AGENDA (timeframes are estimated for planning purposes)

I. Roll Call

II. Board Member Participation by Other Means

III. Public Participation 11:30 – 11:45 a.m.

IV. Discussion Item: General State Aid Formula (pp. 2-5) 11:45 – 12:15 p.m.
   (Linda Mitchell, Scott Taylor)

12:15 – 12:45 – Break for Lunch

V. *Recommend Dissolution of Round Lake School Finance Authority (pp. 6-9) 12:45 – 1:00 p.m.
   (Deb Vespa)

VI. *Recommend Adoption of Resolution to Recognize Round Lake Financial Oversight Panel (p. 10) 1:00 – 1:05 p.m.
   (Deb Vespa)

VII. *Financial & Compliance Audit Report (Melissa Oller) (pp. 11-12) 1:05 – 1:15 p.m.

VIII. *FY11 Audit Plan Amendment (Melissa Oller) (pp. 13-15) 1:15 – 1:20 p.m.

IX. *Contracts & Grants Over $1 Million 1:20 – 1:45 p.m.
   A. FY12 1003 School Improvement Grants (Monique Chism) (pp. 16-17)
   B. 21st Century Community Learning Center Grants (Monique Chism) (pp. 18-20)
   C. Illinois Service Resource Center (ISRC) Grants (David Andel) (pp. 21-24)
   D. Illinois Statewide Assistive Technical Assistance Center (ISTAC) (David Andel) (pp. 25-26)
   E. Illinois Statewide Assistive Technology Grants Overview (David Andel) (pp. 27-37)
      1. Technical Assistance and Training Program
      2. Device Loan Network
      3. Exchange Network
   F. RFSP Special Education Child Tracking & Personnel Reimbursement Database (David Andel) (pp. 38-41)
   G. Contract Amendment - Shefsky & Froelich, Ltd. (Darren Reisberg) (pp. 42-44)
   H. Contract Renewal for Peoria County ROE – Virtual School (Marica Cullen) (pp. 45-47)
   I. Contract Renewal - Illinois Migrant Council (Robin Lisboa) (pp. 48-50)

X. *Qualified Zone Academy Bond (QZAB) Authorizations (Deb Vespa) (pp. 51-58) 1:45 – 1:55 p.m.

XI. District Oversight – Monthly Update (Superintendent Koch, John Perkins) (pp. 59-130) 1:55 – 2:10 p.m.

XII. State Board of Education Budget Update 2:10 – 2:25 p.m.
    (Superintendent Koch, Linda Mitchell, Scott Taylor)

XIII. Committee Agenda Planning/Additional Items

XIV. Adjourn

* Items listed with an asterisk (*) will be discussed in committee and action may be taken in the plenary session.
TO: Finance and Audit Committee

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

Agenda Item: Discussion Item: General State Aid (GSA) Formula

Materials: Historical Impact of PTELL Adjustment on GSA (Exhibit A)
Map of Illinois Counties Subject to PTELL (Appendix A)

Staff Contact(s): Scott Taylor, Division Administrator, Budget and Financial Management

Purpose of Agenda Item

Per the Board’s request at its April meeting, Agency staff will further inform the Board about potential statutory changes to the General State Aid (GSA) formula.

Background Information

General State Aid (GSA) Formula

The main portion of GSA funding is the equalization formula that attempts to equalize state funding against a district’s local wealth. The simplest description of the formula is that the State pays the difference between the Foundation Level and a district’s Local Resources per Student. Thus, for Foundation formula districts, the GSA calculation is Foundation Level, minus Local Resources per Student, multiplied by the number of students in the district, or:

\[(\text{Foundation Level} - \text{Local Resources per Student}) \times \text{Number of Students}\]

As local wealth increases, GSA funding decreases. The goal is to assure that each district has at least the Foundation Level of funding through a combination of state and local resources.

The Property Tax Extension Limitation Law (PTELL) was imposed on collar counties (DuPage, Kane, Lake, McHenry and Will) in 1991 and for Cook County in 1994. Since then, other counties throughout the state have had the option of adopting PTELL through voter referendum. The counties subject to PTELL are shown in Appendix A at the end of this memo. PTELL limits the annual growth in property tax extensions, the dollars collected, to the lesser of the Consumer Price Index or 5%.

Districts subject to PTELL have two property values calculated to determine their local resources. For GSA purposes, we calculate an actual measure of property wealth and another indexed measure of property wealth that grows at the same rate as the limited growth in tax extension. To determine available local resources in GSA, we use the...
lesser of these two amounts of Equalized Assessed Values (EAVs). For many districts, this PTELL EAV is much less than their actual EAV. The result is that when a district appears to possess less local wealth it receives a larger GSA payment (Foundation Level – Local Resources per Student) due to the adjusted PTELL EAV.

Using a lower amount of property wealth for many of the PTELL districts represents an adjustment in GSA that carries a cost, and that cost has risen dramatically over time. The cost of the PTELL adjustment between FY 2000 and FY 2011 is shown in Exhibit A below. In FY 2000 the cost was $46 million. The cost of the adjustment peaked at $805 million in FY2008 and declined to $696 million in FY 2011. The rising cost of this adjustment has prompted discussion by the Board and recently by members of the General Assembly as they debate a FY 2012 budget for ISBE and state education grant amounts.
Recent Discussions with the General Assembly

For the past month ISBE staff has met with members of the General Assembly and their staff to discuss possible changes to the GSA formula that would produce savings, especially changes that alter the PTELL adjustment. ISBE staff produced several alternatives, including the following:

- **Apply the alternate PTELL adjustment to all PTELL districts.** Currently, in districts that approve a temporary increase to their limiting rate (maximum tax rate allowed under PTELL) the PTELL EAV is indexed by CPI, rather than the rate of growth in their tax extension. This allows them to collect more funds locally through the limiting rate increase while GSA calculations do not reflect the full rate of this increase in computing local resources. Applying the alternate PTELL adjustment to all PTELL districts would have saved $58.5 million in FY 2011.

- **Impose a floor on the PTELL EAV.** Because there is a great discrepancy between some districts’ actual EAV and their PTELL EAV, one method of limiting the cost of this adjustment is to limit how low the PTELL EAV may fall below the actual EAV. The PTELL EAV would be limited to a minimum of some percentage of a district’s actual EAV. As the floor is raised and the property value used in GSA calculations more closely resembles a district’s actual EAV, the required GSA payments decrease, producing a savings. Staff modeled possible FY 2011 savings if a floor were imposed at three different levels:
  
  - $54.8 million savings at a 60% floor – 25 districts receive less GSA
  - $194.2 million savings at a 65% floor – 44 districts receive less GSA
  - $335.5 million savings at a 70% floor – 60 districts receive less GSA

- **Eliminate the PTELL adjustment entirely.** This would have saved $696.2 million in FY 2011. However, if the PTELL adjustment were eliminated entirely, GSA calculations would in some cases assume more in local wealth than some districts are able to actually collect due to the limits on extension growth.

Democratic senators introduced an amendment to SB 629 to impose a 65% floor on the EAV used in GSA calculations. However, the bill was held in Executive Committee after discussion and now appears stalled. In each of these scenarios, a majority of the savings comes at the expense of Chicago Public School District 299.

House members reviewed these and other cost savings options but chose a different method for reducing the cost GSA. The House Appropriations – Elementary and Secondary Education Committee introduced an amendment to HB 327 that provides General Revenue Funds appropriations to ISBE, including a FY 2012 GSA appropriation of $4.448 billion, which is $152.2 million less than the current appropriation. Holding the Foundation Level at $6,119, and based on estimated data, this appropriation would result in a projected 95.5% proration of GSA payments to districts.

The General Assembly is scheduled to adjourn on May 31st and the members will continue their discussions to finalize the FY 2012 ISBE budget and an overall state budget by that date.
History of PTELL
November 2010

KEY
- PTELL effective in Collar Counties for 1991 Assessment Year and Cook County for 1994 Assessment Year
- No PTELL referendum
- Approved PTELL referendum
- Rejected PTELL referendum

NOTE
Dates within Cook and Collar Counties identify the effective assessment year of PTELL. Dates within other counties identify the month and year of the PTELL referendum.

In counties that approved the referendum, PTELL takes effect the following assessment year (e.g., November 1996 referendum becomes effective for the 1997 assessment year).
TO: Illinois State Board of Education

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

Agenda Topic: Dissolution of Round Lake 116 School Finance Authority

Materials: Round Lake School District 116 FACTS Report
Resolution

Staff Contact(s): Deb Vespa

Purpose of Agenda Item
Recommend dissolution of the Round Lake School District 116 School Finance Authority

Relationship to/Implications for the State Board’s Strategic Plan
The School Finance Authority (SFA) relates to all of the State Board’s goals. The SFA assisted
the district in achieving financial stability.

Expected Outcome(s) of Agenda Item
Dissolution of the SFA effective July 1, 2011. The Finance and Audit Committee will
recommend adoption of the attached resolution recognizing the members of the School Finance
Authority and Financial Administrator Dr. Ben Martindale.

Background Information
In April 1992 Round Lake School District was certified in Financial Difficulty. Financial Plans
were developed, but failed to stop the district’s financial problems. In April 2000 the district
petitioned the State Board for a Financial Oversight Panel. At this time, the district had incurred
short-term debt of $10.5 million and long-term debt of $37 million. The Financial Oversight
Panel secured an Emergency Assistance Grant in the amount of $1.4 million and instituted
several cost-cutting measures to assist the district. Still the district faced long-term debt that
could not be met with existing structures. The Financial Oversight Panel considered several
options and held several public hearing to gather input and options for the district. Their
conclusion was to create a School Finance Authority similar to the authority that was created by
legislation in 1980 to stabilize the Chicago Public School District’s finances.

The General Assembly passed the legislation and Governor George Ryan signed the language
into law in June 2002. At the August, 2002 State Board meeting, the Round Lake School
District 116 Financial Oversight Panel (FOP) petitioned the State Board to establish the Round
Lake School District 116 School Finance Authority. The School Finance Authority was
empowered to appoint district top management, negotiate collective bargaining agreements,
issue debt within specific limits, and establish tax rates necessary to pay off debt. At this time,
the district had short-term debt of $14.4 million in and long-term debt of $42.1 million
outstanding.
Since the inception of the School Finance Authority, the district's finances have shown considerable improvement as shown below:

<table>
<thead>
<tr>
<th></th>
<th>FY 2002</th>
<th>FY 2006</th>
<th>FY 2010</th>
<th>Budget 2011</th>
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<td>$1,873,002</td>
<td>$6,059,434</td>
<td>$4,223,474</td>
<td>$1,763,384</td>
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<td>Ending Fund Balance</td>
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<td>$13,791,316</td>
<td>$27,263,880</td>
<td>$26,346,864</td>
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<td>Outstanding Short-Term Debt</td>
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<td>Outstanding Long-Term Debt</td>
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<td>$54,357,036</td>
<td>$40,985,198</td>
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<tr>
<td>Enrollment</td>
<td>6,086</td>
<td>6,687</td>
<td>6,936</td>
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<tr>
<td>Financial Profile</td>
<td>2.60 Watch</td>
<td>3.60 Recognition</td>
<td>3.70 Recognition</td>
<td>3.70 Recognition</td>
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</tbody>
</table>

Through the years the Results of Operations has shown significant improvement. The current economy, delayed State payments, and decreased State and Federal funds continue to cause hardships for all school districts and will necessitate continued vigilance on the part of the district. Much of the current outstanding debt is due to the rebuilding and renovation of the Magee Middle School. This school was in need of significant Health/Life and Safety repairs after being closed for many years. Because of increasing enrollment, the district was running out of capacity. With the team work of the SFA and the School Board, the district was successful in passing a referendum to obtain building bonds to renovate the facility. This school is now open and provides the district with additional capacity. However, enrollment continues to increase at a couple of their elementary schools and high school. The school board realizes they need to continue to work with the community to address these facility needs.

In preparation for the end of the 10 year period of time, two years ago the SFA developed goals and benchmarks for the school board and district administration. The goals included a review of the district’s financial stability, administrative leadership, governance, teaching and learning, and labor relations. At their last meeting on April 28, 2011, the SFA conducted a final review and grading of the benchmarks within each of these goals. The district realized all A’s and B’s. There were two exceptions: one B/C grade for gauging and fostering public understanding of the District’s financial condition and another B/C grade for few or no contract grievances. The district continues to work to make improvements in these areas. The superintendent has established regular meetings with the union leadership. The local board must also be commended for making great improvements and participating in Illinois Association of School Boards training and performing regular self-evaluations.

Much thanks and appreciation must be given to the current SFA members and the Financial Administrator:

**BOARD MEMBERS**
Dr. Doug Parks, Chairperson
George Lingel
Bish Krywko
Rosa Reyes-Prosen
Hal Davis

Financial Administrator, Dr. Ben Martindale
It should be noted that George Lingel has dedicated his time on the SFA since its inception nine years ago. He was on the FOP two years prior to that for a total service of 11 years. Previously, Dr. Martindale had also served as CEO of the district for three years. Appreciation must also be extended to Dennis Stonewall, the prior CEO, Dr. Janet Elenbogen, the prior CEO, and Walter Korpan, the prior CFO.

The hard work of these people and the local school board has allowed Round Lake School District 116 to make the great strides over the past nine years and allows them to petition the State Board for dissolution of the SFA one year ahead of the ten year term.

Pros and Cons of Various Actions
Pros: Through hard dedication and determination, the Round Lake School district has improved their fiscal stability enough that the School Finance Authority feels they can recommend dissolution of the SFA prior to the end date.

Cons; None.

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

The State Board of Education approves the dissolution of the Round Lake School Finance Authority, effective July 1, 2011 and that all controls and powers are relinquished back to the Round Lake School Board and their administrators in accordance to the Illinois School Code.

Next Steps
Formally dissolve the School Finance Authority at its last meeting in June, 2011.
Superintendent: Dr. Constance Collins  
Number of Students: 6,936  
School Type: Unit  
Number of Teachers: 387  
County: Lake  
Average Teacher Salary: $64,133 (State $63,296)  
Tax Cap School District: Yes  
Average Administrator Salary: $100,113 (State $109,091)  
Low Income Rate: 60.4% (State 45.4%)  

Overall Performance - All State Tests:  
- 2008 - 2009: 63.0% (State 75.5%)  
- 2007 - 2008: 64.2% (State 76.4%)  

Ave. Class Size  
- Kindergarten: 23.4 (State 20.7)  
- First: 22.1 (State 21.2)  
- Third: 22.7 (State 22.1)  
- Sixth: 20.8 (State 21.0)  

Low Income Rate: 60.4% (State 45.4%)  

Revenue Sources  
- Local 47.0% (State 63.3%)  
- State 38.7% (State 22.8%)  
- Federal 14.4% (State 11.9%)  

2008 Tax Rates:  
- Maximum Rates without Referendum  
  - 2009 EAV $553,990,261  
  - $3.311  
  - $0.506  
- 2009 OEPP $9,005 (State $11,197)  
  - $0.207  
  - $0.010  

SUMMARY OF OPERATING FUNDS  

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<td>Beginning Fund Balance</td>
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<td>948,050</td>
<td>1,601,522</td>
<td>5,395,265</td>
<td>7,898,514</td>
<td>13,791,316</td>
<td>18,546,317</td>
<td>20,735,946</td>
<td>24,857,610</td>
<td>27,263,880</td>
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<td>Revenues</td>
<td>38,786,198</td>
<td>39,155,151</td>
<td>46,244,340</td>
<td>50,112,881</td>
<td>52,741,493</td>
<td>56,417,662</td>
<td>58,607,291</td>
<td>61,183,213</td>
<td>66,060,607</td>
<td>67,646,695</td>
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<td>Expenditures</td>
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<td>38,501,679</td>
<td>42,442,047</td>
<td>44,700,931</td>
<td>46,682,059</td>
<td>50,246,514</td>
<td>56,417,662</td>
<td>61,837,133</td>
<td>65,883,311</td>
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<tr>
<td>Results of Operation</td>
<td>1,873,002</td>
<td>653,472</td>
<td>3,792,293</td>
<td>5,411,950</td>
<td>6,059,434</td>
<td>5,372,704</td>
<td>2,189,629</td>
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<td>Other Sources/Uses</td>
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<td>0</td>
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<td>(218,138)</td>
<td>(1,081,334)</td>
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<td>Fund Balances</td>
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**BUDGET**

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<td>EAV</td>
<td>$305,546,932</td>
<td>$329,945,858</td>
<td>$358,971,320</td>
<td>$406,805,417</td>
<td>$417,799,345</td>
<td>$451,436,730</td>
<td>$489,266,526</td>
<td>$537,730,518</td>
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</table>

School Year 2001-02  
Enrollment: 6,086  
- 6,047  
- 6,405  
- 6,844  
- 6,936  

Outstanding Debt  
- Short-Term Debt: 14,440,000  
- Long-Term Debt: 42,131,458  

Short-Term Debt Limit: 12,311,930  
Long-Term Debt Limit: 45,332,528  

Profile Score: 2.60  
Profile Designation: Watch
Illinois State Board of Education

RESOLUTION

In Recognition of the
Round Lake Community Unit School District #116 School Finance Authority
May 2011

Whereas, the Round Lake Community Unit School District #116 School Finance Authority (SFA) was established in August 2002 as a result of the Round Lake Financial Oversight Panel’s petition to the Illinois State Board of Education.; and

Whereas, when the SFA was established, the District, among other things, was experiencing significant financial difficulties; and

Whereas, the voting members of the SFA are Dr. Doug Parks (Chairperson); George Lingel, Bish Krywko, Rosa Reyes-Prosen, and Hal Davis. The SFA appointed Dr. Ben Martindale to serve as the current SFA Financial Administrator throughout the term of the Agreement; and

Whereas, through the efforts of the SFA, the District has made improvements in board member training, district finances, instructional and facility improvements since the institution of the School Finance Authority; and

Whereas, due to the assistance and guidance of the SFA, the District has significantly improved its cash flow and financial position, as well as having achieved the designation of Financial Recognition; now

Therefore be it Resolved by the ILLINOIS STATE BOARD OF EDUCATION and the State Superintendent of Education that Dr. Doug Parks, George Lingel, Bish Krywko, Rosa Reyes-Prosen, Hal Davis and Dr. Ben Martindale are hereby recognized for the hard work and dedication that the Round Lake Community Unit School District #116 School Finance Authority has given to the children of Round Lake, and to the entire community.

_______________________    ___________________________     _______________________
Jesse H. Ruiz, Chairman        Christopher J. Ward, Vice 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
TO: Illinois State Board of Education
FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
       Melissa S. Oller, Chief Internal Auditor

Agenda Topic: Presentation of FY 2010 Financial Audit and Compliance Examination Report

Materials: FY 2010 Financial Audit and Compliance Examination Report (Sent under separate cover)

Staff Contact: Melissa Oller, Chief Internal Auditor

Purpose of Agenda Item
To provide the Board with the results of the FY 2010 Financial and Compliance Audit, reported findings, and Agency's response to those findings.

Expected Outcome(s) of Agenda Item
The Board will be informed of the issues identified by the Office of the Auditor General in the FY 2010 Financial and Compliance Audit report, and accept the audit.

Background Information
The Auditor General is responsible for conducting a Financial Audit and Compliance Examination of the Agency. The objectives of this audit are to determine if financial statements are fairly presented and whether the Agency is in compliance with legislative mandates.

Analysis and Implications for Policy, Budget, Legislative Action and Communications
The report documented six material findings. The synopsis of the report stated:

- The Agency did not have a system in place to identify and monitor all statutory mandates that are applicable to the Agency.
- The Agency did not take any actions on the schools identified to have been on academic watch status after the three years following placement in such status.
- The Agency did not audit all major systems of internal accounting and administrative control as required by the Fiscal Control and Internal Auditing Act.

Budget: None.
Legislative: This audit will be reviewed by the Legislative Audit Commission.
Communications: The audit is issued by the Auditor General and is available to the public.
**Superintendent’s Recommendation**  
I recommend that the State Board adopt the following motion:


**Next Steps**

No further actions necessary.
TO: Illinois State Board of Education
FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
Melissa S. Oller, Chief Internal Auditor

Agenda Topic: Amended FY 2011/FY 2012 Internal Audit Plan
Materials: Amended FY 2011/FY 2012 Internal Audit Plan
Staff Contact: Melissa Oller, Chief Internal Auditor

Purpose of Agenda Item
To provide the Board with the amended FY 2011/FY 2012 audit plan.

Expected Outcome(s) of Agenda Item
The Board will be informed of Internal Audit’s amended audit schedule for FY 2011/FY 2012 in relationship to the requirements of the Fiscal Control and Internal Auditing Act (30 ILCS 10/).

Background Information
The Illinois State Board of Education is required by the Fiscal Control and Internal Auditing Act (FCIAA) (30 ILCS 10/) to maintain a full time program of internal auditing and this plan must be approved by the State Superintendent of Education ensuring that the plan meets the requirements of the Act.

Analysis and Implications for Policy, Budget, Legislative Action and Communications
The audit plan presented will allow ISBE to meet the requirements of the Fiscal Control and Internal Auditing Act (30 ILCS 10/2003).

Policy Implications: An adequate program of Internal Audit provides assurance to the Board and Agency management that ISBE is compliant with laws, regulations, and policies and procedures; that information has integrity and is reliable; that assets are safeguarded; that operations are effective and efficient; and that goals and objectives are being accomplished.

Legislative Action: The Audit Plan is required by the Fiscal Control and Internal Auditing Act (30 ILCS 10/2003).

Communication: Materials prepared or compiled with respect to internal audits are exempt from the Freedom of Information Act (5 ILCS 140/1) disclosure.

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

I move that the State Board of Education hereby accept the Amended FY 2011/FY 2012 Audit Plan.
Next Steps

No further actions necessary.
## Risk Based Audit Coverage

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<tr>
<th>Audit Coverage</th>
<th>FY 2011</th>
<th>FY 2012</th>
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<tr>
<td>Title I Audit</td>
<td>1000</td>
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<tr>
<td>Disaster Recovery</td>
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<tr>
<td>Title III - English Language Acquisition</td>
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<td>Statewide System of Support</td>
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<td>750</td>
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<tr>
<td>Vocational Education</td>
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<td>Statewide Assessment Testing</td>
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<td>IDEA, Part B</td>
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<td>School Finance</td>
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<td>General State Aid</td>
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<td>750</td>
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<td>Data Quality</td>
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## Fiscal Control & Internal Audit Act Coverage

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<tr>
<th>Control Act Coverage</th>
<th>FY 2011</th>
<th>FY 2012</th>
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<td>Procurement Audit</td>
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<td>Property Control</td>
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<td>FCIAA Internal Control Review</td>
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<td>Petty Cash</td>
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<td>Personnel &amp; Payroll</td>
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## System Development

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<th>Development System</th>
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<th>FY 2012</th>
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<td>Longitudinal Data System</td>
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<tr>
<td>Human Resources Attendance System</td>
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<tr>
<td>Student Information System</td>
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## Additional Required Audit Functions

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Note: Difference in 2011 and 2012 Budgeted Hours is due to change in staffing from FY11 to FY12.

Division hired:
- Chief Internal Auditor - September 16, 2010
- 2 Senior Internal Auditors - October 18, 2010
- 1 Senior Internal Auditor - November 16, 2010
- 1 Internal Auditor - May 2, 2011
TO: Illinois State Board of Education

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

Agenda Topic: FY12 1003(g) School Improvement Grants

Staff Contact(s): Monique M. Chism, Ph.D., Division Administrator for Innovation and Improvement

Purpose of Agenda Item
The Division of Innovation & Improvement requests the Board to authorize the State Superintendent to enter into grant agreements in excess of $1 million with one or more local education agencies (LEA) for 1003(g) School Improvement Grants (SIG) in fiscal year (FY) 2012.

Relationship to/Implications for the State Board’s Strategic Plan
The 1003(g) School Improvement Grants will support the following Board goal.

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

Expected Outcome(s) of Agenda Item
This agenda item will be discussed in the Finance and Audit Committee and then called for a vote during the May Plenary Session. It is expected that the Board will authorize the State Superintendent to execute such grant agreements subject to staff recommendations.

Background Information
School Improvement Grants, as authorized under section 1003(g) of Title I of the Elementary and Secondary Education Act of 1965 (ESEA) and under section 1003(g) of the American Recovery and Reinvestment Act of 2009 (ARRA), are made available from the U.S. Department of Education (ED) to state education agencies (SEAs) to provide subgrants to local education agencies (LEAs) for use in Title I schools and Title I eligible secondary schools identified for improvement, corrective action, or restructuring.

The purpose of the grant program is to assist the state’s lowest performing schools that demonstrate the greatest need for the funds and the strongest commitment to use the funds to provide adequate resources in order to raise substantially the achievement of their students so as to enable the schools to make adequate yearly progress and exit improvement status. For each eligible school approved to receive funds under this grant, the LEA must implement one of four school intervention models approved by ED.

A request for proposals (RFP) was posted at http://www.isbe.net/sos/htmls/sip_1003.htm and invited eligible LEAs to submit proposals no later than May 2, 2011. Proposals will be reviewed and evaluated according to the criteria established in the RFP. Agency staff anticipates announcing grant awards in July so that districts can begin pre-implementation activities in July and be ready for full implementation at the beginning of school year 2011-2012.
The total amount of funding available over the term of the grant is $100 million. Annual grant awards to LEAs will range from not less than $50,000 to $2 million per participating school, subject to available funds. Actual allocations, however, will be based on the intervention model selected at the local level and program guidelines. During the term of the grant, it is anticipated that funds will be available for a one year grant period and two additional one-year continuation periods, except in the case of school closure. Funding in the two continuation periods will be contingent upon a sufficient appropriation for the program and satisfactory progress by the grantee in the preceding grant period.

**Effectiveness**
The four school intervention models endorsed by ED are supported by research for effectively improving student achievement. It is anticipated that LEAs which implement selected intervention models with fidelity will dramatically increase student achievement. An official program evaluation will be conducted during the term of the grant.

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

**Policy Implications:** None

**Budget Implications:** The SIG program is funded entirely by federal Title I and funds received under the American Recovery and Reinvestment Act (ARRA).

**Legislative Action:** None

**Communication:** None

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

The Board hereby authorizes the State Superintendent to enter into grant agreements with one or more local education agencies for receipt of the 1003(g) School Improvement Grants (SIG) in amounts to exceed $1 million over the term of the grant.

**Next Steps**
Upon Board authorization, Agency staff will complete the grant competition including the evaluation of proposals and prepare grant recommendations for the State Superintendent’s approval. Grant agreements will be executed accordingly.
TO: Illinois State Board of Education
FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
       Susan Morrison, Deputy Superintendent of Education

Agenda Topic: 21st Century Community Learning Center Grants Exceeding $1 Million

Staff Contact(s): Monique M. Chism, Ph.D., Division Administrator for Innovation and Improvement

Purpose of Agenda Item
The Division of Innovation & Improvement requests the Board to authorize the State Superintendent to enter into grant agreements in excess of $1 million in fiscal year (FY) 2012 with one or more public or private entities eligible to receive the 21st Century Community Learning Centers (21st CCLC) grant.

Relationship to/Implications for the State Board’s Strategic Plan
The 21st CCLC grants will support the following Board goal.

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

Expected Outcome(s) of Agenda Item
This agenda item will be discussed in the Finance and Audit Committee and then called for a vote during the May Plenary Session. It is expected that the Board will authorize the State Superintendent to execute such grant agreements subject to staff recommendations.

Background Information
The 21st Century Community Learning Centers program is authorized under Title IV, Part B, of the Elementary and Secondary Education Act, as amended by the No Child Left Behind Act of 2001. Grants are made available from the U.S. Department of Education (ED) to state education agencies (SEAs) to provide subgrants to eligible entities. The grant supports the creation of community learning centers that provide academic enrichment opportunities during non-school hours for children, particularly students who attend high-poverty and low-performing schools. The program helps students meet state and local student standards in core academic subjects, such as reading and math; offers students a broad array of enrichment activities that can complement their regular academic programs; and offers literacy and other educational services to the families of participating children.

Eligible entities include local educational agencies, community-based organizations, public or private entities, or a consortium of two or more of such agencies, organizations, or entities. States must give priority to applications that are jointly submitted by a local educational agency and a community-based organization or other public or private entities.

Grantees are eligible for up to three years of funding. Annual grant awards can range from a minimum of $50,000 to a maximum of $150,000 per after school site (i.e., the physical location where grant-funded services and activities are provided to participating students and adults).
The amount currently available for new grants is $11,000,000. The Division expects to fund approximately 70-100 new sites and anticipates that the sites will serve an additional 5000 students.

The Division will soon release a Request for Proposals (RFP) for the 21st CCLC grant, with a deadline identified in June 2011. Proposals will be read and scored by external reviewers. The scores will be averaged and rank ordered to identify applicants who will be recommended for funding. All scoring sheets and readers’ comments will remain on file in the Division.

**Effectiveness**
The impact of the 21st CCLC program is determined by examining seven performance objectives which include:

1) student involvement in school activities;
2) student achievement;
3) positive behavioral changes in students;
4) community benefits;
5) expanded learning opportunities;
6) professional development opportunities for program personnel; and
7) efficient and effective use of funds.

The Division conducts an annual evaluation, and results from the 2009-2010 evaluation indicate that overall, Illinois grantees showed improvements in all seven of the above-mentioned areas.

In 2009-2010, Illinois had 130 active grants with 369 operational sites/centers, which served 52,736 total students, of whom 24,725 (47%) were regular attendees who attended more than 30 days, and 8,709 family adults. Regular students were mostly low-income (86.3%) and students of color (91.4%). 80 grantees had sites at the elementary level, 49 at the middle/junior high, and 52 grantees served high school students. Sites were operational an average of 13.81 hours per week.

The Executive Summary of the most recent final report for the 21st CCLC Illinois Annual Statewide Evaluation for 2009-2010 is included as an attachment to this memo and provides an overview of the findings in each area.

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

**Policy Implications:** None

**Budget Implications:** The 21st CCLC program is funded entirely by federal Title IV Part B 21st CCLC funds.

**Legislative Action:** None

**Communication:** None

**Superintendent’s Recommendation**

I recommend that the following motion be adopted:

The Board hereby authorizes the State Superintendent to enter into grant agreements with one or more eligible entities for the receipt of 21st CCLC grants in amounts to exceed $1 million over the term of the grant.

**Next Steps**
Upon Board authorization, Agency staff will complete the grant competition, including the evaluation of proposals, and will prepare grant recommendations for the State Superintendent's approval. Grant agreements will be executed accordingly.
TO: Illinois State Board of Education  
FROM: Christopher A. Koch, Ed.D., State Superintendent of Education  
Elizabeth Hanselman, Assistant Superintendent for Special Education and Support Services  

Agenda Topic: Special Education Discretionary Grant Exceeding $1 Million: Illinois Service Resource Center (ISRC)  

Materials: Copy of 105 ILCS 5/14-11.03 (see attachment)  

Staff Contact(s): David Andel, Division Administrator, Special Education and Support Services  
Todd Williams, Principal Consultant  

Purpose of Agenda Item  
The Division of Special Education Services requests that the Board authorize the State Superintendent to enter into a grant agreement in excess of $1 million over a five (5) year grant cycle with the successful bidder under the Request for Proposals (RFP) for the Illinois Service Resource Center.  

Relationship to/Implications for the State Board’s Strategic Plan  
The ISRC discretionary grant supports the following Agency’s goals:  

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

GOAL 2: Every student will be supported by highly prepared and effective teachers and school leaders;  

GOAL 3: Every school will offer a safe and healthy learning environment for all students.)  

Expected Outcome(s) of Agenda Item  
It is expected that the Board will authorize the State Superintendent to execute a grant agreement with the successful bidder under the Illinois Service Resource Center RFP.  

Background Information  
The ISRC was established in 1994 by P.A. 87-1127 (105 ILCS 5/14-11.03) subject to appropriation. The Center on Deafness was selected by ISBE to receive grant funds and accordingly provided the services mandated by the statute. The ISRC is the coordination center for a wide variety of services tailored specifically for children who are deaf and hard of hearing and exhibit behavioral, emotional, or mental health challenges. The ISRC was recognized by the Council of Educational Administrators Serving the Deaf (CEASD) as a model program for meeting mental health needs of students who are deaf and hard of hearing.
Using funds from this grant, the ISRC will provide training, technical assistance, and support for the following activities:

- Implementation of Illinois' State Performance Plan for Special Education;
- Collaboration with ISBE and integration with other statewide projects in Illinois;
- Building of local capacities through implementation of hearing impaired behavioral intervention teams;
- Implementing the provision of services by a family support specialist;
- Facilitation of support to families and schools serving students who are deaf or hard of hearing and have behavioral, emotional, or mental health challenges;
- Provision of a toll free crisis intervention phone line service;
- Facilitation of the Illinois Statewide Technical Assistance Center's (ISTAC) shared library;
- Participation in state and national level data collection and evaluation initiatives; and
- Collaboration with the ISBE focused monitoring process.

The grant will be awarded for one fiscal year (i.e., FY 2012) with the possibility of four continuation periods (i.e., FYs 2013 – 2016) contingent upon sufficient appropriation and satisfactory performance in the preceding grant period. The amount to be awarded in the initial year of the grant term (FY 2012) is approximately $340,000, with amounts in subsequent years (FYs 2013 – FY 2016) estimated to range between $500,000 and $507,000 annually.

**Effectiveness**

*Last Evaluation of the Program: The ISRC completes quarterly performance reports, the most recent report covered the period of October 2010 - December 2010.*

Results of evaluation or effectiveness indicators: As of December 2010, the ISRC reported services have been provided to over 300 educational teams/families; 2 Deaf and Hard of Hearing Behavioral Support team trainings had been held; over a 120 library resource materials have been distributed; a parent facilitator brochure was published and an on-line course was developed. All activities completed by the ISRC are aligned to the Illinois State Performance Plan and provide the necessary data elements for submission to the US Department of Education. Quarterly performance reports will continue with the successful grantee.

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

**Policy Implications:**
Approval of the request will authorize the State Superintendent to enter into a grant agreement with the successful bidder under the Illinois Service Resource Center RFP, thus allowing for the implementation of the project.

**Budget Implications:**
The ISRC grant will be funded through IDEA, Part B discretionary funds for the five-year grant period.

**Legislative Action:**
None required.
Communication:
An award notification letter will be prepared for the Superintendent’s signature. Staff in Public Information will be provided with the name of the successful bidder for public announcement of the grant award.

**Pros and Cons of Various Actions**
State Board approval allows the grant agreement to be executed in a timely manner so that funds can be utilized during FY 2012, and services can be delivered specifically for children who are deaf and hard of hearing and exhibit behavioral, emotional, or mental health challenges.

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

> The State Board hereby authorizes the State Superintendent to enter into a grant agreement in FY 2012, with the successful bidder for the provision of the Illinois Service Resource Center in an amount to exceed $1 million over the term of the five year grant.

**Next Steps**
Upon Board authorization, Agency staff will proceed with the RFP process, including review of proposals, and subsequently submit a recommendation of the successful bidder to the State Superintendent for approval and release of funds.
105 ILCS 5/14-11.03. Illinois Service Resource Center

Sec. 14-11.03. Illinois Service Resource Center. The State Board of Education shall maintain, subject to appropriations for such purpose, the Service Resource Center for children and adolescents through the age of 21 who are deaf or hard-of-hearing and have an emotional or behavioral disorder. For the purpose of this Section, "children and adolescents who are deaf or hard-of-hearing and have an emotional or behavioral disorder" have an auditory impairment that is serious enough to warrant an array of special services and special education programs in order to assist both educationally and socially and the behavior is seriously disruptive and unacceptable to peers, educational staff, and persons in the community, or presents a danger to self or others.

The State Board shall operate or contract for the operation of the Illinois Service Resource Center for children and adolescents through the age of 21 who are deaf or hard-of-hearing and have an emotional or behavioral disorder. The Illinois Service Resource Center shall function as the initial point of contact for students, parents, and professionals. All existing and future services shall be coordinated through the Center.

The Illinois Service Resource Center shall:

(a) Develop and maintain a directory of public and private resources, including crisis intervention.
(b) Establish and maintain a Statewide identification and tracking system.
(c) Develop, obtain, and assure the consistency of screening instruments.
(d) Perform case coordination, referral, and consultation services.
(e) Provide technical assistance and training for existing programs and providers.
(f) Track the allocation and expenditure of State and federal funds.
(g) Monitor, evaluate, and assess Statewide resources, identification of service gaps, and the development and delivery of services.
(h) Identify by geographical areas the need for establishing evaluation and crisis intervention services and establish a pilot in downstate Illinois. The Service Resource Center shall provide for the coordination of services for children who are deaf or hard-of-hearing and have an emotional or behavioral disorder throughout the State and shall pilot a service delivery model to identify the capacity and need for comprehensive evaluation, crisis management, stabilization, referral, transition, family intervention, and follow-up services.
(i) Integrate the recommendations of the Interagency Board for Children who are Deaf or Hard-of-Hearing and have an Emotional or Behavioral Disorder regarding policies affecting children who are deaf or hard-of-hearing and have an emotional or behavioral disorder.
(j) Provide limited direct services as required.

The Center, if established, shall operate on a no-reject basis. Any child or adolescent diagnosed as deaf or hard-of-hearing and having an emotional or behavioral disorder under this Act who is referred to the Center for services shall qualify for services of the Center. The requirement of the no-reject basis shall be paramount in negotiating contracts and in supporting other agency services.

(Source: P.A. 87-1127, 2; 88-663, 5; 89-680, 910.)
TO: Illinois State Board of Education
FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
Elizabeth Hanselman, Assistant Superintendent for Special Education and Support Services

Agenda Topic: Approval of Special Education Discretionary Grant Exceeding $1 Million: Illinois Statewide Technical Assistance Center (ISTAC)

Staff Contact(s): David Andel, Division Administrator, Special Education Services
Michele Carmichael, Principal Consultant

Purpose of Agenda Item
The Division of Special Education and Support Services requests the Board to authorize the State Superintendent to enter into a grant agreement that will exceed $1 million over the grant period (i.e., FY 2012 – FY 2016) with the successful grantee identified through the competitive grant process for the provision of the Illinois Statewide Technical Assistance Center (ISTAC)

Relationship to/Implications for the State Board’s Strategic Plan
The ISTAC discretionary grant supports the following Agency’s goals:

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

GOAL 2: Every student will be supported by highly prepared and effective teachers and school leaders;

GOAL 3: Every school will offer a safe and healthy learning environment for all students.

Expected Outcome(s) of Agenda Item
This agenda item will be discussed in the Finance and Audit Committee and then called for vote during the May Plenary Session. It is expected that the Board will authorize the State Superintendent to execute a grant agreement with the successful grantee.

Background Information
The Illinois Statewide Technical Assistance Center (ISTAC) is the Illinois State Board of Education’s model of integrated technical assistance for families and school districts. ISTAC was developed by the ISBE to build the capacity of Illinois school districts to serve the needs of students with disabilities and their families.

The grantee must have the knowledge and expertise to implement the requirements of the RFP that includes five (5) collaboratively functioning projects funded by federal IDEA Part B discretionary dollars and consists of ISTAC administration, Positive Behavioral Interventions and Supports (PBIS) Network, Illinois Autism Training and Technical Assistance Project (IATTP), Project Choices, and ISTAC Parents. Each project must be statewide in impact, systemic in nature and have data to show positive outcomes for students and schools.
Financial Background
The anticipated funding levels for each FY is as follows:

FY 2012  6,164,500  
FY 2013  6,200,000  
FY 2014  6,300,000  
FY 2015  6,400,000  
FY 2016  6,500,000  

Effectiveness
Last Evaluation of the program: Project Directors meetings are held on a monthly basis to discuss progress on deliverables and to ensure that the project is in line with Agency Goals and the State Performance Plan indicators for federal reporting purposes. The efforts of these projects are instrumental in assisting this agency with meeting the goals and indicators, as well as, improving the educational environment data throughout the State.

Results of evaluation or effectiveness indicators: Project Directors meetings will continue to be conducted with the successful grantee. Additionally, the national PBIS Network through the University of Oregon collects and analyzes performance data from this project which is then reported to this agency. This process will continue, at no cost to the agency, as it provides valuable information both within the State and compared to other States.

Analysis and Implications for Policy, Budget, Legislative Action and Communications
Policy Implications: Approval of the ISTAC grant will allow for the enhancement of technical assistance and resources for parents and educators of students.

Budget Implications: The amount for each fiscal year of the grant will be funded through IDEA, Part B discretionary funds.

Pros and Cons of Various Actions
Approval of the grant will allow agency staff to enhance technical assistance and resources for parents and educators of students.

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

The State Board hereby authorizes the State Superintendent to enter into a grant agreement for the receipt of an IDEA, Part B discretionary grant in the amount of $6,164,500 for FY2012 and in an amount not to exceed $6,500,000 for each of FY2013, FY2014, FY2015 and FY2016. The purpose is to provide technical assistance and resources for parents and educators of students with disabilities.

Next Steps
Upon Board authorization, Agency staff will administer a competitive grant process by releasing an RFP, selecting a grantee, and executing a grant agreement.
TO: Illinois State Board of Education

FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
Elizabeth Hanselman, Assistant Superintendent for Special Education and Supportive Services

Agenda Topic: Grants Exceeding $1 Million: Illinois Statewide Assistive Technology Grants

Materials: Memos Summarizing Each Request for Proposal
- Assistive Technology Technical Assistance and Training Program
- Assistive Technology Device Loan Network
- Assistive Technology Exchange Network

Staff Contacts: David Andel, Division Administrator for Special Education Services
Dawn Camacho, Principal Consultant

Purpose of Agenda Item
The purpose of this item is provide an overview of the grants to be awarded specific to the provision of assistive technology to students with disabilities and applicable technical assistance for school districts, special education cooperatives, parents, and providers. A grant authorization memo for each grant follows this overview.

Background Information
The Individuals with Disabilities Education Act (IDEA) directs school districts and special education cooperatives to maximize the accessibility of students with disabilities to a free and appropriate education (FAPE) through the use of technology, including assistive technology devices and assistive technology services. In order to assist districts and cooperatives in meeting this goal, the Illinois State Board of Education, through its funding under Part B of IDEA, has established three separate programs:

1. Technical Assistance and Training Program, available to not-for-profit organizations, institutions of higher education, professional organizations, and other entities experienced in providing technical assistance and professional development relative to the use of assistive technology for students with disabilities;
2. Device Loan Network, available to computer firms and other technology providers, educational organizations, and not-for-profit entities that have the necessary expertise and capabilities of purchasing, distributing and maintaining assistive technology devices for use by students with disabilities; and
3. Technology Exchange Network, available to not-for-profit entities with the necessary expertise and capabilities of acquiring, refurbishing and distributing used technology to assist students with special needs in the learning environment.

Each of these programs is complementary to the others, and an applicant eligible under one project may apply for either of the other two grants, provided it meets the eligibility requirements.
for that particular project. Currently, the assistive technology services and supports are being provided by two grantees: United Cerebral Palsy for Greater Chicago (exchange network and technical assistance) and Illinois Assistive Technology Program (loan device program).

Given the particular expertise needed of applicants for, and the distinct activities and services of, each project, three Request for Proposals (RFP) will be issued to solicit parties interested in receiving a grant. Each RFP will indicate the availability of a grant under the other two projects. Only one grant will be issued for each project, although the competition may result in a single applicant being awarded a grant for more than one program (as noted above).
TO: Illinois State Board of Education

FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
Elizabeth Hanselman, Assistant Superintendent for Special Education and Support Services

Agenda Topic: Grant Exceeding $1 Million: Illinois Statewide Assistive Technology Technical Assistance and Training Program

Staff Contact(s): Dave Andel, Division Administrator for Special Education Services
Dawn Camacho, Principal Consultant

Purpose of Agenda Item
The Division of Special Education Services requests that the Board authorize the State Superintendent to enter into a grant agreement in excess of $1 million over a five (5) year grant cycle with the successful bidder under the Request for Proposals (RFP) for the Illinois Statewide Assistive Technology Technical Assistance and Training Program.

Relationship to/Implications for the State Board’s Strategic Plan
The Illinois Statewide Assistive Technology Technical Assistance and Training Program discretionary grant will support the following Agency goals:

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

GOAL 2: Every student will be supported by highly prepared and effective teachers and school leaders.

Expected Outcome(s) of Agenda Item
It is expected that the Board will authorize the State Superintendent to execute a grant agreement with the successful bidder under the Illinois Statewide Assistive Technology Technical Assistance and Training Program RFP.

Background Information
Technical assistance in the area of assistive technology has been offered to local education agencies (LEAs) and special education cooperatives for the past two years. Assistive Technology training topics have included No Cost Low Cost Resources, Writing Strategies, Evaluating the need for Assistive Technology, and others. According to the results of the statewide survey for assistive technology needs conducted in 2009, there is a need for technical assistance to assistive technology providers. All services have been and will continue to be provided statewide with no applied fees for participants.

The grant recipient will be responsible for the following:

- Maintaining support staff and trainers, including salary, benefit, and management oversight provisions.
- Contracting State and national experts to provide technical assistance specific to assistive technology.
• Provision of conference space.
• Provision of office space, if applicable, including utilities.
• Assistive technology education and training materials to include manuals, software, videos, webinars, and other necessary materials to aide technical assistance participants in implementing newly acquired skills.
• Program and office supplies specific to meet the grant objectives.

Technical assistance must include:

• Guided and intensive training to assistive technology evaluators and providers on policies and procedures and use of assistive technology devices to promote student IEP goals. Training should encompass topics specific to high incidence and low incidence students with disabilities.

• Knowledge-base training to promote the principles of Universal Design for Learning (See http://www.isbe.net/spec-ed/pdfs/state_performance.pdf for more information) through the use of assistive technology. The training will demonstrate the use of assistive technology to promote differentiated instructional strategies and response to intervention initiatives specific to at least one content-area (e.g., reading, writing, math, etc.). Participants should be aware of and able to use technology in the classroom to promote the involvement of students with disabilities in the general education classroom, curricula, and with their grade-level peers. Technology tools should include, but not be limited to whiteboards, computer access, learning and study tools, and student engagement.

• Ongoing support and resources must also be provided through a variety of resources to include a question and response system, guidance documents, and webinars.

Data will be collected and utilized to promote the attainment of the measureable and rigorous targets established in the Illinois State Performance Plan, Part B, specific to the following indicators: (See http://www.isbe.net/spec-ed/pdfs/state_performance.pdf for more information).

• Indicator 3B: Proficiency rate for children with IEPs on statewide assessments against grade level and alternate academic achievement standards.
• Indicator 5A: Percent of children with IEPs aged 6 through 21 served inside the general education classroom 80% or more of the day.
• Indicator 7B: Percent of preschool children aged 3 through 5 with IEPs who demonstrate improved acquisition and use of knowledge and skills (including early language/communication and early literacy).
• Indicator 13: Percent of youth age 16+ with an IEP that demonstrates measureable secondary transition goals and services.
• Indicator 14: Percent of youth who are no longer in secondary school, had IEPs in effect at the time they left school, and were:
  ▪ Enrolled in higher education within one year of leaving high school.
  ▪ Enrolled in higher education or competitively employed within one year of leaving high school.
Enrolled in higher education or in some other postsecondary education or training program; or competitively employed or in some other employment within one year of leaving high school.

The grant will be awarded for one fiscal year (i.e., FY, 2012) with the possibility of four continuation periods (i.e., FYs 2013 – 2106) contingent upon sufficient appropriation and satisfactory performance in the preceding grant period. The amount to be awarded in the initial year of the grant term (FY 2012) is approximately $250,000, with amounts in subsequent years (FY 2013 – FY 2016) estimated to range between $250,000 and $300,000 annually.

Effectiveness:
Last evaluation of the program: The current grantee has submitted quarterly reports that identify the number of trainings conducted, the number of attendees, and the training evaluation forms. They have successfully met the provisions of the grant.

Results of evaluation or effectiveness indicators: The successful grantee will be required to submit four data reports to the grant manager for project evaluation. The fourth report must be a comprehensive end-of-year report.

Analysis and Implications for Policy, Budget, Legislative Action and Communications
Policy Implications: Approval of the request will authorize the State Superintendent to enter into a grant agreement with the successful bidder under the Illinois Statewide Assistive Technology Technical Assistance and Training Program RFP, thus allowing for the implementation of the project.

Budget Implications: The Illinois Statewide Assistive Technology Technical Assistance and Training Program grant will be funded through IDEA, Part B discretionary funds for the five-year grant period.

Legislative Action: None required.

Communication: An award notification letter will be prepared for the Superintendent's signature. Staff in Public Information will be provided with the name of the successful bidder for public announcement of the grant award.

Pros and Cons of Various Actions
Pro: State Board approval allows the grant agreement to be executed in a timely manner so that funds can be utilized during FY 2012, and services can be delivered in order to provide continued technical assistance and training to districts allowing school personnel to provide and implement services using assistive technology.

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

The State Board hereby authorizes the State Superintendent to enter into a grant agreement in FY 2012 with the successful bidder for the provision of the Illinois Statewide Assistive Technology Technical Assistance and Training Program in an amount not to exceed $1,450,000 over the term of the five year grant.

Next Steps
Upon Board authorization, Agency staff will proceed with the RFP process, including review of proposals, and subsequently submit a recommendation of the successful bidder to the State Superintendent for approval and release of funds.
Illinois State Board of Education

May 25–26, 2011

To: Illinois State Board of Education

From: Christopher A. Koch, Ed.D., State Superintendent of Education
Elizabeth Hanselman, Assistant Superintendent for Special Education and Support Services

Agenda Topic: Grant Exceeding $1 Million: Illinois Statewide Assistive Technology Device Loan Network

Staff Contact(s): Dave Andel, Division Administrator for Special Education Services
Dawn Camacho, Principal Consultant

Purpose of Agenda Item
The Division of Special Education Services requests that the Board authorize the State Superintendent to enter into a grant agreement in excess of $1 million over a five (5) year grant cycle with the successful bidder under the Request for Proposals (RFP) for the Illinois Statewide Assistive Technology Device Loan Program.

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

The Illinois Statewide Assistive Technology Device Loan Program discretionary grant will support the following Agency goals:

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

GOAL 2: Every student will be supported by highly prepared and effective teachers and school leaders.

Expected Outcome(s) of Agenda Item

It is expected that the Board will authorize the State Superintendent to execute a grant agreement with the successful bidder under the Illinois Statewide Assistive Technology Device Loan Program RFP.

Background Information

Assistive technology device loans are provided to school districts, free of charge, allowing school personnel and students to determine if a device will meet the students’ needs according to the Individualized Education Program (IEP). These devices assist students in participating more fully in their educational environment, developing positive social interactions, and functioning more independently in the school and other settings.

ISBE has awarded an IDEA discretionary grant since FY 2009 to purchase and maintain assistive technology devices to loan to Illinois school districts. In FY 2010, ISBE increased the amount of grant funds by 33% in response to the results of a statewide assistive technology survey. The survey demonstrated that a sufficient number of devices are not available for loan in a timely manner to allow a trial period prior to purchase of a device to public schools in the State. The term of this grant was FY 2009 through FY 2011.

The grant recipient will be responsible for the following:
• Maintaining staff, including salary, benefit, and management oversight provisions.
• Provision of office and inventory space to implement program.
• Purchasing, maintaining, and repairing assistive technology devices.
• Evaluating students to identify their assistive technology needs to meet IEP goals.
• Maintaining administrative functions including packing and shipping costs.

Data will be collected and utilized to promote the attainment of the following indicators in the Illinois State Performance Plan, Part B: http://www.isbe.net/spec-ed/pdfs/state_performance.pdf

• Indicator 5A: Percent of children with IEPs aged 6 through 21 served inside the general education classroom 80% or more of the day.
• Indicator 7B: Percent of preschool children aged 3 through 5 with IEPs who demonstrate improved acquisition and use of knowledge and skills (including early language/communication and early literacy).
• Indicator 14: Percent of youth who are no longer in secondary school, had IEPs in effect at the time they left school, and were:
  ▪ Enrolled in higher education within one year of leaving high school.
  ▪ Enrolled in higher education or competitively employed within one year of leaving high school.
  ▪ Enrolled in higher education or in some other postsecondary education or training program; or competitively employed or in some other employment within one year of leaving high school.

The grant will be awarded for one fiscal year (i.e., FY 2012) with the possibility of four continuation periods (i.e., FYs 2013 – 2016) contingent upon sufficient appropriation and satisfactory performance in the preceding grant period. The amount to be awarded in the initial year of the grant term (FY 2012) is approximately $450,000, with amounts in subsequent years (FY 2013 – FY 2016) estimated to range between $450,000 and $500,000 annually.

Effectiveness
Last evaluation of the program: The current grantee has submitted on-going progress reports that identify the equipment purchased, equipment that has been utilized by school districts, and a list that identifies equipment needed by school districts. Additionally, they have submitted follow-up evaluations on recipient satisfaction with the program. They have successfully met the provisions of the grant.

Results of evaluation or effectiveness indicators: The successful grantee will be required to submit four data reports to the grant manager for project evaluation. The fourth report must be a comprehensive end-of-year report.

Analysis and Implications for Policy, Budget, Legislative Action and Communications
Policy Implications: Approval of the request will authorize the State Superintendent to enter into a grant agreement with the successful bidder under the Illinois Statewide Assistive Technology Device Loan Program RFP, thus allowing for the implementation of the project.

Budget Implications: The Illinois Statewide Assistive Technology Device Loan Program grant will be funded through IDEA, Part B discretionory funds for the five-year grant period.
Legislative Action: None required.

Communication: An award notification letter will be prepared for the Superintendent’s signature. Staff in Public Information will be provided with the name of the successful bidder for public announcement of the grant award.

Pros and Cons of Various Actions
Pro: State Board approval allows the grant agreement to be executed in a timely manner so that funds can be utilized during FY 2012, services can be delivered in order to provide continued support in loaning devices free of charge to districts, and school personnel and students can determine if a device will meet the student’s needs according to the IEP prior to purchase.

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

   The State Board hereby authorizes the State Superintendent to enter into a grant agreement in FY 2012 with the successful bidder for the provision of the Illinois Statewide Assistive Technology Device Loan Program in an amount not to exceed $2,450,000 over the term of the five year grant.

Next Steps
Upon Board authorization, Agency staff will proceed with the RFP process, including the review of proposals, and subsequently submit a recommendation of the successful bidder to the State Superintendent for approval and release of funds.
TO:    Illinois State Board of Education
FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
       Elizabeth Hanselman, Assistant Superintendent for Special Education and Support Services

Agenda Topic: Grant Exceeding $1 Million: Illinois Statewide Assistive Technology Exchange Network

Staff Contact(s): Dave Andel, Division Administrator for Special Education Services
                  Dawn Camacho, Principal Consultant

Purpose of Agenda Item
The Division of Special Education Services requests the Board to authorize the State Superintendent to enter into a grant agreement in excess of $1 million over a five (5) year grant cycle with the successful bidder under the Request for Proposals (RFP) for the Illinois Statewide Assistive Technology Exchange Network.

Relationship to/Implications for the State Board’s Strategic Plan
The Illinois Statewide Assistive Technology Exchange Network discretionary grant will support the following Agency goals:

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

   GOAL 2: Every student will be supported by highly prepared and effective teachers and school leaders.

Expected Outcome(s) of Agenda Item
It is expected that the Board will authorize the State Superintendent to execute a grant agreement with the successful bidder under the Illinois Statewide Assistive Technology Exchange Network RFP.

Background Information
The Assistive Technology Exchange Network has been utilized and funded by federal Individuals with Disabilities Education Act (IDEA) Part B Discretionary dollars for more than five (5) years. This is a project that impacts students with disabilities across school districts statewide. The grant recipient provides recycled, refurbished technology to meet student’s needs and to promote their involvement with their general education peers and to assist in progressing in the general curriculum and attaining their post-secondary goals. The technology is provided to the school or family to support the learning needs of students with disabilities.

The grant recipient will be responsible for the following:

- Maintaining staff, including salary, benefit, and management oversight provisions.
- Provision of office space, including utilities.
- Conferences for networking to meet grant initiatives.
- Marketing to increase the procurement of technology for recycling.
• Maintaining administrative functions, including packing and shipping costs.

Data will be collected and utilized to promote the attainment of the following indicators in the Illinois State Performance Plan, Part B:

(See http://www.isbe.net/spec-ed/pdfs/state_performance.pdf for more information).

• Indicator 5A: Percent of children with IEPs aged 6 through 21 served inside the general education classroom 80% or more of the day.

• Indicator 7B: Percent of preschool children aged 3 through 5 with IEPs who demonstrate improved acquisition and use of knowledge and skills (including early language/communication and early literacy).

• Indicator 13: Percent of youth age 16+ with an IEP that demonstrates measurable secondary transition goals and services.

• Indicator 14: Percent of youth who are no longer in secondary school, had IEPs in effect at the time they left school, and were:
  - Enrolled in higher education within one year of leaving high school.
  - Enrolled in higher education or competitively employed within one year of leaving high school.
  - Enrolled in higher education or in some other postsecondary education or training program; or competitively employed or in some other employment within one year of leaving high school.

The grant will be awarded for one fiscal year (i.e., FY, 2012) with the possibility of four continuation periods (i.e., FYs 2013 – 2106) contingent upon sufficient appropriation and satisfactory performance in the preceding grant period. The amount to be awarded in the initial year of the grant term (FY 2012) is approximately $350,000, with amounts in subsequent years (FY 2013 – FY 2016) estimated to range between $350,000 and $400,000 annually.

**Effectiveness:**

Last evaluation of the program: The current grantee has submitted quarterly reports that include information about the assistive technology equipment collected through donation and distributed to school districts. Additionally, the current grantee has submitted follow-up evaluations on recipient satisfaction with the program. The grantee has successfully met the provisions of the grant.

Results of evaluation or effectiveness indicators: The successful grantee will be required to submit four data reports to the grant manager for project evaluation. The fourth report must be a comprehensive end-of-year report.

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

Policy Implications: Approval of the request will authorize the State Superintendent to enter into a grant agreement with the successful bidder under the Illinois Statewide Assistive Technology Exchange Network RFP, thus allowing for the implementation of the project.

Budget Implications: The Illinois Statewide Assistive Technology Exchange Network grant will be funded through IDEA, Part B discretionary funds for the five-year grant period.

Legislative Action: None required.
Communication: An award notification letter will be prepared for the Superintendent's signature. Staff in Public Information will be provided with the name of the successful bidder for public announcement of the grant award.

**Pros and Cons of Various Actions**

Pro: State Board approval allows the grant agreement to be executed in a timely manner so that funds can be utilized during FY 2012, services can be delivered to provide continued technical assistance and training to districts, and school personnel can provide and implement services using assistive technology.

**Superintendent’s Recommendation**

I recommend that the following motion be adopted:

The State Board hereby authorizes the State Superintendent to enter into a grant agreement in FY 2012 with the successful bidder for the provision of the Illinois Statewide Assistive Technology Exchange Network in an amount not to exceed $1,950,000 over the term of the five year grant.

**Next Steps**

Upon Board authorization, Agency staff will proceed with the RFP process, including the review of proposals, and subsequently submit a recommendation of the successful bidder to the State Superintendent for approval and release of funds.
TO:                  Illinois State Board of Education
FROM:                 Christopher A. Koch, Ed.D., State Superintendent of Education
                        Elizabeth Hanselman, Assistant Superintendent for Special Education
                        and Support Services

Agenda Topic:  Contract Exceeding $1 Million: Illinois Special Education Child
Tracking and Personnel Reimbursement Database Program

Staff Contact(s):  Dave Andel, Division Administrator for Special Education Services
                    Scott Beever Principal Consultant

Purpose of Agenda Item
The Division of Special Education Services requests that the Board authorize the State
Superintendent to enter into a contract in excess of $1 million over a five (5) year cycle with the
successful bidder under the Request for Sealed Proposals (RFSP) for the Illinois Special
Education Child Tracking and Personnel Reimbursement Database Program.

Relationship to/Implications for the State Board’s Strategic Plan
The Illinois Special Education Child Tracking and Personnel Reimbursement Database Program
contract will support the following Agency goals:

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

GOAL 2: Every student will be supported by highly prepared and effective teachers and
         school leaders.

Expected Outcome(s) of Agenda Item
It is expected that the Board will authorize the State Superintendent to execute a contract with
the successful bidder under the Illinois Special Education Child Tracking and Personnel
Reimbursement Database Program RFSP.

Background Information
The requirement for special education data and reporting is contained in the Individuals with
Disabilities Education Act of 2004, PL 108-446. As such, the Harrisburg Project was created
and has maintained software for microcomputers allowing special education districts and
cooperatives to manage (input, use and transmit to ISBE) data on students with disabilities and
special education personnel. This system has allowed ISBE to more efficiently manage special
education information. Additionally, the Harrisburg Project has provided technical assistance
and training for all the developed software.

The purpose of this RFSP is to contract with an entity on a time-and-materials basis for the
services of the following professional roles: one (1) project director, four (4)
programmer/analysts, four (4) trainers/client support specialists, one (1) technology coordinator,
and one (1) program assistant. This entity will work under the guidance of the ISBE Special
Education Division Supervisor, ISBE Funding & Disbursement Division Administrator, and ISBE
Data Systems Supervisor for a contract period of three years with up to two one-year renewals.
The agency utilizes the Special Education Funding and Child Tracking System (FACTS) to collect Special Education data from districts and Special Education Cooperatives/Joint Agreements. This system serves as the primary application for the collection of data for children with disabilities who are eligible for state pupil categorical reimbursements under the Illinois School Code. Per Section 2-3.30 of the School Code, FACTS is also the system for collecting information on all students with disabilities, which is then reported to the federal government. Students reported must be eligible to receive services or be in a special education program receiving direct or related services approved by a public school district on December 1, 2010, be at least age three through age 21, inclusive (i.e., through the day before the student’s 22nd birthday) (see 34 CFR 300.101(a)), and have an individualized education program (IEP) or individualized services plan (ISP) in place. Districts and special education cooperatives must also report data on certified and non-certified personnel who are responsible for working with children with disabilities for approval, reimbursement and federal reporting purposes.

The selected entity will maintain the IePoint and Netcheck software, which has been developed to assist districts and special education cooperatives in managing data for students with disabilities and reporting to FACTS. IePoint is a desktop software application, developed using Visual FoxPro, used by approximately 400 sites across Illinois. Netcheck is a web application which allows clients that manage Special Education data through another software package to submit data to ISBE by using a specified file format. The IePoint and Netcheck software is also used by districts and special education cooperatives to report data on certified and non-certified personnel who are responsible for working with children with disabilities for approval, reimbursement and federal reporting purposes. The software must be maintained to ensure they are in proper working order for all clients and are up-to-date with any changes to state or federal statutes, regulations or policies. The selected entity will ensure that all software includes defined edit and error checking based on state and federal policy and consistently utilizes up-to-date publicly available data regarding client sites, LEAs, schools, school calendars, special education cooperatives, and private facilities to ensure data quality and integrity.

The selected entity will maintain a website which will allow for the secure, reliable exchange of data from districts and special education cooperatives to ISBE. The selected entity will validate data provided by districts and special education cooperatives to ensure error free data files are received by ISBE.

The selected entity will maintain and develop any required web-applications to assist in the collection of Special Education data, including, but not limited to:

- **Data Correction Service**: A web-application which facilitates communication between districts, special education cooperatives and ISBE regarding required correction and/or amendments to special education data.
- **Spinet**: A web-application which allows districts and ISBE to request, assign and maintain data regarding surrogate parent assignments for students who need these services.
- **Private Facility Search**: A web-application which serves as an online directory of private special education facilities.
- **SPP Indicator 14**: A web-application which allows districts and special education cooperatives to report on the results of the post-secondary outcomes survey required by IDEA.
- **CEIS Data Collection**: A web-application which will allow districts and special education cooperatives to report on students without disabilities receiving Coordinated Early Intervening Services under IDEA.
The selected entity will provide user support, training and technical assistance for all software maintained or developed by the selected entity. The selected entity will provide assistance to district and special education cooperative personnel responsible for reporting special education data to ISBE.

The selected entity will collaborate with ISBE and its existing contractors on the development of a web-based version of IePoint which will expand the current desktop version’s capabilities and allow for the integration of FACTS and other agency systems (including the Illinois Student Information System).

**Financial Background**
The contract will cover three fiscal years (i.e., FYs 2012, 2013, and 2014) with the possibility of two one-year continuation periods (i.e., FYs 2015 – 2106), all contingent upon sufficient appropriation and satisfactory performance in the preceding contract period. The amount of the contract in the initial year (FY, 2012) is approximately $500,000, with amounts in subsequent years (FYs 2013 – FY 2016) estimated to range between $500,000 and $800,000 annually.

**Effectiveness**
Meetings will be held on a monthly basis with the project director and other involved staff to discuss progress on deliverables, further training needs of school districts, and any needed enhancements.

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

Policy Implications: Approval of the request will authorize the State Superintendent to enter into a contract agreement with the successful bidder under the Illinois Special Education Child Tracking and Personnel Reimbursement Database Program RFSP, thus allowing for the implementation of the project.

Budget Implications: The Illinois Special Education Child Tracking and Personnel Reimbursement Database Program contract will be funded through IDEA, Part B discretionary funds for the five-year contract period.

Legislative Action: None required

Communication: An award notification letter will be prepared for the Superintendent’s signature. Staff in Public Information will be provided with the name of the successful bidder for public announcement of the contract award.

**Pros and Cons of Various Actions**
Pro: State Board approval allows the contract agreement to be executed in a timely manner so that funds can be utilized during FY 2012, and services can be delivered to provide continued support for district implementation of the Illinois Special Education Child Tracking and Personnel Reimbursement Database Program.

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

The State Board hereby authorizes the Agency staff to release a Request for Sealed Proposal for the provision of the Illinois Special Education Child Tracking and Personnel Reimbursement Database Program and to enter into a contract with the successful bidders through June 30, 2014. The contract’s initial term will not to exceed $2,100,000.
The contract will provide ISBE with the discretion to enter into two one-year renewal periods.

**Next Steps**
Upon Board authorization, Agency staff will proceed with the RFSP process, including review of proposals, and subsequently submit a recommendation of the successful bidder to the State Superintendent for approval and release of funds.
TO: Illinois State Board of Education
FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
Darren R. Reisberg, General Counsel/Assistant Superintendent

Agenda Topic: Approval of Shefsky & Froelich, Ltd. Contract

Materials: None

Staff Contact(s): Darren R. Reisberg, General Counsel/Deputy Superintendent
Jessica Riddick, Assistant Legal Advisor

Purpose of Agenda Item
The Office of General Counsel requests approval to increase its contract with the law firm of Shefsky & Froelich, Ltd., which has been providing services related to investigation and prosecution of alleged educator misconduct.

Relationship to/Implications for the State Board’s Strategic Plan
Investigating and taking appropriate certificate action is directly linked to the following two Agency goals:  Goal 2: Every student will be supported by highly prepared and effective teachers and school leaders; and Goal 3: Every school will offer a safe and healthy learning environment for all students.

Expected Outcome(s) of Agenda Item
This agenda item will be discussed in plenary session and Board approval for a contract renewal for FY 12 will be requested.

Background Information
Article 21 of the School Code contains language regarding the Agency’s authority to take action with respect to an educator’s certificate. Section 21-23a contains “enumerated offenses”, conviction of which results in automatic revocation of any and all certificates, without an opportunity for a hearing. The Agency, however, is also authorized to take action against an educator’s certificate without the existence of a Section 21-23a conviction, if Agency staff is aware of evidence of, among other things, “unprofessional conduct,” “immorality”, or “incompetence”. In such a case, though, an individual is afforded an opportunity for a hearing.

Since 2008, the process by which the Agency addresses allegations of educator misconduct have been streamlined. In addition, since FY 09 the Board has supported financial and legislative efforts focused on: (a) streamlining the investigation and hearing system in those instances where the Agency receives notice of alleged educator misconduct; (b) improving the reporting mechanisms to allow the Agency to indeed receive notice of alleged educator misconduct; and (c) increasing training of educators on issues such as teacher-student interaction

Integral to the improvement of the educator misconduct system is the work of Shefsky and Froelich, Ltd. (“Shefsky”). In 2008, the Agency entered into a contract with Shefsky, utilizing the
provisions of 30 ILCS 500/1-10(b) (procurement in anticipation of litigation). The attorneys at Shefsky working on educator misconduct matters have been designated Special Assistant Attorneys General by the Illinois Office of the Attorney General and, as such, bill at a maximum rate of $200/hour. The FY 08 contract was extended through FY 10. In 2010, the Agency entered into a new contract with Shefsky which may be extended for two additional one year terms at the Agency’s discretion. The billing rate has remained at $200/hour for attorney services.

Agency staff in the Certification and Educator Preparation and Recertification Divisions review information received by the Agency of potential educator misconduct and then present such information with recommendations to our Legal Department and Shefsky. Shefsky provides pre-hearing services including the further investigation of allegations of educator misconduct to determine with the Superintendent has sufficient evidence to warrant initiation of a certificate action; services related to the hearing, if an individual so requests one; and post-hearing services. All of this work is done pursuant to the requirements of Article 21 of the School Code and parts 475 and 485 of ISBE’s rules (23 Ill. Adm. Code 475 and 23 Ill. Adm. Code 485).

In FY11, Shefsky was sent approximately 20-25 priority cases for review. Of those, the State Superintendent issued 16 Notices of Opportunity for Hearing, and investigation continues on the remaining files. A small percentage of cases did not require a hearing, either due to voluntary surrender of a certificate or the certificate holder’s decision not to pursue a hearing related to the allegations against him/her. Five hearings regarding teacher misconduct have concluded, and currently there are 4 hearings pending before hearing officers in the pre-hearing/discovery stage. Two certificate holders accused of misconduct requested a hearing, but then entered into settlement agreements rather than going forward with a hearing. Notices of opportunity for hearing on 3-5 additional matters should be issuing in the next few months. There is one matter pending in the Circuit Court on Administrative Review.

Related to their work on these specific matters, the Shefsky attorneys have provided tremendous value by, among other things, reviewing Agency procedures and making helpful suggestions on best practice, and helping to obtain for the Agency certified conviction records from federal courts (which often involve automatic revocations under Section 21-23a of the School Code).

Financial Background

The funding for each fiscal year is as follows:

FY11: $250,000

The requested amount will increase the contract by $250,000 for a maximum amount of $500,000.

Effectiveness

The Contractor has provided excellent service as reflected in the FY10 Contractor Post Performance Review. The FY 11 Post Performance Review has not yet been completed but will reflect excellent service.
Analysis and Implications for Policy, Budget, Legislative Action and Communications

Policy Implications: Approval of the contract increase for FY12 will continue the Agency’s efforts to insure a safe and healthy learning environment for all Illinois students and to take appropriate certification action where it is demonstrated a certificate holder may not be meeting the standards expected of certified professionals.

Budget Implications: State funding currently supports this initiative. The State Board’s budget for the Educator Misconduct line item in FY11 was $375,000 and our budget request for FY 12 remains at $375,000. Note that this budget item supports the payment of hearing officers in educator misconduct matters, which is why the funds allocated for the amendment of the Shefsky contract ($250,000) represents only a portion of the requested line item.

Legislative Action: None required.

Communication: None required.

Pros and Cons of Various Actions
Pros: Approval of this requested action will enable the Agency’s work in this regard to continue.

Superintendent’s Recommendation

I recommend that the following motion be adopted:

The State Board of Education hereby authorizes Agency staff to enter into a contract amendment with Shefsky & Froelich for an amount not to exceed $250,000 for the FY 12 term for the purpose of prosecuting and investigating cases involving educator misconduct. The total maximum amount of the contract will not exceed $500,000.

Next Steps
Agency staff will commence the process of preparing the appropriate contract amendments in accordance with the approved motion.
TO: Illinois State Board of Education
FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
       Connie J. Wise, Ph.D., Assistant Superintendent

Agenda Topic: Approval of the Illinois Virtual School Contract Exceeding $1 million

Materials: None

Staff contact(s): Marica Cullen, Division Administrator, Curriculum and Instruction

Purpose of Agenda Item
The Curriculum & Instruction Division requests that the Board approve the renewal of the contract with the Peoria Regional Office of Education for the administration and management of the Illinois Virtual School through June 30, 2012.

Relationship to the Board’s Strategic Plan
This recommendation aligns with Goals 1 and 2 from the September 2008 ISBE Mission and Goals Statements.

Goal 1: Every student will demonstrate academic achievement and be prepared for success after high school.
Goal 2: Every student will be supported by highly prepared and effective teachers and school leaders.

Expected Outcome(s) of Agenda Item
This agenda item will be discussed in the Finance & Audit Committee of the Whole and then called for a vote at the plenary session. The Board will grant approval for the State Superintendent to amend the contract for one additional year with the Peoria Regional Office of Education, with the total amount of the contract not to exceed $4,604,822.

Background Information
The Illinois Virtual High School (IVHS) began in January 2001, pursuant to Board action. The Illinois State Board of Education ran the program from 2001-2003. In 2003 the Illinois Math and Science Academy (IMSA) assumed day to day operations.

In 2008 ISBE released a Request for Sealed Proposals (RFSP) for the administration and management of the Illinois Virtual School (IVS) which would expand to include professional development offerings for teachers as well as continue to offer high-quality, standards-based courses for students in grades 5-12. These courses would be taught by highly-qualified, Illinois-certified teachers.

The Peoria Regional Office of Education was the successful bidder of that competition. Since assuming management of the IVS, the new administrator has completed a full course review, moved to a new learning management system, added enhanced and additional course offerings, worked with districts to design and deliver customized courses, revised teacher
selection, training and compensation, and developed online courses for Illinois teachers to support state and regional initiatives.

**Financial Background**
The funding for the past fiscal years of the contract are as follows:

- FY09: $224,995
- FY10: $1,649,827
- FY11: $1,280,000

The requested amount will increase the contract by $1,450,000 for a maximum amount of $4,604,822.

If the final FY12 budget includes reductions to the line item providing support for IVS, proportionate reductions will be made to the IVS contract.

**Effectiveness**
The Peoria Office of Education assumed full administration of the IVS in Fall 2009. Enrollment information is included in the following table.

<table>
<thead>
<tr>
<th>Term</th>
<th>Course Enrollment</th>
<th>Completion Rate</th>
<th>Schools Served</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2008</td>
<td>1,291</td>
<td>75%</td>
<td>179</td>
</tr>
<tr>
<td>Spring 2009</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Summer 2009</td>
<td>733</td>
<td>74%</td>
<td>91</td>
</tr>
<tr>
<td>Fall 2009</td>
<td>615</td>
<td>88%</td>
<td>144</td>
</tr>
<tr>
<td>Spring 2010</td>
<td>1,015</td>
<td>77%</td>
<td>151</td>
</tr>
<tr>
<td>Summer 2010</td>
<td>901</td>
<td>88%</td>
<td>127</td>
</tr>
<tr>
<td>Fall 2010</td>
<td>988</td>
<td>83%</td>
<td>142</td>
</tr>
</tbody>
</table>

*Information not available from previous contractor*

In addition to offering online courses directly to students, the Peoria ROE proposal outlined new directions for IVS use. To date the IVS has offered, or is in final design stages, of 18 professional development courses for teachers and administrators, and has completed training with 25 staff from Regional Offices of Education to develop and facilitate regional online coursework through the IVS platform. In addition, the IVS has worked with CPS and other districts to provide technical assistance and online resources for those districts to develop and lead their own online student course content. The flexibility of the new IVS technical platform and Student Enrollment Management System allows for these improved learning opportunities.

Because of the increasing enrollment and expanded services offered by the IVS, the Peoria Regional Office of Education has received good to excellent ratings in all categories of the Post Performance Review – Professional and Artistic for FY10.

**Analysis and Implications for Policy, Budget, Legislative Action and Communications**
Policy Implications: Approval of the contract amendment and renewal with the Peoria Regional Office of Education will allow the IVS to continue to operate and provide needed services to the students and teachers of Illinois. The amendment will also allow for the expansion of course options as well as the continued development of new services.
Budget Implications: State funding sources currently support this effort.

Legislative Action: None required.

Communication: None required.

**Superintendent’s Recommendation**
I recommend that the following motion be adopted at the June Board meeting.

The Illinois State Board of Education hereby authorizes agency staff to extend the contract for the purposes of refining and maintaining the Illinois Virtual School with the Peoria Regional Office of Education through June 30, 2012, and to increase the contract’s maximum amount not to exceed $4,604,822.

**Next Steps**
Agency staff will complete final negotiations to renew and amend the contract in accordance with the approved motion.
ILLINOIS STATE BOARD OF EDUCATION MEETING  
May 25-26, 2011

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: Illinois Migrant Council Contract Exceeding $1 Million

Materials: None

Staff Contact(s): Robin M. Lisboa, Division of English Language Learning

Purpose of Agenda Item
To obtain approval for continuation of a contract with the Illinois Migrant Council (IMC) through August 31, 2012 to provide migrant recruiting, inter-state coordination, needs assessment, student records transfer, parent involvement, technical assistance and professional development for the Migrant Education Program (MEP) in Illinois. The total award over a four year period will not exceed $1,964,000.

Relationship to/Implications for the State Board’s Strategic Plan
The IMC contract addresses all three goals:

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

GOAL 2: Every student will be supported by highly prepared and effective teachers and school leaders;

GOAL 3: Every school will offer a safe and healthy learning environment for all students.

The IMC identifies eligible migrant children and connects them with available local migrant education projects designed to support academic success and high school graduation. The IMC also provides extensive professional development to migrant teachers, administrators, recruiters and staff and offers individual technical assistance to local projects to ensure that they establish learning environments that meet the unique needs of migrant students.

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

Background Information
The Agency receives funding under Title I, Part C of No Child Left Behind for the Education of Migratory Children to identify migrant children and provide them with supplemental educational services that address barriers to learning related to mobility to ensure that these students meet the state learning standards with an emphasis on reading and mathematics. Eligible migrants include children through the age of 21 who have not graduated from high school and have moved within the past three years across school district boundaries with a parent or guardian or on their own to find seasonal or temporary work in agriculture or fishing. In Illinois, MEP funds are distributed to local projects in communities with documented migrant populations. Most
services are provided during the summer months when the majority of migrant families are present in the State. To effectively implement the MEP and meet the requirements of Title I, Part C, the Agency implements statewide and inter-state coordination activities to address the needs of migrant children. These include 1) identification and recruitment of all migrant children following federal guidelines for eligibility determination, recruiter training and quality control procedures; 2) collection of individual migrant student data that is uploaded onto a federal database to facilitate inter-state coordination and student records transfer; 3) maintaining an updated comprehensive needs assessment to guide program development; 4) participating in inter-state coordination efforts including multi-state consortia; 5) involving migrant parents in their children’s education; and 6) providing professional development, technical assistance and support to local MEP projects.

In June of 2008, the agency issued an RFSP for a contract to provide coordination support in these areas to the MEP in Illinois. The Illinois Migrant Council (IMC) submitted the winning bid and was awarded a one-year contract with the possibility of four renewals. The funding for each fiscal year is as follows:

Financial Background
Funding to date:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY09</td>
<td>$387,167</td>
</tr>
<tr>
<td>FY10</td>
<td>$513,000</td>
</tr>
<tr>
<td>FY11</td>
<td>$491,000</td>
</tr>
<tr>
<td>FY12</td>
<td>$81,833</td>
</tr>
</tbody>
</table>

Total: $1,473,000

The requested amount will increase the contract by $491,000 for a total contract amount of $1,964,000.

Effectiveness
IMC has successfully fulfilled all contract requirements during the past three years. They have strengthened the state migrant eligibility determination system through systematic training of recruiters and a structured quality control system that maintains a minimal recruiter error rate as documented each year through an annual re-interview process. They provided professional development for teachers and other staff focusing on the unique educational needs of migrant children, and evaluation results indicate that these events have been highly effective in terms of the participants’ response to the training and the student outcomes documented in the migrant summer programs.

Analysis and Implications for Policy, Budget, Legislative Action and Communications
Policy Implications: Approval of the IMC contract continuation will allow the Illinois State Board of Education to meet the requirements of the federal MEP. In addition, the State will have the resources needed to conduct statewide activities that improve education opportunities for highly mobile, at-risk migrant children and youth.

Budget Implications: The IMC contract will continue to be funded with federal Migrant Education Program funds. The amount for the renewal period (September 1, 2011 – August 31, 2012) will be $491,000.

Legislative Action: None
Communication: None

**Pros and Cons of Various Actions**
Approval of the continuation of this contract will allow the Agency to continue to effectively address the needs of migrant students in the state and to carry out the activities required under federal guidelines. The contract will continue to be funded through the federal Title I, Part C MEP allocation to the State.

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

The Board hereby authorizes the State Superintendent to renew the agreement with Illinois Migrant Council, for $491,000 and extend it to August 31, 2012. The contract with Illinois Migrant Council will not exceed $1,964,000.

**Next Steps**
Once Board approval is obtained the Agency will renew the IMC contract for the contract period.
Agenda Topic: Recommendations for QZAB Bond Authorization(s)

Materials: Approval Certificates

Staff Contact(s): Deb Vespa

Purpose of Agenda Item
To approve applications submitted by the districts listed below for designation of $14,932,000 in bonds from the calendar year 2011 allocation as Qualified Zone Academy Bonds pursuant to the provisions of Section 1397E of the Internal Revenue Code of 1986, as amended. These requests will utilize the total authorized volume cap for 2011. Two districts that have previously received allocations (Elgin District U-46; and Jersey County CUSD 100) applied for an additional allocation from the 2011 volume cap, however, the volume cap is insufficient to fully authorize the requested amounts of the first time applicants.

The allocation requests are summarized below:

<table>
<thead>
<tr>
<th>DISTRICT</th>
<th>Amount of QZAB Request</th>
<th>2011 Allocation*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount available for allocation from 2011</td>
<td></td>
<td>$14,932,000</td>
</tr>
<tr>
<td>Edwards County Community Unit School District 1</td>
<td>$1,000,000</td>
<td>$708,907</td>
</tr>
<tr>
<td>Decatur School District 61</td>
<td>$6,600,000</td>
<td>$4,678,789</td>
</tr>
<tr>
<td>Shelbyville Community Unit School District 4</td>
<td>$2,213,400</td>
<td>$1,569,096</td>
</tr>
<tr>
<td>Aurora East Unit School District 131</td>
<td>$1,250,000</td>
<td>$886,134</td>
</tr>
<tr>
<td>Galesburg Community Unit School District 205</td>
<td>$10,000,000</td>
<td>$7,089,074</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$14,932,000</td>
</tr>
</tbody>
</table>

- Requests prorated at 70.8907%

Expected Outcome(s) of Agenda Item
The Board will approve the allocation and thus allow boards of education of the above named districts to issue bonds designated as Qualified Zone Academy Bonds.
The Qualified Zone Academy Bonds program, created under Section 226 of the Taxpayer Relief Act of 1997 (P.L. 105-34), is a source of limited financial assistance to rehabilitate or repair public school facilities or provide equipment. The program permits school districts to borrow money from financial institutions at little or no interest cost by issuing Qualified Zone Academy Bonds. Proceeds of qualified zone academy bonds may be used for four purposes:

- repair or rehabilitation of school buildings,
- provision of equipment for the school,
- development of course materials for the zone academy, or
- training teachers and other school personnel.

These bonds may not be used for new construction. Bond purchasers receive federal tax credits instead of interest and the school district cost of borrowing is substantially reduced.

The local board must designate the school as a ‘zone academy.’ The school must be located in a federally designated empowerment zone or enterprise community; or at least 35% of the school’s students must be eligible for free or reduced-cost lunches. The school must establish a public-private partnership, and it must secure written commitments from private entities for substantial contributions. Substantial contributions are equal to 10% or more of the capital borrowed on behalf of the zone academy. The local board must then receive an allocation of borrowing authority from ISBE and issue bonds for one or more of the qualified purposes indicated above.

In most years, Illinois was issued a volume cap of $14 to $15 million; however, with the America Recovery and Reinvestment Act, Illinois received a significantly higher cap. Earlier, allocations of $13.9 million of bonds from the calendar year 2009 and $21.8 million from the calendar year 2010 allocations were made by the State Board at the May 2010 Board meeting and $8.1 million was allocated at the August 2010 Board meeting. For calendar year 2011, Illinois has been issued a volume cap of $14,932,000.

Seven districts submitted QZAB applications. Five were granted the authority to issue QZAB bonds at 70.8907% of their requested amounts. Elgin School District U-46 and Jersey Community Unit School District 100 made application but are not being recommended to receive authority since they received approval in past allocations. Elgin School District U-46 requested authority for $4,671,978 and Jersey County School District 100 requested $2,375,000.

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

Policy Implications: None

Budget Implications: None

Legislative Action: None

Communication: Upon Board approval, districts will be notified.
**Pros and Cons of Various Actions**

Pros: Of the seven districts that submitted applications, the school districts that receive the Board's approval to issue such bonds will be able to issue the bonds at a substantially reduced cost. Illinois was able to issue 100% of its allotted QZAB volume cap.

Cons: Illinois was not granted enough authority to allow 100% approval to all applicants.

**Superintendent's Recommendation**

I recommend that the following motion be adopted:

I move that the Illinois State Board of Education approve the applications submitted by the districts listed below for designation of $14,932,000 in bonds from the calendar year 2011 allocation as Qualified Zone Academy Bonds pursuant to the provisions of Section 1397E of the Internal Revenue Code of 1986, as amended (the Qualified Zone Academy Bond Program.)

**Next Steps**

Inform districts of approval and provide certification of approval.
Qualified Zone Academy Bond Program application approval and certification pursuant to the provisions of Section 1397E of the Internal Revenue Code of 1986, as amended

School District: Edwards County Community Unit School District 1

Designation: $708,907 in bonds as Qualified Zone Academy Bonds pursuant to the provision of Section 1397E of the Internal Revenue Code of 1986, as amended, from the calendar year 2011 authority.

_____________________________________________
Christopher A. Koch, Ed.D.
State Superintendent of Education

Approved by the Illinois State Board of Education this 26th day of May, 2011.
Qualified Zone Academy Bond Program application approval and certification pursuant to the provisions of Section 1397E of the Internal Revenue Code of 1986, as amended

School District: Decatur School District 61

Designation: $4,678,789 in bonds as Qualified Zone Academy Bonds pursuant to the provision of Section 1397E of the Internal Revenue Code of 1986, as amended, from the calendar year 2011 authority.

Christopher A. Koch, Ed.D.
State Superintendent of Education

Approved by the Illinois State Board of Education this 26th day of May, 2011.
Qualified Zone Academy Bond Program application approval and certification pursuant to the provisions of Section 1397E of the Internal Revenue Code of 1986, as amended

School District: Shelbyville Community Unit School District 4

Designation: $1,569,096 in bonds as Qualified Zone Academy Bonds pursuant to the provision of Section 1397E of the Internal Revenue Code of 1986, as amended, from the calendar year 2011 authority.

_____________________________________________
Christopher A. Koch, Ed.D.
State Superintendent of Education

Approved by the Illinois State Board of Education this 26th day of May, 2011.
Qualified Zone Academy Bond Program application approval and certification pursuant to the provisions of Section 1397E of the Internal Revenue Code of 1986, as amended

School District:  Aurora East Unit School District 131

Designation:  $886,134 in bonds from the calendar year 2011 authority as Qualified Zone Academy Bonds pursuant to the provision of Section 1397E of the Internal Revenue Code of 1986, as amended.

_____________________________________________
Christopher A. Koch, Ed.D.
State Superintendent of Education

Approved by the Illinois State Board of Education this 26th day of May, 2011.
Qualified Zone Academy Bond Program application approval and certification pursuant to the provisions of Section 1397E of the Internal Revenue Code of 1986, as amended

School District: Galesburg Community Unit School District 205

Designation: $7,089,074 in bonds from the calendar year 2011 authority as Qualified Zone Academy Bonds pursuant to the provision of Section 1397E of the Internal Revenue Code of 1986, as amended.

_____________________________________________
Christopher A. Koch, Ed.D.
State Superintendent of Education

Approved by the Illinois State Board of Education this 26th day of May, 2011.
TO: Illinois State Board of Education
FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
       Darren Reisberg, General Counsel
       Susie Morrison, Deputy Superintendent and Chief of Staff
       Linda Riley Mitchell, Chief Financial Officer

Agenda Topic: Information Item: School District Oversight – Monthly Board Update

Materials:
Needs Assessment: North Chicago CUSD 187

Staff Contact(s): John Perkins, Superintendent’s Liaison to District Administration

Purpose of Agenda Item
The Illinois State Board of Education will receive an update on the work being done in districts with which the Illinois State Board of Education has entered into Oversight Agreements.

Relationship to/Implications for the State Board’s Strategic Plan
This agenda item relates to all three of the Board’s Goals:

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

   Goal 2: Every student will be supported by highly prepared and effective teachers and school leaders; and

   Goal 3: Every school will offer a safe and healthy learning environment for all students.

Expected Outcome(s) of Agenda Item
The Board will receive an overview of the oversight activities to date in both North Chicago Community School District #187 (“North Chicago”) and East St. Louis District #189 (“East St. Louis”).

Background Information

North Chicago District – North Chicago signed the Intergovernmental Cooperation Agreement with ISBE on November 30, 2010. Since that point, ISBE staff have been significantly involved in the operation of North Chicago, and most critically, assisted with the identification and hiring of a new district superintendent, Milton Thompson. The attached documents reflect some of the activities that have occurred in North Chicago since execution of the Agreement.

East St. Louis District – East St. Louis signed the Intergovernmental Cooperation Agreement with ISBE on May 12, 2011. ISBE staff are working to identify a retired superintendent to serve as an on-the-ground contact in East St. Louis during the month of June, and then will work to identify two individuals to serve as Interim Superintendents in East St. Louis for the 2011-2012
school year, while simultaneously working with a search firm to identify a full-time superintendent for the 2012-2013 school year.

**Superintendent’s Recommendation**
This is an information item. No action is required.
MEMO

To: Dr. Chris Koch and Dr. John Perkins, Illinois State Board of Education

From: Dr. Douglas Parks and Dr. Ben Martindale

Date: May 3, 2011


The following is an addendum to the previous memo as requested by the Illinois State Board of Education:

i) Plan for Board Member Training and Operational Review.

Steve Clark from Illinois Association of School Boards did a presentation to the Board in March. At that presentation, consensus of the Board was to agree to participate in the Targeting Achievement through Governance (TAG) program. Dates have not been set for Steve’s participation; however, the Board is planning to attend a Board “Boot Camp” beginning on June 16, 2011. In discussions with Steve since the conversation with the Board regarding attendance at the Boot Camp, Steve recommends they not attend but rather work through the TAG program to accomplish the same goals as would be provided at the Oak Brook workshop. Superintendent Thompson and President Robinson will be having a conversation regarding the above in the days to come. Superintendent Thompson has been in touch with Steve Clark to finalize plans.

ii) Corrective Plan for Noncompliance.

As of now there is no comprehensive corrective plan for noncompliance. The noncompliance issues span every possible category including ELL, Special Education, Title I, Title II, and Free and Reduced Lunch programs. Additionally, data reported on the Annual Financial Report is incorrect. Last year the district AFR indicated 100% attendance as a calculator. Obviously that is incorrect. Based on conversations with Deb Vespa from ISBE, that situation will be corrected, if at all possible, during the current fiscal year. Bottom line, Superintendent Koch agreed to send teams to North Chicago to attempt to begin to address the very significant compliance issues found throughout the organization. A comprehensive corrective plan will follow.

iii) Financial Plan.

PMA is working with the district to create the long range financial plan now that more accurate information is available. Hopefully PMA can be present at the June Board meeting regarding the district’s financial future. One key component of that plan will be dependent upon the status and future of Impact Aid. As noted previously, Impact Aid is in question. The 30% threshold has not been met even with the inclusion of the military dependents attending surrounding school districts. Dr. Martindale and Board President Kenneth Robinson did attend the NAFIS Conference this spring and were told that legislation is in the works to reduce that threshold to 20%. Whether or not that can become a reality remains to be seen. Robinson and Martindale believe that there is at least a fair chance the legislation will be successful.
iv) Instructional Improvement Plans.

An Instructional Improvement plan for the weakest school in the district, North Chicago High School, is in place through the application of the 2012 SIG grant. Six meetings involving a variety of stakeholders from the High School developed strategies to address the comprehensive issues at the High School. That grant was submitted on time to the ISBE Chicago office on Monday, May 2, 2011. With regard to school improvement plans throughout the rest of the school district, Superintendent Thompson is using the critical issues and objectives identified in the comprehensive Needs Assessment as a tool to help him review SIP plans in the K-8 program.

Currently the High School and North Elementary are under restructuring and have approved “Rising Star” plans submitted to the Center for Innovations and Development at the Illinois State Board of Education. A. J. Katzenmier Elementary is in their first year of restructuring implementation and has an approved Rising Star plan at the Center for Innovations and Development. Green Bay Elementary is in corrective action and has an approved Rising Star plan at the Center for Innovations and Development. Neal Math and Science Academy is in their second year of working with the Regional Office of Education and has both an approved Rising Star plan and an approved school improvement plan. Forrestal and South Schools are in their first year of working with the Regional Office of Education and both have completed school improvement plans that have been approved by the North Chicago Board of Education. Novak King Sixth Grade Center is not in status but has worked with their RESPRO coach to write a school improvement plan that has been submitted to the North Chicago Board of Education for approval.

All of the schools have RESPRO workers that meet twice a month with the Principal and once a month with the SIP team. In addition the building leadership teams and Principals meet on a weekly basis with their RESPRO coach and enter “weekly updated” information that is forwarded to the Center for Innovations and Development.

Finally, the District Leadership team has been meeting on a weekly basis and has developed a district rising star plan with indicators and tasks. This plan has also been submitted to the Center for Innovations and Development.

RESPRO has been working in the district for 2 years to develop those plans. In addition, RESPRO has been involved in every building and they have been working to implement a comprehensive text book adoption for reading and language arts, K through 8th grade. That adoption has been approved by the Board of Education and the district is now looking at funding sources to purchase the needed materials. RESPRO has been very helpful to the district with regard to providing staff development in each of the district’s K-8 facilities.


For the first time in many years the High School schedule has been prepared and pilots have been run. As a result, High School staffing needs will be reduced by approximately 8 FTIs for 2011 - 2012. Additionally, all non-tenured teaching staff were RIFed at the March Board meeting and Paraprofessional positions were RIFed at the April Board meeting. Those positions will not be recalled until there is a good handle on the district’s budget for the 2011-2012 school year. As of this writing it is estimated that the 2010-2011 Education Fund budget will be in deficit as much as 1.3 to 1.5 million dollars.
vi) Facilities Plan.

Using information provided by Moody Noland for the Comprehensive Needs Assessment and the district's 10 year Life Safety study, Studio GC (AOR), has combined the two and included in the attached Facility Recommendations. Note that slightly over $15 million dollars in all would be required to bring the facilities up to a minimum standard. The figures enclosed do not include any renovations or work to the district's Central Office Administrative Center.

Summary:

As noted in the previously provided status report on activities since the agreement with the State Board was finalized, there remains enormous amount of work yet to be completed. The difficulties are so severe that many issues have simply not been addressed to any significant degree. Among them are the compliance issues noted above.

Additionally, Superintendent Thompson is being advised with regard to the possible request for a Financial Over Site Panel. Given that the district's debt is nearly $100 Million and we see few options with regard to repaying the debt and/or coming up with the necessary funds to renovate facilities it is our belief that the district is in a financial crisis. Although the immediate future can remain status quo, the future 3 to 5 years are in jeopardy.

Respectfully submitted,

Dr. Douglas Parks
Dr. Ben Martindale
MEMO

To: Dr. Christopher Koch

From: Dr. Douglas Parks and Dr. Ben Martindale

Date: April 26, 2011


The following reflects activities in North Chicago since the agreement with the State, November 1, 2010.

- Revise, review and adopt new Board Policies - Ben Martindale worked with Illinois Association of School Boards and their team to develop a set of policies for North Chicago. Two Board reps loosely participated in the process. The policies were adopted by action of the Board at the April Board meeting.

- Comprehensive Needs Assessment - A comprehensive needs assessment was completed and presented to the State Superintendent, the Board President, and Ben Martindale the first week of January, 2011. The comprehensive needs assessment includes a list of critical issues and supporting goals that have become part of Superintendent Milt Thompson’s contract.

- Central Office Administration - Ben Martindale and Doug Parks engaged the services of Kent Blake and Jim Hinze to act as Interim Business Managers. They also brought in James Walker to act as the Interim Director of Human Resources. The above additions have done a great deal to alleviate a number of issues, both financially and personnel wise, across the district.

- High School Reorganization - Effective March 1, 2011 a new Principal (David Brofman), a new Assistant Principal (Bob Kieltyka), and a new Dean of Men (Dr. Roudell Kirkwood) assumed leadership at the High School. A number of positive changes have occurred since that event most notably, student discipline is far more systematic and successful than it has been for the last several years. A School Resource Officer has been appointed full time who has made a very significant difference in the overall ethos, safety and security at the High School.

- Legal Fees - Even though the district budget of $250,000 allocated for legal fees has been exceeded by $111,000, those fees are an accumulation of litigation from prior years. Legal fees actually incurred for issues during the current school year are minimal. There will continue to be an excessive amount of legal fees until all of the pending litigation has been removed. The addition of a Human Resources person and appropriate personnel in the Business Office will be a significant contributor to further reduction of legal fees.

- District Technology - Ben Martindale initiated a Needs Assessment in regard to technology early in his tenure in the district. As follow up, support staff were brought in to begin to implement the technology plan. Additional personnel also contracted with the district to develop the E Rate proposal which has been submitted. Additionally, a district tech plan in response to the needs assessment is being developed. Finally, a part-time Technology Director is in place and has made a significant difference. Hopefully a permanent Technology Director will be in place by June 1, 2011.
• Power School Implementation - In the last few months, Power School has become more functional with help from the Regional Office of Education. The High School schedule has been developed and will be in place before school starts in the fall. It will incorporate schedules for incoming freshmen. That schedule may be modified depending on the requirements of the School Improvement Grant currently being developed for the High School.

• Removal of Incompetent Personnel - Several non-tenure and paraprofessional personnel who are clearly incompetent have been removed from the district’s roster. Additionally, four teachers are, and two soon will be, put into remediation plans aimed at removing them from the school district.

• Cost Reductions - Cost reductions have occurred in a number of areas, most notably is the contract with Qual Tran Transportation. Those costs have been reduced by $50 - $70,000 per month beginning in December. Additionally, the district moved from a natural gas cooperative that was charging excessive amounts for gas usage. Moving to a new cooperative will save the school district as much as $100,000 per year. In addition, the district sought bids for maintenance and janitorial services. By splitting the vendors, the district has been able to save a significant amount of money over janitorial and maintenance services provided in years past. Total savings for the above alone will be in excess of $1.3 million per year.

• Status of Facilities - Part of the comprehensive needs assessment was an addendum with regard to facilities. Moody Nolan, an independent minority owned architectural firm, did an overview of the facilities indicating a number of issues. Interim Business Manager Jim Hintz contacted the architect of record (Studio GC) and they have combined the ten year life safety report with the work done by Moody Nolan. The buildings have been neglected for a number of years. On average each could use $1.5 million in upgrades and renovations just to bring the facilities up to a minimal standard. More than $15 million is the estimated need for renovation.

• High School Facility - There have been enhancements to the High School Facility during the current school year. They are as follows:
  o $75,000 grant to update the High School Library
  o Bids are out to replace bleachers and repair the track. Total of those bids is about $500,000
  o Replacement of lockers
  Overall the appearance of the High School has improved.

• Lindbergh School - Lindbergh School which was closed several years ago was leased to Youth Build of Lake County for the current year. That facility is now producing at least some revenue for the school district.

• Impact Aid - Ben Martindale and Ken Robinson attended the NAFIS Conference in Washington, D.C. The results are disappointing; the district’s number of Impact Aid students has fallen well below the 30% threshold even when the students from surrounding students are counted. The only hopeful sign is that legislation is being considered at the federal level that would lower the threshold to 20% specifically for North Chicago. The loss in revenue could total as much as $6 - 8 million beginning in 2013.

• District Governance - Even though there are still bumps in the road, the Board of Education on the whole, behaves much better than in previous years. They no longer are empowered or try to administer the district by making personnel decisions and making staff assignments. The consistency of leadership provided by the Interims has added significantly to the stability of the district. Without the Liaison (John Perkins) there would still be chaos.

• Text Book Adoptions - Text book adoptions for the year have gone well. The Pearson series has been adopted K-8th grade in reading and language arts. Further text book adoptions are in
the future. The process has been established along with a cooperative relationship between the Union and ROE to make those decisions easier and more beneficial to students.

- **Successful Superintendent Search** - Everyone in district who has worked with Mitt Thompson agrees that he is an excellent candidate and will have a significant role in contributing to the success of North Chicago District 187 students.

- **Improved Labor Relations** - Over the last several months communication has improved with the IFT and its representatives. There is a level of trust currently established that must be maintained. IFT has been helpful in working with High School to submit the School Improvement Grant.

- **Business Functions** - The district’s ability to process invoices and pay bills has improved dramatically. We no longer have vendors calling or waiting at the door to get their checks. There are procedures in place and should remain in place in order to make sure that the district maintains and manages appropriate processes in the Business Office.

- **Compliance Issues** - There are a number of very significant compliance issues from Title I, Title II, ELL, Special Education, Food Service, and probably other areas as well. Those issues are far from resolved. Whatever help the district can get from ISBE would be appreciated. Without that help it will be very hard to resolve the compliance issues any time soon.

- **Job Descriptions** - For the first time in many years, job descriptions are in place (draft only) for a number of key Central Office administrators. Those job descriptions continue to be a work in progress and will be updated and modified as necessary as the new Superintendent brings in a leadership team.

- **Pending** - Currently pending are a Security Audit and a demographic study. The Security Audit is recommended in order to make sure that the number of personnel currently working as monitors in the district are effective and utilized as they need to be. It is expected that a professionally done security audit may well reduce the number of monitors significantly, especially at North Chicago High School. Additionally a demographic study has been commissioned and should be completed sometime over the summer months. As the Hispanic population grows in the district, some determination about future demographic trends must be made before there can be any very badly needed facility consolidation.

- **Continuing Financial Status of the District** - The continued future of the district and its finances are very questionable, especially with the possibility of losing Impact Aid. The State Board of Education should consider the possibility of a financial oversight panel to review the current status of the district’s finances and make some significant recommendations regarding how the district can secure a positive financial future.

- **Cash Advance for Board of Education Travel** - The past practice of a $100 per day cash advance has been stopped. No receipt for any such reimbursement has ever been received from Board of Education members.
NEEDS ASSESSMENT
NORTH CHICAGO C.U.S.D. 187

Prepared for:
State Superintendent Christopher A. Koch
Board President Kenneth Robinson
Interim Superintendent Ben Martindale

Prepared by:
Douglas Parks, Ph.D.
Louise Coleman, Ed.D.
James Fritts, Ph.D.
Rachele Dadouche-Nowak, Ed.D.
Kenneth Freeman, Ed.D.

December, 2010
ACKNOWLEDGEMENT

The Needs Assessment Team would like to thank all of the stakeholders who contributed to the contents of this document. The process included discussions with many parents, teachers, administrators, Board of Education members, and North Chicago students. Initially, more than 100 stakeholders were interviewed or given the opportunity to provide feedback. A special thanks goes to Celia Snyder, the Superintendent’s Administrative Assistant, who coordinated our interviews and schedule. We would also like to thank Ben Martindale, Interim Superintendent, for his encouragement and cooperation during this process. Finally, special thanks to the North Chicago Board of Education and Dr. Chris Koch, State Superintendent of Schools, for giving us the opportunity to conduct this important needs assessment. The committee is very hopeful that the results, findings, and recommendations can help guide North Chicago Public Schools toward the excellence the children of community deserves.

Sincerely,

Douglas Parks, Ph.D.
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METHODOLOGY

The Needs Assessment Committee, during its planning phase, gathered a number of variables from a variety of sources related to best practice in a number of important areas. Included are variables associated with positive governance, effective teaching and learning, administrative leadership, parent and committee involvement, and finance and operations. The variables associated with effective practice in all the above noted areas can be found in Appendix A, titled District Needs Assessment. The variables included come from the Illinois Association of School Boards, the Illinois State Board of Education, and other national resources who have identified variables associated with best practice in each of the above noted areas. These variables were used as a guideline for the Committee as various stakeholder groups were interviewed and the resultant information was organized and is presented in the following pages.

In each of the interview sessions, four basic questions were used as a way to initiate conversations. Those questions were:

1) What are the strengths of the district?
2) What needs to be improved?
3) What barriers are in place that prevent you from doing your job?
4) Which barrier is the most significant and why?

The Committee is hopeful that the information presented in the following pages can be used to create the kind of an educational environment that each student attending North Chicago C.U.S.D. 187 deserves.
GOVERNANCE/BOARD OF EDUCATION

Introduction

Over a two days period, Dr. Parks, Dr. Coleman, and Mr. Fritz interviewed all seven members of the Board of Education. The same four questions noted above were also used as a conversation starter. Every area associated with positive board governance was discussed. Below is a summary of the comments in each of the 13 areas associated with high performing Boards of Education.

Professional Development For All Board Members
All seven board members mentioned that they had received professional development training provided by Barbara Toney and the Illinois Association of School Boards. All felt the training had been worthwhile. My understanding is that training will be scheduled again in the future.

Professional Development For New Board Members
We heard no mention of professional development for new board members. In fact, we saw no evidence of communication between the four newly elected board members and the previous Board and/or previous administration. It appears that the four most recently elected board members (April of 2009) ran with an agenda to do the following four things:

1) Remove Superintendent Hakanan
2) Reorganize leadership for the district’s security team
3) Eliminate the need for a Type 75 certificate for Human Resources Director
4) Assume leadership of the Board of Education.

All the above is evidence of a lack of professional development for new board members.

Board Policies/Current and in Compliance With Illinois School Code
Board policies are not necessarily out of date or not compliant with Illinois School Code. Minutes of closed meetings are in compliance with the Illinois Open Meetings Act do not seem to be an issue at this time - largely because of the influence of Interim Superintendent Martindale. There is evidence from board member interviews that over the years there have been many breaches of closed meeting confidentiality. Some report that Board members use confidential information in any way they think necessary to show their influence or authority to other stakeholders in the community. The Needs Assessment Committee found no evidence of any board members knowing about or following Board policy or procedure.
Consistency with Board Member Code of Ethics

One board member stated, “We have a culture of dysfunction with our Board of Education.” Based on the interviews with all seven Board members, the Needs Assessment Committee tends to agree with that observation. We found little or no evidence that this Board of Education understands or complies with the Illinois Association of School Board Code of Ethics.

For example, board members do not understand they are board members only during an official business mtg. Most, if not all, conduct business outside the boardroom. In order to conduct that business, it is thought that confidential information is often shared in order to make a point with various stakeholders across the community. All board members thought that nepotism was associated with nearly every other Board member. None, however, felt he/she participated in any way in the employment of friends or relatives currently working in the school district. Some board members also reported there are often outbursts and accusations toward one another and employees before, during, or after public Board meetings. When asked why they believed people served on the Board, the response consistently was that board members want authority. When asked to do what, the answer was nepotism and influence with regard to their families and friends. Another often mentioned trend was that others on the Board wanted to micro-manage various aspects of district operations. One indicated that others listened to “the street” and then acted based on such feedback.

All board members agreed there is a three/four split on the Board. There is an overall lack of trust of those on the other side of the split. Many mentioned there is an ongoing power struggle between the three/four split, yet all believe they personally are on the Board to serve in the best interests of students.

Board Member Roles and Relationship to the Superintendent and Administrators

There is little evidence of board members understanding their roles and relationship with the Superintendent, other administrators, or the district’s teaching staff. At the same time, every board member pointed to leadership turnover and instability as the major issue blocking progress in North Chicago. No board member, however, accepted responsibility for that turnover.

Many teachers expressed the view that should they cross a board member they could expect to be punished in some way. Non-tenured teachers feel they will be dismissed and tenured teachers believe they will be transferred. Administrators have the same perception. One principal talked about how a dispute between a board member and her mother caused her transfer from one school to another. Unanimous among all
stakeholders was the perception that Board members will intervene for personal interests. In short, the Board itself, as well as individual board members are perceived to be a threat to employees. That threat can result in job transfer or job loss.

**Process for Board Self-Evaluation**
Several board members expressed interest in a self-evaluation process as proposed by the Illinois Association of School Boards. Three such workshops have been held. The facilitator reported that Board members were cooperative but she was not certain if they really understood the impact or would follow through with the suggestions made at those workshops. Further Board training is critical if there are any expectation that the Board can begin to contribute in a positive manner to solutions in District 187.

**Compliance with the Open Meetings Act**
Board members interviewed and the Interim Superintendent agree that for the most part the Board does comply with the Open Meetings Act. They seem to be much more aware and better prepared to work through issues related to the Open Meetings Act now that Ben Martindale is serving as Interim Superintendent.

**Accountability Regarding Fiscal Responsibility**
Most board members expressed an understanding of district finances. However, the depth and accuracy of that understanding has to be called into question. For example, one board member indicated that the district had a balanced budget until the board members who were elected in April of 2009 got involved. That board member's contention was the district's financial woes were largely to blame on the four new board members. But fiscal issues have been at the forefront in North Chicago for the last several years and appear to be critical at this point.

With the turnover in superintendents and business managers, it is easy to understand how a Board of Education might not have a clear view of district finances.

**Accountable for Fiduciary Responsibility**
Interviews of board members show little indication they are aware of, or exercise fiduciary responsibility. At one point a board member had a district credit card for travel purposes. All board members have district cell phones. It is hard to say the Board is meeting its fiduciary responsibility when personal relationships are more important than job competence.

**Attendance at Board Meetings/State and National Conferences**
In this area the Board seems to be in reasonable compliance. It was reported that if there is an issue on the agenda board members disagree with, they may not appear at the Board
meeting. Rather than lose their position they simply don't appear and without a quorum business cannot be conducted. The frequency of this occurrence is uncertain but it has occurred from time to time.

Establish Relationships with the Community
This Board does seem to have relationships with the community. There is some thinking on the Board with regards to, whether the Board President is actually representing the school district or the City of North Chicago where he has an elected position as the city's treasurer. The Board does promote relationships with the larger community and entities within. There is an issue, however, with regard to accepting help and support from surrounding communities, entities, and foundations that want to do what they can to support district. Procedures and policies are so inconsistently applied that at least one volunteer organization indicated they would not participate with the district until they get their leadership act together. It is nearly impossible for them to be effective because of the changes in leadership and the inability of some district leaders to make decisions.

Participation in Internal Activities within the District
This Board has many members who participate in internal activities to the point where that participation becomes quite negative. Effective Board members do participate in internal activities in order to show their interest in the district and its programs. They also participate in internal activities to provide their expertise in solving problems and working cooperatively with the district and its leadership. In the case of North Chicago, participating in internal activities does not appear to have been for the benefit of the larger organization.

Monthly Review of Budget Reports
In this area, having accurate monthly budget reports does not appear to have been possible for the last few years. The turnover in business managers and the inability of some of those business managers has not really helped the Board to effectively review monthly budget reports.

Summary
Overall, the North Chicago Board of Education has contributed significantly to the issues found throughout the school district. The turnover in leadership has been identified by nearly every stakeholder as the most significant contributor to the district's perceived failure. Each board member believes he or she is on the Board to act in the best interests of children. Each board member also believes the fault with leadership at the Board level is not theirs personally, but rather that of their colleagues. Every board member expressed an interest in providing an environment beneficial to teaching and learning. However,
many of those same Board members are clearly on the Board to promote their self-interests.

Even with all the above, it may be possible for this Board of Education, with proper leadership, to come together and make great strides in providing an environment that is beneficial to North Chicago.

One other variable that needs to be considered is the participation of the United States Navy representative on the Board of Education. The Navy liaison, who is a non-voting member of the Board, does not have the sense he is taken seriously or has the ability to contribute significantly to the Board. This person is an excellent resource and could be very helpful to the Board in its deliberations if given the opportunity to participate.

Critical Issues and Recommendations
1. Establish a clear understanding of their roles and responsibilities as board members.
   - There needs to be an orientation plan for new board members
   - Continue board training through the Illinois Association of School Boards.
   - Agree to conform to the direction of the Illinois association of school boards.
   - A monitoring system is to be established to measure the consistency of the Illinois Association of School Boards code of ethics.
   - ISBE will monitor and address inconsistencies with School Board Code of Ethics

2. Board members must understand and adhere to their fiduciary responsibilities.
   - Establishing expectations for and monitoring maintenance of the district's financial health
   - Establishing desired outcomes and priorities to be reflected in the budget
   - Establishing policies governing budget preparation, purchasing, protection of assets and other business procedures
   - Monitoring month-to-month financial performance
   - Formulating policy to guide the administration and staff, and
   - Entrusting the carrying out of these policies to the administration.
ADMINISTRATIVE LEADERSHIP

Overview
The interviews provided a significant amount of information covering a wide spectrum of beliefs regarding administrative leadership and performance of leaders in North Chicago School System. Respondents consistently praised the stability of the teaching staff and the diversity of the student population. The principals are viewed as having no stability, lacking experience, and unable to make critical decision for fear of retaliation by the Board of Education. It was also noted that there are a number of issues which need to be addressed for principal/administrative leaders to become effective and focused on improving student achievement. It is evident among the respondents that the school district has too many board members interfering with the day to day operations for administrators to be collaborative and effective. Most respondents recognize the need for significant systemic change for leaders to become accountable and productive for improved student outcomes. Principals and other administrators believe that their performance will improve under the leadership of a strong superintendent and an effective Board of Education.

Many critical issues were revealed at the High School. Staff members reported being stifled with narrowly or poorly defined responsibilities from the leadership. Principals and district administrators are struggling with technology. Technology is seen as the greatest hindrance for managing student records, schedules, report cards and transcripts especially at the high school. Respondents stated that data are inaccurate due to the poor technology system. A Technology Plan has been developed for the School District yet it has not been implemented and it appears that there is no sense of urgency to correct the issue surrounding the use of Power School. Most respondents criticized Central Office for the lack of training they have received to use Power School. (See Appendix)

There is no curriculum coordinator or curriculum department for the High School or the School District. Some respondents reported that books, materials and supplies are purchased by themselves or outside organizations. The school district relies on the Regional Superintendent Office, ROE, for curriculum development and implementation. Most respondents are stressed out because there is no one in district who is responsible for curriculum. Principals discussed how frustrating it is for them without a curriculum department.

Security is a burning issue for the High School and discipline is impacted by the lack of professionalism of the security personnel. According to some of the respondents, some students are intimidated by security and some are shown favoritism. It was also noted that some administrative leaders do not interfere with the security personnel’s performance due to the fact that some of the security personnel are related to school board members.
Some respondents expressed a lack of confidence in district leadership. Some contribute that lack of confidence to constant turnover. Others indicate incompetence associated with some leaders. Most report little visibility of building principals or central office administrators. It was further reported that some principals ignore seeing parents and/or refuse to meet with parents. Many teachers report that a lack of positive leadership has led to poor morale.

There is broad agreement across the district, including some board members that the High School is dysfunctional in a number of areas. Some evidence exist that grades/transcripts are changed or tampered with to meet parent requests. Student performance doesn’t match attendance in some cases, i.e. children thought to be high achieving miss a high number of days. One parent reported receiving two report cards for a student, one from North Chicago and one from a school the child attends. Evidence was found that when transcripts can’t be found for potentially college bound students, transcripts are created to match student needs. Some question the relationship between Daisy Alternative School and the high school. Some report that students that transfer to Daisy Alternative School return to the high school labeled as successful with no evidence of any change in student achievement.

There is confusion regarding administrative decision making at the high school. For example, deans or counselors make recommendations regarding students which may be overturned by the principal or board members. It was further reported that parents and/or board members can change student schedules or transcripts. It is perceived that high school athletes receive preferential treatment.

There is no evidence that leadership is committed to high student achievement and high expectation. Additionally, there is no evidence of a vision, mission, and/or goals for the school district. The school community, such as the Navy and other organizations, has no involvement in creating goals for the district. Overall, there is no evidence of consistent leadership aimed at student success.

**Culture & Climate**

The most frequent cited strengths of the North Chicago School Districts are the students, dedicated staff (teachers) and the Interim Superintendent. Many respondents stated that the students are good, talented and they want to learn. Although it was routinely pointed out that some teachers care about the students, it was not uniform across the District. The Interim Superintendent is visible and is creating a culture of change. All respondents viewed the Interim Superintendent as a new beginning for North Chicago and that he is promoting a positive learning environment for staff and students.
In some schools there is a positive climate for students. Good behavior, achievement efforts and attributes are rewarded. However, a number of respondents believe that less than 50% of the principals and teachers have high expectation and provide opportunities for students to experience success.

Overall, there is no specific evidence that schools in North Chicago function as an effective learning community supporting an achievement for all students.

**Critical Issues and Recommendations**

1. *Leadership in the district is perceived to be dysfunctional.*
   - Develop and implement a systematic, comprehensive staff development program for all leaders.
   - Develop an evaluation plan that is goal and data driven for each administrative position.
   - Remediate and/or remove incompetent personnel.
   - Create job descriptions for each administrative position.

2. *A system of support for principals, central office administrators, and the superintendent is lacking.*
   - Clarify chain of command and remove the continuous threat of retaliation from the Board of Education.
   - Develop and clarify operational procedures with regard to teacher evaluation, purchasing, employment, and teaching and learning.
   - Appropriate infrastructure to support basic administrative needs including technology, attendance, student information systems
TEACHING & LEARNING

Overview
Universally, stakeholders concede that the district’s core curricula are outdated, arbitrarily implemented, and do not meet the requirement for being research and standards-based. The delivered instructional programs are said to be site-based and teacher driven. Evidence of differentiation is absent. Instructional practices and resources do not take into consideration best practice or students’ learning needs. Curricula in the district are textbook driven, do not prepare students for skills needed to be competitive with age-level peers, nor promote a change in instructional practice. As a rule, student performance measurements rely heavily on teacher prepared assessments. Progress monitoring tools are either not in place or are used inconsistently. The lack of robust assessments and a plan to monitor student outcomes negatively impact teachers’ ability to make sound, long-range instructional decisions. In turn, the absence of a reliable system for the collection and disaggregation of formative and summative student achievement data hinders the district’s ability to make informed decisions concerning the effectiveness of current instructional practices or to assess the overall quality of educational programming. A systematic process for monitoring, reviewing, and evaluating instruction is needed as well as direction in implementing consistent, cohesive, and quality curricula.

Curricula
With the support of the Lake County Regional Office of Education and RESPRO, North Chicago District 187 is developing language arts and math curricula and assessment tools aligned to the Illinois State Standards. As of the writing of this document, curriculum guides have been created for reading and math for grades K-8. High school stakeholders report that a language arts curriculum has been developed, but it is not yet available to teachers. In addition, Rising Star framework for continuous school and district has been brought into the district. External coaches have established district and school teams to review and analyze existing data to help identify critical needs and objectives to address improvement planning and district AYP deficiencies. It is hoped that an action and monitoring plan will be in place to assess progress toward implementation. Although, the Regional Office of Education of Lake County, Rising Star, and RESPRO have been providing coaching assistance for several years, significant movement toward implementing the curriculum has not been realize, nor are school improvement plans in place throughout the district.

Consensus among all stakeholders is that the district functions without standard operating procedures. Policy, written guidelines, and checklists for textbook adoption and instructional materials selection do not exist. Entrance/exit criteria and programming for Special Education, ELL, and TAG (Talented and Gifted) vary from one building to the next.
Initiatives are changed or abandoned from year to year (e.g. RESPRO curriculum, Success For ALL, guided reading, Understanding By Design, Waterford Reading Program, Rising Star, PBIS, and building specific initiatives). Several conditions exacerbate the situation. Reportedly, the teachers’ union has undue influence in dictating which initiatives will be supported by the membership, contract language limits the administration’s ability to schedule meetings, and teachers report that some administrators do not hold regular staff meeting, while others divide the staff so that school wide dialog is not possible.

The high school responses indicate that vocational training programs, appropriate course offerings, ELL and Special Education programming are in place, or are in the process of being developed. Also reported to be in place are standard based assessments, as well as, accommodations and modification for special education students. However, it should be noted that the high school has been routinely cited during a special education compliance review. Please refer to the discussion below regarding special education for further details.

**Professional Development**

Professional development was a critical area identified by teachers, administrators, and parents. Past attempts have been described as superficial, one-shot coverage of material. School-wide or individual professional development plans do not exist. Teachers complain that principals are not instructional leaders, further stating that there is no incentive to adapt new curriculum and instructional strategies as building administrators rarely observe instruction, follow through on recommendations, or provide resources to support the initiatives. Professional libraries do not exist. Conversely, administrators report that language in the union contract agreement limits the opportunities to schedule meetings for staff in order for collaboration and training.

Trainers describe the difficulty in moving the district forward; staff is said to lack the commitment and passion for the job. A small percentage of teachers are said to engage in, and implement workshop objectives. Trainers tell us that no methodology has been selected, textbooks drive instruction, and instruction is not tied to standards. Often, discussions focus on external factors that are out of the schools locus of control. Those making efforts toward implementation are hampered by insufficient materials and the district’s constant change in initiatives. As a result, much district level planning takes place, but little to no implementation is realized, much less evaluated for benefits of initiatives undertaken. Department meetings are scheduled at the high school; however, there is no evidence of a consistent schedule of grade-level or cross-grade level articulation and collaboration.

The problem is compounded by the district’s leadership team’s failure to enforce and support change. The union often rejects outside assistance and teachers close classroom
doors and go about business as usual. Teachers complain that training held within the school day places an additional burden on them to create lesson plans. They state that substitutes are difficult to secure. They also claim that trainers from the ROE, RESPRO, and SEDOL belittle staff and focus only on what teachers are doing wrong. The perspective from professional development providers is that staff is oppositional, disengaged, inattentive and disrespectful to presenters. They have been known to carry out private conversations, fall asleep, and walk out in the middle of the presentation. They also add that teachers are stipend for any participation before or after school hours, and attendance is not mandatory except for Special Education compliance training at the high school.

With the absence of a personnel to maintain consistent and accurate records of professional development offerings and participation, it cannot be determined if district plans are aligned to state certification and NCLB requirements. There is no agreement from staff on existence of these structures. Teachers do not appear to take any ownership in remaining current and maintaining documentation of applicable workshops and designated activities. By many accounts, ownership of the problem and commitment for improvement are absent.

**Technology**

Technology was also consistently named as a critical issue for teachers. The infrastructure cannot support the technological demands placed on system. Software and network programs and equipment are frequently found to be incompatible. The district has purchased a web-based IEP system and Power School, but staff has not been trained to fully implement the programs. The options available are frequently inaccessible due to system failure. Instructional technology is in its infancy. Schools not only they lack sufficient equipment, programs, and technical support, but trainers report that a good percentage of the district’s teachers have limited technology skills. As a result, technology has not been effectively integrated into academic or functional learning experiences. (See Appendix)

**Financial Issues**

Financial constraints were blamed for the inability of teachers and leadership to provide appropriate and ample resources, and fully staff instructional programs. It was regularly mentioned that schools are working with a lack of paper, office supplies, toilet paper, copier toner, ink cartridges, textbooks, science lab supplies, reduced allocation for field trips, computers, audio-visual equipment, as well as, other materials. Available equipment is antiquated and falling apart. Inequity also exists. Some buildings are reported to have Smart Boards, audio-visual equipment, additional computers, etc., whereas, others have only a limited number of televisions on carts. In addition, central office is under staffed and operates without personnel in the areas of Curriculum/Professional Development, Assessment, Instructional Technology, and Human Resource. Teachers report large class
sizes and insufficient number of reading teachers, math specialists, and personnel to support RtI interventions, and classroom assistants.

**School Wide Discipline**
Across buildings, teachers report student discipline as a significant barrier impacting the staff’s ability to deliver instruction. Administrators’ inconsistent presence and visibility in the buildings, coupled with the lack of administrative support to handle crisis situations and constant classroom interruptions are cited as compounding factors. Several instances were shared with the team regarding unsuccessful attempts by staff to secure assistance in reducing the negative impact a few disruptive students in classrooms. There is agreement that students are losing out on getting the education they deserve.

The middle school and high school have been plagued with considerable disruptions to the learning environment due to reported lax student discipline policies. Regaining control has taken presentence above teaching and learning. Administration claims that it had been customary for behavior issues to be ‘swept under the rug.’ Some staff shared that student rewards are given too freely and are used to appease students rather than instituting a system of supports aimed at teaching and establishing positive behaviors. This sentiment was echoed by parents. Parents would like to see a back-to-basics approach. Parents cite overcrowding conditions in the schools as a contributing factor to the behavior issues facing the schools. Parents want staff to increase their expectations, for children to be taught social skills, rather than merely receiving rewards, and for school personnel to conduct themselves with propriety.

Staff states that a behavior education program would be supported by the membership, but they were informed that budgetary constraints prevent the district from allocating financial resources to support PBIS programming. Currently, incentives to maintain rudimentary levels of programming are funded by the Gorton Foundation and other external partners. What is in place is idiosyncratic to each site.

**Teacher Evaluation**
A teacher Evaluation Plan, including valid and reliable classroom observation instrument, feedback forms that provide data on implementation and practice, lesson plans and other related protocols, is said to be in place, but that the evaluation process is inconsistently applied. Administrators state that they have not been supported in their efforts to remediate teachers who demonstrate performance issues. The process for the remediation of unsatisfactory teachers appears to be unknown.
Critical Issues and Recommendations

1. A consistent curriculum across the content areas is evidence not evident.
   - Employ appropriate personnel to provide curriculum leadership district wide.
   - Create an appropriate student performance plan to accurately and effectively monitor student performance.
   - Direct the Superintendent to draft policy that includes a framework for a comprehensive, up-to-date student-assessment program aligned with the written and taught curriculum. This policy should provide a purpose, scope and direction for testing.
   - Develop and implement a plan to overcome actual and perceived inequities in resource allocations and student outcomes.

2. A best practice, standards based evaluation process to monitor teacher performance is missing.
   - Create and adopt a certified staff evaluation plan that incorporates best practice and leads to remediation/termination of incompetent employees.
   - Develop a meaningful, effective professional development plan that is focused, intensive, and drives instruction.
   - Professional Development Plan focused on instructional strategies to ensure the district meets AYP at every grade level at every school.

3. Data-driven decision-making is absent.
   - Design and implement a comprehensive assessment system to ensure use of meaningful data in decision-making.
   - Publish a request for proposals seeking and outside third party vendor to assess current data and make recommendations regarding future data needs, per request from John Perkins.
   - Create and present data-driven district and school improvement plans.

4. There is no systematic district wide student monitoring/discipline plan.
   - Fulfill district's commitment to adopt and implement PBIS with appropriate data base.
   - Create a safe and orderly environment that is conducive to teaching and learning.
SPECIAL EDUCATION

Through focused monitoring, the process that the ISBE uses to implement general supervision requirements for special education, the ISBE team leader collected and reviewed data submitted by the district, conflict resolution data, staff interviews and surveys, parent surveys, student file reviews, and classroom observations. The findings of the focus monitoring, dating back to 2007, revealed repeated noncompliance in 11 areas, of these, only 4 were corrected as of September 7, 2010. As of October 29, 2010 ISBE handed down a district finding of noncompliance for Indicator 11 and 13. Indicator 11 refers to the 60 day timeline requirements for conducting and evaluation, determination of eligibility, and holding the IEP meeting within this time frame. Indicator 13 refers to code dealing with transition; establishing appropriate postsecondary goals, transition services and course of study.

Other critical issues continue to be unresolved, specifically; Free Appropriate Public Education (FAPE) in the Least Restrictive Environment (LRE), the percent of students with disabilities, within the general education classroom 80% or more of the school day, a set process for informing general education teachers about students with IEPs and the accommodations and modifications required, and the implementation of an RtI process. Citations based on the content of the IEP have been reduced, but issues still exist. It is reported and hoped that the implementation of an electronic IEP will positively impact this area as the program will not allow teachers to move to the next phase until all fields are completed. The appropriateness and accuracy of the information will still need to be monitored. Approximately 70% of IEP goals written are connected to students need, however, the quality of the goals still needs to be addressed.

The district appears to have the seeds of good ideas, but attempts to move forward have been difficult. North Chicago has been cited repeatedly for numerous infractions of IDEA regulations. Documentation includes, but is not limited to concerns regarding the development of individualized educational plans, the creation of measureable goals, the lack of data collection systems, consideration of least restrictive placements, the distinction and purpose of FBAs (functional behavioral analysis) and BIPs (behavior intervention plans), guidelines and procedures for suspending special education students, responsiveness to parents, and a clear understanding of accommodations and modifications, as well as, the distinction between the two.

The district has been slow to respond to the remediation of these issues. As a result, ISBE and coaches from the Special Education District of Lake County (SEDOL) have worked with district personnel since 2007. SEDOL has worked to support and provide assistance to the
district in order to establish processes, select a consistent methodology, and provide professional development for principals and teachers. Workshops have been presented on the regulations and requirements of NCLB and IDEA. Training opportunities have also been extended to the teaching staff. Mandatory workshops have been given at the high school where the majority of the issues currently exist. ISBE has worked diligently to inform staff and administrators of the IEP process and regulations. Several factors have been identified as being at the root of the problem: a rudimentary understanding of, and compliance with, special education mandates, leadership that appears unable to move the district and its teachers forward, administrators unwilling to engage in or attend mandatory trainings, teachers seeking to place blame on external forces rather than develop and implement sound instructional practices, case managers who don’t communicate with general education teachers, tensions within the special education department, and a limited options for services within general and special education.

Information gathered from several sources suggests blurred lines of authority and responsibility within the special education department. The director’s duties are unclear. Currently, the director does not participate in staff evaluations or discipline matters. She was not part of the curriculum development team, nor did she assign members of her staff to participate. A few comments were received concerning tensions between the director and the special education coordinators, and between the director and the instructional staff. She is said to both micromanage and has difficulty leading the district. Conversely, others have stated many responsibilities have been unduly placed upon her. She is credited with the development and systematization of special education forms as well as having improved the referral and eligibility process.

It has also been said that special education coordinators undermine the authority of the director. In addition, the coordinators are part of the bargaining unit, which at times has conflicted with the role and responsibility of the position. What role is unclear. Coordinators do not work before or after beyond school hours, neither supervise staff, nor feel that they can enforce teacher compliance to the rules and regulation. They do not meet regularly with building special education staff. Maintaining student records does not fall under their jurisdiction, lost files have been reported, and lax enforcement of procedures.

The principals’ special education responsibilities are also unclear. Some principals are said to be more willing to seek support and direction while others remove themselves from the process. It appears that several are sidetracked by the day to day operations of the schools. The relationship between general and special education is not well understood. The high school, in particular, has been cited by the State for continually ignoring to follow a process for suspending special education students. The ISBE and parents are not properly notified; the lengths of suspensions are randomly determined. In one instance, students in the BD
class were sent home approximately two weeks prior to the end of the year without manifestation meetings. In general, IEP procedures are not followed, required meetings are not held, and the process for closing out old IEPs is not routinely followed throughout the district. are but two examples. Individual Educational Plans have been known to be static from one year to the next. Communication with the director tends to be indirect or after the fact. In sum, guidelines and procedures have not been established and decisions are capricious in nature.

Response to Intervention (RtI) is in its infancy stages. The role of child study teams and problem solving teams are blurred. The 3 tier system of intervention is not well understood. A systemic approach to dealing with the district’s ability to meet AYP is missing. Teachers resist the implementation of researched based interventions. They are seen as too time and teacher intensive. Staff is looking for a packaged program to be handed to them. The identification and standards for placement of students in interventions is said to be inconsistently applied.

A case in point, in 2008 the Board agreed to bring PBIS into the district. At the initial meeting to introduce the initiative, it was reported that the union president took over the meeting and blasted the program and questioned why the trainers from the ROE, ISBE, and SEDOL were involved. Collaboration to establish the program district wide has stalled. Central office leadership states that principals wish to plan initiatives on their own, whereas, building leadership claims that central office does not provide them with direction and resources to support the initiatives. Each site works as an island unto itself. PBIS is handled differently at each site. However, there was mention again of the district bringing in outside support to establish a district-wide PBIS program. This is target to begin in December, 2010.

By all accounts, communication is a significant factor. Teachers complain that the flow of communication from the special education department is absent. The director has been known to alert the calendar, which serves to undermine attempts to put cohesive plans and supports in place. Often, canceled events are not rescheduled, further impacting improvement initiatives. Teachers claim to hear of changes in process and procedures through informal channels. The perceived vacuum created by the lack of a good communication system has created a situation whereby eligibility criteria and programming options tend to be building specific. However, SEDOL and ISBE have been providing ongoing professional development in this area since the focus monitoring process revealed systematic problems with attaining fulfillment of special education requirement.
It was stated that Child Study Teams work as a mechanism for removing students from general education, rather than to explore ways to support student learning. Placement into special education is said to be subjective, and once made eligible, students do not exit. The influence of the lack of appropriate instruction in reading, language arts, and mathematics on student learning is not taken into consideration prior to making eligibility decisions. A provision for a full continuum of educational programming does not appear to exist; Special Education programming, particularly at the high school level is all or none.

Poor communication structures and vague definition of roles has also led to students not receiving supports and services as written on the IEP. Case managers do not routinely communicate with general education teachers. As a result general education teachers do not know which of their students have IEPs in place. A related concern exists in the mention of contract language that can be interpreted as giving general educators the option to refuse mainstreamed students into their classroom. It was also noted that teachers have been stipend for having special education students in their class. The overall ability of teachers to address the unique needs of special education students is questioned by many stakeholder groups.

No formal means of communication and collaboration has been established among the external support systems. Informally, members of the ROE, RESP, SEDOL, and ISBE have tried to connect to find common ground and support each others’ efforts in the district. External partners shared with the team that they are exhausted, frustrated, and isolated as they work to bring this dysfunctional district into compliance. Under the leadership of the interim superintendent, positive movement has been seen by external partners; however, there is some fear that the district will revert back to past practice once the next superintendent is put in place. Some have seen attitudes shift back. Widespread concern for students was voiced.

Critical Issues and Recommendations
1. *Standard operating procedures for special education are absent.*
   - Develop written guidelines outlining essential process and procedures for Special Education.
   - Clarify roles and responsibilities for Special Education Director, coordinators, principals, case managers, and general education teachers.
   - Address outstanding compliance complaints from ISBE.

2. *Communication systems are dysfunctional.*
   - Establish a system to improve communication among within the Special Education Department and between Special and General Education.
• Establish regularly scheduled meetings between RESPRO, ROE, ISBE, SEDOL, Bright Star, and the Special Education Director to ensure supports are focused and initiatives are aligned with the overall school improvement plan.
• Document and distribute minutes of meetings to essential stakeholders.

3. The relationship between Special Education and RtI is not well understood.
• Provide district-wide RtI training clarifying basic premise of RtI, the roles and responsibilities of general and special education, and eligibility considerations.
• Develop written guidelines for special education case study teams.
• Develop written guidelines for RtI problem solving teams.
• Select research-based interventions and district wide screening and progress monitoring tools.
BILINGUAL EDUCATION

Bilingual education in the district appears fare no better. Ninety-nine percent of English language learners in the district are Spanish speakers, but a comprehensive program is lacking. According to the Bilingual Director, three teachers within the department are not highly qualified and need to be released. Lack of qualified candidates and lack of proper funding were cited as factors negatively impacting the program. The Department of Civil Rights has received 14 complaints. Complaints include the lack of parental information and notification of screening processes, accountability, and compliance issues. In addition, the absence of an operating student database has rendered the district unable to collect the necessary data for the district to create the mandated state report card.

Currently, enrolling students in ELL programs is problematic. It is reported that building secretaries are either not trained to help families complete the form, causing numerous coding errors, or are unwilling to assist. There has been some discussion to centralize this task for consistency and increased compliance. Access to the student database system, Power School, is unavailable to the director’s secretary. In one building, in particular, parents wanted to withdraw their children from Bilingual services. Reportedly, reasons included a building secretary’s personal vendetta against the director and the program and Latino families reluctant to have their children taught by an African American teacher. For the most part, these issues are said to have since been resolved.

Communication within the department and with the district-at-large is dysfunctional. It was reported that the director often cancels meetings and does not communicate expectations. Other tensions between the director and the building were noted over enrollment decisions, and handling of parental requests and concerns. Standard procedures are misunderstood or absent for the placement and exiting of students in ELL programs. Staff states that the director unilaterally controls all decisions regarding these decisions. Parents are said to be discouraged from refusing bilingual programming, even in situations when students’ first or dominant language is English. The director states that curriculum and policy procedures are in the initial stages of development.

Quibbling over whom among the staff, Puerto Ricans, Mexicans, or Columbians are better equipped to translate documents for distribution has also been noted. Prejudice against the bilinguals was cited. In one building, it was stated that the Bilingual children were not allowed access to the library and apathy toward bilingual students’ achievement at the high school where declining reading scores are routinely noted for students who previously met standards. It is reported that student self-esteem issues are rampant as a result.
Interviews revealed that Bilingual classes are shifted from one building to the next on an annual basis. Classes lack appropriate Spanish language text.

Teachers of Spanish teach some of the bilingual classrooms at the high school. Other classes are said to be taught by monolingual English speaking teachers. It is hoped that offering special incentives, these teachers will choose to get their ELL endorsement. All levels within the organization recognize that teachers have not been appropriately trained to teach second language learners. The director would like to see workshops offered that would address teaming between general and bilingual education and between special education and ELL teachers. Also needed are workshops focusing on authentic assessments, ELL characteristics, and on establishing parent education programs. The director would like to move toward a dual language model.

The district is hard pressed to support special needs bilingual students. Currently, students in the ELL program are not eligible for special education programs. Bilingual special education options and interventions to support ELL students are not available within the district. Standard operating procedures and guidelines are also missing.

**Critical Issues and Recommendations**

1. *Standard operating procedures for the ELL department do not exist.*
   - Develop written guidelines outlining standard operating procedures and processes.
   - Address 0RC complaints.
   - Communicate procedures and mandates to all relevant stakeholders including parents, administrators, ELL and general education staff, and clerical personnel.

2. *Not all personnel meets NCLB Highly Qualified status.*
   - Recruit and highly qualified personnel in all key positions required by state and federal mandates.

3. *Comprehensive ELL programming does not exist.*
   - Develop and provide a full range of instructional programming options and supports based on students' needs.

4. *Technology is not available to support student information system.*
   - Utilize and provide training on needed features or Power School
   - Refer to Technology Report for additional recommendations.
FINANCE & OPERATIONS

OVERVIEW
This section describes the consultants’ findings and recommendations on the needs in the area of finances and operational services. They were developed following discussions with District administrators, staff members, State officials and others and examination of the documents.

Taken as a whole, the needs prompt the consultants to recommend that the North Chicago Board of Education and the State consider the benefits to the District of creating a Financial Oversight Panel, perhaps as a first step towards creating of a School Finance Authority. Such actions would strengthen the oversight of the necessary first steps to restoring the District’s financial and educational health. Moreover, an eventual Authority could take steps to increase taxes and/or borrow funds beyond existing limits, as such actions might be required to carry out the District’s improvement plans.

As discussed in the findings the District should take steps to formulate long-term educational financial, facilities, human resources and technology plans. The need to start on these plans is immediate, with the expectation that they will both guide and be modified as part of a Strategic Plan to be developed under the direction of the District’s new leadership next year—a plan which will encompass the District’s educational mission, vision and goals for the future.

Critical to the success of the needed plans is stability of leadership from an exceptional superintendent and experienced leaders in curriculum and instruction, finance, human resources, pupil services, including special education, technology and community relations—and from highly qualified principals with the knowledge and ability to lead their schools towards achievement of the District’s mission of pursuing excellence.

FINANCE

MEASURES TO IMPROVE FINANCIAL STRENGTH PROFILE
There are several components that define to a financially strong school district. One component is the Illinois School District Financial Profile, prepared after the close of each fiscal year. It consists of five measures, two of which, the ratio of the district’s operating fund balance to its revenues and the extent to which its budget is balanced or imbalanced, comprise 70% of the total Profile score. The remaining 30% is comprised of the days’ cash on hand to pay bills and remaining short and long-term borrowing authority.

The total score will place the district in one of four categories: recognition, review, early warning and watch. State oversight of the district’s finances increases as the Profile score reaches the lowest two categories. The District has been under early warning or watch for
S of the 7 fiscal years ending on June 30, 2009, the last year for which the Profile score has been computed, due to delays in fiscal year 2010 state payments. That year’s score of 2.00, of a maximum of 4.00, placed it within the highest risk watch category. This history, along with the District’s poor academic performance prompted the State to plan for more intensive oversight beginning this year.

Notwithstanding concerns expressed by State officials, in June 2010 the District issued $41 million of general obligation Alternate Revenue Bonds (ARB’s) along with $1.555 million of Refunding School Bonds to retire debt certificates. The ARBs are secured by the District’s federal impact aid; if that aid is insufficient to pay the annual amount of principal and interest, a bond and interest tax levy must be extended. The schedule to retire the ARB’s requires revenues of approximately $3.36 million annually beginning with the current fiscal year (FY2011) and extending through FY 2035. This amount is about 44% of the pledged impact revenues at the FY2011 budgeted level of $7.667 million. (Figures are taken from the Official Statement (OS) of the bond sale.

As pointed out by State officials prior to the sale of the bonds, if pledged revenues fall short of the annual levy requirement for the ARB’s, the necessary action to extend a bond and interest tax levy to pay the principal and interest in full could cause the District to exceed its legal borrowing authority, which could lead to a taxpayer objection and further deterioration of the District’s credit standing.

The consultants have additional concerns. Our findings included problems with the necessary paperwork to secure this year’s impact aid, and payments are not currently forthcoming as a result. But even when this temporary issue is resolved, several future developments must occur to assure sufficient impact funds to retire the bonds without resorting to a tax levy.

The District’s current per pupil level of impact aid (“Super Impact Aid”) is premised on an impacted enrollment of 30% or more of total enrollment. Most if not all of these students are dependents of families living or working on the Great Lakes Naval Training Center. Persons with whom we spoke who are knowledgeable of such matters, commented that activity on the Navy Base is at a lower level than the past, and that base families now live and send their children to schools in other north suburban communities, as well as to private schools in the area. If impacted enrollment declines to the point it comprises less than 30% of total enrollment, the current formula would no longer apply, and pledged revenues will decrease. Moreover, separate legislation that provides for Super Impact Aid, and that allows impact students attending public schools outside the District to be counted in the District’s enrollment expire in the near future and must both be renewed for these critical provisions to continue.

The District anticipated several additional benefits from the bond sale. It would provide operating funds; avoid a cash crisis and the need for short-term borrowing, such as from Tax Anticipation Warrants. It would provide “operating capital” to invest in such potential cost-saving measures as early retirement programs for teachers, facility improvements,
including energy-efficient building systems and technology. While not a stated benefit in the bond documents, it would also cause a temporary increase in the Financial Profile score.

One school was closed in June 2010, and an early retirement program has been offered to eligible teachers. A technology needs study was performed. However, plans to reap the anticipated cost savings are not in place, and the lack of long term human resources and facilities plans related to projected enrollments and program needs, and managerial issues in the District office are delaying their development. Moreover, the investments necessary to improve the District’s academic performance have not been calculated, and it doubtful if the borrowed funds will be sufficient to fund those needed investments and their benefits to the central purpose of the district—the education of its students.

The bond sale, while it averted a cash crisis, carries high risks. The borrowed funds could be expended within three years if the District's operating deficit in the range of $9 to $10 million is not addressed quickly and/or if the anticipated cost savings do not occur, or occur at a reduced rate than projected. Necessary planning for staff, technology and facilities needs, as well as educational program needs, now stalled for want of leadership personnel and attention, must be “jump started” under the direction of the Board of Education and an incoming superintendent—perhaps supplemented by short-term consultants. And the overall level of expenses related to revenues must be addressed with a plan to balance the budget, as part of a comprehensive long-term financial projection.

The District has “borrowed long to spend short to save long,” and has projected recurring budget savings from measures that are time-consuming to achieve and which rely on projections of enrollments, staff and educational needs which are not yet in place, and subject, under the best of circumstances, to a degree of uncertainty. This is not the route to long-term improvement in financial health. While the Financial Profile scores for FY 2010 and FY 2011 may increase due to the temporary lift in the operating fund balance, the financial strength rating will fall back to low levels if the budget is not balanced.

**FINANCIAL MANAGEMENT**

Turnover in the financial management position has matched that of the superintendent’s office for several years. That office has been staffed variously by temporary short-term personnel and administrators with relatively little experience in school business management. Despite the heroic efforts of the support staff, some of them long-term employees, occasions of missed deadlines, lost paperwork, non-compliance with accounting regulations, including those pertaining to state and federal grants, and other errors of commission and omission have contributed to the district’s financial distress.

Problems abound with the computers and budgeting, accounting and payroll software necessary to efficient and accurate processing of financial transactions and information. While new software has been purchased, it is only partly implemented, and the staff must work inefficiently with two systems.
Supply purchasing and delivery were widely criticized. While teachers recognize the District's budget problems require tight budgeting, there were many complaints that their orders were delayed or unfulfilled, that timely budget status reports were not available and that supply quantities were seriously deficient.

The District has employed consultants for the bond sale and for long-term financial planning. The preparations for the bond sale included a compilation of a considerable data on the District's enrollment history, tax base, sources of revenue, expenditure trends and other information. The bond rating reports provide an objective outside look at its financial strength and processes. In addition, a widely-used school financial consulting firm has analyzed the district's budget and developed long-term projections, which are worrisome in the extreme if the District does not achieve the savings anticipated by the bond sale, and take other steps to bring its expenditures and revenues into line. These data and the conclusions drawn from it need to be considered in development of a long-term financial plan. However, attention to the big picture appears to be lacking and a sense of urgency in dealing with it is not apparent.

The time of the business administrator and staff is consumed by the necessities of day-to-day management, including paying employees and vendors. There is not time to study and reflect on the available information and outside opinions to develop long-term financial projections and plans. While temporary part-time help from an experienced business manager has recently been secured, the business office operates in a reactive mode putting out fires rather than the proactive one required to approach the district's financial issues.

The consultants recommend that the experienced business manager consultants now serving the district develop a task analysis, staffing and technology implementation plan for the business office that will reflect the priority needs to improve its performance and address some of the issues contained in the Financial and Operations section of this report. Since retirements of many members of the administrative team are anticipated, the replacement plan should include the steps to secure a highly qualified replacement in each central office position as part of the District's new management team.

The resources of the outside financial consulting service should be used to assess the status of the current year budget vis-à-vis the realities of actual revenues and expenditures, and develop projections for the 2011-12 budget based on alternative assumptions about revenues and expenditures, especially expenditures for staff and facilities. The projections should identify options for expenditure reductions that are achievable for the coming two years, with special attention to "structural" adjustments that would achieve savings in future years as well.

Supplies comprise a relatively small portion of the budget, but their absence can seriously impede the instructional program. A review of the adequacy of supplies, including textbooks, should take place and budget adjustments made accordingly.
BOARD OF EDUCATION FINANCIAL RESPONSIBILITIES
The financial responsibilities of the Board of Education are many, centering on the governance rather than the day-to-day management of the District’s financial affairs. They include: a) establishing expectations for and monitoring maintenance of the district’s financial health, b) establishing desired outcomes and priorities to be reflected in the budget, c) establishing policies governing budget preparation, purchasing, protection of assets and other business procedures, d) monitoring month-to-month financial performance, e) formulating policy to guide the administration and staff, and f) entrusting the carrying out of these policies to the administration.

Most board members do not perceive their responsibilities in this way. During interviews, they and staff members made reference to the past actions of the Board collectively and individually that dealt with operational and personnel matters (see also the section on governance) rather than with policy.

Interviews revealed inaccurate perceptions of Board members of the District’s overall financial position at the time of the bond sale and of the likely effect of future developments on the District’s financial health.

It appears that relatively little discussion is held during development of the District’s annual budget—discussions that should focus on the revenue and expenditure premises behind the proposed budget and changes from the prior year, as well as on programs and goals that underlie the figures. The same might be said of the discussions of the annual tax levy.

The need for a program of Board self-appraisal and development was described elsewhere in this report—to focus on roles and relationships of the Board and administration, among other topics. That program can also include the Board’s financial responsibilities, and the important facts and trends necessary for Board members to exercise these responsibilities.

After each election or when replacement members are appointed, the Superintendent, assisted by other administrators and the Board President, should conduct an orientation program for new members that would include, in addition to information about the educational program, key facts, trends and issues related to the District’s finances, facilities and operations—as well as the Board’s governance responsibilities in these areas.

BUDGET DEVELOPMENT AND MANAGEMENT
The current year budget was begun under the direction of administrators no longer with the District, and finalized during the spring and summer by the then-new Interim Superintendent and Business Manager. An outside consultant observed that three widely different working budgets existed and moreover, that the 2009-10 budget did not appear to be accurate. Since the 2009-10 audit has not been completed, no variance analysis of that year’s revenues and expenditures was available on which the consultants could express an opinion on the accuracy of the budget and therefore on that of the current year. However,
the report of the financial consultant, which included difficulties recovering data from the financial system, indicates that accurate short-term budgeting does not exist.

The consultants compared the current year expenditures to the Illinois averages published by the National Center for Educational Statistics and the United States Department of Education (NCES). NCES calculates the percentage of the operating budget (excluding debt service and capital expenditures). The comparison revealed that the North Chicago District expenditures for transportation were double the Illinois average, consuming over 10% of the operating budget. Were the 5% average added to instruction, the District’s expenditures in all categories would be in the average range. Transportation expenditures and services are examined further in the Operations section of this report.

A second benchmark of the District’s budget expenditures is a comparison with two other Lake County Unit districts with similar demographics and educational needs, Waukegan District 60 and Round Lake District 116. The ISBE I-LEARN report for fiscal year 2009, the latest available, shows that North Chicago’s operating expenditures per pupil were $13,071 (ranking 13th among the State’s unit districts) and its operating tax rate was 4.09% (ranking 156th.) By comparison, Waukegan’s per pupil operating expenditures and tax rate were $9,802 and 5.08%. Round Lake’s were $9,005 and 4.24%.

While North Chicago has the lowest enrollment of the three districts, the wide differences in expenditures require examination of the District’s cost structure, including compensation schedules, staff-pupil ratios, facility efficiency and other areas to identify areas costs and be reduced and redirected in the interest of financial strength and improved student achievement.

The outside consultant interviewed during the study observed that there is “no institutional sense of budget-expenditure relationships” and that the financial system does not identify over-expended accounts, a vital measure of expenditure control. Budget communications are not clear and the lack of experienced financial leadership and fully trained support staff has contributed to imprecise budget development and administration.

The consultants’ recommendations stated in the section on financial management pertain to budget development and management as well.

The section on technology compiles recommendations on improvement in hardware, software, staffing and implementation. They are essential to creation of an adequate system of budget development, management and control.

**LONG TERM PLANNING AND FORECASTING**

As discussed elsewhere in the report, the necessary components for a long term financial plan and forecast are not present. They include: a) long-term enrollment projections prepared under different assumptions as part of a demographic study, b) a facilities needs study, related to projected enrollments and program needs, which includes an audit of the condition and educational suitability of the current buildings. See the Facilities section of
the report, c) projections of revenue based on assumptions about the District's tax base and state and federal revenues, d) projections of expenditures, including staff projections related to educational program needs, and the facilities to be utilized. These projections should also incorporate the effect of early retirement initiatives and the salary adjustments due to schedule improvements and movement of staff on the salary schedule, e) a plan for the capital needs of both the educational program and facilities, including investments in administrative and instructional technology and the updating and/or replacement of the aging building systems to improve their reliability and energy efficiency.

The above components, along with mission, vision and goals statements that would also include the educational program and student services, which have been discussed and agreed to as part of a Strategic Planning process.

Establish planning as a major goal of the new Superintendent and develop a master schedule for the development of the plan components outlined above.

Consider the employment of a consultant or a short-term administrator who would be responsible for coordinating and assisting in the short and long term plan components as outlined above.

**BUSINESS OFFICE OPERATIONS**

Other sections of the report describe deficiencies in leadership continuity, staff numbers and training, and technology that impair the day-to-day work of the business office to support the school program and fulfill its financial management responsibilities.

In addition, the physical layout of the business office hampers communications and contributes to problems in handling mail and other written material. More space is needed for staff work areas and files and the separation of the Business Manager and staff on a different floor from the Human Resources and other departments with whom the Business office often relates contributes to communications difficulty.

Changes in personnel and the lack of written procedures and training were identified by several interviewees as contributing factors to performance issues in business support.

There were strong feelings expressed that turnover in the office of Business Manager was a significant factor in the problems of day-to-day operations and the overall financial strength of the District. The criteria for the next Business Manager should include not only the skills of long-term planning and careful budget management, but also the ability to assess the day-to-day operations of the business office and identify procedural, personnel and technological changes to improve its performance.

The technological component is critical; so much so that the District should consider employment of a Director of Information Systems to identify the infrastructure, software
and personnel needs to improve the District’s widely criticized technology, and to prioritize and carry out the necessary improvements.

**GRANTS AND CLAIMS MANAGEMENT**

While auditing of grants and claims was beyond the scope of this needs assessment, interviews of staff and Regional Office of Education and State officials and examination of correspondence revealed significant problems with accounting and other requirements of grant administration. The District is heavily dependent on state and federal funding for the majority of its operating revenue, and inattention to paperwork and deadlines, and violation of accounting regulations place these revenues in serious jeopardy. The consultants also examined correspondence identifying many problems with the District’s federal Title I grant expenditures and reports. See also the discussion of special education programs.

Deficiencies in the management of federal impact aid were discussed in the section on the bond sale.

Some of these problems appear to be the result of understaffing and turnover in the business leadership position. Others may relate to inadequacies of the accounting software. They reflect the absence of the vitally important “business office calendar”—a schedule of the major events of the year which includes the deadlines for submitting grant applications, financial and student performance reports and other paperwork and events relating to securing federal, state and local, including property tax revenues. The calendar includes responsibility for each step in the process for securing each revenue line and the status of each step at any given time. It is administered by the business manager or a key assistant who monitors and “birddogs” each step and documents its completion.

The district, perhaps with the assistance of a business manager consultant, create a business office calendar and train a person on the requirements to prepare and file accurate documents to secure each grant, including properly classified expenditures according to the terms of each grant. The State Board of Education staff includes grant specialists who should be consulted in developing the necessary written procedures and timetables of grant administration.

State and federal revenues comprise approximately 70% of the District’s revenues. Some of these are unrestricted “entitlement” grants, such as General State Aid and Impact Aid. Others are program and service related, including special education, transportation, early childhood and Federal Title grants. There also competitive grants from government and non-governmental sources for which the District might well qualify with a persuasive application. The importance of maintaining current grant entitlements and the opportunities to seek new ones speak to the need to consider a Director of Grant Funding, who would relate to the Instructional and Business administrators to bring new funds to the District and assure that the full entitlement of existing outside funds is received.
USE OF EXTERNAL RESOURCES

There is great potential for the District to reach out to area businesses and non-governmental organizations, which are willing to reach out to the District for the benefit of its educational program and students. The biggest employers in North Chicago, according to information compiled for the bond sale, are the Navy, Abbott Laboratories manufacturing and office facilities and the Veterans Administration Hospital. The Rosalind Franklin University of Medicine and Science trains physicians and other health workers. The Gorter Foundation in Lake Forest has a long-standing interest in the District. The consultants interviewed some of these businesses and agencies and their perceptions of the District’s needs and opportunities are summarized below.

Governance and management issues have posed obstacles in the creation of potentially-beneficial partnerships. The government affairs spokesperson for an area business cited issues of Board infighting and overreach into operations as distractions from moving the District forward as well as the need for new leadership to forge a Strategic Plan to identify needed changes and establish goals—one of which would be to transform North Chicago Schools into a premier school district within a specified number of years.

Corporate donations and involvement to the District have supported math and science program, scholarships, career exploration, skills/trades mentoring and other benefits.

Youth Build, a service agency housed in a District-owned building (which it would like to buy) offers Lake County 17-24 year olds GED and construction trades programs as well as post-dropout and post-GED programs, and partners with the College of Lake County in adult programs. It would like to serve more North Chicago students than the approximately 20 enrolled in its programs.

Two persons interviewed spoke of a prevalent attitudinal mindset of “We thrive on the generosity of others,” by which was meant dependence on grants, but without responsibility for outcomes. That sense of responsibility, along with a strategic goal-oriented, energizing group of leaders can overcome the District’s challenges.

One agency director commented that the District’s leadership needs to pull in the same direction—and that the comment also applied to the North Chicago community leadership—citing opportunities for the school, library and recreational center to work toward common goals. “There are several boats doing their own fishing, but no armada,” commented one director.

There was praise for the District’s interim superintendent and a hope that the new leadership will bring the many community resources together with the schools to forge partnerships and also to participate together in forging a Strategic Plan, including a process and a vision statement that would help attract community resources. One resource person mentioned, “The people want the best—but need to be brought together,” as a goal.
Specific enrichment opportunities, using community resources that were mentioned during these discussion are worthy of follow-up by the administration. They include shoring up math and science instruction to provide college-track courses and increased scholarship assistance—which might include a program with the Medical School, which is interested in reaching out to minority assistance. The vision of one business resource person was that students would return to Rosalind Franklin for graduate and career courses and remain to serve in the community. With the concentration of pharmaceutical and health care facilities in Lake County North Chicago, and the Navy Base, there are many health science professional jobs in the area that would provide employment opportunities to trained graduates.

Critical Issues & Recommendations
1. *The district implemented a high risk financial plan in an attempt to secure the financial future.*
   - Create a financial oversight panel and consider school finance authority legislation.
   - Develop a plan to capture cost savings in personnel and facilities that were anticipated at the bond sale.
   - Develop a long range financial plan that assurs long term financial stability for the school district
2. *No Leadership and personnel stability.*
   - Recruit and employ high qualified personnel.
   - Create a job description for every position in the business office.
   - Develop an evaluation and monitoring system to remediate/remove incompetent personnel.
3. *No institutional sense of budget with the administration or Board of Education.*
   - Create a sound and equitable budgeting process that produces accurate short and long-term budget projections.
   - The Board of Education and relevant stakeholders need to be informed and current with monthly financial performance.
   - A monitoring process to ensure compliance with the adopted budget and receipt of all the revenues to which the district is entitled.
4. *Procurement and distribution of supplies and materials to support basic district functions including teaching and learning is lacking.*
   - Develop a management system to ensure basic supplies are secured at a reasonable cost and in a timely manner.
   - A way to process purchase orders to ensure vendors are paid in a timely fashion.
   - Put a system in place to ensure that purchases go to the proper vendor based on school code and best practice.
5. *A lack of long term planning and forecasting.*
   - Seek third party vendor to do long term demographic projections.
   - Seek an outside vendor to create a facility master plan including capacity and condition.
   - Create a plan that addresses that expenditures far exceed revenue for the next several years.
• Adopt the recommendations found in the Technology Assessment and Recommendations prepared by Lake County Learning Technology Center Volunteer Review Team.

6. **Deficiencies in grants and claims management.**
   • Create a job description and hire a grants and claims administrator.
   • Create a plan to monitor current grants and claims.
   • Create a plan to seek new sources of revenue and other assistance.

**FACILITY PLANNING, CONDITION AND MANAGEMENT**

The consulting team engaged the services of architect Renaud Mitchell, Director of Operations of the Chicago Office of Moody-Nolan, Inc. to survey the utilization of space in the District's nine academic buildings and District office, and report on the general housekeeping, maintenance and physical condition of each building. His report, based on approximate 2-hour walk-through of each school, is appended to the consulting team's report and is incorporated by reference. Other findings are based on an interview of the District's experienced and knowledgeable Director of Buildings and Grounds, comments by other staff members and the observations of the consultants. Note: 12/13 draft report was used; be sure final report is attached.

Space utilization in the buildings housing children in grades PK-6, based on a standard of 120 square feet per student, ranges from 52% of capacity at Novak-King (grade 6 only) and 57% at Yeager, to 88% at Forrestal and Katzenmier and 91% at North. Utilization at South is 65% and at Green Bay 84%. Utilization at Neal, serving grades 7-8, is 53% and is 61% at the High School.

The District's enrollment is down 16% from 2001, which led to the closure of two schools. Redistribution of students following school closings has resulted in imbalanced utilization, with underutilized classroom space in some buildings and less than optimal classrooms in others.

The ages of the buildings vary, and all have been added to over the years (see architect's report for details.) The structures are in generally sound condition, given their ages, except for some of the 2002 additions, where a structural engineering study is needed to assess the conditions causing cracking of interior walls. To the extent that snow permitted observation of the outside areas, playground equipment is in good condition; some sidewalk and pavement maintenance is required. Snow prevented an assessment of the roofs.

General appearance and upkeep of the school buildings by GCA contracted cleaning personnel and of equipment rates well, with no readily apparent deficiencies, except see climate control comments below. Mechanical room lighting and housekeeping are in need of improvement. Lighting fixtures are original and overall lighting levels are adequate. Flooring is older but adequately maintained. An exception is Forrestal's 2002 addition,
where full flooring replacement is required due to damages from repetitive flooding. Updating of original furniture is needed to support current instructional methods.

Newer portions of the building meet accessibility codes; original ones do not—a common condition of schools of this age, where structural obstacles exist to modifying them for full accessibility.

The High School has experienced significant flooding in its lower level classroom when heavy rains raise the water level in the window wells. Since the wells are without drains, the classroom windows must be opened to relieve pressure, resulting in flooding.

Climate control (HVAC) systems and their control are hybrids, typical of buildings that have original equipment and have been added to. Both the architect and Director of Buildings and Grounds expressed concerns over the state of the HVAC controls, vital to classroom health and comfort and to energy-efficient operation. Controls of different manufacturers exist in the same building; they are incompatible and maintenance cannot be secured. Separate contracts with Honeywell and Siemens have not resulted in a return on their costs, and the Siemens contract was allowed to expire. This leaves the maintenance staff to operate the systems to the best of their ability.

The District is midway in the 10-year Life Safety survey cycle, with work remaining to complete and some funding in hand to complete it.

The District's expenditures for operations and maintenance are in the range of the 10% of operating budget average for schools in Illinois. This suggests that staff levels and energy expenditures, the two largest items, are typical. However, the productivity of the in-house maintenance staff is hampered by the employees' being of the "old school"—e.g., jacks-of-all trades, who have limited skills in the plumbing, electrical and other trades which are required for major repairs and effective preventive maintenance. This deficiency is limiting the potential for in-house preventive maintenance and maintenance labor efficiency for priority concerns were expressed by faculty that procedures for getting repairs done are unclear; there is no computerized work order/maintenance scheduling system in place.

Several pieces of maintenance equipment, notably vehicles, are nearing or past the end of their useful life, limiting their value for such functions as snow removal.

The most cost-efficient transportation programs fill the buses, reuse them as many times a day as possible and are planned along with school programs and schedules in such a way that the educational program is not adversely affected, but that all available economies in transportation are achieved.

Employ a consultant who specializes in school transportation to propose revisions in route structure, schedules and other cost-reduction options, and to develop specifications and strategies to rebid all aspects of the total transportation program.
Should elementary schools be consolidated, modify transportation zones and routes as part of a comprehensive student reassignment process, so that cost saving options can be captured, safe bus routes and walking routes established, and parents informed in a timely way of their school assignment.

Pay careful attention to ridership and cost records to substantiate state aid claims and maximize reimbursements. Redefine hazard zones as may be required by changes in school boundaries or changes in safety conditions along walking routes.

Monitor hiring, training and retraining of contractors’ drivers. In developing bid specifications, use ISBE’s pupil transportation website for excellent resources for developing requirements for training and other aspects of transportation management for regular and special education students.

Critical issues and Recommendations

1. **A facility utilization plan that maximizes current use of facilities.**
   The plan should consist of:
   - A demographic study, as described in another section of the report
   - A facilities capacity/usage plan to determine the number of buildings required in light of projected enrollment trends—to be followed by the development a process and criteria to guide the selection of facilities to be retained and those to be closed. While such decisions are complex, and affect many stakeholders, an expedited study is necessary to capture the savings and reduce the District’s operating deficit.
   - A needs assessment and plan capital improvements related to the educational program
   - A major maintenance needs assessment plan for the schools to be retained, to include a schedule of major repairs, replacement of aging building systems reduce energy consumption and other needs, including vehicles and landscaping and snow-removal equipment
   - A funding plan for the capital improvements
   - To facilitate the above steps, it is recommended that the District initiate RFPs for architectural, engineering, demographic consulting and other services necessary to expeditiously developing its facility master plan.

2. **Create job descriptions for the director of maintenance and custodial staff.**
   - Develop an evaluation and monitoring system to remediate/remove incompetent personnel.
   - Address deficiencies created by antiquated HVAC controls and systems.
   - A plan to upgrade playgrounds, bleachers, play ground equipment that does not currently meet regulations.

**TRANSPORTATION**

Based on its 2009-10 State Transportation claim, the District’s enrolled PK-8 home school ridership is 1984 students, including 54 students who attend private schools, and 208 PK
students. The District also transports 68 vocational pupils and 207 special education pupils, and also provides transportation for field trips and other events.

As discussed in the Budget Development and Management section of this report, the District’s expenses for transportation consume over 40% of the operating budget, more than double the Illinois average. Transportation is contracted to two carriers, First Student for “regular” and from school trips and Qualtran for special education and vocational students and field trips.

While special education and vocational transportation involve fewer students on somewhat longer runs, and can therefore be inherently more costly, the mileage and cost breakdowns submitted on the State transportation claim raise questions about the efficiency of these services, which are addressed in the recommendations. These breakdowns are as follows:

<table>
<thead>
<tr>
<th>Service</th>
<th>Enrolled Riders</th>
<th>Miles</th>
<th>Cost (a)</th>
<th>Cost/rider</th>
</tr>
</thead>
<tbody>
<tr>
<td>PK-8/Private</td>
<td>1,984</td>
<td>154,108</td>
<td>$2,071,543</td>
<td>$1,044</td>
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<tr>
<td>Vocational</td>
<td>68</td>
<td>393,651</td>
<td>1,463,801</td>
<td>21,526</td>
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<tr>
<td>Special Ed</td>
<td>207</td>
<td>464,834</td>
<td>1,908,372</td>
<td>9,219</td>
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<tr>
<td>Field trips</td>
<td>-</td>
<td>67,143</td>
<td>109,314</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>2,259</td>
<td>1,079,736</td>
<td>5,553,030</td>
<td>-</td>
</tr>
</tbody>
</table>

(a) All paid to contractors except for $268,882 of special education costs assigned to internal salaries, benefits and supplies.

The high costs for vocational and special education pupil transportation contribute to the District’s out-of-range transportation costs and call for measures such as those included in the recommendations section, including examination of routes, schedules, student loads and program locations, as well as the savings achievable from rebidding the transportation contracts and from field trips and after-school transportation.

Comments to consultant team members revealed the need for improvements in driver training, longer hours in the transportation office, improved office-driver communication when buses are late or children are missing or other problems occur, and the condition of the contractors’ equipment, said to compare poorly to other districts.

**Critical issues and Recommendations**

1. *Expenditures are double the state norm.*
   - Consider modifying school hours to maximize K-12 bus utilization
• Develop a benchmark for bus route efficiency—such as a goal that buses run at no less than 80% of capacity. Consolidate low ridership routes and reduce number of bus stops where possible, taking safety and schedules into consideration.
• Consolidate team trips and other after-school, evening and weekend activity runs where possible.
• Use routing software to minimize bus travel distances.
• Work in cooperation with special education staff to reduce costs of this very expensive transportation by reducing the number of students who require special education to those who attend low-incidence programs or who have severe behavioral or physical problems that preclude regular transportation.
• Examine vocational transportation, which serves only 68 students at an exorbitant cost, to identify lower cost alternatives.
• Conduct monthly internal audits of ridership to substantiate contractor billing, and challenge discrepancies between invoices and bid specifications and pupil attendance records.

Practice and procedures are currently under investigation.

FOOD SERVICES
The District offers breakfast and lunches at each school. The program is managed by Sodexo, whose manager is responsible for supervising employees, planning menus and preparing financial reports and claims.

The District's high poverty level results in free/reduced lunch eligibility, as reported by the Food Services Director, of approximately 85% in the elementary schools and 75% in the high school. Applications are obtained during the annual registration process. Many students tell the servers that they are still hungry after eating lunch, indicating inadequate meals at home. Approximately 60% of students participate in the school breakfast program; the Director believes that more would participate if students were allowed to bring the breakfast to their rooms.

The Board, according to the Director, is concerned about the hunger problem, and wants children to eat whether or not they can pay or are eligible for free/reduced lunch assistance.

While the menus provide choices, they are constrained by the District's preparation and serving equipment. Parents are concerned about nutrition and food quality and frequently contact the Director and the schools. The fat content of menu items has been reduced in line with current trends and requirements in school meals. However, there appears to be no in-place wellness policy, and no planned major menu overalls to the alternative, healthier menus now approved for the federal program.

Meals are produced at the high school and Neal. Novak has warming equipment and food is satellited to the other schools. The production equipment is aging and many items are in
need of replacement, especially ovens and satellite equipment. The Lake County Board of Health has expressed concerns over the older equipment. A district-owned truck to replace a rental vehicle would be desirable.

The point-of-sale equipment is not operating at the high school and there is no POS equipment at the other schools. This requires the use of lunch cards and manual work for meal accounting and claims. Some parents report receiving bills, even though their children qualify for free/reduced meals. The attendance accounting system does not communicate with the lunch office, hampering accurate meal estimates.

Review of the 2008-09 financial audit report and subsequent budgets indicate that the program pays for itself from meal sales and state and federal reimbursements. The Director reports that the most recent State lunch audit found no substantial problems with the program.
Discuss and adopt a wellness policy as required by law and examine, through a committee of stakeholders, options for improving the nutritional value and quality of the menu. Use parent and student feedback to replace offerings judged of poor quality with the goal of better nutrition and increased participation. Use the revised menu specifications when the food services program next comes up for bid.

Develop a multi-year plan to replace older and malfunctioning kitchen and serving equipment and purchase new equipment that is appropriate to revised menus that result from the stakeholder review.

As part of the administrative technology update throughout the District, purchase point-of-sale technology to streamline meal ordering, payment procedures and accounting of the meal program.
Continue to facilitate parents’ completion of free and reduced meal applications and take measures to encourage participation in the breakfast program especially.

Keep current with nutrition trends and changes in school meal regulations concerning menus and pricing.

Critical Issues and Recommendations
1. Students are not being provided appropriate breakfast and lunch options that are not up to current nutritional standards.
   - Implement workable point of sale accounting technology.
   - Develop menus that are compliant with current nutritional standards.
   - Upgrade preparation and serving technology.
   - Discuss and implement a wellness policy and allergy plan.
ADMINISTRATIVE TECHNOLOGY

Previous sections of this report of detailed deficiencies in software, hardware, interconnections, leadership, personnel numbers and training and other elements of an up to date administrative technology system to serve the school program. Moreover, there appears to be no sense of urgency to correct these problems.

Newer systems are incompletely installed and are not compatible with older software. Power School, a widely used program, exemplifies this problem. Attendance accounting at the High School is not functioning; report cards were not sent in many cases and many were incorrect. Staff are not trained in this software.

Other problems not previously mentioned in the report involve the website, not current and unsophisticated by most standards and implementation of IEP software to facilitate special education services.

A comprehensive technology study was prepared recently by outside specialists. The study identified problems in detail and outlined software, equipment, personnel and training solutions. It is an impressive blueprint for improvement.

Critical Issues and Recommendations

1. Prioritize and begin to implement the recommendations from the Technology Study under the supervision of a highly qualified Technology Director.

HUMAN RESOURCES

The position of Director of Human Resources remains vacant, although it was posted in November 2009. The lack of leadership in this position manifests itself in several ways at a time when planning for expected early retirements of teachers is critical to the instructional program and for the District's plan to reduce its expenditures. Support staff in this department also needs to be expanded and strengthened.

The District's high current level of expenditures compared to the Waukegan and Round Lake Unit Districts was noted elsewhere in the report. Since salaries and benefits account for most expenditures, examination and revision where called for of salary and benefit levels vis-à-vis the area market, and of class size guidelines and personnel utilization in general are essential to reducing costs.

Critical Issues and Recommendations

1. Vacancy in the position of Human Resource Director for more than one year.
   - Recruit and offer competitive compensation and a long-term contract to a highly qualified candidate.
2. Lack of plan to ensure appropriate levels of staffing across all areas in the district.
• Gather building level student projections
• Develop staffing plans based on enrollment projections and needs identified by building level administrators
• Consistent with state and federal guidelines

3. Lack of current job descriptions/qualifications for several positions.
• Create appropriate job descriptions to secure highly qualified personnel

4. Poor record keeping.
• Acquire and train personnel to use an appropriate personnel information system.

5. Lack of a process to monitor and supervise the evaluation process for all employees.
• Update all evaluation systems to meet best practice including contractor operated support services.
• Monitor lower nonperformers and supervise the removal of these employees.

• Develop a plan to appropriately monitor employee contracts.

7. No plan to ensure a highly qualified person in every mandated position as outlined under NCLB.
• Review and remain current on all staff certifications.

RISK MANAGEMENT
The District carries liability, vehicle, umbrella and workers compensation insurance with a commercial carrier used by many school districts, and the policy numbers, coverage summaries and contacts are conveniently organized in a loose-leaf notebook for quick reference. Liability limits appeared to be adequate. The consultant did not find the schedule of building values and insured property at each location, nor was he able to ascertain, due to lack of time, whether it is insured by the same carrier as the liability coverage, nor when the most recent property appraisal was performed.

Also in this notebook was a report of an inspection by the carrier’s loss control department. It cited issues with playground equipment and surfaces and bleachers that did not meet current safety standards and dangerous conditions in the buses, specifically the amount of loose sports equipment carried in the busses. The consultant also recommended a comprehensive safety audit and formation of a safety committee at each location to identify needs for safety training and other actions.

Due to changes in the business office, no information was gained on the frequency with which insurance is bid, nor whether the board has adopted a risk management policy and appointed a risk management officer. Such a job policy and/or a job description of the risk management officer is recommended if the district pays or is to pay salaries from the tort liability fund, to defend against a tax complaint for misuse of this sometimes controversial fund. Summary financial reports examined by the consultant indicate that the District does make use of this fund, although these reports did not indicate what expenses were charged to it.
Critical Issues and Recommendations

1. **Risk management process and procedures are not fully implemented.**
   - Update appraisal data on buildings (including land) and contents to assure adequate insurance coverage in the event of losses and as a basis for valuing properties that may become surplus if buildings are consolidated in the near future.
   - Use the loss control report to identify priority building and site repairs and replacements in the comprehensive facilities plan. Adopt safe practices for transport of athletic and other equipment items on school buses.
   - Appoint a risk control and safety officer and train that person to perform the duties of the position.
   - Periodically test the insurance market through bids from commercial carriers and school insurance pools.
SUMMARY OF CRITICAL ISSUES AND RECOMMENDATIONS

GOVERNANCE/BOARD OF EDUCATION

Establish a clear understanding of their roles and responsibilities as board members.

- There needs to be an orientation plan for new board members.
- Continue board training through the Illinois Association of School Boards.
- Agree to conform to the direction of the Illinois Association of School Boards.
- A monitoring system is to be established to measure the consistency of the Illinois Association of School Boards Code of Ethics.
- ISBE will monitor and address inconsistencies with School Board Code of Ethics.

Board members must understand and adhere to their fiduciary responsibilities.

- Establishing expectations for and monitoring maintenance of the district’s financial health.
- Establishing desired outcomes and priorities to be reflected in the budget.
- Establishing policies governing budget preparation, purchasing, protection of assets and other business procedures.
- Formulating policy to guide the administration and staff, and
- Entrusting the carrying out of these policies to the administration.

ADMINISTRATIVE LEADERSHIP

Leadership in the district is perceived to be dysfunctional.

- Develop and implement a systematic, comprehensive staff development program for all leaders.
- Develop an evaluation plan that is goal and data driven for each administrative position.
- Remediate and/or remove incompetent personnel.
- Create job descriptions for each administrative position.

A system of support for principals, central office administrators, and the superintendent is lacking.

- Clarify chain of command and remove the continuous threat of retaliation from the Board of Education.
- Develop and clarify operational procedures with regard to teacher evaluation, purchasing, employment, and teaching and learning.
- Appropriate infrastructure to support basic administrative needs including, technology, attendance, student information systems.
TEACHING AND LEARNING

A consistent curriculum across the content areas is evidence not evident.

- Employ appropriate personnel to provide curriculum leadership district wide.
- Create an appropriate student performance plan to accurately and effectively monitor student performance.
- Direct the Superintendent to draft policy that includes a framework for a comprehensive, up-to-date student-assessment program aligned with the written and taught curriculum. This policy should provide a purpose, scope and direction for testing.
- Develop and implement a plan to overcome actual and perceived inequities in resource allocations and student outcomes.

A best practice, standards based evaluation process to monitor teacher performance is missing.

- Create and adopt a certified staff evaluation plan that incorporates best practice and leads to remediation/termination of incompetent employees.
- Develop a meaningful, effective professional development plan that is focused, intensive, and drives instruction.
- Professional Development Plan focused on instructional strategies to ensure the district meets AYP at every grade level at every school.

Data-driven decision-making is absent.

- Design and implement a comprehensive assessment system to ensure use of meaningful data in decision-making.
- Publish a request for proposals seeking and outside third party vendor to assess current data and make recommendations regarding future data needs, per request from John Perkins.
- Create and present data-driven district and school improvement plans.

There is no systematic district wide student monitoring/discipline plan.

- Fulfill district’s commitment to adopt and implement PBIS with appropriate data base.
- Create a safe and orderly environment that is conducive to teaching and learning.

SPECIAL EDUCATION

Standard operating procedures for special education are absent.

- Develop written guidelines outlining essential process and procedures for Special Education.
• Clarify roles and responsibilities for Special Education Director, coordinators, principals, case managers, and general education teachers.
• Address outstanding compliance complaints from ISBE.

**Communication systems are dysfunctional.**
• Establish a system to improve communication among within the Special Education Department and between Special and General Education.
• Establish regularly scheduled meetings between RESPRO, ROE, ISBE, SEDOL, Bright Star, and the Special Education Director to ensure supports are focused and initiatives are aligned with the overall school improvement plan.
• Document and distribute minutes of meetings to essential stakeholders.

**The relationship between Special Education and RtI is not well understood.**
• Provide district-wide RtI training clarifying basic premise of RtI, the roles and responsibilities of general and special education, and eligibility considerations.
• Develop written guidelines for special education case study teams.
• Develop written guidelines for RtI problem solving teams.
• Select research-based interventions and district wide screening and progress monitoring tools.

**BINLINGUAL EDUCATION**

*Standard operating procedures for the ELI department do not exist.*
• Develop written guidelines outlining standard operating procedures and processes.
• Address ORC complaints.
• Communicate procedures and mandates to all relevant stakeholders including parents, administrators, ELL and general education staff, and clerical personnel.

*Not all personnel meets NCLB Highly Qualified status.*
• Recruit and highly qualified personnel in all key positions required by state and federal mandates.

*Comprehensive ELL programming does not exist.*
• Develop and provide a full range of instructional programming options and supports based on students' needs.

*Technology is not available to support student information system.*
• Utilize and provide training on needed features or Power School
• Refer to Technology Report for additional recommendations.
FINANCE AND OPERATIONS

The district implemented a high risk financial plan in an attempt to secure the financial future.

- Create a financial oversight panel and consider school finance authority legislation.
- Develop a plan to capture cost savings in personnel and facilities that were anticipated at the bond sale.
- Develop a long range financial plan that assures long term financial stability for the school district.

No Leadership and personnel stability.

- Recruit and employ high qualified personnel.
- Create a job description for every position in the business office.
- Develop an evaluation and monitoring system to remediate/remove incompetent personnel.

No institutional sense of budget with the administration or Board of Education.

- Create a sound and equitable budgeting process that produces accurate short and long-term budget projections.
- The Board of Education and relevant stakeholders need to be informed and current with monthly financial performance.
- A monitoring process to ensure compliance with the adopted budget and receipt of all the revenues to which the district is entitled.

Procurement and distribution of supplies and materials to support basic district functions including teaching and learning is lacking.

- Develop a management system to ensure basic supplies are secured at a reasonable cost and in a timely manner.
- A way to process purchase orders to ensure vendors are paid in a timely fashion.
- Put a system in place to ensure that purchases go to the proper vendor based on school code and best practice.

A lack of long term planning and forecasting.

- Seek third party vendor to do long term demographic projections.
- Seek an outside vendor to create a facility master plan including capacity and condition.
- Create a plan that addresses that expenditures far exceed revenue for the next several years.
- Adopt the recommendations found in the Technology Assessment and Recommendations prepared by Lake County Learning Technology Center Volunteer Review Team.

Deficiencies in grants and claims management.

- Create a job description and hire a grants and claims administrator.
- Create a plan to monitor current grants and claims.
- Create a plan to seek new sources of revenue and other assistance.
Expenditures are double the state norm.

- Consider modifying school hours to maximize K-12 bus utilization
- Develop a benchmark for bus route efficiency—such as a goal that buses run at no less than 80% of capacity. Consolidate low ridership routes and reduce number of bus stops where possible, taking safety and schedules into consideration.
- Consolidate team trips and other after-school, evening and weekend activity runs where possible.
- Use routing software to minimize bus travel distances.
- Work in cooperation with special education staff to reduce costs of this very expensive transportation by reducing the number of students who require special education to those who attend low-incidence programs or who have severe behavioral or physical problems that preclude regular transportation.
- Examine vocational transportation, which serves only 68 students at an exorbitant cost, to identify lower cost alternatives.
- Conduct monthly internal audits of ridership to substantiate contractor billing, and challenge discrepancies between invoices and bid specifications and pupil attendance records.

Practice and procedures are currently under investigation.

Students are not being provided appropriate breakfast and lunch options that are not up to current nutritional standards.

- Implement workable point of sale accounting technology.
- Develop menus that are compliant with current nutritional standards.
- Upgrade preparation and serving technology.
- Discuss and implement a wellness policy and allergy plan.

Prioritize and begin to implement the recommendations from the Technology Study under the supervision of a highly qualified Technology Director.

Vacancy in the position of Human Resource Director for more than one year.

- Recruit and offer competitive compensation and a long-term contract to a highly qualified candidate.

Lack of plan to ensure appropriate levels of staffing across all areas in the district.

- Gather building level student projections
- Develop staffing plans based on enrollment projections and needs identified by building level administrators
- Consistent with state and federal guidelines

Lack of current job descriptions/qualifications for several positions.

- Create appropriate job descriptions to secure highly qualified personnel
Poor record keeping.
- Acquire and train personnel to use an appropriate personnel information system.

Lack of a process to monitor and supervise the evaluation process for all employees.
- Update all evaluation systems to meet best practice including contractor operated support services.
- Monitor lower nonperformers and supervise the removal of these employees.

Lack of contract policy and procedures.
- Develop a plan to appropriately monitor employee contracts.

No plan to ensure a highly qualified person in every mandated position as outlined under NCLB.
- Review and remain current on all staff certifications.

Risk management process and procedures are not fully implemented.
- Update appraisal data on buildings (including land) and contents to assure adequate insurance coverage in the event of losses and as a basis for valuing properties that may become surplus if buildings are consolidated in the near future.

- Use the loss control report to identify priority building and site repairs and replacements in the comprehensive facilities plan. Adopt safe practices for transport of athletic and other equipment items on school buses.

- Appoint a risk control and safety officer and train that person to perform the duties of the position.

- Periodically test the insurance market through bids from commercial carriers and school insurance pools.
APPENDIX
A
# DISTRICT NEEDS ASSESSMENT

## Governance (Board of Education)

<table>
<thead>
<tr>
<th>Area</th>
<th>In Place</th>
<th>Developing</th>
<th>Initial stages</th>
<th>Does not exist</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional development for all board members</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Professional development for new board members</td>
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<tr>
<td>Board policies are current and comply with Illinois School Code (minutes, scope of closed meetings)</td>
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<tr>
<td>Board members demonstrate behavior consistent with Illinois Association of School Boards (IASB) - Board Member Code of Ethics</td>
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<tr>
<td>Understanding of board member's roles in relationship to superintendent &amp; administration</td>
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<tr>
<td>Process for board self evaluation</td>
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<tr>
<td>Compliance with Open Meeting Act</td>
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<tr>
<td>Accountability regarding fiscal responsibility</td>
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<tr>
<td>Accountable for fiduciary responsibility</td>
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<tr>
<td>Attendance at board meetings, state and national conferences</td>
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<tr>
<td>Establish relationships with the community</td>
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<tr>
<td>Participate in internal activities within the district</td>
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<tr>
<td>Monthly review of budget reports</td>
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</table>
### TEACHING AND LEARNING

<table>
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<tr>
<th>Criteria for Adequate Yearly Progress (AYP)</th>
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<tr>
<td>Multiple assessments</td>
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<tr>
<td>Curriculum guide/framework in each content area</td>
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<tr>
<td>Disaggregated data: race/ethnicity, gender, socioeconomic status, limited English proficiency, disability status, migrant status, mobility, and other demographic variables as appropriate</td>
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<tr>
<td>Baseline data</td>
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<tr>
<td>Public forums &amp; dissemination of data (e.g., newsletters, press releases, parent letters, and community meetings)</td>
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<tr>
<td>School improvement plans &amp; outcomes</td>
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<tr>
<td>Adequate Student Information System</td>
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<tr>
<td>Data analysis - program development/diagnostic</td>
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### Standards-Based Curriculum

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<tr>
<th>Curriculum guides/maps</th>
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<tbody>
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<td>Lesson plans</td>
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<td>Textbooks/Trade books/leveled books</td>
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<tr>
<td>Equipment/supplies</td>
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<tr>
<td>Supplemental materials</td>
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<tr>
<td>Grade-level and cross-grade meetings</td>
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<tr>
<td>Records of curriculum planning meetings</td>
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<tr>
<td>Policy/Written guidelines and checklists for textbook adoption and instructional materials selection</td>
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<tr>
<td>Classroom observation of teachers' practice</td>
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<tr>
<td>Learning resources - trade books, manipulatives, computers, software, and Internet access</td>
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<tr>
<td>Student interviews, surveys, focus groups, &amp; study groups</td>
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<tr>
<td>Curriculum Training/alignment to state standards</td>
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<tr>
<td>Departmental or cluster meetings</td>
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<td>Classroom observation tools</td>
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<tr>
<td>Teacher evaluation tools/protocols</td>
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<tr>
<td>Implementation of technology to support teaching and learning</td>
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### Educational Programming

<table>
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<tr>
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<tr>
<td>Vocational Training</td>
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<td>Transitioning/articulation</td>
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<td>Continuum of Services in Special Education</td>
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<tr>
<td>Pre-School programming</td>
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<tr>
<td>Appropriate course offerings</td>
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<tr>
<td>Adult Education for parents and larger community</td>
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<tr>
<td>ELL</td>
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<tr>
<td>Scheduling framework</td>
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### Standard Based Assessments

<table>
<thead>
<tr>
<th>Description of baseline data</th>
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<tbody>
<tr>
<td>Diagnostic instruments</td>
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<tr>
<td>Teacher-made assessments</td>
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<tr>
<td>Portfolios/projects and other performance-based assessments</td>
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<tr>
<td>District tests - Standardized tests - State assessments - Text-based tests - Departmental exams</td>
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<tr>
<td>Curriculum maps</td>
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<tr>
<td>Skills checklists for individual student performance - Rubrics</td>
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<td>Accommodations for English Language Learners &amp; Spec. Ed. students</td>
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<tr>
<td>Individual Education Plans (IEPs)</td>
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<tr>
<td>Retention rates / Graduation Rates</td>
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<tr>
<td>State and district Adequate Yearly Progress reports (AYPs)</td>
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<td>Guidelines for early screening- Early Childhood</td>
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<tr>
<td>Guidelines for early &amp; timely identification of under-performing students - Rtl</td>
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<tr>
<td>Scope and sequence of grade-level expectations</td>
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<tr>
<td>Program evaluation based on data</td>
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<tr>
<td>ACT / PSAE</td>
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<tr>
<td>Professional Development</td>
<td>In Place</td>
<td>Developing</td>
<td>Initial stages</td>
<td>Does not exist</td>
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<tr>
<td>School-wide professional development (PD) plans &amp; individual PD plans</td>
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<tr>
<td>Classroom observations using reliable and valid instruments</td>
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<tr>
<td>Documentation of workshops, presentations, coaching, etc. done by in-school staff</td>
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<tr>
<td>Evaluation tools that include feedback forms, questionnaires, tests of participant knowledge, valid and reliable classroom observation instrument(s) to provide data on implementation and practice, and assessment of student outcomes</td>
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<tr>
<td>Records of teacher credentials (degrees, content certification, continuing education credits, PD credits)</td>
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<tr>
<td>Schedules of PD activities</td>
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<tr>
<td>Syllabi/outlines of PD activities</td>
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<tr>
<td>District wide professional development plan (standards data based) &amp; aligned to state certification requirements</td>
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<tr>
<td>Teachers meet NCLB requirements for staff development</td>
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</tbody>
</table>
**EDUCATIONAL LEADERSHIP**

<table>
<thead>
<tr>
<th>Culture &amp; Climate</th>
<th>In Place</th>
<th>Developed</th>
<th>In Use</th>
<th>Does Not Exist</th>
</tr>
</thead>
<tbody>
<tr>
<td>Written statements of philosophy, vision, norms, beliefs, and values, including posters, documents, and newsletters provided</td>
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<tr>
<td>Evidence of observations of interactions (behavior and language use) between and among administrators, teachers, students, staff, and parents</td>
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<tr>
<td>Meetings (e.g., grade-level teachers, bilingual teachers, all faculty, school improvement teams)</td>
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<tr>
<td>Translated materials (instructional and general Communication) - Books in languages appropriate to student population - Images on bulletin boards or posters and in other public places</td>
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<tr>
<td>Perceptual data from surveys, questionnaires, and interviews (all stakeholders)</td>
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<tr>
<td>Classroom observations using a reliable and valid instrument</td>
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<tr>
<td>Work, instructional, and social groupings (adults and students)</td>
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<tr>
<td>Teacher empowerment Collaboration between gen. &amp; sped; between departments</td>
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<tr>
<td>Shared decision making</td>
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<tr>
<td>Teachers believe that all students can achieve &amp; expect students to achieve, &amp; their behaviors communicate this to the students</td>
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<tr>
<td>Students know what is expected of them, and teachers provide opportunities for students to experience success</td>
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<tr>
<td>There is a positive climate for students. Good behavior, achievement, efforts and attributes are rewarded</td>
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</tbody>
</table>
### Organizational Structures

<table>
<thead>
<tr>
<th>Classroom observations</th>
<th>In Place</th>
<th>Developing</th>
<th>In-Stage</th>
<th>Do Not Exist</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orientation programs for students and parents &amp; new teachers</td>
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<tr>
<td>Surveys/interviews with teachers, parents, and students</td>
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<tr>
<td>Observation of student-teacher interactions throughout school</td>
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<tr>
<td>Individual Education Plans (IEPs)</td>
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<tr>
<td>Course enrollments</td>
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<tr>
<td>Counselor contact records</td>
<td></td>
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<tr>
<td>Post-secondary enrollment rates</td>
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<tr>
<td>School schedule</td>
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<tr>
<td>Common planning times</td>
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<tr>
<td>Teacher assignments</td>
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<tr>
<td>Plan for student assignments to meet needs of all students</td>
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</tbody>
</table>

### Instructional Leadership

<table>
<thead>
<tr>
<th>Classroom observations using a reliable and valid instrument</th>
<th>In Place</th>
<th>Developing</th>
<th>In-Stage</th>
<th>Do Not Exist</th>
</tr>
</thead>
<tbody>
<tr>
<td>Study groups</td>
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<tr>
<td>Leadership promotes instructional Best Practice</td>
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<tr>
<td>Leadership emphasizes that the purpose of the school is learning</td>
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<tr>
<td>Leadership is active and involved with all aspects of the school.</td>
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<tr>
<td>resourceful, supportive, &amp; dedicated to the mission of the school/district</td>
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<tr>
<td>Leadership conveys high expectations for student, staff, and administrator performance</td>
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<tr>
<td>Both principal and teacher collaborate to strengthen the instructional programs and monitor progress of students</td>
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<tr>
<td>Student engagement</td>
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<tr>
<td>Action plans District wide planning process</td>
<td></td>
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<tr>
<td>Review process and evaluation plans</td>
<td></td>
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<tr>
<td>Written evaluation reports</td>
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<tr>
<td>Professional development plans &amp; evaluation criteria (w/data)</td>
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<tr>
<td>For teachers</td>
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<tr>
<td>For administrators</td>
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<tr>
<td>Educational programs/curriculum (leadership &amp; HR)</td>
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<tr>
<td>Coaching, peer mentoring, and supervisory systems for various programs</td>
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</table>
### Parent & Community Involvement

<table>
<thead>
<tr>
<th>Composition of school improvement teams and other planning committees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent-teacher communication</td>
</tr>
<tr>
<td>Parent-teacher organizations</td>
</tr>
<tr>
<td>Home-school compacts</td>
</tr>
<tr>
<td>Attendance at school events</td>
</tr>
<tr>
<td>Attendance at parent education activities</td>
</tr>
<tr>
<td>Translated communications</td>
</tr>
<tr>
<td>Community advisory committee meetings</td>
</tr>
<tr>
<td>Parent education activities</td>
</tr>
<tr>
<td>Schedule of school building use</td>
</tr>
<tr>
<td>Lists of health and human service organizations</td>
</tr>
<tr>
<td>Identifying office holders &amp; opinion leaders – communication regarding purpose and scope of state of the district</td>
</tr>
<tr>
<td>Required parent advisory committees</td>
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</tbody>
</table>

### Extra-curricular Activities

<table>
<thead>
<tr>
<th>Lists of after-school, extracurricular, and summer activities</th>
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</thead>
<tbody>
<tr>
<td>Transportation schedules</td>
</tr>
<tr>
<td>Financial assistance opportunities</td>
</tr>
<tr>
<td>Master calendars or schedules of school building use</td>
</tr>
<tr>
<td>Registration/participation lists</td>
</tr>
<tr>
<td>Attendance</td>
</tr>
<tr>
<td>Evaluation reports</td>
</tr>
<tr>
<td>Facilitates available to community during non-school hours</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Professional &amp; Educational Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has and communicates a clear vision of excellence</td>
</tr>
<tr>
<td>Employs highly qualified, competent staff</td>
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<tr>
<td>Demonstrates use of appropriate problem solving techniques</td>
</tr>
<tr>
<td>Facilitates the development and implementation of a shared vision &amp; strategic plan</td>
</tr>
<tr>
<td>School Improvement plans are data driven &amp; implemented</td>
</tr>
<tr>
<td>Demonstrates an understanding of plans and procedures to accomplish district goals</td>
</tr>
<tr>
<td>Manifests a professional code of ethics &amp; values</td>
</tr>
<tr>
<td>Negotiate and manage effective collective bargaining agreement</td>
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<tr>
<td>Uses appropriate interpersonal skills</td>
</tr>
<tr>
<td>Uses appropriate verbal and written communication in a variety situations</td>
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<tr>
<td>Applies appropriate communication strategies</td>
</tr>
<tr>
<td>Promotes multicultural awareness, gender sensitivity, and racial and ethnic appreciation</td>
</tr>
<tr>
<td>Encourage ongoing professional development</td>
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<tr>
<td>Membership of school improvement councils, planning teams, committees, etc</td>
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### FINANCE

#### Financial Strength

<table>
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<tr>
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<tbody>
<tr>
<td>Fund balance adequacy</td>
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<tr>
<td>Budget balance</td>
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<tr>
<td>Cash flow</td>
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<tr>
<td>Short term/long term borrowing</td>
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<tr>
<td>Overall financial profile rating</td>
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#### Budget Management

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<tbody>
<tr>
<td>Budget Documents to determine trends</td>
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<tr>
<td>Financial data base</td>
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<tr>
<td>Budget controls/accountability</td>
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<tr>
<td>Compliance with state accounting manual and regulations</td>
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<tr>
<td>Student data to support state and federal claims/programs</td>
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<tr>
<td>Compliance reports</td>
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<tr>
<td>Benchmarking expenditures with similar districts</td>
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<tr>
<td>Sound fiscal management practices</td>
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<tr>
<td>Building level reports and accountability</td>
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<tr>
<td>Budget schedule</td>
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#### Long-term Planning/Forecasting

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<tbody>
<tr>
<td>Evidence of accurate/realistic financial projections (5yrs)</td>
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<tr>
<td>Accurate demographic data</td>
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<tr>
<td>Capital needs</td>
<td></td>
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<tr>
<td>Accurate attendance records</td>
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<tr>
<td>Adheres to best practice in budget control</td>
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#### General Financial Procedures

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<tbody>
<tr>
<td>Appropriate compliance with board policy &amp; school code for bidding &amp; purchasing</td>
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<tr>
<td>Checks and balances</td>
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<tr>
<td>Audit process</td>
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<tr>
<td>Human Resources</td>
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<td>Initial stages</td>
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<tr>
<td>Salary and benefit variables (control systems)</td>
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<tr>
<td>Position control/job descriptions</td>
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<tr>
<td>Adequate leadership and support staff for HR function</td>
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<tr>
<td>Policy &amp; procedures for hiring of certified &amp; classified staff</td>
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<tr>
<td>Meets NCLB Highly Qualified Staff requirements</td>
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<tr>
<td>Staffing improvement plan for business/ support staff functions</td>
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<tr>
<td>Monitor compliance issues re: Safety Plan/ Security...</td>
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<tr>
<td>Professional development for business/support staff functions</td>
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<tr>
<td>Review process and evaluation plans</td>
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<tr>
<td>Written evaluation reports</td>
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<tr>
<td>Professional development plans &amp; evaluation criteria (w/data)</td>
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<td>For teachers</td>
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<td>For administrators</td>
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<tr>
<td>Educational programs/curriculum</td>
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<table>
<thead>
<tr>
<th>Grant Utilization &amp; Management</th>
<th>In Place</th>
<th>Developing</th>
<th>Initial stages</th>
<th>Does not exist</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge and utilization of available grants (grant writing, staff person)</td>
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<tr>
<td>Adhering to grant requirements</td>
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<tr>
<td>Financial records required to support grants</td>
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<tr>
<td>Separation of grant accounts</td>
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<td>Impact Aid Management</td>
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## OPERATIONS

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APPENDIX
B
APPENDIX

C