

Board of Directors Minutes – August 28, 2004

Illinois Association of School Boards  
2921 Baker Drive, Springfield, Illinois  
August 28, 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
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
Kent Kistler.....	Kaskaskia .....	Brownstown
Debra McCleary.....	Three Rivers.....	Coal City
Helen McClelland.....	South Cook .....	Country Club Hills
John Metzger .....	Egyptian.....	Benton
Mark Metzger .....	DuPage.....	Aurora
Roger Pfister .....	Shawnee.....	Murphysboro
Michelle Skinlo.....	Illini.....	Mattoon
Barbara Somogyi.....	North Cook .....	Elk Grove Village
Wesley G. Stellhorn.....	Southwestern.....	Baldwin
Gerald White.....	Western.....	Colchester

Absent:

Fred Blue .....	Starved Rock.....	Utica
Tariq Butt.....	Chicago Board of Education.....	Chicago
Steve Hawk .....	Blackhawk .....	Erie
David Henebry.....	Service Associates .....	LZT, Peoria
Cheryl Jackson.....	Corn Belt.....	Bloomington
Mark Meyers.....	IL Assn of School Trustees.....	Homewood

Flip Chart Recorder .....	Roger Edgecombe
Timekeeper .....	David Barton
Process Observer .....	Helen McClelland
Recording Secretary.....	Patricia Culler

Call to Order

President Raymond Zimmerman called the meeting to order at 1:40 p.m., Pere Marquette, Lodge, Grafton, Illinois.

Additions/Approval Meeting Agenda

Action: Wesley Stellhorn moved, seconded by Lowell Beggs and carried unanimously, that the agenda be approved with an addition of item 14.a Bank Depository Change.

Approval, May 15, 2004, Board of Directors' Minutes

Action: Joe Alesandrini moved, seconded by Mark Metzger and carried unanimously that the minutes of the May 15, 2004, Board of Directors' Minutes be approved as corrected.

Consent Agenda

Action: Mark Metzger moved, seconded by Kent Kistler and carried unanimously that the Nominating Committee Report, as suggested by Christy Coleman, be removed from the consent agenda and placed on the report section of the agenda, and the balance of the items be accepted as printed and distributed.

Monitoring Reports

ENDS/Mission, Pages 19-22

This policy is in compliance at this time.

EXECUTIVE LIMITATIONS/General Executive Constraint, Page 23

This policy is in compliance at this time.

The Executive Director noted that there is an employee on administrative leave due to a policy issue occurring within the Alliance. The Executive Director will review this situation the week of August 30 and decide whether to place the individual on probationary status for a time period or terminate employment. All questions regarding this should be directed to the Executive Director, who cannot, due to confidentiality issues, share further information at this time.

EXECUTIVE LIMITATIONS/Staff/Volunteer Treatment, Page 25

This policy is in compliance at this time.

EXECUTIVE LIMITATIONS/Financial Condition, Page 27

This policy is in compliance at this time.

Roger Pfister noted the yearly dates listed in item 2. should be 2004-2005, rather than 2003-2004.

EXECUTIVE LIMITATIONS/Financial Condition, Pages 29-36

Treasurer Thomas Hannigan noted that the Association is on sound financial footing as reflected in the financial position statement as of July 31, 2004. The total assets are \$10,350,641 with \$7,004,603 in current assets and \$3,389,878 in fixed assets. Cash and investments account for 96.16 of the total assets and current member equity is \$6,081,486.

In response to a question from Joe Alesandrini regarding 2004-2005 dues receipts, the Executive Director stated dues are coming in ahead of last year, but renewals are behind due to local district cash flow situations that will have some districts paying their dues later than in previous years. Thomas Hannigan questioned the Association's position regarding conference attendance for districts that will be paying their dues in late November or December. The Executive Director responded they would be allowed to attend the 2004 conference; however, they would not be permitted to register and attend the 2005 conference if they do not renew.

EXECUTIVE LIMITATIONS/Compensation and Benefits, Pages 37-38

This policy is in compliance at this time.

Barbara Somogyi asked what criteria IASB position salaries were based upon. The Executive Director stated that position salaries are benchmarked on similar NSBA and state association/organizations schedules for similar positions. IASB salaries are currently in the top three percent for other state associations, primarily due to the fact of the program offerings and skill levels of its employees.

EXECUTIVE LIMITATIONS/Communication and Counsel to the Board, Page 39

This policy is in compliance at this time.

EXECUTIVE LIMITATIONS/Protection of Image, Page 41

Roger Edgecombe questioned whether the Executive Director's signing off on the protection of image policy might give the impression that he is evaluating himself. Roger Pfister and President Zimmerman responded that this policy relates to the staff under the direction of the Executive Director; and since the Executive Director is responsible for the staff, he is responsible for assuring the Board that the staff is not violating IASB's image by signing off on this policy.

GOVERNANCE PROCESS/Governing Style—Pages 43-44

This policy is in compliance at this time.

GOVERNANCE PROCESS/Board Committee Principles, Page 45

This policy is in compliance at this time.

The President commented the Executive Committee will review this policy in the near future.

GOVERNANCE PROCESS/Committee Structure, Page 47

This policy is in compliance at this time.

GOVERNANCE PROCESS/Executive Committee, Page 49

This policy is in compliance at this time.

GOVERNANCE PROCESS/Resolutions Committee, Page 51

This policy is in compliance at this time.

GOVERNANCE PROCESS/Nominating Committee, Pages 53-56

This policy is in compliance at this time.

Action: Past President Christy Coleman recommended that the policy be amended to include the appointment of two additional persons to serve as alternates rather than the present one, seconded by Mark Metzger and carried unanimously.

It was also noted that line 3, of item 5, page 54 be corrected to read: “. . . recommendation from his/her member board, a statement indicating a willingness to serve, **and** a . . .”

GOVERNANCE PROCESS/Audit Committee, Page 57

This policy is in compliance at this time.

GOVERNANCE PROCESS/Annual Board Planning Cycle, Page 59

This policy is in compliance at this time.

Action: Joe Alesandrini moved, seconded by Thomas Hannigan and carried unanimously, that the joint meeting with ISBE be stricken from the November calendar of the Annual Board Planning Cycle policy.

Note: Consensus was that meetings with ISBE could be mutually beneficial and should take place whenever possible, and these meeting need not be specifically listed as a part of the calendar of the Annual Board Planning Cycle policy.

BOARD-STAFF RELATIONSHIP/Executive Director Role, Page 61

This policy is in compliance at this time.

BOARD-STAFF RELATIONSHIP/Delegation to the Executive Director, Pages 63-64

This policy is in compliance at this time.

BOARD-STAFF RELATIONSHIP/Executive Director Job Description, Page 65

This policy is in compliance at this time.

BOARD-STAFF RELATIONSHIP/Monitoring Organizational Performance, Page 67

This policy is in compliance at this time.

Fiscal Year 2004 Audit Report

2004 Audit Committee: Chair, Treasurer Thomas Hannigan; Members, Lowell Beggs, Donna Cech, Kent Kistler, and Barbara Somogyi.

2004 Auditor: Dan Call, Sikich Gardner and Company, Springfield, Illinois.

Treasurer Thomas Hannigan responded to the audit report and the auditor's letter containing two constructive suggestions to be considered part of the ongoing process of modifying and improving the Association's practices and procedures. These suggestions were: 1.) That all employee expense account expenditures over \$15 have attached receipts; and 2.) That the Association design and implement systems and procedures for the prevention and detection of fraud in accordance with the newly-issued American Institute of Certified Public Accounts SAS No. 99 auditing standard. Under this standard, management should: 1.) Establish and sustain a culture of honesty and high ethics. 2.) Evaluate the risks of fraud and implement the processes, procedures, and controls needed to mitigate the risks and reduce opportunities for fraud. 3.) Develop an appropriate oversight process.

Hannigan reported the audit shows the Association is following sound financial practices, is in a strong financial situation, and virtually the Board of Directors has no need for concern. Although reading the audit letter recommendations might give the impression these are concerns, the auditors assured the Audit Committee this is not the case and there have been no abuses of expense policies. In fact, the allowable daily expense amounts need to be reviewed and updated especially where travel in the Chicago area is involved.

Action: Wesley Stelhorn moved, seconded by Debra McCleary and carried unanimously, that the audit report be accepted and placed on file.

IASB Depositories

Action: Thomas Hannigan moved, seconded by Lowell Beggs and carried unanimously, that the current IASB depositories of Merrill Lynch, Pierce, Fenner and Smith, Inc., Springfield; Bank One, Columbus N.A., Columbus, Ohio; and Illinois National Bank, Springfield be continued as depositories for Association funds for the period September 15, 2004, through November 21, 2004 or until successor depositories are reported to the Board; and that United Community Bank, Springfield replace National City, Springfield for this same period.

### IASB Service Associates Report

The Committee met August 27, 2004 and among other business, reviewed membership applications and references and voted to recommend that the Board of Directors invite two new firms to become IASB Service Associate members. In the absence of IASB Service Associates' Representative David Henebry at the August 28 Board meeting, Associate Executive Director Gerald Glaub updated the Board as to that committee's membership: The just past fiscal year ended with a membership of seventy-eight firms and, to date, this fiscal year sixty-three firms have already renewed and it is expected that all but one canceling firm will renew.

Action: Joe Alesandrini moved, seconded by Fred Clatfelter and carried unanimously, that the IASB Board of Directors issue Service Associate membership invitations to the following two firms: Siemens Building Technologies, Inc., Mount Prospect; and Bushue Human Resources, Inc., Effingham.

### Illinois High School Association Report

Joe Alesandrini, IASB's IHSA representative, reported that the financial situation of the Illinois High School Association continues to improve and it plans to begin investing funds again. IHSA has experienced some administrative turnover, is realizing a significant influx of new members, and currently is a strong organization.

### Resolutions Committee Report

Vice President Marie Slater stated she was impressed with the seventeen presentations, including two late resolutions that were received. Ten of the resolutions were represented by individuals present at the meeting. Funding was the number one issue. Slater felt the process was good and will be interested in seeing how many attend the November 20, 2004, Delegate Assembly for the discussion of the proposals to be presented.

The Executive Director noted that although he had heard some criticism of letting the funding issue go to the delegate floor, he felt a decision by the membership based on an open discussion was the manner in which this issue should be addressed.

### Legislative Report

Associate Executive Director Benjamin Schwarm highlighted 2004 legislation.

SB3340—About \$364 million was appropriated for public education and the per pupil foundation level was increased by \$154. Approximately \$95 was allocated for mandated categorical grants with the reimbursements for special education personnel, special education transportation, special education orphanage, regular orphanage tuition, and the Free Lunch and Breakfast Program funded at 100%. Other line items were funded at a reduced rate of about 97%. Other education budget increases included: \$30 million for Early Childhood Educational Block Grant; \$12 million for ADA Block Grant; \$10 million for Transitional Assistance; \$10 million for Fast Growth District Grants; and \$2 million Bilingual Education.

HB766—Fast Growth Districts that allows the ISBE to distribute grants to school districts that in the most recent two years, have growth of over 1.5% in a district over 10,000 pupils, or have growth over 7.5% in any other district.

SB2205—Prohibits the ISBE from testing in subject areas that go beyond the federal No Child Left Behind Act, at least for next year. Standardized testing in physical education and health, social sciences, fine arts, and writing will not be required.

SB2112—Will increase the senior citizen homestead exemption from \$2,000 (downstate) and \$2,500 (Cook County) to \$3,000 statewide; the income eligibility for senior citizen property tax freeze from \$40,000 to \$45,000 in all counties; and the general homestead exemption from \$3,500 (downstate) and \$4,500 (Cook County) to \$5,000 statewide. Also allows a county board to impose a new 7% cap on the assessment of individual parcels of residential property.

SB553—Makes significant changes to the teacher certification, teacher re-certification, and administrator re-certification laws. Automatically extends for one year the validity period of Initial Teaching Certificates that expired on June 30, 2004. The bill retains the current TRIP program and does not include a statewide insurance pool.

HB629—Contains a provision that, for the nonpartisan and consolidated elections in which school board members are elected, the canvass of votes cast shall be conducted within 21 days of the election, and the organization of a school board within 28 days after the consolidation election.

HB3977—Requires teacher applicants to undergo a fingerprint check with a criminal background check.

HB4232—Requires schools to have an automated external defibrillator in all indoor physical fitness facilities, a policy on medical emergencies, an AED in each indoor physical fitness facility, and a trained AED user in each physical fitness facility during school-sponsored physical fitness activities.

HB4247—Requires a court's examination of verbatim records in a civil proceeding to be conducted in camera, public bodies to keep written minutes of closed, as well as open, meetings and removes verbatim recordings of closed meetings from the requirement that the public body regularly review them to determine whether the need for non-disclosure continues.

SB2115—Allows a school or school district to deny enrollment to a student 16 years of age or older for one semester for failure to meet minimum academic or attendance standards if certain conditions are met, and requires a district to identify, track, and report on the educational progress and outcomes of re-enrolled students.

SB2918—Increases the compulsory school attendance age from 16 to 17 years of age, and provides that certain provisions that apply to truant officers apply to regional superintendent of schools or his or her designee in a school district that does not have a truant officer. Allows certain students to enroll in graduation incentive programs and lists programs that qualify as such.

### NSBA Central Region Report

President Zimmerman reported on the 2004 NSBA Central Region Meeting held in Duluth, Minnesota, and attended by IASB representatives President Ray Zimmerman, Past President Christy Coleman, and Executive Director Michael Johnson. Zimmerman remarked that he was extremely proud of the avant-garde programs being developed and offered by the IASB staff. Many of these programs are being offered to and participated in by a significant number of other state associations. On the national level, NSBA discussed its current financial problems and the possibility of changing the format of national meetings due to the travel involved and obtaining destination locations. A workshop on parliamentary procedure was a part of the meeting offerings.

### NSBA Presidents' Retreat

No Child Left Behind, religious matters in school, funding, AYP, and retaining teachers in lower performing schools were among the issues discussed at the 2004 NSBA Presidents' Retreat held in San Antonio, Texas, and attended by President Zimmerman. IASB continues to be at the forefront with programs other state associations envy, including the newly-published guide for the No Child Left Behind initiative and the TAG program. Discussions included: Income diversification, how IASB is working with other states and its sponsorship program. The fact several state associations have attended and are currently planning to attend Illinois' conference to view its operation as a model for their own and requests for IASB staff to attend and critique their current conference structure/programming of other state associations. Illinois was one of three state associations that operated in the black this past fiscal year, a year that saw NSBA cut staff by twenty percent.

### IASB Pension Program Report

Associate Executive Director/Chief Financial Officer Robert Morenz reported that the IASB Pension Program has not changed recently. IASB provides a defined contribution program, which limits the liability to the Association to a specified amount for all employees. Annually, a contribution to the pension program is made on behalf of each eligible employee based on an amount equal to 7.5% of total salary, and an additional 4.25% of salary above the maximum FICA taxable salary, if any. Since late 1997, individual employees have been allowed to manage their own pension funds and Lincoln National Life Insurance Company has been the program administrator.

### Executive Director's Contract

President Zimmerman commented that the Executive Committee will structure a compensation package for the Executive Director which will be presented for Board observation/input at the November meeting. Zimmerman further noted that a review of Director input to the Executive Director's evaluation overwhelmingly supported the leadership of the Executive Director, and that under his leadership, the association is moving forward in the manner the Board wishes.

Staffing Update

Executive Director Johnson directed attention to the current staffing update on page 79 of the meeting packet. On June 1, four Targeting Achievement Through Governance Program consultants joined the staff—Debra Larson, Bob, Shanks, Barbara Toney, and Desamonia Patrick. On July 7, Springfield receptionist Tami Valiterra resigned and the position was filled by two part-time receptionists—Sally Kimmel and Millie Taylor. Christine Crilly was promoted to a Specialist III. Presently two part-time Policy Consultants are being sought.

There being no further business, President Zimmerman adjourned the meeting. The next meeting of the Board of Directors will commence with lunch at 11:30 a.m., Crystal A Ballroom followed by the official meeting at 12:00 p.m., Crystal B/C Ballroom, Hyatt Regency Chicago, Thursday, November 18, 2004.