

Board of Directors Minutes — May 15, 2004

Illinois Association of School Boards
2921 Baker Drive, Springfield, Illinois
May 15, 2004

Present:

Raymond Zimmerman	President	Flanagan
Marie Slater	Vice President	Wheaton
Christy M. Coleman	Immediate Past President	Geneseo
Joseph Alesandrini	Central Illinois Valley	Pekin
David Barton	Two Rivers	Nebo
Lowell Beggs	Northwest	Amboy
Fred Blue	Starved Rock	Utica
Donna Cech	West Cook	River Forest
Fred Clatfelter	Wabash Valley	West York
Roger Edgecombe	Abe Lincoln	Maroa
Carol Farnum	Kishwaukee	Aurora
Thomas Hannigan	Treasurer/Lake	Mundelein
Steve Hawk	Blackhawk	Erie
Cheryl Jackson	Corn Belt	Bloomington
Debra McCleary	Three Rivers	Coal City
Helen McClelland	South Cook	Country Club Hills
John Metzger	Egyptian	Benton
Mark Metzger	DuPage	Aurora
Mark Meyers	Ill. Assn of School Trustees	Homewood
Roger Pfister	Shawnee	Murphysboro
Michelle Skinlo	Illini	Charleston
Barbara Somogyi	North Cook	Elk Grove Village
Wesley G. Stellhorn	Southwestern	Baldwin
Gerald White	Western	Colchester

Absent:

Tariq Butt	Chicago Board of Education	Chicago
David Henebry	Service Associates	LZT, Peoria
Kent Kistler	Kaskaskia	Brownstown
Flip Chart Recorder		Wesley Stellhorn
Timekeeper		Steve Hawk
Process Observer		Barbara Somogyi
Recording Secretary		Patricia Culler

Call to Order

President Raymond Zimmerman called the meeting to order at 10:50 a.m. Vista II-III, Hilton Hotel, Springfield, Illinois.

Introductions

President Zimmerman introduced two new Directors: John Metzger, replacing Sara Brown as Director, Egyptian Division; and Mark Myers, replacing Ronald Szabo, Illinois Association of School Trustees.

Additions/Approval Meeting Agenda

Action: Fred Blue moved, seconded by Michelle Skinlo and carried unanimously, that the agenda for the May 15, 2004 meeting be approved for the conduct of the meeting as presented.

Approval, February 28, 2004, Board of Directors' Minutes

Action: Joe Alesandrini moved, seconded by David Barton and carried unanimously, that the minutes for the February 28, 2004, Board of Directors' Meeting be approved as printed and placed on file.

Consent Agenda

Action: Roger Pfister moved, seconded by Barbara Somogyi and carried unanimously, that items 4, 5, 6, 7, and 8 of the Consent Agenda be accepted as printed and distributed in the meeting packet.

2004-2005 Membership Dues

Executive Director Johnson explained that a district's dues are based on its ADA and Operating Expenses. If a district's ADA and operating expenses go down, the dues go down. Dues only increase if the ADA and/or operating expenses go up. A district that has a calculated dues increase also has a cap limiting the size of the dues increase. This cap has not changed in nineteen years. Beginning with the 2004-2005 dues statements, it is recommended that:

1. **The dues cap be increased each year by 3%.** This will allow for an increase that would keep the cap proportional to the dues; and increase the dues cap by \$3 per year for the smallest districts and \$9 per year for the districts over 10,000 ADA.
2. **A 10% dues surcharge for districts not paying a threshold of 80% of their calculated dues be established.** This would address the equity question. District dues equity should provide two similar districts in ADA and operating expense should pay similar dues. Presently they do not. Districts with rapid growth do not pay dues equal to those of similar size. This would create a surcharge of between \$300 and \$1,400 (Chicago) until districts reach the 80% level. Districts falling below the 80% level: 259 districts this year; 148 districts with surcharge, 2004-2005; 59 districts with surcharge, 2005-2006; and 23 districts with surcharge, 2006-2007.

Johnson further stated that although the budget reflects a \$126,727 surplus, this is a built-in loss stopgap figure since budgetary receipts are based on projected revenues that could be materially reduced due to membership non-renewals and lower than anticipated participation for revenue-generating programs. Also the budget contains amounts for start-up monies for new service program development to benefit member districts and to allow the Association to provide service programs for local districts at savings substantially below other providers available to them; such as WCSIT, ISDA, ISDLAF+, the gas pooling program, bus driver drug testing, TAG program, School Board Net. He further noted that dues receipts only cover staff salaries and basic overhead and budget amounts are based on requests for services, not hard money. The Executive Director stated his position has not been to maximize reserves, but rather to put money into services that benefit member districts. Two examples are districts participating in the natural gas program are paying only sixty percent of the actual cost—a savings of over four million dollars and those participating in the insurance program receive free accident insurance.

Director comments during the ensuing discussion:

Cheryl Jackson, Corn Belt Division, stated she is concerned about any change in the dues structure that increases any of the calculations in view of the fact that many districts, including her district, are cutting their budgets and the proposed Association reflects a built-in surplus.

Michelle Skinlo, Illini Division, felt that even a small increase would be devastating to some of the smaller districts. Skinlo stated her local district had had an increase in dues each of the five past years, at the same time their student population had been decreasing.

Tom Hannigan, Lake Division and IASB Treasurer, reminded the Board that last year before the former Treasurer Mary Walsh retired, she stated that the 2003-2004 budget contained no provision for any type of dues increase, it did not address the equity question, and she did not like this. Therefore, the 2004-2005 budget has been built upon a small increase in the cap and addresses the equity issue on a phase-in basis. Local districts are still spending the same amounts as they were. When districts say budgets are being cut, monies are actually being reallocated from one program area to another. In the final analysis, the bottom line spending is still the same. It was Hannigan's hope when local districts are considering these reallocations they would view Association membership and conference attendance as value-added items. The \$126,727 surplus figure is a soft figure and is basically a built-in book loss figure to cover losses that might occur from lower than anticipated revenue source receipts. The Association must be fiscally responsible by charging fair and reasonable dues assessment.

Mark Metzger, DuPage Division, noted that his local district of comparable size and side-by-side with Marie Slater's local district is only paying one-half the dues that Slater's district is paying.

Consensus was reached to include a explanation of the new caps and surcharges, along with the dues statement and dues letter, to each member district and to mail the new Association services brochure to each local board member of member districts.

Action: Fred Blue moved, seconded by Lowell Beggs and carried that the dues formula cap be increased by 3% yearly and a 10% dues surcharge be established for districts not paying a threshold of 80% of their calculated dues.

Monitoring Reports

ENDS/Mission, Pages 15-18

A new version of this policy, including semantic changes to state more clearly what the Associations' mission is and the steps required to fulfill its mission, was distributed in the meeting packet behind tab A.

EXECUTIVE LIMITATIONS/Budgeting/Forecasting, Page 19

This policy is in compliance at this time.

EXECUTIVE LIMITATIONS/Financial Condition, Page 21-30

This policy is in compliance at this time.

EXECUTIVE LIMITATIONS/Emergency Executive Succession, Page 31

This policy is in compliance at this time.

GOVERNANCE PROCESS/Governing Style, Pages 33-34

This policy is in compliance at this time.

Fiscal Year 2004-2005 Budget Assumptions

The Executive Director reviewed the explanation of the staffing/programming assumptions on which the 2004-2005 budget funding was based (page 35). A copy of the final budget, including amounts and rationale for program areas was contained behind Tab B of the meeting packet.

NSBA Delegate Report

Immediate Past President Christy Coleman directed attention to the No Child Left Behind statement adopted by the 2004 NSBA Delegate Assembly behind Tab A of the meeting packet and noted general session speakers were Christopher Reeve, Rod Paige, Jennifer James, and Laura Bush. She also stated that Marie Slater's district, Wheaton Warrenville SD 200, was represented by a group of high school students performing at one of the general sessions. Barbara Somogyi thanked the President for the opportunity to serve as an alternate delegate. Mark Metzger remarked that at each of the panel sessions there were Illinois' board members and staff involved as presenters.

Illinois High School Association Report

IASB Representative Joe Alesandrini reported that the Illinois High School Association is currently delving into public and private school issues in three areas--boundary issues, transfers, and coops. The IHSA also is looking into what other states are doing and classification policy for sports and extra-curricular activities. There will be a report at IHSA's August Board meeting.

Legislative Report

Associate Executive Director for Governmental Relations Ben Schwarm reported that the Governor's plan to eliminate the Office of the State Superintendent and replace it with a Department of Education directly under his control has found little support. However, the Governor will be able to replace all nine members of the State Board with his own people. For the present, he feels everything will remain about the same. Other proposals touched upon: A school a prescription drug pool, a commodities and services pool, school construction, TRIP plan, school breakfast, property tax relief, governor's budget, and salary cap legislation for superintendents and teachers.

Staffing Update

The Executive Director noted the staffing changes listed on page 41 of the meeting packet and the contractual employment of two fulltime and two part-time individuals to fill the positions required by the TAG grant.

IASB Committees

The President directed attention to the IASB committee appointments and re-appointments listed on page 43 of the meeting packet, and named Cheryl Jackson to replace Sara Brown as a Nominating Committee Alternate.

Executive Director Evaluation Request

President Zimmerman requested that Directors complete and return the Executive Director Evaluation form no later than June 15. He stressed the importance of each Director responding.

Adjournment

Action: Joe Alesandrini moved, seconded by Tom Hannigan and carried unanimously that the meeting be adjourned.

The next meeting of the IASB Board of Directors will be held August 27-29, 2004, Pere Marquette Lodge, Grafton, Illinois.