



Illinois State Board of Education

Jesse Ruiz, Board Chair
Dr. Christopher Koch, State Superintendent

Illinois State Board of Education*

100 North First Street Street
4th Floor Board Room
Springfield, Illinois 62777
217/782-2221
217/785-3972 (fax)

SCHEDULE AND AGENDA OF MEETINGS November 19-20, 2003

(A live audio stream, via the Internet, will be available during the meetings on Wednesday and Thursday.)

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Wednesday, November 19 1 to 5 p.m.
Thursday, November 20 9:30 to noon

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WEDNESDAY, November 19, 2003

10:00 a.m. Education Policy Planning Committee Meeting
4th Floor Board Conference Room

Call-in Toll Free: 1-800-559-0862
Passcode 9705223 followed by the # key

- Streamlining the Teacher Certificate Renewal System
 - [Cover](#)
- Rules-Part 25 (Certification)
- English Language Acquisition/Proficiency Standards
- Supplemental Education Service (SES) Providers
- Appeals Advisory Committee Recommendations
- Discussion of the strategies for addressing middle school performance

11:45 a.m. Lunch

1:00 p.m. A. Call Meeting to Order/Roll Call
4th Floor Board Room

B. Presentations

- Presentation of financial needs of Districts represented by the Large Unit District Association

(LUDA) (pp. 1-2)

- Presentation of Property Tax/School Funding
- Reform Initiative by the Center for Tax and Budget Accountability
- Fiscal Year 2005 Budget Options (pp. 3-5)

2:30 p.m. Break

2:45 p.m. B. Presentations Continued

- Development of the English Language Acquisition/Proficiency Standards (pp. 6-8)
- Rules-Part 25 (Certification) (pp. 9-124)

3:45 p.m. C. Items for Discussion

- Appeals Advisory Committee Recommendations (pp. 125-130)
- Approval of Additional Supplemental Education Service (SES) Providers (pp. 131-138)
- ISBE Monthly Reports: Finance, Audit and Agency Operations Status (pp. 139-158)
- ISBE Accomplishments and Planning Report

6:00 p.m. Dinner/Closed Session (as needed)

THURSDAY, November 20, 2003

8:00 a.m. Finance & Audit Committee Meeting

4th Floor Board Conference Room

Call-inToll Free: 1-800-559-0862

Passcode: 9 7 0 2 2 8 6 followed by the # key

- Review of the Superintendent's Travel Analysis (July 2003-September 2003)
- Review of the Department of Education Audit of ISBE's LEA Single Audit Monitoring Process
- Review of FY05 Budget

9:30 a.m. PLENARY BUSINESS MEETING

A. Call Meeting to Order/Roll Call

4th Floor Board Room

B. Presentation

- Petition by the East St. Louis Board of Education for the Dissolution of the East St. Louis FOP

C. Public Participation

D. Approval of Minutes

- October 22-23, 2003 (pp. 159-254)

E. Action Items

- Appeals Advisory Committee Recommendations
(*pp. 125-130*)
- Approval of Additional SES Providers (*pp. 131-138*)
- Acceptance of ISBE Monthly Reports (*pp. 139-158*)

F. Announcements and Reports

- Superintendent
- Chairman
- Committees
- Members

G. Other Information

- **Monthly Status Report on Rulemaking** (*pp. 255-256*)

12:00 p.m.

Adjourn

*All State Board of Education meetings listed on this agenda will be accessible to persons with disabilities. Persons planning to attend who need special accommodations should contact the Board office no later than the date prior to the meeting.

Contact the Superintendent's office at the State Board of Education, 100 North First Street, Springfield, Illinois 62777-0001.

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Illinois State Board of Education

100 North First Street
Springfield, IL 62777

November 19-20, 2003
State Board Meeting

ILLINOIS STATE BOARD OF EDUCATION

100 North First Street
4th Floor Board Room
Springfield, Illinois 62777

Wednesday, November 19, 2003

<p><u>Call Meeting to Order/ Roll Call</u></p>	<p>Dr. Steiner called the November 19-20, 2003 Illinois State Board of Education meeting to order at 1:03 p.m. She then proceeded to request that the roll be called. A quorum was present.</p> <p>MEMBERS PRESENT: Janet Steiner Dean Clark Gregory Kazarian Joyce Karon Beverly Turkal Ronald Gidwitz</p> <p>MEMBERS ABSENT: Richard Sandsmark (joined the meeting at 3:51 p.m.) Judith Gold (joined the meeting at 1:45 p.m.)</p> <p>Dr. Steiner stated that the meeting would be a two day meeting in which the Board would have on the first day a series of presentations and discussions and on the second day concurrent Board action would follow.</p>
<p><u>Presentations</u></p>	<p>Dr. Steiner announced that the Board would begin their meeting with a series of presentations. She informed the Board that the first presentation would be given by Robin Miller of the Large Unit District Association (LUDA) discussing the financial needs of districts represented by LUDA. Dr. Steiner also stated that Ms. Miller would be joined by Dr. Steve Swanson, Superintendent of Huntley School District 158 and Mr. Tom Leahy, Superintendent of Quincy District 172. The Chair said that the purpose of the presentations would be for the Board to better understand the financial status of LUDA districts and the other financial issues facing all school districts.</p>
<p><u>Presentation of financial needs of District represented by</u></p>	<p>Ms. Robin Miller thanked the Board of Education for allowing the Large Unit District Association to present the financial status of the districts represented by LUDA. She then proceeded to give an introduction of LUDA by giving</p>

LUDA

a detailed description of the districts that LUDA represents. Some facts from the presentation included:

- LUDA's membership includes the largest unit (K-12) public school systems in Illinois.
- LUDA's membership is open to all IL unit districts that serve 3,500+ students. The total enrollment of LUDA is 900,000 as compared to the 2,044,539 of the state.
- LUDA provides a support network to superintendents through colleague mentorship and critical analysis of issues and responsibilities.
- 434 schools from 21 LUDA districts are on the School Improvement Status List.
- A survey of education revenue sources (for LUDA members) indicated that 59.48% are local, 34% are state and 18.84% are federal.
- Per pupil expenditures show an average of \$4,266 per student for LUDA members compared to the state average of \$4,842.
- 58% of LUDA districts are increasing in enrollment.
- 86% of LUDA districts are in deficit spending with a combined total deficit of \$115 million.

After giving an overview of the LUDA districts, Ms. Miller requested that Dr. Steve Swanson, Superintendent of Huntley School District 158, a district with an enrollment increase of 20% per year and Dr. Tom Leahy, Superintendent of Quincy School District 172, a district with decreasing enrollment to share their districts' financial challenges.

Dr. Swanson then began to discuss their district's challenges with regard to their increasing enrollment and attempts to get out of the deficit that the district is currently. He stated that in the last six years, the district has built a high school and middle school complex, two elementary schools, and additions to the middle school/high school complex. It is projected that by the time these schools are built, District 158 will have 2,600 more students than they currently have, and thus will need classrooms for students to learn in.

Due to these enrollment increases, the school district is planning to build two middle schools, two elementary schools, and a transportation and administrative center, with approval of the referendum. This \$80 million project

will increase the property-tax rate 25.5 cents, or \$160 a year for someone with a \$200,000 house. (The two previous programs to build schools did not increase property taxes.) According to Superintendent Swanson, if the referendum fails, District 158 will not be able to keep pace with the increasing number of students. The next district referendum will not be for school construction, but to pay for salaries for teachers, administrators, and support staff. The district speculates that this referendum is likely to be in March of 2004.

Superintendent Swanson then proceeded to discuss the challenges surrounding the district's attempts to provide an education program within fiscal constraints by discussing further enrollment projections, residential developments, state funding decreases and delays, property tax "lag", general state aid formula conflicts, and their debit limit as well as impact fees. As District 158 continues to strive to become financially sound, Dr. Swanson proclaimed that the district is working hard in the following areas:

- Monitoring the growth of student enrollment,
- Reacting to state changes and reductions in funding,
- Maintaining educational programs to community expectations,
- Monitoring student performance toward greater student achievement,
- Seeking a tax rate referendum,
- Adopting a referendum question establishing amount at the December 2003 meeting, and
- Reducing additional staff and/or conducting a program review.

Dr. Schiller thanked Superintendent Swanson for sharing with the Board the challenges faced in his district and then welcomed Mr. Tom Leahy, Superintendent of Quincy School District 172 to present their financial status to the Board. Mr. Leahy thanked the Superintendent and Board for the opportunity to address the Board and then introduced Herb Jackson, one of his school board members and Ed-Hoc Revenue Chair. Before beginning, Mr. Leahy stated that he wanted to make the point that the district was spending in excess of the foundation level. In addition, the district may also consider putting their

reserves in a separate fund.

Superintendent Leahy stated that the district is working hard and doing a lot of good things to educate the students in grades Pre K-12 in their district. He stated that this could be evidenced by the Spotlight School Awards that Quincy received. He also stated that the district will be taking advantage of a small community learning grant that will enable them to use a program entitled "First things First" to restructure their high school into smaller learning communities to improve the environment. In addition, for the coming year, the district has a balanced budget. In December, the district will start a Students First Illinois Chapter, which they hope to take to a global approach with businesses in collaboration with the community through proposals of working cash bonds or through a referendum.

Superintendent Leahy then requested that Herb Jackson, Ed-Hoc Revenue Chair discuss the initiatives of the Ed-Hoc committee. He stated that the revenue committee consists of the city comptroller, the director of the Chamber of Commerce, the newspaper media, two doctors of education, and another Board member. The committee is meeting with the mayor on their budget proposal for a local option tax, which is a part of the district's Revenue Focus Plan. If this attempted measure does not pass, the district will then attempt a referendum.

Mr. Jackson stated that some other options that the district may explore include:

- conducting an alumni contribution drive
- moving to a four-day school schedule
- serving on the Educational Funding Advisory Board (EFAB)
- doing paperless Board meetings
- creating a tax referendum
- exploring the institution of charter schools
- conducting celebrity fundraisers and other fundraiser
- consolidating City Services (i.e. purchases of gas for buses)
- revisiting of various financial options with local banks
- having a one year salary freeze
- exploring school bus utilization

	<p>Mr. Leahy stated that he requested that Mr. Jackson come to present to the Board so that the Superintendent and Board members can see the work that the district is doing toward balancing their budget and maintaining their financial status. Among these attempts, Mr. Leahy stated that the district has not been able to pass a referendum. He stated that he would like the Board to take the recommendations of EFAB in totality. In addition, he stated that he would be willing to testify to the legislators regarding the financial needs of his districts and the state.</p> <p>Ron Gidwitz and Greg Kazarian stated that there is particular credibility with these districts, who have demonstrated their attempts to use their resources effectively that produce great results in student achievement, presenting to the legislature regarding budgetary needs around our state. Joyce Karon stated that she believes it is also necessary to have districts as they are talking about being in deficit and having to cut programs to go back and see how much they have cut and see what the cumulative effect has been over the course of 5-10 years.</p> <p>Dr. Schiller then thanked Ms. Miller, Superintendents Swanson and Leahy, and Board member Herb Jackson for agreeing to come and discuss the development of constructing the recommended state budget for education. He stated that the needs of these different districts are various in nature but to the meet the needs of these districts, the state is clearly going in the wrong way in terms of funding.</p>
<p><u>Presentation of Property Tax/School Funding Reform Initiative</u></p>	<p>Dr. Steiner then stated that the second presentation would be given by Ralph Martire of the Center for Tax and Budget Accountability on his center's Property Tax/School Funding Reform Initiative.</p> <p>Dr. Schiller then stated that the purpose of this presentation would be to inform the Board of some proposed school funding options developed by the Center for Tax and Budget Accountability that could assist the school districts in our state in finding additional revenue sources for schools to reduce the property tax burden and correct some budget structural deficits.</p>

Ralph Martire then commenced his presentation by describing the Fiscal System Basics of the Center for Tax and Budget Accountability. He proclaimed that an effective state tax system is predicated on the following five cornerstones:

- Fairness
- Responsiveness
- Stableness
- Simplicity and Transparency
- Efficiency

According to Mr. Martire, Illinois has one of the most regressive (unfair) tax systems in the country. He stated that according to the Institute on Taxation and Economic Policy, after federal offsets, the bottom 20% of income earners currently pay 13.1% of their total income to the state in taxes, while the wealthiest 1% pay only 4.6%. Mr. Martire explained that the unfair nature of the state's tax system is due to a number of flaws in its basic structure. While Illinois income and sales tax burdens are less than the national averages, its property tax burden is significantly greater.

He then proceeded to explain that the state's over reliance on property taxes is due in large part to constitutional constraints imposed on the income tax system. Due to these constraints, Illinois generates more from the property tax than it does from the personal income and sales taxes combined. The disproportionate amount of revenue raised from property taxes has resulted in a number of negative consequences for Illinois, most notably in education funding.

Most states, 45 of 50, impose a general sales tax. The main problem with the Illinois sales tax is it does not apply to most services. According to Mr. Martire, as services increasingly become a significant part of our economy, they have to be included in the sales tax base for it to remain a "stable" source of state revenue. Crafting sales taxes that apply to services primarily purchased by the wealthy, and adding or increasing existing refundable credits available to low-income families on their income taxes, should address the aggressive concerns.

However, due in large part to the inadequacies of its income tax system, Illinois has become over reliant on

local property tax revenues, particularly to fund education. As a result, Illinois property tax burden are heavy and disproportionate compared to national averages. In FY2000, Illinois collected \$15.3 billion in property taxes. That is more than Illinois collected in personal income taxes (\$8.3 billion) and sales taxes (\$6.6 billion) combined.

Mr. Martire then discussed his center's ideas of how to reform the Illinois Tax System. He stated that two primary goals of tax reform in Illinois should be:

1. eliminating the structural deficit to ensure the state can continue to provide essential services into the foreseeable future; and
2. reforming the way the state funds education, to break the tie between affluence of a community and the quality of public education it delivers.

Some basic elements of systemic tax reform Mr. Martire discussed include consideration of the following:

- requiring accountability from all government spending,
- enhancing income tax revenue by both increasing the rate and ensuring all meaningful types of income are subject to taxation,
- expanding the sales tax base to include, at least, personal services and entertainment, and
- designing all tax revenue increases in a manner that does not have a negative impact on low and moderate-income families, and/or use refundable tax credits to eliminate all such negative impacts.

Mr. Martire then went on to discuss the implementation of a property tax relief through structuring a 25% Property Tax Relief as an abatement, with a guaranteed minimum per school district. For example, each school district will receive at least 20% property tax relief, but some in poorer areas would receive a greater percentage. Differential will be allocated taking into account poverty and tax effort. The purposes of an abatement would be to ensure that no school district loses any funding and that they would have a guaranteed minimum amount of relief while maintaining flexibility to provide poor school districts

	<p>with greater relief.</p> <p>At that point, several Board members thanked Mr. Martire for presenting the ideas from his center to aid them in their endeavors to look at school funding reform in the State of Illinois in a different way toward improving schools and districts for the children they serve.</p>
	<p>At 3:45 p.m. Dr. Steiner announced that the Board would take a break before the FY05 Budget Option discussion.</p>
<p><u>Fiscal Year 2005 Budget Options</u></p>	<p>At 3:52 p.m. Dr. Steiner then called the meeting back to order by stating that the Board would now hear from David Wood concerning the Discussion of the FY05 ISBE Budget Options.</p> <p>Dr. Schiller stated that the purpose of bringing the presentation forward was to assist the Board in continuing to develop their FY05 Budget recommendations by comparing the FY2004 General Revenue Funds of the Illinois Economic and Fiscal Commission and the Governor's Office of Management and Budget.</p> <p>David Wood then proceeded to discuss the FY05 General Revenues Funds by item as well as the total state sources, federal aid, pension obligation bonds, total FY04 revenues, total FY03 revenues, and FY04 revenue growth.</p> <p>Dr. Schiller then called the Board's attention to the FY05 Budget Options spreadsheet that was discussed in the October meeting. He stated that he would like direction from the Board concerning the funding levels and the State Board's recommendation for a funding level per pupil as the deadline for submission would be January 14, 2004. There was some concern expressed by Board members as to if there would be enough time to develop a complete recommendation to submit at the December 17-18 Board meeting. Mr. Wood stated that staff has been working and are prepared to have a recommendation available with Board assistance and input.</p> <p>There was also some discussion as to how the Budget options spreadsheet should represent the proposed budget plan. Ron Gidwitz and Greg Kazarian both agreed that there should be some rationalization within the spreadsheet explaining the increases and decreases in</p>

funding allocations in certain areas.

Mr. Wood also explained that some of the allocations in the FY05 Budget Options spreadsheet were recommendations of the Superintendent regarding improving our elementary and secondary education system. Superintendent Schiller then requested the Board's opinion on his proposal of drafting a strategic plan that would map out the educational goals for the state. Board members agreed that it is necessary to have a plan in place, a vision by which the state can move forward in achievement toward 2014. A reoccurring point made by many Board members was that it is important to correlate the academic goals and needs with funding goals and needs to give better support to the state's districts. The goal would be to get money out to schools, not internally fund the agency. Mr. Gidwitz asked that Mr. Wood create a spreadsheet that would show the consequences of **not** receiving the funding district by district. Dr. Schiller stated that there may be another segment added that outlines what will happen if the funding is not received. Board members concurred that this would be necessary.

Greg Kazarian then inquired as to what the public response was. Mr. Wood stated that there were a total of 350 comments, some of which are not normally received. Budget hearings will not be conducted. Therefore, the public has been encouraged to log on to the website and respond and/or present themselves at the monthly State Board meetings.

The timeline of adoption was then discussed again. The Board discussed the possibility of having an early January meeting. However, it was decided that budget staff would work to have a recommended draft for the Board to edit toward adoption. In the case that a special meeting would need to be called after the December meeting, the Board would meet to adopt the budget. The Board members then also suggested that staff send the document in pieces for them to edit to move along the process toward adoption.

Joyce Karon stated that she would like the Board to be mindful of those programs that are priority programs. Greg Kazarian stated that he does not believe it would be wrong for the legislature to disagree with our priorities. In

	<p>addition, he stated that it would not be wise to adjust our behavior according to the expectations of the legislature.</p> <p>Bev Turkal then said that when the fine arts and other programs are taken out of our schools, it becomes a real hardship for students that will be reached through the fine arts arena. Other Board members concurred with Ms. Turkal that research shows that music and art are very much correlated with the math, language development, and reading. Therefore, these types of programs should not be viewed as alternative or “additional” programs to the “regular” academic curriculum.</p>
<p><u>Development of the English Language Acquisition/Proficiency Standard</u></p>	<p>Dr. Steiner stated that the next presentation would be the Development of the English Language Acquisition/Proficiency Standards.</p> <p>Dr. Schiller then requested that Greg Kazarian, the Chair of the Education Policy Planning Committee summarize the discussion that took place regarding the development of the standards in committee.</p> <p>Greg Kazarian reminded the Board that ISBE staff members have been working with Illinois teachers, administrators, experts, and consultants as part of a consortium and not in isolation to develop the standards. Mr. Kazarian further asserted that the committee reviewed the work plan and the efforts of the consortium, and is looking forward to seeing the develop of the standards through their adoption in February 2004. Discussion also focused on testing and implications involving NCLB. The standards will drive the creation of test items for language proficiency testing in grades K-12 in 2005. Language proficiency testing is required by Titles I and II.</p>
<p><u>Rules—Part 25 (Certification)</u></p>	<p>Dr. Steiner then announced that the final presentation would be the Rules—Part 25 (Certification). She stated that the purpose of this item was to present the proposed amendments for Board discussion and to make the Board aware of issues and options related to the proposed rulemaking. In addition she stated that it is expected that staff secure the Board’s direction for development of a formal rulemaking proposal at the December meeting.</p> <p>Dr. Schiller stated that these rules are under consideration by the State Teacher Certification Board (STCB) and the</p>

	<p>rules have been reviewed, the STCB had given a direction, and some modifications will be presented to the Board next month.</p> <p>Greg Kazarian added that in the committee meeting there was specific discussion concerning the middle school question as to whether certification and endorsement would be considered. Mr. Kazarian stated that there was a lot of third-party participation that helped tremendously in the discussion.</p>
<u>Items for Discussion</u>	<p>Dr. Steiner then informed the Board that it was time to move on to discussion items for concurrent Board action in the plenary session. She stated that the first item for Board discussion would be the Appeals Advisory Committee Recommendations.</p>
<u>Appeals Advisory Committee Recommendations</u>	<p>Dr. Schiller then requested that Greg Kazarian summarize the discussions held in the Education Policy Planning Committee meeting concerning the appeals.</p> <p>Mr. Kazarian stated that the committee discussed the appeals submitted by Aurora West District #129, Aurora East District #131, and Decatur District #61. The committee was in support of the recommendations of the Appeals Advisory Committee regarding Aurora East #131 and Aurora West #129. However, with regard to Decatur District #61, the Education Policy Planning Committee discussed rejecting the recommendation and requiring that public school choice be instituted for second semester 2003-2004 as the agency cannot disregard the federal law, even though the district was depending on the state for notification of the requirement to offer choice.</p>
<u>Approval of Additional Supplemental Education Service (SES) Providers</u>	<p>Dr. Steiner then called for the next item for Board discussion: the Approval of Additional Supplemental Education Service (SES) Providers.</p> <p>Dr. Schiller stated that the purpose of this agenda item would be to inform the Board of the results of the review of applications received from potential SES providers and to update the Approved List of Supplement Education Service providers as required by Section 1116 (e) of the No Child Left Behind Act. Dr. Schiller then stated that the Board would take action on approving or disapproving the</p>

	<p>proposed additional providers at the following meeting the next day.</p>
<p><u>ISBE Monthly Reports: Finance, Audit and Agency Operations Status</u></p>	<p>The next item for Board discussion was the ISBE Monthly Reports.</p> <p>Dr. Schiller then stated that staff worked to provide to the Board the monthly standard reports with key information on fiscal and administrative activities of the state agency. He then walked through each of the routine reports.</p> <p>Superintendent Schiller asked if there was anything that the Board had questions about concerning the routine reports.</p>
<p><u>ISBE Accomplishments and Planning Reports</u></p>	<p>As there were no questions from the Board concerning the monthly reports, Dr. Schiller proceeded to introduce the Accomplishments (July 1—October 31, 2003) and Goals (November 1—February 29, 2004) report. Superintendent Schiller then requested staff discuss the accomplishments, goals and objectives of the report.</p> <p>Mr. Gidwitz voiced a concern about constructing an accomplishment report without also stating what the agency needs to improve upon. Dr. Schiller stated that the goal of the report was to highlight the many accomplishments of the agency as well as to set goals for projects and programs to be accomplished in the months ahead. The Superintendent then stated that staff would also work to create a document detailing the gaps in agency functions and lessons learned with regard to what has been deferred and/or not being done (and why) and how this would be changed and/or corrected.</p> <p>At that point, Clay Slagle began with an introduction to the presentation on the report by stating that the report was tied to each of the ISBE goals, that staff would discuss how each goal tied into the report and then describe concurrent agency initiatives that require collaboration between many centers on certain projects.</p> <p>Lynn Curry addressed the first ISBE Goal: Support local districts in helping all students meet the Illinois Learning Standards and in closing the achievement gap by highlighting some accomplishments of the Planning and Performance Center. Some highlights of the center</p>

include:

- The release of the Request for Sealed Proposals for the enhanced regular state tests (ISAT and PSAE) for administration beginning in the spring of 2006,
- Completion of the K-8 "Illinois Assessment Frameworks",
- Calculated AYP for the first time for nearly 4000 public schools using NCLB criteria, and
- Designed CD-ROMs with all ILS Performance Descriptors, to be distributed to districts through ROEs.

Dr. Curry then requested that Mary Anne Graham discuss the Illinois Assessment Frameworks. Mary Anne Graham gave an overview of the assessment frameworks and how they have been received in the field. She stated that the main question in the field has been, "What do we do with them?" Dr. Graham stated that she continues to emphasize that the frameworks are to be used as a tool to align the curriculum to ILS in an easier way.

Dr. Curry then proceeded to discuss the goals of the Accountability Division, as tied to Goal 2: Generate policies, programs, products, and services that support local district efforts to ensure student success. The goals of this division include:

- Bring ESL standards to State Board for approval in December.
- Continue to work with USDOE to improve Reading First implementation at the district level, in compliance with federal guidelines.
- Select 6 High Schools that Work sites and conduct initial site development workshops.

Mr. Kazarian then stated that the accountability goals that have been developed need to be streamlined to schools, especially schools on special status to get out accurate communication to them regarding these accountability measures. Dr. Schiller positively affirmed Mr. Kazarian's statement by stating that the agency is now in the position for notification of academic watch list status and developing the AYP lists. Dr. Curry also stated that indeed the notification of these goals would be done in coordination with the Public Information Center. David Wood then addressed ISBE Goal 3: Provide

advocacy and leadership for adequate and equitable funding of Illinois public schools in the correlation with ISBE Goal 1 regarding student achievement.

Mr. Wood called on Dave McDermott to discuss his division collaboration in making allocations in accordance with the business plans. Mr. McDermott stated that the Financial Management's division goal was to ensure the integrity of the agency financial resources and processes by:

- Seeking sufficient appropriation authority to support the Board's goals and priorities,
- Ensuring timely and appropriate allocations (tied to business plan) of available resources to support the Board's goals and priorities, and
- Funding and Disbursements Division implementing mandated electronic transmission of the major state approval or claim programs via IWAS which include: General State Aid, Regular/Vocational/Special Education Transportation, Special Education Pupil and Personnel, Driver Education, and Summer Food Service program.

After David Wood followed with a discussion of other goals such as providing agency staff with the appropriate tools to necessary to perform their work and providing leadership, programs and services to schools to support their efforts to fund schools and ensure student safety and success, Lugene Finely proceeded to discuss ISBE Goal 2: Generate policies, programs, products, and services that support local districts efforts to ensure student success.

Mr. Finley then reviewed the accomplishments and goals of the Information Technology division. Some accomplishment highlights include:

- Implementation and enhancement of Phase I of the Online Teacher Information System (OTIS),
- Enhancement of financial reporting in MIDAS, and
- Providing web-based application signup and approval process to school nutrition and day care nutrition.

Some goals that were discussed by Mr. Finely include:

- Development and implementation of the eGrant

Management System(eGMS) by school year 2004-2005,

- Implement Phase II of the Online Teacher Information System,
- Conduct a feasibility study and requirements analysis for the development and implementation of the ISBE Data Warehouse by February 16, 2004, and
- Adopt and promote technology literacy standards for all students, staff, and schools.

Mr. Slagle reemphasized that the goals from each division and center were developed in accordance with the agency business plan using the Baldrige foundation model from the Lincoln Foundation. Therefore, careful planning and projection were made concerning the goals for the division and department and how they correlate with the overall goals and objectives of the agency.

At that point Dr. Lynne Curry highlighted some goals from the Planning & Performance team. She stated that the System of Support division has coordinated assistance partnerships and are beginning to line up within the agency and with other partners (who are not being paid) to assist districts with school improvement, aligning their curriculum with the standards, having highly qualified teachers, and providing optimal services to children. Some of the partners who have made themselves available to assist in this endeavor include:

- The Illinois Business Roundtable
- Northern Illinois University (e Report Card)
- Illinois Association of School Boards (data analysis training/district improve plans)
- Illinois Resource Center
- Regional Offices of Education (standards aligned classroom training)
- The Illinois PTA
- The Department of Human Services

After the reporting of the goals and accomplishments, Dr. Schiller stated that the capacity to assist districts and schools as well as the capacity to personally respond to inquires has been lost it. He cited as an example the agency losing 26 people in teacher certification. These individuals were originally funded by fees collected by certificate holders that are no longer available as a

	<p>funding source for the department. The loss in capacity of the regional offices has also been loss to the state agency.</p> <p>Greg Kazarian stated that he would like to see staff identify the lessons learned from the period before and tie those lessons into the goals as well as state what was not completed, why it was not completed, and how can it be made better. Dr. Schiller stated that what the agency lacks is project management. He stated that the agency has exceptional educational experts in content but not experts in projects and content.</p> <p>Mr. Slagle stated that with a project manager there may be opportunities to word the Requests for Spending Proposals (RFSP) in a way that correlates to contract negotiations and relations. David Wood stated that the first step in this plan would be to develop an expenditure review committee in the first year of the grant, in the very beginning. The project manager would then be knowledgeable about who the agency is proposing a contract with, and what the criteria is to get the contract (working with legal in the process of getting to a contract). He stated that this then leads to the follow through and monitoring that is needed at the project level. Staff stated that currently there are issues with staffing and monitoring. It was stated that a project manager could help in this regard to make sure the projects are being moved along and the work is being done.</p> <p>Dr Schiller asserted that the accomplishments and goals report is a form of performance management reporting that the agency is moving toward. However, the process must be assessed to decide how the agency should reflect upon what is being reported, whether it is good, bad, or indifferent. In closing, Dr. Schiller emphasized that the organization has gone through a great organizational change. Using tools such as the accomplishments and goals reports will help focus the agency on refining and providing quality service to the children and schools ISBE services.</p>
<u>Recess of Meeting</u>	<p>Dr. Steiner then thanked staff for their presentation and stated that the Board would recess for the day and reconvene on Thursday, November 20 at 9:30 a.m.</p>

	<u>Thursday, November 20, 2003</u>									
<u>Call Meeting to Order/Roll Call</u>	<p>Dr. Steiner stated that the official Plenary Business Meeting of the Illinois State Board of Education would be called to order. She then requested that the roll be called.</p> <p>MEMBERS PRESENT:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">Janet Steiner</td> <td style="width: 33%;">Dean Clark</td> <td style="width: 33%;">Richard Sandsmark</td> </tr> <tr> <td>Joyce Karon</td> <td>Beverly Turkal</td> <td>Ronald Gidwitz</td> </tr> <tr> <td>Judith Gold</td> <td></td> <td></td> </tr> </table> <p>MEMBERS ABSENT:</p> <p>Gregory Kazarian</p> <p>There was a quorum present.</p>	Janet Steiner	Dean Clark	Richard Sandsmark	Joyce Karon	Beverly Turkal	Ronald Gidwitz	Judith Gold		
Janet Steiner	Dean Clark	Richard Sandsmark								
Joyce Karon	Beverly Turkal	Ronald Gidwitz								
Judith Gold										
<u>Presentation</u>	<p>Dr. Steiner then stated that the Board would begin the morning with a presentation from the East St. Louis Board of Education concerning their petition to dissolve the district's Financial Oversight Panel (FOP).</p>									
<u>Petition by the East St. Louis Board of Education for the Dissolution of the East St. Louis FOP</u>	<p>The chair requested that the Board welcome Robert Becker and Garrett Hoerner, attorneys for the ESL School District #299.</p> <p>Garrett Hoerner began the presentation by giving some background information on the formation of the East St. Louis Financial Oversight Panel (FOP) in 1994. He stated that the petition was granted with financial oversight without financial assistance. He then asserted that the district is requesting the removal of the certification label "in financial difficulty" as the district is no longer in this state and has an improved financial condition. One dispute that remains concerns the process of recommendation to the State Board to dissolve the East St. Louis FOP. According to Mr. Hoerner, the only criterion in the request for dissolution is that the financial status or situation of the district improves. He asked that the Board take into consideration what has been filed (financial plans and budgets) over the last several weeks and years.</p> <p>Mr. Hoerner stated that the responded has concurred with the statement that the district has dramatically improved its financial situation, and that the district has compiled the</p>									

	<p>financial plan as well as maintain a balanced budget since 1995. Mr. Hoerner further stated that the district received the highest financial profile status of financial recognition from ISBE with a score of 3.8 on a 4.0 scale. He stated that this status cannot be ignored as there is no need to have an FOP in a district that does not qualify for one.</p> <p>He stated that he would not go into the history or the numbers with regard to the disputes. However, he stated that the relationship between the district and FOP has been counterproductive in that there is little to no communication in existence. Mr. Hoerner cited that there is a power struggle over who will make district decisions on financial and administrative matters. He also claimed that the FOP has begun to increase their involvement instead of reducing the financial oversight as required by the School Code. He stated that regardless of the disputes, district improvements are clearly attributable to both. The district acknowledges and commends the service of the FOP in assisting the district in gaining the financial status that it has. However, he stated that the FOP's job is done, and it is time for the district to fully maintain and oversee its own governance as it is no longer a district in financial difficulty. Mr. Hoerner stated that the system worked. Therefore, the district is seeking the dissolution of the FOP. He stated that they further suggest that given the scheduling of the recommendation presentations, a transition of all financial matters be transitioned by June 30, 2004.</p> <p>Dr. Steiner thanked Mr. Hoerner and Mr. Becker for taking the time to present to the Board. She stated that the Board had received the information concerning the petition and would continue to review it.</p>
<p><u>Public Participation</u></p> <p><u>Dr. Barbara</u></p>	<p>Dr. Steiner stated that Public Participation would convene. She stated that individuals wishing to address the Board must have signed up prior to the time of Public Participation, and that the presentation must be specific to educationally-relevant issues and be addressed to the entire Board. Dr. Steiner also stated that due to the amount of individuals who signed up to speak, the participants would be strictly limited to three minutes in voicing their issue and/or concern.</p> <p>Dr. Steiner then called for the first public participant, Dr.</p>

**Habschmidt,
Executive Director
of the North Cook
ISC**

Barbara Habschmidt, Executive Director of the North Cook Intermediate Service Center. Dr. Habschmidt then proceeded to state that the North Cook ISC received a letter from Dr. Schiller on October 14, 2003 stating that they had received an \$800,000 System of Support grant. According to Dr. Habschmidt, on October 28, 2003 the SoS grant was rescinded by Lynne Curry, director of Planning & Performance without any meaningful or objective explanation. She stated that she therefore sent a letter to Dr. Curry on October 30, 2003 requesting that she clarify the reasons for rescinding the grant. Dr. Habschmidt asserted that she is yet to receive a response from Dr. Curry regarding the matter as North Cook ISC qualified for the SoS grant and met all of the requirements of the RFP. She stated that this was displayed when the district received the award letter from Dr. Schiller.

Dr. Habschmidt then proceeded to give examples as to how the North Cook ISC met the qualification for the SoS grant and why the grant should be reinstated immediately. She stated that the main conflict involved these issues:

- The RFP did not ask for a list of specific schools but that the grant was to be written for an entire super region.
- A different set of standards was used in suburban Cook County as a rationale to rescind the North Cook County ISC grant application.
- A different tactic for granting the award was used in the suburban counties.
- Due process was not afforded to the North Cook ISC before ISBE rescinded the grant application.

For these reasons, Dr. Habschmidt stated that she is requesting a formal investigation into the situation and immediate reinstatement of the \$803,623 SoS grant money to the North Cook ISC. In addition, she requested that a meeting would be convened in order to collaboratively identify a solution for using all the grant money available to the suburban Cook County super region for the 101 qualifying schools.

Julie Wilen, Ounce

Julie Wilen stated that she was a Senior Policy Associate

of Prevention

with the Kids Public Education and Policy Project (Kids PEPP), a joint project of the Ounce of Prevention Fund and Family Focus. She stated that they have worked on behalf of the Illinois State Board of Education's birth-to-three and pre-kindergarten programs for over 15 years. She then expressed her appreciation to the Board for the opportunity to comment on the Board's proposed FY 05 Budget Options as they relate to the Early Childhood Education Block Grant. Ms. Wilen asserted that for 17 years the Early Childhood Education Block Grant has helped to boost learning opportunities for the youngest and most vulnerable children. However, although 35% of Illinois children under age 18 are younger than age six, only 3.3% of the ISBE budget for FY 04 is spent on early childhood education. She stated that there are increasing concerns about the student achievement gaps, especially for low-income and minority students.

Therefore, she asserted that the Kid PEPP program strongly supports an increase in the early childhood education funding that includes:

1. a 3.3 % cost-of-living-adjustment (COLA) to ensure the maintenance of high-quality programming and needed services, and
2. the second-year (\$30 million) installment of the Governor's three-year pledge to invest \$90 million into the early education expansion.

She ended her presentation by proclaiming if the state truly wants all Illinois children to enter school ready to learn, and read by third grade, we must allocate scarce resources to reflect current research and real-life experiences about what works to improve school outcomes for young children—that high-quality early education significantly improves the scholastic success and educational attainments of children at risk, even into early adulthood.

Sean Noble, Voices for Illinois Children

Mr. Noble stated that he just wanted to underscore the comments made by Julie Wilen. He said that he was very pleased with the fact that during the Education Policy Planning Committee meeting discussions were taking place with regard to continuing the early childhood initiative that was endorsed not only by the Governor but by the Board as well.

He stated that the expansion of the Early Childhood grant

been developed. He stated that the concern is with having a trust fund that is funded by the royalty but not appropriated by the royalty.

Mr. Schreck then requested that Ted Mottaz, Chairman of the Illinois Leadership Council for Agriculture Education as well as chair of the National Council for Agriculture Education to give more of the specifics regarding the Agriculture agency's view of the FY 05 Budget and the Agriculture Education line item. He stated that the outreach of the line item is that the agency is concerned with quality education programs and instructors. In order to do this, there must be relevant curriculum that is user friendly and teacher-based. Through their project, the agency has been able to do that and put the materials in a form the instructors are able to use. When the program went national, royalties were then gained. In FY 00, the Illinois State Board of Education signed a curriculum royalty agreement with the Center for Agricultural and Environmental Research and Training, Inc. (CAERT). Once the royalties are retrieved, they are then put back into the budget in the non-general fund portion to continue to provide funds for continued quality education programs and instructors. However, that money was taken out of the appropriated \$700,000 line item, and a loss of \$57,897 was incurred. Mr. Mottaz stated that his goal was to make sure that the Board was aware of this as the money was gained from private funds. In addition, the agency is currently in line to receive \$70,000 from royalties. To prevent a similar situation from occurring, an interagency agreement between ISBE and Parkland College will be executed in conjunction with the amended curriculum royalty agreement with CAERT.

Ron Gidwitz suggested that the agency talk to the Illinois Chamber of Commerce with regard to retrieving the funds back as this problem has happened in other situations with other agencies.

Bev Turkal inquired as to the interagency agreement that the Agriculture Education agency is seeking to develop. Mr. Mottaz stated that the agreement was scheduled to be completed the following week.

Margaret Gall,
Supporters of

Margaret Gall, Co-president of Supporters of Advocates for Gifted Education (SAGE) stated that she appreciated

**Advocates for
Gifted Education
(SAGE)**

**Rich Buckler,
Director of
Research for
Decatur Public
Schools**

**Cynthia Woods,
Illinois Association
of School Boards**

the Board's consideration of the Gifted Education line item to be put back in the budget. She stated that it is important to not only reinstate the funding in the budget but the language in the School Code as well. Ms. Gall asserted that it is important to recognize gifted learners needs, and then take responsibility for ensuring that these needs are met. Further, she stated that these children will not just succeed "anyway" without programs that meet their needs. She proclaimed that 30% of dropout students are gifted children. Ms. Gall stated that if categorical funding is eliminated, it needs to be eliminated across the board. However, she stated the educational needs of the gifted student must be met.

Mr. Buckler thanked the Board for the opportunity to speak. He stated that he was the Director of Research for the Decatur Public Schools and came to the Board to because they need the help of the State Board. Mr. Buckler quoted from the Board packet on page 130 which states, "Illinois needs to be implementing NCLB as consistently as is possible within the federal framework." He then pointed out that the NCLB law states that the local education agencies use the state academic assessments and other indicators described in the State plan to review annually the progress of each school to determine whether the school is making adequate yearly progress. In addition, he quoted the law on the hurdles for meeting AYP and the state education agency's responsibility to make assessments available before the beginning of the school year. Mr. Buckler stated the district does not know the next hurdle of participation rates as they have not been published. He stated that the school could not have known if they had to offer choice before all of the information was retrieved. In addition, the school did make their AYP due to progress made in the 2002-2003 school year. Mr. Buckler then asserted that due to Harris Elementary School's progress and lack of information regarding their status, they should not have to offer choice another year.

Cynthia Woods stated that she would speak to the Board in developing quality programs. She began by noting the related discussions during the Board meeting concerning quality programs and management. Ms. Woods then extended an invitation to the Board to attend the 12th Annual National Quality Education Conference on

	<p>October 16-19, 2004 at the Hyatt Regency, Rosemont.</p> <p>She then proceeded to say that she was impressed with the fact that the agency is presenting a budget that explains the costs and rationalization of needed costs. Ms. Wood asserted that it is also important to show not only the financial deficit but the learning deficit as well with regard to the programs that have been cut and the effects these cuts have had on children and schools.</p>
<u>Approval of Minutes</u>	<p>Dr. Steiner then requested a motion to approve the minutes of the October 22-23, 2003 meeting. Dick Sandsmark moved that the Illinois Board of Education approve the minutes of the October 22-23, 2003 meeting as published. The motion was seconded by Ronald Gidwitz. Dr. Steiner then requested a vote on the motion. The motion passed as all members presented voted yes.</p>
<u>Action Items</u>	<p>Dr. Steiner stated that it was time for the Board action items. She informed the public that each item on the agenda had been reviewed by the appropriate committee and the full board discussed each item prior to the meeting. She stated that she would ask the Superintendent to summarize each item on the agenda, ask for a motion and second, allow for Board discussion, and then request that the Board take appropriate action.</p>
<u>Appeals Advisory Committee Recommendations</u>	<p>The first action item was the Appeals Advisory Committee Recommendations.</p> <p>The Superintendent reviewed for the Board each of appeals and the recommendations that he concurred with. Dr. Schiller thus recommended that the Board support the recommendations of the Appeals Advisory Committee regarding Aurora East #131 and Aurora West #129 and reject the recommendation regarding Decatur #61 as the state education agency cannot disregard the federal law. He also recommended that the Board require that the public school choice be instituted for second semester 2003-2004. Further, Dr. Schiller stated that the state could not require the school to offer SES but would recommend it to them. In addition, the Superintendent stated that staff would modify the communication process so that all districts are formally informed of their status prior to the beginning of the school year as of 2004-2005 (from the 2004 assessments).</p>

	<p>Dr. Steiner asked if there was a motion to approve the recommendation. Dean Clark then moved that the Board support the Superintendent recommendation. The motion was seconded by Joyce Karon. With regard to discussion on the item, Dr. Steiner inquired as to the way the law is written with regard to insertions and deletions. Dr. Schiller stated that the Board and public must be reminded that there are differences between the federal law and the state law, as the state law supercedes the federal in some areas. In addition, Dr. Schiller explained the specifics of Harris Elementary School in that the pre-existing conditions were not discussed with regard to meeting AYP. In addition, he reemphasized the portion of the law that states a school must meet AYP for two years before the status of not meeting AYP and requirement of choice would be lifted. Dr. Schiller cited that the main point is that the federal law cannot be disregarded in any fashion.</p> <p>Dr. Steiner then called for vote on the motion. The motion passed as all members present vote yes.</p>
<p><u>Approval of Additional SES Providers</u></p>	<p>Dr. Steiner then called for action on the Approval of Additional SES providers. Dr. Schiller stated that two more providers submitted proposals to be added to the state's Approved List of Supplemental Educational Service Providers.</p> <p>Thus, Dr. Steiner requested a motion on the item. Joyce Karon then stated whereas the No Child Left Behind of 2001 requires the State Board of Education promote the maximum participation of supplemental educational service providers and maintain an updated list of approval providers, I move that the vendors identified on Attachment #2, namely, the Rockford College Learning Resource Center and Babbage Net School, Inc., be approved for addition to the Illinois list of approved supplemental educational service providers. The motion was seconded by Dean Clark. There was no discussion on the item. When the vote was taken, all members present vote yes, allowing the motion to pass.</p>
<p><u>Acceptance of ISBE Monthly Reports</u></p>	<p>Dr. Steiner then asserted that the next item for Board action was the Acceptance of ISBE Monthly Reports.</p>

	<p>Dick Sandsmark made the motion that the Illinois State Board of Education accept the financial, agency operations, and budget status reports presented during the November 2003 meeting. The motion was seconded by Ronald Gidwitz. As there was no discussion on the reports, Dr. Steiner called for a vote on the motion. The motion passed as all members present voted yes.</p>
<p><u>Announcements and Reports</u></p> <p><u>Superintendent</u></p> <p><u>Chairman</u></p> <p><u>Committees</u></p> <p><u>Board Operations</u></p> <p><u>Joint Education Committee (JEC)</u></p> <p><u>Governmental Relations</u></p>	<p>Dr. Schiller stated that he would defer his comments to any further discussion on the budget.</p> <p>The Chairman gave no report.</p> <p>Joyce Karon stated that the December meeting would be held in Chicago. In addition, the State Superintendent evaluation had been completed and put on file.</p> <p>Ronald Gidwitz informed the Board that the Joint Education Committee did meeting in November. There were various topics of discussion. One topic that was discussed was High School Graduation Requirements. Mr. Gidwitz stated that two General Assemblies before some language was drafted in an attempt to change high school graduation requirements. However, the bill did not move. The JEC is now looking at this language again in hopes of changing the high school requirements in Illinois. The next meeting for the JEC will be in January.</p> <p>Dr. Schiller stated that there are still some pending bills in the legislature that have educational interests. In addition, Dr. Schiller noted that House Bill 2663 was also affirmed by the Senate. This allows the state Board to continue the GED testing program without a fee increase in 2004, continue the administration of the testing program in Cook County, and reinstitute immediately the services of the Non-public School Recognition Program and the Private Business Vocational System recognition and monitoring program. The agency is in the process of hiring back staff that was lost due to loss in funding. He stated that when the legislature closes, a final summary will be given of all of the bills. As the legislature did not call the Initial to</p>

<p><u>Education Policy Planning</u></p> <p><u>Finance & Audit</u></p>	<p>Standard bill, staff will continue to work with constituent groups regarding the legislation surrounding that certification item.</p> <p>Joyce Karon shared her appreciation of the veto session updates throughout the week as it was helpful to know what was going on. Dr. Schiller stated that he also received letters of appreciation from Senators in that they appreciated the information given to them in reference to HS 2663 with regard to how money would be appropriated and spent in that line item.</p> <p>Ms. Karon stated that the committee has been discussing graduation requirements as well as the English Language Acquisition/Proficiency standards. She stated that looking at the development plan was very worthwhile in moving toward IMAGE testing standards.</p> <p>Mr. Sandsmark stated that he reviewed the Superintendent's travel and that it was fine and it would be filed. He said the committee also received a report from our internal auditor that the agency had successfully completed a U.S. government audit concerning to how the agency keeps track of the disbursement of federal funds. In fact, the audit was stopped as the auditors said that the process was good. Mr. Sandsmark then added that the committee also continued to look at the FY 05 Budget Options. He inquired of the Board if there were any specific comments. As there were no specific comments, Mr. Sandsmark stated that he would like to tentatively set a meeting for the Thursday after Thanksgiving.</p>
<p><u>Other information</u></p>	<p>Dr. Steiner then announced that Joyce Karon and Dean Clark would be attending the Triple I Conference in Chicago November 21-23, 2003.</p> <p>She then called the Board's attention the Monthly Report on Rulemaking for them to review.</p>
<p><u>Adjournment</u></p>	<p>The meeting was the adjourned by Dick Sandsmark at 10:50 a.m. and seconded by Dean Clark.</p>
<p><u>Reconvene</u></p>	<p>After a brief discussion of the need to meet on the budget, the Board reconvened at 11:05 a.m. to continue budget discussions with regard to the programs that have and</p>

<u>Official Adjournment</u>	have not been discussed within the FY 05 Budget Options spreadsheet. The meeting official adjourned at 11:40 a.m.
	Respectfully Submitted, _____ Richard Sandsmark Secretary _____ Dr. Janet Steiner Chair