ILLINOIS STATE BOARD OF EDUCATION
100 N. First St., Springfield, Illinois

January 23-24, 2013

This meeting will also be audio cast on the Internet at: www.isbe.net

JANUARY 23, 2013

10:30 a.m. – 11:45 a.m.  Convene Plenary Session
                         Board Room, 4th Floor

11:45 a.m. – 12:45 p.m. Lunch
                         Board Conference Room, 4th Floor

12:45 – 5:00 p.m.       Reconvene Plenary Session
                         Board Room, 4th Floor

*5:00 p.m.              Closed Session (as needed)
                         Board Conference Room, 4th Floor

JANUARY 24, 2013

8:30 a.m. – 12:00 p.m.  Reconvene Plenary Session
                         Board Room, 4th Floor

12:00 – 1:00 p.m.       Lunch
                         Board Conference Room, 4th Floor

*1:00 p.m.              Closed Session (as needed)
                         Board Conference Room, 4th Floor

* The meeting will begin at the conclusion of the previous session.

This meeting will be accessible to persons with disabilities. Persons planning to attend who need special accommodations should contact the Board office no later than the date prior to the meeting. Contact the Superintendent’s office at the State Board of Education.

Phone: 217-782-2221; TTY/TDD: 217-782-1900; Fax: 217-785-3972.
NOTE: Chairman Chico may call for a break in the meeting as necessary in order for the Board to go into closed session.
I. Roll Call/Pledge of Allegiance
   A. Consideration of and Possible Actions on Any Requests for Participation in Meeting by Other Means

II. Public Participation

III. Discussion Items
   A. Sylvia Puente, Chairperson, Education Funding Advisory Board (pp. 4-18)
   B. FY 14 Budget Recommendation (pp. 19-39)

IV. Presentations/Showcases
   A. Urbana School District 116

V. Resolutions & Recognition

VI. *Superintendent’s Report - Consent Agenda

   All action consideration items listed with an asterisk (*) are considered to be routine and will be enacted in one motion and vote. Any board member who wishes separate discussion on any item listed on the consent agenda may remove that item from the consent agenda, in which event, the item will be considered in its normal sequence.

   A. *Approval of Minutes:
      1. Plenary Minutes: December 12-13, 2012 (pp. 40-45)

   B. *Rules for Initial Review
      1. Part 35 (Mentoring Program for New Principals) (pp. 46-61)
      2. Part 405 (Payments to Certain Facilities under Section 14-7.05 of the School Code) (pp. 46-61)
      3. Part 475 (Contested Cases and other Formal Hearings) (pp. 46-61)
      4. Part 565 (Class Size Reduction Grants) (pp. 46-61)
      5. Part 375 (Student Records) (pp. 62-74)

   C. *Rules for Adoption
      1. Part 30 (Programs for the Preparation of Principals in Illinois) (pp. 75-99)

   D. *Contracts and Grants Over $1 Million
      1. Approval of Contract: Special Education System (pp. 100-102)
      2. Approval of Contract: Web-Based Illinois Nutrition System (WINS) (pp. 103-105)
4. RFSP for Student Information System (pp. 109-112)

End of Consent Agenda
E. FY 2014 ISBE Budget Recommendation (pp. 18-38)
F. ISAT Performance Level Changes (pp. 113-118)
G. Legislative Proposals – Multiple Measures Index and District Interventions (pp. 119-122)
H. Approval of Closed Session Minutes

VII. Discussion Items
A. Legislative Update (pp. 123-129)
B. Other Items for Discussion

VIII. Announcements
A. IBHE Liaison Report - Dr. Proshanta Nandi
B. P-20 Council Liaison Report - Joyce Karon
C. Superintendent’s/Senior Staff Announcements
D. Chairman’s Report
E. Member Reports

IX. Information Items
A. ISBE Fiscal & Administrative Monthly Reports (available online at http://isbe.net/board/fiscal_admin_rep.htm)

X. Adjourn

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NOTE: Chairman Chico may call for a break in the meeting as necessary in order for the Board to go into closed session.
TO: Illinois State Board of Education

FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
Robert Wolfe, Chief Financial Officer

Agenda Topic: Education Funding Advisory Board Report

Materials: Illinois Education Funding Recommendations, Education Funding Advisory Board Report

Staff Contact(s): Robert Wolfe, Chief Financial Officer
Jason Hall, Senior Budget Analyst

Purpose of Agenda Item
Sylvia Puente, Chairperson of the Education Funding Advisory Board (EFAB) will present an overview of their FY 14 report to the General Assembly (attached).

Relationship to/Implications for the State Board’s Strategic Plan
The presentation will support the following Board 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.

Background
Public Act 90-548 created EFAB in December of 1997. Members include representatives of education, business, and the general public and their terms are limited to four years. The statutory charge of EFAB, as stated in 105 ILCS 5/18-8.05 (M) is to “make recommendations … to the General Assembly for the foundation level … and for the supplemental general State aid grant level … for districts with high concentrations of children from poverty. The recommended foundation level shall be determined based on a methodology which incorporates the basic education expenditures of low-spending schools exhibiting high academic performance.”

Members of the Board include:
- Ms. Sylvia Puente, Chairperson; Executive Director, Latino Policy Forum
- Mr. Dean Clark, President, Graphic Chemical and Ink Co.
- Dr. Sheila Harrison-Williams, Superintendent, Hazel Crest School District 152 ½
- Ms. Cinda Klickna, President, Illinois Education Association
- Mr. Dan Montgomery, President, Illinois Federation of Teachers

The Board’s FY 14 recommendations include:
1) Increase the Foundation level to $8,672;
2) Increase the Poverty Grant Payment range from $355 - $2,994 to $490 - $4,129;
3) Continue study of the GSA Formulas and consider other models for determining adequate education funding levels; and,
4) Provide ISBE with adequate resources.

**Expected Outcome(s) of Agenda Item**
The Board will be informed of the EFAB recommendations.

**Superintendent’s Recommendation**
None

**Next Steps**
None
Illinois Education Funding Recommendations

A Report Submitted to the

Illinois General Assembly

by the

Education Funding Advisory Board

January 2013
Executive Summary

The Education Funding Advisory Board makes the following recommendations to the General Assembly and the Governor for Fiscal Year 2014:

I. Increase the Foundation Level to $8,672

II. Increase the Poverty Grant Payment Range from $355 - $2,994 to $490 - $4,129

III. Continue Study of the GSA Formulas and Consider Other Models for Determining Adequate Education Funding Levels

IV. Provide ISBE with Adequate Resources

The first of these recommendations would require $4.7 billion in additional funding in Fiscal Year 2014 or more than double the current appropriation. Meeting the other recommendations would require additional funding beyond that amount. While EFAB recognizes the dire financial position of the State of Illinois, the lack of adequate funding for basic education is a failure of the state’s moral and fiduciary responsibilities. Article X, Section 1 of the Illinois State Constitution states in part, “The State has the primary responsibility for financing the system of public education.” EFAB finds that the state is not adequately funding education and that the current Foundation Level and unchanged Poverty Formula parameters are evidence of that. Beyond that, the state is not even meeting the current statutory requirements of the GSA formulas. Underfunding the GSA grants by $518 million in the current fiscal year demonstrates that the state has not attempted to meet its own goals – and EFAB finds those goals to be set far too low. The failure to raise the Foundation Level and to increase the amount of Poverty grant awards is unacceptable. Providing adequate resources to all children in Illinois is a moral imperative that impacts those children, their families, our economy and the future of our state. EFAB implores the General Assembly and the Governor to work together to increase the resources available for public education, offering our children the tools they deserve and need to compete in a global economy.
Education Funding Advisory Board Members

Ms. Sylvia Puente, Chair
Executive Director, Latino Policy Forum

Mr. Dean Clark
President
Graphic Chemical and Ink Co.

Dr. Sheila Harrison-Williams
Superintendent
Hazel Crest School District 152 ½

Ms. Cinda Klickna
President
Illinois Education Association

Mr. Dan Montgomery
President
Illinois Federation of Teachers

History of the Board

Public Act 90-548 created the Illinois Education Funding Advisory Board (EFAB) in December of 1997. Members are to include representatives of education, business, and the general public and their terms are limited to four years. The statutory charge of EFAB, as stated in 105 ILCS 5/18-8.05 (M) is to “make recommendations ... to the General Assembly for the foundation level ... and for the supplemental general State aid grant level ... for districts with high concentrations of children from poverty. The recommended foundation level shall be determined based on a methodology which incorporates the basic education expenditures of low-spending schools exhibiting high academic performance.”

Description of the GSA Funding Formula

The mission of the EFAB is to make recommendations to the General Assembly concerning the General State Aid (GSA) grant program. GSA represents 66% of all state general funds expenditures on PreK-12 education in Illinois and consists of two funding streams. The primary funding stream is the equalization Formula Grant which considers local wealth in determining the amount of the grant awarded per pupil. The second and supplemental funding stream is for at-risk students and is often referred to as the Poverty Grant. This second grant provides additional funding for low-income pupils in an amount that rises as the proportion of the student population qualified as low-income increases.

Formula Grant

The equalization Formula Grant considers local wealth as an indicator of need for state resources. Funding amounts vary inversely with local wealth. Grants decline as local wealth increases and grants increase as local wealth decreases. At its most basic, the formula pays the difference between a Foundation Level set in statute and a district’s local resources per pupil. The equalization Formula Grant calculation appears as follows for Foundation districts: $(\text{Foundation Level } – \text{ Local Resources Per Pupil}) \times \text{ Students}$

The current statutory Foundation Level is $6,119. So a district that possesses $4,000 in local wealth per pupil would receive the difference between the Foundation Level and its local wealth, or $2,119 per pupil through the Formula Grant.
The formula varies somewhat as district wealth increases. There are three categories of payment in the equalization Formula Grant:

- **Foundation**
  - Wealth: Local Resources < 93% of the Foundation Level
  - Calculation: (Foundation Level – Local Wealth per Pupil) X Students

- **Alternate Method**
  - Wealth: Local Resources 93% of Greater and Less Than 175% of Foundation Level
  - Calculation: 5% - 7% of Foundation Level X Students

- **Flat Grant**
  - Wealth: Local Resources Greater Than or Equal to 175% of Foundation Level
  - Calculation: $218 X Students

The goal of the Formula Grant is to assure that every school district has at a minimum the Foundation Level of funding for each pupil through a mix of state and local funds. Per 105 ILCS 5/18-8.05 (A) “The system of general State financial aid provided for in this Section is designated to assure that, through a combination of State financial aid and required local resources, the financial support provided each pupil in Average Daily Attendance equals or exceeds a prescribed per pupil Foundation Level.”

Only programs operated by the Regional Offices of Education (ROE) and the two Laboratory School districts operated by the Illinois State University in Bloomington and the University of Illinois in Urbana receive the full Foundation Level of $6,119 per student. The reason for this is that ROE programs and the lab schools have no tax base for a comparison of local wealth. In addition, the ROE programs and lab schools receive no Poverty Grant funding.

For each of the 862 public school districts in operation in Fiscal Year 2013, it is possible to compute local wealth as a measure of revenue from property taxes and corporate personal property replacement taxes. Given that every district has some amount of local wealth, no public school district receives the full $6,119 per pupil. Instead they receive the difference between that Foundation Level and their local resources per pupil.

The table and graph on the following pages illustrate the range of payments per pupil made through the Formula Grant in Fiscal Year 2013. For informational purposes, the table also lists the Average Daily Attendance figure used in the Fiscal Year 2013 calculation of the Formula Grant and also the 3-year average of DHS service populations used in the Fiscal Year 2013 calculation of the Poverty Grant.
### Categories of the State Portion of the GSA Foundation Level ($6,119)
Districts Receive the Difference Between the Foundation Level and Their Local Resources Per Pupil

<table>
<thead>
<tr>
<th>Equalization Formula Grant per Pupil</th>
<th>Number of Entities</th>
<th>FY 13 GSA Formula Claim Amount</th>
<th>Students in Average Days of Attendance (ADA)</th>
<th>3-Year DHS Population Used in FY 13 Calculations</th>
</tr>
</thead>
<tbody>
<tr>
<td>$6,000 - $6,119</td>
<td>0</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>$5,000 - $5,500</td>
<td>6</td>
<td>$47,430,179</td>
<td>9,127</td>
<td>8,801</td>
</tr>
<tr>
<td>$4,500 - $5,000</td>
<td>35</td>
<td>$181,349,031</td>
<td>38,653</td>
<td>32,492</td>
</tr>
<tr>
<td>$4,000 - $4,500</td>
<td>50</td>
<td>$193,000,957</td>
<td>45,474</td>
<td>33,925</td>
</tr>
<tr>
<td>$3,500 - $4,000</td>
<td>98</td>
<td>$406,725,246</td>
<td>108,731</td>
<td>70,201</td>
</tr>
<tr>
<td>$3,000 - $3,500</td>
<td>90</td>
<td>$363,817,167</td>
<td>110,665</td>
<td>67,360</td>
</tr>
<tr>
<td>$2,500 - $3,000</td>
<td>81</td>
<td>$299,669,141</td>
<td>110,333</td>
<td>60,132</td>
</tr>
<tr>
<td>$2,000 - $2,500</td>
<td>84</td>
<td>$366,687,562</td>
<td>163,337</td>
<td>63,572</td>
</tr>
<tr>
<td>$1,500 - $2,000</td>
<td>62</td>
<td>$245,557,003</td>
<td>135,048</td>
<td>67,214</td>
</tr>
<tr>
<td>$1,000 - $1,500</td>
<td>60</td>
<td>$586,328,202</td>
<td>489,438</td>
<td>382,071</td>
</tr>
<tr>
<td>$428.34 - $1,000</td>
<td>54</td>
<td>$90,386,355</td>
<td>137,746</td>
<td>48,176</td>
</tr>
<tr>
<td>Alternate Method</td>
<td>170</td>
<td>$171,012,085</td>
<td>443,491</td>
<td>145,980</td>
</tr>
<tr>
<td>Flat Grant</td>
<td>72</td>
<td>$23,485,251</td>
<td>107,731</td>
<td>26,821</td>
</tr>
<tr>
<td>ROE Programs &amp; Lab Schools</td>
<td>79</td>
<td>$35,439,963</td>
<td>5,792</td>
<td>-</td>
</tr>
<tr>
<td>Totals</td>
<td>941</td>
<td>$3,010,888,141</td>
<td>1,905,565</td>
<td>1,006,746</td>
</tr>
</tbody>
</table>
It is important to remember that when the Foundation Level is discussed, it is a base funding level that districts achieve through a combination of state and local resources.

Poverty Grant
The second funding stream in GSA is the Poverty Grant. This funding mechanism awards grant amounts based on a district’s percentage of low-income students. Low-income pupils are those students who receive services from the Illinois Department of Human Services through one of four programs: Medicaid, the Children’s Health Insurance Program, TANF or Food Stamps.

The amount paid per low-income pupil increases as the percentage of students in a district who are classified as low-income increases. Districts with less than 15% or less of their pupils qualifying as low-income receive $355 per pupil. All others receive a grant amount that varies based on the following formula: \[ \text{Amount} = \text{Percent Low-Income Students}^2 \times 2,700 + 294.25 \]

This is a curvilinear formula that pays a greater amount per pupil as the percentage of low-income pupils increases. It is important to note that the Poverty Grant is not equalized, meaning it does not consider how wealthy a school district is in determining the amount of the grant awarded. Even the wealthiest districts receive some amount of Poverty Grant funding.

The graph on the following page illustrates how payments per low-income pupil vary as the percentage of the student population qualifying as low-income increases.
The cost of the poverty grant is growing as the number of low-income pupils increases and as they make up a larger proportion of the overall student population. Even as the low-income student population has grown, the total student population statewide has declined slightly. The growth in low-income students has taken place in all geographic regions of the state, as the table below demonstrates.

### Distribution of Low-Income Students and Poverty Grant by Geographic Region
**FY 2009 – FY 2011**
(Dollars in Millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicago</td>
<td>296,940</td>
<td>$667.0</td>
<td>317,093</td>
<td>$740.9</td>
<td>324,382</td>
<td>$796.1</td>
<td>27,442</td>
<td>9.2%</td>
</tr>
<tr>
<td>Other Cook</td>
<td>151,244</td>
<td>$211.8</td>
<td>184,553</td>
<td>$268.9</td>
<td>197,543</td>
<td>$315.5</td>
<td>46,299</td>
<td>30.6%</td>
</tr>
<tr>
<td>Collar</td>
<td>149,535</td>
<td>$144.0</td>
<td>196,039</td>
<td>$190.9</td>
<td>214,903</td>
<td>$243.9</td>
<td>65,368</td>
<td>43.7%</td>
</tr>
<tr>
<td>Downstate</td>
<td>276,815</td>
<td>$326.2</td>
<td>312,437</td>
<td>$366.6</td>
<td>326,763</td>
<td>$418.2</td>
<td>49,948</td>
<td>18.0%</td>
</tr>
<tr>
<td>Total</td>
<td>874,534</td>
<td>$1,349.0</td>
<td>1,010,122</td>
<td>$1,567.3</td>
<td>1,063,591</td>
<td>$1,773.7</td>
<td>189,057</td>
<td>21.6%</td>
</tr>
</tbody>
</table>
Failure to Fully Fund Both the Formula Grant and the Poverty Grant in GSA

The preceding is an explanation of how the GSA formulas are intended to work. However, in recent years funding for GSA, like many state programs, has fallen short. District claims are calculated according to the formulas as described but the dollars necessary to fully fund those claims are not always available and in the past two years the difference between the cost of the claim and the funds appropriated for GSA has grown dramatically. In Fiscal Year 2012, appropriated funds fell $231 million short of the amount necessary to fund the claim. The result was that districts received 95% of the amount owed to them per statute. In Fiscal Year 2013 the situation grew worse, with appropriated funds falling $518 million short of the amount necessary to fully fund the GSA claim, resulting in payments at just 89% of the amount owed to districts.

Prorating or paying only a portion of the amount owed to each district is a policy of default; statute does not specify what to do in the case of a funding shortfall. Policy makers do have the option of revising statute and altering the calculation requirements of the formulas. For example, had the Foundation Level been lowered to an amount the appropriations could actually afford, it would have been set at $5,734 in Fiscal Year 2013 rather than $6,119. That $5,734 amount was the Foundation Level set in statute in Fiscal Year 2008. An analysis of districts based on wealth per pupil and the proportion of low-income pupils demonstrates that many of the poorest districts would have benefitted from a policy of lowering the Foundation Level rather than prorating payments. Districts in the lowest 20th percentile of Equalized Assessed Valuation per pupil would have received almost $40 million more had the Foundation Level been lowered. Similarly, districts in the 80th-100th percentile of the proportion of students qualifying as low-income would have gained $54 million has the Foundation Level been lowered, rather than prorating payments.

However, lowering the Foundation Level alone may not be an optimal policy. Flat grant districts, the wealthiest in terms of the GSA Formula grant, receive $218 per pupil, regardless of the amount of the Foundation Level. And lowering the Foundation Level has a minimal effect on Alternate districts as they receive only 5-7% of the Foundation Level. In addition, altering the Foundation Level implies a policy of
funding the Poverty Grant first, as its cost must be calculated in order to determine the dollars available for the Formula Grant. The Poverty Grant has driven all of the growth in the GSA claim in recent years, creating questions about the balance between the two formulas and the best method of distributing limited state education funds.

2012-2013 EFAB Review of State Funding for Pre-K – 12th Grade Education in Illinois

New EFAB members were named in the fall of 2012 and meetings were held on October 31 and December 4 to discuss the status of education funding in Illinois. Members heard testimony from Illinois State Board of Education staff concerning how the current mechanics of the formula work and how underfunding the formula affects districts. In addition, advocates from several education organizations provided testimony concerning the shortfall in state funding and whether changes to the two grant formulas should be considered.

During its December meeting, the members of EFAB voted unanimously to endorse the guiding principles that were adopted by the previous iteration of the board. Those principles are as follows:

1. Ensure the foundation level is sufficient to provide a comprehensive, high-quality education that prepares every student in Illinois to flourish in a global society.

2. Guarantee that the state share of public school funding provides a reliable, predictable, timely, and adequate funding stream.

3. Ensure that categorical and other targeted funds (including, but not limited to poverty grants, special education, transportation, English language learning, and Early Childhood Education) are sustained year to year and are sufficient to meet the needs of students.

4. Eliminate the gap of real educational opportunities for all students in Illinois by reducing funding disparities to establish functional equity.

The methodology used in creating past EFAB recommendations for Foundation Levels was created by Augenblick and Myers of Denver, Colorado in 2001 and is based on high performing, low spending school districts, and utilizes a number of district variables, including assessment, finances and demographics. The Augenblick and Myers report may be found at www.isbe.net/EFAB/archive/PDFs/fullreport.pdf.

The current members of EFAB determined that asking ISBE staff to spend time updating the model to produce a new Foundation Level would be of limited value. The first EFAB recommendation, made in January 2001 for Fiscal Year 2002, was for a $4,560 Foundation Level. The General Assembly adopted that amount in enacting the Fiscal Year 2002 budget. Since that year, the Foundation Level set in statute has fallen short of the recommendation of the EFAB. The graph below demonstrates the disparity between what EFAB members have recommended as adequate Foundation Levels and the Foundation Level set in statute. In those years where EFAB was not convened prior year recommendations have been inflated by the Employment Cost Index (ECI).
As this table demonstrates, there is a growing divergence between what EFAB recommends and what is approved in statute. Beyond that disparity, there is the reality that the state has failed for four consecutive years to fully fund the statutory requirements of the Formula Grant and the Poverty Grant. The impact has been most notable in the current and the prior fiscal year. During Fiscal Year 2012, the appropriated funds were $231 million less than the amount needed and districts received only 95% of the amount owed to them through the existing GSA requirements. In Fiscal Year 2013, the situation has grown even worse with appropriated funds $518 million less than the amount required to fully fund the GSA claim, resulting at payments of only 89% of the amount statute says the districts are owed. The chart on the following page depicts the shortfalls in funding for GSA in recent years.

For this report, EFAB elected to index the Fiscal Year 2012 recommendation by two years of the ECI to produce a new Foundation Level recommendation. That produces a recommended Foundation Level in the amount of $8,672.
EFAB also reviewed the parameters of the Poverty Grant and found that formula warrants an update. The current formula parameters were first implemented beginning in Fiscal Year 2004 and have not been revised since that time. Researchers at Voices for Illinois Children brought academic research to the members’ attention that notes the heightened cost of adequately educating at-risk children. They cited research findings that at-risk children may require 150% of typical base education costs or even more funding to properly educate. That research may be found in the appendices of the 2012 EFAB report, located here: http://www.isbe.net/EFAB/pdf/Appendix_V_fy11.pdf. The current parameters of the Poverty Grant may not provide this necessary amount of funding.
EFAB Recommendations for Fiscal Year 2014
Based on a review of the current funding system, and after considering testimony provided by education advocates, EFAB makes the following recommendations for Fiscal Year 2014:

I. Increase the Foundation Level to $8,672
The most recent recommended Foundation Level, which was determined according to the parameters of the Augenblick & Myers adequacy model of successful and efficient schools, was $8,360. The criteria for the adequacy model are as follows:

- Districts that are typical of their cohort are selected. For elementary and unit districts this is defined as ½ standard deviation of the mean. For high school districts this is 1 standard deviation of the mean.
- Successful districts are those with 67% or more of students meeting or exceeding test standards.
- Efficient districts are those where the Operating Expenditure per Pupil (OEPP) is less than the predicted OPEPP determined by a regression of education factors.
- A Regional Cost Index, the McMahon Index, is applied to expenditures.

Increasing the Fiscal Year 2012 recommended Foundation Level by two years of the ECI results in a recommended Foundation Level of $8,672. If the Foundation Level is set at $8,672 in Fiscal Year 2014, the forecast cost to the state would be $9 billion. That is more than double the current appropriated amount of $4.3 billion for GSA.

II. Increase the Poverty Grant Payment Range from $355 - $2,994 to $490 - $4,129
The current Poverty Grant formula has not been revised since it was first implemented in Fiscal Year 2004. Therefore, EFAB recommends that those parameters be inflated by the ECI annually to recognize the rising cost of educating at-risk children. Applying the ECI annually would increase the range of payments per low-income pupil to $490 for districts with 15% or fewer low-income students and $4,129 for districts where 100% of the students are classified as low-income.

III. Continue Study of the GSA Formulas and Consider Other Models for Determining Adequate Education Funding Levels
In 2012 EFAB noted the need for additional study of the GSA formula as well as categorical grants to determine if those are the best methods for distributing state funds. At that time EFAB noted three areas that warrant continued study: (1) the impact of the PTELL adjustment; (2) the definition of a successful school district; and (3) how to measure and address poverty. EFAB again notes that these and other areas of state education funding deserve additional study and review. In the current budget climate of shrinking resources and growing needs, this is all the more necessary. EFAB finds the current policy of prorating GSA and other education grant payments reprehensible. The members
encourage the state to devote resources to the study and development of a new model for determining adequate funding levels for education and to then support those revised funding levels. The current Augenblick & Myers model was developed in 2001 and merits updating. EFAB would also like to see additional methodologies, such as the evidence-based method of determining adequate funding levels, to be considered by policy makers. Illinois would benefit from a survey of the best practices in other states.

IV. Provide ISBE with Adequate Resources

The members of EFAB are grateful to ISBE staff for their assistance in reviewing the mechanics of GSA and how it impacts school districts. At the same time the members recognize that ISBE is not properly staffed to provide the in-depth study of education funding that this issue deserves. ISBE also lacks the resources necessary to develop new adequacy models.

Conclusion

While EFAB recognizes the dire financial position of the State of Illinois, the lack of adequate funding for basic education is a failure of the state’s moral and fiduciary responsibilities. Article X, Section 1 of the Illinois State Constitution states in part, “The State has the primary responsibility for financing the system of public education.” EFAB finds that the state is not adequately funding education and that the current Foundation Level and unchanged Poverty Formula parameters are evidence of that. Beyond that, the state is not even meeting the current statutory requirements of the GSA formulas. Underfunding the GSA grants by $518 million in the current fiscal year demonstrates that the state has not attempted to meet its own goals – and EFAB finds those goals to be set far too low. The failure to raise the Foundation Level and to increase the amount of Poverty grant awards is unacceptable. Providing adequate resources to all children in Illinois is a moral imperative that impacts those children, their families, our economy and the future of our state. EFAB implores the General Assembly and the Governor to work together to increase the resources available for public education, offering our children the tools they deserve and need to compete in a global economy.
TO: Illinois State Board of Education

FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
       Robert Wolfe, Chief Financial Officer

Agenda Topic: FY 2014 Board Budget Recommendation

Materials: Exhibit A – FY 2014 Superintendent’s Budget Recommendation
          Exhibit B – FY 2014 Estimated General State Aid Data
          Exhibit C – Graph of DHS Populations Used in GSA Poverty Grant Calculations
          Exhibit D – Graph of GSA Formula & Poverty Grant
          Exhibit E – History of GSA PTELL Adjustment
          Exhibit F – Graph of GSA PTELL Adjustment

Staff Contact(s): Robert Wolfe, Chief Financial Officer

Purpose of Agenda Item
The purpose of this agenda item is to discuss and vote on a Board Recommended Budget for Fiscal Year 2014.

Relationship to/Implications for the State Board’s Strategic Plan
The FY 2014 budget provides funding to allow the Agency to implement the Board’s strategic goals.

Expected Outcome(s) of Agenda Item
The Board will act on a FY 2014 Budget Recommendation.

Background Information
As advocates for education, the Board assesses the Pre-Kindergarten through 12th grade funding as needed. A series of five public FY 2014 Budget Hearings were held throughout the state to assist in this assessment. Hearings were conducted in Richton Park, Champaign, Grayslake, Chicago and Granite City with testimony from 131 individuals. Additionally, 26 individuals submitted testimony via email.

A summary of the programs for which support was advocated is as follows:

<table>
<thead>
<tr>
<th>LINE ITEM</th>
<th>SUBMITTED TESTIMONY</th>
<th>REQUESTED FUNDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early Childhood</td>
<td>36</td>
<td>$380,261</td>
</tr>
<tr>
<td>GSA</td>
<td>29</td>
<td>Fully Fund</td>
</tr>
<tr>
<td>Agriculture Education</td>
<td>27</td>
<td>Maintain</td>
</tr>
<tr>
<td>Regional Safe Schools / TAOEP</td>
<td>14</td>
<td>Restoration</td>
</tr>
<tr>
<td>Career and Technical Education</td>
<td>12</td>
<td>Maintain</td>
</tr>
<tr>
<td>Bilingual Education</td>
<td>6</td>
<td>$70,381,200</td>
</tr>
<tr>
<td>Homeless Education</td>
<td>5</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Blind / Dyslexic</td>
<td>4</td>
<td>$892,980</td>
</tr>
<tr>
<td>ROE School Services</td>
<td>4</td>
<td>Restoration</td>
</tr>
<tr>
<td>Overall Education</td>
<td>3</td>
<td>Fully Fund GSA &amp; MCATS</td>
</tr>
<tr>
<td>Private Tuition</td>
<td>3</td>
<td>Fully Fund</td>
</tr>
<tr>
<td>National Board Certified Teachers</td>
<td>3</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Transportation</td>
<td>1</td>
<td>Fully Fund</td>
</tr>
<tr>
<td>Special Education</td>
<td>1</td>
<td>Fully Fund</td>
</tr>
<tr>
<td>Philip J. Rock Center and School</td>
<td>1</td>
<td>Maintain Funding</td>
</tr>
<tr>
<td>Teach for America</td>
<td>1</td>
<td>$1,975,000</td>
</tr>
<tr>
<td>Principal Mentoring</td>
<td>1</td>
<td>$1,800,000</td>
</tr>
</tbody>
</table>

**ISBE Board Meeting**

At the December 12-13, 2012 Board meeting, the Director and Revenue Director of the Commission on Government Forecasting and Accountability (CGFA) presented an economic and revenue outlook to the Board. While an official CGFA FY 2014 revenue estimate will not be released until the spring, the current outlook is for an increase in revenue in the amount of $767 million (2.2%); unfortunately the increase in the pension costs will be higher than the revenue increase. Additionally, the state continues to struggle to pay its bills. These two factors will continue to exert pressure on the state’s financial condition.

A substantial amount of discussion took place regarding the Considerations for General State Aid Formula Changes in response to the continued proration of General State Aid as a result of the enacted appropriation amount not being sufficient to fully fund the claim at the statutory foundation level of $6119. Though formal action was not taken by the Board, the consensus was that a comprehensive study of state funding formulas would be a better investment of time and effort as opposed to making changes to the current General State Aid Formula. The main reasons for this decision were that school districts have not had a sufficient amount of time or ability to calculate the impact of any changes to the General State Aid Formula in combination with the actual reductions in state funding that school districts have realized in the past two fiscal years.

**Superintendent’s Recommendation**

The Superintendent recommends that the Board seek an increase of $409.5 million (6.3%) in General Funds appropriations for FY 2014 over FY 2013 appropriations, and requests that the recommendations outlined in Exhibit A be presented and acted on by the Board. The Superintendent further recommends that the Board authorize Agency staff to present the recommendations for spending authority for other state and federal funds outlined in Exhibit A to be presented and acted on by the Board.
BACKGROUND

The cumulative reduction to Pre-K – 12 Education Appropriations since Fiscal Year 2009 is $861 million. During that same period of time, Pre-K - 12 percentages of General Funds operating appropriations have remained constant at approximately 27%. Based upon Fiscal Year 2013 Operations Appropriations for General Funds, a 1% increase to the proportion of Pre-K - 12 appropriations compared to the total General Funds Operating Appropriations would equate to an additional $235 million.

The Board’s recommended budget for the past four years had an average increase of $311 million or 4.5%. The Superintendent’s recommendation for FY 2014 General Funds Budget for Pre-K – 12 calls for a $409.5 million increase (6.3%) which would restore 47.5% of the cumulative loss since Fiscal Year 2009 and increase Pre-K – 12 percentage of overall General Funds Appropriation by approximately 1.7%.

The Superintendent’s recommendation should be considered as only a partial restoration of funding as opposed to a recommendation for new funding for Pre-K – 12. Over 60% of school districts’ budgets for FY 2013 reflect deficit spending in operating funds making it imperative that the level of state funding be partially restored in order to prevent a dramatic increase in the number of Illinois School Districts being designated as being in Financial Watch Status on the School District Financial Profile. School Districts have been reducing expenditures over the last two fiscal years and if the need for further reductions in expenditures is necessitated, the quality of the delivery of education in the State of Illinois could be jeopardized.

GENERAL STATE AID (GSA)

Appropriation shortfalls for GSA have been consistent since FY 2010 resulting in GSA claims being prorated. The shortfalls and proration amounts are as follows:

<table>
<thead>
<tr>
<th>FY</th>
<th>Shortfall ($000,s)</th>
<th>Proration</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2010</td>
<td>$ 18,899.1</td>
<td>98.3%</td>
</tr>
<tr>
<td>FY 2011</td>
<td>$ 260.4</td>
<td>99.9%</td>
</tr>
<tr>
<td>FY 2012</td>
<td>$ 231,057.5</td>
<td>95.0%</td>
</tr>
<tr>
<td>FY 2013</td>
<td>$ 518,176.4</td>
<td>89.2%</td>
</tr>
</tbody>
</table>

Since FY 2012, the amount of appropriation needed to fully fund the GSA at the $6,119 Foundation Level (FL) has increased annually due to increases in low-income counts and declining Equalized Assessed Valuations. The cost to fully fund the GSA claims for this time period is as follows:

<table>
<thead>
<tr>
<th>FY</th>
<th>Claim Amount ($000,s)</th>
<th>% Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2010</td>
<td>$ 4,619,204.2</td>
<td></td>
</tr>
<tr>
<td>FY 2011</td>
<td>$ 4,600,565.5</td>
<td>-0.4%</td>
</tr>
<tr>
<td>FY 2012</td>
<td>$ 4,678,162.0</td>
<td>1.7%</td>
</tr>
<tr>
<td>FY 2013</td>
<td>$ 4,804,928.9</td>
<td>2.7%</td>
</tr>
</tbody>
</table>
The estimated cost to fully fund the GSA claim at a FL of $6,119 for FY 2014 is $5.031 billion. This is an increase of $226,920.7 (4.7%) to the amount that was required to fully fund the FY 2013 GSA Claim at a FL of $6,119.

The increase is mostly attributable to an increase in the cost of the poverty claim which increased $160.9 million or 9.1% when compared to FY 2013. In order to fully fund the GSA Claim for FY 2014, an increase of $745.1 million to the amount that was appropriated in FY 2013 would be required.

The Education Funding Advisory Board (EFAB) voted on their recommendations for the FL and poverty grant calculations for Fiscal Year 2014. The result was a recommended FL $8,672. The estimated cost to fully fund the FY 2014 GSA claim at the EFAB recommended FL of $8,672 is $9 Billion.

The Superintendent is recommending a $290 million increase (6.8%) to the FY 2013 GSA Appropriation for a FY 2014 GSA Appropriation of $4.576 billion. Based upon the preliminary forecast of the cost of the GSA Claim, the forecasted proration at the recommended appropriation level is 91%. Additionally, the recommended appropriation level is $455.1 million less than the amount needed to fully fund the GSA Claim at the $6,119 FL.

**Mandated Categorical (MCAT) Program Funding**

For FY 2013 MCAT program funding was reduced by approximately $25.7 million from the FY 2012 level. The final proration amounts for the MCAT programs are as follows:

<table>
<thead>
<tr>
<th>Program Name</th>
<th>FY 2013 Actual Proration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sp. Ed. – Personnel</td>
<td>100%</td>
</tr>
<tr>
<td>Sp. Ed. - Funding for Children</td>
<td>100%</td>
</tr>
<tr>
<td>Sp. Ed. - Private Tuition</td>
<td>92%</td>
</tr>
<tr>
<td>Sp. Ed. – Orphanage</td>
<td>100%</td>
</tr>
<tr>
<td>Sp. Ed. - Summer School</td>
<td>96%</td>
</tr>
<tr>
<td>Sp. Ed. – Transportation</td>
<td>99%</td>
</tr>
<tr>
<td>Transportation - Reg/Voc</td>
<td>76%</td>
</tr>
<tr>
<td>Ill Free Lunch &amp; Breakfast</td>
<td>38% (estimated)</td>
</tr>
<tr>
<td>Regular Orphanage 18-3</td>
<td>100%</td>
</tr>
</tbody>
</table>

Staff has completed estimates of the funding that would be needed to fully fund the MCATs in FY2014. Based on these estimates, an additional $167.4 million would be needed in FY 2014 to fully fund MCATS. The amount required to fully fund the Regular/Vocational Transportation Reimbursement accounts for the majority of the increase that would be needed to fully fund all MCATs.
FY 2014 Mandated Categorical Programs – 100% Funded
($000s)

<table>
<thead>
<tr>
<th>Program Name</th>
<th>FY14 100% Funded</th>
<th>Increase (Decrease) Over FY13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sp. Ed. – Personnel</td>
<td>$440,500.0</td>
<td>$300.0</td>
</tr>
<tr>
<td>Sp. Ed. - Funding for Children</td>
<td>$303,091.7</td>
<td>($11,104.4)</td>
</tr>
<tr>
<td>Sp. Ed. - Private Tuition</td>
<td>$241,200.0</td>
<td>$34,356.7</td>
</tr>
<tr>
<td>Sp. Ed. – Orphanage</td>
<td>$105,000.0</td>
<td>($6,000.0)</td>
</tr>
<tr>
<td>Sp. Ed. - Summer School</td>
<td>$10,500.0</td>
<td>$400.0</td>
</tr>
<tr>
<td>Sp. Ed. – Transportation</td>
<td>$450,300.0</td>
<td>$9,800.0</td>
</tr>
<tr>
<td><strong>Sub-Total Special Ed</strong></td>
<td><strong>$1,550,591.7</strong></td>
<td><strong>$27,752.3</strong></td>
</tr>
<tr>
<td>Transportation - Reg/Voc</td>
<td>$320,800.0</td>
<td>$114,991.1</td>
</tr>
<tr>
<td>Ill Free Lunch &amp; Breakfast</td>
<td>$40,000.0</td>
<td>$25,700.0</td>
</tr>
<tr>
<td>Regular Orphanage 18-3</td>
<td>$12,000.0</td>
<td>($1,000.0)</td>
</tr>
<tr>
<td><strong>Total Mandated Categorical Programs</strong></td>
<td><strong>$1,923,391.7</strong></td>
<td><strong>$167,443.4</strong></td>
</tr>
</tbody>
</table>

The Superintendent is not recommending that the Board request full funding for all Mandated Categorical Programs for FY 2014. The Superintendent is recommending that the appropriation amounts for the Regular/Vocational Transportation and the Illinois Free Lunch & Breakfast Programs remain at the FY 2013 appropriation amounts. Additionally, the Superintendent is recommending that the increase to the FY 2014 appropriation level for the Special Education – Private Facility Program be limited to the minimum amount needed to meet Federal Maintenance of Effort (MOE) Requirements related to the Federal Individuals with Disabilities Act (IDEA). The approximately $22 million realized as a result of this decision to minimally meet MOE for IDEA will allow for increases to other line items within the FY 2014 Budget Recommendation.

The funding levels and estimated proration levels that the Superintendent is recommending for the MCAT Programs are as follows:

FY 2014 Mandated Categorical Programs – Recommended Funding
($000s)

<table>
<thead>
<tr>
<th>Program Name</th>
<th>FY14 Recommended</th>
<th>FY14 Projected Proration</th>
<th>Increase (Decrease) Over FY13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sp. Ed. – Personnel</td>
<td>$440,500.0</td>
<td>100%</td>
<td>$300.0</td>
</tr>
<tr>
<td>Sp. Ed. - Funding for Children</td>
<td>$303,091.7</td>
<td>100%</td>
<td>($11,104.4)</td>
</tr>
<tr>
<td>Sp. Ed. - Private Tuition</td>
<td>$219,119.0</td>
<td>91%</td>
<td>$12,275.7</td>
</tr>
<tr>
<td>Sp. Ed. – Orphanage</td>
<td>$105,000.0</td>
<td>100%</td>
<td>($6,000.0)</td>
</tr>
<tr>
<td>Sp. Ed. - Summer School</td>
<td>$10,500.0</td>
<td>100%</td>
<td>$400.0</td>
</tr>
<tr>
<td>Sp. Ed. – Transportation</td>
<td>$450,300.0</td>
<td>100%</td>
<td>$9,800.0</td>
</tr>
<tr>
<td><strong>Sub-Total Special Ed</strong></td>
<td><strong>$1,528,510.7</strong></td>
<td><strong>$5,671.3</strong></td>
<td></td>
</tr>
<tr>
<td>Transportation - Reg/Voc</td>
<td>$205,808.9</td>
<td>64%</td>
<td>-</td>
</tr>
<tr>
<td>Ill Free Lunch &amp; Breakfast</td>
<td>$14,300.0</td>
<td>36%</td>
<td>-</td>
</tr>
<tr>
<td>Regular Orphanage 18-3</td>
<td>$12,000.0</td>
<td>100%</td>
<td>($1,000.0)</td>
</tr>
<tr>
<td><strong>Total Mandated Categorical Programs</strong></td>
<td><strong>$1,760,619.6</strong></td>
<td><strong>$4,671.3</strong></td>
<td></td>
</tr>
</tbody>
</table>
Standards and Assessments
For FY 2013, the Superintendent is recommending that funding for Assessments be increased by $8.1 million (29.6%). The justification for the increase is based upon the need to procure ISAT and IAA assessments that assess Common Core State Standards (CCSS). The additional funding will complete the transition from assessments in English/Language Arts and Mathematics based on the 1997 Illinois Assessment Framework to assessments that are aligned to the CCSS, thus supporting the transition in curricular areas to CCSS and providing stakeholders with an assessment that is more closely aligned with the Partnership for the Assessment of Readiness for College and Careers (PARCC) content.

It is also important to point out that ISBE has realized a cumulative loss in Federal Assessment Grant funding in the amount of $1.15 million since Fiscal Year 2009, thus the need for additional state assessment funding.

Finally, the Superintendent is recommending restoration of $2.4 million for the Growth Model in FY 2014. This funding would be utilized in the assessment of the academic growth of students from one year to the next as opposed to comparing student academic performance to grade level proficiency levels.

Academic Improvement

Early Childhood Education
An increase of $40 million is being recommended by the Superintendent for Early Childhood Education (ECE). This increase will restore the level of funding to 6 year average funding level. While much more than $340.2 million would be required to provide services to pupils who are not currently being served by either Head Start or Preschool for All, the partial restoration of funding will provide grantees the opportunity to serve the greatest number of children with the infrastructure and capacity that is currently in place today and maintain integrity in the program.

Bilingual Education
The Bilingual Education Appropriations have remained constant for the last three Fiscal Years at $63.4 million while the cost of providing English Language Learners services has increased over that same period of time. The Superintendent is recommending an $11 million increase (17.4%). The increase in funding is projected to provide for a proration of 79.7% in FY 2014 as compared to the projected proration level of 71.9% for FY 2013.

Advanced Placement Classes
The Superintendent is recommending a $223 thousand increase in funding to increase the number of low-income students benefiting from pre-Advance and/or Advanced Placement courses.

School Reform and Accountability
The Superintendent’s recommendation does not include any increases for FY 2014 for School Reform and Accountability Programs. The $4.3 million of appropriations in the recommendation will provide continued support for the work in:

- Providing leadership and support to schools that are identified as the lowest performing on state assessments,
- Provide training and coaching to promote students’ academic, physical, social, emotional and behavioral development,
- Continued support for technology through the Learning Technology Centers, and
- Illinois Virtual High School, which offers supplemental online courses to all Illinois public, private and home school students.

**Regional Delivery System**

**Regional Office of Education - Salaries**

Compensation for the salaries of Regional Office of Education (ROE) Superintendents and Assistant Superintendents continued to be funded from the Personal Property Replacement Tax (PPRT) Fund through the end of FY 2013. The fund from which the ROE salaries would be paid from in FY 2014 is not clear at this point in time other than 105 ILCS 5/3-2.5 which requires that the salaries be paid from the Common School Fund. As a result, the Superintendent is requesting an appropriation of $10.1 million to pay for ROE salaries from the Common School Fund in FY 2014. The amount being requested will provide funding for the statutory salary increases as well as providing the necessary funding for termination costs.

**Regional Office of Education – School Services**

The Superintendent is recommending the same level of funding for FY 2014 as was recommended by the Board for FY 2013 for ROE – School Services. This funding supports the administrative costs of the ROEs and Intermediate Service Centers. It also supports continuous improvement and capacity building in the regional offices and intermediate offices, and provides for the delivery of specific services.

**Special Education**

The Superintendent's recommendation includes $6.7 million in funding for five entities which serve individuals with special education needs in Illinois. The entities include the Community Residential Services Authority, the Materials Center for the Visually Impaired and the Phillip J. Rock Center and School. It is important to note that the $6.7 million in funding for the five entities is included in the calculation of MOE for IDEA.

**Educator Quality and Support**

**Teach for America – Minority Recruitment**

The Superintendent is recommending an appropriation of $1.975 million for Fiscal Year 2014. The recommended appropriation amount will provide an additional $750 thousand for Teach for America. The additional funding will be utilized to recruit and support an additional 140 first year teachers of color. These efforts, coupled with FY 2013 efforts, will result in over 240 first and second year teachers of color in the Chicago Region.
Performance Evaluations

$200 thousand is being recommended for FY 2014 in order to continue to support the work of the Performance Evaluation Advisory Council (PEAC) and school districts in the implementation of the Performance Evaluation Reform Act of 2010.

Principal Mentoring Program

Quality leaders are recognized as a key component for school improvement and strong schools. Due to this being a key component, the Superintendent is recommending $900 thousand to direct the mentoring support to first year principals and their mentors.

Teacher and Administrator Mentoring Program

$3,157,600 is being recommended to provide mentoring opportunities for new teachers. Studies have found that high quality induction programs can reduce turnover by 50%. Turnover creates additional administrative costs to a district and loss of teaching quality and effectiveness. With increasing accountability and new evaluations systems, it is critical that new teachers receive support and professional development that will support their teaching.

Other Statewide District Categorical Assistance

District Consolidation Costs

Staff has completed estimates of the amounts necessary to fund the cost of Reorganization Feasibility Studies and District Reorganization Incentives. The Superintendent is recommending an increase of $1.145 million for FY 2014. If the financial crisis continues, increased funding for this particular line item will be essential due to a lack of options for school districts to address financial distress.

School District Emergency Financial Assistance Fund Deposit

The Financial Oversight Panel for the East St. Louis School District filed a proposal for an Emergency Financial Assistance Grant (Grant) in accordance with 105 ILCS 5/1B-8. During the 97th General Assembly, House Bill 2984, Senate Amendment 2 proposed an increase to the per pupil amount from $1,000 to $2,000 for the grant. The bill was passed by the Senate; however, no action was taken by the House. Additionally, a request for a FY 2013 supplemental appropriation was not acted on by the 97th General Assembly. Therefore, the Superintendent is recommending a transfer appropriation from the General Revenue Fund in the amount of $13,460,000 to provide the cash necessary to process a grant payment to the East St. Louis School District from the Emergency Financial Assistance Fund.

Student Health and Safety Initiatives

Alternative Learning/Regional Safe Schools
The Superintendent is recommending a restoration to the Alternate Learning/Regional Safe Schools line item. This line realized a 30% reduction in FY 2013 and the recommended appropriation of $9.3 million for FY 2014 will restore the line item to the appropriated level of FY 2012.

**School Security Grant Program**

The Superintendent is recommending a new matching grant program for FY 2014 to reimburse school districts for school building security purposes. The $20 million appropriation will provide approximately $5,000 per school in state support to strengthen security measures.

**Homeless Education**

The Superintendent is recommending $1 million for the Homeless Education Program. This will provide support services, outreach and advocacy needed for homeless students to remain in school and have equal access to the same free, appropriate public education as provided to other children and youth.

**Agency Operations**

FY 2013 the Agency Operations appropriations were increased by $1.4 million for a total of $23.7 million. This remains $3.1 million short of the FY 2010 appropriation level of $26.8 million. The Superintendent and staff recognize the state’s financial condition and the only increase that is being recommended is $333,800 for General Funds. It is also important to note that the Agency Operations percentage of the total General Funds Budget is 0.35%.

An increase of $200,000 is being recommended in the retirement contribution line for FY 2014. The payment of retirement contributions for staff being paid from General Funds was centralized at CMS in the beginning of FY 2010. TRS, however, requires that ISBE make a payment to TRS in the event that salary increases in the last two years of employment exceed a certain threshold. An appropriation from this line is needed to make the required payments to TRS.

An increase of $166,300 is being recommended to partially restore the reduction to the General Funds Travel line item that was enacted in FY 2012. Given the financial condition and the continued need to monitor and audit school districts, additional travel is required to districts to provide financial technical assistance and to ensure the programmatic integrity and fiscal compliance with the programs administered by the agency.

**Other State Funds**

**Driver’s Education Fund**

PA 096-0625, effective January 1, 2010, provided for $9 of court supervision fines to be deposited into the Driver Education Fund for disbursement to districts to offset the additional costs associated with the Graduated Driver’s License Laws. In Fiscal Year 2011, using estimates provided by the Secretary of State’s office on the number of court supervisions fines issued on an annual basis, the Driver Education appropriation was increased to $24.2 million. Unfortunately the revenues were not realized as projected.

In Fiscal Year 2011, districts were able to get all of their payments only because the General Assembly extended the lapse period through Dec. 31st. The Fiscal Year 2012 appropriation was
level funded at $24.2 million but because revenues in the Driver Education Fund continued to lag behind the larger scheduled payments, the Comptroller, even with an extended lapse period, would not have had sufficient time to release all of the payments that had been processed. Due to these circumstances, an appropriation reduction for Fiscal Year 2012 was requested and approved for $18.1 million. In Fiscal Year 2013, an appropriation of $17.5 million was approved but as of January 2013, the Comptroller has only been able to release one quarterly payment. It is likely that revenue deposits after July 1 and General Assembly action to extend the lapse period will be needed to pay the Fiscal Year 2013 appropriation in full. Therefore, the recommended appropriation for Fiscal Year 2014 is $15 million to align payments to actual revenue.

**State Charter School Commission Fund**

House Bill 5825 provides that the State Charter School Commission (Commission) shall be under the State Board of Education for administrative purposes only and the State Board shall provide administrative support to the Commission as needed. It further provides that all money in the State Charter School Commission Fund shall be used by the State Board (instead of the Commission), acting on behalf and with the consent of the Commission, for operational and administrative costs of the Commission. In anticipation of House Bill 5825 being signed into law, the Superintendent is recommending an appropriation of $600,000 from the State Charter School Commission Fund to allow ISBE to carry out its responsibilities for providing administrative support to the Commission as needed.

**Federal Funding**

The recommended request for federal spending authority provides sufficient authority to allow for disbursement of all federal grant and administrative funds, including those carried over from previous grant years. Federal spending authority being sought for Fiscal Year 2014 is $65.7 million (2.2%) greater than the Fiscal Year 2013 authority. The increase is attributed in part to the need for a $35 million appropriation for the Race to the Top Early Learning Challenge Grant. It is also to provide spending authority for the increased carryover from previous grant years as a result of the transition to the reimbursement method from the advance funding method for federal grant recipients.

**Capital Budget Request**

**Technology for Instruction and Assessments**

The Superintendent recommends that a request for Capital Funds be submitted to the Governor’s Office of Management and Budget to provide funds for a new capital program: Technology Upgrades for Instruction and Assessments. Staff is in the process of conducting a needs assessment to identify the total cost. Based upon the Capital Needs Assessment Biennial Report, at least $250 million is needed to upgrade school technology infrastructure to enable students to take on-line assessments and allow students to utilize technology in the classroom in a similar manner as they will be utilizing technology throughout their adult life.

**Next Steps**

Agency staff will prepare materials for the full Board to consider and vote on during the January 24, 2013 Plenary Session. Once the Board gives the final approval for a FY2014 budget recommendation, that recommendation will be forwarded to the Governor and the General Assembly. It will also be posted on the Agency’s website.
<table>
<thead>
<tr>
<th></th>
<th>FY13 Board Recommendation</th>
<th>FY13 ISBE Appropriation</th>
<th>FY14 Superintendent's Recommendation</th>
<th>Increase (Decrease)</th>
<th>Percent Increase (Decrease)</th>
<th>Increase (Decrease)</th>
<th>Percent Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$6,119</td>
<td>$6,119</td>
<td>$6,119</td>
<td>86,000.0</td>
<td>1.4%</td>
<td>86,000.0</td>
<td>1.4%</td>
</tr>
<tr>
<td></td>
<td>Pro-rated 96%</td>
<td>Pro-rated 89%</td>
<td>Pro-rated 91%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GSA Formula Grant</td>
<td>2,886,773.8</td>
<td>2,684,807.0</td>
<td>2,792,985.4</td>
<td>(93,788.4)</td>
<td>-3.2%</td>
<td>108,178.4</td>
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</tr>
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<td>GSA Poverty Grant</td>
<td>1,737,617.0</td>
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<td>1,758,767.1</td>
<td>21,150.1</td>
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<td>177,139.4</td>
<td>11.2%</td>
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<td>Net Adjustments</td>
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<td>20,317.8</td>
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<td>0.0</td>
<td>0.0%</td>
<td>4,682.2</td>
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<tr>
<td><strong>Subtotal, General State Aid</strong></td>
<td>4,649,390.8</td>
<td>4,286,752.5</td>
<td>4,576,752.5</td>
<td>(72,638.3)</td>
<td>-1.6%</td>
<td>290,000.0</td>
<td>6.8%</td>
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<tr>
<td><strong>Mandated Categoricals</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Sp Ed - Personnel Reimbursement</td>
<td>440,200.0</td>
<td>440,200.0</td>
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<td>300.0</td>
<td>0.1%</td>
<td>300.0</td>
<td>0.1%</td>
</tr>
<tr>
<td>Sp Ed - Funding for Children Requiring Sp Ed Services</td>
<td>314,196.1</td>
<td>314,196.1</td>
<td>303,091.7</td>
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<td>-3.5%</td>
<td>(11,104.4)</td>
<td>-3.5%</td>
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<tr>
<td>Sp Ed - Orphanage Tuition</td>
<td>111,000.0</td>
<td>111,000.0</td>
<td>105,000.0</td>
<td>(6,000.0)</td>
<td>-5.4%</td>
<td>(6,000.0)</td>
<td>-5.4%</td>
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<td>Sp Ed - Private Tuition</td>
<td>213,800.0</td>
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<td>Sp Ed - Summer School</td>
<td>10,100.0</td>
<td>10,100.0</td>
<td>10,500.0</td>
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<td>4.0%</td>
<td>400.0</td>
<td>4.0%</td>
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<tr>
<td>Sp Ed - Transportation</td>
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<td>440,500.0</td>
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<td>2.2%</td>
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<tr>
<td><strong>Subtotal, Special Ed Categoricals</strong></td>
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<td>Illinois Free Lunch/Breakfast</td>
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<td>0.0</td>
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<td>Orphanage Tuition</td>
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<td>13,000.0</td>
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<td>-7.7%</td>
<td>(1,000.0)</td>
<td>-7.7%</td>
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<tr>
<td>Transportation - Regular/Vocational</td>
<td>205,808.9</td>
<td>205,808.9</td>
<td>205,808.9</td>
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<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Subtotal, Mandated Categoricals</strong></td>
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<td>4,671.3</td>
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<td><strong>Standards and Assessments</strong></td>
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<td></td>
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<tr>
<td>Assessments</td>
<td>27,400.0</td>
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<tr>
<td><strong>Subtotal, Standards, Assessments and Accountability</strong></td>
<td>31,800.0</td>
<td>29,400.0</td>
<td>39,900.0</td>
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<td>10,500.0</td>
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<tr>
<td><strong>Academic Improvement</strong></td>
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<td>Early Childhood Education</td>
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<td>(500.0)</td>
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<td>Bilingual Education</td>
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<td>63,381.2</td>
<td>74,381.2</td>
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<td>17.4%</td>
</tr>
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<td>$000s</td>
<td>FY13 Board Recommendation</td>
<td>FY13 ISBE Appropriation</td>
<td>FY14 Superintendent's Recommendation</td>
<td>Increase (Decrease)</td>
<td>Percent Increase (Decrease)</td>
<td>Increase (Decrease)</td>
<td>Percent Increase (Decrease)</td>
</tr>
<tr>
<td>---------------------------</td>
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<tr>
<td><strong>College and Career Readiness</strong></td>
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</tr>
<tr>
<td>Advance Placement Classes</td>
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<td>42.3%</td>
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<td>42.3%</td>
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<td>Agricultural Education</td>
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<td>1,800.0</td>
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<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Career and Technical Education Programs</td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(277.0)</td>
<td>-0.7%</td>
<td>223.0</td>
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</tr>
<tr>
<td>Subtotal Career and College Readiness</td>
<td>40,889.1</td>
<td>40,389.1</td>
<td>40,612.1</td>
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<td>-0.3%</td>
<td>51,223.0</td>
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<tr>
<td><strong>Subtotal, Academic Improvement</strong></td>
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<td>404,462.7</td>
<td>455,685.7</td>
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<tr>
<td><strong>School Reform and Accountability</strong></td>
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<tr>
<td>Lowest Performing Schools</td>
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<tr>
<td>Statewide System of Support</td>
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<td>Children's Mental Health Partnership</td>
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</tr>
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<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Subtotal, School Reform and Accountability</strong></td>
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<td><strong>Regional Delivery System</strong></td>
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<td>Regional Offices of Education - Bus Driver Training</td>
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<td>70.0</td>
<td>70.0</td>
<td>0.0</td>
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<td>Regional Offices of Education - School Services</td>
<td>4,950.0</td>
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<td>2,725.0</td>
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<td><strong>Subtotal, Regional Offices of Education</strong></td>
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<td>300.0</td>
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<tr>
<td><strong>Special Education</strong></td>
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</tr>
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<td>Autism</td>
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<td>100.0</td>
<td>250.0</td>
<td>150.0</td>
<td>150.0%</td>
<td>150.0</td>
<td>150.0%</td>
</tr>
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<td>Blind and Dyslexic</td>
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<td>816.6</td>
<td>(77.4)</td>
<td>-8.7%</td>
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<tr>
<td>Community and Residential Services Authority</td>
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<td>592.3</td>
<td>(34.7)</td>
<td>-5.5%</td>
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</tr>
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<td>1,421.1</td>
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<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Philip J. Rock Center and School</td>
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<td>3,577.8</td>
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<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Subtotal, Special Education</strong></td>
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</tr>
<tr>
<td><strong>Educator Quality and Support</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>National Board Certification</td>
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<td>1,000.0</td>
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<td>0.0%</td>
<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Teach for America</td>
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<td>200.0</td>
<td>100.0%</td>
</tr>
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<td>0.0</td>
<td>900.0</td>
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<td>0.0%</td>
<td>900.0</td>
<td>100.0%</td>
</tr>
<tr>
<td>Teacher and Administrator Mentoring Program</td>
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<td>3,157.6</td>
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<td>3,157.6</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Subtotal, Educator Quality and Support</strong></td>
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<td>2,225.0</td>
<td>7,232.6</td>
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<td>0.0%</td>
<td>5,007.6</td>
<td>225.1%</td>
</tr>
<tr>
<td><strong>Other Statewide District Categorical Assistance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>District Consolidation Costs</td>
<td>4,600.0</td>
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<td>(650.0)</td>
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<td>Financial Oversight /School Management Assistance</td>
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<td>-100.0%</td>
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<tr>
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<td>2,805.0</td>
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<td>12,840.0</td>
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<td>14,785.0</td>
<td>527.1%</td>
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</table>
### Comparison of FY 2014 Superintendent Recommendation to FY13 Board Recommended and FY13 Appropriation

<table>
<thead>
<tr>
<th>$000s</th>
<th>FY13 Board Recommendation</th>
<th>FY13 ISBE Appropriation</th>
<th>FY14 Superintendent's Recommendation</th>
<th>Increase (Decrease)</th>
<th>Percent Increase (Decrease)</th>
<th>Increase (Decrease)</th>
<th>Percent Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Student Health and Safety Initiatives</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alternative Learning/Regional Safe Schools</td>
<td>9,341.9</td>
<td>6,539.3</td>
<td>9,341.9</td>
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<td>2,802.6</td>
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<td>100.0%</td>
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<tr>
<td>Truant Alternative and Optional Education</td>
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<td>(2,059.0)</td>
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<td>0.0%</td>
</tr>
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<td>School Security Grant Program</td>
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<td>20,000.0</td>
<td>NA</td>
<td>20,000.0</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Subtotal, Health &amp; Safety Initiatives before lump sums</strong></td>
<td>24,400.9</td>
<td>18,539.3</td>
<td>42,341.9</td>
<td>17,941.0</td>
<td>73.5%</td>
<td>23,802.6</td>
<td>128.4%</td>
</tr>
<tr>
<td>Educator Investigations/Hearings--Lump Sum</td>
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<tr>
<td><strong>Subtotal, Student Health and Safety Initiatives</strong></td>
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<td>17,802.6</td>
<td>71.6%</td>
<td>23,802.6</td>
<td>127.1%</td>
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<tr>
<td><strong>Miscellaneous</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>After School Matters</td>
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<td>-100.0%</td>
</tr>
<tr>
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<td>0.0%</td>
<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Illinois Coalition for Immigrant and Refugee Rights</td>
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<td>0.0</td>
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<td>NA</td>
<td>(1,000.0)</td>
<td>-100.0%</td>
</tr>
<tr>
<td><strong>Subtotal, Miscellaneous</strong></td>
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<td>3,722.6</td>
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<td>(3,500.0)</td>
<td>-94.0%</td>
</tr>
<tr>
<td><strong>Subtotal Grants without GSA/MCATS</strong></td>
<td>555,491.3</td>
<td>474,444.3</td>
<td>589,237.4</td>
<td>33,793.1</td>
<td>6.1%</td>
<td>114,793.1</td>
<td>24.2%</td>
</tr>
<tr>
<td><strong>TOTAL - GRANTS</strong></td>
<td>6,990,687.1</td>
<td>6,517,145.1</td>
<td>6,926,609.5</td>
<td>(64,077.6)</td>
<td>-0.9%</td>
<td>409,464.4</td>
<td>6.3%</td>
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</tbody>
</table>

#### Administration --General Funds

<table>
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<tr>
<th>$000s</th>
<th>FY13 Board Recommendation</th>
<th>FY13 ISBE Appropriation</th>
<th>FY14 Superintendent's Recommendation</th>
<th>Increase (Decrease)</th>
<th>Percent Increase (Decrease)</th>
<th>Increase (Decrease)</th>
<th>Percent Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personal Services</strong></td>
<td>16,629.6</td>
<td>16,036.3</td>
<td>16,036.3</td>
<td>(593.3)</td>
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<tr>
<td>Retirement Pick-Up</td>
<td>198.9</td>
<td>191.8</td>
<td>191.8</td>
<td>(7.1)</td>
<td>-3.6%</td>
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<td>0.0%</td>
</tr>
<tr>
<td>Retirement</td>
<td>200.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0%</td>
<td>200.0</td>
<td>100.0%</td>
</tr>
<tr>
<td>Social Security/Medicare</td>
<td>536.8</td>
<td>517.6</td>
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<td>(19.2)</td>
<td>-3.6%</td>
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<tr>
<td><strong>Sub-Total Personal Services and Benefits</strong></td>
<td>17,565.3</td>
<td>16,745.7</td>
<td>16,945.7</td>
<td>(699.6)</td>
<td>-3.5%</td>
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<td>1.2%</td>
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<td>Contractual</td>
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<td>6,000.0</td>
<td>6,000.0</td>
<td>0.0</td>
<td>0.0%</td>
<td>0.0</td>
<td>0.0%</td>
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<tr>
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<td>Printing</td>
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<td>64.7</td>
<td>(0.3)</td>
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<td>0.0</td>
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</tr>
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<td>Equipment</td>
<td>250.0</td>
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<td>132.2</td>
<td>(117.8)</td>
<td>-47.1%</td>
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<td>450.0</td>
<td>0.0</td>
<td>0.0%</td>
<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Operation of Automotive Equipment</td>
<td>25.0</td>
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<td>23.8</td>
<td>(1.2)</td>
<td>-4.8%</td>
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<tr>
<td><strong>Subtotal, Operations</strong></td>
<td>24,727.3</td>
<td>23,654.0</td>
<td>23,987.7</td>
<td>(332.7)</td>
<td>-1.4%</td>
<td>333.8</td>
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<td>Strategic Plan</td>
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<td>0.0</td>
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<tr>
<td><strong>Subtotal, Lump Sums</strong></td>
<td>200.0</td>
<td>0.0</td>
<td>0.0</td>
<td>(200.0)</td>
<td>-100.0%</td>
<td>0.0</td>
<td>NA</td>
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<tr>
<td><strong>TOTAL - ADMINISTRATION AND LUMP SUMS</strong></td>
<td>24,927.3</td>
<td>23,654.0</td>
<td>23,987.7</td>
<td>(939.6)</td>
<td>-3.8%</td>
<td>333.8</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

<p>| <strong>General Funds Total</strong> | 7,015,614.4 | 6,540,799.0 | 6,950,597.2 | (65,017.2) | -0.9% | 409,798.2 | 6.3% |</p>
<table>
<thead>
<tr>
<th>$000s</th>
<th>FY13 Board Recommendation</th>
<th>FY13 ISBE Appropriation</th>
<th>FY14 Superintendent's Recommendation</th>
<th>Increase (Decrease)</th>
<th>Percent Increase (Decrease)</th>
<th>Increase (Decrease)</th>
<th>Percent Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ADMINISTRATION--OTHER STATE FUNDS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary &amp; Contingent Expenses - Indirect Cost Recovery</td>
<td>7,015.2</td>
<td>7,015.2</td>
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<td>0.0%</td>
<td>0.0</td>
<td>0.0%</td>
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<tr>
<td>Ordinary &amp; Contingent Expenses - Chicago Teacher Cert. Fees</td>
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<td>2,208.9</td>
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<td>0.0%</td>
<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Ordinary &amp; Contingent Expenses - Teacher Certificate Fees</td>
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<td>5,000.0</td>
<td>5,000.0</td>
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<td>0.0%</td>
<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Ordinary &amp; Contingent Expenses - School Infrastructure Fund</td>
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<td>600.0</td>
<td>600.0</td>
<td>0.0</td>
<td>0.0%</td>
<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Subtotal, Lump Sums</strong></td>
<td><strong>14,824.1</strong></td>
<td><strong>14,824.1</strong></td>
<td><strong>14,824.1</strong></td>
<td>0.0</td>
<td>0.0%</td>
<td>0.0</td>
<td>0.0%</td>
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<tr>
<td><strong>TOTAL - ADMINISTRATION</strong></td>
<td><strong>14,824.1</strong></td>
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<tr>
<td><strong>GRANTS--OTHER STATE FUNDS</strong></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>After School Rescue Fund</td>
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<td>200.0</td>
<td>0.0</td>
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<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Charter Schools Revolving Loan Fund</td>
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<td>20.0</td>
<td>20.0</td>
<td>0.0</td>
<td>0.0%</td>
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<td>0.0%</td>
</tr>
<tr>
<td>Drivers Education Fund</td>
<td>17,500.0</td>
<td>17,500.0</td>
<td>15,000.0</td>
<td>(2,500.0)</td>
<td>-14.3%</td>
<td>(2,500.0)</td>
<td>-14.3%</td>
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<td>Personal Property Replacement Tax Fund</td>
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<td>0.0</td>
<td>0.0</td>
<td>NA</td>
<td>-100.0%</td>
<td>(12,025.0)</td>
<td>-100.0%</td>
</tr>
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<td>School District Emergency Financial Assistance Fund</td>
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<td>13,640.0</td>
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<td>13,640.0</td>
<td>1364.0%</td>
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<tr>
<td>School Technology Revolving Loan Fund</td>
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<td>5,000.0</td>
<td>5,000.0</td>
<td>0.0</td>
<td>0.0%</td>
<td>0.0</td>
<td>0.0%</td>
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<td>0.0</td>
<td>0.0%</td>
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<td>Temporary Relocation Expenses Revolving Grant Fund</td>
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<td>1,400.0</td>
<td>1,400.0</td>
<td>0.0</td>
<td>0.0%</td>
<td>0.0</td>
<td>0.0%</td>
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<tr>
<td>State Charter School Commission Fund</td>
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<td>20.0%</td>
<td>600.0</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Subtotal, Grants</strong></td>
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<td><strong>45,629.8</strong></td>
<td><strong>45,344.8</strong></td>
<td><strong>11,240.0</strong></td>
<td><strong>33.0%</strong></td>
<td><strong>(285.0)</strong></td>
<td><strong>-0.6%</strong></td>
</tr>
<tr>
<td><strong>TOTAL - GRANTS</strong></td>
<td><strong>34,104.8</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL--OTHER STATE FUNDS - ISBE</strong></td>
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<tr>
<td></td>
<td><strong>48,928.9</strong></td>
<td><strong>60,453.9</strong></td>
<td><strong>60,168.9</strong></td>
<td><strong>11,240.0</strong></td>
<td><strong>23.0%</strong></td>
<td><strong>(285.0)</strong></td>
<td><strong>-0.5%</strong></td>
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### Comparison of FY 2014 Superintendent Recommendation to FY13 Board Recommended Appropriation

<table>
<thead>
<tr>
<th>Operations</th>
<th>FY13 Board Recommendation</th>
<th>FY13 ISBE Superintendent's Recommendation</th>
<th>FY14 Superintendent's Recommendation</th>
<th>Increase (Decrease)</th>
<th>Percent Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Funds</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Services</td>
<td>17,375.7</td>
<td>17,897.0</td>
<td>251.3</td>
<td>3.0%</td>
<td>521.3</td>
</tr>
<tr>
<td>Retirement Pick-Up</td>
<td>109.4</td>
<td>114.9</td>
<td>5.5</td>
<td>5.0%</td>
<td>5.5</td>
</tr>
<tr>
<td>Retirement</td>
<td>7,507.5</td>
<td>7,732.7</td>
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</tr>
<tr>
<td>Social Security/Medicare</td>
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<td>1,259.3</td>
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<td>36.7</td>
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<td>5,203.8</td>
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<td>151.6</td>
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<tr>
<td>Sub-Total Personal Services and Benefits</td>
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<td>32,207.7</td>
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<td>940.3</td>
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<tr>
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<tr>
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<td>498.0</td>
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</tr>
<tr>
<td>Subtotal, Operations</td>
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<td>3.7%</td>
<td>1,940.3</td>
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<tr>
<td>Total-- Administration</td>
<td>60,867.5</td>
<td>63,130.2</td>
<td>2,262.7</td>
<td>3.7%</td>
<td>1,940.3</td>
</tr>
<tr>
<td>Grants</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Career and Technical Education</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Career and Technical Education - Basic</td>
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</tr>
<tr>
<td>Career and Technical Education - Tech Prep</td>
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<td>(100.0)</td>
</tr>
<tr>
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<td>(100.0)</td>
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<td>Child Nutrition</td>
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<tr>
<td>Subtotal, Child Nutrition</td>
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<td>0.0</td>
</tr>
<tr>
<td>Individuals with Disabilities Act</td>
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</tr>
<tr>
<td>Individuals with Disabilities Education Act</td>
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<td>700,000.0</td>
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</tr>
<tr>
<td>Individuals with Disabilities Education Act - Deaf and Blind</td>
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<td>0.0</td>
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<td>0.0</td>
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<tr>
<td>Individuals with Disabilities Education Act - Preschool</td>
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<td>Individuals with Disabilities Education Act - State Improvement</td>
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</table>
### NCLB (excluding Assessments)

<table>
<thead>
<tr>
<th>Program</th>
<th>FY13 Board Recommendation</th>
<th>FY13 ISBE Appropriation</th>
<th>FY14 Superintendent's Recommendation</th>
<th>Increase (Decrease)</th>
<th>Percent Increase (Decrease)</th>
<th>FY13 Board Recommended</th>
<th>FY14 Superintendent's Recommendation</th>
<th>Increase (Decrease)</th>
<th>Percent Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NCLB - Title I - Advanced Placement Program</td>
<td>3,000.0</td>
<td>3,000.0</td>
<td>3,000.0</td>
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<td>0.0</td>
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<td>NCLB - Title I</td>
<td>825,000.0</td>
<td>825,000.0</td>
<td>930,000.0</td>
<td>105,000.0</td>
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<td>105,000.0</td>
<td>12.7%</td>
<td>105,000.0</td>
<td>12.7%</td>
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<tr>
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<td>150,000.0</td>
<td>73,400.0</td>
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<td>-51.1%</td>
<td>(76,600.0)</td>
<td>-51.1%</td>
<td>(76,600.0)</td>
<td>-51.1%</td>
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<td>500.0</td>
<td>0.0</td>
<td>(500.0)</td>
<td>-100.0%</td>
<td>(500.0)</td>
<td>-100.0%</td>
<td>(500.0)</td>
<td>-100.0%</td>
</tr>
<tr>
<td>NCLB - Title II - Enhancing Education Through Technology</td>
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<td>5,000.0</td>
<td>0.0</td>
<td>(5,000.0)</td>
<td>-100.0%</td>
<td>(5,000.0)</td>
<td>-100.0%</td>
<td>(5,000.0)</td>
<td>-100.0%</td>
</tr>
<tr>
<td>NCLB - Title II - Enhancing Education Through Technology - ARRA</td>
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<td>100.0</td>
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<td>(100.0)</td>
<td>-100.0%</td>
<td>(100.0)</td>
<td>-100.0%</td>
<td>(100.0)</td>
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</tr>
<tr>
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<td>14,000.0</td>
<td>0.0</td>
<td>0.0%</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>NCLB - Title II - Teacher/Principal Training</td>
<td>157,000.0</td>
<td>157,000.0</td>
<td>157,000.0</td>
<td>0.0</td>
<td>0.0%</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>NCLB - Title III - Language Acquisition</td>
<td>45,000.0</td>
<td>45,000.0</td>
<td>45,250.0</td>
<td>250.0</td>
<td>0.6%</td>
<td>250.0</td>
<td>0.6%</td>
<td>250.0</td>
<td>0.6%</td>
</tr>
<tr>
<td>NCLB - Title IV - 21st Century/Community Service Programs</td>
<td>65,000.0</td>
<td>65,000.0</td>
<td>74,000.0</td>
<td>9,000.0</td>
<td>13.8%</td>
<td>9,000.0</td>
<td>13.8%</td>
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<td>13.8%</td>
</tr>
<tr>
<td>NCLB - Title IV - Safe and Drug Free Schools</td>
<td>500.0</td>
<td>500.0</td>
<td>0.0</td>
<td>(500.0)</td>
<td>-100.0%</td>
<td>(500.0)</td>
<td>-100.0%</td>
<td>(500.0)</td>
<td>-100.0%</td>
</tr>
<tr>
<td>NCLB - Title V - Charter Schools</td>
<td>9,000.0</td>
<td>9,000.0</td>
<td>9,000.0</td>
<td>0.0</td>
<td>0.0%</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>NCLB - Title VI - Rural and Low Income Schools</td>
<td>2,000.0</td>
<td>2,000.0</td>
<td>2,000.0</td>
<td>0.0</td>
<td>0.0%</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>NCLB - Title X - Homeless Education</td>
<td>5,000.0</td>
<td>5,000.0</td>
<td>5,000.0</td>
<td>0.0</td>
<td>0.0%</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Subtotal, NCLB (excluding Assessments)</strong></td>
<td><strong>1,281,100.0</strong></td>
<td><strong>1,281,100.0</strong></td>
<td><strong>1,312,650.0</strong></td>
<td><strong>31,550.0</strong></td>
<td><strong>2.5%</strong></td>
<td><strong>31,550.0</strong></td>
<td><strong>2.5%</strong></td>
<td><strong>31,550.0</strong></td>
<td><strong>2.5%</strong></td>
</tr>
</tbody>
</table>

### Assessments

<table>
<thead>
<tr>
<th>Program</th>
<th>FY13 Board Recommendation</th>
<th>FY13 ISBE Appropriation</th>
<th>FY14 Superintendent's Recommendation</th>
<th>Increase (Decrease)</th>
<th>Percent Increase (Decrease)</th>
<th>FY13 Board Recommended</th>
<th>FY14 Superintendent's Recommendation</th>
<th>Increase (Decrease)</th>
<th>Percent Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessments</td>
<td>23,780.3</td>
<td>23,780.3</td>
<td>23,780.3</td>
<td>0.0</td>
<td>0.0%</td>
<td>0.0</td>
<td>0.0</td>
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</tr>
<tr>
<td>ONPAR</td>
<td>2,000.0</td>
<td>2,000.0</td>
<td>0.0</td>
<td>(2,000.0)</td>
<td>-100.0%</td>
<td>(2,000.0)</td>
<td>-100.0%</td>
<td>(2,000.0)</td>
<td>-100.0%</td>
</tr>
<tr>
<td><strong>Subtotal, Assessments</strong></td>
<td><strong>25,780.3</strong></td>
<td><strong>25,780.3</strong></td>
<td><strong>23,780.3</strong></td>
<td>(2,000.0)</td>
<td>-7.8%</td>
<td>(2,000.0)</td>
<td>-7.8%</td>
<td>(2,000.0)</td>
<td>-7.8%</td>
</tr>
</tbody>
</table>

### Other Grants

<table>
<thead>
<tr>
<th>Program</th>
<th>FY13 Board Recommendation</th>
<th>FY13 ISBE Appropriation</th>
<th>FY14 Superintendent's Recommendation</th>
<th>Increase (Decrease)</th>
<th>Percent Increase (Decrease)</th>
<th>FY13 Board Recommended</th>
<th>FY14 Superintendent's Recommendation</th>
<th>Increase (Decrease)</th>
<th>Percent Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congressional Special Projects</td>
<td>5,000.0</td>
<td>5,000.0</td>
<td>5,000.0</td>
<td>0.0</td>
<td>0.0%</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Learn and Serve America</td>
<td>500.0</td>
<td>500.0</td>
<td>0.0</td>
<td>(500.0)</td>
<td>-100.0%</td>
<td>(500.0)</td>
<td>-100.0%</td>
<td>(500.0)</td>
<td>-100.0%</td>
</tr>
<tr>
<td>Longitudinal Data System</td>
<td>5,200.0</td>
<td>5,200.0</td>
<td>5,200.0</td>
<td>0.0</td>
<td>0.0%</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Longitudinal Data System - ARRA</td>
<td>10,000.0</td>
<td>10,000.0</td>
<td>10,000.0</td>
<td>0.0</td>
<td>0.0%</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Early Learning Challenge</td>
<td>0.0</td>
<td>0.0</td>
<td>35,000.0</td>
<td>35,000.0</td>
<td>100.0%</td>
<td>35,000.0</td>
<td>100.0%</td>
<td>35,000.0</td>
<td>100.0%</td>
</tr>
<tr>
<td>Race to the Top</td>
<td>42,800.0</td>
<td>42,800.0</td>
<td>42,800.0</td>
<td>0.0</td>
<td>0.0%</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Subtotal, Other Grants</strong></td>
<td><strong>63,500.0</strong></td>
<td><strong>63,500.0</strong></td>
<td><strong>98,000.0</strong></td>
<td><strong>34,500.0</strong></td>
<td><strong>54.3%</strong></td>
<td><strong>34,500.0</strong></td>
<td><strong>54.3%</strong></td>
<td><strong>34,500.0</strong></td>
<td><strong>54.3%</strong></td>
</tr>
</tbody>
</table>

### TOTAL - GRANTS

<table>
<thead>
<tr>
<th>FY13 Board Recommendation</th>
<th>FY14 Superintendent's Recommendation</th>
<th>Increase (Decrease)</th>
<th>Percent Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,879,980.3</td>
<td>2,879,980.3</td>
<td>2,944,280.3</td>
<td>64,300.0</td>
</tr>
<tr>
<td>2,940,847.8</td>
<td>2,941,170.2</td>
<td>3,007,410.5</td>
<td>66,562.7</td>
</tr>
<tr>
<td><strong>TOTAL - FEDERAL FUNDS</strong></td>
<td><strong>10,005,391.1</strong></td>
<td><strong>9,542,423.1</strong></td>
<td><strong>10,018,176.6</strong></td>
</tr>
</tbody>
</table>

**Plenary Packet - Page 34**
### Amounts Listed in Actual Dollars

<table>
<thead>
<tr>
<th></th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2014</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GSA Foundation Level</strong></td>
<td>$6,119</td>
<td>$6,119</td>
<td>$6,119</td>
<td>$6,119</td>
<td>$8,672</td>
</tr>
<tr>
<td><strong>GSA Claim</strong></td>
<td>$4,679,162,048</td>
<td>$4,804,928,870</td>
<td>$5,031,849,524</td>
<td>$5,031,849,524</td>
<td>$9,008,981,249</td>
</tr>
<tr>
<td><strong>GSA Appropriation</strong></td>
<td>$4,448,104,514</td>
<td>$4,286,752,500</td>
<td>$5,031,849,524</td>
<td>$4,576,752,500</td>
<td>$9,008,981,249</td>
</tr>
<tr>
<td><strong>Proration</strong></td>
<td>95%</td>
<td>89%</td>
<td>100%</td>
<td>91%</td>
<td>100%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Prorated Amounts</th>
<th>Prorated Amounts</th>
<th>Full Claim Amounts</th>
<th>Prorated Amounts</th>
<th>Full Claim Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GSA Formula Amount</strong></td>
<td>$2,936,137,949</td>
<td>$2,684,807,075</td>
<td>$3,072,235,893</td>
<td>$2,792,985,357</td>
<td>$7,049,367,618</td>
</tr>
<tr>
<td><strong>GSA Poverty Amount</strong></td>
<td>$1,489,562,765</td>
<td>$1,581,627,650</td>
<td>$1,934,613,631</td>
<td>$1,758,767,143</td>
<td>$1,934,613,631</td>
</tr>
<tr>
<td><strong>GSA Adjustments</strong></td>
<td>$22,403,800</td>
<td>$20,317,776</td>
<td>$25,000,000</td>
<td>$25,000,000</td>
<td>$25,000,000</td>
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<tr>
<td><strong>Total GSA</strong></td>
<td>$4,448,104,514</td>
<td>$4,286,752,500</td>
<td>$5,031,849,524</td>
<td>$4,576,752,500</td>
<td>$9,008,981,249</td>
</tr>
</tbody>
</table>
Illinois State Board of Education
DHS Service Populations Used in GSA Poverty Grant Calculations
FY 05 - FY 14
Illinois State Board of Education
Comparison of the Equalized GSA Formula Grant to the Non-equalized Supplemental Poverty Grant
Dollars in Millions
### History of The General State Aid PTLL Adjustment

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Effect on General State Aid</th>
<th># of Districts Benefiting</th>
<th># of Districts Subject to PTLL</th>
<th>Total # of Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$45,998,029</td>
<td>97</td>
<td>369</td>
<td>896</td>
</tr>
<tr>
<td>2001</td>
<td>$52,163,593</td>
<td>255</td>
<td>387</td>
<td>894</td>
</tr>
<tr>
<td>2002</td>
<td>$101,536,989</td>
<td>353</td>
<td>436</td>
<td>893</td>
</tr>
<tr>
<td>2003</td>
<td>$199,137,319</td>
<td>292</td>
<td>455</td>
<td>893</td>
</tr>
<tr>
<td>2004</td>
<td>$205,203,690</td>
<td>299</td>
<td>460</td>
<td>888</td>
</tr>
<tr>
<td>2005</td>
<td>$357,331,811</td>
<td>353</td>
<td>458</td>
<td>881</td>
</tr>
<tr>
<td>2006</td>
<td>$580,582,374</td>
<td>326</td>
<td>459</td>
<td>874</td>
</tr>
<tr>
<td>2007</td>
<td>$624,097,818</td>
<td>307</td>
<td>461</td>
<td>873</td>
</tr>
<tr>
<td>2008</td>
<td>$805,472,389</td>
<td>348</td>
<td>461</td>
<td>870</td>
</tr>
<tr>
<td>2009</td>
<td>$789,022,647</td>
<td>296</td>
<td>461</td>
<td>869</td>
</tr>
<tr>
<td>2010</td>
<td>$792,666,571</td>
<td>365</td>
<td>460</td>
<td>869</td>
</tr>
<tr>
<td>2011</td>
<td>$696,198,059</td>
<td>348</td>
<td>460</td>
<td>867</td>
</tr>
<tr>
<td>2012</td>
<td>$628,699,569 $^{\text{1\textdagger}}$</td>
<td>364</td>
<td>460</td>
<td>865</td>
</tr>
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</table>

**Approximate Prorated 2012** $597,264,591

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Effect on General State Aid</th>
<th># of Districts Benefiting</th>
<th># of Districts Subject to PTLL</th>
<th>Total # of Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$501,976,143 $^{\text{1\textdagger}}$</td>
<td>291</td>
<td>460</td>
<td>862</td>
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</tbody>
</table>

**Approximate Prorated 2013** $447,561,929

<table>
<thead>
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<th>Fiscal Year</th>
<th>Effect on General State Aid</th>
<th># of Districts Benefiting</th>
<th># of Districts Subject to PTLL</th>
<th>Total # of Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated 2014</td>
<td>$393,654,896</td>
<td>225</td>
<td>460</td>
<td>862</td>
</tr>
</tbody>
</table>

$^{\text{1\textdagger}}$ The amount listed is the adjustment at full claim. Appropriations were sufficient to only pay 95% of the full claim in FY 12 and 89% in FY 13. Approximate PTLL adjustment amounts after proration are listed below the full claim amounts.
Illinois State Board of Education
Cost of PTELL Adjustment Since Implementation in FY 2000

Cost of PTELL Adjustment

FY 00 FY 01 FY 02 FY 03 FY 04 FY 05 FY 06 FY 07 FY 08 FY 09 FY 10 FY 11 FY 12 FY 13 FY 14

0 100 200 300 400 500 600 700 800 900

46.00 52.16 199.14 205.20 357.33 580.58 805.47 789.02 792.67 696.20 628.70 501.98 393.65

Cost of PTELL Adjustment
Wednesday, December 12, 2012

ROLL CALL
Mr. Gery Chico, Chairman, called the meeting to order at 1:55 p.m. Chairman Chico asked Ms. Amanda Elliott to call the roll. Dr. Christopher Koch, State Superintendent of Education, was in attendance. A quorum was present.

Members Present
Mr. Gery Chico, Chairman
Mr. Steven Gilford, Vice Chairman
Dr. Vinni Hall, Secretary
Mr. James Baumann
Mr. Curtis Bradshaw
Dr. Andrea Brown
Dr. David Fields
Ms. Melinda LaBarre

DISCUSSIONS ITEMS

Revenue Projections
Jim Muschinske, Revenue Manager and Dan Long, Executive Director from the Commission on Government Forecast and Accountability shared the FY 2013 Economic and Revenue Update and Preliminary FY 2014 Revenue Outlook. (A copy of the presentation is available upon request.)

Budget Development
Jim Baumann thanked the board members and staff for their involvement to make the FY 2014 Budget Hearings a success throughout the state.

Mr. Bauman pointed out that the current fiscal year budget is at about $6.5 billion dollars and the majority of those dollars; 66% is focused on General State Aid (GSA) and 27% are focused on MCATs; which leaves only 7% for all our other programs including Early Childhood Education.

Mr. Wolfe reported that the FY 2013 appropriation for GSA was not sufficient to fund the General State Aid Claim at the Statutory Foundation Level of $6,119. The insufficient appropriation resulted in the necessity for the agency to prorate General State Aid Claims by 89%. The direction given to staff at the September Board Retreat was to develop models and report the results to the Board so that the Board could consider advocating formula changes in statute, based on the following premise:

• Prepare districts for the likelihood of a long-term state deficit environment,
• Ensure students most in need are prioritized, and
• Ensure that funding follows students.

Considerations for formula adjustments:

Consideration #1
Setting the Foundation Level at the amount supported by the appropriation.

Consideration #2
Eliminating Flat Grant Districts from GSA Formula Grant and Poverty Grant Eligibility.
Consideration #3
Changes to the Poverty Grant Calculation and District Eligibility.

Consideration #4
Imposing a Floor on the Property Tax Extension Limitation Law (PTELL) Equalized Assessed Valuation Amounts.

Superintendent Koch commented that the four considerations only redistribute existing money.

Jason Hall, Senior Policy Advisor for Budget and Financial Management discussed in detail the four considerations for General State Aid Formula changes.

Mr. Wolfe informed the Board that staff is developing a budget request which will provide sufficient spending authority to allow for disbursement of all federal grant funds, including those carried over from previous grant years. The intent is to meet all administrative needs; however, this is contingent on what occurs with sequestration. If Congressional leaders and the President cannot come to an agreement we could see a nearly $130 million reduction in federal funding.

Chairman Chico thanked all those involved in today's budget presentation.

CLOSED SESSION
Dr. Hall moved that the Board enter into closed session under the exceptions set forth in the Open Meetings Act of the State of Illinois as follows:

Section c 1 for the purpose of considering the appointment, employment, compensation, performance or dismissal of an employee; and

Section c 11 for the purpose of considering pending or probable litigation against or affecting the Board,

I further move that the Board may invite anyone they wish to have included in this closed session. Dr. Fields seconded the motion and it passed with a unanimous roll call vote.

The Board entered into closed session at 4:25 p.m. and reconvened from closed session at 4:48 p.m.

RECESS MEETING
The board meeting recessed until 8:30 a.m. on Thursday, December 13, 2012.

Illinois State Board of Education Meeting
December 13, 2012
Thursday

RECONVENE/ROLL CALL
Mr. Gery Chico, Chairman reconvened the meeting at 8:35 a.m. All board members were present as recorded at the 1:55 p.m. roll call on Wednesday, December 12, 2012. Dr. Christopher Koch, State Superintendent of Education, was also in attendance.

Members Present
Mr. Gery Chico, Chairman
Mr. Steven Gilford, Vice Chairman
Dr. Vinni Hall, Secretary
Mr. James Baumann
Mr. Curtis Bradshaw
RESOLUTIONS & RECOGNITION

Chairman Chico announced that we are joined today by the members of the 2012-2013 Student Advisory Council. The Council is currently working to develop their research project for this school year, and will present their findings to the Board at the June Board Meeting. Chairman Chico asked the students and advisors to introduce themselves to the Board.

Tyler Bouslog, Paris Cooperative High School, Paris
Cristal Cabral, Community High School, West Chicago
Sabrina Flohr, Collinsville High School, Collinsville
Alex Foster, Highland Park School, Highland Park
Alexander Glowacki, Addison Trail High School, Addison
Austin Hansen, Naperville North High School, Naperville
Kristin Ishmael, Litchfield High School, Litchfield
Cameron Jodlowski, Olympia High School, Atlanta
Paige Logan, Altamont High School, Altamont
Michael Lotspeich, Bureau Valley High School, Bradford
Kashmir McElrath, North Chicago High School, North Chicago
Morgan Rich, Deer Creek Mackinaw High School, Mackinaw
Connor Reilley, Belvidere North High School, Belvidere
Taylor Rossi, Porta High School, Petersburg
Danielle Segerstrom, LeRoy High School, Leroy
Jolie-Grace Wareham, Glenbard East High School, Lombard
Daniel Williams, East St. Louis High School, Washington Park

Student Advisory Council Advisors
Mike Hatfill
Gwen Williams
Carol Brooks

Teacher of the Year

The Illinois State Board of Education hereby adopts the resolution recognizing Brian Curtian, the 2013 Teacher of the Year for his leadership and dedication to the field of Education.

Brian Curtin thanked the Board for the honor of being presented with the 2013 Illinois Teacher of the Year Award. He commented that he feels he was chosen because he has great passion and he represents a lot of outstanding teachers in Illinois that have the same passion. Mr. Curtin stated that he has education values that he holds dear to his heart, he believes in doing what is best for students all the time, every single day.

PUBLIC PARTICIPATION

Zack Wichmann, Director of Governmental Relations for the Catholic Conference of Illinois and a board member of the Illinois Coalition for Nonpublic Schools addressed the Board on the concerns they have with the proposed rules for Part 425, Voluntary Registration and Recognition of Nonpublic Schools.

Cynthia Woods, Illinois Association of School Boards (IASB) commended the Board on their discussion yesterday of the budget, and their suggestion to work collaboratively with other groups. Ms. Wood offered any assistance or collaboration that the IASB could offer.

Patricia Nix-Hodes, Associate Director of the Law Project of Chicago Coalition for the Homeless requested that the ISBE recommend $3.0 million for homeless education funding in FY 2014.
John Moss, Glenbard School District commented that he was pleased to see Jolie-Grace Wareham, a student from Glenbard East High School on the Student Advisory Council. Mr. Moss discussed several issues including: district funding, bilingual education, and special education.

Erika Lindley, ED-RED thanked the Board for hosting the statewide budget hearings. Ms. Lindley stated that she has concerns over eliminating the flat grant because it will remove flexible state funding for 8% of our public schools.

Diane Rutledge, Large Unit District Association thanked the Board for visiting Lanphier High School yesterday as one of the recipients of the School Improvement Grant (SIG) schools. She also reported that her organization could not come to a consensus on the GSA considerations. Dr. Rutledge asked that we create a task force to examine the GSA Funding Formula.

**CONSENT AGENDA**

**Motion:**
Dr. Fields moved that the State Board of Education hereby approves the consent agenda, as presented. Dr. Hall seconded the motion and it passed with a unanimous roll call vote. 8-0

The following motions were approved by action taken in the consent agenda motion.

**Approval of Minutes**
The State Board of Education hereby approves the minutes for the December 12-13, 2012 board meeting.

**Rules for Initial Review**

Part 25 (Certification)

Part 252 (Driver Education)

Part 425 (Voluntary Registration and Recognition of Nonpublic Schools)

**Rules for Adoption**

Part 24 (Standards for All Illinois Teachers) **Contracts and Grants Over $1 Million**

**Recommendation Approval**

Illinois Early Learning Project (IELP)
The State Board hereby authorizes the State Superintendent to enter into a grant agreement with the Board of Trustees of the University of Illinois in an amount not to exceed $1,575,000. The initial term for FY 2013 will be no greater than $175,000. The grant will have four potential renewals for a term to end no later than June 30, 2017.

**Request for Sealed Proposals**

Illinois Early Childhood Asset Map Project
The State Board hereby authorizes the State Superintendent to release a Request For Sealed Proposals (RFSP) for the purpose of entering into a contract for the continuing development and maintenance of the Illinois Early Childhood...
Asset Map Project funded under the Early Childhood Block Grant. The contract will extend from the date of the contract’s execution until June 30, 2018, and not exceed $2,500,000.

Approval of Amendment to the Illinois Interactive School Report Card Intergovernmental Agreement FY2013
The State Board hereby authorizes the State Superintendent to amend the agreement with Northern Illinois University through June 30, 2013, and to increase the contract’s amount by $14,999 such that the total amount of the contract will be $1,194,999; for the refinement and maintenance of the Illinois Interactive Report Card (IIRC) and to include the support of the benchmarking tool used by the 21st Century Community Learning Center (21st CCLC) grantees.

Draft Annual Report

Capital Needs Assessment Biennial Report
The State Board of Education moves to approve the attached Capital Needs Assessment Survey to be submitted to the General Assembly by January 1, 2013.

END OF THE CONSENT AGENDA

DISCUSSION ITEMS CONTINUED

Legislative Update
Cynthia Riseman, Governmental Relations Liaison, reported that fall veto session concluded on December 6. She updated the board on various education-related legislation.

Superintendent Koch informed the Board that Ms. Riseman will be leaving the agency for a position with the Illinois Federation of Teachers. He thanked Cynthia for her service to the State Board and wished her well.

ANNOUNCEMENTS

Chairman Chico introduced Dr. Proshanta Nandi from the Illinois Board of Higher Education (IBHE). The IBHE held its last meeting on December 4, 2012 at Adler School of Professional Psychology in Chicago. Dr. Nandi shared highlights of the meeting.

The next IBHE meeting will be February 5, 2013 at Kendall College in Chicago.

Superintendent’s Report
Superintendent Koch recognized and welcomed Jane Quinlan from Regional Office of Education # 9 Champaign-Ford Counties.

Member Reports
Andrea Brown reminded the Board that the Rural Affairs Commission meets four times a year. Dr. Brown also noted that she participated in an ECS phone conference on Early Learning.

Vinni Hall reported attendance at the Fuel Up to Play 60 Event at Ridge Family Learning Center, Elk Grove Village on November 6, 2012. Dr. Hall also mentioned her meeting with the Kazakh Delegation on November 6, 2012 in Chicago.

Melinda LaBarre distributed a handout from the Ball Foundation Luncheon she attended on December 4, 2012.

David Fields reported on his tour of Urbana School District 116, a 21st Century Grant Recipient on December 6, 2012.
Jim Baumann participated in assemblies in Elmhurst School District 205 for 2 schools that were designated as Blue Ribbon Schools and also toured the Palatine Opportunity Center, an early childhood block grant recipient.

Chairman Chico commented on his tour of the Noble-Pritzker College Prep Charter School in North Chicago.

Chairman Chico wished everyone a Happy Holiday and thanked everyone for their hard work.

INFORMATION ITEMS
ISBE Fiscal & Administrative Monthly Reports (available online at http://isbe.net/board/fiscal_admin_rep.htm)

MOTION FOR ADJOURNMENT
Dr. Fields moved that the meeting be adjourned. Mr. Bauman seconded the motion and it passed with a unanimous voice vote. The meeting adjourned at 11:40 a.m.

Respectfully Submitted,

Dr. Vinni Hall
Board Secretary

Mr. Gery J. Chico
Chairman
TO: Illinois State Board of Education

FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
      Susie Morrison, Deputy Superintendent/Chief Education Officer
      Nicki Bazer, General Counsel

Agenda Topic: Action Item: Proposed Amendments for Initial Review:
Part 35 (Mentoring Program for New Principals)
Part 405 (Payments to Certain Facilities under Section 14-7.05 of the
School Code)
Part 475 (Contested Cases and Other Formal Hearings)
Part 565 (Class Size Reduction Grants)

Materials: Recommended Rules

Staff Contacts: Nicki Bazer, General Counsel (Part 475)
      Beth Hanselman, Assistant Superintendent (Part 405)
      Susie Morrison, Deputy Superintendent/Chief Education Officer (Part 565)
      Linda Tomlinson, Assistant Superintendent (Part 35)

Purpose of Agenda Item
The purpose of the agenda item is to present the proposed amendments for the Board’s initial
review.

Relationship to/Implications for the State Board’s Strategic Plan
None of these sets of proposed amendments relates to the Board’s Strategic Goals since they
are technical changes only to align the wording of the rules to the terminology used in the
licensure system.

Expected Outcome of Agenda Item
The Board will be asked to adopt a motion authorizing solicitation of public comment on each
set of proposed amendments.

Background Information
P.A. 97-607, effective August 26, 2011, changes the current system of teacher, administrator
and school service personnel certification set forth in Article 21 of the School Code to a
licensure system (Article 21B of the School Code). More than a dozen sets of the agency’s
rules refer to “certification” in some manner. References to certification and related terms will
need to be changed to align each of these sets of rules to the licensure system, which will
become effective July 1, 2013.

These proposed changes are being brought to the Board as a group since they contain
technical changes only. In addition to modifications to the use of “certification” and related
terms, one other change is being proposed in Section 405.40(a)(2)(C) to match this section to
proposed amendments to Part 25 that the Board considered last month (i.e., the elimination
of the short-term emergency approval on September 1, 2015). Staff will bring additional sets of
rules to the Board over the next several months, as other modifications to those rules become necessary or as staff’s work load permits.

Both Parts 35 and 475 address certification issues; therefore, the rulemakings were provided to the State Educator Preparation and Licensure Board at its meeting on January 11, 2013, as informational items only. Given the technical nature of the proposed amendments, no action by the Licensure Board was needed.

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

Policy Implications: Please see "Background" above.
Budget Implications: None.
Legislative Action: None needed.
Communication: Please see “Next Steps” below.

**Pros and Cons of Various Actions**

The proposed changes will align the rules to current statute by eliminating references to the certification process.

**Superintendent’s Recommendation**
The State Superintendent recommends that the State Board of Education adopt the following motion:

> The State Board of Education hereby authorizes solicitation of public comment on the proposed rulemaking for:

- Mentoring Program for New Principals (23 Illinois Administrative Code 35),
- Payments to Certain Facilities under Section 14-7.05 of the School Code (23 Illinois Administrative Code 405),
- Contested Cases and Other Formal Hearings (23 Illinois Administrative Code 475), and
- Class Size Reduction Grants (23 Illinois Administrative Code 565),

including publication of the proposed amendments in the Illinois Register.

**Next Steps**

With the Board’s authorization, staff will submit the proposed amendments to the Administrative Code Division for publication in the Illinois Register to elicit public comment. Additional means, such as the Superintendent’s Weekly Message and the agency’s website, will be used to inform interested parties of the opportunity to comment on this rulemaking.
Title 23: Education and Cultural Resources
Subtitle A: Education
Chapter I: State Board of Education
Subchapter b: Personnel

Part 35
Mentoring Program for New Principals

Section
35.10 Purpose and Applicability
35.20 Annual Program Planning; Fiscal Provisions
35.30 Requirements of the Program
35.40 Eligibility of Mentors
35.50 Training for Mentors
35.60 Approval and Role of Providers
35.70 Alternate Arrangements

Authority: Implementing and authorized by Section 2-3.53a of the School Code [105 ILCS 5/2-3.53a].


Section 35.20 Annual Program Planning; Fiscal Provisions

a) No later than June 1 of each year, each district superintendent shall report to the State Superintendent of Education, or to the State Superintendent’s designee, the following information:

1) the number of first-year principals who are expected to be working in the district in the coming school year and required to participate in the mentoring program, and

2) the number of second-year principals for whom a second year of mentoring is being requested.
b) No later than June 1, each district superintendent shall provide to the State Superintendent or designee the names, professional educator license administrative certificate numbers, and assigned schools of first-year principals, as defined in Section 35.10(a) of this Part, who are employed or under contract with the district and eligible for the mentoring program. Each superintendent shall continue to submit this information in a timely way for any first-year principal whose information was not included on the initial submission. Submissions after June 1 shall occur either immediately after the individual’s employment begins or a contract is signed, but no later than December 30.

c) Based on the number of first-year principals expected statewide and the level of available funding foreseen, the State Superintendent shall determine whether the appropriation is likely to be sufficient to require operation of the mentoring program in the coming year for all first-year principals. This calculation shall be based on a cost figure of $2,000 for each first-year principal in the program plus the cost of delivering the required training, coordinating the mentors’ assignments, and providing the other necessary structure and support for the program. The program for first-year principals shall be implemented in a given year only if sufficient funds are available based on these cost factors.

d) If the State Superintendent determines under subsection (c) of this Section that the appropriation is sufficient to serve all first-year principals, then the State Superintendent shall determine if sufficient funding exists to support the operation of the mentoring program for second-year principals who request mentoring services.

1) The initial calculation shall be based on a cost figure of $1,000 for each second-year principal requesting participation in the program plus the cost of delivering the required training, coordinating the mentors’ assignments, and providing the other necessary structure and support for the program.

2) In years in which the number of second-year principals who request mentoring services exceeds the number who can be accommodated with available funding based on the cost figure outlined in subsection (d)(1) of this Section, then the cost figure used will be between $1,000 and no less than $500 for each second-year principal requesting participation plus the cost of delivering the required training, coordinating the mentors’ assignments, and providing the other necessary structure and support for the program.
3) In any year in which the appropriation is insufficient based on the cost figures set in subsection (d)(1) or (d)(2) of this Section, the State Superintendent or designee shall inform districts that a program for second-year principals will not be held.

4) Second-year principals not able to participate in a second year of mentoring in the year immediately following their first year of mentoring shall be ineligible for further participation in the mentoring program.

e) If funding is insufficient to serve all first-year principals based on the cost figure outlined in subsection (c) of this Section, but sufficient funds exist to serve all second-year principals, as determined in subsection (d)(1) or (d)(2) of this Section, then a program for second-year principals only shall be established. No mentoring program shall be implemented in years in which funding is inadequate to serve either all first-year principals or all second-year principals.

f) As soon as possible after the level of the appropriation for a given year has been established, the State Superintendent shall notify all districts and the providers approved under Section 35.60 of this Part regarding whether the program will operate in the coming year and whether mentoring will be provided for first-year principals only, both first-year and second-year principals, or second-year principals only.

g) No later than May 30 prior to a school year during which the program will be in operation, each experienced principal who desires to serve as a mentor shall submit an application to a provider approved under Section 35.60 of this Part, supply the required documentation of eligibility (see Section 35.40 of this Part), and, if employed in a school or in a regional office of education, provide verification in a format specified by the State Superintendent of supervisory approval for his or her participation. The State Superintendent or designee shall publicize the list of approved providers so that experienced principals can make application to the provider and complete the required training to be included in the pool of available mentors.

h) When verification is received in accordance with the requirements of Section 35.30(f) of this Part that a mentor has provided the service required under this Part, the State Superintendent of Education or designee shall make a payment in the amount of $2,000 for each first-year principal served or $1,000 for each second-year principal served, subject to limitations set forth in subsection (d)(2) of this Section. Payment shall be made either to the approved provider that
facilitated the mentoring relationship for disbursement to the mentor or directly to the mentor if requested by the provider.

(Source: Amended at 37 Ill. Reg. _____, effective ____________ )
Section 405.40 Satisfactory Proof

All information called for in this Section, except the quarterly attendance reports called for in Section 405.50 of this Part, shall be submitted no later than 15 days after an affected student’s placement, using the method and format prescribed by the State Superintendent of Education.

a) As satisfactory proof of appropriate licensure certification of teachers for the student population (Section 14-7.05 of the School Code) in a given program, the provider of the program shall submit:

1) a description of the program, including the characteristics of the students for whom it is intended and the number of students served;
2) A listing of the names and license certificate numbers of all licensed certified teachers assigned to the program, demonstrating that each general education teacher who serves the affected student holds the qualifications required pursuant to Subpart G of the rules of the State Board of Education for Public Schools Evaluation, Recognition and Supervision (23 Ill. Adm. Code 1) and that each individual who provides special education to the affected student holds:

A) a professional educator license endorsed in accordance with 23 Ill. Code 25 (Educator Licensure) special preschool—age 21 certificate endorsed appropriate for the population to be served, in accordance with the certification policies of the State Board of Education that are in effect pursuant to the federal court orders of February 27 and August 15, 2001, in the matter of Corey H., et al., vs. Board of Education of the City of Chicago, et al; or

B) a professional educator license endorsed in another teaching field certificate that is valid for the grade range of the students served and bears an endorsement or approval for the population served, in accordance with 23 Ill. Adm. Code 25 the certification policies identified in subsection (a)(2)(A) of this Section; or

C) until September 1, 2015, a short-term emergency approval certificate in special education issued in accordance with 23 Ill. Adm. Code 25.48 (Short-term Emergency Approval in Special Education) the certification policies identified in subsection (a)(2)(A) of this Section; or

D) the specific qualifications comparable to those issued in Illinois in connection with the position in question, if the facility is located outside Illinois.

b) As satisfactory proof that a program offers an age-appropriate curriculum (Section 14-7.05 of the School Code), the provider shall submit information demonstrating that:

1) the program is based upon evaluation of the participating students’ current levels of academic achievement and performance and is designed to afford the students access to the general curriculum in the fundamental areas of learning identified in Section 27-1 of the School Code [105 ILCS 5/27-1]
at levels that will promote their attainment of the Illinois Learning Standards (see 23 Ill. Adm. Code 1, Appendix D);

2) academic assessments administered to affected students are the same as those administered to other individuals served in the program who are of approximately the same age;

3) the age range of the pupils grouped in any class does not exceed four years (if at the elementary level) or six years (if at the secondary level); and

4) the program is delivered in an age-appropriate setting.

c) The provider shall submit a description of the method used for recording attendance on a daily basis, as well as information on enrollment in the program for which payment is being sought and information on the attendance of each affected student.

1) Enrollment information shall include:

A) the total number of individuals receiving educational services in or through the facility;

B) a description of how individuals are grouped (e.g., by grade level or age);

C) identification of the grouping or “program” in which the affected student is being served; and

D) the number of individuals served in each grouping described.

2) Attendance information shall include:

A) a signed assurance indicating that the provider will keep daily attendance records with respect to the affected student and will submit those records to the State Superintendent using the format prescribed by the State Superintendent; and

B) a record reflecting the student’s attendance during the first 10 days of service.
d) As satisfactory proof of the provider’s ability to implement a particular student’s IEP, the provider shall submit:

1) a copy of the student’s current or most recent available IEP;

2) a list of all teachers and other professional service providers that also:

   A) indicates the specific portions of the IEP that each will be responsible for fulfilling; and

   B) identifies the certificate, license, or other credential held by each professional other than a teacher that qualifies the individual to provide the professional services in question;

3) if a paraprofessional will be assigned to assist in any class attended by the student, an assurance that the assignment of the individual will conform to the requirements of 23 Ill. Adm. Code 1.630(b); and

4) for any teacher or professional not directly employed by the provider, information regarding the individual’s contractual status that will clarify the amount of time for which the individual is available for the program, and the number of students whom the individual is responsible for serving during that time, and the total amount of service time required with respect to those students.

(Source: Amended at 37 Ill. Reg. ______, effective ___________)
TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER I: STATE BOARD OF EDUCATION
SUBCHAPTER n: DISPUTE RESOLUTION

PART 475
CONTESTED CASES AND OTHER FORMAL HEARINGS

SUBPART A: HEARINGS BEFORE THE STATE EDUCATOR PREPARATION AND LICENSURE BOARD

Section
475.10 Authority and Applicability
475.20 Filing and Form of Documents
475.30 Requirements for Service of Documents
475.40 Notice of Opportunity for Hearing
475.50 Hearing Officer: Qualifications, Powers and Duties, and Appointment
475.60 Appearance of Parties
475.70 Pre-Hearing Conferences
475.80 Motions
475.90 Discovery
475.100 Notice of Hearing
475.110 Hearings
475.120 Orders

SUBPART B: HEARINGS FOR OTHER CONTESTED CASES

Section
475.210 Authority and Applicability
475.220 Filing and Form of Documents
475.230 Requirements for Service of Documents
475.240 Notice of Opportunity for Hearing
475.250 Hearing Officer: Qualifications, Powers and Duties, and Appointment
475.260 Appearance of Parties
475.270 Pre-Hearing Conferences
475.280 Motions
475.290 Depositions and Discovery
475.300 Notice of Hearing
475.310 Hearings
475.320 Orders
AUTHORITY: Implementing Article 10 of the Illinois Administrative Procedure Act [5 ILCS 100/Art. 10] and Sections 21B-15 and 21B-75 of the School Code [105 ILCS 5/21B-15 and 21B-75] and authorized by Section 5-10(a)(i) of the Illinois Administrative Procedure Act [5 ILCS 100/5-10(a)(i)].


SUBPART A: HEARINGS BEFORE THE STATE EDUCATOR PREPARATION AND LICENSURE BOARD

Section 475.10 Authority and Applicability

a) This Subpart A is authorized by Section 5-10(a)(i) of the Illinois Administrative Procedure Act [5 ILCS 100/5-10(a)(i)].

b) This Subpart A shall apply to all administrative cases under the jurisdiction of the State Educator Preparation and Licensure Board (SEPLB) pursuant to Section 21B-15 or Section 21B-75 [105 ILCS 5/21B-15 or 21B-75] of the School Code, except as provided in this subsection (b) or in subsection (c) of this Section. Administrative cases pursuant to Section 21B-15 of the School Code heard under this Subpart A shall be limited to those in which an individual is alleged to have knowingly altered or misrepresented his or her teaching qualifications in order to acquire a license.

c) Pursuant to Section 21B-15 of the School Code, the State Superintendent may recommend that any other license held by an individual alleged to have knowingly altered or misrepresented his or her teaching qualifications in order to acquire a license be suspended or revoked by the SEPLB depending on the severity of the alleged alteration or misrepresentation. Pursuant to Section 21B-75 of the School Code, the State Superintendent may recommend that a license be revoked or suspended, or that professional development be required in lieu of or in addition to revocation or suspension, for those bases set forth in Section 21B-75. For purposes of this Subpart A, “revocation” shall mean the permanent removal of a license and “suspension” shall mean the temporary removal of a license for a period of up to five calendar years.
d) When statutes or other rules applicable to the Illinois State Board of Education (ISBE) or the SEPLB contain practices different from those set forth in this Subpart A, then those separate statutes and rules shall apply. Examples include, but are not limited, to proceedings related to the renewal of licenses under Section 21-14 of the School Code [105 ILCS 5/21-14(h)(2)] and pursuant to 23 Ill. Adm. Code 25 (Educator Licensure Certification).

e) For the purposes of this Subpart A, all references to “license” shall be understood to mean a certificate issued under Article 21 of the School Code [105 ILCS 5/Art. 21], a license (i.e., professional educator license, educator license with stipulations, or substitute teaching license) issued under Article 21B of the School Code [105 ILCS 5/Art. 21B], or any a paraprofessional approval issued by ISBE in accordance with 23 Ill. Adm. Code 25.510 (Paraprofessionals; Teacher Aides).

(Source: Amended at 37 Ill. Reg. ______, effective _____________)
TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER I: STATE BOARD OF EDUCATION
SUBCHAPTER o: MISCELLANEOUS

PART 565
CLASS SIZE REDUCTION GRANTS

SUBPART A: K-3 CLASS SIZE REDUCTION GRANTS

Section
565.10 Purpose and Applicability
565.20 Eligible Applicants
565.30 Program Specifications
565.40 Application Procedure
565.50 Criteria for the Review of Initial Proposals
565.60 Allocation of Funds

SUBPART B: K-3 CLASS SIZE REDUCTION PILOT PROGRAM

Section
565.110 Purpose and Applicability
565.120 Eligible Applicants
565.130 Program Specifications
565.140 Application Procedure
565.150 Criteria for the Review of Initial Proposals
565.160 Allocation of Funds

AUTHORITY: Implementing and authorized by Section 2-3.136 of the School Code [105 ILCS 5/2-3.136].

SOURCE: Adopted at 30 Ill. Reg. 16365, effective September 26, 2006; amended at 37 Ill. Reg. _____, effective ____________.

SUBPART A: K-3 CLASS SIZE REDUCTION GRANTS

Section 565.50 Criteria for the Review of Initial Applications
a) Applications for initial funding shall be evaluated in accordance with the following criteria:

1) The proposal demonstrates that the average class size within the chosen grades exceeds 20 pupils and presents data related to student enrollment, achievement, and progress and an analysis of those data that justifies the approach selected and the choice of grade levels to be served. (70 points)

2) The proposal demonstrates either that the available facilities in the schools to be served can accommodate the number of additional classrooms for which teachers will be employed or that space for new classes is not available, as applicable. The number of licensed certified teachers or paraprofessionals to be employed with grant funds is reasonable in relation to the number of students affected in the grades to be served. (15 points)

3) The proposal demonstrates that the equipment, supplies, instructional materials, or other resources requested are necessary for the support of the additional classrooms planned or the activities of the paraprofessionals to be assigned, and the grant request reflects a reasonable local contribution toward outfitting of any new classrooms. (15 points)

(Source: Amended at 37 Ill. Reg. ______, effective ____________)

SUBPART B: K-3 CLASS SIZE REDUCTION PILOT PROGRAM

Section 565.150 Criteria for the Review of Initial Applications

a) Applications for initial funding shall be evaluated in accordance with the following criteria:

1) Rationale and Cost-Effectiveness (50 points)

   A) The proposal demonstrates that the available facilities in the schools to be served can accommodate the number of additional classrooms for which teachers will be employed.

   B) The number of licensed certified teachers to be employed with grant funds is reasonable in relation to the number of students affected in the grades to be served, and the applicant has chosen one or more grades with the greatest need for class size reduction.
C) The proposal demonstrates that the equipment, supplies, instructional materials, or other resources requested are necessary for the support of the additional classrooms planned, and the grant request reflects a reasonable local contribution toward outfitting of any new classrooms.

2) Evaluation Plan (30 points)

The applicant proposes to collect and report information on the performance of the students in the classrooms served that will add to an understanding of the effects of class sizes of 15 or lower when compared to class sizes between 15 and 20 and when compared to class sizes above 20.

3) Need (20 points)

A) The proposal demonstrates that the average class size within the chosen grades exceeds 15 pupils and that students’ performance may be improved through a reduction in class size.

B) The proposal demonstrates that other sources of funding are limited to such an extent that the applicant is unable to employ additional licensed certified staff in the chosen grades.

(Source: Amended at 37 Ill. Reg. ______, effective ___________)

(Plenary Packet - Page 61)
TO: Illinois State Board of Education

FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
Nicki Bazer, General Counsel

Agenda Topic: Action Item: Proposed Amendments for Initial Review: Part 375 (Student Records)

Materials: Recommended Amendments

Staff Contact(s): Nicki Bazer, General Counsel

**Purpose of Agenda Item**
The purpose of the agenda item is to present the proposed amendments for the Board’s initial review.

**Relationship to/Implications for the State Board’s Strategic Plan**
This agenda item does not link directly to any Strategic Goal as it deals with the content of students’ school records.

**Expected Outcome(s) of Agenda Item**
The Board will be asked to adopt a motion authorizing solicitation of public comment on the proposed amendments.

**Background Information**
Part 375 implements the Illinois School Student Records Act [105 ILCS 10], which sets forth procedures specific to retention, maintenance and transfer of educational records of students in public elementary and secondary schools, including state-funded preschools and daycare centers.

The primary purpose of this rulemaking is to allow parents an opportunity to determine which scores from college entrance examinations will appear on their student’s academic transcript (see Sections 375.10, “Student Permanent Record”, and Section 375.30(d)). Other proposed changes provide additional clarity about health-related information, consideration of video recordings as a student record and maintaining records in a secure manner (see Sections 375.10, “Health-related Information” and “School Student Record”, and Section 375.40(g)).

These changes are explained more fully under “Policy Implications” below.

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

**Policy Implications:**

**College Entrance Examinations.** By way of background, school districts are required under Section 375.10, “Student Permanent Record”, to record on a student’s academic transcript any score received on a college entrance exam. This requirement has been in place since the rules were first promulgated in 1976. At that time, students who intended to go to college usually took
one or two college entrance examinations, and it seemed advisable to include those scores on the academic transcript, which is typically provided to the postsecondary institutions to which a student may apply.

Today, students often take college entrance examinations multiple times in order to improve their results. Until just recently, they had had the option of determining whether to send the scores received on any of those tests to their respective high school. By choosing to send some, but not all, of their scores, students could ensure that the transcript recorded only the best results. This flexibility is no longer available, however. As a part of measures taken to guard against fraud (i.e., having someone else take a test for an individual), test publishers are now providing to a student’s high school the results from each examination a student has taken, along with a copy of the test-taker’s photograph. Under the requirement of the rules, schools must include each of these scores on a student’s transcript, which may result in the academic transcript having one or more scores from a single college entrance exam. Additional test scores also may appear on the transcript due to schools use of college entrance exam results to chart academic progress and growth or for course placement purposes.

Under the proposed rule, parents would be able to provide a written request to remove certain scores of college entrance exams from their student’s academic transcript. School districts would be required to notify all parents upon their student’s initial enrollment or transfer of the parents’ right to ask that scores be removed. This process will help those students who have taken a particular exam multiple times to record on the transcript the score or scores that best reflect their academic achievements and skills.

**Health-related Information.** P.A. 97-204, effective July 28, 2011, requires school districts to adopt policies addressing concussions and to include the policy in any contract, agreement, etc., that parents are required to sign for their students’ athletic participation. At the time the law was enacted, its clear language resulted in staff’s determination that no rulemaking was necessary to implement the law’s provisions. Since that time, however, staff have received an inquiry from the local records commission about whether any documentation regarding parents’ notification would be retained in the student records. It would be appropriate for this documentation to be included as part of health-related information that is required to be placed in the temporary record.

**Law Enforcement Records.** P.A. 97-1104, effective January 1, 2013, amended the Juvenile Court of 1987 to restrict access to law enforcement records (as defined in Section 22-20) of the School Code [105 ILCS 5/22-20] of minors who have been arrested or taken into custody before they turn 17 to school officials only in situations where “there is an imminent threat of physical harm to students, school personnel, or others who are present in the school or on school grounds”. Additionally, any information provided to school officials about a student who is under investigation for a matter directly related to school safety shall be presented orally only and is not to be included in the student’s school record. Acknowledgement of this statutory provision is being added to the rule.

Certain videos or other electronic recordings, however, may become part of a student’s school record under specified circumstances. The proposed amendments at Section 375.10, “School Student Record”, define those instances when the content of a video or other electronic recording may become part of a student’s school record and reminds schools of their obligation to protect the confidentiality of those records, in accordance with the Illinois School Student Records Act and the Family Educational Rights and Privacy Act (20 USC 1232g).
Pros and Cons of Various Actions
The proposed changes to the rules will, in part, help schools understand what is considered a
“school student record” by more fully addressing the statutory provisions that apply.
Additionally, students and parents will retain the ability to determine which college entrance
exam scores should be included on the academic transcript to best reflect the respective
student’s knowledge and skills.

Failing to proceed with the proposed clarifications will result in the rules being incomplete.
Further, not allowing for the exclusion of college entrance exam scores will be detrimental to
students who have improved their scores on subsequent test administrations and confusing for
postsecondary institutions that receive the academic transcripts with multiple scores for each
exam.

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

    The State Board of Education hereby authorizes solicitation of public comment on the
    proposed rulemaking for:

    Student Records (23 Illinois Administrative Code 375),

    including publication of the proposed amendments in the Illinois Register.

Next Steps
With the Board’s authorization, staff will submit the proposed amendments to the Administrative
Code Division for publication in the Illinois Register to elicit public comment. Additional means,
such as the Superintendent’s Weekly Message and the agency’s website, will be used to inform
interested parties of the opportunity to comment on this rulemaking.
Section 375.10 Definitions

“Accident Report” means documentation of any reportable student accident that results in an injury to a student, occurring on the way to or from school or on school grounds, at a school athletic event or when a student is participating in a...
school program or school-sponsored activity or on a school bus and that is severe enough to cause the student not to be in attendance for one-half day or more or requires medical treatment other than first aid. The accident report shall include identifying information, nature of injury, days lost, cause of injury, location of accident, medical treatment given to the student at the time of the accident, or whether the school nurse has referred the student for a medical evaluation, regardless of whether the parent, guardian or student (if 18 years or older) or an unaccompanied homeless youth (as defined by 42 USC 11434a) has followed through on that request.

“Act” means the Illinois School Student Records Act [105 ILCS 10].

“Health Record” means medical documentation necessary for enrollment and proof of dental examinations, as may be required under Section 27-8.1 of the School Code [105 ILCS 5/27-8.1].

“Health-related Information” means current documentation of a student’s health information, not otherwise governed by the Mental Health and Developmental Disabilities Confidentiality Act [740 ILCS 110] or other privacy laws, which includes identifying information, health history, results of mandated testing and screenings, medication dispensation records and logs (e.g., glucose readings), long-term medications administered during school hours, documentation regarding a student athlete’s and his parents’ acknowledgement of the district’s concussion policy adopted pursuant to 105 ILCS 5/10-20.53 and 34-18.45, and other health-related information that is relevant to school participation (e.g., nursing services plan, failed screenings, yearly sports physical exams, interim health histories for sports).

“Official Records Custodian” means the individual appointed in each school in accordance with Section 4 of the Act [105 ILCS 10/4] who has responsibility for the maintenance, care and security of all school student records, whether or not the records are in his or her personal custody or control.

“School Student Record” shall have the meaning set forth in Section 2(d) of the Act [105 ILCS 10/2(d)], except that school student records shall not include:

Video or other electronic recordings created and maintained by law enforcement professionals working in the school or for security or safety reasons or purposes, provided the information was created at
least in part for law enforcement or security or safety reasons or purposes; and

Electronic recordings made on school buses, as defined in Section 14-3 of the Criminal Code of 1961 [720 ILCS 5/14-3]; and

Any information, either written or oral, received pursuant to Section 22-20 of the School Code [105 ILCS 5/22-20] and Sections 1-7 and 5-905 of the Juvenile Court Act of 1987 [705 ILCS 405/1-7 and 5-905].

The content of a video or other electronic recording may become part of a school student record to the extent school officials create, use and maintain this content, or it becomes available to them by law enforcement officials for disciplinary or special education purposes regarding a particular student. Video security content that becomes part of a student’s school record shall not be a public record and shall be released only in conformance with Section 6(a) of the Act and the Family Educational Rights and Privacy Act (20 USC 1232g).

“Special Education Records” means school records that relate to identification, evaluation, or placement of, or the provision of a free and appropriate public education to, students with disabilities under the Individuals with Disabilities Education Act (20 USC 1400 et seq.) and Article 14 of the School Code [105 ILCS 5/Art. 14], to include the report of the multidisciplinary staffing conference on which placement or nonplacement was based, and all records and audio recordings in any format relating to special education placement hearings and appeals.

"Student Permanent Record" means and shall consist of the following, as limited by Section 2(d) of the Act:

Basic identifying information, including the student’s name and address, birth date and place, and gender, and the names and addresses of the student’s parents;

Academic transcript, including:
grades, class rank, graduation date, and grade level achieved;

scores on college entrance examinations, except that a parent may request, in writing, the removal from the academic transcript of any score received on college entrance examinations (also see Section 375.30(d) of this Part); and

the unique student identifier assigned and used by the Student Information System established pursuant to Section 1.75 of rules governing Public Schools Evaluation, Recognition and Supervision (see 23 Ill. Adm. Code 1.75);

Attendance record;

Health record;

Record of release of permanent record information in accordance with Section 6(c) of the Act [105 ILCS 10/6(c)];

Scores received on all State assessment tests administered at the high school level (i.e., grades 9 through 12) (see 105 ILCS 5/2-3.64(a)); and

If not maintained in the temporary record, may also consist of:

Honors and awards received; and

Information concerning participation in school-sponsored activities or athletics, or offices held in school-sponsored organizations.

No other information shall be placed in the student permanent record.

"Student Temporary Record" means all information not required to be in the student permanent record and shall consist of the following, as limited by Section 2(d) of the Act:
A record of release of temporary record information in accordance with Section 6(c) of the Act [105 ILCS 10/6(c)];

Scores received on the State assessment tests administered in the elementary grade levels (i.e., kindergarten through grade 8) (see 105 ILCS 5/2-3.64(a));

The completed home language survey form (see 23 Ill. Adm. Code 228.15);

*Information regarding serious disciplinary infractions* (i.e., those involving drugs, weapons, or bodily harm to another) that resulted in expulsion, suspension or the imposition of punishment or sanction;

*Information provided under Section 8.6 of the Abused and Neglected Child Reporting Act* [325 ILCS 5/8.6], as required by Section 2(f) of the Act [105 ILCS 10/2(f)];

Any biometric information that is collected in accordance with Section 10-20.40 or 34-18.34 of the School Code [105 ILCS 5/10-20.40 or 34-18.34];

Health-related information; and

Accident Reports; and

May also consist of:

Family background information;

Intelligence test scores, group and individual;

Aptitude test scores;

Reports of psychological evaluations, including information on intelligence, personality and academic information obtained through test administration, observation, or interviews;
Elementary and secondary achievement level test results;

Participation in extracurricular activities, including any offices held in school-sponsored clubs or organizations;

Honors and awards received;

Teacher anecdotal records;

Other disciplinary information;

Special education records;

Records associated with plans developed under section 504 of the Rehabilitation Act of 1973 (29 USC 701 et seq.); and

Any verified reports or information from non-educational persons, agencies or organizations of clear relevance to the education of the student.

(Source: Amended at 37 Ill. Reg. _______, effective ____________)

Section 375.30 Notification

a) Upon the initial enrollment or transfer of a student to the school, the school shall notify the student and the student's parents of their rights under the Act as specified in subsection (d) of this Section and of their rights with respect to the collection, distribution, and retention of biometric information under Section 10-20.40 or 34-18.34 of the School Code, if the school collects student biometric information.

b) All notification under this Part to parents of children classified under Section 14C-3 of the School Code [105 ILCS 5/14C-3] to be of limited English-speaking ability shall be in English and in the language of the child's primary speaking ability. All notifications shall be in a manner that is accessible to parents with disabilities.

c) This notification may be delivered by any means likely to reach the parents, including direct mail or email, parent-teacher conferences, delivery by the student
to the parent, or incorporation in a "parent-student" handbook or other informational brochure for students and parents disseminated by the school.

d) The notification shall consist of:

1) The types of information contained in the permanent and temporary records;

2) The right to inspect and copy permanent and temporary records, the limitations on the right of access established under Sections 10-22.3c and 34-18.6a of the School Code [105 ILCS 5/10-22.3c and 34-18.6a] and Section 5(a) of the Act, and the cost of copying these records;

3) The right to control access and release of school student records, except to the extent the records are authorized by law to be released without consent, and the right to request a copy of information released;

4) The rights and procedures for challenging the contents of the school student record;

5) The right to request removal from the student’s academic transcript of one or more scores received on college entrance examinations through the submission of a written request stating the name of each college entrance examination that is the subject of the request and the dates of the scores that are to be removed;

6) The persons, agencies or organizations having access to student records without parental consent;

7) The right to copy any school student record or information contained therein proposed to be destroyed or deleted and the school's schedule for reviewing and destroying this information;

8) The categories of information the school has designated as "directory information" and the right of the parents to prohibit the release of this information;

9) A statement informing the parents that no person may condition the granting or withholding of any right, privilege or benefits or make as a
condition of employment, credit or insurance the securing by any individual of any information from a student's temporary record that the individual may obtain through the exercise of any right secured under the Act or this Part;

10) The right of the parents, as limited by Section 7 of the Act, to inspect and challenge the information contained in a school student record prior to transfer of the record to another school district, in the event of the transfer of the student to that district; and

11) Any policies of the school relating to school student records that are not included in the Act or this Part, including any policy related to the collection of biometric information as permitted under Section 10-20.40 or 34-18.34 of the School Code.

e) The principal of each school or the person with like responsibilities or his or her designate shall take all action necessary to assure that school personnel are informed of the provisions of the Act and this Part, either orally or in writing [105 ILCS 10/3].

(Source: Amended at 37 Ill. Reg. ______, effective _____________)

Section 375.40 Maintenance and Destruction of School Student Records

a) The provisions within the Act and this Part requiring the official records custodian to separate school student records into permanent and temporary categories shall apply only to records of students who are enrolled in the school on or after the effective date of this Part. Records of students who have graduated or permanently withdrawn prior to the effective date of this Part are not subject to these classifications except:

1) In compliance with the request of a parent or eligible student that this categorization occur; and

2) The official records custodian shall ensure that information characterized by the Act and this Part as "temporary" shall not be disclosed except as provided by Section 5 or 6 of the Act or by court order [105 ILCS 10/4(f)]. For the purposes of this Part, a court order is a document signed by a judge. A subpoena signed by a court clerk, an attorney or an
administrative agency official shall not be considered a court order unless signed by a judge.

b) Pursuant to Section 4(g) of the Act [105 ILCS 5/4(g)], student temporary records shall be reviewed every four years or upon a student's change in attendance centers, whichever occurs first, to verify entries and to eliminate or correct all out-of-date, misleading, inaccurate, unnecessary or irrelevant information pursuant to Section 375.10 of this Part. The records review is required in any given school year at the time a student first changes attendance centers within a district, but it does not need to be conducted if the student enrolls in a different attendance center later in that same school year.

c) Upon graduation, transfer or permanent withdrawal of a student from a school, the school shall notify the parents and the student of the destruction schedule for the student permanent record and the student temporary record and of the right to request a copy of the student’s records at any time prior to their destruction. Notification shall consist of the following: date of notification, name of parent, name of official records custodian, name of student, and the scheduled destruction date of temporary and permanent records. Biometric information collected pursuant to the district’s policy, if any, shall not be subject to the retention requirements applicable to the remainder of students’ temporary records under Section 4(f) of the Act, and its destruction shall not be subject to authorization by the appropriate Local Records Commission under Section 7 of the Local Records Act [50 ILCS 205/7]. Instead, the destruction of students’ biometric information shall conform to the requirements of Section 10-20.40 or 34-34.18 of the School Code, as applicable.

d) Upon graduation or permanent withdrawal of a student with a disability, as defined in Article 14 of the School Code [105 ILCS 5/Art.14] and 23 Ill. Adm. Code 226: Subpart A (Special Education), special education records, and other information contained in the student temporary record that may be of continued assistance to the student may, after five years, be transferred to the custody of the parent or to the student if the student has succeeded to the rights of the parents. The school shall explain to the student and the parent the future usefulness of these records.

e) If a certified copy of an order of protection has been filed with a school district, then the district shall notify its school employees that the student records or information in those records of a protected child identified in the order shall not
be released to the person against whom the order was issued (see Section 222(f) of the Illinois Domestic Violence Act of 1986 [750 ILCS 60/222(f)]).

f) Any final finding report required by Section 8.6 of the Abused and Neglected Child Reporting Act that has been filed in a student’s temporary record shall be removed from the student’s record and returned to the Department of Children and Family Services upon written request made by the Department pursuant to Section 8.6 of the Abused and Neglected Child Reporting Act. If a school that receives a request from the Department has transferred the report to another school as part of the transfer of the student’s records, the sending school shall forward a copy of the Department’s request to the receiving school, which shall comply with this subsection (f). No report other than what is required under Section 8.6 of the Abused and Neglected Child Reporting Act shall be placed in the school student record.

g) School student records shall be maintained for at least the period of time set forth in Section 4 of the Act.

1) The official records custodian shall take all reasonable measures to protect school student records through administrative, technical and security safeguards against risks, such as unauthorized access, release or use.

2) With the exception of material eliminated in accordance with subsections (b), (d) and (f) of this Section, the destruction or disposal of any records or information contained in those records shall be subject to the provisions of the Act and authorization by the appropriate Local Records Commission (see Section 7 of the Local Records Act).

(Source: Amended at 37 Ill. Reg. ______, effective _____________)
ILLINOIS STATE BOARD OF EDUCATION MEETING  
January 23–24, 2013

TO:  Illinois State Board of Education

FROM:  Christopher A. Koch, Ed.D., State Superintendent of Education  
Susan Morrison, Deputy Superintendent/Chief Education Officer  
Nicki Bazer, General Counsel

Agenda Topic:  Action Items: Amendments for Adoption: Part 30  
(Problems for the Preparation of Principals in Illinois)

Materials:  Recommended Rules

Staff Contacts:  Linda Tomlinson, Assistant Superintendent

Purpose of Agenda Item
The purpose of this agenda item is to present the proposed amendments for the Board’s adoption.

Relationship to/Implications for the State Board’s Strategic Plan
This proposal relates to Goal 2 (highly prepared and effective teachers and school leaders), as it addresses a set of rules governing programs that prepare candidates to become Illinois school principals.

Expected Outcome of Agenda Item
The Board will be asked to adopt a motion authorizing solicitation of public comment on the proposed amendments.

Background Information
These amendments address statutory changes made by P.A. 97-607, effective August 6, 2011. P.A. 97-607 repealed (or will repeal later this year) much of Article 21 in the School Code, which addresses educator certification. The law establishes the Illinois licensure system, beginning July 1, 2013; requirements for that system are set forth in new Article 21B.

Most of the amendments are technical in nature, including updating statutory citations, revising the name of the licensure board, and modifying requirements in the principal preparation program to conform to the new law.

Analysis and Implications for Policy, Budget, Legislative Action and Communications
Policy Implications: the changes summarized below are presented in the order in which they appear in the rulemaking.

Multiple sections: References to Section 21-7.1 of the School Code [105 ILCS 5/21-7.1, Administrative Certificate] were changed to Section 21B-60 [105 ILCS 5/21B-60, Principal Preparation Programs]. References to Section 21-21 of the School Code [105 ILCS 5/21-21, Definitions; granting of recognition; regional accreditation] were changed to Section 21B-105 [105 ILCS 5/21B-105, Granting of recognition; regional accreditation; definitions].
Section 30.20, Purpose and Applicability: Language was changed to reflect that program candidates will obtain a Professional Educator License in place of an administrative certificate.

Section 30.40, Internship Requirements: References to ‘certified’ staff were changed to ‘licensed’ staff. The requirements for the principal of a school serving as an internship site were amended to require the holding of a general administrative endorsement on a Professional Educator License in place of an administrative certificate.

Section 30.40(d) has been amended to state that program candidates must pass the assessment required under Section 24A-3 of the School Code (105 ILCS 5/24A-3) before commencing the internship. In addition, candidates must pass the applicable content-area test before beginning the last semester of internship.

Section 30.50, Coursework Requirements: References to “certified” staff were changed to “licensed” staff.

Section 30.60, Staffing Requirements: Section 30.60(f) was amended to state that full-time faculty members and faculty supervisors must pass the assessment required under Section 24A-3 of the School Code (105 ILCS 5/24A-3) required for the evaluation of licensed personnel.

Section 30.70, Candidate Selection: The criteria for candidates’ minimum requirements were amended to replace references to teaching certificates with Professional Educator Licenses.

Section 30.80, Program Approval and Review: Qualifications for individuals serving on the Principal Preparation Review Panel were amended to require licenses in lieu of certificates, and to require the appropriate endorsements on a Professional Educator License in place of administrative certificates. References to the STCB were changed to the SEPLB. An alternate for the individual representing the Illinois business community on the Panel will be allowed.

The proposed rules were published November 16, 2012, in the Illinois Register to elicit public comment; 21 were received.

Analysis and Implications for Policy, Budget, Legislative Action and Communications
Issues raised through the public comment process are summarized below.

Candidate Selection

Comments

Of the 21 comments received, 20 objected to provisions in Section 30.70, Candidate Selection:

Section 30.70 Candidate Selection

Candidates admitted to a program for principal preparation shall be selected through an in-person interview process. Each candidate must meet the following minimum requirements.

a) A valid and current Illinois professional educator license endorsed for one of the teaching areas certificate (i.e., early childhood, elementary, secondary, special K-12, or special preschool-age 21 certificate).
The majority of those writing noted that the amended language would not allow school service personnel with alternative educational experiences (such as school psychologists, speech/language pathologists, school social workers, etc.) to obtain positions as Illinois school principals because their training and experience was not aimed specifically at teaching students. Several representative comments are attached:

“To disqualify a whole sector of school personnel for the lack of teaching in a classroom … is discriminatory and short-sighted. The unique perspective of Type 73 service personnel are necessary in this day of RTI, special education and Section 504 laws as we are well versed in these areas. Teacher training does not solely lead to any better principals than any other position.”

“There are many school psychologists in Illinois who are instructional leaders and administrators in the state. How does this make us less qualified than a PE teacher or an art teacher to lead a building?”

“I hold Type 73 and 75 certifications. I was a public school administrator for over 20 years and a public school principal for 14 years. I believe that I and the many other school psychologists who served as principals were competent instructional leaders in all aspects required. It is time to think of all certified school personnel as ‘educators’ and not consider any of them as ‘ancillary’ personnel or somehow less qualified.”

“Since individuals in school psychologist/school social worker/school speech/language pathologists would not have the opportunity to conduct traditional teaching in classrooms, we would not have the opportunity to become principals, assistant principals, directors of special education, or future superintendents. Excluding those with a type 73 certification was a major oversight by ISBE when the new regulations for the principal endorsement were developed.”

Analysis

Only a few of the twenty comments received on this issue acknowledge that the law establishing Illinois’ new principal preparation programs (Public Act 96-903) took effect in July 2010, more than two years ago, and following on several years of a statewide discussion on the need to revise the principal preparation process in Illinois. PA 96-903 amended Section 21-7.1 (Administrative certificate) and added new Section 21-7.6, Principal preparation programs. Most of the language in 30.70(a) reflects changes that were first brought to the public for comment in October of 2010. The new language in this paragraph simply replaces references to teaching certificates with references to Professional Educator Licenses.

The revisions to this section requested by the commenters would require changes to the law itself, not to the rules which devolve from the law.

On a related issue, some commenters stated that their professional background in school psychology or social work would prevent them from pursuing careers as superintendents or directors of special education. In fact, school psychologists and school social workers may complete programs to become Directors of Special Education and then would be eligible to complete superintendent programs to seek the superintendent endorsement.

Recommendation

No changes are recommended in response to these comments.
Comment

One commenter suggested that the teaching requirement for principal preparation candidates (Section 30.70) should be focused in areas that correlate to principals’ duties within a district (such as teaching focused on early childhood education, teaching focused on high school students, etc.)

Analysis

While the writer raises an interesting point, similar comments were raised before and after 2010 when the law establishing principal preparation programs took effect, and the consensus at the time was that such a degree of specificity in teaching requirements was too narrow.

Recommendation

No changes are recommended in response to these comments.

Pros and Cons of Various Actions

These amendments update existing requirements to conform agency rules to state law.

Not proceeding with the rulemaking would result in public policy not being set forth in the rules, which could lead to challenges by applicants and others to the agency’s authority to prescribe such standards.

Superintendent’s Recommendation

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

The State Board of Education hereby adopts the proposed rulemaking for:

Programs for the Preparation of Principals in Illinois (23 Illinois Administrative Code 30).

Further, the Board authorizes the State Superintendent of Education to make such technical and nonsubstantive changes as the State Superintendent may deem necessary in response to suggestions or objections of the Joint Committee on Administrative Rules.

Next Steps

Notice of the adopted rules will be submitted to the Joint Committee on Administrative Rules to initiate JCAR’s review. When that process is complete, the rules will be filed with the Secretary of State and disseminated as appropriate.
TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER I: STATE BOARD OF EDUCATION
SUBCHAPTER b: PERSONNEL

PART 30
PROGRAMS FOR THE PREPARATION OF PRINCIPALS IN ILLINOIS

Section
30.10 Definitions
30.20 Purpose and Applicability
30.30 General Program Requirements
30.40 Internship Requirements
30.45 Assessment of the Internship
30.50 Coursework Requirements
30.60 Staffing Requirements
30.70 Candidate Selection
30.80 Program Approval and Review
30.APPENDIX A Internship Assessment Rubric

AUTHORITY: Implementing and authorized by Section 21B-60 of the School Code [105 ILCS 5/21B-60].


Section 30.10 Definitions

As used in this Part:

“Adjunct faculty” means part-time faculty who are not full-time employees of the institution.

“Dispositions” means professional attitudes, values and beliefs demonstrated through both verbal and nonverbal behaviors as educators interact with students, families, colleagues and communities.
“Educational unit” means the college, school, department, or division of an institution or not-for-profit entity that is primarily responsible for the initial and continuing preparation of teachers and other education professionals.

“Faculty” means either professional education staff employed at an institution or staff members employed by not-for-profit entities in principal preparation programs who provide instruction to candidates.

“Faculty Supervisor” means a faculty member employed on a full-time or part-time basis in a principal preparation program who supervises candidates during the internship period.

"Internship" means a candidate’s placement in public or nonpublic schools for a sustained, continuous, structured and supervised experience lasting no more than 24 months, during which the candidate engages in experiences and leadership opportunities to demonstrate proficiencies in required competencies expected of a principal. (Also see Section 30.40(g) of this Part.)

“Institution” means a regionally accredited institution of higher learning as specified in Section 21B-105 21-24 of the School Code [105 ILCS 5/21B-105 21-24]. (Also see 23 Ill. Adm. Code 25.10 (Accredited Institution).)

“Mentor” means the principal of the public or nonpublic school in which a candidate is placed who works directly with the candidate on the day-to-day activities associated with the principal’s role as the school leader.

“Nonpublic school” means a school recognized in accordance with 23 Ill. Adm. Code 425 (Voluntary Registration and Recognition of Nonpublic Schools) and meeting the staffing requirements set forth in 23 Ill. Adm. Code 25.65(b) (Alternative Certification).

“Not-for-profit entity” means an entity that is subject to the General Not For Profit Corporation Act of 1986 [805 ILCS 105] or incorporated as a not-for-profit entity in another state but registered to do business in the State of Illinois pursuant to the Business Corporation Act of 1983 [805 ILCS 5] and that is recognized to provide an educator preparation program in the State of Illinois pursuant to 23 Ill. Adm. Code 25.Subpart C (Approving Programs that Prepare Professional Educators in the State of Illinois).

“Partner” means one or more institutions, not-for-profit entities, school districts or nonpublic schools that jointly design, implement and administer the principal preparation
program. For the purposes of this Part, “partners” do not include school districts and
their schools or nonpublic schools that serve only as sites for candidates to complete
internship requirements or field experiences.

“Program completers” means persons who have met all the requirements of a State-
approved principal preparation program established pursuant to Section 21B-60 21-7.6 of
the School Code [105 ILCS 5/21B-60 21-7.6] and this Part and who have fulfilled the
requirements for receipt of a principal endorsement set forth in Section 21B-25 21-7.1 of
Endorsement).

(Source: Amended at 37 Ill. Reg. _______, effective ______________)

Section 30.20 Purpose and Applicability

a) This Part sets forth the requirements for the approval of programs to prepare
individuals to be highly effective in leadership roles to improve teaching and
learning and increase academic achievement and the development of all students
[105 ILCS 5/21B-60 21-7.1].

b) Requirements of this Part are in addition to the requirements for the approval of
Any program offered in whole or in part by a not-for-profit entity must also be
approved by the Board of Higher Education [105 ILCS 5/21B-60 21-7.1].

c) Candidates successfully completing a principal preparation program shall obtain
a principal endorsement on a Professional Educator License or administrative
certificate and are eligible to work as a principal or an assistant principal or in
related or similar positions, assistant or associate superintendent, and junior
college dean (Section 21B-60 21-7.1 of the School Code; also see 23 Ill. Adm.
Code 25.337).

d) No later than September 1, 2014, all programs for the preparation of principals
shall meet the requirements set forth in this Part.

e) Beginning September 1, 2012, institutions or not-for-profit entities may admit
new candidates only to principal preparation programs that have been approved
under this Part.
Section 30.30 General Program Requirements

a) The program shall be jointly established by one or more institutions or not-for-profit entities and one or more public school districts or nonpublic schools.

b) The responsibility and roles of each partner in the design, implementation and administration of the program shall be set forth in a written agreement signed by each partner. The written agreement shall address at least the following:

1) the process and responsibilities of each partner for the selection and assessment of candidates;

2) the establishment of the internship and any field experiences, and the specific roles of each partner in providing those experiences, as applicable;

3) the development and implementation of a training program for mentors and faculty supervisors that supports candidates’ progress during their internships in observing, participating, and demonstrating leadership to meet the 13 critical success factors and 36 associated competencies outlined in “The Principal Internship: How Can We Get It Right?” published by the Southern Regional Education Board, 592 10th St. N.W., Atlanta, Georgia 30318 and posted at (Southern Regional Education Board, 2005; http://publications.sreb.org/2005/05V02_Principal_Internship.pdf). No later amendments to or edition of this document are incorporated by this Part;

4) names and locations of non-partnering school districts and nonpublic schools where the internship and any field experiences may occur; and

5) the process to evaluate the program, including the partnership, and the role of each partner in making improvements based on the results of the evaluation.

c) Each program shall meet the Educational Leadership Policy Standards: Interstate School Leaders Licensure Consortium (ISLLC) 2008, adopted by the National
d) Each program shall offer curricula that address student learning and school improvement and focus on:

1) all grade levels (i.e., preschool through grade 12);

2) the role of instruction (with an emphasis on literacy and numeracy), curriculum, assessment and needs of the school or district in improving learning;

3) the Illinois Professional Teaching Standards (23 Ill. Adm. Code 24 (Standards for All Illinois Teachers));

4) all students, with specific attention on students with special needs (e.g., students with disabilities, English language learners, gifted students, students in early childhood programs); and

5) collaborative relationships with all members of the school community (e.g., parents, school board members, local school councils or other governing councils, community partners).

(Source: Amended at 37 Ill. Reg. _______, effective ______________)

Section 30.40 Internship Requirements

a) The internship portion of the program shall be conducted at one or more public or nonpublic schools so as to enable the candidate to be exposed to and to participate in a variety of school leadership situations in settings that represent diverse economic and cultural conditions and involve interaction with various members of the school community (e.g., parents, school board members, local school councils or other governing councils, community partners).

1) The internship shall consist of the following components:
A) Engagement in instructional activities that involve teachers at all grade levels (i.e., preschool through grade 12), including teachers in general education, special education, bilingual education and gifted education settings;

B) Observation of the hiring, supervision and evaluation of teachers, other licensed certified staff, and nonlicensed noncertified staff, and development of a professional development plan for teachers; and

C) Participating in leadership opportunities to demonstrate that the candidate meets the required competencies described in Section 30.45 of this Part.

2) The internship shall not include activities that are not directly related to the provision of instruction at the school (e.g., supervision of students during lunch or recess periods, completion of program coursework).

3) The internship shall require the candidate to work directly with the mentor observing, participating in, and taking the lead in specific tasks related to meeting the critical success factors and essential competencies referenced in Section 30.30(b)(3) of this Part.

b) A public or nonpublic school may serve as an internship site if:

1) the principal of the school:

   A) holds a valid and current professional educator administrative certificate endorsed for general administrative or principal issued pursuant either to 23 Ill. Adm. Code 25.335 or 25.337; or

   B) if the internship site is located in another state, holds a valid and current license administrative certificate that is comparable to the required Illinois professional educator license administrative certificate endorsed for general administrative or principal issued by the state in which the internship site is located; or
C) in the case of a nonpublic school, either holds a valid and exempt Illinois professional educator license administrative certificate that is registered and endorsed for general administrative or principal or meets the requirements of subsection (b)(1)(B) of this Section.

2) In all cases, the principal shall have three years of successful experience as a building principal as evidenced by relevant data, including data supporting student growth in two of the principal’s previous five years, and formal evaluations or letters of recommendation from former supervisors.

c) Each program shall assign a faculty member to serve as faculty supervisor for the internship portion of the program, provided that the individual assigned meets the requirements of subsection (b) of this Section. Faculty supervisors shall:

1) conduct at least four face-to-face meetings with the mentor at the internship site of each candidate;

2) observe, evaluate and provide feedback at least four times a year to each candidate about the candidate’s performance;

3) host three seminars each year for candidates to discuss issues related to student learning and school improvement arising from the internship; and

4) work in collaboration with site mentors to complete the assessment of the candidate’s performance during the internship as required pursuant to Section 30.45 of this Part.

d) Programs shall ensure that each candidate:

1) successfully completes the training and passes the assessment required under Section 24A-3 of the School Code [105 ILCS 5/24A-3] before beginning his or her internship; and

2) passes the applicable content-area test (see 23 Ill. Adm. Code 25.710 (Definitions)) prior to beginning the last semester of his or her internship before completion of the internship.
e) Programs may charge fees of candidates, in addition to tuition, to be used to reimburse schools for the costs of employing substitute teachers for candidates who are full-time teachers and must be absent from their classrooms in order to complete internship activities.

f) Programs may provide monetary stipends for candidates while they are participating in their internship.

g) A program may extend the length of an internship beyond 24 months for any candidate who has to discontinue the internship portion of the program due to unforeseen circumstances, such as a medical or family emergency, provided that the program adopts procedures for requesting the exemption, the specific reasons under which the exemption would be granted, and the length of time within which a candidate must resume the internship. A copy of the policy shall be provided to each candidate who enrolls in the program.

(Source: Amended at 37 Ill. Reg. _______, effective______________)

Section 30.45 Assessment of the Internship

a) The principal preparation program shall rate each candidate’s level of knowledge and abilities gained and dispositions demonstrated as a result of the candidate’s participation in the internship required under Section 30.40 of this Part. The candidate shall demonstrate competencies listed in subsections (a)(1) through (4) of this Section by the completion during the course of the internship of the tasks specified.

1) The candidate conveys an understanding of how the school’s mission and vision affect the work of the staff in enhancing student achievement. He or she understands and is able to perform activities related to data analysis and can use the results of that analysis to formulate a plan for improving teaching and learning. As evidence of meeting this competency, the candidate shall:

A) review school-level data, including, but not limited to, State assessment results or, for nonpublic schools, other standardized assessment results; use of interventions; and identification of improvement based on those results;
B) participate in a school improvement planning (SIP) process, including a presentation to the school community explaining the SIP and its relationship to the school’s goals; and

C) present a plan for communicating the results of the SIP process and implementing the school improvement plan.

2) The candidate demonstrates a comprehensive understanding of the process used for hiring staff who will meet the learning needs of the students. The candidate presents knowledge and skills associated with clinical supervision and teacher evaluation, including strong communication, interpersonal and ethics skills. The candidate can apply the Learning Forward’s Standards for Professional Learning (2011) promulgated by Learning Forward, 504 South Locust Street, Oxford, Ohio 45056 and posted at www.learningforward.org/standards/index.cfm. No later amendments to or editions of these standards are incorporated by this Section. As evidence of meeting this competency, the candidate shall:

A) create a job description, including development of interview questions and an assessment rubric, participate in interviews of candidates, make recommendations for hiring (i.e., rationale for action and supporting data), and prepare letters for candidates not selected;

B) participate in a model evaluation of a teacher, to include at least notes, observations, student achievement data, and examples of interventions and support, as applicable, based on the evaluation results, with the understanding that no candidate will participate in the official evaluation process for any particular teacher; and

C) create a professional development plan for the school to include the data used to develop the plan, the rationale for the activities chosen, options for participants, reasons why the plan will lead to higher student achievement, and a method for evaluating the effect of the professional development on staff.

3) The candidate demonstrates the ability to understand and manage personnel, resources and systems on a schoolwide basis to ensure adequacy and equity, including contributions of the learning environment
to a culture of collaboration, trust, learning and high expectations; the impact of the budget and other resources on special-needs students, as well as the school as a whole; and management of various systems (e.g., curriculum, assessment, technology, discipline, attendance, transportation) in furthering the school’s mission. As evidence of meeting this competency, the candidate shall:

A) investigate two areas of the school’s learning environment (i.e., professional learning community, school improvement process, professional development, teacher leadership, school leadership teams, cultural proficiency, curriculum, and school climate), to include showing connections among areas of the learning environment, identification of factors contributing to the environment’s strengths and weaknesses, and recommendations for improvement of areas determined to be ineffective;

B) analyze the school’s budget, to include a discussion of how resources are used and evaluated for adequacy and effectiveness; recommendations for improvement; and the impact of budget choices, particularly on low-income students, students with disabilities, and English language learners; and

C) review the mission statement for the school, to include an analysis of the relationship among systems that fulfill the school’s mission, a description of two of these systems (i.e., curriculum, instruction, assessment, discipline, attendance, maintenance, and transportation) and creation of a rating tool for the systems, and recommendations for system improvement to be discussed with the school’s principal.

4) The candidate demonstrates a thorough understanding of the requirements for, and development of, individualized education programs pursuant to 23 Ill. Adm. Code 226.Subpart C (The Individualized Education Program (IEP)), individual family service plans (IFSP) pursuant to 23 Ill. Adm. Code 226 and 34 CFR 300.24 (2006), and plans under Section 504 of the Rehabilitation Act of 1973 (29 USC 794), including the ability to disaggregate student data, as well as employ other methods for assisting teachers in addressing the curricular needs of students with disabilities. The candidate can work with school personnel to identify English
language learners (ELLs) and administer the appropriate program and services, as specified under Article 14C of the School Code [105 ILCS 5/Art. 14C] and 23 Ill. Adm. Code 228 (Transitional Bilingual Education) to address the curricular and academic needs of English language learners. As evidence of meeting this competency, the candidate shall:

A) use student data to work collaboratively with teachers to modify curriculum and instructional strategies to meet the needs of each student, including ELLs and students with disabilities, and to incorporate the data into the School Improvement Plan;

B) evaluate a school to ensure the use of a wide range of printed, visual, or auditory materials and online resources appropriate to the content areas and the reading needs and levels of each student (including ELLs, students with disabilities, and struggling and advanced readers);

C) in conjunction with special education and bilingual education teachers, identify and select assessment strategies and devices that are nondiscriminatory to be used by the school, and take into consideration the impact of disabilities, methods of communication, cultural background, and primary language on measuring knowledge and performance of students leading to school improvement;

D) work with teachers to develop a plan that focuses on the needs of the school to support services required to meet individualized instruction for students with special needs (i.e., students with IEPs, IFSPs, or Section 504 plans, ELLs, and students identified as gifted);

E) proactively serve all students and their families with equity and honor and advocate on their behalf, ensuring an opportunity to learn and the well-being of each child in the classroom;

F) analyze and use student information to design instruction that meets the diverse needs of students and leads to ongoing growth and development of all students; and
G) recognize the individual needs of students and work with special education and bilingual education teachers to develop school support systems so that teachers can differentiate strategies, materials, pace, levels of complexity, and language to introduce concepts and principles so that they are meaningful to students at varying levels of development and to students with diverse learning needs.

5) A principal preparation program shall rate a candidate’s demonstration of having achieved the competencies listed in this subsection (a)(1) through (3) as “meets the standards” or “does not meet the standards” in accordance with Section 30.Appendix A of this Part.

A) A candidate must achieve a “meets the standards” on each competency in order to successfully complete the internship.

B) A candidate who fails to achieve a “meets the standards” on any of the three areas of competency may repeat the tasks associated with the failed competency at the discretion of the principal preparation program.

b) Each candidate shall participate in, and demonstrate mastery of, the 36 activities listed in Appendix 3 of the document referenced in Section 30.30(b)(3) of this Part. The principal preparation program shall implement a process to assess both the candidate’s understanding of school practices that foster student achievement and his or her ability to provide effective leadership. The assessment process and any rubrics to be used shall be submitted as part of the program’s application for approval under Section 30.80 of this Part.

1) Programs shall ensure that each candidate demonstrates the participation level in 100 percent of the activities associated with the critical success factors described and defined in Section 30.30(b)(3) of this Part.

2) The assessment shall at least determine at what point a candidate demonstrates leadership in conducting the activities. Each candidate must demonstrate leadership in at least 80 percent of the activities associated with the critical success factors described and defined in Section 30.30(b)(3) of this Part in order to successfully complete the internship.
Section 30.50  Coursework Requirements

a) The coursework required by the preparation program of its candidates must cover each of the following areas:

1) State and federal laws, regulations and case law affecting Illinois public schools;

2) State and federal laws, regulations and case law regarding programs for students with disabilities and English language learners;

3) use of technology for effective teaching and learning and administrative needs;

4) use of a process that determines how a child responds to scientific, research-based interventions that are designed to screen students who may be at risk of academic failure; monitor the effectiveness of instruction proposed for students identified as at risk; and modify instruction as needed to meet the needs of each student;

5) understanding literacy skills required for student learning that are developmentally appropriate (early literacy through adolescent literacy), including assessment for literacy, developing strategies to address reading problems, understanding reading in the content areas, and scientific literacy;

6) understanding numeracy skills and working collaboratively across content areas to improve problem-solving and number sense at all grade levels;

7) identification of bullying; understanding the different types of bullying behavior and its harm to individual students and the school; and the importance of teaching, promoting and rewarding a peaceful and productive school climate; and

8) the process to be used to evaluate licensed certified staff in accordance with the provisions of Section 24A-3 of the School Code [105 ILCS 5/24A-3].
b) A portion of the required coursework shall include “field experiences”, i.e., multiple experiences that are embedded in a school setting and relate directly to the core subject matter of the course. The principal preparation program shall determine the courses for which completion of field experiences will be required and the time allotted to field experiences across all courses in the curriculum.

c) In addition to meeting the requirements in subsections (a) and (b) of this Section, programs providing 50 percent or more of coursework via distance learning or video-conferencing technology shall be approved only if they meet the following conditions.

1) Candidates must be observed by a full-time tenure track faculty member who provides instruction in the principal preparation program. The observations, which must take place in person, shall be for a minimum of two full days each semester, and for a minimum of 20 days throughout the length of the program. The observations must include time spent interacting and working with the candidate in a variety of settings (i.e., observing the candidate’s teaching, attending meetings with the candidate, observing the candidate during the internship portion of the program).

2) Each candidate shall be required to spend a minimum of one day per semester, exclusive of internship periods, at the program’s Illinois facility in order to meet with the program’s full-time faculty to present and reflect on projects and research for coursework recently completed, and to discuss the candidate’s progress in the program.

2) Each candidate shall be required to attend in person the meetings outlined in Section 30.40(c) of this Part.

(Source: Amended at 37 Ill. Reg. ______, effective______________)

Section 30.60 Staffing Requirements

a) At a minimum, each program shall allocate two faculty members on a full-time basis to the program if 100 candidates or fewer are enrolled on a part-time or a full-time basis, and one additional faculty member shall be allocated on a full-time basis for each increment of 50 or fewer candidates enrolled on a part-time or a full-time basis.
1) For the purposes of this subsection (a), “enrolled” means enrollment in one or more courses required for completion of the program.

2) A faculty member may include time spent teaching in other educational leadership programs (e.g., superintendent, chief school business official) offered by the institution when determining “full-time basis”.

b) No candidate shall receive more than one-third of his or her coursework from the same instructor.

c) No more than 80 percent of the coursework in a program shall be taught by adjunct faculty. For each adjunct faculty member employed, the program shall maintain evidence that the individual has demonstrated expertise in the area of his or her assignment.

d) A faculty supervisor shall have no more than 36 candidates assigned to him or her during any one 12-month period of an internship. However, when a university requires faculty to supervise at least 48 candidates in order to have a full course load, these faculty shall have no more than 48 candidates assigned to them.

e) No mentor shall have more than two candidates assigned to him or her at any period during the internship, except that the State Educator Preparation and Licensure Board (SEPLB) State Teacher Certification Board (STCB) may make an exception for a third candidate if the SEPLB STCB finds the explanation and accompanying documentation submitted by the program supports granting of the exception (i.e., there is only one qualified mentor available in sparsely populated areas of the State). Approval under this subsection (e) is granted for the duration of the mentor’s participation in the program and need not be renewed.

f) Each full-time faculty member in the program and each faculty supervisor shall successfully complete participate in the training and pass the assessment required for evaluation of licensed certified personnel under Section 24A-3 of the School Code.

(Source: Amended at 37 Ill. Reg. ______, effective______________)

Section 30.70 Candidate Selection
Candidates admitted to a program for principal preparation shall be selected through an in-person interview process. Each candidate must meet the following minimum requirements.

a) A valid and current Illinois professional educator license endorsed in a teaching field certificate (i.e., early childhood, elementary, secondary, special K-12, or special preschool-age 21 certificate).

b) Passage of the test of basic skills if the candidate had not been required to take the test for receipt of his or her Illinois professional educator license or previously issued teaching certificate (see 23 Ill. Adm. Code 25.720(b)).

c) Submission of a portfolio that presents evidence of a candidate’s achievements during his or her teaching experience in each of the following categories:

1) Support of all students in the classroom to achieve high standards of learning;

2) Accomplished classroom instruction, which shall include data providing evidence of two years of student growth and learning within the last five years;

3) Significant leadership roles in the school (e.g., curriculum development, discipline, team teaching assignment, mentoring);

4) Strong oral and written communication skills;

5) Analytic abilities needed to collect and analyze data for student improvement;

6) Demonstrated respect for family and community;

7) Strong interpersonal skills; and

8) Knowledge of curriculum and instructional practices.

d) For purposes of subsection (c) of this Section, “evidence” includes, but is not limited to:
1) Evaluations of the candidate’s teaching abilities from supervisors that attest to students’ academic growth;

2) Evidence of leadership roles held and descriptions of the impact the candidate has had on the classroom, school or district, or the constituents served;

3) An analysis of classroom data (student scores) that describes how the data were used to inform instructional planning and implementation, including an explanation of what standards were addressed, the instructional outcomes, and steps taken when expected outcomes did not occur;

4) Information on the candidate’s work with families and/or community groups and a description of how this work affected instruction or class activities;

5) Examples of the candidate’s analytical abilities as evidenced by a description of how he or she used the results from student assessments to improve student learning; and

6) Evidence of curriculum development, student assessments, or other initiatives that resulted from the candidate’s involvement on school committees.

e) Each applicant shall interview with no fewer than two of the program’s full-time faculty members and shall, at a minimum, discuss the contents of his or her portfolio and complete on site a written response to a scenario presented by the interviewers.

(Source: Amended at 37 Ill. Reg. _______, effective______________)

Section 30.80 Program Approval and Review

a) A program seeking approval shall follow the procedures set forth in 23 Ill. Adm. Code 25.145 (Approval of New Programs within Recognized Institutions).

b) In addition to meeting the requirements of 23 Ill. Adm. Code 25.145, the program proposal required to be submitted as part of the request for approval shall specify
how the program will meet the requirements set forth in this Part, as well as address each of the following:

1) The guidance to be developed to ensure that faculty supervisors effectively assist candidates to optimize their experiences during the internship;

2) The roles and responsibilities of candidates and faculty supervisors;

3) Employment criteria used in selecting and evaluating adjunct faculty;

4) The process the institution or not-for-profit entity will use to communicate with the faculty supervisor and candidate;

5) Any additional requirements for admission to the program that the institution or not-for-profit entity will impose;

6) A description of the rubric the program will use to assess and evaluate the quality of a candidate’s portfolio required under Section 30.70;

7) The competencies, to include those specified in Section 30.45(a) of this Part, expected of candidates who complete the program and how those expectations will be communicated to the candidate upon his or her admittance to the program;

8) The activities to meet the expectations embedded in the critical success factors specified in Section 30.45(b) of this Part that will be required of candidates for completion of the program and how these activities and expectations will be communicated to the candidate upon his or her admittance to the program;

9) A copy of the partnership agreement or agreements and a description of the partners’ involvement in the development of the program, a description of the roles each partner will have, and information on how the partnership will continue to operate and how it will be evaluated;

10) A copy of any agreements with school districts or nonpublic schools (other than those participating in the partnership) that will serve as sites for the internship or field experiences;
11) A description of each course proposed and the internship, to include:

A) a course syllabus;

B) how progress will be measured and successful completion will be determined;

C) a data table that demonstrates each course’s, and the internship’s, alignment to the ISLLC 2008 standards (see Section 30.30(c) of this Part); and

D) for individual courses, a detailed description of any field experiences required for course completion;

12) Copies of assessments and rubrics to be used in the program, including but not limited to samples of scenarios to which a candidate must provide a written response and interview questions for selection in the program and any additional assessments to be used for the internship beyond what is required under Section 30.45 of this Part;

13) A description of the coursework for candidates and training to be provided for faculty members relative to the evaluation of licensed certified staff under Article 24A of the School Code [105 ILCS 5/Art. 24A];

14) A letter signed by the chief administrator of the institution and/or the not-for-profit entity, stating its commitment to hiring additional full-time faculty if enrollment in the program increases; and

15) A complete description of how data on the program will be collected, analyzed, and used for program improvement, and how these data will be shared with the educational unit or not-for-profit entity and the partnering school district or nonpublic school.

c) A request for program approval shall be submitted to the State Superintendent for consideration (see 23 Ill. Adm. Code 25.145(b)). The State Superintendent shall provide a complete request to the Principal Preparation Review Panel for its review and recommendation as to whether the program should be approved. The panel, to be appointed by the State Superintendent, shall consist of:
1) two individuals holding current and valid Illinois professional educator licenses endorsed in a teaching field teaching certificates and currently employed in Illinois public schools;

2) four individuals holding current and valid professional educator licenses administrative certificates endorsed for principal or “general administrative” pursuant to 23 Ill. Adm. Code 25.335 or “principal” pursuant to 23 Ill. Adm. Code 25.337, and currently employed as principals in Illinois public schools;

3) two individuals holding current and valid professional educator licenses administrative certificates endorsed for “superintendent” pursuant to 23 Ill. Code 25.360 and currently employed as superintendents in Illinois public schools;

4) two individuals from institutions of higher education in Illinois that have a recognized educational unit approved for the provision of educator preparation programs pursuant to 23 Ill. Adm. Code 25.Subpart C, one of whom shall be from a public institution and one of whom shall be from a nonpublic institution;

5) one licensed certified staff member currently employed in a school district in any city in Illinois having a population exceeding 500,000; and

6) one individual representing the Illinois business community. If the individual appointed is unable to attend all meetings, he or she may request that an alternate be appointed to attend in his or her absence.

d) The Principal Preparation Review Panel shall acknowledge receipt of the request for approval within 30 days after receipt. Based upon its review, the Panel may:

1) issue a recommendation to the SEPLB State Teacher Certification Board (STCB) that the principal preparation program be approved; a copy of that recommendation and notification of the SEPLB’s STCB’s meeting to consider the Panel’s recommendation shall be provided to the applicant; or

2) issue a recommendation to the SEPLB STCB that the principal preparation program be denied, including the reasons for the recommended denial; a copy of that recommendation and notification of
the SEPLB’s STCB’s meeting to consider the Panel’s recommendation shall be provided to the applicant.

e) An institution or not-for-profit entity may withdraw its request for approval by notifying the State Superintendent of Education of its intent to withdraw no later than 15 days after it receives notification of the Principal Preparation Review Panel’s recommendation.

f) Actions following upon the recommendation of the SEPLB STCB shall be as described in 23 Ill. Adm. Code 25.160 (Notification of Recommendations; Decisions by State Board of Education).

g) An approved principal preparation program shall be subject to the review process set forth in 23 Ill. Adm. Code 25.Subpart C.

(Source: Amended at 37 Ill. Reg. _______, effective______________)
TO: Illinois State Board of Education  
FROM: Christopher A. Koch, Ed.D., State Superintendent of Education  
        Don Evans, Chief Operating Officer and Director of Human Resources  

Agenda Topic: Approval of the Illinois State Board of Education (ISBE) Special Ed System Contract Exceeding $1 million

Materials: None

Staff Contact(s): Scott Norton, Division Administrator/Director

Purpose of Agenda Item
The Information Technology Division requests that the Board authorize the State Superintendent to renew the contract with Ashbaugh & Associates (reference # MY1114) that was awarded to them through a Request for Sealed Proposal (RFSP) in FY11 for time/materials contract for two programmer/analysts to assist in developing a web-based Special Education System and to integrate the new system with the Student Information System (SIS) and the new certification system Educator Licensure Information System (ELIS). The amount of the contract will not exceed $1,110,171 million over the five-year term of the contract.

Relationship to/Implications for the State Board’s Strategic Plan
This effort is directly linked to the following agency goal:

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

Expected Outcome(s) of Agenda Item
It is expected that the Board will authorize the State Superintendent to approve the renewal of the contract to provide the ongoing work for the web-based Special Ed System that will be integrated with the Student Information System (SIS) and the new certification system Educator Licensure Information System (ELIS).

Background Information
An RFSP was released to solicit a contractor (beginning in 2010) to provide time-and-material for four programmer/analysts working under the guidance of ISBE Data Systems Supervisor to develop a new web-based system that integrated the Special Education data currently collected in IEPPoint (Harrisburg Project) with data that is collected in Student Information System (SIS). This allowed a full integration of the SIS identification number with the special education data allowing users to conduct longitudinal analysis of students with disabilities as compared with their peers. This in-house project has been and continues to be managed by the Information Technology Division.

As the result of contractual work the Harrisburg software systems will be phased out. It is anticipated that this project will be completed in FY14. The new system will result in a more streamlined and efficient process at the district level.
Financial Background
On August 25, 2010, the Illinois State Board of Education entered into a contractual agreement
with Ashbaugh and Associates for $288,840. The contract had the option of five one-year
renewals contingent upon sufficient appropriation and satisfactory work performance of the
contractor in the preceding contract year.

The contract was amended on June 26, 2011, for an additional $296,808 and on June 29, 2012,
for an additional $321,408. The maximum contract amount is currently $954,864.

This request is for an amendment to extend the end date of the contract through June 30, 2014,
and to request an additional amount of funding for Fiscal Year 2014 for $312,744. This
amendment would bring the total amount of funding to $1,110,171. The funding will come from a
federal source (IDEA Discretionary-Contractual).

The financial background of this contract is illustrated in the table below:

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<th></th>
<th>Current Contract State Funding</th>
<th>Current Contract Federal Funding</th>
<th>Requested Additional State Funding</th>
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Effectiveness
The contractor is required to submit weekly status reports in meetings concerning their
deliverables throughout the entire contract period.

Analysis and Implications for Policy, Budget, Legislative Action and Communications
Policy Implications: Approval of the renewal will allow the continued effort to expand its
capabilities and to provide technical support of the Special Education Data Collection System.
This system will be fully integrated with the Student Information System (SIS) and the new
certification system Educator Licensure Information System (ELIS) and will be designed to
collect special education student and personnel data from districts, special education
cooperatives and special education joint agreements. This system will enable ISBE to meet its
obligations under both federal and state laws.

Budget Implications: The total amount will be from federal funding (IDEA Discretionary-
Contractual).

Legislative Action: None required.

Communication: None required.
**Superintendent’s Recommendation**
The State Superintendent recommends that the State Board of Education adopt the following motion:

The State Board hereby authorizes the State Superintendent to renew the contract. The contract will extend from the date of the contract’s execution until June 30, 2014, and will not exceed $1,110,171.

**Next Steps**
Upon board authorization, Agency staff will draft and execute a contract renewal to extend until June 30, 2014.
TO: Illinois State Board of Education

FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
Don Evans, Chief Operating Officer and Director of Human Resources


Materials: None

Staff Contact(s): Scott Norton, Division Administrator/Director

Purpose of Agenda Item
The Information Technology Division requests that the Board authorize the State Superintendent to renew/extend the contract with Capitol Strategies, Inc. (reference # MY08212) originally awarded to them in FY08 through a Request for Sealed Proposal (RFSP). This extension is for the time/materials for two programmer/analysts to complete the consolidation of the web-based Application and Claim Entry System (ACES) and the LAN based Child Nutrition System (CNS) into the new Web-Based Illinois Nutrition System (WINS). The amount of the contract will not exceed $1.9 million.

This in-house project has been and continues to be managed by the Information Technology Division. As the result of an expanded scope of work, this renewal/extension request for two programmer/analyst positions is needed in order to meet our anticipated completion date in FY14.

Relationship to/Implications for the State Board’s Strategic Plan
This effort is directly linked to the following agency goal:

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

Expected Outcome(s) of Agenda Item
It is expected that the Board will authorize the State Superintendent to approve the renewal/extension of this contract to continue the ongoing work for the Web-Based Illinois Nutrition System (WINS). This one year extension will provide the time and programmer/analyst support necessary to integration nutrition programs into WINS, with the final end product being all nutrition programs operating within one software system.

Background Information
Program participants utilizing one or more nutrition programs are required to submit an annual application. At the start of each new fiscal year, program application data is rolled over from the previous year – with the heaviest user access during the application rollover period (approximately two months).
The Federal regulations and USDA guidance that govern these programs are reviewed each year by ISBE staff to determine changes or new requirements, and accordingly, systems are then modified to meet new requirements/mandates. In an effort to heighten efficiency, it was determined that this rewrite and consolidation would provide the agency an opportunity to convert systems into one web-based system (using current Microsoft technology), allowing for a higher degree of accountability while meeting the current USDA regulations.

Financial Background
On June 28, 2008, the Illinois State Board of Education entered into a contractual agreement with Capitol Strategies, Inc. for $612,304. The contract had the option of five one-year renewals contingent upon sufficient appropriation and satisfactory work performance of the contractor in the preceding contract year.

On May 20, 2010, the Board authorized the agency to renew this contract for a three-year period, ending June 30, 2013, and a maximum contract amount of $1,517,160.

This request is for an amendment to extend the end date of the contract through June 30, 2014, and to request an additional amount of funding for Fiscal Year 2014 for $324,696. This amendment would bring the total amount of funding to $1,838,958. The funding will come from the Federal funding sources: Child Nutrition Program—CNP SAE Carryover - Admin and Child Nutrition SAE – Admin.

The financial background of this contract is illustrated in the table below:

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<th>Current Contract State Funding</th>
<th>Current Contract Federal Funding</th>
<th>Requested Additional State Funding</th>
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Effectiveness
The contractor will be required to submit weekly status reports concerning their deliverables through the contract period.

Analysis and Implications for Policy, Budget, Legislative Action and Communications
Policy Implications: Approval of the renewal will allow the continued effort to update all nutrition systems into one Web-Based Illinois Nutrition System (WINS).

Budget Implications: The total amount will be from federal funding, CNPSAEADM -Child Nutrition SAE – Admin.

Legislative Action: None required.
Communication: None required.

**Superintendent's Recommendation**
The State Superintendent recommends that the State Board of Education adopt the following motion:

The State Board hereby authorizes the State Superintendent to renew the contract. The contract will extend from the date of the contract’s execution until June 30, 2014, and will not exceed $1,838,958.

**Next Steps**
Upon board authorization, Agency staff will draft and execute a contract renewal to extend until June 30, 2014.
TO: Illinois State Board of Education
FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
                                  Don Evans, Chief Operating Officer and Director of Human Resources
Materials: None
Staff Contact(s): Scott Norton, Division Administrator/Director

Purpose of Agenda Item
The Information Technology Division requests that the Board authorize the State Superintendent to renew the contract with Ashbaugh & Associates (reference # MY11211) that was originally awarded to them in FY11 through a Request for Sealed Proposal (RFSP). This extension is for the time/materials for two programmer/analysts to complete the consolidation of the web-based Application and Claim Entry System (ACES) and the LAN based Child Nutrition System (CNS) into the new Web-Based Illinois Nutrition System (WINS). The amount of the contract will not exceed $1,195,758 million over the five-year term of the contract.

This in-house project has been and continues to be managed by the Information Technology Division. As the result of an expanded scope of work, this renewal/extension request for two programmer/analyst positions is needed in order to meet our anticipated completion date in FY14.

Relationship to/Implications for the State Board’s Strategic Plan
This effort is directly linked to the following agency goal:

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

Expected Outcome(s) of Agenda Item
It is expected that the Board will authorize the State Superintendent to approve the renewal/extension of this contract to continue the ongoing work for the Web-Based Illinois Nutrition System (WINS). This one year extension will provide the time and programmer/analyst support necessary to integration nutrition programs into WINS, with the final end product being all nutrition programs operating within one software system.

Background Information
Program participants utilizing one or more nutrition programs are required to submit an annual application. At the start of each new fiscal year, program application data is rolled over from the previous year – with the heaviest user access during the application rollover period (approximately two months).

The Federal regulations and USDA guidance that govern these programs are reviewed each year by ISBE staff to determine changes or new requirements, and accordingly, systems are
then modified to meet new requirements/mandates. In an effort to heighten efficiency, it was
determined that this rewrite and consolidation would provide the agency an opportunity to
convert systems into one web-based system (using current Microsoft technology), allowing for a
higher degree of accountability while meeting the current USDA regulations.

**Financial Background**
On August 1, 2010, the Illinois State Board of Education entered into a contractual agreement
with Ashbaugh and Associates for $633,456. The contract had the option of five one-year
renewals contingent upon sufficient appropriation and satisfactory work performance of the
contractor in the preceding contract year.

The contract was amended on June 29, 2012, for an additional $321,408 and a contract
maximum of $954,864.

This request is for an amendment to extend the end date of the contract through June 30, 2014,
and to request an additional amount of funding for Fiscal Year 2014 for $326,688. This
amendment would bring the total amount of funding to $1,195,758. The funding will come from
the Federal funding sources: Child Nutrition Program—CNP SAE Carryover- Admin and Child
Nutrition SAE – Admin.

The financial background of this contract is illustrated in the table below:

<table>
<thead>
<tr>
<th></th>
<th>Current Contract State Funding</th>
<th>Current Contract Federal Funding</th>
<th>Requested Additional State Funding</th>
<th>Requested Additional Federal Funding</th>
<th>Total Contract per Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY11</td>
<td>$262,162</td>
<td></td>
<td></td>
<td></td>
<td>$262,162</td>
</tr>
<tr>
<td>FY12</td>
<td>$285,500</td>
<td></td>
<td></td>
<td></td>
<td>$285,500</td>
</tr>
<tr>
<td>FY13</td>
<td>$321,408</td>
<td></td>
<td></td>
<td></td>
<td>$321,408</td>
</tr>
<tr>
<td>FY14</td>
<td></td>
<td></td>
<td>$326,688</td>
<td>$326,688</td>
<td>$326,688</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,195,758</td>
</tr>
</tbody>
</table>

**Effectiveness**
The contractor will be required to submit weekly status reports concerning their deliverables
through the contract period.

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

**Policy Implications:** Approval of the renewal will allow the continued effort to update all nutrition
systems into one Web-Based Illinois Nutrition System (WINS).

**Budget Implications:** The total amount will be from federal funding, CNP SAEADM –Child
Nutrition SAE - Admin.

**Legislative Action:** None required.

**Communication:** None required.
**Superintendent’s Recommendation**
The State Superintendent recommends that the State Board of Education adopt the following motion:

> The State Board hereby authorizes the State Superintendent to renew the contract. The contract will extend from the date of the contract’s execution until June 30, 2014, and will not exceed $1,195,758.

**Next Steps**
Upon board authorization, Agency staff will draft and execute a contract renewal to extend until June 30, 2014.
TO: Illinois State Board of Education

FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
       Don Evans, Chief Operating Officer and Director of Human Resources

Agenda Topic: Approval of the Illinois State Board of Education (ISBE) Student Information System (SIS) Contract Exceeding $1 million

Materials: None

Staff Contact(s): Don Evans, Chief Operating Officer & Director of Human Resources
                 Scott Norton, Division Administrator/Director

Purpose of Agenda Item
The Information Technology Division requests the Board authorize the State Superintendent to release a Request for Sealed Proposal (RFSP) in Fiscal Year 2013 (FY13) for May and June of FY13 and extend through FY18 whereby one eligible entity/vendor will receive a contract to provide ongoing maintenance and modifications of the ISBE Student Information System (SIS) as ISBE continues to consolidate existing systems into the SIS and enhance functionality.

New features requested for the expansion of SIS include:
- Accommodate additional data file formats for any new data to be collected in SIS as a result of ISBE systems consolidation.
- Integrate Entity ID keys from the Entity Profile System into the ISBE SIS;
- Support of the Kindergarten Individual Development Survey (KIDS) survey instrument and pilot project as well as the support of KIDS once fully implemented;
- Provide dashboards on the ISBE SIS homepage for local educational agencies to monitor their data quality;
- Enhance EXPLORE & PLAN assessments to include an assessment correction process;
- Enhance ACCESS assessment to include an assessment correction process.

Relationship to/Implications for the State Board’s Strategic Plan
This effort is linked to the following agency goal:

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

Expected Outcome(s) of Agenda Item
It is expected that the Board will authorize the State Superintendent to approve the RFSP to provide ongoing maintenance and modifications of ISBE SIS.

Background Information
In 2005 and in partnership with the Illinois State Board of Education (ISBE) IBM was contracted to design, build, and implement a statewide student information system and supporting
The SIS has the following notable features:

- SIS incorporates a sub-system for collecting, correcting, and reporting on the ISAT, IAA, ACCESS, and PSAE student assessments. The assessment sub-system allows ISBE to monitor student performance longitudinally.
- The SIS serves as the primary application allowing ISBE to continue with consolidation or “sun-setting” of other electronic systems in the future, thus further reducing the data collection burden on Illinois school districts.
- The SIS is a foundational element of the Illinois Longitudinal Data System and the Illinois Shared Learning Environment.
- The SIS is a “relational” data base allowing for “data mining” with existing state data facilitating research and further streamlining data collection.
- Over 3.7 million state student identification numbers have been assigned since 2005. Student demographics, program indicators, enrollments, early childhood data, English Language Learner (ELL) data, K-12 student and teacher course assignments, transcript data, assessment pre-id information, Cohort Graduation data, collection of Kindergarten Individual Development Survey (KIDS) data, and Special Ed data are all presently being collected into the SIS from all districts.

**Financial**
The contract will be awarded encompassing six fiscal years to extend from the execution date of the contract until June 30, 2018 (FY13 through FY18). Depending on new and/or changing mandates as well as system maintenance needs, it would be prudent to anticipate one year extensions beyond the term of this proposal (not to exceed 5 additional years). Funding in the amount of $168,000 for two months in FY13 is identified for the transition to the new contractor. The total contract will not exceed $7,768,000 (not including any one year extension).

Shown below is a summary for the funding for the proposed SIS contract:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>State Funding</th>
<th>Federal Funding</th>
<th>Requested Additional State Funding</th>
<th>Requested Additional Federal Funding</th>
<th>Total Contract per Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13</td>
<td>$168,000</td>
<td>$168,000</td>
<td></td>
<td></td>
<td>$168,000</td>
</tr>
<tr>
<td>FY14</td>
<td>$750,000</td>
<td>$950,000</td>
<td></td>
<td></td>
<td>$1,700,000</td>
</tr>
<tr>
<td>FY15</td>
<td>$750,000</td>
<td>$850,000</td>
<td>$1,600,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY16</td>
<td>$750,000</td>
<td>$750,000</td>
<td>$1,500,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY17</td>
<td>$750,000</td>
<td>$750,000</td>
<td>$1,500,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY18</td>
<td>$550,000</td>
<td>$750,000</td>
<td>$1,300,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>$7,768,000</td>
<td></td>
<td></td>
<td>$7,768,000</td>
</tr>
</tbody>
</table>
**Effectiveness**

The selected contractor will execute the following tasks related to system support.

**System Support**

- Develop and maintain a written project management plan
- Provide weekly status reports to management in alignment with the project management plan
- Assist ISBE in the management of project scope and identify any potential risk
- Gather and document business requirements/design(s) for new development
- With ISBE approval, identify and implement system changes leveraging efficient methods of software development
- Document the effect that new data collections have on existing collections and, upon ISBE approval, incorporate the changes into the existing collections
- Code, test, and implement new data collections and/or data elements
- Develop and support new and existing reports as defined by ISBE management
- Document and execute testing procedures
- Document and execute implementation procedures
- Provide help desk support on the new and existing data collections
- Complete other duties as assigned by ISBE management
- Maintain and update ISBE SIS documentation to reflect system maintenance activities:
  - File Format document
    - [http://www.isbe.state.il.us/sis/html/form_layout.htm](http://www.isbe.state.il.us/sis/html/form_layout.htm)
  - Data Elements document
    - [http://www.isbe.state.il.us/sis/html/data_elements.htm](http://www.isbe.state.il.us/sis/html/data_elements.htm)
  - User Manual
    - [http://www.isbe.state.il.us/sis/html/user_manual.htm](http://www.isbe.state.il.us/sis/html/user_manual.htm)
  - Excel templates
    - [http://www.isbe.state.il.us/sis/html/excel_templates.htm](http://www.isbe.state.il.us/sis/html/excel_templates.htm)
  - FAQs
    - [http://www.isbe.state.il.us/sis/html/faqs.htm](http://www.isbe.state.il.us/sis/html/faqs.htm)

**Training**

- Develop and conduct training programs for internal and external users including webinars on the following subjects:
  - Planning for School Year
  - Planning for the Assessment Process
  - Assessment Correction Process
  - Assessment Score Correction
    - End of the School Year
    - Fall Enrollment Counts
    - Assignment of Courses to Students
  - Provide Summer Statewide training at three locations throughout the state, six session per week, per location
  - Create and maintain relationships with the Local Education Agency (LEA) SIS vendors to coordinate ISBE SIS updates with the LEA SIS packages
  - To view archived trainings –
    - [http://www.isbe.state.il.us/sis/html/archived_meetings.htm](http://www.isbe.state.il.us/sis/html/archived_meetings.htm)

Results of evaluation or effectiveness indicators: ISBE has received many positive comments from district personnel on the data and the usefulness of the reports generated by SIS.
The contract will require monthly reporting to ensure that deliverables are performed in a timely manner in accordance with the contract. Satisfactory performance under the contract will require completion of all deliverables. Deliverables within the RFSP will include enhancements/modifications to the existing system functionality.

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

Policy Implications: Approval of the request to release the RFSP will allow the SIS effort to continue to operate, expand its capabilities and to provide knowledgeable and professional assistance to the districts and schools.

Budget Implications: Both state and federal funds will be used to support this effort.

Legislative Action: None required.

Communication: None required.

**Superintendent’s Recommendation**

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

The State Board hereby authorizes the State Superintendent to release a Request for Sealed Proposals (RFSP) for the purpose of entering into a contract for the continuing development and maintenance of ISBE’s Student Information System. The contract will extend from the date of the contract’s execution until June 30, 2018, and will not exceed $7,768,000.

**Next Steps**

Agency staff will commence the process of the RFSP in accordance with the approved motion. The Board will then be provided with an opportunity to approve the entity recommended as a result of the proposal review process before the State Superintendent enters into a contract with that entity.
TO: Illinois State Board of Education
FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
       Susan C. Morrison, Deputy Superintendent/Chief Education Officer

Agenda Topic: ISAT Performance Level Changes
Materials: Adjusted ISAT Performance Levels (Attachment A), ISAT Trend Data (Attachment B)
Staff Contact(s): Mary O'Brian, Ed.D., Acting Director of Assessment
                 Shuwan Chiu, Ph.D., Statistician/Psychometrician for Assessment

Purpose of Agenda Item
To provide the Board with information regarding the adjusted performance levels for ISAT scores and to receive approval for this change.

Relationship to/Implications for the State Board’s Strategic Plan
The agenda item has linkage to Goal 1: Every student will demonstrate academic achievement and be prepared for success after high school.

Expected Outcome(s) of Agenda Item
The Board will have an understanding of the adjusted performance levels for ISAT scores and will understand the implications for accountability outcomes using adjusted performance levels. The Board will approve the implementation of the revised performance levels for the ISAT administration in 2013.

Background Information
Periodic reviews of student performance on the Illinois Standards Achievement Test (ISAT) are essential to ensure schools and districts are preparing students for college and careers. The current review involved the performance categories that reflect levels of achievement for Illinois students in grades 3 through 8, focusing on scores that comprise each performance level. Recognition of the disconnect between student performance on the ISAT and performance on the PSAE has been apparent for over five years and this difference in the percentage of students demonstrating proficient performance has been brought to the attention of ISBE by educators in high schools.

There have been many factors contributing to this review. Questions regarding the rigor of state standards and the state assessment have been raised at a national level. In 2007 the Fordham Institute and the Northwest Evaluation Association (NWEA) issued a report revealing that Illinois’ proficiency levels in English/language arts and mathematics were below other states and below NWEA proficiency levels. With the adoption of the Common Core State Standards (CCSS), Illinois implemented standards that are higher, fewer and deeper than the previous standards and establish year-by-year guidelines outlining the skills and content students must master on the path to college or technical programs to join the workforce.
As part of the Race to the Top application, Illinois assured the United States Department of Education that all students will be college and career ready. The assurance of college and career ready should align to the extant test, the PSAE and ACT administered to students in the 11th grade. The same guarantee was also included in the waiver for NCLB requirements submitted by ISBE. In responding to Principle 1 of the USDE Waiver Application ISBE noted: State assessments must provide accurate and clear information to educators and parents on whether all students are on track to be college-and career-ready. To this end, a commitment was made in the Waiver Application to raise ISAT performance levels to align with the PSAE.

Additionally, Illinois is a Governing Board state for the Partnership for Assessment of College and Career Readiness (PARCC) to be administered in the 2014-2015 school year. This assessment, based on the Common Core State Standards, will require a high level of proficiency for students to meet expectations. The performance levels of the PARCC assessment, although not set at this time, will very likely be higher than current ISAT performance levels.

A number of states have already raised the performance level scores on statewide tests. States including Kentucky and New York recognized the need to increase expectations for student achievement prior to the implementation of the PARCC assessment and the adoption of the CCSS. These states found a decrease in the percentage of students who scored at a proficient level but are anticipating performance to increase over the coming years to meet the higher expectations.

Student Assessment Division staff utilized an “equipercentile equating process” to determine the new performance levels. With this process, a cohort-student group analysis was used to backmap performance levels from the Prairie State Achievement Examination (PSAE) to the 8th grade ISAT performance. The results of this process were then used to backmap from 8th grade data to 7th grade data and through 3rd grade data. Subsequent to these analyses, the process was presented to the Technical Advisory Committee for ISBE.

Analysis of the new performance levels indicates that a smaller percentage of Illinois students will demonstrate proficiency on the ISAT. Currently 79% of all grade 3 through 8 students are judged proficient in reading on the ISAT and 86% of students are proficient in mathematics. When looking at the performance of Illinois students on the 2012 administration of the ISAT and using the adjusted performance levels, the percentage of students who score at a proficient level (meets and exceeds standards) drops to 60% in reading and 60% in mathematics.

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

Policy Implications: Increasing expectations for the performance of students on the ISAT, will have implications for Illinois’ accountability system. Adjustment of ISAT performance levels will impact the performance data moving forward for Illinois schools and the trends seen in the previous data will be affected by the change in expectations. The transition to the new Partnership for Assessment of Readiness for College and Career (PARCC) will continue and will affect the district and school data as well. While student performance will continue to improve as it has in past years, this new standard for performance will raise the bar for our elementary schools. ISBE intends on bringing a decision for a growth model within the next couple of months so that student growth will be measured going forward, as was contemplated in the ESEA waiver to the U.S. Department of Education.
Budget Implications: Continued reduction of state funding will become an even greater concern for districts in trying to meet the needs of all students given the impact of performance level adjustments on ISAT.

Legislative Action: None at this time.

Communication: ISBE staff worked with a stakeholder group to determine a communication plan for implementation of new performance level expectations. Communications were developed for general information in the fall of 2012 and provided to district leaders. Focused communication materials are being finalized for districts to use with various constituencies. ISBE will continue to provide communications regarding the adjusted performance levels throughout the year and in the 2013-2014 school year.

**Pros and Cons of Various Actions**
Board approval will enable districts and schools to provide a more accurate picture of student performance relative to college and career ready standards. Approval of the adjusted performance level scores will increase the number of schools and districts who will not meet the ESEA AYP targets. Approval of this recommendation will result in more students’ performance falling within the Below Standards category.

Board disapproval may enable districts and schools to hold expectations that are not fully aligned to college and career readiness benchmarks. Maintaining the current performance levels on ISAT may result in a more significant drop in student performance when the PARCC assessment is implemented. A continued disconnect between the percentage of students performing at a proficient level on ISAT and at a proficient level on PSAE will be evinced if performance levels are not adjusted.

**Superintendent’s Recommendation**
The Superintendent supports approval of this recommendation.
Proposed Performance Level Scores for ISAT 2013

### ISAT READING - Proposed Performance Level Scores

<table>
<thead>
<tr>
<th>Grade</th>
<th>Academic Warning Level 1</th>
<th>Below Standards Level 2</th>
<th>Meet Standards Level 3</th>
<th>Exceed Standards Level 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>120-159</td>
<td>160-206</td>
<td>207-235</td>
<td>236-329</td>
</tr>
<tr>
<td>4</td>
<td>120-174</td>
<td>175-216</td>
<td>217-248</td>
<td>249-341</td>
</tr>
<tr>
<td>5</td>
<td>120-192</td>
<td>193-227</td>
<td>228-260</td>
<td>261-351</td>
</tr>
<tr>
<td>6</td>
<td>120-201</td>
<td>202-236</td>
<td>237-266</td>
<td>267-360</td>
</tr>
<tr>
<td>7</td>
<td>120-202</td>
<td>203-238</td>
<td>239-270</td>
<td>271-369</td>
</tr>
<tr>
<td>8</td>
<td>120-217</td>
<td>218-247</td>
<td>248-270</td>
<td>271-364</td>
</tr>
</tbody>
</table>

### ISAT MATH - Proposed New Cut Scores

<table>
<thead>
<tr>
<th>Grade</th>
<th>Academic Warning Level 1</th>
<th>Below Standards Level 2</th>
<th>Meet Standards Level 3</th>
<th>Exceed Standards Level 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>120-172</td>
<td>173-213</td>
<td><strong>214-254</strong></td>
<td>255-341</td>
</tr>
<tr>
<td>4</td>
<td>120-190</td>
<td>191-223</td>
<td><strong>224-266</strong></td>
<td>267-355</td>
</tr>
<tr>
<td>5</td>
<td>120-200</td>
<td>201-234</td>
<td><strong>235-279</strong></td>
<td>280-369</td>
</tr>
<tr>
<td>6</td>
<td>120-213</td>
<td>214-246</td>
<td><strong>247-291</strong></td>
<td>292-379</td>
</tr>
<tr>
<td>7</td>
<td>120-220</td>
<td>221-256</td>
<td><strong>257-301</strong></td>
<td>302-392</td>
</tr>
<tr>
<td>8</td>
<td>120-233</td>
<td>234-266</td>
<td><strong>267-309</strong></td>
<td>310-410</td>
</tr>
</tbody>
</table>

Compared to current cut scores, the proposed new cut scores raise the proficient benchmark about 13-17 score points in reading and 21-30 score points in math.
TO: Illinois State Board of Education
FROM: Christopher A. Koch, Ed.D., State Superintendent of Education
Susan C. Morrison, Deputy Superintendent/Chief Education Officer
Nicki Bazer, General Counsel

Agenda Topic: Legislative Proposals – Multiple Measures Index and District Interventions

Staff Contact(s): Melina Wright, Division Administrator, Center for Innovation and Improvement
Nicole Wills, Governmental Relations

Purpose of Agenda Item
The purpose of the agenda item is for the Board to approve agency action on two legislative proposals.

Relationship to/Implications for the State Board’s Strategic Plan
The agenda item supports the mission and all three goals of the Strategic Plan.

Expected Outcome(s) of Agenda Item
The Superintendent is recommending the Board vote to formally approve two legislative initiatives during the January Board meeting with the caveat that Governmental Relations staff can continue to work with education stakeholders to appropriately amend the proposals moving forward.

Informational Items

Multiple Measures Index

While engaged in the ESEA Flexibility Waiver application process it became clear that the current accountability system in Illinois did not consider all the factors that contribute to school and district success. Illinois needs a system that provides stakeholders with the necessary information, tools, and measures to properly address the appropriate interventions, supports, and rewards given the diverse needs of our students. Based on the feedback gathered from stakeholders, implementation of multiple measures provide a more holistic and comprehensive differentiated recognition, accountability, and support system to better serve the school districts, schools, students, and parents of Illinois.

Implementation of the multiple measures would require statutory changes to the Illinois School Code. The changes include the following:

- Augments AYP with Multiple Measures Indicators (outcomes, achievement, progress, gap reduction)
- Replaces Academic early warning and watch status labels, associated mandates, sanctions, and requirements, with definitions of new designations based on multiple measure index.
• Provides services based on star-level designations that could include Focus, Priority, and High-Priority.
• Updates assessments and standards to reflect the adoption of the Common Core and modifies the language to adjust for any change in type of state mandated assessments.

Upon completion of updating the language in the Illinois School Code, the revisions will be vetted to a stakeholder group for feedback. At that time, suggestions, recommendations, and feedback will be elicited and taken under advisement.

District Interventions

Background

ISBE intervenes in school districts in a number of ways that differ in focus and scope including:

• school restructuring under NCLB;
• interventions utilizing Independent Authority power;
• financial oversight through Financial Oversight Panels (FOPs); and
• interventions under school recognition and special education based on noncompliance probes.

ISBE has utilized its statutory authority to intervene using FOPs, both those formed under Article 1B and 1H of the School Code, in a number of districts, including four active FOPs in Cairo Unit School District 1, Proviso Township High School District, East St. Louis District 189 and North Chicago CUSD 187.

While FOPs (and other limited interventions) can be successful in certain districts that need targeted assistance, the staff of the State Board of Education believes that for districts in more comprehensive failure often these limited interventions do not go far enough to solve the problems in the district or only solve the problems for a limited time. In these districts, only removal of the school board will facilitate real change.

The statutory authority for Independent Authorities (IA) comes from 105 ILCS 5/2-3.25(f). Currently, the only active IA in place is North Chicago CUSD 187. ISBE attempted to remove the board in anticipation of installing an IA in East St. Louis but court action prevented board removal. Although the IA in North Chicago is running smoothly, issues in its operation, the problems in East St. Louis and the impending school board elections in both districts necessitate changes in statute.

Statutory Changes

105 ILCS 5/3-14.28

Current Statutory Language

[Duties of the Regional Superintendent] To remove any member of a school board from office upon the direction of the State Superintendent of Education pursuant to action of the State Board of Education authorized under Section 2-3.25f and to appoint individuals to fill vacancies thereby created within 30 days.

Suggested Statutory Change
Delete Section 3-14.28 in its entirety so that ROEs would no longer be involved with the removal of school board members under Section 2-3.25f and there would be no confusion as to whether a replacement school board would need to be appointed.

105 ILCS 5/2-3.25(f)(b)

Current Statutory Language

(b) In addition, if after 3 years following its placement on academic watch status a school district or school remains on academic watch status, the State Board of Education shall take one of the following actions for the district or school:

1. The State Board of Education may authorize the State Superintendent of Education to direct the regional superintendent of schools to remove school board members pursuant to Section 3-14.28 of this Code. Prior to such direction the State Board of Education shall permit members of the local board of education to present written and oral comments to the State Board of Education. The State Board of Education may direct the State Superintendent of Education to appoint an Independent Authority that shall exercise such powers and duties as may be necessary to operate a school or school district for purposes of improving pupil performance and school improvement. The State Superintendent of Education shall designate one member of the Independent Authority to serve as chairman. The Independent Authority shall serve for a period of time specified by the State Board of Education upon the recommendation of the State Superintendent of Education.

Suggested Statutory Changes

- Amend Section 2-3.25(f) to make ISBE actions there under permissive not mandatory. Given the number of school districts that meet the 3 year watch status and lack of agency financial resources it is not possible for ISBE to intervene in all of the districts. This statutory change would give ISBE the ability to intervene without requiring it in all cases.

- Amend Section 2-3.25(f) to include benchmarks for the establishment and dissolution of an Independent Authority. Clear standards for when ISBE can remove a board and appoint an IA would assist school districts in understanding when ISBE may intervene and would allow ISBE to more easily defend a decision to intervene. Likewise, exit criteria provide a transparency to the process, allowing school districts to know when state intervention will end. Specific exit criteria will require approval by a nationally recognized accreditation agency prior to the conclusion of state intervention.

- Amend Section 2-3.25(f) to clarify that an Independent Authority (IA) has all the same powers and duties of the school board it replaces. As it stands now, an IA has the authority to act for the purpose of improving pupil performance and school improvement. An argument could be made that this is not the full extent of a school board’s power, creating uncertainty as to the authority of the IA. Identifying when a board can be removed and then clarifying that the IA takes the place of the school board would eliminate this confusion.

- Amend Section 2-3.25(f) to specify the number of Independent Authority members.
• Amend Section 2-3.25(f) to clarify due process rights of school board members being removed. This is one of the bases for the lawsuit in ESL and clarity on the due process rights would help prevent future challenges and would ensure fairness in the process.

• Amend Section 2-3.25(f) to clarify that no school board election shall be held where an Independent Authority is appointed. Suspending the elections is necessary so that the work of the IA is not undermined by the re-election of the previous school board members.

• Amend Section 2-3.25(f) to allow IAs to directly request emergency financial assistance loans and grants. Given that the districts that need intervention often are also in financial failure, it is essential that the IA has the power necessary to act to relieve some of the financial distress of the district.

**Superintendent’s Recommendation**

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

The State Board of Education hereby authorizes the following legislative proposals to move forward as agency initiated proposals for the spring 2013 legislative session:

• Multiple Measures Index

• Re-write of 105 ILCS 5/2-3.25(f) and related sections (District Interventions)

**Next Steps**

Staff will move forward with drafting all approved legislative proposals and will proceed with securing legislative sponsors for the spring 2013 legislative session.
TO:          Illinois State Board of Education
FROM:    Christopher A. Koch, Ed.D., State Superintendent of Education
         Nicki Bazer, General Counsel

Agenda Topic:  Fall Veto and January Lame-Duck Session and 2013 Legislative Agenda

Staff Contact(s):  Nicole Wills, Governmental Relations

Purpose of Agenda Item
The purpose of the agenda item is to provide the Board with (a) a summary of items addressed in the Fall Veto and January Lame-Duck Sessions and (b) a discussion of potential ISBE legislative proposals for the 98th General Assembly.

2012 Veto Session and January Lame-Duck Session
The General Assembly returned to Springfield for the Fall Veto Session November 27-29 and December 4-6.  Governmental Relations staff monitored the following issues:

- HB 5825 (Chapa LaVia/Steans) moves the Illinois Charter School Commission under the Illinois State Board of Education for administrative purposes only. The Commission will maintain its decision-making autonomy but would rely on ISBE to process payroll, assist in procurement related duties and other administrative tasks. HB 5825 has been sent to the Governor.

- HB 5826 (Chapa LaVia/Steans) ISBE has one remaining legislative initiative from the Spring Session. HB 5826 has been passed by the Senate, but must still be passed by the House. This bill contains repeals and modifications of obsolete and duplicative statutes. HB 5826 has been re-referred to the House Rules Committee.

The General Assembly returned to Springfield for the end of the 97th General Assembly January 2-8.  Governmental Relations staff monitored the following issues:

- HB 6193 (Mitchell/J. Collins) implements the findings of the Task Force on the Prevention of Sexual Abuse of Children, established by the 96th General Assembly. HB 6193 amends the School Code to include sexual assault awareness as a part of educator continuing professional development activities and requires school districts to include age-appropriate sexual abuse and assault awareness and prevention education in grades pre-kindergarten through 12. HB 6193 has been sent to the Governor.

- SA #1 to SB 24 (Steans) contains supplemental appropriations for several agencies including the State Board of Education. Appropriation authority was included for the Charter School Commission and the Early Learning Challenge. SA #1 did not include funding for East St. Louis School district 189. The amendment did not pass the Senate Appropriations II Committee.
• Pensions: Various pension reform proposals were discussed and introduced during the
lame-duck session. None of these proposals received a full vote of either chamber
during the lame-duck session. Governmental Relations staff will continue to monitor
pension reform.

2013 Spring Session
Over the past several months, the Agency’s Governmental Relations staff has been working
with Agency divisions to develop legislative proposals for the spring 2013 legislative session.
Governmental Relations staff will develop substantive language and identify sponsors for any
legislation supported by the Board.

Multiple Measures Index: While engaged in the ESEA Flexibility Waiver application process it
became clear that the current accountability system in Illinois did not consider all the factors that
contribute to school and district success. Illinois needs a system that provides stakeholders with
the necessary information, tools, and measures to properly address the appropriate
interventions, supports, and rewards given the diverse needs of our students. Based on the
feedback gathered from stakeholders, implementation of multiple measures provides a more
holistic and comprehensive differentiated recognition, accountability, and support system to
better serve the school districts, schools, students, and parents of Illinois.

District Interventions: ISBE has utilized its statutory authority to intervene using FOPs, both
those formed under Article 1B and 1H of the School Code, in a number of districts, including
four active FOPs in Cairo Unit School District 1, Proviso Township High School District, East St.
Louis District 189 and North Chicago CUSD 187.

While FOPs (and other limited interventions) can be successful in certain districts that need
targeted assistance, the staff of the State Board of Education believes that for districts in more
comprehensive failure often these limited interventions do not go far enough to solve the
problems in the district or only solve the problems for a limited time.

This initiative would amend Section 3.25(f) of the School Code to clarify ISBE’s authority to
intervene in these failing school districts.

Obsolete/Duplicative Bill: This initiative would be a continuation of ISBE’s efforts to streamline
the School Code provisions and amend or repeal outdated or otherwise problematic provisions
of the School Code. ISBE has introduced similar pieces of legislation over the last several
years.

Elimination of the Supplemental General State Aid (SGSA) report: School districts with an
Average Daily Attendance of more than 1,000 but less than 50,000 students and that receive
SGSA are required to submit an annual report to ISBE on how the funds will be spent.

The proposal to eliminate the SGSA report is due to an ongoing review of agency critical
functions and duties. Most districts receiving large amounts of SGSA funding have a very high
percentage, 90+%, of low income students so the funding naturally is expended to benefit those
students. Original legislation was flawed in that it required districts with over 1,000 ADA to
submit an SGSA plan (which is currently approximately 600 of the 870 districts). In many cases
these districts may only receive a small amount of SGSA funding due to the affluence of their
student populations while some poor small districts may receive hundreds of thousands of
dollars in SGSA funding and do not have to file a SGSA plan. It has been determined that this
report does not bring significant benefit to the agency or to districts and it would be preferable to allow the districts to use this time to fulfill more important mandates such as providing special education and transportation services. Elimination of the report reduces time and effort for the ISBE employee responsible for this report. Several months of effort are required to assure that the SGSA plans are filed and are in compliance with the law.

**Federal Grant Distribution:** This proposal would add explicit authority in the State Finance Act [30 ILCS 105] for State Board of Education to process payments for federal grants provided primarily by the United States Department of Education, Agriculture or any other federal agency in subsequent state fiscal year(s). In general, federal grants are awarded and made available for obligation for a 27 month period of time. State Board of Education reimbursement of eligible federal expenditures to local education agencies extend past the confines of the 14 month state fiscal year (i.e. July 1 – August 31) due to the extended life of the federal grant. This statutory change would not require any changes to agency policy but will allow our Funding and Disbursements Division to process grants in a manner that comports with the law and avoid potential audit findings in the future.

**SB7 Trailer Bill:** The Illinois Association of School Administrators, the Illinois Education Association and other stakeholders have begun work on a trailer bill that will provide clarification to Senate Bill 7; at this point, language remains in development and encompasses technical drafting error clean-ups, corrections to issues identified during implementation, and some statutory clarification language. It is anticipated that the Senate sponsor will move forward with a bill during the Spring 2013 session.

**FY 14 Budget:** Governmental Relations staff will work with the Budget staff to advocate for the Board’s FY 14 budget recommendation as well as any other related legislation.

**Classrooms First Commission:** In addition to agency initiatives, staff expects various initiatives to be introduced by the Governor and Lt. Governor's offices as a result of recommendations from the Classrooms First Commission that was chaired by Lt. Governor Simon. The final report can be found at:  [Classrooms First Commission Final Report](#).

The recommendations of the Commission were divided into three categories: reorganization, shared services, and in-district efficiencies:

**Reorganization**

Identify Districts for Voluntary Reorganization or Shared Services:

1. Require the State Board of Education to complete feasibility and efficiency studies for districts in counties with small and declining school-age populations, subject to a specific appropriation for the purposes of carrying out the recommendation.
   - Allow districts with high performance and financial stability to opt out.
   - Identify eligible counties through the Department of Commerce and Economic Opportunity/U.S. Census population projections through 2030. [This would currently affect 16 counties having declining school-age populations under 5,000 students. See Page 25 for a list of these counties.]

2. Require the State Board of Education to convene a study group to develop a district efficiency profile calculation, giving consideration to performance, finances, demographics and size, subject to a specific appropriation for the purposes of carrying out the recommendation.
Use the efficiency profile to identify district efficiency mentors and those districts that could potentially become candidates for reorganization and/or shared services.

Reduce Barriers to Voluntary Reorganization:
3. Allow non-contiguous but compact school districts to reorganize if contiguous school districts reject reorganization.
   - Currently, only districts that share a border are allowed to reorganize into a new district.
4. Permit districts under 750 student enrollment to dissolve with or without a referendum.
   - Currently, only districts under 5,000 residents may seek dissolution with or without a referendum.
5. Establish a hold harmless provision that would maintain grant and entitlement funding levels for four years following a dual district to unit district reorganization.
   - Currently, the newly formed district could face reduced grant and entitlement assistance after reorganization.
6. Implement a tax inequity “step-down” for dual district to unit district reorganizations.
   - This would allow the new unit district to initially tax at the same rate as the combined dual district rate. This combined rate would then gradually lower by $0.60 each year until the rate has reached the maximum unit district rate of 4 percent or below.
7. Pilot a reorganization school construction program.
   - Target construction money for districts that would like to reorganize but need new buildings, additions, and/or building renovations.
   - Participation in the pilot would be limited to new districts formed through reorganization, districts that annex all the territory of another district, or districts forming a cooperative high school.
8. Allow for a delayed reorganization effective date.
   - This would allow reorganizations needing a new facility to hold a referendum vote, but delay the effective date of the reorganization until construction funding is available.

Modernize Incentives:
9. Convene a commission to review and revise reorganization incentives.
   - The commission would review current incentives and consider changes in order to more accurately reflect the actual costs of reorganization.

Shared Services

Identify Districts for Shared Service Agreements
10. Use Financial Profiles to trigger shared service and efficiency studies, subject to a specific appropriation for the purposes of carrying out the recommendation.
   - Require Regional Offices of Education/Intermediate Service Centers to conduct shared service and/or efficiency studies of districts on the “early warning” or “watch” financial profile lists published by the State Board of Education each year.

Reduce Barriers to Shared Service Agreements
11. Create a web-based Resource Management Service, subject to a specific appropriation for the purposes of carrying out the recommendation.
• Direct the State Board of Education to provide resource management software to allow similar districts to compare operational expenditures and identify cost savings in instruction, transportation, food services, administration and facility maintenance.

• The software platform should allow districts to develop “what if” scenarios, incorporate proven practices into their operations and communicate costs savings to the public.

• If every district realized 5 percent savings using this software, it would allow for $1 billion to be redirected to the classroom.

12. Develop a resource repository, subject to a specific appropriation for the purposes of carrying out the recommendation.

• Establish an online repository for existing shared service and outsourcing agreements, along with examples of proven efficiency practices that could be replicated.

• Include shared service models among school districts and with other entities, such as municipalities.

13. Establish a revolving fund to support shared service and efficiency initiatives, subject to a specific appropriation for the purposes of carrying out the recommendation.

• Create a state-operated revolving fund to support district efficiency studies and shared service start-ups, which often have up-front costs.

• Districts would repay short-term, low-interest loans from savings gained through newly implemented shared services and/or other operational efficiencies.

14. Exempt shared services from restrictions for third party non-instructional services in 105 ILCS 5/10-22.34(c), as amended by P.A. 095-0241.

• This statute places certain restrictions on non-instructional outsourcing that should not apply to school districts cooperating with each other in shared service agreements.

Streamline P-12 and P-20 Education Offerings

15. Establish accelerated P-12 learning options.

• Create new learning options based on standards attainment and allow for accelerated graduation options.

• Move away from current requirements based on seat time and completed course credits and move toward a system that would allow eligible students to follow individualized learning plans, proceed more effectively through the learning process, and potentially graduate earlier.

16. Align curriculum and services across P-20 education sectors.

• Develop a statewide system of P-20 education partners (school districts, community colleges, and four-year institutions) to increase college and career readiness and reduce the need for post-secondary remediation.

• Align curriculum, expand dual credit, create senior capstone projects, share teaching, create early intervention strategies and continuous support systems for at-risk students, and facilitate seamless transfer of high school graduates into higher education and careers.

17. Create P-20 learning pathways.

• Support implementation and statewide scale-up of the Illinois Pathways Initiative, offering students access to Science, Technology, Engineering and Mathematics (STEM) Programs of Study through STEM Learning Exchanges.

• Foster local programs through public/private partnerships, including both the academic and business communities.

18. Develop P-20 technology infrastructure.
Develop the means to provide broadband connectivity, wireless access, and computing hardware for all schools, educators, and students.

- Coordinate with statewide broadband projects, national FCC and e-Rate projects, and regional consortia.

**In-District Efficiency**

**Make Budgets Predictable**

19. Adopt a two-year state budget cycle.
   - Provide state appropriations on a two-year cycle to help state-funded school districts project revenues, make efficient budget decisions and avoid costly practices of unnecessary layoffs.
   - Absent a two-year budget cycle, the state should align its budget calendar most closely with the school calendar, and establish a sliding deadline that links when districts must submit a final budget to ISBE to the date a budget for ISBE is adopted.
   - This recommendation would require a constitutional amendment.

20. Allow mandate flexibility, subject to a specific appropriation for the purposes of carrying out the recommendation.
   - Provide districts the ability to seek a waiver to any mandate in the School Code unless a separate appropriation has been established. Certain mandates would be exempt from this provision and thus still require implementation from school districts regardless of the funding available. Currently this provision only applies to mandates established after August 20, 2010.

**Produce Statewide Economies of Scale**

21. Provide online professional development, subject to a specific appropriation for the purposes of carrying out the recommendation.
   - Allow school district staff to complete mandated trainings online by directing the State Board of Education to partner with a vendor or vendors to scale-up existing offerings for statewide use.
   - Develop content and determine which trainings should be completed in workshop settings.
   - Permit districts to use banked professional development time in full-day or half-day increments to avoid incurring half-day costs if they so choose. Currently, time must be used in half-days only.

22. Provide interactive personnel registries.
   - Direct Regional Offices of Education/Intermediate Services Centers to make interactive software available for use in registering and placing substitutes.
   - State agencies should collaborate to develop an online tool for criminal history record checks.

23. Increase access to statewide database licenses, subject to a specific appropriation for the purposes of carrying out the recommendation.
   - Provide cheaper access to major school library database licenses on a statewide basis instead of district-by-district.
   - The state could directly purchase database subscriptions, share the cost of subscriptions with local school districts, or offer state negotiated rates to school districts.

**Next Steps**
We anticipate the Board will provide direction on legislative initiatives discussed above at today’s meeting. In addition, Governmental Relations will continue discussing legislative needs with internal staff, the education field and the Board, and will come back before the Board with any additional legislative initiatives.