



Illinois State Board of Education

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Jesse H. Ruiz
Chairman

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

February 26, 2010

Dear Member of the General Assembly:

RE: FY 2011 State Education Budget

I am writing today to inform you that the Illinois State Board of Education has approved an FY 2011 budget request (see attached) that is being sent to you and your colleagues for your consideration. In addition, I want to provide you with information regarding the Board's legislative proposals for Spring session. On behalf of the Board, I thank you for your support of education in past years and ask once again for your support during this incredibly difficult budget cycle.

The Board's FY 2010 budget included \$922 million provided through State Fiscal Stabilization Funds from the federal American Recovery and Reinvestment Act (ARRA-SFSF). **No more State Fiscal Stabilization Funds will be available to Illinois in FY 2011.** Please note that in order to receive the ARRA-SFSF payments, Illinois made commitments to maintain spending for General State Aid and Mandated Categoricals at the FY 2006 level of \$5.3 billion. The State has similar ongoing maintenance of effort requirements for special education related spending that is part of mandated categoricals pursuant to the federal Individuals with Disabilities Education Act (IDEA). For IDEA, expenditures must be maintained at the level of the preceding year.

The attached FY 2011 budget request essentially seeks level funding for our K-12 education system. It assumes difficult choices will have to be made in order to avoid a reduction in the commitment the state has made to its children. Here are some highlights:

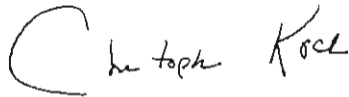
- A \$43.4 million increase in General State Aid funding to allow the foundation level to remain at \$6,119.
- A 50% reduction in GSA Hold Harmless (from \$15.6M to \$7.8M). **The Board seeks to couple this request with a legislative change to prevent any additional districts from becoming eligible for these GSA Hold Harmless payments.**
- Full-funding of Mandated Categoricals, which include: Special Education Personnel Reimbursement, Funding for Children Requiring Special Education Services, **Orphanage Tuition - Special Education**, Special Education Private Tuition, Special Education Summer School, Transportation – Special Education, Illinois Free Breakfast/Lunch Program, Orphanage Tuition –Regular Education and Regular/Vocational Transportation Reimbursement.
- A \$38 million increase in Early Childhood Education to restore Early Childhood to its FY 2009 level.
- A \$7.6 million increase for bilingual education, which would raise the total appropriation to \$76 million for FY 2011. The State Board budget request for

bilingual education would necessitate a legislative change to remove bilingual education from the Chicago Block Grant. This change would require that Chicago Public Schools be reimbursed for bilingual education services in the same manner as the rest of the districts in the state instead of through the block grant appropriation, which will better reflect the states' changing demographics. **HB 5886 would make this change.**

- A reduction in the Assessment line item. **In order to reduce this line item the General Assembly must enact two bills that have been introduced to eliminate the state writing requirement for elementary school grades (HB 6042) as well as the requirement for the State to offer a consumer education proficiency test (SB 3608).**
- The introduction of two new lines items that support State education reform initiatives included in the State's **Race to the Top** application: High Priority School Intervention (\$1.5M) and Performance Evaluations (\$2.5M).

As noted above, in addition to seeking your support with respect to the Board's FY 2011 budget request, we also seek your support with respect to the Board's legislative proposals. We have attached a summary chart of these proposals and are of course happy to discuss any of them in more detail with you at your convenience.

Sincerely,

A handwritten signature in cursive script that reads "Christopher Koch". The first letter "C" is significantly larger and more stylized than the rest of the letters.

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

Attachments

2010 ISBE Legislative Initiatives

Short Title of Proposal	Brief Description	Bill Number
Repeal of Obsolete and Duplicative Statutes, Clean-up and Streamlining	This proposal will combine statutory suggestions from all divisions within the agency for programs and functions that are no longer necessary and need to be repealed, revise and update current statutory provisions, and streamline current processes and procedures. A specific chart of items included is attached.	SB 3610
SFA/FOP Proposal	The proposed legislation would consolidate provisions for Financial Oversight Panel and the School Finance Authorities to create a new Financial Oversight Panel with the combined powers of the three current entities.	HB 6037 SB 3681
Updates to Teacher Certification Article	This bill has only been filed as a shell while we continue working internally and with external partners on potential changes regarding teacher qualifications, educator testing, principal preparation programs, teacher leader endorsements, etc.	SB 3489
Eliminate State Writing Assessment	This proposal would eliminate the state writing exam from the ISAT beginning in the 2010-2011 school year. (Approximate cost savings of \$3M).	HB 6042
Eliminate Consumer Education Testing Requirement	Proposal eliminates the requirement that the state offer a consumer education proficiency test. It also	SB 3608
ROE Salary Fund Source and Transfers from CSF & EAF	<p>This proposal removes specific language that states ROE salaries must be paid out of the Common Schools Fund. Under this change, ISBE would simply voucher payments out of whatever fund the General Assembly appropriates the funds from. ROEs and Assistant ROEs would not see any tangible change under this proposal, as it is more of an accounting/budget issue.</p> <p>This bill would also allow ISBE and the Comptroller to transfer funds between the Common Schools Fund (CSF) and the Education Assistance Fund (EAF) in order to pay General State Aid. Currently, we are able to transfer funds from CSF to EAF, but not the other way around.</p>	SB 3609
Bilingual Education	This proposal would remove bilingual education as one of the programs under the Chicago Block Grant. Under this change, City of Chicago School District 299 would file claims and receive reimbursement in the same manner as other school districts across the state.	HB 5886

ILLINOIS STATE BOARD OF EDUCATION
 FY2011 Budget Recommendation - Revised February 18, 2010

\$000s	FY10 Appropriation	FY11 Recommendation	FY10 to FY11 Increase (Decrease)	Percent Increase (Decrease)
GENERAL FUNDS				
GRANTS				
General State Aid				
General State Aid--No increase in foundation level (\$6,119)	4,600,305.1	4,643,743.8	43,438.7	0.94%
General State Aid - Hold Harmless	15,670.6	7,835.3	(7,835.3)	-50.00%
Subtotal, General State Aid	4,615,975.7	4,651,579.1	35,603.4	0.77%
Mandated Categoricals				
Sp Ed - Personnel Reimbursement	459,600.0	464,500.0	4,900.0	1.07%
Sp Ed - Funding for Children Requiring Sp Ed Services	334,236.8	331,238.7	(2,998.1)	-0.90%
Sp Ed - Orphanage Tuition	120,200.0	101,000.0	(19,200.0)	-15.97%
Sp Ed - Private Tuition	181,100.0	208,400.0	27,300.0	15.07%
Sp Ed - Summer School	11,700.0	12,500.0	800.0	6.84%
Sp Ed - Transportation	429,700.0	431,000.0	1,300.0	0.30%
Subtotal, Special Ed Categoricals	1,536,536.8	1,548,638.7	12,101.9	0.79%
Illinois Free Lunch/Breakfast	26,300.0	26,300.0	0.0	0.00%
Orphanage Tuition	13,000.0	12,000.0	(1,000.0)	-7.69%
Transportation - Regular/Vocational	351,100.0	354,000.0	2,900.0	0.83%
Subtotal, Mandated Categoricals	1,926,936.8	1,940,938.7	14,001.9	0.73%
Standards, Assessments and Accountability				
Assessments	28,606.8	24,161.8	(4,445.0)	-15.54%
Growth Model	3,000.0	3,500.0	500.0	16.67%
Longitudinal Data System	250.0	250.0	0.0	0.00%
Response to Intervention	1,340.0	1,340.0	0.0	0.00%
ADP and Standards Materials and Training for Teacher	500.0	1,120.0	620.0	124.00%
Subtotal, Standards, Assessments and Accountability	33,696.8	30,371.8	(3,325.0)	-9.87%

	FY10	FY11	FY10 to FY11	Percent
\$000s	Appropriation	Recommendation	Increase (Decrease)	Increase (Decrease)
<u>Curriculum and Instruction</u>				
Advance Placement Classes	823.5	1,647.0	823.5	100.00%
After School Matters	5,000.0	500.0	(4,500.0)	-90.00%
Agricultural Education	3,043.1	3,043.1	0.0	0.00%
Arts and Foreign Language	2,000.0	2,000.0	0.0	0.00%
Bilingual Education	68,086.8	75,652.0	7,565.2	11.11%
Career and Technical Education Programs	38,562.1	38,562.1	0.0	0.00%
Classroom Cubed	1,000.0	0.0	(1,000.0)	-100.00%
Early Childhood Education	342,235.3	381,161.4	38,926.1	11.37%
Extended Learning Opportunities (Summer Bridges)	20,715.3	20,715.3	0.0	0.00%
High Priority School Intervention		1,500.0	1,500.0	NA
Reading Improvement Block Grant	68,525.8	68,525.8	0.0	0.00%
Statewide System of Support	1,671.4	1,671.4	0.0	0.00%
Tax Equivalent Grants	222.6	222.6	0.0	0.00%
Technology for Success (IVHS and LTC's)	4,169.7	6,346.2	2,176.5	52.20%
Textbook Loan Program - Reappropriation	42,826.5	0.0	(42,826.5)	-100.00%
Subtotal, Curriculum and Instruction	598,882.1	601,546.9	2,664.8	0.44%
<u>Regional Offices of Education</u>				
Regional Offices of Education - Bus Driver Training	70.0	70.0	0.0	0.00%
Regional Offices of Education - Salaries	9,100.0	9,400.0	300.0	3.30%
Regional Offices of Education - School Services	4,950.1	4,950.1	0.0	0.00%
Regional Offices of Education - Supervisory Expenses	102.0	102.0	0.0	0.00%
Subtotal, Regional Offices of Education	14,222.1	14,522.1	300.0	2.11%
<u>Special Education</u>				
Autism	100.0	100.0	0.0	0.00%
Blind and Dyslexic	816.6	816.6	0.0	0.00%
Children's Mental Health Partnership	2,700.0	2,700.0	0.0	0.00%
Community and Residential Services Authority	575.0	575.0	0.0	0.00%
Materials Center for the Visually Impaired	1,421.1	1,421.1	0.0	0.00%
Philip J. Rock Center and School	3,577.8	3,577.8	0.0	0.00%
Subtotal, Special Education	9,190.5	9,190.5	0.0	0.00%

	FY10 Appropriation	FY11 Recommendation	FY10 to FY11 Increase (Decrease)	Percent Increase (Decrease)
Educator Quality and Support				
Grow Your Own Teachers	3,150.0	1,750.0	(1,400.0)	-44.44%
National Board Certification	5,742.5	5,742.5	0.0	0.00%
Performance Evaluations		2,500.0	2,500.0	NA
Principal Mentoring Program	2,077.0	2,077.0	0.0	0.00%
Teach for America	225.0	225.0	0.0	0.00%
Teacher and Administrator Mentoring Program	9,380.0	9,380.0	0.0	0.00%
Subtotal, Educator Quality and Support	20,574.5	21,674.5	1,100.0	5.35%
Other Statewide District Categorical Assistance				
District Consolidation Costs	3,700.0	3,720.0	20.0	0.54%
Subtotal, Other Statewide District Categorical Assistance	3,700.0	3,720.0	20.0	0.54%
Student Health and Safety Initiatives				
ADA Block Grant	18,710.3	18,710.3	0.0	0.00%
Alternative Learning/Regional Safe Schools	16,682.0	16,682.0	0.0	0.00%
Re-Enrolling Students - Alternative Schools Network	3,600.0	3,600.0	0.0	0.00%
School Breakfast Incentive Program	361.8	361.8	0.0	0.00%
Truant Alternative and Optional Education	18,070.3	18,070.3	0.0	0.00%
Subtotal, Student Health & Safety Initiatives before lump sums	57,424.4	57,424.4	0.0	0.00%
Temporary Relocation Expense Fund Deposit--Lump Sum	100.0	300.0	200.0	200.00%
Emergency Relocation Expense Fund Deposit - Lump Sum	0.0	100.0	100.0	NA
Educator Investigations/Hearings--Lump Sum	375.0	500.0	125.0	33.33%
Subtotal, Student Health and Safety Initiatives	57,899.4	58,324.4	425.0	0.73%
TOTAL - GRANTS	7,281,077.9	7,331,868.0	50,790.1	0.70%

\$000s	FY10		FY11		FY10 to FY11		Percent Increase (Decrease)
	Appropriation	Recommendation	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	
ADMINISTRATION --GENERAL FUNDS							
Personal Services	17,088.0	17,600.6	512.6		3.00%		3.00%
Retirement Pick-Up	213.9	216.0	2.1		0.98%		0.98%
Retirement	0.0	1,729.1	1,729.1		NA		NA
Social Security/Medicare	1,307.2	1,307.2	0.0		0.00%		0.00%
Subtotal	18,609.1	20,852.9	2,243.8		12.06%		12.06%
Contractual	6,757.2	6,757.2	0.0		0.00%		0.00%
Travel	350.0	350.0	0.0		0.00%		0.00%
Commodities	75.0	75.0	0.0		0.00%		0.00%
Printing	93.2	93.2	0.0		0.00%		0.00%
Equipment	153.9	153.9	0.0		0.00%		0.00%
Telecommunications	486.1	486.1	0.0		0.00%		0.00%
Operation of Automotive Equipment	25.0	25.0	0.0		0.00%		0.00%
Subtotal, Operations	26,549.5	28,793.3	2,243.8		8.45%		8.45%
Strategic Plan	250.0	250.0	0.0		0.00%		0.00%
Subtotal, Lump Sums	250.0	250.0	0.0		0.00%		0.00%
TOTAL - ADMINISTRATION AND LUMP SUMS	26,799.5	29,043.3	2,243.8		8.37%		8.37%
TOTAL - GENERAL FUNDS	7,265,050.9	7,360,911.3	95,860.4		1.32%		1.32%
TOTAL - GENERAL FUNDS w/ Reappropriations	7,307,877.4	7,360,911.3	53,033.9		0.73%		0.73%
ADMINISTRATION--OTHER STATE FUNDS							
Personal Services	160.0	164.8	4.8		3.00%		3.00%
Retirement Pick-Up	0.0	0.0	0.0		NA		NA
Retirement	3.0	3.1	0.1		3.00%		3.00%
Social Security/Medicare	6.1	6.3	0.2		3.00%		3.00%
Group Insurance	40.0	41.2	1.2		3.00%		3.00%
Subtotal, Operations	209.1	215.4	6.3		3.00%		3.00%
Ordinary & Contingent Expenses - Indirect Cost Recovery	7,015.2	7,015.2	0.0		0.00%		0.00%
Ordinary & Contingent Expenses - Teacher Cert. Fees - Chicago	1,008.9	2,208.9	1,200.0		118.94%		118.94%
Ordinary & Contingent Expenses - Teacher Certificate Fees	1,600.0	3,700.0	2,100.0		131.25%		131.25%
Ordinary & Contingent Expenses - School Infrastructure Fund	0.0	600.0	600.0		NA		NA
Subtotal, Lump Sums	9,624.1	13,524.1	3,900.0		40.52%		40.52%
TOTAL - ADMINISTRATION	9,833.2	13,739.5	3,906.3		39.73%		39.73%

	FY10	FY11	FY10 to FY11	Percent
\$000s	Appropriation	Recommendation	Increase (Decrease)	Increase (Decrease)
GRANTS--OTHER STATE FUNDS				
Charter Schools Revolving Loan Fund	20.0	20.0	0.0	0.00%
Drivers Education Fund	17,929.6	24,454.6	6,525.0	36.39%
School District Emergency Financial Assistance Fund	1,000.0	1,000.0	0.0	0.00%
School Technology Revolving Loan Fund	5,000.0	5,000.0	0.0	0.00%
State Board of Education Special Purpose Trust Fund	8,484.8	8,484.8	0.0	0.00%
Temporary Relocation Expenses Revolving Grant Fund	2,000.0	1,400.0	(600.0)	-30.00%
Capital Development Fund	25,000.0	25,000.0	0.0	0.00%
Build Illinois Bond Fund	10,000.0	10,000.0	0.0	0.00%
School Infrastructure Fund	100,000.0	100,000.0	0.0	0.00%
Subtotal, Grants	169,434.4	175,359.4	5,925.0	3.50%
TOTAL - GRANTS	169,434.4	175,359.4	5,925.0	3.50%
TOTAL--OTHER STATE FUNDS				
FEDERAL FUNDS				
ADMINISTRATION				
Operations				
Personal Services	16,150.7	16,150.7	0.0	0.00%
Retirement Pick-Up	105.5	105.5	0.0	0.00%
Retirement	3,834.5	3,834.5	0.0	0.00%
Social Security/Medicare	1,129.0	1,129.0	0.0	0.00%
Group Insurance	3,709.1	3,709.1	0.0	0.00%
<i>Subtotal</i>	<i>24,928.8</i>	<i>24,928.8</i>	<i>0.0</i>	<i>0.00%</i>
Contractual	21,310.0	24,310.0	3,000.0	14.08%
Travel	2,030.0	2,030.0	0.0	0.00%
Commodities	410.0	410.0	0.0	0.00%
Printing	498.0	498.0	0.0	0.00%
Equipment	616.0	616.0	0.0	0.00%
Telecommunications	459.0	459.0	0.0	0.00%
Subtotal, Operations	50,251.8	53,251.8	3,000.0	5.97%
TOTAL-- ADMINISTRATION	50,251.8	53,251.8	3,000.0	5.97%

\$000s	FY10 Appropriation	FY11 Recommendation	FY10 to FY11 Increase (Decrease)	Percent Increase (Decrease)
GRANTS				
Career and Technical Education				
Career and Technical Education - Basic	55,000.0	55,000.0	0.0	0.00%
Career and Technical Education - Tech Prep	5,000.0	5,000.0	0.0	0.00%
Subtotal, Career and Technical Education	60,000.0	60,000.0	0.0	0.00%
Child Nutrition				
Child Nutrition Programs	675,000.0	725,000.0	50,000.0	7.41%
Child Nutrition Programs - ARRA	3,657.3	3,657.3	0.0	0.00%
Subtotal, Child Nutrition	678,657.3	728,657.3	50,000.0	7.37%
Individuals with Disabilities Act				
Individuals with Disabilities Education Act	570,000.0	650,000.0	80,000.0	14.04%
Individuals with Disabilities Education Act - ARRA	506,479.8	506,479.8	0.0	0.00%
Individuals with Disabilities Education Act - Deaf and Blind	450.0	450.0	0.0	0.00%
Individuals with Disabilities Education Act - Model Outreach	400.0	400.0	0.0	0.00%
Individuals with Disabilities Education Act - Preschool	25,000.0	25,000.0	0.0	0.00%
Individuals with Disabilities Education Act - Preschool - ARRA	18,311.5	18,311.5	0.0	0.00%
Individuals with Disabilities Education Act - State Improvement	3,200.0	3,200.0	0.0	0.00%
Subtotal, Individuals with Disabilities Act	1,123,841.2	1,203,841.2	80,000.0	7.12%
NCLB (excluding Assessments)				
NCLB - Title I - Advanced Placement Program	2,000.0	2,000.0	0.0	0.00%
NCLB - Title I	750,000.0	750,000.0	0.0	0.00%
NCLB - Title I - ARRA	544,464.5	544,464.5	0.0	0.00%
NCLB - Title I - Reading First	60,000.0	20,000.0	(40,000.0)	-66.67%
NCLB - Title I - Striving Readers		1,500.0	1,500.0	NA
NCLB - Title II - Enhancing Education Through Technology	20,000.0	20,000.0	0.0	0.00%
NCLB - Title II - Enhancing Education Through Technology - ARRA	26,523.2	26,523.2	0.0	0.00%
NCLB - Title II - Math/Science Partnerships	15,000.0	12,000.0	(3,000.0)	-20.00%
NCLB - Title II - Teacher/Principal Training	135,000.0	135,000.0	0.0	0.00%
NCLB - Title II - Transition to Teaching	1,000.0	300.0	(700.0)	-70.00%
NCLB - Title III - Language Acquisition	40,000.0	40,000.0	0.0	0.00%
NCLB - Title IV - 21st Century/Community Service Programs	55,000.0	55,000.0	0.0	0.00%
NCLB - Title IV - Safe and Drug Free Schools	15,000.0	15,000.0	0.0	0.00%
NCLB - Title V - Charter Schools	9,000.0	9,000.0	0.0	0.00%
NCLB - Title V - Innovative Programs	8,000.0	0.0	(8,000.0)	-100.00%
NCLB - Title VI - Rural and Low Income Schools	1,500.0	2,000.0	500.0	33.33%
NCLB - Title X - Homeless Education	3,250.0	3,500.0	250.0	7.69%
NCLB - Title X - Homeless Education - ARRA	2,581.6	2,581.6	0.0	0.00%
Subtotal, NCLB (excluding Assessments)	1,688,319.3	1,638,869.3	(49,450.0)	-2.93%

\$000s	FY10 Appropriation	FY11 Recommendation	FY10 to FY11 Increase (Decrease)	Percent Increase (Decrease)
Assessments				
Assessments	23,780.3	23,780.3	0.0	0.00%
ONPAR	2,000.0	2,000.0	0.0	0.00%
Subtotal, Assessments	25,780.3	25,780.3	0.0	0.00%
Other Grants				
Congressional Special Projects	5,000.0	5,000.0	0.0	0.00%
Integration of Schools and Mental Health Systems	400.0	0.0	(400.0)	-100.00%
Learn and Serve America	2,500.0	2,500.0	0.0	0.00%
Refugee Children	0.0	0.0	0.0	NA
Longitudinal Data System	2,700.0	3,900.0	1,200.0	44.44%
Longitudinal Data System - ARRA	0.0	4,300.0	4,300.0	NA
Subtotal, Other Grants	10,600.0	15,700.0	5,100.0	48.11%
TOTAL - GRANTS	3,587,198.1	3,672,848.1	85,650.0	2.39%
TOTAL - FEDERAL FUNDS				
	3,637,449.9	3,726,099.9	88,650.0	2.44%
GRAND TOTAL	11,081,768.4	11,276,110.1	194,341.7	1.75%
GRAND TOTAL w/ Reappropriations	11,124,594.9	11,276,110.1	151,515.2	1.36%