

# Illinois SCHOOL BOARD Newsbulletin

March 2009 / Issue No. 683



IASB Two Rivers Division officer Howard Phillips, of Greenfield CUSD 10, discusses one of '26 reasons' for future board members to attend new board member training at the Association's 2009 Leadership Conference in February.

## Federal stimulus aid plan holds \$3 billion for Illinois education

Schools eye \$174 million more under Quinn budget

Although Illinois public schools may be receiving more than \$3 billion in federal stimulus aid soon, with the money really beginning to flow after July or in the 2009-2010 school year, many local school administrators say the next state budget is vital. They say the federal money is much appreciated, but most say state budget makers will play a more crucial role.

The lion's share of Illinois' stimulus allotment for education—nearly \$2 billion—is targeted to prevent school layoffs and cuts, and will be distributed through Gov. Patrick Quinn's office over the next two years. He has launched a website about this at <http://www.recovery.illinois.gov>. Gov. Quinn's budget proposal would add \$174 million for FY 2010.

Much of the federal money is dedicated to specific programs, such as those that serve disadvantaged children (\$420 million, according to the

## Federal budget plan would boost school spending by \$46.7 billion

The federal economic stimulus plan is not the only source of new federal funding for schools. President Barack Obama's budget proposals unveiled on Feb. 26 would increase the federal education budget by \$46.7 billion in addition to the \$81 billion already appropriated for 2009 and 2010 in the economic stimulus bill.

In a briefing on the new budget on Feb. 26, U.S. Education Secre-

tary Arne Duncan mentioned the stimulus plan's "Race to the Top" initiative to encourage states to rethink their current education systems. The plan would award \$5 billion to a limited number of states willing to make dramatic changes.

States could align their learning standards with international benchmarks, for example, track how stu-

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## Waiver process update requires e-mail attention

Some school districts may have been a beneficiary of a recent streamlining to the waiver process. For one thing, the Rules and Waivers Division of ISBE has begun using e-mail to notify school districts and other entities eligible to request waivers or modifications of School Code mandates and administrative rules of the progress of their requests. These communications prominently listed “waiver” or “modification” in the subject line of the e-mail, followed by status of the request (e.g., approved, incomplete, pending).

Staff at ISBE will contact school districts by e-mail if the district’s request is missing any required components, such as copies of public notices or a description of a hearing. Requests are not to be processed until responses are complete.

To share ideas about the new process, e-mail *Winnie Tuthill* at [wtuthill@isbe.net](mailto:wtuthill@isbe.net) or call at 217-782-5270.

## ‘Action’ group offers school wellness policy tool

Action for Healthy Kids (AFHK) has launched an easy-to-use tool to help schools continually assess and improve implementation of their district’s school wellness policy.

The AFHK Wellness Policy Monitoring Tool is fully customizable for each school and provides an implementation “desk top” where users can post their wellness policy initiatives, note progress, plan their next steps, and determine resources needed. The results page scores the user’s profile and provides links to helpful resources based on areas needing improvement.

Go to the AFHK website to begin using the tool at: <http://www.actionforhealthykids.org/wellnesstool/Presentations/pres-out652.php/>.

# Nominate top board members for ISBE’s ‘09 ‘Excel’ awards

The Illinois State Board of Education (ISBE) has announced that nominations must be postmarked by May 18 to suggest worthy award recipients in specific categories to be singled out in the annual Those Who Excel/Teacher of the Year competition. Outstanding teachers, administrators, student support personnel, educational service personnel and community members will be honored by ISBE.

A highlight of an awards banquet in October will be the announcement of Illinois Teacher of the Year for 2009-2010.

Candidates are nominated by their local schools and people in their communities. The nomination must include a brief biography of the nominee, his or her philosophy of education, professional development and community involvement, and opinions of the state’s most pressing educational needs. Letters of recommendation are also required.

A committee of peers chooses the award winners. The committee represents statewide education organizations and includes former award winners.

The categories for recognition are:

- Classroom teacher
- School administrator
- Student support personnel (certificated)
- Educational service personnel (non-certificated)
- School board member and/or community volunteer (only one may be nominated per district—either a school board member or volunteer)
- Teams, which recognizes groups of teachers and administrators; citizen committees; civic organizations; parent organizations; school boards; booster clubs and others that have a significant impact on teaching and learning in a school or district



- Early career educator, for teachers in their 2nd-5th years of teaching

Awards are presented at three levels of excellence. Last year there were 43 recipients of the highest award level, Excellence; 56 recipients of the Award of Merit; and 63 recipients of the Award of Recognition.

Teacher of the Year finalists comprise all teachers given the Award of Excellence. Finalists sit for a videotaped interview as part of the selection process. The Teacher of the Year serves as the state’s ambassador for teaching and represents Illinois in the National Teacher of the Year programs.


For more information about the program, contact Ann Muraro-Lacopo, ISBE Public Information, at 217/782-4648 or by e-mail at [amuraro@isbe.net](mailto:amuraro@isbe.net).

*Illinois*  
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*Newsbulletin*

**Illinois Association  
of School Boards**

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**ILLINOIS ASSOCIATION  
OF SCHOOL BOARDS**

# IDOT's Safe Routes to School program offers grants

A competitive grant program to encourage the development of safe walking and biking routes to schools is now gaining

attention in the final year of its original charter. The Safe Routes to School Program, financed through federal transportation funds since 2006, also provides



assessment and technical assistance to schools in completion of a School Travel Plan.

Such plans outline a community's intentions for making travel to and from school more sustainable and safe, by increasing walking and bicycling, reducing car trips and improving safety conditions.

Last year more than \$8 million in grants were provided in more than 60 communities in Illinois under the program, with the vast majority of the funds going to school districts.

IDOT Safe Routes to School provides 100 percent funding to schools and communities to construct walking and bicycling facilities and for educational and encouragement programming. An application requirement, however, is the completion of a School Travel Plan.

Plans are developed through a community-based process that identifies barriers to active transportation and proposes a set of solutions to address them. Completion of a School Travel Plan, officials say, will position participating schools to apply for the Illinois' Department of Transportation's Safe Routes to Schools funding program.

Participating schools will receive:

- Assistance bringing together a SRTS Team of stakeholder.
- A professionally written School Travel Plan, positioning schools to develop programs and pursue funds
- Guidance with the IDOT SRTS Funding application and other fund-

ing sources

Participating schools will be required to:

- Designate a local contact person
- Open the school for 2-3 SRTS Team meetings
- Distribute parent surveys and conduct student travel tallies

When it comes to applying for funds, one infrastructure and one non-infrastructure grant application is permitted per school district, except in Chicago. Funding limits are as follows.

## **Infrastructure application:**

- \$250,000 funding limit for total application, with up to a 3 project maximum
- \$2,000 minimum funding per individual project
- Associated municipality, county, township, or park district must sponsor – school districts and non-profits may not sponsor
- All infrastructure projects must be within 2 miles of a public or private that houses any combination of stu-



dents in grades K-8

## **Non-infrastructure application:**

- \$100,000 funding limit for total application, with up to a 3 project maximum
- \$2,000 minimum funding per individual project
- School district, municipality, county, township, or park district or non-profit may sponsor

To participate or for additional information, interested districts should contact Owen Read at the Active Transportation Alliance at 312/427-3325 ext. 236, or email [owen@active-trans.org](mailto:owen@active-trans.org).

## **FEDERAL BUDGET** *from page 1*

dents perform when taught by certain teachers or determine whether individual colleges are producing successful teachers.

"My goal is to take those pockets of excellence, those islands of excellence, and help them become systems of excellence," Duncan said.

According to the Obama administration, the education budget proposes to meet the President's goal of turning out more college graduates by overhauling the financial aid system. Now, 39 percent of people ages 25 to 34 have college degrees; the administration wants to boost that to 60 percent.

"The first step is to boost K-12 standards," Duncan said. To do that, he said the budget includes resources to improve state assessments.

The President also proposes increasing the amount of financial aid low-income students could receive through the federal Pell Grant pro-

gram, which currently helps 6.1 million students. The administration wants to index the awards to inflation and insulate the program from the congressional budget-writing process by making it an entitlement program, which should ensure that qualified candidates get grants.

The present maximum Pell Grant of student aid is about \$4,730, but beginning on July 1 that will rise to \$5,350 as a result of a major increase in the Pell program, already approved as part of the president's economic stimulus bill. In 2010, the maximum grant is to rise to \$5,550.

The federal budget plan also includes funding for state education projects: \$2.5 billion for a five-year fund to support state efforts to raise college completion rates and an unspecified amount to improve early childhood education. The budget for the Department of Education would increase by about \$500 million.

**STIMULUS** *from page 1*

U.S. Department of Education) and those for students with disabilities who need special education (\$506 million, according to the agency). There's also more than \$3 million for school lunch programs, and more than \$2 million for homeless students.

State Superintendent Koch says the state will have some control over how it distributes the money between higher education and elementary education. The Illinois State Board of Education says that out of the \$3 billion for Illinois schools, the stimulus package will provide nearly \$1 billion in additional funding for several existing operations and programs, such as Title I grants for low-income students, special education programs and educational technology.

Illinois is eligible to apply for up to \$2 billion under a new fund, called a State Fiscal Stabilization Fund, designed to prevent reductions in critical education and other services. State governors must apply for these funds and allocate 81.2 percent of them for education and may direct the remainder, 18.2 percent, toward other government services, which can include education, according to ISBE.

Because these funds will not be forthcoming after two years, districts must use caution in planning for the use of these funds. ISBE has stated it will be releasing further guidance to districts as federal guidance becomes available.

A federally provided list of Illinois' projected share (actual amounts are not yet known) is available online at <http://www.ed.gov/about/overview/budget/statetables/recovery.html>.

State Sen. Mike Jacobs (D-East Moline) complained that the stimulus did not include school construction because some schools in his district, he said, are in real need of repair. But Gov. Quinn has proposed \$1.5 billion to build schools (up to \$100 million would go for school maintenance).

Illinois school leaders stress that they appreciate the influx of money—which was to begin being distributed within 40 days after approval by Con-

gress—but some will face difficult cuts unless state funding also is boosted. Districts do not know how much funding they will get or what strings may be attached, but most agree the relief will be short-lived.

Lawmakers have to figure out how to spend some of the money to maximize the impact and minimize concerns over the use of one-time funds being used to pay for ongoing problems. But State Senator Dave Syverson (R-Rockford) says stimulus money for education is misleading. The way it works, he says, is the state cuts its funding for schools down to 2006 levels, and then the federal government covers the difference.

Unless the governor's budget passes, a good chunk of the gaping state budget hole may not get patched. State Comptroller Dan Hynes recently predicted that Illinois' roughly \$60 billion budget will be carrying a \$9 billion deficit by the end of the next fiscal year. But the state should get \$8.8 billion in stimulus money, according to the National Governors Association and National Conference of State Legislatures. While it appears at first blush Illinois will pull in almost enough to stay solvent from the stimulus package, the bad news is not all of that money is intended to be spent next year.

Funds for most of the education items in line for stimulus support can be spent over two or more fiscal years. Budget drafters and legislators in Springfield have spent weeks poring over the numbers and trying to determine how much they have to spend and how soon they can spend it.

"It's going to be a tight year next year and I think it will be a tight year several years after that," said John Prince, chief financial officer of **School District U-46**, Elgin. "It certainly isn't a one-year turnaround."

In addition, the way the so-called "maintenance of effort" and "supplement not supplant" provisions of the stimulus plan will work is complex. So far it appears that these provisions would apply for local districts in most, if not all cases. State officials expect

to get more guidance on these issues within the next several weeks from the U.S. Department of Education.

An analysis of "maintenance of effort" and "supplement not supplant" issues, prepared by the Council of Chief State School Officers, is available online at: [http://www.isbe.net/arra/CCSSO\\_memo\\_MOE.pdf](http://www.isbe.net/arra/CCSSO_memo_MOE.pdf).

The recession is hitting schools with myriad financial concerns, including dwindling local property tax bases caused by home foreclosures and unpaid tax bills. Meanwhile a state drowning in red ink remains unable to deliver on promised categorical funds, a situation that has prevailed for months now. But the worst economic effects of the recession are believed to still lie ahead for Illinois schools. Economists say Illinois is typically one of the last states to fall under the full effects of a recession, and one of the last states to climb out.

The growth of many school tax levies is limited by a cap of 5 percent or the Consumer Price Index, whichever is less. Next year's CPI is expected to fall below 1 percent—much less than the growth of key costs, including energy, health care and previously ratified labor contracts.

The proliferation of Tax Increment Finance (TIF) districts is also severely limiting the tax resources available for many school districts from local property taxes.

Amid these financial pressures and uncertainty about how much stimulus money will filter down, and more importantly how much state support to expect from deficit-laden lawmakers, school officials in many districts prepared pink slips in February to meet a March deadline to notify union workers of layoffs.

There will be strict reporting requirements and all funds received under the American Recovery and Reinvestment Act of 2009 (ARRA) should be accounted for separately, according to ISBE.

Some school districts say they hope to cut spending by raising class

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## STIMULUS *from page 4*

sizes and delaying school construction. Some have hired investigators to root out unlawful enrollments of students who live outside their district boundaries.

Taking another approach, **Valley View District 365** in Romeville will release all first-year teachers and aides in case the economic picture does not improve, according to district spokesman Larry Randa.

Meanwhile, **West Aurora District 129** expects to borrow \$5 million to compensate for a shortfall in funding.

While economizing remains the order of the day, some school leaders say they are concerned that parents and staff members may hear about the \$3 billion coming to Illinois and see no urgency for tighter budgets. The severity of the economic downturn, combined with the extended timetable for distribution of stimulus funds, makes that a real concern.

### State revenue picture

A recent disheartening financial report indicates state revenue will fall \$9 billion short this coming year, and “the development of the fiscal year 2010 Illinois state budget will be a formidable and unprecedented challenge,” according to Comptroller Dan Hynes.

Based on revenue and expenditure estimates, the state’s existing imbalance in the fiscal year 2009 budget, and deteriorating economic conditions, a budget deficit of approximately \$8.95 billion will need to be addressed as the fiscal year 2010 budget is structured.

After factoring in potential stimulus funds, the state may still face a \$6 billion deficit. This is with no expenditure growth beyond current fiscal year 2009 appropriations with the exception of Medicaid and pension contribution increases mandated by statute, according to Hynes.

### What caused this deficit?

Illinois is currently struggling with a major imbalance in its fiscal year 2009 budget.

According to the Governor’s Office

of Management and Budget (GOMB), the 2009 budget, as initially approved by the General Assembly, authorized spending in excess of \$2.1 billion over then-anticipated revenues. Former Governor Blagojevich responded by cutting approximately \$1.5 billion from the budget and indicated he would attempt to manage the rest through budgetary controls. In reality, \$500 million of these “cuts” were accomplished by further extending payment delays to Medicaid providers and were not true service or cost decreases, according to Comptroller Hynes.

Since last year’s budget was finalized, Illinois’ revenues have gradually deteriorated due to the national economic recession with income taxes flat and sales taxes down. Signifi-

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“Without a major infusion of cash...the state will be virtually insolvent.”

— Comptroller Dan Hynes

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cant drops have been seen in gaming, inheritance tax, interest income and other base revenue sources. Both GOMB and the Commission on Government Forecasting and Accountability (CoGFA) published revised revenue estimates in November and December.

Both estimates show a fiscal year 2009 General Funds revenue forecast that is lower than actual fiscal year 2008 revenues, and between \$1 billion and \$1.3 billion less than the unofficial budget assumptions. Revenue collections over the past two months and a significant decrease in expected gaming license proceeds indicate that even these reduced estimates will not be met.

In addition to the above-mentioned budgetary problems in FY 2009, the state now must deal with the reality of structural budget problems that have grown steadily worse over the past few years. The state’s under-funded pension obligations, exacerbated by recent pension holidays and by

state investment losses, will add tremendous pressure to the FY 2010 budget. On a parallel track, unfunded Medicaid liabilities have soared to a dangerous level.

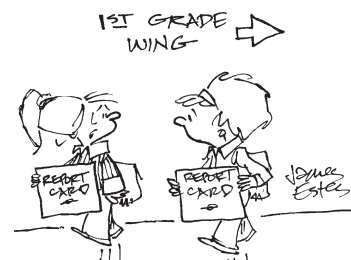
The combination of a neglected and growing structural deficit, an unbalanced FY 2009 budget, massive losses in the state’s pension system, and a national economic recession has resulted in an unprecedented budgetary challenge for FY 2010.

### Payment backlogs and delays

Lagging revenues and continuing spending pressures will result in a record backlog of bills payable of approximately \$4.5 billion on June 30th of this year, including Medicaid claims. This will create an untenable cash position for Illinois, leaving it unable to meet critical payment demands during the FY 2009 lapse period and first quarter of FY 2010.

Even if the state matches last year’s July and August base revenue performance, an uncertain proposition, some combination of over \$2 billion in FY2009 obligations or mandated FY 2010 payments will not be paid during the lapse period, with unimaginable consequences to the state’s healthcare infrastructure, educational community and state workforce. Without a major infusion of cash from borrowing or another source, the state will be virtually insolvent.

Comptroller Hynes warned last year that the state’s budget isn’t balanced, and the state was actually falling ever deeper into a “structural deficit” that Illinois comptrollers of both parties have warned state policymakers about for years. Now the problem has reached critical proportions.



“My grades have really fallen since I left kindergarten ... I was very good at naps.”

# TIF tip: Negotiate with municipality to limit costs

## Proactive approach ensures fair treatment

This is the second part of a continuing series on Tax Increment Financing (TIF). The first part in the February Newsbulletin focused on mounting concerns among public officials and news outlets in Illinois that abuse of TIF redevelopment mechanisms is growing, which may be costing schools and taxpayers a significant amount of revenue. The first article outlined the size and scope of the TIF issue. The article that follows examines what schools can do to limit TIF costs.

Unfortunately, the state law on TIFs — the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4 to 11-74.4-11) — does not contain a mechanism for preventing or penalizing abuses of the statute. Nor does the state law in Illinois, unlike that in some other states, give school districts much power in the TIF-creation process. School leaders must adopt a proactive posture in order to ensure fair treatment.

Faced with concerns about the rising cost of TIFs, experts say, school leaders must negotiate with sponsors of proposed TIFs long before they are approved in order to be sure the schools are “made whole.” School districts should seek to receive the same total revenue they would have received without the TIF in place. Or school leaders may at least be able to negotiate a substantial reduction in the district’s portion of revenue diversions to the TIF, and decrease the duration of the TIF from 23 years to a far lesser number of years.

Insiders say it comes down to getting informed, collecting data and/or challenging data supported by developers. School districts are also encouraged to participate in the process by negotiating as active participants in the TIF process, as opposed to maintaining all-out opposition to the proposed TIF or a TIF time-limit

Extended TIF						
Tax Year	Calendar Year	Actual Incremental EAV 2.65%	Estimated TIF Revenue	50% of TIF Surplus	66% to School District	Cumulative Dollars to District
2009	2010	\$13,731,654	\$959,376	\$479,688	\$316,594.08	\$316,594.08
2010	2011	\$14,095,543	\$984,799	\$492,400	\$324,984.00	\$641,578.08
2011	2012	\$14,469,074	\$1,010,896	\$505,448	\$333,595.68	\$975,173.76
2020	2021	\$18,309,283	\$1,279,196	\$639,598	\$422,134.68	\$4,404,807.66
2021	2022	\$18,794,479	\$1,313,095	\$656,548	\$433,321.68	\$4,838,129.34
2022	2023	\$18,794,479	\$704,793			\$5,542,922.30

TIF Comes Off 3.75 Limiting Rate						
Tax Year	Calendar Year	Actual Incremental EAV 2.65%	Tax Dollars Generated	Loss In GSA	Difference in Value to District	Cumulative Dollars to District
2009	2010	\$13,731,654	\$514,937.03	0	\$514,937.03	\$514,937.03
2010	2011	\$14,095,543	\$528,582.86	(411,950)	\$116,633.24	\$631,570.27
2011	2012	\$14,469,074	\$542,590.28	(422,866)	\$119,723.99	\$751,294.25
2019	2020	\$17,836,613	\$668,872.99	(521,284)	\$147,588.64	\$1,830,653.81
2020	2021	\$18,309,283	\$686,598.11	(535,098)	\$151,499.72	\$1,982,153.53
2021	2022	\$18,794,479	\$704,792.96	(549,278)	\$155,514.47	\$2,137,668.00

School leaders in **Williamsville CUSD 15** developed the above comparison charts (shown here without years 2012-2019 for brevity) to clarify the financial impact of either terminating or extending a local TIF. In this case extending the TIF provides more cumulative dollars to the district. The top chart reveals cumulative dollars would total over \$5.5 million, compared to \$2.2 million if the TIF comes off, as shown in bottom chart.

extension.

Tips on initiating and carrying out such negotiations have been made available for many years through IASB, as well as from school attorneys and other school advocates. TIF cost limitation tips were explored in IASB publications as long ago as in March-April, 1991 in *The Illinois School Board Journal*. [Access to that article is available online at <http://www.iasb.com/publications.cfm>.] Some key suggestions from that article, written by Attorney Paul Millichap, the founding partner of the law firm of Franczek Radelet & Rose, Chicago, include the following:

- The school representative on the joint review board for the TIF proposal should initially analyze the legitimacy of the plan area’s eligibility for TIF designation
- The school district representative then may object to the TIF idea if there is any doubt about the proposed TIF’s legitimacy
- The school superintendent and school board president should meet with municipal officials and developers supporting the proposed TIF to discuss the school district’s con-

cerns and objections

- The district then may be able to negotiate to reduce the schools’ share of diverted revenue to the TIF
- In such negotiations, which might well be conducted independent of the joint review board meetings, the district may seek to lessen the level of funding support going to interested developers
- The district can also seek to reduce the term of the TIF from the standard 23-year time period
- The district might also seek reimbursement for revenue to be diverted to the TIF fund, and may seek “payment in kind”

Three “maxims” about negotiating on TIF proposals were published recently by the TIF Coordinator of the city of Madison, Wisconsin, Joe Gromacki. The suggestions include:

1. Know every developer’s motives. Developers want to maximize their return. They achieve this by convincing others to mitigate the developer’s risk by investing and whenever possible, avoiding a personal guaranty. Your role is to make

See **TIF** on page 7

sure that the TIF investment is necessary, secure and shows potential for success.

2. Know your local market potential. Keep track of trends in rents, lease terms, prices for land, construction costs, etc. Get the best opinions of values and cost that you can. Focus on projects that show promise. Realize that some development ideas just won't work based on market expectations. Potential value resources: assessor, appraisers, realtors, bankers, department of revenue (industrial). Potential cost resources: appraisers, contractors, engineers, architects, city engineer.
3. Know the difference between needing and wanting TIF. "But for TIF, the developer will walk" is not the best "but for." Prove they NEED it.

Information about TIFs has also been featured in panel topics at IASB's Joint Annual Conference.

A panel session at the 2008 Conference, for example, titled "Real Estate Tax Base Protection," featured advice on TIFs from attorney James S. Peters, of Zukowski Law Offices, Peru, Illinois. Peters said many school districts have discovered they can be most effective by taking a cooperative approach to TIF proposals, rather than taking a confrontational approach with the private developers and municipal governments that propose and support TIFs. School districts may be better off financially in many cases, he said, by supporting the TIF development push and negotiating a good deal. Well-negotiated private agreements and/or new Intergovernmental Agreements, Peters said, can function to benefit all parties in the negotiations.

He added that districts might be wise to seek financial help via transition fees, impact fees, and/or capital fees to help offset losses that otherwise might occur from new TIF agreements. Like all such advice on TIF agreements, this approach requires

careful negotiation.

In addition to carrying out negotiations at the time TIFs are created, schools with existing TIFs need to keep a close eye on opportunities to negotiate, experts say. "Schools may be in the best position to negotiate when TIFs are due to expire," according to David Root, superintendent of **Williamsville CUSD 15**, where school leaders recently negotiated and signed an intergovernmental agreement with a local

### IASB seeks TIF changes

What is the official position of the Illinois Association of School Boards on TIFs? Adopted in 1986, Position 2.29 says: "The Illinois Association of School Boards shall support changes in the current Tax Increment Financing statute that will model adoption procedures after those established for Enterprise Zones, continue to provide definitions for terms such as "blighted" used in the statute, develop procedures for disbanding TIF areas that do not produce anticipated growth, remove the requirement that all taxing bodies participate equally, to be monitored by the TIF Joint Review Board at each of its scheduled meetings, reduce the financial impact of the TIF area so that the percentage loss of Equalized Assessed Valuation (EAV) involved in the TIF will not exceed twice the average loss of EAV to each taxing body, limit its use in new residential development, and make the recommendation of the Joint Review Board binding."

municipality that Root says will raise an additional \$3.4 million dollars for the district over the next 13 years. Under that agreement, the board permitted the neighboring village of Sherman to extend the life of its about-to-expire TIF district by 13 years in exchange for distributing half of the TIF district's surplus funds

among local taxing bodies, including the school district.

The Williamsville district, located just north of Springfield, will get 66 percent of the local taxing bodies' share of the TIF funds, which are derived from a declared surplus in TIF revenue. That share is equitable because the school district typically receives 66 percent of local property tax revenue.

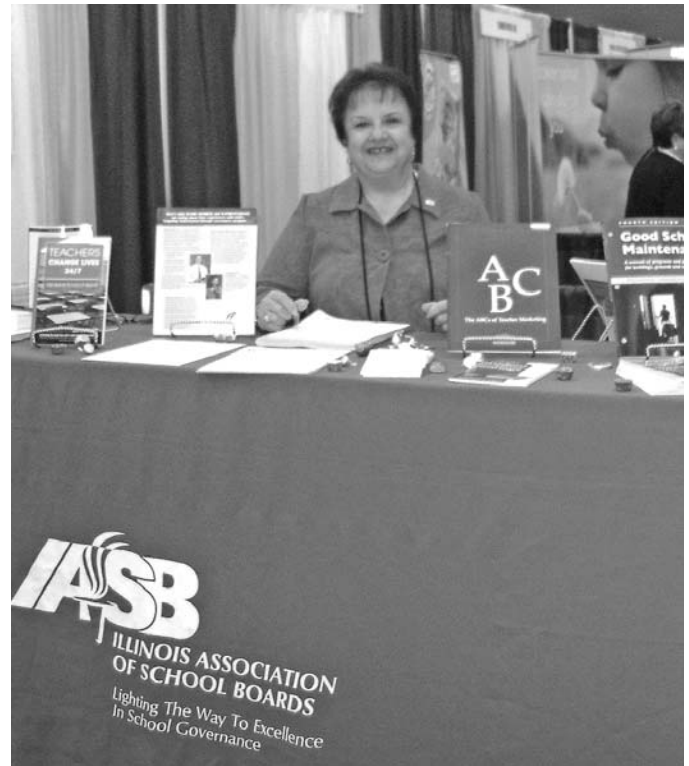
Root says it is extremely important to get the intergovernmental agreement signed by both the school board and the municipal board, and to get a school attorney to help negotiate that agreement. "TIFs are bad for schools if they aren't set up the right way," he says, pointing to the fact that the Williamsville school district had been burdened with the impact of considerable residential development within the local TIF. That brought many new students to the district, but froze the revenue derived from property taxes in the area where their homes are located.

State law allows a TIF district a 23-year life span, but says a TIF can be extended by 13 years with the approval of the Illinois General Assembly. So the legislature will have to sign off on the Williamsville agreement or any such TIF deadline extension.

But Root says that with the TIF extension, "the school district's share of TIF monies should gradually rise year by year," increasing from well over \$300,000 the first year to more than \$400,000 in the final year. If the TIF were allowed to expire, he says, not only would the village government lose access to nearly a million dollars in economic development revenue, but the school district would get much less in general state aid than it expects to get with the TIF mechanism in place.

"Throwing the TIF property back on the tax rolls makes the district look more prosperous in terms of its Equalized Assessed Valuation (EAV), which means that our district's general state aid payment would be reduced," Root explains.

# IASB at AASA conference



IASB staff members were busy in their duties at the American Association of School Administrators (AASA) conference in San Francisco, Feb. 19-21. Policy Department consultant Laurel DiPrima demonstrated the new IASB service BoardBook, and Administrative Assistant Judy Niezgoda showcased IASB publications and offerings.

## IASB workshops for new board members to start in June

How does a new school board member or board president carry out his or her new responsibilities without dropping into one of the many pitfalls that litter the landscape of school board work? Helping new board members get a fast start towards productive board service is a high priority of IASB.

IASB is challenging itself in 2009, along with its divisions and its member districts, to increase participation in new board member workshops by 20 percent over 2007 participation. All school leaders are being asked to encourage their newly elected board members to attend these sessions.

The Association is offering a cornucopia of educational workshops designed especially for newly elected board members following the April 7 election. The Basics of School District Governance focuses on the roles and responsibilities of the school board

and its members. The Basics of Law on Board Meetings & Practices focuses on the legal requirements of public school boardsmanship. The Association's Comprehensive Workshop for Board Presidents covers the full spectrum of the board president's duties and work. And a workshop on the Basics of School District Finance teaches new board members about how public school financing works in Illinois.

School boards typically reimburse members for the reasonable and necessary expenses in attending such training conference and workshops. Tuition is required for each workshop and includes materials and meals. Workshop pricing and registration information will be mailed to each district in late March or you may visit <http://www.iasb.com>.

The 2009 workshops will be offered at the following dates and locations:

- Basics of Governance and Law: June

5-6 (The Chateau, Bloomington, and Holiday Inn, Carbondale), June 12-13 (The Westin Itasca Northwest)

- Board Presidents Workshop: June 6 (The Chateau, Bloomington, and Holiday Inn, Carbondale), June 13 (The Westin Itasca Northwest), August 7 (Doubletree Hotel, Oak Brook), August 21 (Crowne Plaza, Springfield)
- Basics of Finance: July 11 (NIU Naperville), July 18 (Embassy Suites, East Peoria), July 25 (Holiday Inn, Carbondale)
- Basics of Governance, Law and Finance: August 6-8 (Doubletree Hotel, Oak Brook), August 20-22 (Crowne Plaza, Springfield)

For a complete listing of these events, see the IASB online calendar at: <http://www.iasb.com/calendar/>. For more information call IASB at 217/528-9688 or 630/629-3776, ext. 1103.



# New award for board secretaries will honor memory of IASB's Holly Jack

The Illinois Association of School Boards invites districts to nominate local district employees (superintendent's secretary, superintendent's administrative assistant, school board secretary, etc.) who does the work of the school board secretary for the newly created "Holly Jack Outstanding Service Award."

This award was created to honor the memory of Holly Jack, a long-time IASB employee who served as Field Services administrative assistant and was instrumental in promoting and developing the secretaries' program offered at the annual conference.

The award will be presented for the first time at the IASB/IASA/IASBO annual conference in Chicago this year.

To be eligible for the award an individual must be:

- A district employee who does the work of the school board secretary, and
- Have been employed in that position, either by your school district or another, for a minimum of five years.

The criteria demonstrate the characteristics similar to those shown by Holly Jack in her work with school districts. Keep in mind that you do not need to address each of the criteria:

- Excellent performance – Works "above and beyond" expectations, going the extra mile to serve the district's staff, school board, community members, and students.
- Initiative – Demonstrates independent problem solving ability.
- Innovation – Demonstrates imagination in the work environment.
- Staff development – Strives to empower, embrace, and equip colleagues with the knowledge and resources to achieve their goals and reach their potential.
- Self-improvement – Shows a desire to enhance self for excellence.

- Passion – Displays a passion for the work and for public education.
- Dedication – Devotes time and energy to improve the quality of life for others and the quality of education in the district.

Nomination forms mailed out on Mar. 16 are required to be signed by the Superintendent and the board president. Additional pages may be added. Letters of support from individuals, either inside or outside the district, may be submitted with the form, but those making nominations are asked to limit those to a total of five. The deadline each year for submitting the documents is Aug. 1.

The winner will be notified immediately of the judges' decision.

Watch for more information and a nomination form in the mail and on the IASB website, [www.iasb.com](http://www.iasb.com) or contact Anna Lovern, Director, Policy Services, 217/528-9688, ext 1125, email address [alovern@iasb.com](mailto:alovern@iasb.com)

## Journal eyes team-building in new issue

After the April election, your board may feel awkward as new members take their place and new relationships are formed. The March/April issue of *The Illinois School Board Journal* outlines what could be one of your more important agenda items: building a new board team.

In addition to the regular features of "Ask the Staff" and "Practical PR," you'll also find articles on superintendent evaluations and board/superintendent relationships, observations from a first-year board president, how a new curriculum connects science and math to real life, and much more.



## NEWS FROM IASB

### IASB welcomes new firm to Service Associates group

A new associate, Kenyon & Associates, has recently been invited to join IASB's Service Associates, an organization of businesses that offer school-related products and services and which have earned favorable reputations for quality and integrity. Prospective members are screened by the Service Associates Executive Committee, who then decide to recommend membership to the IASB Board of Directors to become a Service Associate.

The newest addition, Kenyon & Associates, is a Peoria-based firm that offers architectural data services for education, including master planning, programming, site design, building life safety surveys, building renovation, additions and new construction, cost estimating, interior design, and construction administration.

### ICSA shares special ed procedures, sample policies

The U.S. Department of Education's recently revised regulations became effective on Dec. 31, 2008 and impacted three special education areas: Parental Consent, Hearing Rights, and Monitoring and Enforcement. In response to the revised regulation, the Illinois Council of School Attorneys (ICSA) revised Sections 3, 4, 10, and 10.5 of its publication on Special Education Procedures.

A far more detailed explanation of the revised regulations and sections of ICSA's Special Education Procedures guide are now available at: <http://iasb.com/law/ICSASpecialEdMemo.pdf>. That link, along with the February 2009 revised Special Education Procedures, is available on the IASB website at: <http://iasb.com/law/icsaspeded.cfm>.

# NEWS HEADLINES

**Batavia** (Feb. 19, *Beacon News*, Aurora) The nation's housing market implosion is impacting Batavia CUSD's high school building trades program, forcing the district to auction off two student-built homes that were proving tough to sell. "These homes used to sell pretty quickly, but these days it's a lot harder," said School Board President Ron Link. The district has not set a minimum starting bid on either house, but reserves the right to reject all bids if they come in too low to recoup construction costs, said Superintendent Jack Barshinger.

**Chicago** (Feb. 23, *Chicago Tribune*) Mayor Richard Daley recently appointed Michael Scott for a second term as the city's education board president for Chicago District 299. Daley's move was telegraphed a week before, when Rufus Williams told the Tribune he was resigning as board president to make room for Scott. The change comes shortly after former schools CEO Arne Duncan became U.S. education secretary under President Barack Obama and Daley placed trusted adviser Ron Huberman in Duncan's former post.

**Chillicothe** (Feb. 21, *Peoria Journal Star*) The high school at Illinois Valley Central CUSD 321 will end class rankings, adding honor distinction levels to student grade-point averages beginning with class of 2010. The IVC Board of Education voted 6-0 to make the change, beginning with the class of 2010. The change also means phasing out valedictorians and salutatorians after 2012.

**Elgin** (Feb. 19, *The Daily Herald*) An Elgin school's trivia night event was designed to take the edge off ISAT test fears by preparing students and parents for what to expect from the standardized exam. The elementary school in District U-46, Elgin hosted "Are You Smarter Than an ISAT Student?", a spinoff of the television show "Are You Smarter Than

a Fifth-Grader?" The school has implemented several targeted intervention programs after failing to make Adequate Yearly Progress last year because of the reading scores of its Limited English Proficient students.

**Elgin** (Feb. 24, *The Daily Herald*) School District U-46, Elgin is set to hand out nearly 500 pink slips. School board members voted on Feb. 23 to approve 471 Reductions in Force for administrators, teachers, substitutes, teaching assistants and secretaries. Reduction in force notices, an annual budget-related item for Illinois school districts to consider, must be completed 60 days before the end of the school year. State law requires it. While it is customary for districts to rehire a number of staff who get such notices, school officials say next year's staffing outlook is indeed bleak, and a significant number of non-renewals of U-46 staff are anticipated.

**Joliet** (Feb. 22, *Joliet Herald News*) Gov. Patrick Quinn recently visited Central High School in Joliet THSD 204 to talk to school officials about being green. At a symposium there, school leaders and staff learned how to implement green practices. This was the first Sustainable Schools Symposium Gov. Quinn has convened; however, this is similar in format to other government-led symposiums on sustainable operations, some of which have been led by Quinn over the past three years, a spokesman said. For more information, visit [GreenSolutions.il.gov](http://GreenSolutions.il.gov).

**London Mills** (Feb. 18, *The Register-Mail*, Galesburg) The Spoon River Valley District 4 Board of Education added a policy on Feb. 9 limiting fundraising. Superintendent Scot Reynolds said some school and community members have felt "nickeled and dimed" by school groups constantly asking for money for projects and trips. The board wanted to

set out a clear process and policy regarding fundraisers in the hopes of easing some of the pressure. The new policy limits fundraiser events and requires that school principals develop a fundraising calendar in the spring for the next school year. Fundraising requests must be submitted to individual school principals by April 30, and the requesting group must provide price lists, the amount of money expected to be raised and the purpose of the fundraiser.

**Statewide** (Feb. 20, *GateHouse News Service*) The Illinois Rural Health Association has announced that funding has been received by the state to increase the availability of Automated External Defibrillators (AED) in rural areas. This grant opportunity to purchase an AED is available for eligible rural areas in Illinois as defined by current federal guidelines. Due to the limited number of available grant awards, however, only schools that are on the financial watch list are eligible. For more information on this AED grant project, contact the Illinois Rural Health Association office at 866/921-4742 or e-mail [IRHA@sbcglobal.net](mailto:IRHA@sbcglobal.net). For information on any related bill text or status, visit the Illinois General Assembly's website at: <http://www.ilga.gov/legislation/default.asp>.

**Urbana** (Mar. 17, *District press release*) Four high school students in Urbana District 116 have been honored as regional winners in one of the world's largest K-12 student science and technology competitions. They will move to the national round in the 2009 Toshiba/NSTA ExploraVision Awards Program, one of 24 regional winning teams from a group of 4,388 entries. The ExploraVision competition asks students to imagine ideas for future technologies that could exist in 20 years. Their project imagines a specific, cost-effective, easily administered treatment for atherosclerosis.

# Illinois district court strikes period of silence law



Melinda Selbee is IASB's general counsel

## DEVELOPMENTS IN SCHOOL LAW

Georgia statute that survived a constitutional challenge because, in sum, it did not refer to prayer.<sup>2</sup>

The First Amendment provides that “Congress shall make no law respecting an establishment of religion [Establishment Clause], or prohibiting the free exercise thereof [Free Exercise Clause].” The U.S. Supreme Court adopted a test to guide courts in determining if a law violates the Establishment Clause: (1) the law must have a secular purpose; (2) its principal or primary effect must neither advance nor inhibit religion; and (3) it must not foster an excess of governmental entitlement with religion.<sup>3</sup>

The district court found that the Silent Reflection and Student Prayer Act failed the test's first two prongs.

<sup>2</sup> *Brown v. Gwinnett County School District*, 112 F.3d 1464 (11th Cir. 1997). The *Sherman* opinion did not cite a Virginia statute that survived constitutional scrutiny even though it referenced prayer. It states that, “each pupil may, in the exercise of his or her individual choice, meditate, pray, or engage in any other silent activity which does not interfere with, distract, or impede other pupils in the like exercise of individual choice.” *Brown v. Gilmore*, 258 F.3d 265 (4th Cir., July 24, 2001), cert. denied 122 S.Ct. 465, 2001.

<sup>3</sup> *Lemon v. Kurtzman*, 403 U.S. 602 (1971).

The court's analysis, summarized as follows, helps local school boards avoid a similar outcome when taking action that might implicate the Establishment Clause:

### **Examine whether the law or action has a secular purpose.**

The law or action must have a clearly secular purpose although it need not be exclusively secular. Here, making *prayer* one of the two choices available to students during the *period of silence*, along with the law's mandatory nature, suggested a legislative intent to introduce prayer into schools. A board should examine its motivation for a proposed action and be able to articulate a non-bogus secular rationale.

### **Examine whether the law or action's primary effect is to advance or inhibit religion.**

A law or action will advance or inhibit religion if it favors some religions over others. Here, mandating a *period of silence* for students to *pray or reflect* denies students the opportunity to pray if their religion practices non-silent prayer. A board should examine whether a proposed action shows preference for the religious practices of one religion over others.

## School board member economic interest statements due at county clerk offices by May 1

State law requires school board members, certificated administrators and some non-administrative school district employees to file annual economic interest statements by May 1 with the clerk of the county where they reside. Such statements must be filed by May 1 unless the individuals required to file have already done so this calendar year.

Local school district superintendents are generally required to file, as

well as school business officials and certificated administrators. Others required to file include: department heads responsible for large contracts (\$1,000 or more), those who have authority to issue or promulgate school district rules, and employees who have supervisory authority for 20 or more employees.

Individuals who have not received economic interest forms by mail should contact their county clerk to obtain the forms or additional information.

Many schools across the country observe a daily moment of silence for reflection. Courts have upheld this practice finding it distinguishable from constitutionally prohibited school-sponsored prayer. In January 2009, an Illinois District Court found the Illinois Silent Reflection and Student Prayer Act unconstitutional and permanently enjoined districts from implementing it.<sup>1</sup>

So, what happened?

Since 1969, an Illinois statute allowed a *period of silence* to be observed in public schools. Originally known as “The Silent Reflection Act,” its name was changed in 2002 to “The Silent Reflection and Student Prayer Act.” In 2007, it was amended to require every classroom teacher to “observe a brief period of silence with the participation of all the pupils therein assembled at the opening of every school day. This period shall not be conducted as a religious exercise but shall be an opportunity for silent prayer or for silent reflection on the anticipated activities of the day.” (105 ILCS 20/1.)

Thus, the Silent Reflection and Student Prayer Act requires teachers to instruct students to engage in either prayer or reflection during the mandatory *period of silence*. The court distinguished this statute from a similar

<sup>1</sup> *Sherman v. Township High School Dist. 214*, 07 C 6048 (N.D. Ill., 1-21-2009). The Illinois Attorney General is appealing this decision without the State Superintendent's participation. Until told otherwise by the State Superintendent or the board's attorney, schools should abide by Judge Gettleman's order enjoining every school district from implementing the Silent Reflection and Student Prayer Act.

# Joint Annual Conference housing will encompass 10 Chicago hotels

This year's Joint Annual Conference of the Illinois Association of School Boards, Illinois Association of School Administrators, and Illinois Association of School Business Officials (Illinois ASBO) to be held Nov. 20-22 in Chicago will feature housing at 10 hotels: Hyatt Regency, Sheraton Chicago Towers, Doubletree, Embassy Suites, Fairmont, Intercontinental, Palmer House, Marriott, Swissotel, and Westin River North.

Conference registration and housing packets will be mailed by IASB on June 8.

Planning is well under way for the event, including review and selection of the popular "Share the Success"

panel sessions presented by local school districts. The panel session proposals were evaluated by board member review teams on March 6 in Springfield and Lombard. Review teams are currently choosing 30 to 35 winning proposals for inclusion in the conference program. Chosen panels are notified by mail of the status of their successful proposal in mid-April.

IASB Associate Executive Director Angela Peifer said that 103 panels were submitted.

IASB co-chairs for the 2009 Conference are Directors Joanne Zendol, of **Berwyn South District 100**; and John Metzger, of **Benton CCSD 47**.

## Lone school bond referendum defeated

Voting down the only school finance referendum on the Feb. 24 ballot in Illinois, voters in **Lockport Township High School District 205** rejected a proposal to construct a new high school to fight overcrowding. This was the fifth time in 2 1/2 years the proposal was defeated.

The district's call for a \$141.7 million bond issue was defeated by a vote of 8,969 to 5,884. The next time the district can hold another referen-

dum would be in the spring of 2010.

District 205 officials were surprised by the wide margin of defeat. And as a result of voter rejection of the referendum, there will be a staggered shift instituted at Lockport East, where upperclassmen begin school at 6:44 a.m. and sophomores start two hours later. If a new school is not built by 2013, there is talk of a split shift, where some students would attend morning classes and other students attend in the afternoon.

## CALENDAR OF EVENTS

**April 21 – Illini Division Summer Governing Meeting**, Tuscan Steak & Pasta House, Tuscola, 6 p.m.

**April 28 – Wabash Valley Summer Governing Meeting**, Trace Inn, Sumner (Red Hill State Park), 6 p.m.

**April 29 – South Cook Division Spring Dinner Meeting**, Orland Chateau, 5:30 PM

**April 29 – Lake County Division Dinner Meeting**, Warren THSD 121, 6:30 p.m.

**April 30 – West Cook Division Spring Dinner Meeting**, The Elmcrest, 6:30 p.m. - Dinner

**May 5 – Abe Lincoln Division Summer Governing Committee Meeting**, Beach House, Decatur, 6:30 p.m.

**May 5 – Blackhawk Division Summer Governing Committee Meeting**, The Cellar, Geneseo, 6:30 p.m. - Dinner

**May 5 – Egyptian Division Summer Governing Meeting**, TBD, 6 p.m.

**May 6 – Central IL Valley Division Summer Governing Committee Meeting**, Avanti's, East Peoria, 6:30 p.m. - Dinner

**May 6 – Kaskaskia Division Summer Governing Committee Meeting**, Mabry's Rest., Greenville, 6:30 p.m.



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