, a Participant or Beneficiary who would have been required to receive the required minimum distributions as required under section 401(a)(9) of the Code for 2009 but for the enactment of section 401(a)(9)(H) of the Code (“2009 RMDs”), and who would have satisfied that requirement by receiving distributions that are (1) equal to the 2009 RMDs or (2) one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the
Participant and the Participant’s Beneficiary, or for a period of at least 10 years (“Extended 2009 RMDs”), will receive those distributions for 2009 unless the Participant or Beneficiary chooses not to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect not to receive the distributions described in the preceding sentence. In addition, notwithstanding the foregoing, and solely for purposes of applying the direct rollover provisions of Section 6.6 of the Plan, a direct rollover will be offered only for distributions that would be eligible rollover distributions without regard to section 401(a)(9)(H) of the Code.”

3. The following shall be inserted as a new sentence at the end of Section 6.6(a) of the 403(b) Plan document:

“Effective January 1, 2008, a Participant, Beneficiary (whether a Participant’s spouse, former spouse, or other non-spouse Beneficiary) or alternate payee may elect to have any portion of an eligible rollover distribution from the Plan paid directly to a Roth IRA described in section 408A of the Code, in addition to the other eligible retirement plans described above.”

Adopted this ___ day of ____________, 2011.

_____________________________
Chairman

ATTEST:

_____________________________
Secretary
ILLINOIS STATE BOARD OF EDUCATION
403(b) PLAN

For use with 403(b) Plan Adoption Agreement
Section 1.1 **Purpose.** The Illinois State Board of Education (the “Employer”) established a 403(b) Plan (the “Plan”) by completing an Adoption Agreement indicating the terms of the Plan. The Employer intends that the Plan satisfy the requirements of Internal Revenue Code (“Code”) Section 403(b) and the final regulations thereunder.

Section 1.2 **Plan.** This document together with the Adoption Agreement sets forth the provisions of the Plan and is substantially similar in all material respects to the provisions contained in IRS Rev. Proc. 2007-71. The Employer makes contributions under this Plan pursuant to Section 403(b) of the Code that are invested, at the direction of Participants, in one or more of the investments available herein.

Section 1.3 **Effective Date.** The provisions of this Plan shall be effective as of the date specified in Section D of the Adoption Agreement, except as may be otherwise set forth herein or required by the Code or final regulations.

**ARTICLE II DEFINITIONS**

Section 2.1 **Account** means the account or accumulation maintained for the benefit of any Participant or Beneficiary under an Annuity Contract or a Custodial Account.

Section 2.2 **Account Balance** means the bookkeeping account maintained for each Participant which reflects the aggregate amount credited to the Participant’s Account under all Accounts, including the Participant’s Elective Deferrals, the earnings or loss of each Annuity Contract or a Custodial Account (net of expenses) allocable to the Participant, any transfers for the Participant’s benefit, and any distribution made to the Participant or the Participant’s Beneficiary. If a Participant has more than one Beneficiary at the time of the Participant’s death, then a separate Account Balance shall be maintained for each Beneficiary. The Account Balance includes any account established under ARTICLE VII for rollover contributions and plan-to-plan transfers made for a Participant, the account established for a Beneficiary after a Participant’s death, and any account or accounts established for an alternate payee (as defined in section 414(p)(8) of the Code).

Section 2.3 **Administrator** means the person(s) designated from time to time by the Board of Education to administer the Plan.

Section 2.4 **Adoption Agreement** means the agreement which, when completed by the Employer together with this Plan document, constitutes the terms of the Plan.

Section 2.5 **Annuity Contract** means a nontransferable contract as defined in section 403(b)(1) of the Code, established for each Participant by the Employer, or by each Participant individually, that is issued by an insurance company qualified to issue annuities in the state of
Illinois and that includes payment in the form of an annuity.

**Section 2.6 Beneficiary** means the designated person who is entitled to receive benefits under the Plan after the death of a Participant, subject to such additional rules as may be set forth in the Individual Agreements.

**Section 2.7 Custodial Account** means the group or individual custodial account or accounts, as defined in section 403(b)(7) of the Code, established for each Participant by the Employer, or by each Participant individually, to hold assets of the Plan.

**Section 2.8 Code** means the Internal Revenue Code of 1986, as now in effect or as hereafter amended. All citations to sections of the Code are to such sections as they may from time to time be amended or renumbered.

**Section 2.9 Compensation** means all cash compensation for services to the Employer, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includible in the Employee's gross income for the calendar year, plus amounts that would be cash compensation for services to the Employer includible in the Employee's gross income for the calendar year but for a compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including an election under ARTICLE III made to reduce compensation in order to have Elective Deferrals under the Plan).

**Section 2.10 Disabled** is defined as provided in the applicable Individual Agreement.

**Section 2.11 Employer** is defined as provided in Section B of the Adoption Agreement.

**Section 2.12 Elective Deferral** means the Employer contributions made to the Plan at the election of the Participant in lieu of receiving cash compensation. Elective Deferrals are limited to pre-tax salary reduction contributions.

**Section 2.13 Employee** means each individual, whether appointed or elected, who is a common law employee of the Employer performing services as an employee of the Employer. This definition is not applicable unless the employee’s compensation for performing services is paid by the Employer. Further, a person occupying an elective or appointive public office is not an employee performing services unless such office is one to which an individual is elected or appointed only if the individual has received training, or is experienced, in the field of education. A public office includes any elective or appointive office of a State or local government. Any individual excluded pursuant to Section E of the Adoption Agreement is not an Employee and is not eligible to participate in the Plan.

**Section 2.14 Funding Vehicle** means an Annuity Contract or Custodial Account issued for funding amounts held under the Plan and specifically approved by Employer for use under the Plan.

**Section 2.15 Includible Compensation** means an Employee’s actual wages in box 1 of Form W-2 for a year for services to the Employer, but subject to a maximum of $200,000 (or such higher maximum as may apply under section 401(a)(17) of the Code) and increased (up to
the dollar maximum) by any compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including any Elective Deferral under the Plan). The amount of Includible Compensation is determined without regard to any community property laws.

Section 2.16 Individual Agreement means an agreement between a Vendor and the Employer or a Participant that constitutes or governs a Custodial Account or an Annuity Contract.

Section 2.17 Participant means an individual for whom Elective Deferrals are currently being made, or for whom Elective Deferrals have previously been made, under the Plan and who has not received a distribution of his or her entire benefit under the Plan.

Section 2.18 Plan means this 403(b) Plan together with the Adoption Agreement, collectively named as provided in Section C of the Adoption Agreement.

Section 2.19 Plan Year means the calendar year.

Section 2.20 Related Employer means the Employer and any other entity which is under common control with the Employer under section 414(b) or (c) of the Code. For this purpose, the Employer shall determine which entities are Related Employers based on a reasonable, good faith standard and taking into account the special rules applicable under Notice 89-23, 1989-1 C.B. 654.

Section 2.21 Severance from Employment means, for purpose of the Plan, a Severance from Employment with the Employer and any Related Employer. However, a Severance from Employment also occurs on any date on which an Employee ceases to be an employee of the Employer, even though the Employee may continue to be employed by a Related Employer that is another unit of the State or local government that is not a public educational organization or in a capacity that is not employment with a public educational organization (e.g., ceasing to be an employee performing services for a public educational organization but continuing to work for the same State or local government employer).

Section 2.22 Vendor means the provider of an Annuity Contract or Custodial Account. Approved Vendors that are permitted to receive contributions under Article III are listed in Appendix A to this Plan, as amended from time to time by the Administrator.

Section 2.23 Valuation Date is defined as each business day or as otherwise specified in an Individual Agreement.

ARTICLE III
PARTICIPATION AND CONTRIBUTIONS

Section 3.1 Eligibility. Each Employee shall be eligible to participate in the Plan and elect to have Elective Deferrals made on his or her behalf hereunder immediately upon becoming employed by the Employer. However, any individual excluded pursuant to Section E of the Adoption Agreement shall not be eligible to participate in the Plan.

Section 3.2 Compensation Reduction Election.
(a) **General Rule.** An Employee elects to become a Participant by executing an election to reduce his or her Compensation (and have that amount contributed as an Elective Deferral on his or her behalf) and filing it with the Administrator. This Compensation reduction election shall be made on the agreement provided by the Administrator under which the Employee agrees to be bound by all the terms and conditions of the Plan. The Administrator may establish an annual minimum deferral amount of no higher than $200 in Section F of the Adoption Agreement, and may change such minimum to a lower amount from time to time. The participation election shall also include designation of the Funding Vehicles and Accounts therein to which Elective Deferrals are to be made and a designation of Beneficiary. Any such election shall remain in effect until a new election is filed. Only an individual who performs services for the Employer as an Employee may reduce his or her Compensation under the Plan. Each Employee will become a Participant in accordance with the terms and conditions of the Individual Agreements. All Elective Deferrals shall be made on a pre-tax basis. Roth Elective Deferrals may be permitted by Section F.2 of the Adoption Agreement, and if elected by an employee, shall be made on an after-tax basis. An Employee shall become a Participant as soon as administratively practicable following the date applicable under the employee’s election.

**Section 3.3 Information Provided by the Employee.** Each Employee enrolling in the Plan should provide to the Administrator at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Administrator to administer the Plan, including any information required under the Individual Agreements.

**Section 3.4 Change in Elective Deferrals Election.** Subject to the provisions of the applicable Individual Agreements, an Employee may at any time revise his or her participation election, including a change of the amount of his or her Elective Deferrals, his or her investment direction, and his or her designated Beneficiary. A change in the investment direction shall take effect as of the date provided by the Administrator on a uniform basis for all Employees. A change in the Beneficiary designation shall take effect when the election is accepted by the Vendor.

**Section 3.5 Contributions Made Promptly.** Elective Deferrals under the Plan shall be transferred to the applicable Funding Vehicle within 15 business days following the end of the month in which the amount would otherwise have been paid to the Participant.

**Section 3.6 Leave of Absence.** Unless an election is otherwise revised, if an Employee is absent from work by leave of absence, Elective Deferrals under the Plan shall continue to the extent that Compensation continues.

**Section 3.7 Employer Contributions.** Employer non-elective contributions may be made to Participant Accounts only if elected by the Administrator in Sections F.3, F.4, or F.5 of the Adoption Agreement. All terms concerning eligibility, conditions, and payment of such employer contributions shall be specified in the Adoption Agreement, and shall be consistent with Section 403(b) and the final regulations, if such an election is made by the Administrator.
ARTICLE IV
LIMITATIONS ON AMOUNTS DEFERRED

Section 4.1 Basic Annual Limitation. Except as provided under any catch-up provisions selected in the Adoption Agreement, the maximum amount of the Elective Deferral under the Plan for any calendar year shall not exceed the lesser of (a) the applicable dollar amount or (b) the Participant's Includible Compensation for the calendar year. The applicable dollar amount is the amount established under section 402(g)(1)(B) of the Code, which is $15,500 for 2007, and is adjusted for cost-of-living after 2007 to the extent provided under section 415(d) of the Code.

Section 4.2 Coordination. Amounts in excess of the limitation set forth in Section 4.1 shall be allocated first to the special 403(b) catch-up and next as an age 50 catch-up contribution if such catch-up provisions are selected in Section H.1 or H.2 of the Adoption Agreement. However, in no event can the amount of the Elective Deferrals for a year be more than the Participant’s Compensation for the year.

Section 4.3 Special Rule: Participant Covered by Another Section 403(b) Plan. For purposes of this ARTICLE IV, if the Participant is or has been a participant in one or more other plans under section 403(b) of the Code (and any other plan that permits elective deferrals under section 402(g) of the Code), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this ARTICLE IV. For this purpose, the Administrator shall take into account any other such plan maintained by any Related Employer and shall also take into account any other such plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan. Notwithstanding the foregoing, another plan maintained by a Related Entity shall be taken into account for purposes of the special 403(b) catch-up provision, if applicable pursuant to the Adoption Agreement, only if the other plan is a § 403(b) plan.

Section 4.4 Correction of Excess Elective Deferrals. If the Elective Deferral on behalf of a Participant for any calendar year exceeds the limitations described above and in the Adoption Agreement, or the Elective Deferral on behalf of a Participant for any calendar year exceeds the limitations described above when combined with other amounts deferred by the Participant under another plan of the Employer under section 403(b) of the Code (and any other plan that permits elective deferrals under section 402(g) of the Code for which the Participant provides information that is accepted by the Administrator), then the Elective Deferral, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant.

Section 4.5 Protection of Persons Who Serve in a Uniformed Service. An Employee whose employment is interrupted by qualified military service under section 414(u) of the Code or who is on a leave of absence for qualified military service under section 414(u) of the Code may elect to make additional Elective Deferrals upon resumption of employment with the Employer equal to the maximum Elective Deferrals that the Employee could have elected during that period if the Employee’s employment with the Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by the Elective Deferrals, if any, actually made for the Employee during the period of the interruption or leave. Except to the
extent provided under section 414(u) of the Code, this right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave).
ARTICLE V
LOANS

Section 5.1 Loans. If so elected in Section I of the Adoption Agreement, Loans shall be permitted under the Plan as set forth in this ARTICLE V. Loans shall be permitted under the Plan to the extent permitted by the Individual Agreements controlling the Account assets from which the loan is made and by which the loan will be secured.

Section 5.2 Information Coordination Concerning Loans. Each Vendor is responsible for all information reporting and tax withholding required by applicable federal and state law in connection with distributions and loans. To minimize the instances in which Participants have taxable income as a result of loans from the Plan, the Administrator shall take such steps as may be appropriate to coordinate the limitations on loans set forth in Section 5.3, including the collection of information from Vendors, and transmission of information requested by any Vendor, concerning the outstanding balance of any loans made to a Participant under the Plan or any other plan of the Employer. The Administrator shall also take such steps as may be appropriate to collect information from Vendors, and transmission of information to any Vendor, concerning any failure by a Participant to repay timely any loans made to a Participant under the Plan or any other plan of the Employer.

Section 5.3 Maximum Loan Amount. No loan to a Participant under the Plan may exceed the lesser of:

(a) $50,000, reduced by the greater of (i) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made or (ii) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Administrator (not taking into account any payments made during such one-year period); or

(b) one half of the value of the Participant’s vested Account Balance (as of the valuation date immediately preceding the date on which such loan is approved by the Administrator).

For purposes of this Section 5.3, any loan from any other plan maintained by the Employer and any Related Employer shall be treated as if it were a loan made from the Plan, and the Participant’s vested interest under any such other plan shall be considered a vested interest under this Plan; provided, however, that the provisions of this paragraph shall not be applied so as to allow the amount of a loan to exceed the amount that would otherwise be permitted in the absence of this paragraph.

ARTICLE VI
BENEFIT DISTRIBUTIONS

Section 6.1 Benefit Distributions at Occurrence of Distribution Event. Except as permitted under Section 4.4 (relating to excess Elective Deferrals), Section 6.4 (relating to withdrawals of amounts rolled over into the Plan), Section 6.5 (relating to hardship), or Section 9.3 (relating to termination of the Plan), distributions from a Participant’s Account may not be made earlier than the earliest of the date on which the Participation has a Severance from
Employment, dies, becomes Disabled, or attains age 59½. Distributions shall otherwise be made in accordance with the terms of the Individual Agreements.

**Section 6.2 Small Account Balances.** The terms of the Individual Agreement may permit distributions to be made in the form of a lump-sum payment, without the consent of the Participant or Beneficiary, but no such payment may be made without the consent of the Participant or Beneficiary unless the Account Balance does not exceed $5,000 (determined without regard to any separate account that holds rollover contributions under Section 7.1) and any such distribution shall comply with the requirements of section 401(a)(31)(B) of the Code (relating to automatic distribution as a direct rollover to an individual retirement plan for distributions in excess of $1,000).

**Section 6.3 Minimum Distributions.** Each Individual Agreement shall comply with the minimum distribution requirements of section 401(a)(9) of the Code and the regulations thereunder. For purposes of applying the distribution rules of section 401(a)(9) of the Code, each Individual Agreement is treated as an individual retirement account (IRA) and distributions shall be made in accordance with the provisions of § 1.408-8 of the Income Tax Regulations, except as provided in § 1.403(b)-6(e) of the Income Tax Regulations.

**Section 6.4 In-Service Distributions From Rollover Account.** If a Participant has a separate account attributable to rollover contributions to the plan, to the extent permitted by the applicable Individual Agreement, the Participant may at any time elect to receive a distribution of all or any portion of the amount held in the rollover account.

**Section 6.5 Hardship Withdrawals.** If so elected in Section J of the Adoption Agreement, hardship withdrawals will be permitted under the Plan as follows:

(a) Hardship withdrawals shall be permitted under the Plan to the extent permitted by the Individual Agreements controlling the Account assets to be withdrawn to satisfy the hardship. If applicable under an Individual Agreement, no Elective Deferrals shall be allowed under the Plan during the 6-month period beginning on the date the Participant receives a distribution on account of hardship.

(b) The Individual Agreements shall provide for the exchange of information among the Employer and the Vendors to the extent necessary to implement the Individual Agreements, including, in the case of a hardship withdrawal that is automatically deemed to be necessary to satisfy the Participant’s financial need (pursuant to § 1.401(k)-1(d)(3)(iv)(E) of the Income Tax Regulations), the Vendor notifying the Employer of the withdrawal in order for the Employer to implement the resulting 6-month suspension of the Participant’s right to make Elective Deferrals under the Plan. In addition, in the case of a hardship withdrawal that is not automatically deemed to be necessary to satisfy the financial need (pursuant to § 1.401(k)-1(d)(3)(iii)(B) of the Income Tax Regulations), the Vendor shall obtain information from the Employer or other Vendors to determine the amount of any plan loans and rollover accounts that are available to the Participant under the Plan to satisfy the financial need.

**Section 6.6 Rollover Distributions.**
(a) A Participant or the Beneficiary of a deceased Participant (or a Participant’s spouse or former spouse who is an alternate payee under a domestic relations order, as defined in section 414(p) of the Code) who is entitled to an eligible rollover distribution may elect to have any portion of an eligible rollover distribution (as defined in section 402(c)(4) of the Code) from the Plan paid directly to an eligible retirement plan (as defined in section 402(c)(8)(B) of the Code) specified by the Participant in a direct rollover. In the case of a distribution to a Beneficiary who at the time of the Participant’s death was neither the spouse of the Participant nor the spouse or former spouse of the participant who is an alternate payee under a domestic relations order, a direct rollover is payable only to an individual retirement account or individual retirement annuity (IRA) that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of section 408(d)(3)(C) of the Code).

(b) Each Vendor shall be separately responsible for providing, within a reasonable time period before making an initial eligible rollover distribution, an explanation to the Participant of his or her right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover.

ARTICLE VII
ROLLOVERS TO THE PLAN AND TRANSFERS

Section 7.1 Eligible Rollover Contributions to the Plan.

(a) Eligible Rollover Contributions. To the extent provided in the Individual Agreements, an Employee who is a Participant who is entitled to receive an eligible rollover distribution from another eligible retirement plan may request to have all or a portion of the eligible rollover distribution paid to the Plan. Such rollover contributions shall be made in the form of cash only. The Vendor may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with section 402 of the Code and to confirm that such plan is an eligible retirement plan within the meaning of section 402(c)(8)(B) of the Code. However, unless otherwise provided in Section F.2 of the Adoption Agreement in no event does the Plan accept a rollover contribution from a Roth elective deferral account under an applicable retirement plan described in section 402A(e)(1) of the Code or a Roth IRA described in section 408A of the Code.

(b) Eligible Rollover Distribution. For purposes of Section 7.1(a), an eligible rollover distribution means any distribution of all or any portion of a Participant’s benefit under another eligible retirement plan, except that an eligible rollover distribution does not include (1) any installment payment for a period of 10 years or more, (2) any distribution made as a result of an unforeseeable emergency or other distribution which is made upon hardship of the employee, or (3) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under section 401(a)(9) of the Code. In addition, an eligible retirement plan means an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, a qualified trust described in section 401(a) of the Code, an annuity plan described in section 403(a) or 403(b) of the Code, or an eligible governmental plan described in section 457(b) of the Code, that accepts the eligible rollover distribution.
(c) **Separate Accounts.** The Vendor shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan.

**Section 7.2 Plan-to-Plan Transfers to the Plan.** If so elected in Section L of the Adoption Agreement, plan-to-plan transfers to the Plan will be permitted as follows:

(a) At the direction of the Employer, for a class of Employees who are participants or beneficiaries in another plan under section 403(b) of the Code, the Administrator may permit a transfer of assets to the Plan as provided in this Section 7.2. Such a transfer is permitted only if the other plan provides for the direct transfer of each person’s entire interest therein to the Plan and the participant is an employee or former employee of the Employer. The Administrator and any Vendor accepting such transferred amounts may require that the transfer be in cash or other property acceptable to it. The Administrator or any Vendor accepting such transferred amounts may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with §1.403(b)-10(b)(3) of the Income Tax Regulations and to confirm that the other plan is a plan that satisfies section 403(b) of the Code.

(b) The amount so transferred shall be credited to the Participant’s Account Balance, so that the Participant or Beneficiary whose assets are being transferred has an accumulated benefit immediately after the transfer at least equal to the accumulated benefit with respect to that Participant or Beneficiary immediately before the transfer.

(c) To the extent provided in the Individual Agreements holding such transferred amounts, the amount transferred shall be held, accounted for, administered and otherwise treated in the same manner as an Elective Deferral by the Participant under the Plan, except that (1) the Individual Agreement which holds any amount transferred to the Plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under section 403(b) of the Code, the Individual Agreement must impose restrictions on distributions to the Participant or Beneficiary whose assets are being transferred that are not less stringent than those imposed on the transferor plan and the transferred amount shall not be considered an Elective Deferral under the Plan in determining the maximum deferral under ARTICLE IV.

**Section 7.3 Plan-to-Plan Transfers from the Plan.** If so elected in Section M of the Adoption Agreement, plan-to-plan transfers from the Plan will be permitted as follows:

(a) At the direction of the Employer, the Administrator may permit a class of Participants and Beneficiaries to elect to have all or any portion of their Account Balance transferred to another plan that satisfies section 403(b) of the Code in accordance with §1.403(b)-10(b)(3) of the Income Tax Regulations. A transfer is permitted under this Section 7.3(a) only if the Participants or Beneficiaries are employees or former employees of the Employer (or the business of the Employer) under the receiving plan and the other plan provides for the acceptance of plan-to-plan transfers with respect to the Participants and Beneficiaries and for each Participant and Beneficiary to have an amount deferred under the other plan immediately after the transfer at least equal to the amount transferred.

(b) The other plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under section 403(b) of the Code, the other plan shall
impose restrictions on distributions to the Participant or Beneficiary whose assets are transferred that are not less stringent than those imposed under the Plan. In addition, if the transfer does not constitute a complete transfer of the Participant’s or Beneficiary’s interest in the Plan, the other plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant’s or Beneficiary’s interest in the transferor plan (e.g., a pro rata portion of the Participant’s or Beneficiary’s interest in any after-tax employee contributions).

(c) Upon the transfer of assets under this Section 6.3, the Plan’s liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary. The Administrator may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section 6.3 (for example, to confirm that the receiving plan satisfies section 403(b) of the Code and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to § 1.403(b)-10(b)(3) of the Income Tax Regulations.

Section 7.4 Contract and Custodial Account Exchanges. If so elected in Section K of the Adoption Agreement, contract and custodial account exchanges will be permitted as follows:

(a) A Participant or Beneficiary is permitted to change the investment of his or her Account Balance among the Vendors approved under the Plan and listed in Appendix A, subject to the terms of the Individual Agreements. The Adoption Agreement may also permit exchanges into the Plan from Funding Vehicles that previously accepted contributions from the Employer but are not currently authorized Vendors under the Plan. Exchanges from the Plan to a Funding Vehicle not currently authorized to accept contributions from the Employer are not permitted. However, an investment change that includes an investment with a Vendor that is not eligible to receive contributions under ARTICLE III (referred to below as an exchange) is not permitted unless the conditions in paragraphs (b) through (d) of this Section 7.4 are satisfied.

(b) The Participant or Beneficiary must have an Account Balance immediately after the exchange that is at least equal to the Account Balance of that Participant or Beneficiary immediately before the exchange (taking into account the Account Balance of that Participant or Beneficiary under both section 403(b) contracts and custodial accounts immediately before the exchange).

(c) The Individual Agreement with the receiving Vendor has distribution restrictions with respect to the Participant that are not less stringent than those imposed on the investment being exchanged.

(d) The Employer enters into an agreement with the receiving Vendor for the other contract or custodial account under which the Employer and the Vendor will from time to time in the future provide each other with the following information:

(1) Information necessary for the resulting contract or custodial account, or any other contract or custodial accounts to which contributions have been made by the Employer, to satisfy section 403(b) of the Code, including the following: (i) the Employer providing information as to whether the Participant’s employment with the
Employer is continuing, and notifying the Vendor when the Participant has had a Severance from Employment (for purposes of the distribution restrictions in Section 6.1); (ii) the Vendor notifying the Employer of any hardship withdrawal under Section 6.5 if the withdrawal results in a 6-month suspension of the Participant’s right to make Elective Deferrals under the Plan; and (iii) the Vendor providing information to the Employer or other Vendors concerning the Participant’s or Beneficiary’s section 403(b) contracts or custodial accounts or qualified employer plan benefits (to enable a Vendor to determine the amount of any plan loans and any rollover accounts that are available to the Participant under the Plan in order to satisfy the financial need under the hardship withdrawal rules of Section 6.5); and

(2) Information necessary in order for the resulting contract or custodial account and any other contract or custodial account to which contributions have been made for the Participant by the Employer to satisfy other tax requirements, including the following: (i) the amount of any plan loan that is outstanding to the Participant in order for a Vendor to determine whether an additional plan loan satisfies the loan limitations of Section 5.3, so that any such additional loan is not a deemed distribution under section 72(p)(1); and (ii) information concerning the Participant’s or Beneficiary’s after-tax employee contributions in order for a Vendor to determine the extent to which a distribution is includible in gross income.

(e) If any Vendor ceases to be eligible to receive Elective Deferrals under the Plan, the Employer will enter into an information sharing agreement as described in Section 6.4(d) to the extent the Employer’s contract with the Vendor does not provide for the exchange of information described in Section 6.4(d)(1) and (2).

Section 7.5 Permissive Service Credit Transfers.

(a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in section 414(d) of the Code) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion of the Participant’s Account Balance transferred to the defined benefit governmental plan. A transfer under this Section 7.5(a) may be made before the Participant has had a Severance from Employment.

(b) A transfer may be made under Section 7.5(a) only if the transfer is either for the purchase of permissive service credit (as defined in section 415(n)(3)(A) of the Code) under the receiving defined benefit governmental plan or a repayment to which section 415 of the Code does not apply by reason of section 415(k)(3) of the Code.

(c) In addition, if a plan-to-plan transfer does not constitute a complete transfer of the Participant’s or Beneficiary’s interest in the transferor plan, the Plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant’s or Beneficiary’s interest in the transferor plan (e.g., a pro rata portion of the Participant’s or Beneficiary’s interest in any after-tax employee contributions).
ARTICLE VIII
INVESTMENT OF CONTRIBUTIONS

Section 8.1 Manner of Investment. All Elective Deferrals or other amounts contributed to the Plan, all property and rights purchased with such amounts under the Funding Vehicles, and all income attributable to such amounts, property, or rights shall be held and invested in one or more Annuity Contracts or Custodial Accounts. Each Custodial Account shall provide for it to be impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the Custodial Account to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries.

Section 8.2 Investment of Contributions. Each Participant or Beneficiary shall direct the investment of his or her Account among the investment options available under the Annuity Contract or Custodial Account in accordance with the terms of the Individual Agreements. Transfers among Annuity Contracts and Custodial Accounts may be made to the extent provided in the Individual Agreements and permitted under applicable Income Tax Regulations.

Section 8.3 Current and Former Vendors. The Administrator shall maintain a list of all Vendors under the Plan. Such list is hereby incorporated as part of the Plan as Appendix A. Each Vendor and the Administrator shall exchange such information as may be necessary to satisfy section 403(b) of the Code or other requirements of applicable law. In the case of a Vendor which is not eligible to receive Elective Deferrals under the Plan (including a Vendor which has ceased to be a Vendor eligible to receive Elective Deferrals under the Plan and a Vendor holding assets under the Plan in accordance with Section 7.2 or Section 7.4), the Employer shall keep the Vendor informed of the name and contact information of the Administrator in order to coordinate information necessary to satisfy section 403(b) of the Code or other requirements of applicable law.

ARTICLE IX
AMENDMENT AND PLAN TERMINATION

Section 9.1 Termination of Contributions. The Employer has adopted the Plan with the intention and expectation that contributions will be continued indefinitely. However, the Employer has no obligation or liability whatsoever to maintain the Plan for any length of time and may discontinue contributions under the Plan at any time without any liability hereunder for any such discontinuance.

Section 9.2 Amendment and Termination. The Employer reserves the authority to amend or terminate this Plan at any time in its sole discretion.

Section 9.3 Distribution upon Termination of the Plan. The Employer may provide that, in connection with a termination of the Plan and subject to any restrictions contained in the Individual Agreements, all Accounts will be distributed, provided that the Employer and any Related Employer on the date of termination do not make contributions to an alternative section 403(b) contract that is not part of the Plan during the period beginning on the date of plan termination and ending 12 months after the distribution of all assets from the Plan, except as
permitted by the Income Tax Regulations.

ARTICLE X
MISCELLANEOUS

Section 10.1 Employer Authority. The Employer shall have discretionary and final authority to determine all questions concerning eligibility and contributions under the Plan, to interpret and construe all terms of the Plan, including any uncertain terms, and to determine any disputes arising under and all questions concerning administration of the Plan including making factual determinations. The Employer may employ attorneys, agents, and accountants as it finds necessary or advisable to assist it in carrying out its duties.

Section 10.2 Non-Assignability. Except as provided in Section 10.3 and Section 10.4, the interests of each Participant or Beneficiary under the Plan are not subject to the claims of the Participant’s or Beneficiary’s creditors; and neither the Participant nor any Beneficiary shall have any right to sell, assign, transfer, or otherwise convey the right to receive any payments hereunder or any interest under the Plan, which payments and interest are expressly declared to be non-assignable and non-transferable.

Section 10.3 Domestic Relation Orders. Notwithstanding Section 10.2, if a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child, or other dependent of a Participant is made pursuant to the domestic relations law of any State (“domestic relations order”), then the amount of the Participant’s Account Balance shall be paid in the manner and to the person or persons so directed in the domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan. The Administrator shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order.

Section 10.4 IRS Levy. Notwithstanding Section 10.2 the Administrator may pay from a Participant's or Beneficiary's Account Balance the amount that the Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

Section 10.5 Tax Withholding. Contributions to the Plan are subject to applicable employment taxes (including, if applicable, Federal Insurance Contributions Act (FICA) taxes with respect to Elective Deferrals, which constitute wages under section 3121 of the Code). Any benefit payment made under the Plan is subject to applicable income tax withholding requirements (including section 3401 of the Code and the Employment Tax Regulations thereunder). A payee shall provide such information as the Administrator may need to satisfy income tax withholding obligations, and any other information that may be required by guidance issued under the Code.

Section 10.6 Payments to Minors and Incompetents. If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of
giving valid receipt and discharge for such benefits, or is deemed so by the Administrator, benefits will be paid to such person as the Administrator may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

**Section 10.7 Mistaken Contributions.** If any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned directly to the Participant or, to the extent required or permitted by the Administrator, to the Employer.

**Section 10.8 Procedure When Distributee Cannot Be Located.** The Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt means (a) the mailing by certified mail of a notice to the last known address shown on the Employer’s or the Administrator's records, (b) notification sent to the Social Security Administration or the Pension Benefit Guaranty Corporation (under their program to identify payees under retirement plans), and (c) the payee has not responded within 6 months. If the Administrator is unable to locate such a person entitled to benefits hereunder, or if there has been no claim made for such benefits, the funding vehicle shall continue to hold the benefits due such person.

**Section 10.9 Non-Contractual.** Nothing contained in this Plan shall be construed as a commitment or agreement on the part of any Employee to continue his employment with the Employer and nothing contained in this Plan will be construed as a commitment on the part of the Employer to continue the employment or the rate of Compensation of any person for any period.

**Section 10.10 Claims of Other Persons.** No provisions in this Plan will be construed as giving any Employee or any other person, firm or corporation any legal or equitable right against the Employer, its officers, employees or directors, except for the rights that are specifically provided for in this Plan or created in accordance with the terms and provisions of this Plan.

**Section 10.11 Incorporation of Individual Agreements.** The Plan, together with the Individual Agreements, is intended to satisfy the requirements of section 403(b) of the Code and the Income Tax Regulations thereunder. Terms and conditions of the Individual Agreements are hereby incorporated by reference into the Plan, excluding those terms that are inconsistent with the Plan or section 403(b) of the Code.

**Section 10.12 Governing Law.** The Plan will be construed, administered and enforced according to the Code and the laws of the State in which the Employer has its principal place of business.

**Section 10.13 Headings.** Headings of the Plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.
Section 10.14 Gender. Pronouns used in the Plan in the masculine or feminine gender include both genders unless the context clearly indicates otherwise.
## APPENDIX A
### VENDOR INFORMATION

<table>
<thead>
<tr>
<th>Vendor Name</th>
<th>Period Active</th>
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<tr>
<td>American Express Financial Advisors</td>
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<td>American Funds Distributors, Inc.</td>
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<td>American Funds Service Co.</td>
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<td>Capital Guardian Trust Company</td>
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<td>Fidelity Investments Tax-Exempt Services Company</td>
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<td>Horace Mann Insurance Company</td>
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<td>Kemper Investors Life Insurance Company</td>
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<td>MassMutual Life Insurance Company</td>
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<td>Merrill Lynch</td>
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<td>The Equitable Life Assurance Society of the United States</td>
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<td>Travelers Insurance Company</td>
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<tr>
<td>Twentieth Century Securities Inc.</td>
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<tr>
<td>Variable Annuity Marketing Company (VALIC)</td>
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</table>
TO: Illinois State Board of Education

FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
Darren Reisberg, General Counsel/Deputy Superintendent
Linda Mitchell, Chief Financial Officer

Agenda Topic: Procurement Policy--Board Notification, Review, and/or Approval for the Processing of Contracts and Grants

Staff Contact(s): Dana Kinley, Principal Consultant, Rules and Waivers
Robert Wolfe, Division Administrator and Controller for Fiscal and Procurement Services

Purpose of Agenda Item
The purpose of this agenda item is for Board members to discuss the manner in which the Board would like to receive notification of, review and approve the Agency’s issuance of Requests for Sealed Proposals (“RFSPs”) (for contracts), Requests for Proposals (“RFPs”) (for competitive grants), and the awards of contracts and grants.

Relationship to/Implications for the State Board’s Strategic Plan
This policy impacts all aspects of the Board’s strategic plan as procurements are integral to all operations of the Agency.

Expected Outcome(s) of Agenda Item
The Board will be asked to identify preferences regarding the type of information to be provided by Agency staff as well as the timing and format of information as related to the processing of contracts and competitive grants.

Background Information
Contracts
The current authorization process for awarding contracts requires internal approvals from:

- The originating Division Administrator;
- The Assistant Superintendent over the originating Division; and
- The Expenditure Review Committee including the General Counsel/Deputy Superintendent (or his designee), the Division Administrator for Budget and Financial Management, the Chief Financial Officer, and the Division Administrator & Controller for Fiscal and Procurement Services.

After the receipt of internal approvals, the contract award or solicitation (i.e., RFSP) notices are posted on the Illinois Procurement Bulletin Board (IPBB) for a period of time required by the Illinois Procurement Code.

When it has been anticipated that a contract award will exceed $1 million dollars, Agency staff have simultaneously sought approval from the State Board of Education at a Board meeting to release the RFSP and the authority to execute a contract with the successful bidder based upon the terms outlined in the RFSP (without returning to the Board for approval to execute once the award was made).
For those occurrences when Agency staff did not initially anticipate a contract award to exceed $1 million when the originating RFSP was released, but the contract did exceed that amount (or was amended at a later point to exceed that amount), Agency staff have brought the matter to the Board for approval at a Board meeting to authorize execution of the contract or contract amendment.

Grants
The current authorization process for awarding competitive grants requires internal approvals from:
- The originating Division Administrator;
- The Assistant Superintendent over the originating Division;
- The Expenditure Review Committee including the General Counsel/Deputy Superintendent (or his designee), the Division Administrator for Budget and Financial Management, the Chief Financial Officer, and the Division Administrator & Controller for Fiscal and Procurement Services; and
- The State Superintendent.

In instances where it is known or anticipated that one or more individual awards will exceed $1 million during the course of the grant cycle, Agency staff have sought Board approval prior to or after the release of the RFP but prior to the execution of a grant agreement with the selected grantee(s). This practice is designed to minimize the amount of lapse time between when grantees are selected and the notification of awards (i.e., there is no requirement to wait for the next Board meeting after the grantees are selected by Agency staff under the terms of the RFP).

For those occurrences when Agency staff have not initially anticipated individual grant awards exceeding $1 million when the originating RFP was released, but grant amounts then did exceed that amount, Agency staff have brought the matter to the Board for approval at a Board meeting to authorize execution of the grant agreement or amendment to the grant agreement.

This agenda item seeks input from Board members regarding the type of information to be provided by Agency staff as well as the timing and format of information.

The following alternatives are submitted for consideration:

**Contract Authorizations:**

<table>
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<tr>
<th>Option #1</th>
<th>Continue with the current process where the Board: (a) simultaneously authorizes only the posting of RFSPs for which the resulting contract will exceed $1 million and the State Superintendent to enter into a contract with the successful bidder; and (b) authorizes contract amendments that cause the initial contract amount to surpass the $1 million threshold when Agency staff did not initially anticipate a contract award in excess of $1 million.</th>
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<tr>
<td>Option #2</td>
<td>Receive notice of RFSPs that will exceed $1 million via the State Superintendent after the RFSPs have been posted on the IPBB (instead of taking Board action to authorize the posting) and then: (a) authorize the award and execution of the resulting contracts (as well as any contract amendments that cause the overall contract amount to surpass the $1 million threshold).</td>
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<tr>
<td>Option #3</td>
<td>Authorize: (a) the posting of RFSPs in excess of $1 million; (b) the contract award after the evaluation of the proposals; and (c) contract amendments that cause the overall contract amount to surpass the $1 million threshold.</td>
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Grant Authorizations:

| Option #1 | Continue with the current process where the Board: (a) simultaneously authorizes the posting of an RFP for which there is an expectation of one or more grant awards over $1 million and the State Superintendent to make grant awards and enter into grant agreements with the awardees resulting from the RFP; and (b) authorizes individual grant awards over the $1 million threshold when Agency staff did not initially anticipate an individual grant award in excess of $1 million. |
| Option #2 | Receive notice from the State Superintendent of all RFPs after they have been posted and then authorize individual grant awards (and the execution of grant agreements) in excess of $1 million. |
| Option #3 | Authorize the posting of all RFPs without consideration of the prospective individual grant award amounts and authorize the award of all grants (and execution of grant agreements). |

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

Policy Implications: The current approval process requires Board authorization only for the State Superintendent to enter into contracts/grants that will exceed $1 million. In practice, this means that the Board is made aware of the Agency’s intent to enter into major contracts or grant agreements; however, it does not necessarily require that the contract/grant recipients be named prior to Board approval. The result of this process is that Board members often vote to award contracts and grants for specific purposes devoid of information as to the actual contract or grant recipients.

Also, the current approval process includes internal authorization but does not require Board approval, nor even Board notification, prior to the release of RFSPs/RFPs that involve resulting awards under $1 million.

Requiring Board approval to release RFSPs/RFPs and then again to make awards for all subsequent contracts/grants, though, would potentially require additional Agency staff time, and would likely increase the lapse time between release of the RFSPs/RFPs and the notification of awards due to the added requirement of Board approval that is available only on a once a month basis. The fact that the Board typically has limited meetings in July and August of each year further complicates the timeliness issue especially considering July and August are at the beginning of the State’s fiscal year when contract/grant activity is generally at its peak.

Budget Implications: The increased lapse time between the release of RFSPs/RFPs and the notification of awards could have an adverse effect on the recipients’ abilities to conduct the work of the contracts/grants and to access designated funds to complete the work. This issue is particularly poigniant with regard to state funds which have a restricted twelve month financial obligation period. There are bona fide instances when staff are not authorized to begin processing funds until August or September of the fiscal year which further reduces the time available to administer contract/grant competitions and make state-funded awards. An additional layer of approvals that can be sought only on a once per month basis could have an adverse impact on the timely implementation of programs.

Pros and Cons of Various Actions
The drawback to the current approval process is that the Board is taking action only to allow for the process to procure major contracts or grants, but does not act on the actual contract/grant recipients. Again, the rationale for this process is to minimize the time lapse between the release of RFSPs/RFPs and the notification of awards. Requiring Board approval to release
RFSPs/RFPs and then again to issue the subsequent awards would likely lengthen the time necessary to procure and execute contracts and grant agreements.

**Superintendent’s Recommendation**
I recommend that the following motion be adopted:

> The State Board of Education hereby authorizes the State Superintendent to implement the contract and grant approval process as discussed and recommended by the Board Operations Committee of the Whole.

**Next Steps**
Notice of changes, if any, to the contract and competitive grant approval process will be provided to Agency staff, and internal guidance information will be updated to reflect any new processing requirements.
ILLINOIS STATE BOARD OF EDUCATION MEETING
December 14-15, 2011

TO: Illinois State Board of Education
FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
Darren Reisberg, General Counsel

Agenda Topic: Mandated Reports
Materials: Listing of Federal and State Reports, and Other Information Collected

Staff Contact(s): Darren Reisberg, General Counsel

Purpose of Agenda Item
The purpose of this agenda item is to allow members of the Board Operations Committee of the Whole to once again review a listing of the reports prepared by the Agency which the Superintendent recommends the Board have an opportunity to either review for approval or review for informational purposes.

Relationship to/Implications for the State Board’s Strategic Plan
This agenda item reaches across all three of the Board’s Strategic Goals as well as the Mission Statement.

Mission Statement
The Illinois State Board of Education will provide leadership, assistance, resources and advocacy so that every student is prepared to succeed in careers and postsecondary education, and share accountability for doing so with districts and schools.

Strategic Goals:
1. Every student will demonstrate academic achievement and be prepared for success after high school.
2. Every student will be supported by highly prepared and effective teachers and school leaders.
3. Every school will offer a safe and healthy learning environment for all students.

Expected Outcome(s) of Agenda Item
The Board Operations Committee of the Whole will review this listing and consider the Superintendent’s recommendation on the continued delegation of authority for these reports.

Background Information
State and federal law requires the State Board of Education to prepare and publish or submit to the Governor, General Assembly or otherwise a multitude of reports, which we have included on the attached document. The School Code is generally not clear as to whether the State Board needs to formally approve these reports prior to publication or submission. With the exception of a few reports, the Board in May 2009 delegated reporting authority to the Superintendent, with the understanding that the Superintendent would keep the Board informed of reports submitted.

Superintendent Koch will continue to share reports with members as they are forwarded to the Governor and General Assembly, but he recommends that agenda planning be driven by substantive policy discussions, rather than report due dates.
Superintendent Koch recommends that the following reports continue to be reviewed by the Board:

**March/April**
- School District Financial Profile
- Special Education Performance Report

**June**
- Strategic Plan Progress Report
- Illinois Certification Testing System Basic Skills Pass Rate Summary
- Early Childhood Prevention Report

**October**
- Preschool for All Funding Report
- Preschool Educational Programs Triennial Report

**November**
- District/School Improvement Status Information

**December**
- ISBE Annual Report
  - Truants Alternative & Optional Education (TAOEP) Statistical and Evaluation Reports (Part of ISBE Annual Report)
  - Comprehensive Education Plan & Annual Budget (Board approves budget in January 2011, budget book developed following Board direction.)
- Charter Schools Biennial Report
- Education Funding Advisory Board (EFAB) Biennial Report
- Capital Needs Assessment Biennial Report
- Educationally Disadvantaged Children - Programs and Reimbursement Claims Biennial Report (December, even years)

**When Available**
- Early Childhood Block Grant Report
- Special Education Expenditure and Receipt Report
- Transitional Bilingual Education Report

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

<table>
<thead>
<tr>
<th>Policy Implications</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget Implications</td>
<td>None</td>
</tr>
<tr>
<td>Legislative Action</td>
<td>None</td>
</tr>
<tr>
<td>Communication</td>
<td>The State Superintendent will continue to communicate with Agency staff regarding the Board’s request for review of reports.</td>
</tr>
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</table>

**Superintendent’s Recommendation**

I recommend that the following motion be adopted:

The State Board of Education hereby authorizes the State Superintendent to implement the process for Board review of reports as discussed and recommended by the Board Operations Committee of the Whole.

**Next Steps**

Staff will proceed with ensuring that mandated reports and data collection are completed and submitted in a timely manner and a copy forwarded to members of the State Board of Education.
## ILLINOIS STATE BOARD OF EDUCATION
Federal and State Reports, and Other Information Collected

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>REPORT/DATA</th>
<th>DIVISION</th>
<th>DUE DATE/RECIPIENT</th>
<th>STATUTORY CITATION</th>
<th>REQUIREMENTS</th>
<th>SUPT. RECOMMENDATION FOR BOARD REVIEW (CURRENT PRACTICE)</th>
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<tbody>
<tr>
<td>Federal Programs</td>
<td><strong>Career and Technical Education Consolidated Annual Report</strong></td>
<td>Career &amp; Technical Education</td>
<td>December 31 To U.S. Secretary of Education</td>
<td>20 USC 2301 PL 109-270 Perkins IV 34 CFR 80.41</td>
<td>Reports the progress of the state in achieving the state-adjusted levels of performance on the core indicators of performance and additional indicators of performance, including the levels of performance for special population categories described in Section 3(29) of Perkins IV and other student categories described in Section 1111(h)(1)(C)(i) of the Elementary and Secondary Education Act of 1965 as amended by NCLB. Topics include the effectiveness of the tech prep program and information relative to the annual interim and final financial status reports pursuant to the Education Department General Education Regulations (EDGAR) in 34 CFR 80.41.</td>
<td>No (Board receives as an FYI)</td>
</tr>
<tr>
<td>Federal Programs</td>
<td><strong>Illinois Consolidated State Performance Reports (NCLB title programs)</strong></td>
<td>Coordinated by Data Analysis &amp; Progress Reporting</td>
<td>Varies, depending on dates established by USDE. Typically December (Part I) and January (Part II) of each year. To U.S. Department of Education</td>
<td>No Child Left Behind Act of 2001; multiple sections of the law</td>
<td>The report provides performance and other information about the use of funds received under NCLB. The specific information for each program and the required date of submission is provided to ISBE annually by USDE.</td>
<td>No</td>
</tr>
<tr>
<td>Federal Programs</td>
<td><strong>IDEA Part B Annual Performance Report</strong></td>
<td>Funding &amp; Disbursements</td>
<td>February 1 To U.S. Secretary of Education</td>
<td>20 USC 1416(b)(2)(C)(ii); 34 CFR §§300.602</td>
<td>Annually reports the state’s performance on the 20 indicators outlined in the State Performance Plan. Provides progress data for each indicator, compares these data to the targets outlined in the State Performance Plan, provides an explanation of progress or slippage, and revises improvement activities, as needed.</td>
<td>No</td>
</tr>
<tr>
<td>Federal Programs</td>
<td><strong>IDEA Part B State Performance Plan</strong></td>
<td>Funding &amp; Disbursements</td>
<td>February 1 every six years To U.S. Secretary of Education</td>
<td>20 USC 1416(b)(1)</td>
<td>A six-year state plan which outlines the state’s efforts to implement the requirements of IDEA, Part B, and describes how the state will improve such implementation. Specifically, 20 data-based studies are included.</td>
<td>No</td>
</tr>
<tr>
<td>CATEGORY</td>
<td>REPORT/DATA (NOTE: Text that is underlined serves as a link to the report/data online.)</td>
<td>DIVISION (Primary Staff for Board Presentation)</td>
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<tr>
<td>Federal Programs</td>
<td>IDEA Table 1: Report of Children with Disabilities Receiving Special Education Under Part B of IDEA</td>
<td>Funding &amp; Disbursements (Mitchell, Imler)</td>
<td>February 1</td>
<td>P.L. 108-446, Sec. 618(a)(1)(A)(i) &amp; Sec. 618(a)(3); 34 CFR 300.640, 300.644, 300.642(b), 300.643, 300.644, 300.645</td>
<td>Indicates that a count of children with disabilities receiving special education and related services is annually provided.</td>
<td>No</td>
</tr>
<tr>
<td>Federal Programs</td>
<td>IDEA Table 2: Personnel (In Full-Time Equivalency of Assignment) Employed to Provide Special Education and Related Services for Children with Disabilities</td>
<td>Funding &amp; Disbursements (Mitchell, Imler)</td>
<td>November 1</td>
<td>P.L. 108-446, Section 618 (a)(3); 34 CFR 300.640, 300.642(b), 300.645</td>
<td>Annually provides a count of full-time equivalent personnel employed or contracted to provide special education and related services on or about the child count date.</td>
<td>No</td>
</tr>
<tr>
<td>Federal Programs</td>
<td>IDEA Table 3: Part B, IDEA Implementation of FAPE Requirements</td>
<td>Funding &amp; Disbursements (Mitchell, Imler)</td>
<td>February 1</td>
<td>P.L. 108-446, Sections 618 (a)(1)(A)(ii), 618 (a)(1)(A)(iii), and 618 (a)(3); 34 CFR 300.640, 300.641, 300.642(b), 300.644, 300.645</td>
<td>Annually provides a count of children ages 3 to 21 served under the IDEA, Part B, program, according to their educational environments. Data reported by age, disability category, race/ethnicity, gender and limited English proficiency (LEP) status.</td>
<td>No</td>
</tr>
<tr>
<td>Federal Programs</td>
<td>IDEA Table 4: Report of Children with Disabilities Exiting Special Education</td>
<td>Funding &amp; Disbursements (Mitchell, Imler)</td>
<td>November 1</td>
<td>P.L. 108-446, Sections 618(a)(1)(A)(iv) and 618(a)(3); 34 CFR 300.640, 300.641(b) through 300.644(d), 300.642(b), 300.644, 300.645</td>
<td>Annually provides a count of the number of children with disabilities reported under IDEA, Part B, who exited special education between July 1 and June 30. Data provided by age, disability category, basis of exit, race/ethnicity, gender, and limited English proficiency (LEP) status.</td>
<td>No</td>
</tr>
<tr>
<td>CATEGORY</td>
<td>REPORT/DATA (NOTE: Text that is underlined serves as a link to the report/data online.)</td>
<td>DIVISION (Primary Staff for Board Presentation)</td>
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<tr>
<td>Federal Programs</td>
<td>IDEA Table 5: Report of Children with Disabilities Subject to Disciplinary Removal</td>
<td>Funding &amp; Disbursements (Mitchell, Imler)</td>
<td>November 1 To U.S. Secretary of Education</td>
<td>P.L. 108-446, Sections 618 (a)(1)(A)(v), 618(a)(1)(D), 618(a)(1)(E), 618(a)(3), and 618(d)(1)(C); 34 CFR 300.640, 300.641(b) through 300.641(d), 300.644, 300.645</td>
<td>Annually provides a count of the number of children with disabilities who were subject to disciplinary removal. Data are to be provided by disability category, race/ethnicity, gender, and limited English proficiency (LEP) status. States must report the number of children with disabilities ages 3 to 21 and the number of children without disabilities in kindergarten through grade 12 who were subject to expulsion during the school year and who received educational services during the expulsion. States must report the number of children with disabilities ages 3 to 21 and the number of children without disabilities in kindergarten through grade 12 who did not receive educational services during the removal.</td>
<td></td>
</tr>
<tr>
<td>Federal Programs</td>
<td>IDEA Table 6: Report of the Participation and Performance of Students with Disabilities on State Assessments</td>
<td>Funding &amp; Disbursements (Mitchell, Imler)</td>
<td>February 1 To U.S. Secretary of Education</td>
<td>P.L. 108-446, Sections 618 (a)(3); 34 CFR 300.640, 300.644, 300.645</td>
<td>Annually provides a report of participation and performance on state assessments for all students with IEPs. Includes students with IEPs who were not enrolled for a full academic year and students with IEPs with limited English proficiency (LEP).</td>
<td></td>
</tr>
<tr>
<td>Federal Programs</td>
<td>IDEA Table 7: Report of Dispute Resolution Under Part B of the IDEA</td>
<td>Funding &amp; Disbursements (Mitchell, Imler)</td>
<td>November 1 To U.S. Secretary of Education</td>
<td>P.L. 108-446, Sections 618 (a)(1)(F), 618(a)(1)(H), and 618(a)(3)</td>
<td>Annually reports the number of written complaints, mediation requests, due process complaints, and expedited due process complaints received and processed by the state between July 1 &amp; June 30.</td>
<td></td>
</tr>
<tr>
<td>Finance</td>
<td>Federal Aid Information (Form # 191) Application for Federal Assistance (Form # 192)</td>
<td>Budget (Mitchell, Taylor)</td>
<td>November 14 To Legislative Research Unit (LRU)</td>
<td>25 ILCS 130/4-2.1</td>
<td>Communicates to LRU information concerning federal funds received by ISBE so that LRU can carry forward the participation of this state as a member of the Council of State Governments.</td>
<td></td>
</tr>
<tr>
<td>Finance</td>
<td>Education Funding Advisory Board (EFAB) Report</td>
<td>Budget &amp; Financial Management (Mitchell)</td>
<td>January 1 of odd-numbered years To General Assembly</td>
<td>105 ILCS 5/18-8.05(M)</td>
<td>Provides recommendations for the foundation level and for the supplemental general state aid grant level for districts with high concentrations of children from poverty. The recommended foundation level is determined based on a</td>
<td></td>
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</tbody>
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SUPT. RECOMMENDATION FOR BOARD REVIEW (CURRENT PRACTICE) | No |

(December of even-years) ISBE has no authority to
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<tbody>
<tr>
<td>Finance</td>
<td>Budget Book (with Comprehensive Education Plan)</td>
<td>Budget &amp; Financial Management (Koch and Senior Staff)</td>
<td>January</td>
<td>105 ILCS 5/2-3.47</td>
<td>Provides statistical, descriptive and historical information about the agency and recommended funding levels for the agency's programs and operations.</td>
<td>No, Developed in conjunction w/budget hearings Sept. – Dec.</td>
</tr>
<tr>
<td>Finance</td>
<td>Expected Federal Funding Report</td>
<td>Budget &amp; Financial Management (Mitchell, Vespa)</td>
<td>November 1</td>
<td>30 ILCS 5/3-3A</td>
<td>Reports actual or estimated amount of federal funds to be received in the current fiscal year. Includes total estimated expenditures of federal funds and total estimated expenditures of all sources.</td>
<td>No</td>
</tr>
<tr>
<td>Finance</td>
<td>Preschool for All Funding Report</td>
<td>Early Childhood (Hernandez, Zumwalt)</td>
<td>November 1</td>
<td>105 ILCS 5/2-3.71(a)(6)</td>
<td>Provides the percentage of new Preschool for All funding that was provided to programs serving primarily at-risk children, the percentage of new funding provided to programs serving primarily children with a family income of less than four times the federal poverty level, and the percentage of new funding provided to other programs.</td>
<td>Yes, October</td>
</tr>
<tr>
<td>Finance</td>
<td>Capital Needs Assessment Report</td>
<td>School Business Services (Mitchell, Vespa)</td>
<td>January 1, 2005, and every two years thereafter</td>
<td>105 ILCS 230/5-60</td>
<td>Provides a comprehensive assessment of the capital needs of all school districts in Illinois.</td>
<td>Yes, December</td>
</tr>
<tr>
<td>Finance</td>
<td>School District Financial Profile</td>
<td>School Business Services (Mitchell, Vespa)</td>
<td>Annually</td>
<td>None</td>
<td>Based on information from the Annual Financial Report, the financial status for each school district is analyzed and a score calculated. Based on that score, districts are determined to be in the following categories: recognition, review, early warning and watch.</td>
<td>Yes, March</td>
</tr>
</tbody>
</table>

Methodology which incorporates the basic education expenditures of low-spending schools exhibiting high academic performance. approve or reject.
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<tr>
<td>Finance</td>
<td>Administrative Cost Limitation Violations and Waivers</td>
<td>School Business Services (Mitchell, Vespa)</td>
<td>Annually</td>
<td>105 ILCS 5/17-1.5(f)</td>
<td>Provides a list of the school districts that violate the limitation imposed by Section 17-1.5(c) and a list of the districts that waive the limitation by board action as provided in that section.</td>
<td>No</td>
</tr>
<tr>
<td>Finance</td>
<td>School Finance Authority (SFA) Annual Report and Plan: Hazel Crest SD 152.5</td>
<td>School Business Services (Mitchell, Vespa)</td>
<td>Annually, upon the SFA taking office From SFA to Governor, General Assembly</td>
<td>105 ILCS 5/1E-130</td>
<td>Details the audited financial statement for the school district for the preceding fiscal year, an approved financial plan and a statement of the major steps necessary to accomplish the objectives of the financial plan.</td>
<td>No ISBE has no authority to approve or reject.</td>
</tr>
<tr>
<td>Finance</td>
<td>School Finance Authority (SFA) Annual Report and Plan: Round Lake SD 116</td>
<td>School Business Services (Mitchell, Vespa)</td>
<td>Annually, upon the SFA taking office From SFA to Governor, General Assembly</td>
<td>105 ILCS 5/1E-130</td>
<td>Details the audited financial statement for the school district for the preceding fiscal year, an approved financial plan and a statement of the major steps necessary to accomplish the objectives of the financial plan.</td>
<td>No ISBE has no authority to approve or reject.</td>
</tr>
<tr>
<td>Finance</td>
<td>Special Education Expenditure and Receipt Report</td>
<td>School Business Services; Special Education Services (Mitchell, Vespa)</td>
<td>May 1 To Governor, General Assembly</td>
<td>105 ILCS 5/2-3.145</td>
<td>Identifies each school district's special education expenditures; receipts received from state, federal, and local sources; and net special education expenditures over receipts received, if applicable. Expenditures and receipts are calculated using data obtained from the Annual Financial Report, the Funding and Child Tracking System, and district enrollment information.</td>
<td>Yes April</td>
</tr>
<tr>
<td>Finance</td>
<td>Educationally Disadvantaged Children - Programs and Reimbursement Claims</td>
<td>Special Education Funding &amp; Disbursements (Hanselman)</td>
<td>January 20 of odd-numbered years To General Assembly</td>
<td>105 ILCS 5/14B-7</td>
<td>Reports on the programs and the claims, including detailed accounts for the last two years which the school district superintendents have submitted to the State Board of Education. The information enables the General Assembly to review in detail the scope of the total program and the desirability of whether or not to continue such a program.</td>
<td>Yes (Not previously reviewed by Bd.)</td>
</tr>
<tr>
<td>Personnel</td>
<td>Educator Supply and Demand Report</td>
<td>Data Analysis &amp; Progress Reporting</td>
<td>January 1 To Governor,</td>
<td>105 ILCS 5/2-3.11c</td>
<td>Addresses the relative supply and demand for education staff of Illinois public schools, as well as presents analyses of fields, content areas, and</td>
<td>No (Board will receive as an fyi.)</td>
</tr>
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<tr>
<td>Personnel</td>
<td>Noncertified Staff Salary Study</td>
<td>Data Analysis &amp; Progress Reporting</td>
<td>April 30</td>
<td>105 ILCS 5/2-3.103</td>
<td>Yes (previously) November/December</td>
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<td></td>
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<td>To all districts (on website); sent to all “employee organizations” defined in Section 2 Illinois Labor Relations Act [115 ILCS 5/2].</td>
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<tr>
<td>Personnel</td>
<td>Teacher Salary Study</td>
<td>Data Analysis &amp; Progress Reporting</td>
<td>April 30</td>
<td>105 ILCS 5/2-3.103</td>
<td>No</td>
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<td></td>
<td></td>
<td>To all districts &amp; all “employee organizations” (see above).</td>
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<tr>
<td>Personnel</td>
<td>Illinois Certification Testing System (ICTS) Basic Skills Pass Rate Summary</td>
<td>Educator Certification (Tomlinson)</td>
<td>August 1</td>
<td>105 ILCS 5/2-3.11d</td>
<td>Yes</td>
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<td></td>
<td></td>
<td>To Governor, General Assembly</td>
<td></td>
<td></td>
<td>(Not previously reviewed by Bd.)</td>
<td></td>
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<tr>
<td>School District Information</td>
<td>District/School Improvement Status Information</td>
<td>Assessment (Morrison)</td>
<td>None</td>
<td>None</td>
<td></td>
<td>by National Evaluation Systems, its certification testing contractor.</td>
</tr>
<tr>
<td>School District Information</td>
<td>Annual Statistical Report</td>
<td>Data Analysis &amp; Progress Reporting (Morrison, Johnson)</td>
<td>January 14 To Governor &amp; General Assembly</td>
<td>105 ILCS 5/2-3.11</td>
<td>Provides a statistical record of the condition of elementary and secondary schools in Illinois, including pupil statistics; staff, facilities, and program data; and finance information.</td>
<td>Yes November (Not previously reviewed by Bd.)</td>
</tr>
<tr>
<td>School District Information</td>
<td>Directories</td>
<td>Data Analysis &amp; Progress Reporting (Morrison, Johnson)</td>
<td>None</td>
<td>None</td>
<td></td>
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<tr>
<td>School District Information</td>
<td>Fall Housing Data</td>
<td>Data Analysis &amp; Progress Reporting (Morrison, Johnson)</td>
<td>None, except that fall housing data is obtained from SIS by October 15</td>
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</tr>
<tr>
<td>School District Information</td>
<td>Health Examination &amp; Immunization Data</td>
<td>Data Analysis &amp; Progress Reporting (Morrison, Johnson)</td>
<td>Upon receiving school district reports. To Department of Public Health</td>
<td>105 ILCS 5/27-8.1(6)</td>
<td>Provides information regarding student health examinations.</td>
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School District Information

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<tr>
<td>School District Information</td>
<td>Persistently Dangerous Schools</td>
<td>Innovation &amp; Improvement (Morrison, Chism)</td>
<td>Annually, List of such schools is published.</td>
<td>105 ILCS 5/2-3.134</td>
<td>Includes those schools that have been identified as “persistently dangerous” in accordance with ISBE’s definition, required under Title IX, Part E, Subpart 2, Section 9532 of NCLB. To date, no schools have been identified as “persistently dangerous”.</td>
<td>No</td>
</tr>
<tr>
<td>State Board of Education</td>
<td>Comprehensive Education Plan and Annual Budget (including proposed legislation to necessary for the plan’s implementation)</td>
<td>Budget &amp; Financial Management, Public Information, (Koch &amp; Mitchell)</td>
<td>None</td>
<td>Presented as part of the State Board Annual Report.</td>
<td>An analysis of education conditions statewide and a plan for the use of resources to meet the educational needs of the state. Revenue and expenditure information is also required.</td>
<td>Yes. Presented as part of the State Board Budget</td>
</tr>
<tr>
<td>State Board of Education</td>
<td>Catalogue of Reports</td>
<td>Governmental Relations</td>
<td>2nd Wednesday of January To Governor, General Assembly</td>
<td>105 ILCS 5/2-3.87</td>
<td>Summarizes each report that the State Board of Education was required to make during the preceding 12-month period.</td>
<td>No</td>
</tr>
<tr>
<td>State Board of Education</td>
<td>State Board Annual Report</td>
<td>Public Information (Koch, Morrison, Vanover)</td>
<td>January 14 To Governor, General Assembly</td>
<td>105 ILCS 5/1A-4(E) 105 ILCS 5/2-3.47</td>
<td>Provides a discussion of Illinois education in relation to five goal areas for improvement: Student performance, access to quality education, education workforce, learning environments and educational accountability/continuous improvement. Also provides student and teacher demographic information; information on teacher and administrator certification, and federal, state and local resources; and other data about Illinois education.</td>
<td>Yes December</td>
</tr>
<tr>
<td>State Board of Education</td>
<td>Strategic Plan Progress Report</td>
<td>Public Information (Koch,)</td>
<td>July 1 To Governor, General Assembly</td>
<td>105 ILCS 5/2-3.47a</td>
<td>Provides an annual progress report on the five-year comprehensive strategic plan for elementary and secondary education in Illinois. ISBE monitors progress on the initiatives and evaluates</td>
<td>Yes June</td>
</tr>
<tr>
<td>CATEGORY</td>
<td>REPORT/DATA (NOTE: Text that is underlined serves as a link to the report/data online.)</td>
<td>DIVISION (Primary Staff for Board Presentation)</td>
<td>DUE DATE/RECIPIENT</td>
<td>STATUTORY CITATION</td>
<td>REQUIREMENTS</td>
<td>SUPT. RECOMMENDATION FOR BOARD REVIEW (CURRENT PRACTICE)</td>
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<tr>
<td>State Board of Education</td>
<td>Educational Mandates Report</td>
<td>Rules &amp; Waivers (Reisberg, Helton)</td>
<td>March 1 To Governor, General Assembly</td>
<td>105 ILCS 5/2-3.104</td>
<td>the plan on an annual basis, making needed changes and additions to ensure that it remains a meaningful plan to lead education initiatives in Illinois.</td>
<td>No</td>
</tr>
<tr>
<td>State Board of Education</td>
<td>Waivers of School Code Mandates (Fall Report)</td>
<td>Rules and Waivers (Reisberg, Tuthill)</td>
<td>October 1 To General Assembly</td>
<td>105 ILCS 5/2-3.25g(d)</td>
<td>Summarizes requests for waivers of School Code mandates being transmitted to the Illinois General Assembly for its consideration. Also included are summaries of requests for waivers and modifications acted on by the State Superintendent of Education in accordance with Section 1A-4 of School Code (105 ILCS 5/1A-4), as well as applications that have been returned to school districts or other applicants.</td>
<td>No (Board will receive as an fyi.) Yes (previously) September</td>
</tr>
<tr>
<td>State Board of Education</td>
<td>Waivers of School Code Mandates (Spring Report)</td>
<td>Rules and Waivers (Reisberg, Tuthill)</td>
<td>March 1 To General Assembly</td>
<td>105 ILCS 5/2-3.25g(d)</td>
<td>Summarizes requests for waivers of School Code mandates being transmitted to the Illinois General Assembly for its consideration. Also included are summaries of requests for waivers and modifications acted on by the State Superintendent of Education in accordance with Section 1A-4 of School Code (105 ILCS 5/1A-4), as well as applications that have been returned to school districts or other applicants.</td>
<td>No (Board will receive as an fyi.) Yes (previously) February</td>
</tr>
<tr>
<td>State Programs</td>
<td>Career &amp; Technical Education Report</td>
<td>Career &amp; Technical Education (Morrison, Williams)</td>
<td>January 14 To Governor</td>
<td>105 ILCS 435/2(e-f)</td>
<td>Contains a statement of the extent to which vocational education has been established and maintained; a statement of the existing condition of vocational education; suggestions and recommendations with reference to the development of vocational education; recommendations on programs and policies to overcome sex bias and sex stereotyping in vocational education programming and an assessment of the state’s progress in achieving</td>
<td>No</td>
</tr>
<tr>
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<td>REPORT/DATA (NOTE: Text that is underlined serves as a link to the report/data online.)</td>
<td>DIVISION (Primary Staff for Board Presentation)</td>
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<td>REQUIREMENTS</td>
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<td>such goals prepared by the state vocational education sex equity coordinator pursuant to the federal vocational education law; and an itemized statement of the amounts of money received from federal and state sources, and of the objects and purposes to which the respective items of these several amounts have been devoted.</td>
<td>State Programs</td>
<td>Reading Improvement Block Grant Report</td>
<td>Innovation &amp; Improvement (Morrison, Chism)</td>
<td>Annually To General Assembly</td>
<td>105 ILCS 5/2-3.51</td>
</tr>
<tr>
<td>State Programs</td>
<td>Early Childhood Block Grant Report</td>
<td>Data Analysis &amp; Progress Reporting (Hernandez, Zumwalt)</td>
<td>Annually via the Prevention Initiative and Preschool Education reports</td>
<td>105 ILCS 5/1C-4</td>
<td>Reports to the leadership of the General Assembly on the progress made in implementing the Early Childhood Block Grant Program.</td>
<td>Yes When available, prior to submission.</td>
</tr>
<tr>
<td>State Programs</td>
<td>Preschool Educational Programs Report (includes prekindergarten at risk and Preschool for All)</td>
<td>Data Analysis &amp; Progress Reporting (Hernandez, Zumwalt)</td>
<td>November 1, 2010, and every 3 years thereafter To General Assembly</td>
<td>105 ILCS 5/2-3.71(a)(6)</td>
<td>Summarizes and provides analysis of the evaluation data obtained from programs participating in the Prekindergarten Program for Children at Risk of Academic Failure and the Preschool for All Children program.</td>
<td>Yes October</td>
</tr>
<tr>
<td>State Programs</td>
<td>Early Childhood Prevention Initiative Report</td>
<td>Data Analysis &amp; Progress Reporting (Hernandez, Zumwalt)</td>
<td>July 1, 2006, and every 2 years thereafter To General Assembly</td>
<td>105 ILCS 5/2-3.89(c)</td>
<td>Summarizes and provides analysis of the data obtained from projects participating in the Prevention Initiative Program.</td>
<td>Yes June, even-years (Not previously reviewed by Bd.)</td>
</tr>
<tr>
<td>State Programs</td>
<td>Transitional Bilingual Education Report</td>
<td>Data Analysis &amp; Progress Reporting</td>
<td>Annually. Made available in the shortest feasible time after it is publicly</td>
<td>105 ILCS 5/2-3.39(7)</td>
<td>Provides an evaluation of the program, the need for continuing the program, and recommendations for improvement.</td>
<td>Yes Annually, prior to release of report.</td>
</tr>
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<tr>
<td>State Programs</td>
<td>Truants' Alternative and Optional Education (TAOEP) Statistical and Evaluation Reports</td>
<td>Data Analysis &amp; Progress Reporting (Hanselman, Andel)</td>
<td>None</td>
<td>None</td>
<td>Provides information relative to the programs funded under TAOEP; information gathered is also used in the State Board’s annual report required under 105 ILCS 5/1A-4.</td>
<td>(Not previously reviewed by Bd.)</td>
</tr>
<tr>
<td>State Programs</td>
<td>Charter Schools Biennial Report</td>
<td>LEGAL (Reisberg, Saba)</td>
<td>2nd Wednesday of January of odd-numbered years To Governor, General Assembly</td>
<td>105 ILCS 5/27A-12</td>
<td>Reflects data &amp; operations of Illinois charter schools from the prior school year, including descriptions of all operating charter schools, school &amp; student demographic information, student assessment information &amp; recommendations for statutory change.</td>
<td>Yes Annually (Not previously reviewed by Bd.)</td>
</tr>
<tr>
<td>State Programs</td>
<td>Private Business &amp; Vocational Schools’ Visitation &amp; Complaint Report</td>
<td>Educator &amp; School Development</td>
<td>2nd week of January To General Assembly and State Board of Education</td>
<td>105 ILCS 425/14.2(5)</td>
<td>Lists all private business and vocational school names, addresses, visitation dates and complaints for the prior calendar year.</td>
<td>No (Board will receive as an fyi.) Not currently being filed with State Board Members</td>
</tr>
<tr>
<td>State Programs</td>
<td>Regional Safe Schools Program Data</td>
<td>Special Education Services (Hanselman, Andel)</td>
<td>Annually</td>
<td>None</td>
<td>Provides information about the programs funded under Article 13A of the School Code.</td>
<td>No</td>
</tr>
<tr>
<td>State Programs</td>
<td>School Breakfast Incentives – Annual Report</td>
<td>Nutrition Programs (Tomlinson, Schmitt)</td>
<td>March 1 To Governor, General Assembly</td>
<td>105 ILCS 125/4</td>
<td>Provides information relative to participant schools in the School Breakfast Incentive Program.</td>
<td>No</td>
</tr>
<tr>
<td>State Programs</td>
<td>Special Education Performance Report</td>
<td>Special Education</td>
<td>Annually</td>
<td>None except that information relative to</td>
<td>Presents key performance data for students with disabilities that ISBE regularly reports to the U.S.</td>
<td>Yes Annually, when</td>
</tr>
<tr>
<td>CATEGORY</td>
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<td>DIVISION (Primary Staff for Board Presentation)</td>
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<td></td>
<td>Services (Hanselman, Andel)</td>
<td>To ISBE members, State Superintendent, Advisory Council on Education of Children with Disabilities, Due Process Screening Committee</td>
<td>the evaluation of the due process hearing system is required under 105 ILCS 5/14-8.02d</td>
<td>Department of Education. The report also includes a background section with an overall picture of students with disabilities in Illinois; includes a review of the due process hearing system, as already noted; and reports information gathered through the special education census required under 105 ILCS 5/2-3.30.</td>
<td>available. (Not previously reviewed by Bd.)</td>
<td></td>
</tr>
<tr>
<td>State Programs</td>
<td>Interagency Coordinating Council on Transition Special Education Services and IDHS (Hanselman, Andel)</td>
<td>On or before March 1 To Governor, General Assembly</td>
<td>20 ILCS 3970/5</td>
<td>Reports the Council’s activities for the preceding fiscal year. The report also includes the Council’s recommendations for administrative or legislative policies and programs which will enhance the delivery of transition services.</td>
<td>No</td>
<td></td>
</tr>
</tbody>
</table>
ILLINOIS STATE BOARD OF EDUCATION MEETING
December 14-15, 2011

TO: Illinois State Board of Education

FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
Jean Ladage, Board Services Coordinator

Agenda Topic: Board Operations Review

Materials: Comparative Statement of State Board Member Expenditures

Staff Contact(s): Robert Wolfe, Division Administrator & Controller, Fiscal & Procurement Services

Purpose of Agenda Item
The Board will have an opportunity to continue the discussion of expenses.

Background
Beginning in January 2011, the Board has been conducting a periodic review of Board expenses in order to continue monitoring the Board’s efforts to reduce costs. It has been expected that the savings would decrease since the Board began meeting via video-conference more often in calendar year January 2010, and the Board and staff have begun being more mindful of cost-saving scheduling tactics.

Recommended Motion
No action necessary. This is a discussion item only.

### Comparative Statement of State Board Member Expenditures

<table>
<thead>
<tr>
<th></th>
<th>FY12</th>
<th>FY11</th>
<th>FY10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregate amount for all Members of the ISBE Board</td>
<td>$7,219</td>
<td>$8,333</td>
<td>$15,281</td>
</tr>
<tr>
<td>Reimbursements for In-State Travel Expenses</td>
<td>$2,113</td>
<td>$3,034</td>
<td>$6,086</td>
</tr>
<tr>
<td>Reimbursements for Out-of-State Travel Expenses</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Direct Bill Lodging Expenditures</td>
<td>$1,725</td>
<td>$1,882</td>
<td>$3,361</td>
</tr>
<tr>
<td>Direct Bill State Plane</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Food Service at State Board Meetings</td>
<td>$2,431</td>
<td>$2,618</td>
<td>$3,334</td>
</tr>
<tr>
<td>$50 Claim for Expenses as per 105 ILCS 5/1A-2*</td>
<td>$950</td>
<td>$900</td>
<td>$2,500</td>
</tr>
<tr>
<td>Total</td>
<td>$7,219</td>
<td>$8,333</td>
<td>$15,281</td>
</tr>
<tr>
<td>Difference between Fiscal Years</td>
<td>($1,114)</td>
<td>($5,948)</td>
<td></td>
</tr>
<tr>
<td>Percentage difference between Fiscal Years</td>
<td>-13.37%</td>
<td>-45.47%</td>
<td></td>
</tr>
</tbody>
</table>

*105 ILCS 5/1A-2 in part states:

Members shall be reimbursed for all ordinary and necessary expenses incurred in performing their duties as members of the Board. Expenses shall be approved by the Board and be consistent with the laws, policies, and requirements of the State of Illinois regarding such expenditures, plus any member may include in his claim for expenses $50 per day for meeting days.

This claim for expenses covers all costs incurred by State Board Member throughout the year that are not reimbursed.
TO: Illinois State Board of Education
FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
      Jean Ladage, Board Services Coordinator

Agenda Topic: Board Operations Efficiency

Materials: Options for January 2012 Schedule of Meetings
          2012 Calendar of Meetings

Purpose of Agenda Item
The purpose of this agenda item is for the Board to have an opportunity to discuss Board Operations and suggestions for change.

Relationship to/Implications for the State Board’s Strategic Plan
Action at meetings of the State Board of Education allows for the implementation of the Board’s Strategic Plan.

Background Information
In an effort to increase efficiency in the operations of the Board’s committee meetings and plenary session, staff are experimenting this month with an omnibus roll call for each day.

Attached are potential options for scheduling committee discussions in January 2012, including a one-day meeting schedule and various options for two-day scheduling.

Pros and Cons
Pros:
  • One-day meeting: A one-day meeting will allow Board Members and staff to have office hours for a full day on Wednesday.

  • Two-day meeting with 2:00 p.m. start: Starting earlier in the afternoon on Wednesday will allow more committee meetings to be held on Wednesday before the dinner hour and members would be returning home on Thursday at an earlier hour.

  • Two-day 4:00 p.m. start: Starting later in the day on Wednesday will allow Board Members and staff to have additional office hours on Wednesday. A later start would also provide an opportunity for parents and school personnel to attend committee meetings on Wednesday evening.
Cons:

- **One-day meeting:** Scheduling a one-day meeting could increase operational expenses for Board travel. Members will likely still need to arrive Wednesday evening in order for the meeting to begin by 8:30 a.m. on Thursday and those members who do not wish to drive back to their residences after dark will stay in Springfield after adjournment on Thursday.

  Additionally, options for the timing of closed session need to be discussed as lunch with invited guests could be prevented if the Board needs to meet in closed session over lunch. Having a break for lunch in addition to closed session causes further wait time for guests and constituents attending the meeting.

  Finally, for certain meetings, such as the meeting in January where the Board will be considering the Fiscal Year 2013 budget recommendation, the late evening hours between the two days of a two-day meeting are often necessary for ISBE staff to rework the budget documents in light of Board input so as to present the reworked documents back to the Board for a final vote.

- **Two-day meeting with 2:00 p.m. start:** Starting earlier in the afternoon on Wednesday is inconvenient for some members needing to hold meetings in their business offices.

- **Two-day 4:00 p.m. start:** Starting later in the afternoon on Wednesday will cause for a break for an evening meal, hence visitors waiting for the Board to resume committee meetings.

**Expected Outcomes**

Staff look forward to receiving feedback and suggestions for additional change.

**Superintendent’s Recommendation**

This is a discussion item only. No need for Board action.
### Options for 2-day agenda for January 2012

#### Wednesday – Option A

**Wednesday, January 25, 2012**

**NOTE:** Starting by 1:00 will allow Gov’t Relations to meet for 1 hour on Wednesday rather than holding ‘til Thursday.

**Roll Call/Pledge of Allegiance** 2:00 p.m.
- Consideration of and Possible Actions on Any Requests for Participation in Meeting by Other Means

**Finance & Audit Discussion** 2:00 – 4:00 p.m. (2 hr)
- Public Participation
- Approval of Minutes: December Finance & Audit Committee Meeting
- *Contracts Over $1 Million*
  1. ___________
  2. ___________
- *Discussion of FY13 Budget Recommendation (approx. 2 hours)*

**Rules Discussion** 4:00 p.m. – 5:00 p.m.
- Public Participation
- Approval of Minutes: December Rules Committee Mtg
- *Rules for Initial Review* *(TENTATIVE LISTING)*
  - Part 1, Public Schools Evaluation, Recognition and Supervision *(Vicki Phillips)*
  - Part 24 (Standards for All Illinois Teachers) *(Vicki Phillips)*
  - Part 26, Standards for Certification in Early Childhood Education and in Elementary Education *(Vicki Phillips)*
  - Part 27, Standards for Certification in Specific Teaching Fields *(Phillips)*
- *Rules for Adoption*

**Board Operations Discussion** 5:00 – 5:15 p.m.
- *Review Nominations for Recognition* *(pp. )
- Board Operations Discussion – opportunity for review

5:15 – 5:45 p.m. - **Closed Session as necessary following Board Operations Committee**

Dinner on your own

#### Wednesday – Option B

**Wednesday, January 25, 2012**

**Roll Call/Pledge of Allegiance** 4:00 p.m.
- Consideration of and Possible Actions on Any Requests for Participation in Meeting by Other Means

**Finance & Audit Discussion** 4:00 – 6:00 p.m. (2 hr)
- Public Participation
- Approval of Minutes: December Finance & Audit Committee Meeting
- *Contracts Over $1 Million*
  3. ___________
  4. ___________
- *Discussion of FY13 Budget Recommendation (approx. 2 hours)*

6:00 – 6:30 p.m. Break for dinner (catered)

**Rules Discussion** 6:30 p.m. – 7:30 p.m.
- Public Participation
- Approval of Minutes: December Rules Committee Mtg
- *Rules for Initial Review* *(TENTATIVE LISTING)*
  - Part 1, Public Schools Evaluation, Recognition and Supervision *(Vicki Phillips)*
  - Part 24 (Standards for All Illinois Teachers) *(Vicki Phillips)*
  - Part 26, Standards for Certification in Early Childhood Education and in Elementary Education *(Vicki Phillips)*
  - Part 27, Standards for Certification in Specific Teaching Fields *(Phillips)*
- *Rules for Adoption*

**Board Operations Discussion** 7:30 – 7:45 p.m.
- *Review Nominations for Recognition* *(pp. )
- Board Operations Discussion – opportunity for review

7:45 – 8:15 p.m. - **Closed Session as necessary following Board Operations Committee**
Thursday, January 26, 2012

I. Reconvene/Roll Call 8:45 a.m.

II. Governmental Relations Discussion (Lanita Koster, Committee Chair) 8:45 – 9:45 a.m.
   A. Public Participation
   B. Approval of Minutes: December Governmental Relations Committee Meeting
   C. *ISBE Legislative Proposals (30 – 40 minutes??)
   D. Legislative Update (15 min.)

III. Education Policy Discussion (David Fields, Committee Chair) 9:45 a.m. – 12:45 p.m. (3 hours)
   E. Approval of Minutes: December Education Policy Committee Meeting
   F. Joint Discussion with IBHE re Educator Training (Tentative – 2 hours – IBHE has been invited)
   G. ESEA Waiver Application (20 min.)
   H. District Oversight – Monthly Update (verbal update) (Superintendent Koch) (15 min.)
   I. Strategic Agenda Update (verbal update) (Superintendent Koch, Susie Morrison) (20 min.)
      1. Common Core Standards and Assessment
      2. Teacher/Leader Quality
      3. Longitudinal Data System
      4. Improving Low-Performing Schools

Break for lunch 12:45 – 1:30 (Tentative lunch with IBHE members attending)

IV. Plenary Session – Call to Order (Gery J. Chico, Chairman) 1:30 p.m.

V. Public Participation (up to 30 minutes) 1:30 – 2:00 p.m. (as needed)

VI. Resolutions & Recognition (as needed)

VII. Consent Agenda 2:00 – 2:15 p.m.
   All action consideration items listed with an asterisk (*) below are considered to be routine and will be enacted in one motion and vote. Any board member who wishes separate discussion on any item listed on the consent agenda may remove that item from the consent agenda, in which event, the item will be considered in its normal sequence.
   Superintendent’s Report
      A. *Approval of Minutes: December 15, 2011
      B. *Rules for Initial Review
         1. Part 1, Public Schools Evaluation, Recognition and Supervision
         2. Part 24 (Standards for All Illinois Teachers)
         3. Part 26, Standards for Certification in Early Childhood Education and in Elementary Education
         4. Part 27, Standards for Certification in Specific Teaching Fields
      C. *Rules for Adoption
         a.
         b.
      D. *Contracts and Grants Over $1 Million
      E. *Approval of ESEA Waiver Application

End of Consent Agenda

F. Legislative Proposals 2:15 – 2:25 p.m.
   (revised handout as discussed in Governmental Relations Committee)

G. Approval of FY13 State Board of Education Budget 2:25 – 2:45 p.m.
   (handout as discussed in Finance & Audit)

H. District Oversight (as needed) 2:45 – 3:00 p.m.

VIII. New Business (as needed)
IX. Announcements and Reports
   A. IBHE Liaison Report (Dr. Proshanta Nandi)
   B. P-20 Council Liaison Report (Joyce Karon)
   C. Superintendent’s/Senior Staff Announcements
   D. Chairman’s Report
   E. Member Reports

X. Information Items
   A. ISBE Fiscal & Administrative Monthly Reports (available online at www.isbe.net/board/fiscal_admin_rep)

XI. Adjourn

All State Board of Education meetings listed on this agenda will be accessible to persons with disabilities. Persons planning to attend who need special accommodations should contact the Board office no later than the date prior to the meeting. Contact the Superintendent's office at the State Board of Education, Phone: 217-782-2221; TTY/TDD: 217-782-1900; Fax: 217-785-3972.

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

NOTE: Chairman Chico may call to order the Board’s plenary session early for the sole purpose of hearing a motion to go into closed session. In such case, the plenary session will reconvene for action items at the time posted. Chairman Chico may also call for a break in the plenary session on Thursday at which time the Board will go into closed session.
Thursday, January 26, 2012

I. Roll Call/Pledge of Allegiance 8:30 a.m.
   A. Consideration of and Possible Actions on Any Requests for Participation in Meeting by Other Means

II. Finance & Audit Discussion (Jim Baumann, Committee Chair) 8:30 – 10:30 a.m. (2 hours)
   A. Public Participation
   B. Approval of Minutes: December Finance & Audit Committee Meeting
   C. *Contracts Over $1 Million
   1. ___________
   D. *Discussion of FY13 Budget Recommendation (approx. 2 hours)

III. Rules Discussion (Gery J. Chico, Chairman) 10:30 – 11:30 a.m.
   A. Public Participation
   B. Approval of Minutes: December Rules Committee Meeting
   C. *Rules for Initial Review (TENTATIVE)
      1. Part 1, Public Schools Evaluation, Recognition and Supervision (Vicki Phillips)
      2. Part 24 (Standards for All Illinois Teachers) (Vicki Phillips)
      3. Part 26, Standards for Certification in Early Childhood Education and in Elementary Education (Vicki Phillips)
      4. Part 27, Standards for Certification in Specific Teaching Fields (Vicki Phillips)
   D. *Rules for Adoption
      1.
      2.

Break for lunch 11:30 – 12:30 (closed session as necessary over lunch) – restricts the opportunity for lunch with IBHE guests.

IV. Governmental Relations Discussion (Lanita Koster, Committee Chair) 12:30 – 1:30 p.m.
   A. Public Participation
   B. Approval of Minutes: December Governmental Relations Committee Meeting
   C. *ISBE Legislative Proposals (30 – 40 minutes??)
   D. Legislative Update (15 min.)

V. Education Policy Discussion (David Fields, Committee Chair) 1:30 – 4:30 p.m. (3 hours)
   A. Approval of Minutes: December Education Policy Committee Meeting
   B. Joint Discussion with IBHE re Educator Training (Tentative – 2 hours – IBHE has been invited)
   C. ESEA Waiver Application (20 min.)
   D. District Oversight – Monthly Update (verbal update) (Superintendent Koch) (10 min.)
   E. Strategic Agenda Update (verbal update) (Superintendent Koch, Susie Morrison) (20 min.)
      1. Common Core Standards and Assessment
      2. Teacher/Leader Quality
      3. Longitudinal Data System
      4. Improving Low-Performing Schools

VI. Board Operations Discussion (Gery J. Chico, Chairman) 4:30 – 4:45 p.m.
   A. *Review Nominations for Recognition (pp.)
   B. Board Operations Discussion – opportunity for review
VII. Plenary Session – Call to Order (Gery J. Chico, Chairman) 4:45 p.m.

VIII. Public Participation (up to 30 minutes) 4:45 – 5:15 p.m. (as needed)

IX. Resolutions & Recognition (as needed)

X. Consent Agenda 5:15 – 5:30 p.m.

Superintendent’s Report
A. *Approval of Minutes: December 15, 2011
B. *Rules for Initial Review
   1. Part 1, Public Schools Evaluation, Recognition and Supervision
   2. Part 24 (Standards for All Illinois Teachers)
   3. Part 26, Standards for Certification in Early Childhood Education and in Elementary Education
   4. Part 27, Standards for Certification in Specific Teaching Fields
C. *Rules for Adoption
   1.
D. *Contracts and Grants Over $1 Million
E. *Approval of ESEA Waiver Application

End of Consent Agenda
F. Legislative Proposals 5:30 – 5:45 p.m.
   (revised handout as discussed in Governmental Relations Committee)

G. Approval of FY13 State Board of Education Budget 5:45 – 6:05 p.m.
   (handout as discussed in Finance & Audit)

H. District Oversight (as needed) 6:05 – 6:20 p.m.

XI. New Business (as needed)

XII. Announcements and Reports 6:20 – 6:50 p.m.
A. IBHE Liaison Report (Dr. Proshanta Nandi)
B. P-20 Council Liaison Report (Joyce Karon)
C. Superintendent’s/Senior Staff Announcements
D. Chairman’s Report
E. Member Reports

XIII. Information Items
A. ISBE Fiscal & Administrative Monthly Reports (available online at www.isbe.net/board/fiscal_admin_rep)

XIV. Adjourn

All State Board of Education meetings listed on this agenda will be accessible to persons with disabilities. Persons planning to attend who need special accommodations should contact the Board office no later than the date prior to the meeting. Contact the Superintendent’s office at the State Board of Education, Phone: 217-782-2221; TTY/TDD: 217-782-1900; Fax: 217-785-3972.

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

NOTE: Chairman Chico may call to order the Board’s plenary session early for the sole purpose of hearing a motion to go into closed session. In such case, the plenary session will reconvene for action items at the time posted. Chairman Chico may also call for a break in the plenary session on Thursday at which time the Board will go into closed session.