



Classrooms First Commission

A Guide to P-12 Efficiency and Opportunity

Lieutenant Governor Sheila Simon
July 2012





July 2012

Dear Governor Quinn and Members of the General Assembly,

I am pleased to present the recommendations of the Classrooms First Commission. Under Public Act 97-0503, I was appointed by the General Assembly to chair this bipartisan stakeholder group as it sought to improve P-12 school district efficiency and opportunity. We worked to find ways to direct more tax dollars into our top priority – school classrooms.

When we started 11 months ago, our state budget prompted consideration of mass school district reorganization. However, our research found the up-front costs unaffordable under mandated incentive payments. What we present today is an action plan that makes it easier for districts to voluntarily reorganize under our current incentives, while creating ways for all districts to make the most of the state's limited resources through "virtual" reorganization and statewide economies of scale. We also recommend that the state replace the existing incentives with a better targeted and more affordable system going forward.

This focus on efficiency is important because Illinois' fiscal challenges have and continue to squeeze education spending. Over the last four school years, general revenue funds for the Illinois State Board of Education dropped by nearly 10 percent. Our state investment in P-12 education remains one of the lowest in the nation at less than 28 percent. This fiscal year's budget contains additional cuts.

At the same time, our educational expectations and demands for opportunity are high. We want quality preschool for all. We are implementing rigorous, national learning standards and assessments in our elementary and secondary schools. And we are striving to increase college readiness and completion to keep pace with workforce demands.

If we continue to ask our school districts to do more with less, we must ensure every educator and administrator can access the tools necessary to streamline operations and invest in learning. The Classrooms First Commission asks that you review this action plan and pursue legislation in the upcoming and future General Assemblies for the good of classrooms and students statewide.

Sincerely,

A handwritten signature in purple ink, appearing to read "Sheila Simon". The signature is fluid and stylized, with a large initial "S" and a long, sweeping underline.

Sheila Simon

EXECUTIVE SUMMARY

In two education rankings, Illinois is an outlier. We are near the top of the list when it comes to the number of school districts in a state. And we are at the bottom when it comes to the state's contribution to school funding. This feeds the perception that we are spending too much money on overhead, to the detriment of our students.

The Classrooms First Commission was established almost a year ago by Public Act 97-0503 to study this concern and find ways to redirect spending to classrooms from administrative operations. We asked if a Fiscal Year 2012 proposal to eliminate half the school districts in the state would result in greater efficiency. Our research showed that bigger is not always better. The economies of scale that result when small districts combine become bureaucratic bloat when larger districts merge. Small districts and small schools provide the best education to at-risk students. The largest districts often outspend, but do not always out-perform their small- and medium-sized districts.

Then came the sticker shock: we found that merging separate elementary and high school districts into "unit" or P-12 districts – reducing 868 districts to a maximum of 300 – would cost the state at least \$3 billion under current law. That price tag is more than half the state's annual education budget and stems primarily from salary equalization incentives set up more than a decade ago. More than 150 districts have taken advantage of those incentives to date, and another 40 are weighing reorganization now.

With these facts, figures and public perceptions in mind, the Classrooms First Commission determined it is still possible to achieve greater fiscal efficiency and higher-quality academic programs through targeted and thoughtfully planned reorganization. Our recommendations illustrate how: identify districts that could most benefit from mergers based on their declining enrollments or financial instability. Cut the red tape that burdens them when pursuing reorganization voluntarily. And gut and replace the current incentive system with one that is both affordable to the state and tailored to its reorganization targets.

Beyond making reorganization an easier option for troubled districts, the commission also focused on two other strategies to boost efficiency at even the highest performing districts: virtual reorganization and economies of scale. We recommend several reforms that will clear the way for districts to share administrators and services and to cooperate on a statewide basis. We must merge our buying power in ways largely invisible to students, so we can redirect that cash toward their measurable education growth.

If Illinois is going to lead our nation in education rankings, we want it to be in performance, not bureaucracy. But a cookie cutter approach to efficiency ignores fiscal and educational realities. We must take reasoned, not rash, steps to spend smarter and expand opportunity. And we must always use two words to guide our decisions: Classrooms First.

Legislative Action Items

This checklist prioritizes legislative action items most likely to result in operational savings that could be redirected toward educational investments. A complete list of recommendations is on page 16.

Short-term:

- ☐ Allow non-contiguous reorganizations
- ☐ Expedite district dissolution for districts with under 750 students
- ☐ Step-down tax inequity for dual-to-unit conversions (SB 3252 awaits the Governor's signature)
- ☐ Link reorganization effective date to capital program
- ☐ Require efficiency and shared service studies for districts on state financial watch and warning lists
- ☐ Revise outsourcing restrictions
- ☐ Allow districts to opt out of unfunded mandates

Medium-term:

- ☐ Require efficiency and feasibility studies for districts in low and declining population counties
- ☐ Pilot a reorganization school construction program
- ☐ Launch an online resource management service
- ☐ Establish a shared service revolving fund that recoups investment with savings

Long-term:

- ☐ Revise reorganization incentives
- ☐ Accelerate P-12 learning opportunities
- ☐ Amend the state Constitution to allow for a two-year state budget cycle

TABLE OF CONTENTS

Introduction 1

Research..... 3

Recommendation..... 4

 Reorganization Action Items 5

 Shared Services Action Items..... 7

 In-District Efficiency Action Items 9

Implementation 10

Conclusion 11

Appendix A: Members 12

Appendix B: Definitions 15

Appendix C: Logic Model..... 17

Appendix D: Public Input..... 18

Appendix E: Analysis 20

Appendix F: Full Text Recommendations..... 25

Appendix G: Selected References..... 54

“We are doing this for
the kids and for their
education and that is why I
wanted to be a part of this
commission.”
--Tom Scates,
rural school district representative

STAGE 1: INTRODUCTION

Illinois' fiscal challenges have squeezed all areas of state government, including education. Since Fiscal Year 2008, general revenue funding for public schools has decreased by nearly 10 percent, dropping the state's share of preK-12 education funding to less than 28 percent. In addition, the state has adopted new, more rigorous learning standards. With less state funding and higher academic expectations, it is imperative that the state ensure every school district has the tools necessary to streamline operations and direct resources to the classroom.

PA 97-0503 established the School District Realignment and Consolidation Commission, chaired by Lt. Governor Sheila Simon. Simon dubbed the group the Classrooms First Commission, and early on, commissioners adopted two key goals: improving educational opportunity and improving efficient use of educational resources. The commission had broad representation, including educators, parents, and policymakers from rural, suburban and urban areas.

THREE STAGES

The commission took advantage of its broad representation and divided its work into three stages. During Stage I, which began in September 2011, the commission reviewed current research, analyzed Illinois data, and held a first round of public hearings in Carterville, Normal, Moline, and Des Plaines. The hearings drew more than 400 attendees, and the commissioners collected testimony from nearly 80 individuals. The Lieutenant Governor's Office established an online survey and gathered additional ideas for the commission from 470 submissions. The commission began its Stage II work in January 2012, forming working groups focused on the following issues garnered from research and public comment: reorganization, educational shared services, operational shared services, and in-district efficiency. The working groups included commission members along with additional experts and stakeholders. Stage III began in April 2012, when the commission approved the release of draft recommendations. The public had another opportunity to comment through a second round of public hearings in Champaign, Carbondale, Chicago Heights, and Rockford, or by submitting comments online via the Lieutenant Governor's website.

REORGANIZATION FOCUS

Because Illinois has more school districts (860+) than all but two other states, much of the Classrooms First Commission's work focused on reorganization. Voluntary school district reorganizations have occurred slowly but steadily over the past century, and since 1985 the number of districts has decreased by more than 150 – the highest rate of attrition of any government or taxing body in the state. At the time of this report, at least 40 districts are in the process of, or are considering, reorganization.

Reorganization can benefit students and/or improve districts' financial stability. For example, some districts currently considering reorganization are doing so to

Goal 1: Improve educational opportunities for public school students

- ♦ Improve educational programs, eliminate those that are ineffective or outdated, and encourage innovation; also consider extra-curricular activities and enrichment programs
- ♦ Assure opportunities for teacher learning and support
- ♦ Assure that efficiencies benefit students
- ♦ Consider equity of opportunities; recommend ways for districts to ensure adequate service levels regardless of district/school size or location
- ♦ Identify and share best practices among districts for high-quality educational delivery (including non-traditional methods such as distance learning and partnerships)

Goal 2: Improve efficient use of educational resources

- ♦ Include all districts in efficiency recommendations
- ♦ Identify ways to reduce costs
- ♦ Study streamlining opportunities, intergovernmental agreements, strategic procurement, dual districts, and previous reorganizations (both within and among districts)
- ♦ Improve service delivery efficiencies, including instructional, financial, operational, and administrative services
- ♦ Create "stop doing" lists
- ♦ Define parameters for reorganization
- ♦ Consider within-district school reorganization
- ♦ Recommend district criteria where cooperative financial, operational, and administrative services should be considered, and identify best practices in these areas

expand high school learning opportunities. This is a common issue in areas experiencing declining student enrollments. For other districts, looming financial insolvency has spurred reorganization efforts. Based on past successes and state efforts to reduce overhead and level disparities in structure, size, and resources at various districts, mandatory reorganization has been proposed several times in Illinois in recent decades. However, research presented to the Classrooms First Commission shows that this approach is not likely to produce the large cost savings anticipated by proponents. Up-front costs to districts are prohibitive in mass reorganization scenarios, including costs to merge faculty and staff, unify curriculum, modify facilities and schedules, reconfigure transportation, and standardize textbooks and teaching materials. To offset these costs, the state has established incentive payments made in the first four years of district reorganization.

LOW-COST REFORMS

Current incentives aim to equalize teacher and support staff salaries and general state aid. Given the state's heavy reliance on property taxes to fund education, neighboring districts with differing property values may adopt salary schedules that vary widely. A study conducted for the commission by the Illinois State Board of Education (ISBE) concluded that, using the state's current incentives, requiring only the state's dual districts to consolidate (merging high school and elementary feeder districts into unit districts) would cost well over \$3 billion, based largely on salary equalization. A later ISBE study, again using current incentives, calculated that costs to the state to merge elementary districts feeding into the same high school district (leaving the high school districts separate) would be at least \$2.1 billion. The Classrooms First Commission recommends the state sunset the current incentive system by 2017 and enact a new formula with incentives that are well-targeted.

Beyond modernizing the incentive system, the Classrooms First Commission recommends several low-cost solutions to cut overhead expenditures and improve educational opportunities. This report outlines how the state can remove several barriers to voluntary reorganization, which would help districts that have already identified consolidation as the road to efficiency and opportunity. Based on its research, the Commission also makes recommendations focused on two other key strategies: promoting virtual reorganization through regional shared services and creating statewide economies of scale. Taken as a whole, the recommendations and implementation schedule should result in a reduction in the number of school districts and more than a billion dollars in operations savings that could be redirected to education expenses in the next five years.

This final report, submitted to Governor Quinn and the General Assembly, fulfills Public Act 97-0503 and marks the conclusion of the Classrooms First Commission.

“You don’t know what you don’t know. The Lt. Governor asked us to be open-minded and in so doing I think we have all learned things. One of the key elements of the success of this commission is we heard from people across the state about what they are doing, and the members of the commission were able to use this information in their deliberations.”

--Paul Swanstrom, High School District Association of Illinois

STAGE 2: RESEARCH

The Classrooms First Commission reviewed current research and practices in Illinois and other states (see Appendix D). The review revealed there is no one-size-fits all solution – no single recommended way – to achieve efficiency and opportunity across the state. However, three approaches regularly emerge: reorganization, shared services and in-district efficiency.

What do researchers agree on regarding efficiency and opportunity?

Reorganization

- ♦ Economies of scale are greatest when small districts merge.
- ♦ When small districts merge, high school learning opportunities often improve.
- ♦ District mergers can reduce tax income inequities affecting educational offerings.
- ♦ There exists a point of diminishing returns: as districts get larger, at some point the economies of scale plateau and expenses rise with greater district complexity.
- ♦ The larger the district, the more resources devoted to secondary and non-essential activities.
- ♦ Two inefficient districts combined do not necessarily create one efficient district.
- ♦ For low-income students, a strong negative correlation exists between school size and student achievement.

Shared Services

- ♦ Shared services are becoming more commonplace in P-12 education.
- ♦ Shared services can be instructional or operational.
- ♦ Shared services can create significant cost savings for partner entities, allowing more resources to flow to classrooms.
- ♦ Some shared service arrangements can include not only school districts, but also other public entities.
- ♦ Some shared service agreements are not limited by geographic proximity (such as distance learning and cloud computing).
- ♦ Districts can attain economies of scale through “virtual reorganization” via shared services, without incurring long-term costs such as salary equalization.

In-District Efficiency

- ♦ Some districts get better performance with fewer resources than others with comparable student characteristics.
- ♦ Efficient districts can come in all types: large/small, high/low poverty, rural/urban/suburban.
- ♦ States can create policy and fiscal conditions that can help all districts be more efficient and effective.
- ♦ To date, there is no definitive formula for determining districts’ relative efficiency.

STAGE 3: RECOMMENDATIONS

The Classrooms First Commission created working groups corresponding to each research theme, and each group developed recommendations that fulfill one or both of the overall goals of achieving efficiency and increasing educational opportunity in Illinois school districts.

A summary of the recommendations is set forth below, and full text with supporting documentation can be found in the appendices.

Reorganization

These recommendations would achieve efficiency and opportunity by identifying those districts most likely to benefit from reorganization and by making it faster, easier and more economical for districts to reorganize voluntarily.

Shared Services

The shared services recommendations address both operations and educational delivery. The operations recommendations fulfill the goal of improving efficiency in two overarching ways: promoting districts' use of shared service agreements and reducing barriers to those agreements. The educational shared service recommendations focus on increasing opportunity by aligning P-20 education and creating pathways for students to both graduate early and transition more quickly and easily from secondary school to post-secondary education and careers.

In-District Efficiency

These recommendations propose ways for districts to streamline expenditures, in addition to (or in the absence of) reorganization and shared service agreements. It recommends that the state establish economies of scale to benefit local districts, from creating online resources for professional development, background checks and libraries to adopting predictable budget cycles.

In Practice: Strategic Planning

The Classrooms First Commission has developed a wide variety of recommendations that can only be effectively implemented if school districts develop a plan to do so. As such, the commission believes it is imperative that all school districts engage in strategic planning that uses a collaborative process to bring communities together to achieve a district's highest aspirations.

Research such as *Creating an Effective Strategic Plan for the School District*, stresses that a strategic plan must show where a district is, where a district wants to go, how a district will get there, the time involved, and the cost associated with the project. This begins through a process of strategic thinking that provides for an in-depth analysis of a school district's current condition measured against the district's highest aspirations, which helps raise the bar for everyone involved.

Once a district's goals have been developed, strategic planning provides the basis for building the resources necessary to achieve identified objectives. This final component of this process must be accompanied by strategic action, which requires the formulation of action plans that ensure a strategic plan is effectively implemented. These efforts are improved through use of a communication loop among administrators and the various stakeholders that establishes regular reporting to track progress and ensure accountability.

Illinois school districts that have recently participated in strategic planning, such as Joliet Township High School District 204, Olympia CUSD 16 and Clinton CUSD 15, have stressed these same points and used their strategic plans to bring their communities together to develop a road maps that guide their districts toward more efficient and effective use of resources.

REORGANIZATION

Identify Districts for Voluntary Reorganization or Shared Services

Recommendation 1: Require the State Board of Education to complete feasibility and efficiency studies for districts in counties with small and declining school-age populations, subject to a specific appropriation for the purposes of carrying out the recommendation.

- ♦ Allow districts with high performance and financial stability to opt out.
- ♦ Identify eligible counties through the Department of Commerce and Economic Opportunity/U.S. Census population projections through 2030. [This would currently affect 16 counties having declining school-age populations under 5,000 students. See Page 25 for a list of these counties.]

Recommendation 2: Require the State Board of Education to convene a study group to develop a district efficiency profile calculation, giving consideration to performance, finances, demographics and size, subject to a specific appropriation for the purposes of carrying out the recommendation.

- ♦ Use the efficiency profile to identify district efficiency mentors and those districts that could potentially become candidates for reorganization and/or shared services.

Reduce Barriers to Voluntary Reorganization

Recommendation 3: Allow non-contiguous but compact school districts to reorganize if contiguous school districts reject reorganization.

- ♦ Currently, only districts that share a border are allowed to reorganize into a new district.

Recommendation 4: Permit districts under 750 student enrollment to dissolve with or without a referendum.

- ♦ Currently, only districts under 5,000 residents may seek dissolution with or without a referendum.

Recommendation 5: Establish a hold harmless provision that would maintain grant and entitlement funding levels for four years following a dual district to unit district reorganization.

- ♦ Currently, the newly formed district could face reduced grant and entitlement assistance after reorganization.

Recommendation 6: Implement a tax inequity “step-down” for dual district to unit district reorganizations.

- ♦ This would allow the new unit district to initially tax at the same rate as the combined dual district rate. This combined rate would then gradually lower by \$0.60 each year until the rate has reached the maximum unit district rate of 4 percent or below.

Recommendation 7: Pilot a reorganization school construction program.

- ♦ Target construction money for districts that would like to reorganize but need new buildings, additions, and/or building renovations.
- ♦ Participation in the pilot would be limited to new districts formed through reorganization, districts that annex all the territory of another district, or districts forming a cooperative high school.

In Practice: Cleared to Consolidate

For nearly three years Southern Illinois superintendents Richard Towers and George Wilkerson have worked with parents, teachers and community members in the Christopher and Zeigler-Royalton school districts on a consolidation proposal that aims to improve educational opportunity through an enhanced curriculum.



Superintendent Richard Towers, Christopher Unit School District 99

High school students in the two districts are only offered about 47 different courses, while students elsewhere in the region, such as those at DuQuoin High School just 12 miles away, get to choose from over

See CLEARED TO CONSOLIDATE, next page

Recommendation 8: Allow for a delayed reorganization effective date.

- ♦ This would allow reorganizations needing a new facility to hold a referendum vote, but delay the effective date of the reorganization until construction funding is available.

Modernize Incentives

Recommendation 9: Convene a commission to review and revise reorganization incentives.

- ♦ The commission would review current incentives and consider changes in order to more accurately reflect the actual costs of reorganization.

CLEARED TO CONSOLIDATE, continued from previous page

105 different courses. Consolidating would give Christopher and Zeigler-Royalton the student population needed to support a richer curriculum.

"Offering more courses, especially more advanced placement and vocational classes, will better equip our students as they enter postsecondary studies or the workforce," said Towers. "Our kids deserve the same educational opportunities as any other child in the state of Illinois."

The consolidation proposal is moving forward, but still faces a major hurdle, construction of a new building that can house the nearly 450 high school students a new district would enroll; as each district's current aging facilities are too small. The good news is the districts are on the 2009 list for state school construction funding. Bad news is the state is still on the 2003 construction list.

To allow the districts to continue the consolidation process and not scrap three years of work, Towers and Wilkerson asked for special legislation to delay the effective date of the consolidation until funds have been approved to build a new building. While the special legislation passed, such measures can delay planning and depending on the session can compete with other more pressing legislative priorities.

The consolidation could save a new district up to 19 percent of administrative costs, allowing money to be redirected to the classroom to hire new teachers and expand curriculum options. Savings would include elimination of redundant services and the consolidation of administrative staff including elimination of a superintendent.

"It is not a concern of either one of us right now," Wilkerson said of who would be left standing. "Superintendent Towers wants to see me take the position, but personally I would like to see him take it. But that will be up to the new school board. They might want someone completely different."



Superintendent
George Wilkerson,
Zeigler-Royalton
Community Unit
School District 188

SHARED SERVICES

Identify Districts for Shared Service Agreements

Recommendation 10: Use Financial Profiles to trigger shared service and efficiency studies, subject to a specific appropriation for the purposes of carrying out the recommendation.

- ♦ Require Regional Offices of Education/Intermediate Service Centers to conduct shared service and/or efficiency studies of districts on the “early warning” or “watch” financial profile lists published by the State Board of Education each year.

Reduce Barriers to Shared Service Agreements

Recommendation 11: Create a web-based Resource Management Service, subject to a specific appropriation for the purposes of carrying out the recommendation.

- ♦ Direct the State Board of Education to provide resource management software to allow similar districts to compare operational expenditures and identify cost savings in instruction, transportation, food services, administration and facility maintenance.
- ♦ The software platform should allow districts to develop “what if” scenarios, incorporate proven practices into their operations and communicate costs savings to the public.
- ♦ If every district realized 5 percent savings using this software, it would allow for \$1 billion to be redirected to the classroom.

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

- ♦ Establish an online repository for existing shared service and outsourcing agreements, along with examples of proven efficiency practices that could be replicated.
- ♦ Include shared service models among school districts and with other entities, such as municipalities.

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

- ♦ Create a state-operated revolving fund to support district efficiency studies and shared service start-ups, which often have up-front costs.
- ♦ Districts would repay short-term, low-interest loans from savings gained through newly implemented shared services and/or other operational efficiencies.

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

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

Streamline P-12 and P-20 Education Offerings

Recommendation 15: Establish accelerated P-12 learning options.

- ♦ Create new learning options based on standards attainment and allow for accelerated graduation options.
- ♦ Move away from current requirements based on seat time and completed course credits and move toward a system that would allow eligible students to follow individualized learning

In Practice: P-20 Pathways

Thanks to the College Express program at Danville Area Community College (DACC), Taylor Poggendorf was a licensed certified nursing assistant (CNA) before ever donning a cap and gown to receive her high school diploma.

The College Express program is open to students in 13 high schools in the DACC district. The program offers participants an opportunity to gain real-world experience before completing high school. Students enroll as juniors in one of 15 different programs such as agriculture, criminal justice, graphic design, and welding.

See P-20 PATHWAYS, next page

plans, proceed more effectively through the learning process, and potentially graduate earlier.

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

- ♦ Develop a statewide system of P-20 education partners (school districts, community colleges, and four-year institutions) to increase college and career readiness and reduce the need for post-secondary remediation.
- ♦ Align curriculum, expand dual credit, create senior capstone projects, share teaching, create early intervention strategies and continuous support systems for at-risk students, and facilitate seamless transfer of high school graduates into higher education and careers.

Recommendation 17: Create P-20 learning pathways.

- ♦ Support implementation and statewide scale-up of the Illinois Pathways Initiative, offering students access to Science, Technology, Engineering and Mathematics (STEM) Programs of Study through STEM Learning Exchanges.
- ♦ Foster local programs through public/private partnerships, including both the academic and business communities.

Recommendation 18: Develop P-20 technology infrastructure.

- ♦ Develop the means to provide broadband connectivity, wireless access, and computing hardware for all schools, educators, and students.
- ♦ Coordinate with statewide broadband projects, national FCC and e-Rate projects, and regional consortia.

P-20 PATHWAYS, continued from previous page

While completing the program students not only earn credit towards their high school diploma, but also have the opportunity to earn an associate degree or college certificate.

Poggendorf chose to enroll in the Health Occupations program, which is what allowed her to earn her CNA license and complete a semester-long internship that was split between a Danville Carle Clinic and the Provena United Samaritans Medical Center in Danville. At both locations, Poggendorf had the opportunity to work one-on-one with a nurse in each of the facilities' various departments.

"The internship program was my favorite part because I got to see what an RN actually does each day," said Poggendorf. "By participating in College Express you really get a hands-on experience, instead of just reading about it."

Poggendorf recently completed her freshman year at DACC where she earned straight A's in the spring while competing on the DACC softball team. After completing her remaining core curriculum courses, Taylor hopes to transfer to the Lakeview College of Nursing in Danville or some other four-year institution in order to become a registered nurse.

Poggendorf would like to continue her studies after that in hopes of earning a Master of Nurse Anesthesia Degree, which will allow Poggendorf to work in an emergency room setting with patients about to go into surgery. All of this will help fulfill her lifelong dream of becoming a nurse.



Taylor Poggendorf,
Danville Area
Community College

IN-DISTRICT EFFICIENCY

Make Budgets Predictable

Recommendation 19: Adopt a two-year state budget cycle.

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

Recommendation 20: Allow mandate flexibility, subject to a specific appropriation for the purposes of carrying out the recommendation.

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

Produce Statewide Economies of Scale

Recommendation 21: Provide online professional development, subject to a specific appropriation for the purposes of carrying out the recommendation.

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

Recommendation 22: Provide interactive personnel registries.

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

Recommendation 23: Increase access to statewide database licenses, subject to a specific appropriation for the purposes of carrying out the recommendation.

- ♦ Provide cheaper access to major school library database licenses on a statewide basis instead of district-by-district.
- ♦ The state could directly purchase database subscriptions, share the cost of subscriptions with local school districts, or offer state-negotiated rates to school districts.

In Practice: Two year budget cycle

For the first decade of Cinda Klickna's teaching career every school year ended the same way: by receiving a Reduction in Force (RIF), or layoff, notice. Fortunately for Klickna, she was re-hired each year.

Like Klickna, more than 3,850 teachers were hired back after receiving RIF notices in 2011.

"You get called out into the hallway and handed a letter and you feel useless like you have done something wrong," Klickna said. "This has an impact on people trying to decide whether to become teachers."

Part of the problem is that as school districts are making their RIF lists, often in April, state legislators are still debating state education funding levels. This forces districts to guess about what their state funding might be and leads to the unnecessary loss of qualified staff, course offerings, and staff time as districts work to re-hire personnel. Klickna says that a state budget process that better aligns with the school calendar would help lower the number of unnecessary RIFs.



Cinda Klickna,
Illinois Education
Association President

IMPLEMENTATION

The Classrooms First Commission recommendations must be implemented to achieve the goals of district efficiency and opportunity. Some recommendations will require legislation, while others can be implemented by school boards, state agencies or education organizations. The recommendations designated as “short-term” require no additional study. Those staged as medium or long-term actions may require additional research.

	Short-Term (1-2 years)	Medium-Term (2-3 years)	Long-Term (4+ years)
Legislative Recommendations for the Governor and General Assembly	<ul style="list-style-type: none"> ♦ Allow non-contiguous reorganizations (#3) ♦ Expedite district dissolution for districts with under 750 students (#4) ♦ Step-down tax inequity for dual-to-unit conversions (SB 3252 awaits the Governor’s signature) (#6) ♦ Link reorganization effective date to capital program (#8) ♦ Require efficiency and shared service studies for districts on state financial watch and warning lists (#10) ♦ Create a resource repository with sample contracts and intergovernmental agreements (#12) ♦ Revise outsourcing restrictions to promote shared services (#14) ♦ Allow districts to opt out of certain unfunded mandates (#20) 	<ul style="list-style-type: none"> ♦ Require efficiency and feasibility studies for districts in low and declining population counties (#1) ♦ Pilot a reorganization school construction program (#7) ♦ Launch an online resource management service (#11) ♦ Establish a shared service revolving fund that recoups investment with savings (#13) 	<ul style="list-style-type: none"> ♦ Revise reorganization incentives (#9) ♦ Accelerate P-12 learning opportunities (#15) ♦ Amend the state Constitution to allow for a two-year state budget cycle (#19)
Administrative Recommendations for State Board of Education and partner districts or agencies	<ul style="list-style-type: none"> ♦ Establish P-20 learning pathways (#17) 	<ul style="list-style-type: none"> ♦ Create an efficiency profile (#2) ♦ Hold harmless grants for dual-to-unit district reorganizations (#5) ♦ Create a P-20 technology infrastructure (#18) ♦ Scale up statewide online professional development software (#21) ♦ Provide interactive personnel registries (#22) ♦ Increase access to statewide database licenses (#23) 	<ul style="list-style-type: none"> ♦ Align P-20 curriculum, services (#16)

Note: Numbers listed in parenthesis refer to specific recommendations contained within this report.

CONCLUSION

Tough budgets require creative solutions. Given Illinois' large number of school districts and their disparities in structure, size, and resources, mandatory district reorganization has been proposed several times in recent decades to save the state money and improve educational opportunities. Proponents argue that a reduction in the number of districts would correspond with a reduction in administrative and operations costs. However, the Classrooms First Commission found that each potential reorganization has many unique features, making a one-size-fits-all solution unrealistic. In addition, the up-front state costs of mass, mandatory reorganization are unaffordable under current incentive structures.

The commission recommends three ways forward to improve school district efficiency and opportunity. First, state lawmakers should amend the rules governing reorganization and clear the way for shared service agreements, so that districts can merge voluntarily or virtually faster, easier and on their own terms. Second, the state needs to provide tools that districts can use to improve education delivery and efficiency, such as statewide professional development and personnel registries. And third, the state needs to revamp its reorganization incentives to reflect state and local budget realities and needs. Together, these reforms should hasten voluntary mergers, redirect millions of dollars from bureaucracy toward learning opportunities and better position the state for tough budget talks in the future.

“When this commission was formed it was a political football, and it has been wrested away from that. We put this in a place where it could be talked about and not kicked around politically.”

--Brent Clark,

Illinois Association of School Administrators

APPENDIX A: MEMBERS

Statewide Elected Officials

Lt. Governor Sheila Simon, Chair

Sen. David Luechtefeld, Illinois Senate Republicans

Sen. Linda Holmes, Illinois Senate Democrats

Rep. Linda Chapa LaVia, Illinois House Democrats

Rep. Roger Eddy (resigned 3/22/12), Rep. Chad Hays (assigned 3/26/12) , Illinois House Republicans

Stakeholder Groups

Linda Riley Mitchell, Chief Financial Officer (resigned 5/18/12), Robert Wolfe (assigned 6/14/12), Illinois State Board of Education

Jerry Harrison, Illinois Education Association

Daniel Montgomery, President, Illinois Federation of Teachers

Dr. Michael Johnson, Executive Director Emeritus (resigned 5/18/12), Roger Eddy (assigned 6/14/12), Illinois Association of School Boards

Jason Leahy, Executive Director, Illinois Principals Association

Ava Harston, Assistant Director, Chicago Teacher's Union

Dr. Michael Jacoby, Executive Director, Illinois Association of School Business Officials

Dr. Brent Clark, Executive Director, Illinois Association of School Administrators

Patrick Rocks, General Counsel, Chicago Board of Education

Jimmy Gunnell, President, Illinois Alliance of Administrators of Special Education

Jonathan Goldman, Director, ParentPAC

Dr. Paul Swanstrom, High School District Organization of Illinois

Tom Scates, representative from rural school district

Vickie Nissen, representative from suburban school district

Regional Superintendent Larry Pfeiffer, Illinois Association of Regional Superintendents of Schools

Staff—Office of the Lieutenant Governor

Dr. Lynne Haeffele, Senior Director for Education Policy

Crystal Olsen, Policy Analyst

Justin Stofferahn, Policy Analyst

Realignment Working Group

Commission Members:

Linda Riley Mitchell, Illinois State Board of Education

Rep. Roger Eddy, Illinois House Republicans

Jerry Harrison, Illinois Education Association

Tom Scates, Representative of Rural School District

Other Contributors:

Peg Agnos, Leadership Education in Neurodevelopmental and Related Disabilities

Bruce Bohren, Illinois Parent Teacher Association

Ralph Grimm, Superintendent, West Central School District 235

Calvin Jackson, Illinois Association of School Business Officials

Dr. Gwynne Kell, Winfield School District 34 Superintendent

Ralph Martire, Center for Tax and Budget Accountability
Dr. William Phillips, Professor, University of Illinois Springfield
Richard Towers, Superintendent, Christopher Unit School District 99
Steve Webb, President, Illinois Association of Rural and Small Schools
Deb Vespa, Illinois State Board of Education
Michelle Heninger, Illinois State Board of Education
Karen Shoup, Illinois State Board of Education

In-District Efficiency Working Group

Commission Members:

State Senator David Luechtefeld
Dr. Paul Swanstrom, High School District Organization of Illinois, Co-Chair
Vickie Nissen, Suburban School District, Co-Chair
Ava Harston, Chicago Teachers Union
Patrick Rocks, Chicago Public Schools

Other Contributors:

Dr. Diane Rutledge, Large Unit District Association
Erika Lindley, Ed-RED
Dr. Andrew Wise, Olympia Community Unit School District 16
Cynthia Flowers, Illinois Parent Teacher Association

Operational Shared Services Working Group

Commission Members:

Dr. Michael Jacoby, Illinois Association of School Business Officials, Chair
State Senator Linda Holmes
Dr. Michael Johnson, Illinois Association of School Boards
Dan Montgomery, Illinois Federation of Teachers
Jonathan Goldman, ParentPAC

Other Contributors:

Michael Hernandez, Partner, Franczek & Radelet
Dr. Norm Durflinger, Director, Center for the Study of Education Policy, Illinois State University
David Wood, Chief Financial Officer and General Counsel, Bloomington District 87
Dr. James Rydland, Superintendent, Aurora West District 129
Amy Jo Clemens, Regional Superintendent, Lee/Ogle Counties
Brian Minsker, Illinois Parent Teacher Association
Dean Langdon, Illinois Association of School Boards
Robert Wolfe, Controller, Illinois State Board of Education

Educational Shared Services Working Group

Commission Members:

James Gunnell, Illinois Alliance of Administrators of Special Education, Co-Chair
Larry Pfeiffer, Illinois Association of Regional Superintendents of Schools, Co-Chair
Representative Linda Chapa LaVia

Jason Leahy, Illinois Principals Association

Dr. Brent Clark, Illinois Association of School Administrators

Other Contributors:

Dr. Sandra Watkins, Associate Professor, Western Illinois University

Vicki DeWitt, IlliniCloud

Debbie Meisner-Bertauski, Illinois Board of Higher Education

Jason Tyszko, Illinois Department of Commerce and Economic Opportunity

Dr. Elaine Johnson, Illinois Community College Board

James Craft, Illinois FFA

Cherry Middleton, Illinois Association of School Administrators

Kay Smoot, Danville Community College/Vermilion Vocational Education System

John Meixner, Regional Superintendent, Hancock/McDonough Counties

Gary DePatis, Superintendent, Greenview Community Unit School District 200

APPENDIX B: DEFINITIONS

CLASSROOMS FIRST COMMISSION: Public Act 97-0503 established the School District Realignment and Consolidation Commission, which operated as the Classrooms First Commission.

INCENTIVES: The General Assembly initially established financial incentives for newly consolidated districts. These same incentives have been authorized for other types of reorganizations. Except for most detachment/annexation, all other types of reorganization may qualify for some or all of these incentives.

TYPES OF INCENTIVES:

GENERAL STATE AID DIFFERENCE:

This incentive is paid if the General State Aid Entitlement (GSA) for the newly reorganized district(s) for the first year of existence is less than the GSA would have been that same year on the basis of the previously existing districts.

SALARY DIFFERENCE:

Based on teachers employed in each newly reorganized district who were also employed in one of the previously existing districts, this incentive calculates the difference between what those teachers were paid in their original district for the last year of existence and what they would have been paid if placed on the highest salary schedule of the districts forming the newly reorganized district.

DEFICIT FUND BALANCE:

This incentive calculates each previously existing district's fund balances by combining the Education, Operations and Maintenance, Transportation, and Working Cash funds. If any previously existing district has a combined deficit fund balance, the incentive pays the difference between the lowest deficit and the other deficits, with a positive combined fund balance being considered a deficit of \$0. For districts with a deficit, an additional calculation compares current year expenditures to prior 3-year average expenditures, with the incentive being reduced by the excess if the current year expenditures are greater than the prior 3-year average.

\$4,000 per CERTIFIED STAFF:

This incentive pays \$4,000 for each full-time, certified staff member employed by each reorganized district.

REORGANIZATION: Any process in which school district boundaries are redrawn for various purposes. The commission used the term "realignment" interchangeably with "reorganization" during public input and working group sessions. This report uses the term "reorganization" to more closely align with the language in statute and with terminology used in Illinois State Board of Education publications on the topic.

TYPES OF REORGANIZATION:

CONSOLIDATION:

Consolidation is the merger of two or more existing districts to create a new district. Consolidation includes two or more elementary districts, two or more high school districts, or two or more unit districts combining to form a larger, like-type district. Consolidation also includes dual district territory or dual district territory plus one or more unit districts combining to form a new unit district.

CONVERSION:

School District Conversion is the formation of a single new high school district and new elementary districts based upon the boundaries of dissolved unit districts. School District Conversion includes forming dual districts from two or more existing unit districts or from one or more existing high school districts and one or more existing unit districts.

HYBRID:

Partial Elementary Unit Formation is the formation of a "hybrid" unit district that includes all territory for high school purposes but only a portion of the territory for elementary purposes. Partial Elementary Unit Formation includes the formation of a "hybrid" unit district from one or more high school districts and one or more unit districts, from a high school district and elementary feeder districts, or from unit districts.

Consolidation, School District Conversion, and Partial Elementary Unit Formation are governed by Article 11E of the School Code and require:

- ♦ Petition filed by voter signatures or school boards
- ♦ Local public hearing conducted by regional superintendent
- ♦ Approval by State Superintendent
- ♦ Successful referendum

ANNEXATION:

Annexation is the incorporation of a portion (detachment) or all (dissolution) of one school district into another school district. Annexation is governed by Article 7 of the School Code and requires:

- ♦ Petition filed by voter signatures or school boards
- ♦ Local public hearing conducted by regional board of school trustees
- ♦ Regional board of school trustees approval
- ♦ Successful referendum (for annexation of entire district)

DEACTIVATION:

Deactivation is the closing of a district's elementary attendance center or high school attendance center and the sending of students in grades Kindergarten through 8, or 9 through 12, to one or more other districts once all districts agree. Deactivation is governed by Article 10, Section 22.22b of the School Code and requires:

- ♦ Board resolution to deactivate
- ♦ Successful referendum in deactivating district
- ♦ Tuition agreement between the sending and receiving districts

COOPERATIVE:

Cooperative High School is the establishment of a jointly operated high school by two or more contiguous unit or high school districts, each with an enrollment of less than 600 students in grades 9 through 12, while retaining the individual districts. Cooperative High School formation is governed by Article 10, Section 22.22c of the School Code and requires:

- ♦ Board resolution by all boards
- ♦ Successful referendum in all districts
- ♦ Cooperative agreement and governing board

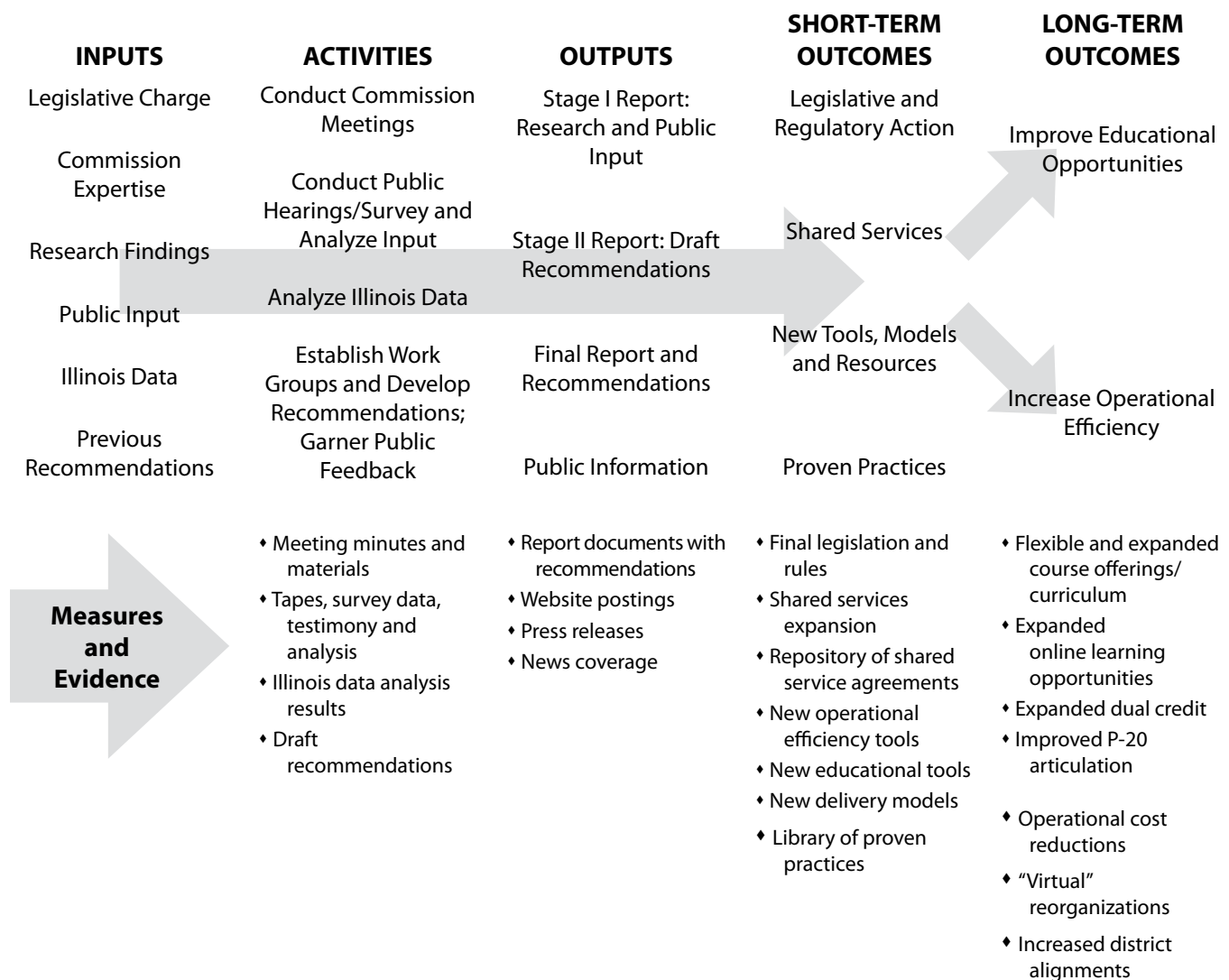
APPENDIX C: LOGIC MODEL

At its September 2011 meeting, the commission members adopted a set of process guidelines:

- ♦ Meet the legislative mandate and intent of P.A. 97-0503
- ♦ As a commission, be ready to learn and listen to all ideas
- ♦ Take a deep look at relevant research and develop an understanding of variables that affect both efficiency and quality
- ♦ Respect local control and decision-making authority, and place a priority on local input
- ♦ Consider impact, especially unintended consequences
- ♦ Provide multiple avenues for public input, including comments on draft recommendations
- ♦ Assure that recommendations are practical and can be implemented as intended
- ♦ Coordinate with related recommendations from other commissions and task forces

The logic model below shows the commission process and intended outcomes, along with evidence that demonstrates not only that the process took place as planned, but also over time will allow collection of evidence that the commission recommendations, when implemented, will have a positive effect in improving educational opportunities and delivery in Illinois. This emphasis on outcomes is consistent with the state's Budgeting for Results initiatives.

Classrooms First Commission: Logic Model



APPENDIX D: PUBLIC INPUT

During Fall 2011 and Spring 2012, Lt. Governor Simon and members of the commission held a total of eight public hearings. The fall hearings allowed members to garner input on issues of school district reorganization, efficiency, and educational opportunity. The spring hearings allowed the public to offer comments on draft recommendations released in April 2012.

October 23, 2011	Carterville
October 24, 2011	Normal
November 2, 2011	Moline
November 3, 2011	Des Plaines
April 19, 2012	Champaign
April 20, 2012	Carbondale
April 26, 2012	Chicago Heights
April 30, 2012	Rockford

A total of nearly 500 people attended the hearings, with 85 providing testimony.

From October to December 2011, the Commission conducted a voluntary, non-scientific web survey to collect ideas and suggestions for improving school district efficiency. The survey was available on the Lieutenant Governor's website, and collected approximately 470 responses. Respondents were encouraged to provide contact information for subsequent follow-up and to receive updates on the work of the Commission. Data analysis revealed a range of recurring themes and garnered useful suggestions for developing recommendations.

Overall, hearing and website participation represented 75 counties and a wide variety of individuals, including educators, parents, community members, and local government officials.

All written testimony, along with relevant research and a summary report of the Fall 2011 commission work, was made publicly available on the Lieutenant Governor's website.



Public Input Themes

Benefits of small districts and schools

- ♦ High-quality personalized education may not be present in large districts.
- ♦ Partnerships afford broad learning opportunities such as dual credit arrangements with community colleges.
- ♦ Small schools demonstrate strong student performance.

Educational opportunity as a logical impetus for reorganization

- ♦ In areas of enrollment declines, high school course offerings shrink.
- ♦ Improving high school curriculum and providing a better education for students should be the main reason to explore reorganization.

Support for shared services

- ♦ Dual district feeder systems form cooperative committees to establish shared services.
- ♦ Districts share services with municipal governments as well as other districts.
- ♦ Shared technology initiatives, such as cloud computing and teaching resources, save on technology costs and attract new district members at an accelerating rate.

Support for local control and case-by-case reorganization decisions

- ♦ Local control preserves schools, communities, and their economies.
- ♦ Only a relatively small percentage of funding comes from the state and the majority of school funds are local, decisions should be made locally.
- ♦ Districts with robust curriculum offerings and in good financial condition should be left to make decisions on their own.
- ♦ Some potential reorganizations will cost more than leaving districts separate.

Challenges and barriers to reorganization

- ♦ State construction funding is so delayed.
- ♦ Districts needing new facilities to implement a merger put potential reorganizations on hold due to the construction funding delay.
- ♦ Operating expenditures can spike due to construction, retrofitting buildings, and other one-time reorganization costs.
- ♦ Contiguous boundary requirements prevent some potential mergers.
- ♦ Tax and salary differences across districts create additional barriers.

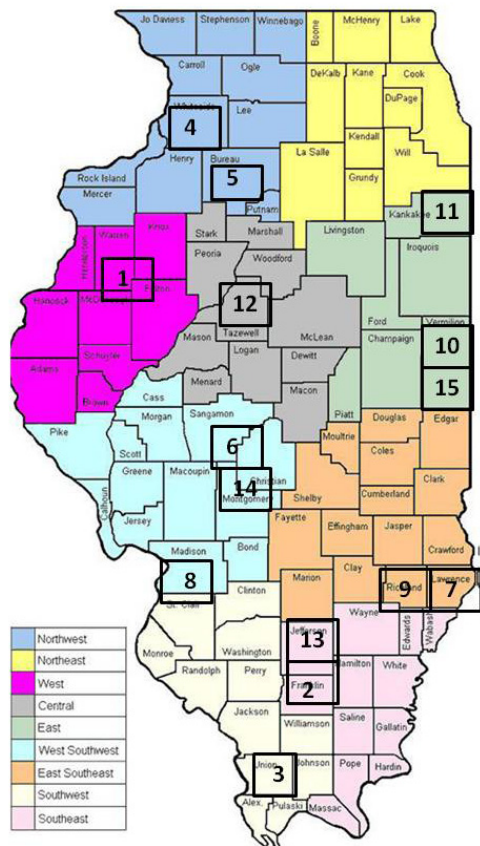
General support for school district reorganization

- ♦ Reorganization across small districts will allow enhanced curriculum.
- ♦ Anticipating financial crunch, some districts are seeking reorganization opportunities.
- ♦ Reorganizing elementary feeder districts would alleviate tax revenue inequities and educational disparities.
- ♦ County-wide districts may be appropriate.

APPENDIX E: ANALYSIS

During Stage I, the Commission studied current research in order to acquire background information to guide its deliberations. Research topics included school district reorganization, shared services, in-district efficiency, and analysis of Illinois school district data. Based on the data analysis, the overwhelming consensus of the commission is that reorganization should be considered on a case-by-case basis.

School Districts Considering Realignment Options – December 2011



Anticipated 2012 petitions and dissolutions:

- 1 Abingdon 217 / Avon 176 / Bushnell-Prairie City 170
- 2 Christopher 99 / Zeigler-Royalton 188
- 3 Lick Creek 16 / Anna 37 / Jonesboro 43 / Anna-Jonesboro CHSD 81
- 4 Riverdale 14 dissolution
- 5 Leepertown 175 dissolution

Feasibility Studies for FY 2011:

- 6 Pawnee 11 / Morrisonville 1 / Panhandle 2
- 7 Red Hill 10 / Lawrence County 20
- 8 Venice 3 / Brooklyn 188
- 9 East Richland 1 / West Richland 2
- 10 Rossville-Alvin 7 – HS Reactivation

Feasibility Studies for FY 2012:

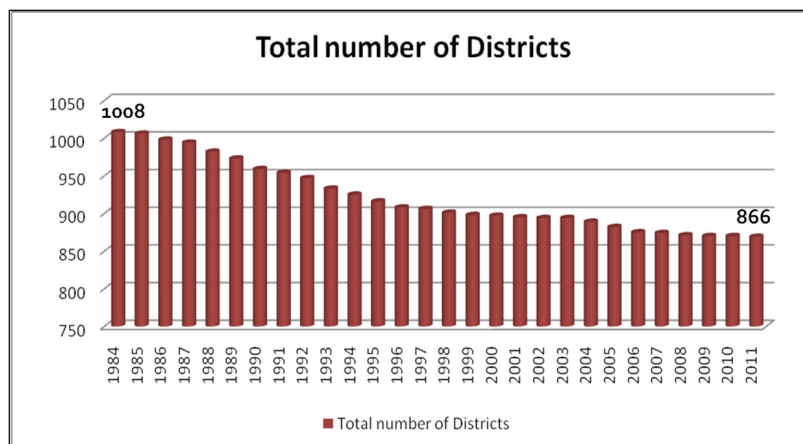
- 11 St Anne 256 / Pembroke 259 / St Anne CHSD 302
- 12 District 50 / Central 51 / Washington 52 / Washington CHSD 308
- 13 Bethel 82 / Dodds 7 / Ina 8 / McClellan 12 / Opdyke-Belle-Rive 5
- 14 Morrisonville 1 / Nokomis 22 / Panhandle 2

Other Active Discussions:

- 15 Catlin 5 / Jamaica 12 / Oakwood 76

Illinois School Reorganization Analyses

Through various types of reorganization, the number of school districts in the state has declined by over 150 since 1984.



Mergers have resulted in 12 county-wide districts, shown in orange on the map at right. Enrollments range from about 550 to nearly 3,000 students.

According to an analysis of DCEO/U.S. Census data, an additional 16 counties (shown in green at right) have small school-age populations (under 5000) that are expected to decline through 2030:

The map of Illinois shows 102 counties, each labeled with its name. The counties are color-coded based on the size of their urban area:

- Yellow (Large Urban Area):** Mercer, Henderson, Schuyler, Brown, Jasper.
- Green (Medium Urban Area):** Lee, Putnam, Marshall, Mason, Menard, Scott, Greene, Jersey, Montgomery, Fayette, Wayne, Hamilton, Saline, Gallatin.
- White (Small Urban Area):** All other counties.

Illinois Dual District Analysis

The concept of dual district reorganization was raised at the public hearings and in survey submissions. At the request of the Commission, at the December 2011 meeting, the Illinois State Board of Education (ISBE) provided information on school district reorganizations, including types of reorganizations, types of incentives, and an analysis of the state's current statutory incentive costs for mandatory reorganization of (1) entire dual district feeder systems (elementary districts that send students to a stand-alone high school district) and (2) elementary district reorganization within dual-district feeder systems (leaving the high schools separate).

Illinois currently has 100 high school districts (16 serving under 500 students) and 377 elementary districts (138 serving under 500 students). According to ISBE, mandatory reorganization would have the following impact:

- ♦ Would affect 36 counties: 543,000 elementary students and 253,000 high school students;
- ♦ Would result in districts far larger than the Large Unit District Association (LUDA) minimum of 3,500; and
- ♦ Would realign many high-performing, well-financed districts at great cost to the state in associated incentive payments.

Potential educational benefits could include:

- ♦ Better curriculum alignment between K-8 and/or high schools; and
- ♦ More comprehensive course offerings.

Potential financial benefits could include:

- ♦ Administrative staff reductions;
- ♦ Facility efficiencies; and
- ♦ Other efficiencies including pupil transportation, food service preparation, custodial services, and office services. [Note: many dual district systems already collaborate to create these types of administrative efficiencies.]

Potential downsides could include:

- ♦ Longer bus rides for students;
- ♦ Higher overhead costs including salary support after state incentive payments cease, costs to unify curriculum materials, costs to retrofit and/or construct buildings;
- ♦ Less financial support for needy students from the state;
- ♦ Merging two or more financially troubled districts would not necessarily create a financially stable district; and
- ♦ Need for property tax increase to fund construction.

Mandatory Reorganization Costs

Incentives *	All districts in dual systems	Elementary feeder districts **
Salary Differential	1-year cost: \$783.5 million 4-year cost: \$3.1 billion	1-year cost: \$256.3 million 4-year cost: \$1 billion
\$4,000 per Certified Staff	1-year cost: 203.5 million 3-year cost: \$610.5 million (maximum)	1-year cost: \$138.7 million 3-year cost: \$416.1 million (maximum)

*Unable to estimate: the Deficit Fund Balance Incentive, which requires review of actual Annual Financial Reports at the time of reorganization, and the GSA Difference Incentive, which requires recalculation of general state aid for each reorganization.

** This option consolidates all feeder elementary districts within dual district systems. Because elementary and high school districts have relatively large salary differentials, this option has lower incentive costs and could alleviate tax revenue inequities among feeder districts. However, not all feeder systems have fully congruent boundaries with their high school districts; some elementary districts send students to two or more high school districts, further complicating reorganization scenarios.

School District Efficiency Research

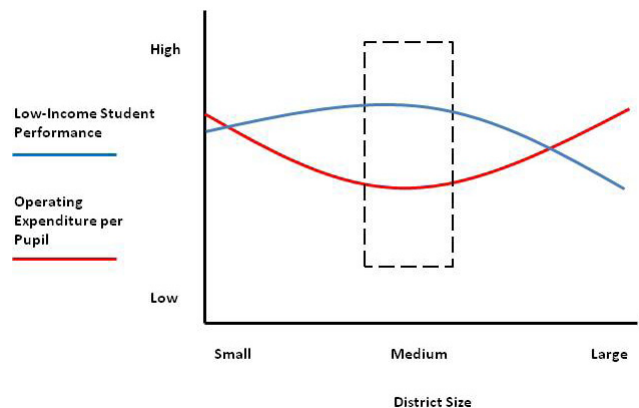
School district efficiency research is imperfect. It does not tell us the optimal number of districts for a state, nor does it provide consistent calculations for optimal district size.

Districts can be compared in terms of spending and student performance, controlling for student demographics. Research demonstrates some general patterns emerge:

- ♦ Low income student performance declines as district size gets larger;
- ♦ Per-pupil spending is relatively high in small districts;
- ♦ Per-pupil spending declines in mid-size districts where economies of scale are greatest; and
- ♦ Per-pupil spending increases in large districts, which tend to employ additional layers of administration, causing economies of scale to decline.

General Research Findings

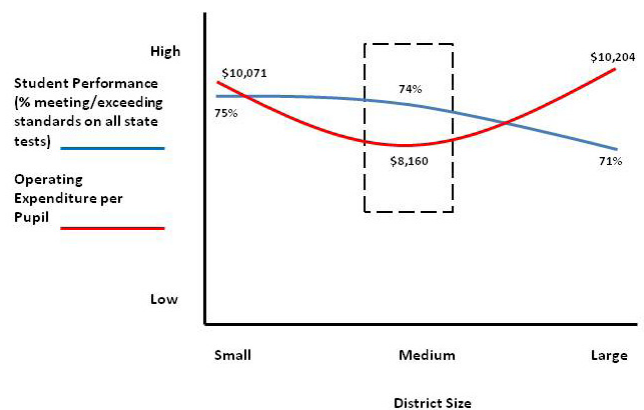
These data seem to imply that, at least for districts serving low-income populations, there is a mid-range size that has the potential for higher performance and lower spending (represented by the dashed-line box). However, the actual optimal district size varies depending on funding systems, state policies, and local educational practices.



Illinois Findings

To test this theory in Illinois districts, commission staff used 2011 Illinois Report Card data to compare large, medium and small unit districts (size designated by the Illinois State Board of Education), all serving low income student populations of 50-70%.

Results shown at right indicate that the general relationship defined in the research above applies to these Illinois districts, with medium size districts (in the middle 50% of enrollments) performing as well as small districts but spending less per pupil. When large districts are compared to mid-size districts, cost per pupil is higher and performance is lower in the large districts.



APPENDIX F: FULL TEXT RECOMMENDATIONS

Recommendation 1: Require the State Board of Education to complete feasibility and efficiency studies for districts in counties with small and declining school-age populations, subject to a specific appropriation for the purposes of carrying out the recommendation.

- ♦ Allow districts with high performance and financial stability to opt out.
- ♦ Identify eligible counties through the Department of Commerce and Economic Opportunity/U.S. Census population projections, through 2030. [This would currently affect 16 counties having declining school-age populations under 5,000 students.]¹

Rationale:

Currently, 12 county-wide school districts operate in rural areas of the state. According to calculations using DCEO and U.S. Census data, several low-population counties have declining school-age population projections and are served by multiple school districts. Because their already-low school-age populations (under 5000) are projected to shrink, districts in these counties should be required to participate in feasibility/efficiency studies and consider shared services and/or reorganization in order to continue to provide adequate educational opportunities and to improve operational efficiencies.

Districts with high performance and financial stability (to be defined) may opt out, but could choose to participate in order to examine opportunities for improving educational offerings and efficiency. In counties with large geographic areas that may make county-wide consolidation impractical, shared services and/or partial reorganization may be viable options.

For 2012, eligible counties include Alexander, Edgar, Fayette, Greene, Lawrence, Lee, Marshall, Mason, Menard, Montgomery, Perry, Pulaski, Saline, Scott, Shelby, and Wayne. In these areas, the number of districts per county ranges from two to seven.

Outcomes:

Shared services and/or reorganization for small and declining enrollment districts could result in improved educational opportunities and operational efficiencies.

Alignment with Other Past Recommendations:

New recommendation.

Responsible Parties:

The Illinois General Assembly; ISBE.

Legislation, Rules, Policy Changes Required:

Legislation would be needed to require feasibility/efficiency studies.

Estimated cost or savings for implementation and funding source:

According to initial estimates from ISBE, costs of feasibility studies could range from \$10,000 to \$15,000 per study. Total costs for the projected 16 studies could range from \$160,000 to \$240,000. Additional appropriations could be added to the existing ISBE incentive and feasibility study appropriations for the new studies. Alternatively, funding could come from a newly established state-operated revolving loan (see recommendation OSS3).

Resulting reorganizations and/or shared service arrangements could provide potential savings and efficiencies and increase educational offerings. Potential long-term costs or savings would vary.

¹ (Illinois Department of Commerce and Economic Opportunity, 2012)

Recommendation 2: Require the State Board of Education to convene a study group to develop a district efficiency profile calculation, giving consideration to performance, finances, demographics and size, subject to a specific appropriation for the purposes of carrying out the recommendation.

- ♦ Use the efficiency profile to identify district efficiency mentors and those districts that could potentially become candidates for reorganization and/or shared services.

Rationale:

The Illinois State Board of Education (ISBE) currently collects data that could inform districts as to their efficiency in relation to similar districts.² Several efficiency formulas have been developed for use in other states, although no single model is without limitations.^{3,4}

A school district efficiency profile would identify opportunities for improved efficiencies within districts, identify efficient mentor school districts, and identify opportunities for school district reorganizations and/or shared services.

Alignment with other past recommendations:

New recommendation.

Responsible parties:

ISBE.

Legislation, rules, policy changes required:

The profile would require development and adoption by the State Board of Education.

Estimated cost or savings for implementation and funding source:

Additional ISBE staff time to develop and maintain the profile. Additional district reorganizations and/or relationships among districts could provide savings and efficiencies.

² (Illinois State Board of Education, 2012a)

³ (Standard & Poor's, 2007)

⁴ (Florida Department of Education, 2012)

Recommendation 3: Allow non-contiguous but compact school districts to reorganize if contiguous school districts reject reorganization.

- ♦ Currently, only districts that share a border are allowed to reorganize into a new district.

Rationale:

Several districts in Illinois have experienced difficulty attempting to reorganize with contiguous school districts though the need to reorganize has been apparent and could help to maintain instructional quality and financial viability. Currently, if a district wants to move forward with non-contiguous reorganization it must seek special legislation from the General Assembly, which can be a long, labor-intensive process that may be a deterrent to this type of reorganization.

If all contiguous districts to a district seeking reorganization document their disinterest in the merger, a district seeking reorganization would be allowed to approach nearby ("compact") non-contiguous districts. "Compact" would need to be statutorily defined.

Eliminating the requirement for contiguous school district borders could increase the pool of districts interested in reorganization, which could lead to additional reorganizations.

Alignment with Other Past Recommendations:

Special legislation has allowed for specific non-contiguous school districts to reorganize in the past.^{5, 6}

Responsible Parties:

The Illinois General Assembly.

Legislation, Rules, Policy Changes Required:

A legislative change would be needed to add a statutory definition of "compact," modify the contiguous provisions, and provide a means for non-contiguous districts to document the reasons for pursuing a non-contiguous reorganization.

Estimated cost or savings for implementation and funding source:

Resulting reorganizations could provide potential savings and efficiencies. Potential costs or savings would vary.

⁵ Public Act 097-0656

⁶ 105 ILCS 5/11A-2

Recommendation 4: Permit districts under 750 student enrollment to dissolve with or without a referendum.

- ♦ Currently, only districts under 5,000 residents may seek dissolution with or without a referendum.⁷

Rationale:

Districts unable to independently operate may wish to use an abbreviated process to dissolve the district. As of now, this is only an option for districts serving communities under 5,000 in total population. Therefore, districts with a larger population but small student enrollment are not able to use the abbreviated dissolution process.

Expanding the current process to include districts with small student enrollment would streamline the reorganization process for these districts and could lead to additional reorganizations. This change would currently affect 53 school districts.

Alignment with Other Past Recommendations:

New recommendation.

Responsible Parties:

The Illinois General Assembly.

Legislation, Rules, Policy Changes Required:

A legislative change would be needed to allow school districts under 750 student enrollment to dissolve through the local Regional Board of School Trustees.

Estimated Cost or Savings for Implementation and Funding Source:

Resulting reorganizations could provide potential savings and efficiencies. Potential costs or savings would vary.

⁷ 105 ILCS 5/7-2a

Recommendation 5: Establish a hold harmless provision that would maintain grant and entitlement funding levels for four years following a dual district to unit district reorganization.

- ♦ Currently, the newly formed district could face reduced grant and entitlement assistance after reorganization.

Rationale:

Currently, dual districts reorganizing into unit districts could experience a loss in grants or entitlements, which may be a deterrent to reorganization. This recommendation would hold harmless the grant and entitlement funding for the dual districts for four years after reorganizing into a newly formed unit district in order to give the district time to adjust to the new grant and entitlement levels.

Establishing a hold harmless provision could encourage dual districts to reorganize into unit districts by reducing a current financial barrier.

Alignment with Other Past Recommendations:

New recommendation.

Responsible Parties:

The Illinois General Assembly. ISBE would establish an administrative working group to identify affected grants and entitlements and develop a legislative package to establish the hold harmless. ISBE would award, calculate, and voucher grants and entitlements based on any change in the existing formulas.

Legislation, Rules, Policy Changes Required:

Depending on which grants or entitlements are to be adjusted, legislation or rule changes may be needed. Current language for grants and entitlements would have to be reviewed to determine impact.

Estimated Cost or Savings for Implementation and Funding Source:

Hold harmless is cost neutral relative to current spending. Resulting reorganizations could provide potential savings and efficiencies. Potential costs or savings would vary.

Recommendation 6: Implement a tax inequity “step-down” for dual district to unit district reorganizations.

- ♦ This would allow the new unit district to initially tax at the same rate as the combined dual district rate. This combined rate would then gradually lower by \$0.60 each year until the rate has reached the maximum unit district rate of 4 percent or below.

Rationale:

Currently, under Illinois law most high school and elementary dual districts are allowed to have a higher tax rate as separate districts than they can together as a unit district. For some dual districts, the move from their current taxing structure to a unit district taxing structure could cause a dramatic decrease in tax revenue—an immediate impact that would virtually eliminate the prospect of reorganization, even if the reorganization were desired for other reasons including operational efficiency. The step-down provision would allow the new unit districts time to adjust to the lower tax levy authority, so that operational efficiencies could help mitigate some of the potential revenue loss.

Eliminating the immediate tax revenue impact and allowing the decrease in tax levy authority to occur gradually may encourage reorganizations.

Alignment with Other Past Recommendations:

This recommendation aligns with the October 2002 Educational Funding Advisory Board (EFAB) report which recommended allowing unit districts formed from dual districts to tax a permissive rate in Transportation, Working Cash, Leasing, and Life Safety at the combined permissive rate of dual districts with no sunset.⁸

Responsible Parties:

The Illinois General Assembly.

Legislation, Rules, Policy Changes Required:

A legislative change to the School Code would be needed. This recommendation aligns with SB 3252 (97th General Assembly), which has passed both houses of the legislature and awaits the Governor’s signature.

Estimated Cost or Savings for Implementation and Funding Source:

Step-down is cost neutral relevant to current spending. Potential costs or savings resulting from reorganization would vary.

⁸ (The Education Funding Advisory Board, 2002)

Recommendation 7: Pilot a reorganization school construction program.

- ♦ Target construction money for districts that would like to reorganize but need new buildings, additions, and/or building renovations.
- ♦ Participation in the pilot would be limited to new districts formed through reorganization, districts that annex all the territory of another district, or districts forming a cooperative high school.

Rationale:

Illinois' School Construction Program, authorized by the General Assembly in 1997, was the first state building program in more than two decades to assist local schools with capital expenses.⁹ To date, the School Construction Program has benefited 544 school districts throughout the state and provided over \$3.4 billion in state funds for building and renovating local schools. However, many more districts want and need funding than the state is able to provide each year. The Capital Development Board is currently funding the FY 2003 school construction list. So, districts considering reorganization know they will have to wait several years before funding is available through this program, creating a barrier to reorganization.

With a construction program dedicated to reorganizations, more districts may be willing to pursue consolidation knowing that facility funding would be available within a shorter time frame. Under this program, reorganizing districts would be able to improve their educational effectiveness by combining resources in order to offer additional programs to their students that could not be offered separately.

Alignment with Other Past Recommendations:

This recommendation aligns with the October 2002 Educational Funding Advisory Board (EFAB) report which recommended establishing a separate school construction program to provide 100% of funding for school facilities in the reorganization of two or more districts into a unit district.¹⁰

Responsible Parties:

Illinois General Assembly. The Capital Development Board and the Illinois State Board of Education would administer the program in the same manner as the current School Construction Program.

Legislation, Rules, Policy Changes Required:

A legislative change would be needed to remove the consolidation priority from the current School Construction Program and establish a new Reorganization School Construction Program.

Estimated Cost or Savings for Implementation and Funding Source:

According to initial ISBE estimates, the cost of a pilot construction program dedicated to reorganization is estimated at \$200 million and would be dependent on appropriations by the General Assembly. Debt service costs would amount to 10% of total appropriations, estimated at \$20 million depending on total appropriations. A funding source would need to be identified.

⁹ (Illinois Capital Development Board, 2012)

¹⁰ (The Education Funding Advisory Board, 2002)

Recommendation 8: Allow for a delayed reorganization effective date.

- ♦ This would allow reorganizations needing a new facility to hold a referendum vote, but delay the effective date of the reorganization until construction funding is available.

Rationale:

Districts considering reorganization often want to merge in order to provide a more comprehensive middle and high school curriculum and programs. However, some lack a facility that can adequately house their combined student populations. Communities should be allowed to proceed with a referendum vote and fully enact reorganization when suitable facilities are constructed. Passage of a reorganization referendum would allow participating districts to begin cooperating through shared services, aligned curriculum, and other cooperative ventures in anticipation of the formal merger when construction funds become available. Currently, if a district wants to move forward with a referendum vote and postpone the reorganization effective date it must seek special legislation from the General Assembly, which can be a long, labor-intensive process that may be a deterrent to reorganization.

This change could encourage communities to begin reorganization process.

Alignment with Other Past Recommendations:

The change would be modeled after HB 4043 (97th General Assembly), special legislation which would allow for a delayed effective date of the Christopher-Zeigler-Royalton reorganization. This recommendation would expand the option statewide.

Responsible Parties:

The Illinois General Assembly.

Legislation, Rules, Policy Changes Required:

A legislative change would be needed to change the effective date options.

Estimated Cost or Savings for Implementation and Funding Source:

Resulting reorganizations could provide potential savings and efficiencies. Potential costs or savings would vary.

Recommendation 9: Convene a commission to review and revise reorganization incentives.

- ♦ The commission would review current incentives and consider changes in order to more accurately reflect the actual costs of reorganization.

Rationale:

ISBE currently provides four monetary reorganization incentives for districts that choose to reorganize on a voluntary basis.¹¹ Districts that have undergone previous reorganizations provided feedback to the Classrooms First Commission on reorganization incentives and budgeting for expected incentive payments. Many districts expressed the need to revise incentives and possibly the incentive structure, which would allow newly reorganized districts to more effectively plan for their expected four-year costs and incentive payments. For example, a formula-based incentive program would eliminate year-to-year uncertainty on the amount of incentive revenue reorganizing districts expect to receive. This would allow districts to more efficiently budget their expected funds. A commission convened specifically for the purpose of reviewing the incentive structure would be needed to effectively make recommendations on changes.

Revised incentives, more closely tied to actual reorganization costs, may increase the number of voluntary reorganizations.

Alignment with Other Past Recommendations:

New recommendation.

Responsible Parties:

The Illinois General Assembly.

Legislation, Rules, Policy Changes Required:

Legislation could be used to establish the commission. A legislative change would be needed to repeal current incentive calculations in Article 11E and establish the new criteria for payments.

Estimated Cost or Savings for Implementation and Funding Source:

Potential neutral cost through exchanging one incentive structure for another. However, a resulting increase in district reorganizations could increase total incentive costs.

¹¹ (Illinois State Board of Education, 2012b)

Recommendation 10: Use Financial Profiles to trigger shared service and efficiency studies, subject to a specific appropriation for the purposes of carrying out the recommendation.

- ♦ Require Regional Offices of Education/Intermediate Service Centers to conduct shared service and/or efficiency studies of districts on the “early warning” or “watch” financial profile lists published by the State Board of Education each year.

Rationale:

P.A. 97-0357, which requires shared service reporting beginning with the FY2012 annual financial report, serves as a starting point for the development of more shared service participation. This recommendation takes that to another level, where there is a correlation between proactive participation and the School District Financial Profile. Increasing operational shared service participation in districts when the Financial Profile ranking reaches the “Early Warning” or “Watch” categories, or when the district is required to file a three-year deficit reduction plan with ISBE, can help affected districts get back on track.

An “Early Warning” designation would trigger an Regional Offices of Education/Intermediate Service Center review of current and potential shared service participation, with findings and recommendations presented to the local school board and published on the district website. A “Watch” designation would trigger a mandatory district efficiency study with specific recommendations to the local school board and would require a public school board response.

If implemented, this process would ensure that all districts in financial difficulty are looking at best practices for shared services and operational efficiencies. For districts that do not have a Certified School Business Official on their administrative staff, this recommendation will infuse that expertise into the management of the district prior to other more restrictive measures, such as the implementation of a Financial Oversight Panel. Also, when operational efficiencies are pursued, more resources can be targeted toward educational programs and efficiencies.

Alignment with Other Past Recommendations:

This recommendation aligns with the findings of the Streamlining Task Force¹² and with the shared service reporting requirements in P.A. 97-0357.

Responsible Parties:

The Illinois General Assembly.

Legislation, Rules, Policy Changes Required:

Legislative action and administrative rule changes would be required to amend the school code to add the requirements of the recommendation both in relationship to P.A. 97-0357 and the financial profile/deficit reduction plan requirements.

Estimated Cost or Savings for Implementation and Funding Source:

Savings related to shared services will vary depending on the scope of the service and the type of shared service employed and are not quantifiable on a statewide basis. However, most districts could expect a decrease in the cost for each particular service that is shared. Actual savings would be calculated individually and over time.

¹² (Illinois State Board of Education, 2010)

Recommendation 11: Create a web-based Resource Management Service, subject to a specific appropriation for the purposes of carrying out the recommendation.

- ◆ Direct the State Board of Education to provide resource management software to allow similar districts to compare operational expenditures and identify cost savings in instruction, transportation, food services, administration and facility maintenance.
- ◆ The software platform should allow districts to develop “what if” scenarios, incorporate proven practices into their operations and communicate costs savings to the public.
- ◆ If every district realized 5 percent savings using this software, it would allow for \$1 billion to be redirected to the classroom.

Rationale:

This model was originally developed by Standard and Poor’s,¹³ and presented as a key recommendation in SB 2288 (95th General Assembly). The bill, which encompassed many changes in school tax language, passed the Senate but was not called in the House. A review by the Center for Tax and Budget Accountability and Illinois ASBO projects that potential savings attained through use of the resource management service could be significant. If districts saved an average of only 5% on operations costs, the statewide savings would total around \$1 billion—money that could then be channeled to improve classroom instruction. Most of the data necessary for the model are already being collected but not aggregated or available for comparative analysis. Training and collaboration with collective bargaining units and the community would ensure continuous and successful implementation at the local level.

A similar service is already available to foster academic improvement in the form of the Illinois Interactive Report Card, which uses data collected for annual school and district report cards and organizes these data in an interactive format that allows comparisons among similar schools and districts.

District management teams and boards of education would be engaged in annual review of their costs in five key areas compared to other districts of similar type. The service would allow for multiple comparisons of all cost areas with any other districts in Illinois. This would reduce costs and provide critical information for implementing new measures in partnership with employee bargaining units and boards of education. Educational efficiencies would be studied in addition to operational efficiencies.

Alignment with Other Past Recommendations:

In conjunction with the annual reporting of shared services, this service would maximize knowledge of additional best practices across all functions and funds of the district. This was proposed in the Burnham Plan¹⁴ as a key recommendation and vetted and refined by education stakeholders.

Responsible Parties:

The Illinois General Assembly.

Legislation, Rules, Policy Changes Required:

Language authorizing the model would need to be passed.

Estimated Cost or Savings for Implementation and Funding Source:

An Ohio pilot of a similar service showed that districts on average saved at least 5% in operational costs; if 5% savings were realized across all Illinois school districts, savings would total \$1 billion. Estimated cost to establish the system is \$2.00 per student. Annual reporting would provide concrete savings data.

¹³ (Standard & Poor’s, 2007)

¹⁴ (Houlihan, et al., 2007)

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

- ♦ Establish an online repository for existing shared service and outsourcing agreements, along with examples of proven efficiency practices that could be replicated.
- ♦ Include shared service models among school districts and with other entities, such as municipalities.

Rationale:

School districts and other governmental agencies participate in numerous shared service agreements. Current relationships can immediately serve as a resource for other entities. Not only do existing agreements serve to generate new ideas for efficiency between local entities, they also provide a framework upon which new agreements can be generated. The housing of this information by a State of Illinois website is appropriate as shared service relationships between nonschool entities can also serve as models.

For an example, see New Jersey website where shared service agreements are available: http://www.njslom.org/interlocal_sharedagreements.html

School districts and other entities could expand use of shared service and outsourcing agreements based on the ideas contained within existing agreements and described effective practices. Operational efficiency can be achieved when districts reduce duplicative services. This type of repository would dramatically increase the universe of ideas upon which school districts and other entities could act. In the education environment, many shared service or outsourcing relationships are directly related to educational services. The sharing of these relationships could enhance the effectiveness of academic environment.

Alignment with Other Past Recommendations:

New recommendation.

Responsible Parties:

The repository host would be responsible for the development of the web portal. Individual entities would be responsible to submit appropriately redacted agreements and descriptions of proven practices.

Legislation, Rules, Policy Changes Required:

Legislative action is not necessarily required, as it would be well within the power of a state agency to establish such a repository.

Estimated Cost or Savings for Implementation and Funding Source:

Cost savings could be gathered and aggregated over time through surveys to those entities that participate by uploading their agreements and proven practices.

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

- ♦ Create a state-operated revolving fund to support district efficiency studies and shared service start-ups, which often have up-front costs.
- ♦ Districts would repay short-term, low-interest loans from savings gained through newly implemented shared services and/or other operational efficiencies.

Rationale:

The identification and initiation of shared service opportunities will result in operational efficiencies, which some sources indicate can save public entities 20-30% in operating costs.¹⁵ One hindrance to the development of such opportunities can be the underlying or initial cost. This recommendation will assist districts, through a loan process, to find resources not otherwise available. This should increase the adoption of operational efficiencies where otherwise not possible.

An excellent example of a statewide effort in the development of district efficiency studies can be found in Kansas where the Center for Innovative School Leadership (CISL) was established. Further information is available at the CISL Website: <http://www.emporia.edu/cisl/>

If districts are able to access resources to initiate certain shared service opportunities, it is much more likely to happen. Districts should be able to demonstrate savings garnered through participation in a shared service environment. These savings will accrue to the district's bottom line and a portion can be allocated to repay the revolving fund, allowing perpetual growth of shared services initiatives over time.

Alignment with Other Past Recommendations:

This recommendation proposes a fund similar to other state-operated revolving funds for transportation,¹⁶ infrastructure,¹⁷ and technology¹⁸ utilized in Illinois and other states across the country.

Responsible Parties:

The Illinois General Assembly; ISBE; school districts.

Legislation, Rules, Policy Changes Required:

Rule changes and statutory revisions would be required to establish the fund.

Estimated Cost or Savings for Implementation and Funding Source:

Cost savings can be analyzed as districts apply for the use of funds and ultimately restore those funds directly from the savings associated with a new efficiency.

The current budget line for reorganization feasibility studies could be a source for start-up funding. In addition, private funds and grants may be available if the fund were revolving.

¹⁵ (Technology CEO Council, 2011)

¹⁶ (Kansas Department of Transportation, 2012)

¹⁷ 30 ILCS 105/6z-45

¹⁸ 105 ILCS 5/2-3.117a

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

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

Rationale:

P.A. 95-0241 currently requires that third-party contractors provide the same pay and benefits as district employees receive. Since cross-district shared service agreements would involve current district employees, these agreements should not be treated as third-party outsourcing.

A change to this language could result in increased shared service participation.

Alignment with Other Past Recommendations:

This recommendation aligns with P.A. 97-357, which requires shared service participation and reporting. If districts are being inhibited from entering into such agreements, it will affect participation levels.

Responsible Parties:

The Illinois General Assembly.

Legislation, Rules, Policy Changes Required:

A statutory change to P.A. 95-0241 would be needed.

Estimated Cost or Savings for Implementation and Funding Source:

Savings related to shared services will vary depending on the scope of the service and the type of shared service employed and are not quantifiable on a statewide basis. However, most districts could expect a decrease in the cost for each particular service that is shared. Actual savings would be calculated individually and over time.

Recommendation 15: Establish accelerated P-12 learning options.

- ♦ Create new learning options based on standards attainment and allow for accelerated graduation options.
- ♦ Move away from current requirements based on seat time and completed course credits and move toward a system that would allow eligible students to follow individualized learning plans, proceed more effectively through the learning process, and potentially graduate earlier.

Rationale:

Education should maximize the potential of every student. While many students struggle to meet grade-level standards in school and need more time and resources, other students outpace their same-age peers and need more rigorous, challenging curriculum and opportunities for acceleration. A “one size fits all” curriculum delivery model is outdated for students who will compete globally in the 21st century. The National Governors Association published an Issue Brief recommending that governors enact new policies that build more flexibility for students to earn academic credit when mastery occurs and allocate funding based on student mastery of content rather than the current system of seat time/attendance.¹⁹ Thirty-six states, including Illinois, already provide districts with some flexibility in meeting state seat-time requirements. For example, Illinois allows students to earn credits through the Illinois Virtual School and through allowing physical education credit for athletic team participation after school. Expanded options for students should include early graduation, dual credit, independent study, and distance learning opportunities.

The Council of Chief State School Officers (CCSSO) cites performance-based learning as one of six attributes of “next-generation learning.”²⁰ The state of Florida has already enacted legislation to create accelerated learning options and related support systems.²¹ Illinois has incorporated the Common Core standards into the Illinois Learning Standards; this step sets the stage for creating new competency-based learning models. A national discussion on the policies needed for personalized learning has begun through CCSSO, the International Association for K-12 Online Learning (iNACOL), the Gates Foundation, and others.^{22, 23}

Accelerated learning opportunities will allow students to progress more effectively to standards attainment. Documenting standards attainment will support more targeted post-secondary planning than will documenting seat time and credits. More students will acquire post-secondary credentials at an earlier age.

Alignment with Other Past Recommendations:

This recommendation aligns with SB 3244 (97th General Assembly), which directs ISBE to develop mathematics curriculum models aligned to Common Core Standards. The recommendation also aligns to the Response to Intervention Initiative.²⁴

Responsible Parties:

The Illinois General Assembly and ISBE for legislative and policy modifications (see below), higher education institutions for providing advanced credit opportunities and flexible admissions policies, district commitments to individualized student learning plans and related instructional delivery, professional development for implementation.

¹⁹ (National Governor’s Association, 2012)

²⁰ (Council of Chief State School Officers, 2010)

²¹ Florida House of Representatives, HB 7059 (2012 Legislature)

²² (Patrick & Sturgis, 2011)

²³ (Zinth, 2010)

²⁴ More information on Response to Intervention can be found at http://www.isbe.state.il.us/rti_plan/default.htm

Legislation, Rules, Policy Changes Required:

Legislative changes to establish accelerated learning opportunities and “stackable” K-12 credentials (e.g., modifying seat time requirements to allow for demonstrations of mastery through a variety of learning experiences); changes to middle/high school course credit system; higher education admissions policies that allow credits earned through demonstrations of mastery; access to dual credit and other accelerated learning opportunities for all eligible students.

Estimated Cost or Savings for Implementation and Funding Source:

Investment required in infrastructure (e.g., technology) as well as educator training. Once customized learning becomes a “normal business practice,” costs should go down. It is worth noting that anytime we individualize something rather than standardize it, costs will go up, at least initially. Funds could potentially be redirected from a variety of state and federal grant sources currently supporting traditional delivery methods.

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

- ♦ Develop a statewide system of P-20 education partners (school districts, community colleges, and four-year institutions) to increase college and career readiness and reduce the need for post-secondary remediation.
- ♦ Align curriculum, expand dual credit, create senior capstone projects, share teaching, create early intervention strategies and continuous support systems for at-risk students, and facilitate seamless transfer of high school graduates into higher education and careers.

Rationale:

It is widely recognized that better alignment between secondary education and higher education is critical to strengthening readiness for college and reducing the need for remediation.^{25, 26} Remediation is a common and costly postsecondary challenge. In Illinois, community colleges shoulder the primary responsibility for remedial/developmental education. An average of 50% of first-time, full-time Illinois community college students are required to take at least one remedial course; the figure rises to 80% in some college districts. The actual number represented by these percentages is 95,000 students. As a result, community colleges spent \$120.8 million on remedial/developmental education in fiscal 2007 and public universities spent \$5.2 million. By 2020, 67% of Illinois jobs will require a career certificate or college degree. Currently, 43% of Illinois adults hold postsecondary degrees.²⁷

Increased college and career readiness will likely result in a decreased need for remediation.

Alignment with Other Past Recommendations:

This recommendation aligns with goals of Illinois Board of Higher Education (IBHE) Public Agenda, Complete College America Team Illinois, the Illinois P-20 Council and the work of the P-20 Joint Education Leadership Committee.

Responsible Parties:

The Illinois General Assembly, state education agencies—ISBE, IBHE, the Illinois Community College Board (ICCB)—Regional Offices of Education, Universities/Community Colleges and High Schools, the Illinois Department of Commerce and Economic Opportunity (DCEO), and private business.

Legislation, Rules, Policy Changes Required:

Legislation supporting this recommendation will likely be needed.

Estimated Cost or Savings for Implementation and Funding Source:

As stated above, the cost of remediation is significant to colleges and universities; this expense would decrease. Currently, the college and career grant funds help to support a limited number of secondary/postsecondary partnerships.

²⁵ (Kazis, 2006)

²⁶ (Callan, Finey, Kirst, Usdan, & Venezia, 2006)

²⁷ Data from the Illinois Board of Higher Education can be found at www.ibhe.org

Recommendation 17: Create P-20 learning pathways.

- ♦ Support implementation and statewide scale-up of the Illinois Pathways Initiative, offering students access to Science, Technology, Engineering and Mathematics (STEM) Programs of Study through STEM Learning Exchanges.
- ♦ Foster local programs through public/private partnerships, including both the academic and business communities.

Rationale:

As stated above, Illinois needs to create new opportunities for students to accelerate learning and explore career options. It is critical that students are given ways to transfer seamlessly from their elementary and secondary education to college and careers.^{28, 29} The new Illinois Pathways Initiative and its STEM learning exchanges bring together the State of Illinois' education and economic development agencies, local business and sector leaders to support programs that empower students to explore their academic and career interests.^{30, 31}

Illinois Pathways supports the increase of credential attainment aligned to the state's economic development objectives. P-20 STEM Programs of Study provide an opportunity for education institutions to align their program pathways and diverse delivery network to promote greater efficiencies in curriculum delivery, career guidance, and support services.³²

Alignment with Other Past Recommendations:

This recommendation aligns with the recommendations of the Streamlining Illinois' Educational Delivery Systems Task Force and P.A. 97-357, which requires shared service participation and reporting.³³ It also aligns with recommendations of the Illinois P-20 Council.³⁴

Responsible parties:

Illinois Pathways Interagency Committee (DCEO, IDES, ISBE, ICCB, IBHE and ISAC); participating Race to the Top districts; Education for Employment offices; Regional Offices of Education/Intermediate Service Centers; community colleges and four-year institutions; industry associations and employers; labor organizations; Office of the Governor; Illinois General Assembly; Illinois P-20 Council.

Legislation, Rules, Policy Changes Required:

State matches for private sector support; align existing programs and policies to support Illinois Pathways, including the use of Title 1, School Improvement Grants, Perkins and Workforce Investment Act funds. Promote credit transfer among schools and institutions.

Estimated Cost or Savings for Implementation and Funding Source:

P-20 STEM Programs of Study are funded by federal Round 3 Race to the Top funds. State Perkins reimbursements and incentive funds should be targeted to support the scale-up and sustainability of program offerings. P-20 STEM Programs of Study will achieve cost-savings through the sharing of curriculum resources and assessments as well as through greater utilization of regional assets.

²⁸ (Harvard Graduate School of Education, 2011)

²⁹ More information on the National Research Center for Career and Technical Education can be found at <http://www.nrccte.org/>

³⁰ More information on the Illinois Pathways Initiative can be found at http://www.illinoisworknet.com/vos_portal/STEM/en/Home/

³¹ More information on the Pathways to Results can be found at <http://ocrl.illinois.edu/projects/pathways>

³² (Illinois Pathways Initiative, 2012)

³³ (Illinois State Board of Education, 2010)

³⁴ More information on the Illinois P-20 Council can be found at <http://www2.illinois.gov/gov/P20/Pages/default.aspx>

Recommendation 18: Develop P-20 technology infrastructure.

- ♦ Develop the means to provide broadband connectivity, wireless access, and computing hardware for all schools, educators, and students.
- ♦ Coordinate with statewide broadband projects, national FCC and e-Rate projects, and regional consortia.

Rationale:

Districts are beginning to collaborate on technology services and infrastructure, a trend that must accelerate so that all districts and students can reap the benefits afforded by access. The Classrooms First Commission has collected many examples of shared learning environments and technology collaboratives in Illinois and elsewhere. Educational delivery of the future depends on Illinois investing today in the necessary connectivity and content to provide globally competitive educational resources.³⁵ Leaving districts to their individual devices and resources will create a system of “haves” and “have nots” that will hamper the state’s attainment of its educational and economic goals. This effort will parallel similar information technology advancements elsewhere, both state and federal.³⁶

Will provide students access to high quality content/instructors any time, any place; extended learning day, week and year; ability to share virtual infrastructure from cloud computing and other virtual resources; cost reduction and improved managing of licenses and resources, including both free and proprietary content.

Responsible Parties:

ISBE; regional delivery systems such as Regional Offices of Education, Intermediate Service Centers, and Learning Technology Centers; school districts, cooperatives, special education, career and technical education providers, IlliniCloud, Illinois Broadband Initiatives, universities and community colleges, community libraries, the legislature & other educational and operational government agencies; DCEO and regional workforce entities; professional organizations.

Legislation, Rules, Policy Changes Required:

Removal, revision and/or creation of shared/cooperative policy agreements, business and service level agreements, infrastructure and statement of understandings for legally/financially sharing services, staff, etc. will be necessary.

Estimated Cost or Savings for Implementation and Funding Source:

Estimated cost-savings for shared IT services alone ranges from 30-70%. Potential funding sources include reallocation of existing funds, e-Rate and other grant funds, foundation funding, or state-managed personal investment fund.

³⁵ (Fogel, 2010)

³⁶ (U.S. Department of Education, 2011)

Recommendation 19: Adopt a two-year state budget cycle.

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

Rationale:

The Classrooms First Commission heard from many school administrators and school business officials who described difficulties with the reliability of state funding assistance and the detrimental effects it has had on their districts. Adopting a two-year budget cycle or altering the current budget process would help districts project revenues and manage their budgets more effectively.

Nineteen other states currently operate on a two-year budget cycle, with two other states operating two-year budgets for a selected number of smaller state agencies.³⁷ This requires two years' worth of appropriations to be made during each budget cycle. States operating under a two-year budget cycle include highly populous states like Texas (25.6 million residents) and border states such as Indiana, Kentucky and Wisconsin, which are among the 14 states with annual legislative sessions that have two-year budgets.

Illinois has the capacity to make the accurate revenue forecasts necessary to operate a two-year budget. According to a Pew research study, between 1987 and 2009, Illinois revenue forecasts for personal income, corporate income and sales taxes (the three largest revenue sources in most states) had a positive median percentage error of 0.70 percent. This means that on average Illinois budget forecasts have underestimated the amount of revenue the state is generating with these three taxes. The Illinois forecasting percentage error was the fourth best among states with positive percentage errors. Additionally, 10 of the 19 states operating two-year budgets had positive forecasting errors.³⁸

There were 28 states in 2008 operating on the same fiscal year as Illinois that require the Governor to present a budget proposal to the legislature before February (Illinois requires the Governor to present his budget by the third Wednesday of February). Of those states, 16 require a budget to be presented by January, nine by December and four by November.³⁹ In that same year 22 states operated on the same fiscal year as Illinois and had an annual budget with an annual legislative cycle. Of those 22, seven had to have their budgets completed by March and eight had to have them completed by May.

Earlier passage of a budget will give school districts the funding certainty needed to avoid unnecessary Reduction in Force (RIF) notices and cuts to programs. While the number of tenured and non-tenured teachers that have received RIF notices has increased in recent years because of increased volatility in state funding, the percentage of teachers re-hired has remained steady. Between 2003 and 2011 the percentage of tenured and non-tenured teachers that have been re-hired ranged from 50.2 to 64.33 percent. The total percent of teachers rehired between 2003 and 2011 is 57.13 percent.⁴⁰ This leaves thousands of teachers every year with uncertainty and the inability to make long-term plans.

Greater budget certainty will decrease the need for unnecessary cuts and RIFs that are the product of uncertain funding situations, as opposed to true decreases in available appropriations. The other changes will give districts more flexibility to adapt to changes in state funding and make the necessary spending reductions without being hampered by burdensome requirements from the state. This will help decrease the time spent planning district budgets.

³⁷ (Snell, 2011)

³⁸ (The Pew Center; The Nelson A. Rockefeller Institute of Government, 2011)

³⁹ (National Association of State Budget Officers, 2008)

⁴⁰ (Illinois State Board of Education, 2003-2011)

Alignment with Other Past Recommendations:

New recommendation.

Responsible Parties:

The Illinois General Assembly, Illinois State Board of Elections

Legislation, Rules, Policy Changes Required:

Constitutional changes would have to be made to allow for an biennial budget⁴¹ and to create an incentive for legislators to pass a budget earlier.⁴²

Estimated Cost or Savings for Implementation and Funding Source:

Cost savings are difficult to estimate, but greater long-term predictability in funding will keep districts from making unnecessary and costly changes in staffing from year-to-year and unnecessary suspension/scrapping/downsizing of programs that rely upon state grants.

⁴¹ Illinois Constitution. Article VII, Section 2(a)

⁴² Illinois Constitution. Article IV, Section 10

Recommendation 20: Allow mandate flexibility, subject to a specific appropriation for the purposes of carrying out the recommendation.

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

Rationale:

In recent years, significant fiscal stress has been placed on Illinois school districts due to the State's financial issues. According to the annual Educational Mandates report issued by ISBE, of the 108 new educational mandates implemented between 2007 and 2010, nearly 41% of them imposed an additional cost to school districts.⁴³ HB 4711 (96th General Assembly), which amended section 22-60 of the Illinois School Code to provide districts the ability to waive or modify the requirements of new unfunded mandates, was originally meant to include past unfunded mandates as well as new ones.

The appropriation from the General Revenue Fund given to ISBE (includes funding for General State Aid, mandated categoricals, and various other grants) has decreased nearly 10 percent since FY 2009 from \$7.44 billion to \$6.75 billion.⁴⁴ These reductions have brought the percentage of overall state support for education to 28 percent. These reductions have also forced ISBE to eliminate 34 programs.⁴⁵

Categorical mandates have often been underfunded:

- ♦ In FY05, the cost school districts incurred to implement the driver's education mandate was \$65.6 million while reimbursement for the state was only \$17.9 million. Even recent increases in funding (\$24.2 million was appropriated in FY11) don't begin to cover half of the cost of the mandate.⁴⁶
- ♦ In FY09 total school transportation costs for both special education and non-special education students was over \$853 million, but state reimbursement only covered \$586 million or 68.6 percent of actual costs.⁴⁷ While spending for special education students has risen to match costs, state funding for the transportation of non-special education students has decreased by nearly 40 percent, placing great strain on school districts.⁴⁸
- ♦ In FY2005 state funding for Transitional Bilingual Education was \$64.3 million, which served an English Language Learner (ELL) student population of 156,350 students. By FY2012 the ELL population had increased to 183,000 students, but funding had decreased by \$1 million to \$63.3 million.⁴⁹

With implementation of this recommendation districts would have the opportunity to move funds around more freely and tailor educational opportunities to a district's student body. School districts will gain greater control and flexibility over their operations, something that is necessary in this time of fiscal uncertainty.

Alignment with Other Past Recommendations:

The original intent of HB 4711 (96th General Assembly), which passed and is now P.A. 96-1441.

Responsible parties:

The Illinois General Assembly.

⁴³ References ISBE's 2007 to 2010 Educational Mandates: Annual Reports (Illinois State Board of Education, 2007-2012)

⁴⁴ (Quinn, 2012)

⁴⁵ (Illinois State Board of Education, 2012, February)

⁴⁶ (Illinois State Board of Education, 2011, June)

⁴⁷ (Safe Routes to School National Partnership)

⁴⁸ (Illinois State Board of Education, 2009)

⁴⁹ (Illinois State Board of Education, 2011, December 1)

Legislation, Rules, Policy Changes Required:

Legislative action needed to expand the scope of section 22-60 of the School Code to give schools flexibility and relief from nonessential state mandates.⁵⁰

Estimated Cost or Savings for Implementation and Funding Source:

Not known at this time, as the cost of mandates vary by school districts and comprehensive research on the cost of education mandates does not exist.

⁵⁰ 105 ILCS 5/22-60

Recommendation 21: Provide online professional development, subject to a specific appropriation for the purposes of carrying out the recommendation.

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

Rationale:

Providing online professional development statewide will give school districts in Illinois a tool that district employees can use to complete trainings at their convenience. This system would provide consistency and ensure that the required trainings are properly administered. Certificates and other reporting mechanisms could be easily developed to ensure proper completion of trainings. Professional development opportunities could also be enhanced by giving schools greater flexibility in scheduling professional development time.

Some on-line training tools already exist and are being utilized by school districts across Illinois, so ISBE would not need to develop new software. Two such examples are the Ed Leaders Network (ELN) and Global Compliance Network (GCN). ELN is provided by the Illinois Principals Association (IPA) in conjunction with 12 other principal associations in 9 other states. Over 450 schools in Illinois have at least one ELN member.⁵¹ In addition to on-line trainings ELN also offers a variety of other education related content and can be used as a communication vehicle to help connect districts.⁵² GCN also has the capabilities to provide on-line training along with other educational related content. There are over 224 school districts in Illinois that use GCN.⁵³

On-line trainings will free up institute days to be used more for professional development, which will help improve teacher quality and provide greater educational opportunity. Allowing districts to use banked calendar days in full-day increments for professional development time will allow schools to save the costs associated with having students in the building for half-days (e.g. running bus routes, preparing food).

The list of mandated and recommended trainings includes:⁵⁴

- | | |
|--|---|
| ♦ Bloodborne Pathogens | ♦ Violence Prevention & Conflict Resolution |
| ♦ Suicide/AIDS | ♦ Life-saving techniques |
| ♦ DCFS: Child Abuse & Neglect | ♦ Head Lice Prevention |
| ♦ ADD/ADHD | ♦ Open Meetings Act |
| ♦ Hazardous Materials | ♦ School Board Leadership |
| ♦ Automated External Defibrillator | ♦ Employee Evaluation |
| ♦ Sexual Harassment & Discrimination | ♦ IHSA Performance-enhancing substances |
| ♦ First Aid/CPR | ♦ Civil Rights in Child Nutrition |
| ♦ First Aid/AED | ♦ Freedom of Information Act |
| ♦ Educator Ethics Training | ♦ Social Security Numbers |
| ♦ Chronic Health Conditions | ♦ Anaphylactic Reaction |
| ♦ Care of students with Diabetes | ♦ Integrated Pest Management |
| ♦ Concussions | ♦ Domestic & Sexual Violence |
| ♦ Psychotropic/Psycho-Stimulant Medication | ♦ Food Allergy Guidelines |
| ♦ Student Records Confidentiality | ♦ Bullying Prevention |
| ♦ Family Records Confidentiality | ♦ Gang Resistance & Education |
| ♦ Health Insurance Confidentiality | ♦ Asbestos |
| ♦ Mental Health/Developmental Disabilities Confidentiality | |

⁵¹ According to the Illinois Principals Association.

⁵² More information on the Ed Leaders Network can be found at <http://www.edleadersnetwork.org/Home/>

⁵³ According to Global Compliance Network.

⁵⁴ This list has been developed using resources available from the Illinois Association of School Boards and Regional Offices of Education across the state.

Alignment with Other Past Recommendations:

New recommendation.

Responsible parties:

The Illinois General Assembly; ISBE.

Legislation, Rules, Policy Changes Required:

Legislation will be required to give school districts the freedom to schedule full-day professional development days.⁵⁵

Estimated Cost or Savings for Implementation and Funding Source:

Based on 2009-10 data from ISBE that records certified personnel in Illinois, ELN estimated that there are 190,000 certified and non-certified staff in Illinois schools.⁵⁶ Below is a cost breakdown that looks at several levels of participation amongst Illinois personnel.

Certified and Non-Certified Staff	Total Cost	Cost Per Person
All staff – 190,000	\$1,415,500	\$7.45
75% of staff – 142,500	\$1,204,125	\$8.45
50% of staff – 95,000	\$897,750	\$9.45
25% of staff – 47,500	\$520,125	\$10.45

GCN provided a per district cost breakout for their Unlimited Tutorials package:

Number of Employees per District	Annual Fee
1-50	\$200
51-100	\$300
101-250	\$450
251-500	\$750
501-1000	\$1000
1001-1500	\$1200
Over 1500	\$1400

The cost estimates above are estimates from the listed vendors and non official responses to a bid.

⁵⁵ 105 ILCS 5/18-8.05 (F)(2)

⁵⁶ (Illinois State Board of Education, 2011, October)

Recommendation 22: Provide interactive personnel registries.

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

Rationale:

An interactive system will allow a shift away from manual calling either by part-time sub-callers or clerical and administrative staff. Software is available through companies such as CRS Advanced Technology,⁵⁷ Aesop⁵⁸ and Central XChange.⁵⁹ Software from these companies can streamline substitute teacher placement, improve substitute placement rates, decrease teacher absenteeism and match open positions to the most qualified substitute ensuring quality teachers are in the classroom at all times.

There are redundancies among state agencies performing criminal history record checks on potential employees. Nearly half of the 223,805 fingerprint-based criminal history record checks initiated by state agencies in 2009 were for educational personnel and nearly half of all applicants who completed a criminal history record check apply for multiple positions resulting in multiple checks.⁶⁰

This recommendation would streamline the criminal history record check process and eliminate redundant and unnecessary checks as employees move from district to district or apply to multiple districts or state agencies. It would allow schools to ensure qualified teachers are in the classroom at all times, will create more accountability among teachers and will allow administrative staff to focus energy elsewhere in the busy morning hours of each school day.

Alignment with Other Past Recommendations:

Criminal History Record Checks Task Force report.⁶¹

Responsible Parties:

ISBE; ROEs; impacted state agencies.

Legislation, Rules, Policy Changes Required:

ROEs would be responsible for determining whether to use general funds to pay for software or whether to charge registering substitute an additional fee.

Estimated Cost or Savings for Implementation and Funding Source:

Aesop provided a per-employee cost estimate that varies by district size for their software. Non-replacement employees are those employees that would not require a substitute and would only use the Aesop software to record absences. This estimate is not an official response to a bid.

District Size (Replacement Only)	Monthly Replacement Employees	Monthly Non-Replacement Employees	Initial Setup	On-site Training
0-100	\$3.50	\$1.50	\$750	\$3,000
101-300	\$2.50	\$1.25	\$1,000	\$3,500
301-500	\$2.00	\$1.00	\$1,000	\$4,000
501-800	\$1.65	\$0.75	\$1,500	\$4,000
801-1,200	\$1.45	\$0.50	\$1,500	\$4,000
1,201-1,750	\$1.25	\$0.45	\$2,000	\$4,000
1,751-3,000	\$1.10	\$0.40	\$2,500	\$4,000
3,001 >	\$1.00	\$0.35	N/A	N/A

⁵⁷ More information on CRS Technology can be found at <http://www.crsadvancedtechnology.com/products/subfinder>

⁵⁸ More information on Aesop can be found at <http://www.aesopeducation.com/>

⁵⁹ More information on Central XChange can be found at <http://www.centralxchange.com/>

⁶⁰ (Criminal History Records Check Task Force, 2011)

⁶¹ (Criminal History Records Check Task Force, 2011)

CRS Advanced Technology provided a per-employee cost estimate that varies by district size for their software. Non-replacement employees are those employees that would not require a substitute and would only use the Aesop software to record absences. This estimate is not an official response to a bid.

District Size (Replacement Only)	Monthly Replacement Employees Cost	Monthly Non-Replacement Employees Cost	Initial Setup	3-Day On-site Training
0-100	\$2.00	\$1.00	\$1,500	\$2,500
101-300	\$1.90	\$0.95	\$1,500	\$2,500
301-500	\$1.80	\$0.90	\$1,500	\$2,500
501-800	\$1.70	\$0.85	\$1,500	\$2,500
801-1,200	\$1.50	\$0.75	\$1,500	\$2,500
1,201-1,750	\$1.25	\$0.63	\$1,500	\$2,500
1,751-3,000	\$1.15	\$0.58	\$1,500	\$2,500
3,001-3,500	\$0.95	\$0.48	\$1,500	\$2,500
3,501-4,000	\$0.85	\$0.43	\$1,500	\$2,500
4,001-4,500	\$0.75	\$0.38	\$1,500	\$2,500
4,501-5,000	\$0.65	\$0.33	\$1,500	\$2,500
5,001 and Greater	\$0.55	\$0.28	\$1,500	\$2,500

Recommendation 23: Increase access to statewide database licenses, subject to a specific appropriation for the purposes of carrying out the recommendation.

- ♦ Provide cheaper access to major school library database licenses on a statewide basis instead of district-by-district.
- ♦ The state could directly purchase database subscriptions, share the cost of subscriptions with local school districts, or offer state-negotiated rates to school districts.

Rationale:

Purchasing library database subscriptions on a statewide basis would free up money saved for classroom spending. Many states offer full-text resources to school libraries including Nebraska, Ohio and Washington.

- ♦ The Nebraska Library Commission offers all state residents with free access to a variety of database content including full-text magazine, journal and newspaper articles along with biographical, business information and genealogical resources through NebraskAccess. The program cost the state \$479,421 in 2008-2009.⁶²
- ♦ The State Library of Ohio provides free access to a set of electronic databases through the Ohio Web Library through grant funding provided to Libraries Connect Ohio, a partnership of Ohio libraries and library organizations. In FY12 this grant totaled \$2.75 million and came from federal Library Services and Technology Act funding.⁶³
- ♦ The Washington State Library provides access to databases through a Statewide Database Licensing (SDL) program that splits the cost of access with participating libraries. The Washington State Library deals directly with the state's regional Education Service Districts, which then bill their school districts. Washington uses Full Time Equivalent (FTE) ratios to determine the price libraries, school libraries and medical libraries must pay. The current SDL contract costs nearly \$468,000 annually.⁶⁴

The Illinois State Library (ISL) offers libraries, including school libraries, free access to a series of research databases, but this service does not offer the full-text resources school librarians say they need. The ISL used to offer school libraries subsidized database subscriptions that provided schools with cheaper access to full-text resources. Students with more access to online and educational resources have higher ISAT scores and perform better on the ACT than their counterparts.⁶⁵

Alignment with Other Past Recommendations:

Illinois School Library Media Association (ISLMA) Databases Task Force report.

Outcomes:

Increased educational opportunities and outcomes as students would have universal access to a standardized set of learning resources, along with operational efficiencies and cost savings.

Responsible parties:

ISBE and ISL.

Legislation, Rules, Policy Changes Required:

Appropriations to purchase database subscriptions or implement a cost-sharing program with school districts.

⁶² More information on NebraskAccess can be found at <http://nebraskaccess.ne.gov/about.asp>

⁶³ According to Marsha McDevitt-Stredney, Marketing & Communications Director for The State Library of Ohio.

⁶⁴ According to Will Stuiwenga, Cooperative Projects Manager for the Washington State Library.

⁶⁵ (Illinois School Library Media Association, 2005)

Estimated Cost or Savings for Implementation and Funding Source:

During the 2010-2011 school year ISLMA received several proposals from database vendors that included the estimated cost to offer every student access to a series of different resources. Each package cost \$150,000 annually or just over 7 cents per student. The EBSCO package includes Novelist K-8 and the elementary, middle and high school editions of The Book Collection. EASBYBIB offered access to their premium service, which offers students an interactive tool to use when citing a source. ProQuest/SIRS offered a package of four databases: SIRS Discoverer, eLibrary Science, History Study Center and ProQuest Learning Literature. These estimates are not official responses to a bid, but represent estimates from the listed vendors.

APPENDIX G: BIBLIOGRAPHY

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