I hope you had a safe, enjoyable summer. There continued to be a great deal of activity with education in Illinois over the summer.

We continue to have dialogue with the U.S. Department of Education (ED) about our request for a waiver from some aspects of No Child Left Behind for the 2013 school year, however, with the start of this new school year it is too late to implement a new accountability system. The only barrier to approval remains our disagreement with the ED regarding the timeline for when districts must use student growth in their new local evaluation systems. The ED wants all districts implementing the new evaluations in 2014-15, but Illinois law (105 ILCS 5/24A-2.5) allows for a progressive phase in, with some districts beginning to use the new evaluation system as early as this year and all districts using them by 2016-17.

We will continue to work with ED on this and I am optimistic we will be able to resolve this in time for next year, but we must move forward. This is why we requested, and received, a freeze to the Annual Measurable Objectives at the 2010-11 school year levels. The AMO freeze means the calculations for Adequate Yearly Progress targets for 2011-12 are based on the previous year’s levels, without increasing. This is a one-time request but provides districts with some relief as we continue to work through this process.

As we move forward, we are already implementing some of the reforms discussed in our waiver, such as the adoption and full implementation of college and career ready standards by 2013-14 and a new assessment system (PARCC) in 2014-15. We are in the process of resetting cut scores on the Illinois Standard Achievement Test to better align with our new college and career ready learning standards, we’re adding the 3rd WorkKeys element this spring to the PSAE, the Explore and Plan are available to all districts for measuring student growth in 9th and 10th grades and we will begin implementing value tables as a measure of student growth. Next year, we will have a newly designed state report card that will be more user friendly and feature data from the new survey of learning conditions scheduled for implementation in February.

Significant progress is being made on the training for our new principal and teacher evaluation systems. Currently, 86 percent of teacher evaluators have begun the training, of those, 85 percent have completed the majority of training and 26 percent have completed all of it. Additionally, 77 percent of principal evaluators have begun the training, of which 68 percent have completed the majority of the training and 38 percent have completed all of it.

Legislative Liasons: For questions or inquiries, contact Nicole Wills (nwills@isbe.net) or Cynthia Riseman (criseman@isbe.net) in the Governmental Relations Division at (217) 782-6510 or by fax at (217) 782-3097.
As you can imagine, with any professional development initiative of this magnitude there has been a great deal of frustration, with the greatest number of complaints centering on technical issues with the use of online training. However, many superintendents and principals have indicated to me the training has been of significant value. Many superintendents have told me it is the first time they have had a discussion of what quality instruction looks like with their administrators. The entire training to evaluate teachers is taking on average a total of 30-35 hours.

My staff has taken extensive measures to address each and every complaint and we have forced our contractor to expand technical assistance hours, modify testing policies, clarify instructions and modify the training itself. We have extended all deadlines that were possible within the statute and we met with the Illinois Association of School Administrators, Illinois Principals Association, Illinois Education Association, Illinois Federation of Teachers and other stakeholders on a regular basis to ensure that there was as much agreement as possible with the flexibility we offered. I have personally communicated at least weekly, at times daily, with these groups to ensure that communication to their members was occurring, information was accurate and problems were being addressed. We issued a notice of intent to assess liquidated damages to our contractor on July 11 for missed timelines.

There was no state funding appropriated for this major reform initiative. The entire training is being paid for with federal Race to Top dollars the Illinois State Board of Education was competitively able to acquire and was expedited as much as possible as we waited for approvals from Washington. This summer the Board also authorized me to direct the regional superintendents in Lake and St. Clair counties to remove the local school board members in North Chicago and East St. Louis. The School Code allows the State Board to take such measures after several years of poor performance in order to implement meaningful reform and improve academic achievement. Both districts have failed to make adequate yearly progress under NCLB and the high schools in these districts are among the lowest performing in the state.

I have appointed Financial Oversight Panels in both districts and an Independent Authority in North Chicago, which is exercising the powers and duties necessary to operate the district and improve school performance and student achievement. Members of the East St. Louis Board have sued the state in an effort to remain in power and we are working with the Attorney General’s office on our defense. Members of ISBE have made these types of interventions a major topic of our annual strategic planning session and we will likely have recommendations for legislative changes to strengthen the state’s ability to intervene in failing districts for your consideration.

Finally, Governor Quinn re-appointed three members of the Illinois State Board of Education last month. Andrea Brown of Marion, David Fields of Danville and Vinni Hall of Chicago have provided extraordinary service already, and I am thrilled they will continue on the Board as we move forward. Unfortunately, Board member Lanita Koster submitted her resignation after serving four years on the Board. Ms. Koster, who was offered a re-appointment, is stepping down for personal reasons. She brought more than 35 years of educational experience to the state board and brought unique insights from a teachers’ perspective. We are grateful to her dedication and contribution during these past few years of important reform work and wish her well.

Thank you and should you have any further questions or concerns, please let me know.

Chris

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ISBE Legislative Agenda

At the upcoming Sept. 19 and 20 State Board of Education meeting, the Board plans to discuss potential legislative initiatives for the 98th General Assembly. Some ideas being proposed at this time include:

- Elimination of the Supplemental General State Aid (SGSA) report
- Revisions to district intervention statutes
- Possible revisions to existing funding formulas
- Less red tape/clean-up; and,
- Adding explicit authority in the State Finance Act [30 ILCS 105] for State Board of Education to process payments for federal grants.

These initiatives and potentially others will be discussed both internally at ISBE and externally with education stakeholders.

Fiscal Year 2013 General State Aid Finalized

ISBE budget staff has finalized the Fiscal Year 2013 General State Aid (GSA) calculations and the first payment was made August 10th. The state budget that passed does not include enough funding to meet the $6,119 GSA foundation level in statute. Due to this shortfall in funding, we have to prorate the gross GSA for each district to $5,733. This will result in a nearly 11 percent reduction from the total necessary to make the $6,119 GSA foundation level. The reduction will be applied proportionally over 22 equal payments from August 2012 to June 2013.

Prorating evenly across all payments is a change from previous years when we would simply reduce the final payments. This change is necessary because proration has increased significantly over the past two years and the 22 equal payments will assist districts in their cash flow projections for Fiscal Year 2013. Last year’s (2012) budget resulted in the partial reduction to the first June payment and elimination of the final June payment. In FY 13, if payments were not reduced evenly, districts would not receive either GSA payment in June and approximately half of their second payment in May.

General Assembly Scholarship Program Ends

PA 97-0772 provided that legislators could nominate students for General Assembly Scholarships prior to Sept. 1, 2012, and that after that date the program would terminate. All documentation dated and postmarked by Sept. 1, 2012, will be processed; any documents received after Sept. 1, 2012 will not.

If you have any questions about General Assembly Scholarships, contact Kim Clarke at (217) 782-4648 or kclarke@isbe.net.

FY 13 State Budget and Federal Budget Update

State funds for Pre-K-12 education totaling $6.541 billion enacted by PA 97-0728 represent an overall reduction of $209.6 million from FY 2012 appropriation levels.

A number of programs were reduced when compared to FY 2012 funding levels. The most severe programmatic reductions are shown below.

- $161.3 million (3.6 percent) reduction in General State Aid
- $24.9 million (7.7 percent) reduction in Early Childhood

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- $12 million (45.6 percent) reduction in Illinois Free Lunch/Breakfast
- $2.8 million (30 percent) reduction in Alternative Learning/Regional Safe Schools
- $2.05 million (14.6 percent) reduction in Truant Alternative and Optional Education
- $1.3 million (81.5 percent) reduction in Children’s Mental Health Partnership

All Mandated Categoricals with the exception of Illinois Free Lunch/Breakfast and Private Tuition were funded at the Board’s FY 13 request, which is estimated to be mean districts will be reimbursed at 100 percent of their claims. Private Tuition received a $29 million increase, but it was less than the $36 million the Board had requested and Illinois Free Lunch/Breakfast was reduced by almost half. Similarly, Transportation was level funded at $205.8 million and claims will have to be prorated.

A final chart showing all FY 13 appropriations for ISBE programs can be found at http://isbe.net/budget/FY13_budget.pdf.

The State Board also continues to monitor the federal budget situation. As we have relayed previously, a bipartisan deficit-reduction super committee failed to develop a plan in late 2011 for lowering the federal budget deficit by $1.2 trillion over 10 years, triggering plans for automatic cuts to all discretionary funding, known as sequestration. It’s estimated that if Congress does nothing to stop sequestration, education programs may be cut by more than 9 percent or $4 billion in 2013 alone. The actual amount of the cuts is still unclear. The Congressional Budget Office and others are projecting cuts in every nonexempt, non-defense discretionary program of between 7.8 percent and 9.3 percent. The amounts to be cut will be calculated by OMB and ordered by the president on Jan. 2, 2013, if a budget deal to avoid sequestration is not reached.

**FY 12 and FY 13 Comptroller Backlog to School Districts**

As of Sept. 1, the Comptroller has a backlog of $406,240,935 in ISBE vouchers for FY 2012 and 754 vouchers totaling $120 million for FY 13. Total state backlog at this time stands at $2 billion for FY 12 and $2.3 billion for FY 13.

**State Board Schedules FY14 Budget Hearings**

The State Board of Education has scheduled a series of budget hearings to receive public input on budget priorities as the Board begins to craft its FY 14 budget recommendation for the Governor and General Assembly. Participants speaking at the hearing have been asked to address how proposed programs align to the State Board of Education’s Strategic 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.

Below is the schedule for the FY14 budget hearings:

- **Oct. 29:** Southland Charter School, Richton Park
- **Nov. 5:** Champaign Public Library, Champaign
- **Nov. 16:** ISBE Chicago Offices, Chicago
- **Nov. 19:** Granite City High School, Granite City

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Further details including times will be shared at a later date.

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**Public Act Update**

ISBE Governmental Relations staff tracked approximately 300 bills during the spring legislative session, approximately 40 of which passed both chambers. To view the bills ISBE tracked, go to the following link: [http://isbe.net/gov_relations/pdf/public_act_summary_12.pdf](http://isbe.net/gov_relations/pdf/public_act_summary_12.pdf).

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**ISBE Board Meetings**

The State Board will hold the annual Strategic Agenda Planning Session in Bloomington on Sept. 19 and 20. An updated list of all meetings for 2012 can be found at [http://isbe.net/board/pdf/2012_board_meetings.pdf](http://isbe.net/board/pdf/2012_board_meetings.pdf).

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**Going Green**

In an effort to be more environmentally conscious, ISBE will be sending out communications, including budget updates and letters from the State Superintendent, via email instead of through the mail. This effort will both reduce administrative time within the agency and provide cost savings for printing and mailing. In the future, the email address used for this message will be the one used for all ISBE communications from the State Superintendent, Board and Governmental Relations staff.

If you have an alternative email address to which you would like this information sent, or if you change email addresses, please contact Nicole Wills (nwills@isbe.net) or Cynthia Riseman (criseman@isbe.net) in our Governmental Relations Division so that your information can be updated and so that you can receive this information in a timely manner.

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**Legislative Liaisons**

For constituent or bill inquiries, contact Nicole Wills (nwills@isbe.net) or Cynthia Riseman (criseman@isbe.net) in the Governmental Relations Division at (217) 782-6510 or by fax at (217) 782-3097.