

PATTERNS OF LOCAL INTERGOVERNMENTAL COOPERATION
IN ILLINOIS SCHOOL DISTRICTS

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This study identified the use of intergovernmental cooperatives in Illinois school districts as a resource to improve the budget process. More specifically, the study focused on the types of intergovernmental cooperatives in Illinois school districts and the reason for entering into the cooperatives. The results of this research suggest that Illinois schools have entered into a variety of intergovernmental cooperatives and that a relationship exists between the reasons for entering an intergovernmental cooperative and type of district as well as the size of district.

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CHAPTER I

INTRODUCTION

School superintendents have many roles as the leaders of the school organization. They oversee all facets of an educational organization: instructional leadership, finance, general planning, human resources, school plant management, communication and public relations, and student services (Cunningham & Cordiero, 2000). The role of the superintendent has been evolving over time and is driven by many of the state and federal mandates on public education, bringing challenges to the position. Marzano, Waters, and McNulty (2006) outline one of the challenges as follows: “one of the constants within K-12 education is that someone is always trying to change it – someone is always proposing a new program or a new practice” (p. 65). For years, districts have struggled with ways to become more resourceful as a result of the constant changes. Especially now during an economic down turn, districts are faced with the challenge to look for ways to reduce the expenditure side of the district budget. Larger districts have a little more flexibility in finding a solution to their problem by providing similar services on a smaller scale. Small districts, however, experience much more difficulty in providing the same services with no clear-cut solutions on how to do this.

One option the superintendent may explore to manage the challenges while remaining fiscally responsible and improving the budget would be the use of

intergovernmental cooperatives. An intergovernmental cooperative allows districts to creatively enter into agreements with other local agencies to provide resources that could improve the district by reducing expenditures. In studies on cooperative efforts between units of local government, it was explained that services “can be administered more economically and more easily when they are dealt with on an area-wide basis,” (Keane & Koch, 1990, p.40). For superintendents to take into consideration the option to share resources for budgetary/financial leverage, it is important that they have a good understanding of Illinois Code on Intergovernmental Cooperation. Within this section, an explanation will be given on the background leading to the development of the Illinois Code on Intergovernmental Cooperatives and the components and legal requirements of the Illinois Code on Intergovernmental Cooperatives.

Background

According to Illinois Revised Statutes Chapter 127 Section 741 ET SEQ, the Intergovernmental Cooperation Act is an act authorizing state and local governing bodies to cooperate in the performance of their responsibilities by contracts and other agreements. Intergovernmental cooperation in Illinois has been in existence since before colonial times. However, the actual laws supporting intergovernmental cooperation did not come into effect until the Illinois Constitutional Convention in 1970. At that time, the intergovernmental cooperation concept moved beyond the Illinois Constitutional Convention of 1748, which was written to provide local governments the flexibility in developing creative agreements without seeking sanctuary enactments from the state government (Keane & Koch, 1990).

Section 10 of Constitution Article VII states the following:

(a) Units of local government and school districts may contract or otherwise associate among themselves, with the State, with other states and their units of local government and school districts, and with the United States to obtain or share services and to exercise, combine, or transfer any power or function, in any manner not prohibited by law or ordinance. Units of local government and school districts may contract and otherwise associate with individuals, associations, and corporations in any manner not prohibited by law or by ordinance. Participating units of government may use their credit, revenues, and other resources to pay costs and to service debt related to intergovernmental activities.

(b) Officers and employees of units of local government and school districts may participate in intergovernmental activities authorized by their units of government without relinquishing their offices or positions.

(c) The State shall encourage intergovernmental cooperation and use its technical and financial resources to assist intergovernmental activities.

As evidenced above there are various components of the Intergovernmental Cooperation Constitutional Article VII, Section 10. The first section of the document allows for creativity in developing a resourceful intergovernmental cooperation is not restricted by any boundaries other than by making sure it is not prohibited by law. This article creates an opportunity for units of local government and school districts to move beyond their current resources and enhance their ability to provide more resources within their organization by joining together to provide those services.

The second section of the article notes that through an intergovernmental cooperation, those who are in specific offices or positions that may be affected shall not lose their job. This statement encourages organizations to enter into agreements or contracts without the fear of losing what they already have. The state endorses the concept of intergovernmental cooperation by encouraging the opportunity for organizations to gain both technical and financial resources through intergovernmental activities.

Much of the push for the article stemmed from Dillon's Rule, first stated in Iowa Supreme Court in 1868. Dillon's rule indicates that local units of government, unless granted the right to cooperate through a state statute, are not to partake in intergovernmental agreements or contracts. Prior to 1970, they would need permission by the state of Illinois to enter an intergovernmental cooperative with another local agency. This was a flaw that needed further clarification in order for units of local government and school districts to enter into cooperative agreements/contracts. To accomplish this, in 1973, the state took intergovernmental cooperation one step further and created the Intergovernmental Cooperation Act. This incorporated the article created in 1970 with the additional components in the Illinois Code and sealed the future of intergovernmental cooperation in Illinois.

Other sections of the Act are as follows:

Section 742. Definitions

(1) The term "public agency" shall mean any unit of local government as defined in the Illinois Constitution of 1970, any school district, the State of

Illinois, any agency of the State government or of the United States, or of any other state and any political subdivision of another state.

(2) The term “state” shall mean a state of the United States.

Section 743. Intergovernmental agreements

Any power or powers, privileges or authority exercised or which may be exercised by a public agency of this State may be exercised and enjoyed jointly with any other public agency of this State and jointly with any public agency of any other state or of the United States to the extent that laws of such other state or of the United States do not prohibit joint exercise or enjoyment.

Section 744. Appropriations, furnishing of property, personnel and services

Any public agency entering into an agreement pursuant to this Act may appropriate funds and may sell, lease, give, authorize the receipt of grants, or otherwise supply the administrative joint board or other legal or administrative entity created to operate the joint or cooperative undertaking by providing such personnel or services therefore as may be within its legal power to furnish.

Section 745. Intergovernmental contracts

Any one or more public agencies public agencies may contract with any one or more other public agencies to perform any governmental service, activity or undertaking which any of the public agencies entering into the contract is authorized by law to perform, provided that such contract shall be authorized by the governing body of each party to the contract. Such contract shall set forth fully the purposes, powers, rights, objectives, and responsibilities of the contracting parties.

Section 746. Joint self-insurance under intergovernmental contracts

An intergovernmental contract may, among other undertakings, authorize public agencies to jointly self-insure and authorize each public agency member of the contract to utilize its funds to protect, wholly or partially, any public agency member of the contract against liability or loss in the designated insurance area.

Section 747. Construction with Constitution Article VII, Section 10

This act is not a prohibition on the contractual and associational powers granted by Section 10 of Article VII of the Constitution.

Section 748. Separability

If any section, subsection, sentence or clause of this act shall be adjudged unconstitutional, such adjudication shall not affect the validity of the Act as a whole or of any part not adjudged unconstitutional.

Section 749. County participation.

Any county may participate in an intergovernmental agreement under this Act notwithstanding the absence of specific authority under State law to perform the action involved provided that the unit of local government contracting with the county has authority to perform the action. The authority of the county shall be limited to the territorial limits of the local governmental unit with which the county contracts. In the case of an intergovernmental agreement between a county and a municipality, however, the agreement may provide that the county may perform an action within the territorial limits of the municipality, within the contiguous territory not more than one and one half miles beyond the corporate limits and not included in any municipality, or within both.

Components of the Illinois Code on Intergovernmental Cooperatives

Within the Intergovernmental Cooperation Act of 1973, eight sections are outlined. In the first section, titled definitions, two terms are defined that are used throughout the act. The first term, “public agency” is a valuable component to the act. It outlines who can be identified as a public agency: any school district, the State of Illinois, any state governmental agency in the United States, or of any other state and any political group of another state. By understanding the term clearly, a superintendent can determine whether or not a particular person or group would qualify under those guidelines. The second term, “state,” shall represent a state of the United States.

In the second section, intergovernmental agreements, it is explained how intergovernmental agreements can be exercised with one public agency to another public agency. This implies that the public agencies joining into agreement need not be from the same type of public agency. For example, a school district can join into an intergovernmental agreement with the local park district for use of facilities. Another example could be a rural school district on the state border joining into an intergovernmental agreement with a local municipality in the next state over for purchased services such as paper supply. For instance, in 1981, Cahokia School District entered into an intergovernmental agreement with neighboring Missouri School Districts just over the Illinois border to share purchased supplies (see www.loislaw.com).

The third section, appropriations, furnishing of property, personnel and services, outlines that public agencies are allowed to enter into agreements for services such as personnel or services. Within these agreements, the public agencies may appropriate funds from their current budget and may also sell, lease, give, or authorize the receipt of

grants in return for the purchased services. Later in this research, examples of some agreements will be shared.

The next section, intergovernmental contracts, outlines the ability for one or more public agencies to perform “governmental service, activity or undertaking which any of the public agencies entering into the contract is authorized by law to perform” (Section 745, Illinois Code, 1973). The components within this section are the over-riding of Dillon’s Rule and allow a contract to be entered into if one of the parties has the power to act as an authority of a unit of local government for the given service. This enables local governments to join together if one of the parties has the ability to provide the needed service for all other local agencies.

With the rising cost of health care for smaller districts, it is often difficult to negotiate a collective bargaining agreement that does not hurt the school budget or require the faculty and staff to pay a larger portion. The fifth section, joint self-insurance under intergovernmental contracts, is a stipulation unique to Illinois in that it allows for the creation of an intergovernmental contract between public agencies to work together to purchase insurance premiums as a larger organization. This also includes the ability to purchase both retirement and disability liabilities. Therefore, joining into a contract with other units of local government or school districts could be a way to save on health insurance premiums at a cost that would benefit both the school district and employees.

The sixth section states that the intergovernmental cooperation act is in no way a prohibition on the contractual and associational powers against Constitution Article VII, Section 10. This act does not prohibit the use of an intergovernmental cooperative under

the guidelines stated in the constitutional article. Moreover, it suggests that an association with the article is justified by the guidelines written within each document.

The seventh section, separability, is a legal clause that indicates if any one of the sections listed above were to be adjudged unconstitutional, then it “shall not affect the validity of the act as a whole or of any part not adjudged unconstitutional” (Section 748, Illinois Code, 1973). If, for some reason, one of the components of the act were to be deemed as unconstitutional, then the Intergovernmental Cooperation Act would not be null and void. It can still be used as a legal way for public agencies to enter into cooperative agreements/contracts with other public agencies.

The final section, county participation, outlines the guidelines and restrictions for the jurisdiction in which the county may participate in an agreement. This component recognizes that there are some local agencies that may serve more than one county or some counties that serve more than one local agency. In an instance such as this, if the county is providing the service, “the authority of the county shall be limited to the territorial limits of the local government for which the county contracts” (Section 749, Illinois Code, 1973). If the local agency is providing service for the county, “the county may perform an action within the territorial limits of the municipality, within the contiguous territory not more than one and one-half miles beyond the corporate limits and not included in any municipality, or within both.”

Understanding the background and components of intergovernmental cooperatives provides superintendents options of creativity when it comes to the areas of both instructional and fiscal management. A superintendent’s role as an instructional leader and responsibility to improve the budget require an understanding of the current

best practices of superintendent leadership. Within the next section, an overview of the evolution of the superintendent role from the early 1900's to now as it relates to the incorporation of intergovernmental cooperatives is presented.

Role of the Superintendent in Instructional Leadership and Finance

Superintendents have not always carried the role that they currently have today, that is, to oversee the entire district operations. In the early 1900s, the educational world was influenced greatly by the Fredrick Taylor movement in the business world. Scientific management became the norm where “workers were considered to be machines to carry out the work planned and controlled by management” (Webb & Norton, p. 25, 2003). There was no thinking outside of the box, rather, following the day by day management direction and rarely exploring new options. The superintendent was responsible for making sure the day to day operations were maintained and did not often have time for new thinking and exploration to take place. Into the 1940s, Mary Parker Follett's human relations movement shifted superintendent roles as a top down leader to a leader who developed interpersonal relationships. Superintendents began building relationships within the organization. Through 1980s, the superintendent was heavily involved in the human resources aspects of the school organization, spending less time on the instructional and fiscal management of the organization. It wasn't until around 1990 when the role of the superintendent as a human resource manager existed (Webb & Norton, 2003). Small districts, 1500 students or less, typically have the superintendent handle the human resources for the district with the assistance of building or district level administration. Larger districts, 1500 students or more, have additional support at the district level to provide leadership in human resources. The superintendent then has an

opportunity to oversee and assist where applicable. Creativity with intergovernmental agreements became a discussion for some superintendents when attaining personnel through the human resources mentality.

Since the 1990s, the current trend of superintendent leadership includes instructional leadership (Marzano et al., 2006). According to Senge, Kleiner, Roberts, Ross, & Smith (1994), the role of the superintendent in instructional leadership should address the following five personal and interpersonal disciplines: personal mastery, shared vision, mental models, team learning, and systems thinking. It is important that superintendents outline the expectations for the organization by setting the tone for learning both inside and outside of the organization. Opening discussions and opportunities for shared resources through intergovernmental cooperatives were becoming a trend for many districts that were learning the benefits of the agreement. Margaret Wheatley (1994) explains the superintendent's role in setting the tone for learning:

As leaders, we play a crucial role in selecting the melody, setting the tempo, establishing the key players, and inviting the players. But that is all we can do.

The music comes from something we cannot direct, from a unified whole created among the players – a relational holism that transcends separateness (p. 44).

However, human resources and instruction are not the only main factors in superintendent leadership. Besides their role as a human resource manager and instructional leader, superintendents also need to have a strong understanding of fiscal responsibility within a school organization and have a working knowledge of options to be more fiscally responsible, such as intergovernmental cooperatives.

School districts in Illinois have been financed based on local, state, and federal dollars. From the three sources listed, the primary source of revenue is from the local funds. Local funds are received through local property tax. Gary Ey (2001) includes that local funds are calculated using:

- local real estate property tax
- receipts of corporate personal property replacement tax
- proceeds from the sale of bonds
- income from the sale of property or equipment
- investment income, fees and assessments
- revenues from food program sales
- others such as impact fees from real estate developers

The majority of state funding for schools comes through a General State Aide (GSA) formula. The amount each district receives in GSA is based on the property values and student population. Additional support from the state comes in the form of categorical and special program grants as well as grants for school reform and improvement. Categorical funds include:

- special education
- transportation
- school breakfast and lunch
- bilingual education
- at-risk pre-school
- school construction.

In the past, the school districts also received categorical funds in:

- textbooks
- gifted and remedial programs
- truancy drop-out programs
- elementary school reading programs
- summer school
- professional development

Unfortunately, those funds in the past decade have been eliminated by the Illinois State Board of Education due to budget cuts. Elimination of some of the categorical funds can increase the financial challenges already faced. For example, professional development is crucial for both administration and certified staff when it comes to the majority of the categories listed above. For instance, to provide reading interventions to students who are identified as at risk in an elementary reading program, intense training must be provided for the staff who will utilize the program with students. The cost for this professional development may require re-allocating expenditures to assist in balancing the budget. This could be an area that superintendents look for creative ways to enter into intergovernmental cooperatives with local agencies to provide the resources necessary to increase student achievement in a targeted area while improving the budget.

Unlike state and local funding, federal funding is received through grants and reimbursements that are made to the state. The schools receive Title 1 and Title 2 funding. Title 1 funding is to be used to work with students who are identified as part of a low-income family. Title 2 funding is for the use of teacher quality, which to some extent may cover some professional development costs for certified staff. Since 2002, a

NCLB grant has been added and that can be used to implement programs for students who are identified as at-risk. Maximizing a district's federal funding could include sharing costs with other local agencies through intergovernmental cooperatives as it relates to teacher quality in particular.

Challenges in Instructional Leadership and Finance

With the recent economic downfall in Illinois, schools have been faced with a great deal of instructional leadership and/or financial issues. Superintendents have come to accept these issues as a challenge that will need to take precedence over many of the dominant challenges effecting educational organizations. These challenges include: federal and state mandates; program evaluation; and contract negotiations.

When superintendents look at the budget, they often focus on the expenditures that can bring change to balance the budget. The expenditures that may be the cause of this imbalance are specific categorical funds that have been mandated through state or federal law. Some of the current mandates in public education in Illinois include: curriculum program offerings, Response to Intervention (RtI), English Language Learners (ELL) services, Special Education services, and transportation to name a few. Unfortunately, these mandates often come lacking funding. Hoyle, Bjork, Collier, and Glass (2005) explain these mandates with the following:

Federal program regulations are highly restrictive, require detailed reporting and accounting for program expenditures, and prohibit commingling of categorical funds with other federal and nonfederal resources at the state, district, and school levels of administration. Rigid structures surrounding the delivery of federally supported categorical services are often referred to as the picket fence federalism.

These programs designed to promote the general welfare of the nation have changed the face of schooling in the United States during the last half-century by expanding the nature of the services, ensuring constitutional rights, and increasing school- and district-level bureaucratic structures and personnel. (p. 42)

The challenge that exists in the educational organization with categorical funds is the mandate to pay for the services, regardless of the expenditures that may need to be eliminated. In other words, schools have come to accept as a reality the process of balancing the budget by using non-mandated expenditures to off-set the difference in the lack of state or federal reimbursement. The legal ramifications to follow the mandates have tied the hands of superintendents and the district if there is non-compliance. The districts may have also invested funds into providing professional development for teachers related to the mandates, to ensure that teachers are aware of the legal responsibilities to adhere to the mandates within the classroom. If the professional development is not provided, the district also runs the risk of non-compliance for not providing the required services indicated in the mandate. Thus, it is important that a superintendent have options, such as intergovernmental cooperatives, to provide the necessary professional development to be compliant with state mandates.

The most recent unfunded mandate for schools is Response to Intervention (RtI). At first, as with all new initiatives, the schools were resistant to implementing the mandate. However, due to state requirements, all districts had to submit a plan to the state in January of 2009 with initial implementation beginning no later than January of 2010 (See http://www.isbe.net/RtI_plan/default.htm). This became difficult for schools as economic times stressed already stressed budgets to meet the extra time and resources

that were needed to fully implement RtI properly. Superintendents had to take a leadership role to support the program and work with the staff to implement the unfunded mandate with the use of other district expenditures. This challenge became “accepted practice” to address the mandate. Leadership was needed to develop collaboration in the decision making process of aligning district financial goals to RtI.

In June 2010, the Illinois State Board of Education released the mandate for the adoption of the Common Core State Standards (CCSS) in language arts & literacy and math. These standards were supported by the Council of Chief State School Officers (CCSSO) to unify the curriculum expectations across the nation. This push for national standards became a strong movement when many states realized that under the No Child Left Behind Act, schools would not be meeting Adequate Yearly Progress (AYP) requirements set by the act in the year 2014. Although schools have already begun reviewing the newly adopted standards, full implementation is going to be difficult for districts mainly due to financial constraints.

To fully adopt the Common Core Standards school districts will need to provide curriculum time for the teachers to develop new curriculum maps (Jacobs, 1997), materials for the new curriculum will need to be purchased, and targeted professional development will be necessary for teachers to implement the standards effectively (Hightower, Knapp, Marsh, & McLaughlin, 2002; Marzano, 2003; Peery, 2002). The push for the full implementation of the newly adopted curriculum, unfortunately, has been slower in many districts due to funding available to support the process. Teachers have not pushed the implementation because it requires change; more change in some grades than others. Mintzberg, Ahlstrand, & Lampel (1998) state that “the best way to

‘manage’ change is to allow for it to happen” (p. 324). The superintendent needs to support the change by providing the resources necessary for change and building it into the district’s strategic plan (Autry, 2001; Schwahn & Spady, 1998). This again, puts a financial stressor on the superintendent to provide options, such as intergovernmental agreements, to balance the budget while looking ahead to the required student learning outcomes.

With the NCLB act, school districts are held accountable for student achievement on an annual basis. Schools and districts are measured on the results of student assessments given in the spring of each school year. Those results determine schools who are making AYP and those who are not. For schools who are not meeting AYP, there are some financial benefits that have been extended to them through the use of federal grant dollars. Many districts have received American Recovery and Reinvestment Act (ARRA) grants to use for new educational programs and staff development that the school organization may not have been able to purchase otherwise. Although these grants will fill a much needed void in the budget, district superintendents need to be aware that any school district who has recently received a grant in an amount of \$500,000 or more is required to pay for single-audits which are not covered in the costs of the grant. From a systems leadership standpoint, Senge (1990) would argue to build into the budget the cost of the single audit, the grant reward can produce a huge result if implemented effectively.

Another challenge that districts are faced with is program evaluation. Utilizing an appropriate program evaluation will allow districts to effectively determine whether or

not a program should be sustained. Kaufman, Guerra, and Platt (2006) define evaluation of an educational program through four phases:

1. alignment and direction
2. observations
3. results
4. actions and adjustments

Districts often use state assessment data as the measurement on whether or not educational programs are effective. However, step three is the only program evaluation phase that districts typically look at. The results phase is driven by student achievement after participating in the program or course offering. Superintendents and decision makers can often allow that one piece of information to dictate the fate of a program. Thorough evaluations need to occur, but they also will take time and resources to be accomplished effectively. In addition, developing measures on school programs needs to be a topic of discussion with teachers' unions as it may have an effect on staffing numbers, staff evaluations, and working conditions. Without a solid structure in place to evaluate programs, effective programs may get eliminated and cause further financial challenges for a district to provide appropriate programs for students.

Most recently, contract negotiations have become a highly publicized leadership opportunity and financial challenge for superintendents. Contract negotiations began evolving in Illinois with the Chicago Teachers Federation in 1907, while the Illinois Teachers Union was formed in the 1960s. Early definitions of the American Association of School Administrators defined collective bargaining as:

The process by which school teachers, through their designated representatives, negotiate with the board of education, or its designated representative(s), with reference to salary, working conditions and other matters of interest to negotiate practices. Collective bargaining and professional negotiations sometimes are used interchangeably (Redfern, 1967, p. 112).

Into the 1980s, collective bargaining became an era of turmoil as a result of the poor economy (Webb & Norton, 2003), thus unions began to lose their bargaining powers. “Workers were forced to pay a greater portion of certain fringe benefits such as health care” according to Webb et al. (2003) and “contingent compensation that is based on the organization’s overall performance” (p. 208-209) was negotiated with the unions.

From the 1990s into the late 2000s, school organizations began returning to their original definitions of collective bargaining. However, as school districts in Illinois are now faced with lowering Equalized Assessed Valuation (EAV) due to a poor economy and less funding reimbursement for categorical mandated funds, they are dealing with similar or worsening economic times than the 1980s. Superintendents and schools boards thus have become very cautious about the approach to contract negotiations with unions. In the past, districts for the most part saw an incline in revenue from one year to the next. During contract negotiations, districts referred to their financial projections to see what a “fair” salary increase would be based on the projected revenue. Unfortunately, in the current economic times the financial projections most likely are not moving in the same direction as they have in the past. We are watching more and more teachers’ unions exercising their right to strike for better higher wages and better benefits. Therefore, the superintendent must always prepare the possible negotiators on the topics of: data relative

to salaries, fringe benefits, programs expenditures, and human resource needs (based on current and future enrollment projections) (Webb & Norton, 2003).

The data relative to salaries helps district administration gather salary schedules of local school districts to use as comparisons to their staff. Fringe benefits include the health care costs, liability insurance costs, etc. to be used as a bargaining tool to offset salary differences. Program expenditures outline the costs associated with various program offerings and human resource needs include staff projections. All of this information needs to be organized and calculated. A recommendation for superintendents and/or business managers is to aim at constantly updating this information so it is available for review both during and after of the contract negotiation times.

Competition of Challenges

Beyond the challenges impacting a superintendent's role, it is important to identify what competition exists between these challenges and how their interrelationships within the organization can work as motivating factors for the decision-making process towards change. The challenges were arranged into three categories in the previous section: federal and state mandates; program evaluation; and contract negotiations. Each of these challenges could require significant change within the school organization. It is the superintendent's role to lead the change process while balancing the competition levels of each challenge.

Table 1

Competing Elements

Competing Elements:
Federal and State Mandates: Transportation, special education, ELL, and Response to Intervention
Accountability: Grants and audits
Contract negotiations: Program expenditures and human resource needs
Assessment: Program Evaluation
Alignment to the Common Core
Accountability: Monitoring AYP
Assessment: Teacher Evaluation
Contract Negotiations: Data relative to salaries and fringe benefits

Source: Webb, L.D. & Norton, M.S. (2003). Human resources administration: Personnel issues and needs in education. Pearson Education, Inc.

Table 1 lists the budgetary challenges as they may relate to the development of the school budget. The first two challenges have no competition with the other challenges because they are required by law. Schools must adhere to all federal and state mandates otherwise legal action can and will be taken against them. Once federal and state mandates have been followed, the school district should then follow up on the guidelines and requirements within each grant. The single-audit should be viewed as a positive way of checking over the grant process while the superintendent can use prior experiences in leadership with the organizational and managerial components of the state and federal mandates. There are so many legal restrictions on the mandates that it would be difficult to try and reinvent a new way of providing the services.

Within contract negotiations, the areas of program expenditure and human resource needs are fairly straight forward. Part of the annual planning process that school organizations go through for budgeting purposes is to analyze what programs they will offer next, how much it will cost to run those programs, and staffing needs for the year to

come. Maintaining accurate records of past, current and future enrollment projections are the most important in the budget planning process. The results will drive staffing projections, which will have the biggest impact on budget. This challenge often competes with the costs of other required funds within the budget, such as categorical funds that are mandated. It is also important to utilize past and present budgets to evaluate an increase and/or decrease in line items when planning the future budget. Superintendents need to look at the entire education fund as a whole to see what affects program offerings and staffing can have on the whole education fund balance.

A superintendent has to deal with a little more discretion when it comes to the remaining challenges identified in Table 1. As school districts transition from the current Illinois Learning Standards last adopted in 1997 to the newly adopted Common Core State Standards (CCSS) in June of 2010, the superintendent needs to make sure that the leaders provide opportunities for the teachers to examine the “affects” the new curriculum expectations will have on their current curriculum. It is no longer a matter of “knowing” what the curriculum is, but “teaching” the curriculum within the classroom (Marzano, 2003).

For a proper assessment of programs, it is important that the curriculum expectations are clearly communicated. Program evaluation, as described earlier, will take time, resources, and ownership by faculty to get accurate results. This challenge allows the team to go through the same process of evaluation in the past, yet not necessarily determining if the program was effective. The team needs to be open to new ideas of how to approach program evaluation. This is a likely change that would compete

with others because the funding for a thorough evaluation may be difficult to justify. It will often be pushed aside if there is need to eliminate programs.

With all the demands of NCLB and the political views on the schools and districts that are not meeting AYP, a huge competition for priority is to improve student achievement to the AYP threshold. Superintendents often lose sight of many other challenges within the organization because of the constant political pressures for their school to reach the expectations established by state and federal policymakers. “The central idea behind public engagement is not public relations but getting the public to ‘own’ its schools” (Cambron-McCabe, Cunningham, Harvey & Koff, 2005, p. 260). Those pressures often cause superintendents to put more responsibility on their building principals for the schools to perform at higher levels in terms of student achievement. However, placing expectations on the building leaders without ample support and resources is path to failure. Even though the superintendent is not involved with the building administration, it is important to provide empowerment and guidance to the building leader even if the time and effort necessary competes with other duties. Some of this empowerment may be provided through the use of intergovernmental cooperatives involving additional personnel to assist the building teams, such as a reading specialist or instructional coach. Small districts in size are likely to benefit from sharing personnel on the building level administrative team. These districts are typically already at or above the per pupil expenditures for administrative costs and may have difficulty adding expenditures to support a qualified administrator. However, when multiple districts enter into an intergovernmental agreement to share in the administrative expertise, they are

able to both provide the additional needed resources to the building team and help improve the budget.

Educational change in Illinois by 2016 will require a link between student achievements to teacher evaluations. Schools, as of right now, are responsible for the growth of students. However, it is the teachers who are ultimately responsible for student growth. Since the inception of NCLB, there has been a big focus on the AYP data in terms of whole school or grade level performance. However, with the passage of Performance Evaluation Reform Act (PERA), this focus has shifted to classroom level performance. Nonetheless, as schools are required to collect more and more student data on a regular basis to chart student growth, the purchase of a student assessment management program may be necessary. Prices for these programs vary due to the complexity of reporting and resources available in the program.

The Performance Evaluation Reform Act (PERA), which signed by Illinois Governor Pat Quinn on January 15, 2010, has pushed educators to develop a common teacher evaluation tool to be used for all teachers in the state of Illinois by September 2016 (see <http://www.isbe.net/PEAC/default.htm>). PERA requires teachers' evaluations to have a maximum of 70% of the evaluation rating related to professional practices (minimum of 50%) and a minimum of 30% of the evaluation rating will be related to academic data and other indicators of student growth (with a maximum of 50%). Superintendents need to believe that "teachers want and need feedback, not only for the act of teaching, but also on the results of teaching" (Tucker & Stronge, 2005, p. 6). On the other hand, once a district begins the process of providing feedback, identifying strengths and weaknesses, and targeting professional development, they will need to be

prepared to fund the resources necessary to accomplish this process. This could include purchasing in-house student assessment management programs and providing time for teachers to create the assessments that link to the school curriculum. After all, “all districts should be focused on results” (Schmoker, 1996, p. 1), it is one of the keys to having effective educational programs that produce improved student achievement (Kaufman et al, 2006). As schools focus on results, they also need to keep in mind that the teachers are an integral part of those results and there is nothing more rewarding for the teachers than receiving a decent raise.

When it comes to contract negotiations, teacher evaluation may become a competition as the future unions may resist addressing this challenge until close to 2016. These unions can be resistance to change due to fear of the unknown. The superintendent and members of the administrative team need to focus on embracing the teacher evaluation process from all angles. It cannot simply be implemented in 2016, instead it needs to be introduced as a topic of study now so that the teachers are prepared when the state begins the requirement and linkage to state assessment data collections.

The final challenge, contract negotiations, has two challenges that compete mostly against one another, but do have a tendency to compete against others as well. “Between 80% and 90% of the current operating budget of a school district is allocated to personnel salaries, wages, and benefits” (Webb & Norton, 2003, p. 396). With such a large percentage of the salaries and fringe benefits falling into 80-90% of the budget, it is evident that it is a major challenge within the superintendent’s role. When contract negotiations come due, the competition with other challenges in the district tend to take a back seat to bargaining. With salaries and fringe benefits consuming such a large amount

of the district budget, any small change can have a huge impact on the other challenges listed above. Superintendents need to be prepared to provide the necessary material to the bargaining team regarding the effect various decisions in the contract can have on the school organization as a whole.

Some of the material provided to the team can include optional fringe benefit changes. With the costs of healthcare rising more and more each year, many districts have begun placing more of the responsibility on paying the premium for the employee and accommodating them with a slightly higher raise to offset this difference. Later in Chapter 2, another option to assist districts with lower healthcare premiums will be shared with the use of intergovernmental cooperatives.

Many districts are struggling more now than ever before with trying to keep up with all the demands in education while balancing their annual budget. District administration, led by the superintendent, has had to implement and support difficult cuts in their educational organization to maintain fiscal responsibility. The level of support from local, state and federal funding is not getting better; rather it is getting worse in most districts. Schools are looking for alternative ways to funding the unfunded mandates, keeping programs and staff in place, aligning to the curriculum demands at the classroom level, and maintaining a good solid relationship with the unions.

However, school districts have had to eliminate programs based on the lack of funding for the program rather than the effectiveness of the program. But is that the right approach? What if the program was having a positive impact on student achievement? Superintendents don't have the time to evaluate programs over the course of a few years, instead they have to make cost saving decisions when planning the budget for the

following year. The budget projections in the planning stage allows schools to begin taking a hard look at necessary program cuts a little more in advance. Unfortunately, once the district has slimmed down the budget year after year, it will become more and more difficult to make those necessary cuts to balance the budget.

In the past, during contract negotiations, unions tended to focus exclusively on economic issues and they lost all sense of educational mission (Cambron-McCabe, et al., 2005). However, under the current economic times, many districts are resorting back to the collective bargaining strategies of the 1980's where they worked to tie teacher raises to school performance. Teachers and administration need to work together more now than they have in the past to remain focused on one vision: "what is best for all kids."

When working together with one another within a district, if the financial challenges do not disappear, then it is necessary to look for creative ways to provide services. As a district begins to explore opportunities to assist in solving the financial challenges, it requires the superintendent to look for ways to reduce expenditures and expand resources. Often times, superintendents utilize intergovernmental cooperative options as a way to help provide resources and improve the budget. The State of Illinois Constitution and Code 5ILCS220/1 Intergovernmental Cooperation Act of 1970 allowed for units of local government and school districts to work together to become more resourceful.

Statement of the Problem

In the management of school districts, the understanding of available resources has improved the ability to recognize the positive effects that additional resources can provide. But many times, districts are unable to obtain those resources within their

current operations. Superintendents have a very important job to maintain fiscal responsibility for a school district. The ability to recognize challenges in the district budget are imperative to developing a balanced budget. Attaining the resources to fund identified financial challenges forces districts to reexamine their approach to developing the district budget. Having additional resources at a low budgetary cost could assist districts when looking to reduce expenditures. One way to reduce expenditure is through developing intergovernmental cooperatives. There is currently a lack of research available that shares a list of intergovernmental cooperatives and reasons for school districts to enter into them. This study seeks to identify the use of intergovernmental cooperatives in Illinois school districts as a resource to improve the budget process. More specifically, the study will focus on the types of intergovernmental cooperatives in Illinois school districts and the reason for entering into the cooperatives.

Purpose of the Study

The overall purpose of this study is to identify and examine the statewide use of Intergovernmental Cooperation with school districts and other governmental units to improve the budget process. In addition, the study will determine if there are patterns of agreements and contracts used to improve district budgets by the type or size of the district. This knowledge can help school districts better understand how to use these agreements for additional resources. The study will further examine whether or not the uses of intergovernmental agreements differ by the type or size of a school district when looking to improve budgeting. School districts in the state of Illinois are and will be facing very difficult budget constraints in the years to come. It is imperative that districts have options to explore as they begin examining ways to make necessary budget cuts

without harming student learning. This study will give school districts options to become more resourceful in the way that they obtain/use resources for their district.

Research Questions

After a review of the literature related to intergovernmental cooperation and resource sharing among school districts, the following research questions were developed:

1. What types of intergovernmental cooperatives have Illinois school districts entered into with local agencies?
2. Do the types of intergovernmental cooperatives differ by type of district?
3. Do the types of intergovernmental cooperatives differ by size of district?
4. What are the main reasons for school districts to enter into an intergovernmental cooperative?
5. Do the reasons for entering into the intergovernmental cooperative differ by type of district?
6. Do the reasons for entering into the intergovernmental cooperatives differ by size of district?

Design

A quantitative research methodology was used for conducting this study. For the purposes of this study, intergovernmental cooperatives data were gathered from all superintendents in the state of Illinois through a survey study led by Dr. Neil Sappington and Dr. Norm Durflinger in the spring of 2009. The study was conducted through the Illinois State University Educational Administration Foundations Department Center for the Study of Education Policy. The data were analyzed using descriptive and

chi-square analysis on the intergovernmental cooperatives by the type and size of school district.

Significance of the Study

The study of this problem is significant because there are no documents available to school districts that contain a list of the types of intergovernmental cooperative currently being utilized in the state of Illinois involving schools and other cooperating agencies. It is the belief of this researcher that patterns of intergovernmental cooperation exist in Illinois school districts. This study examines those agreement patterns in a manner that Superintendents and School Boards may refer to them when looking at possible ways to enter into an intergovernmental agreement/contract.

This study emphasizes the importance of intergovernmental cooperation as a necessary tool for beneficial school district organizational development. School districts can rely on cooperative efforts to provide the tools and resources necessary to run a successful organization. The results from this study may create a documented array and patterns of intergovernmental agreements and contracts for school districts to refer to in determining whether there are possible beneficial intergovernmental cooperation opportunities to be considered within their district. This information may be used in collective discussions between units of local government and school districts to develop agreements and/or contracts that would increase all agencies resources and improve budgeting.

Assumptions/Delimitations

The following assumptions were applied to this study:

1. All survey respondents were knowledgeable on their districts intergovernmental agreements/contracts.
2. All survey respondents did not use personal opinions when answering questions.
3. All survey respondents accurately and truthfully completed the survey instrument.

The following delimitations will apply to this study:

1. This study does not attempt to determine the perceptions of any stakeholders in the district such as superintendent, school board members, parents, or pupils.
2. This study does not attempt to evaluate the effectiveness of the agreement.
3. This study is limited to those school districts whose Superintendent returned the written survey form.
4. This study only looked at one-fourth of the school districts in Illinois.
5. This study only applies to school districts in Illinois.

Definition of Terms

Agency – a non-for-profit institution that provides services to the public.

Intergovernmental Agreement - two or more governmental or divisions of government jointly share the responsibility for providing a service (i.e. two school districts share some common personnel).

Intergovernmental Contract – one governmental or division of government agency provides a service to another/multiple government or divisions of government (i.e. one school district has a contract with another school district to provide bus transportation).

Intergovernmental Cooperation – a joint agreement or contract between two agencies that include personnel, purchasing contracts, and/or equipment.

Organization – an educational institution or local state agency.

Shared Resources – relate to personnel, purchasing contracts, and/or equipment

Shared Personnel – relate to person or persons who work for two or more types of school districts or local agencies organizations

Summary

It is necessary that school organizations have a positive outlook on school finances during these economic times, while superintendents move the organization forward. Chapter 1 has provided a broad history on superintendent leadership and finance, challenges in instructional leadership and finance, and how these challenges compete with one another, which develops the background for the research design for this study. Understanding those three key areas provide the foundation for why additional options are necessary to explore to improve district budgets. Chapter 2 will provide a review of literature that will outline applications of intergovernmental cooperatives, leadership necessary for the successful implementation of an intergovernmental cooperative, and the current studies available on intergovernmental cooperatives in Illinois. Chapter 3 will outline the characteristics of quantitative research as well as the data collection, recording, and analysis procedures that will be used to expand knowledge on intergovernmental cooperatives in Illinois. In Chapters 4 and 5, a detailed study of

intergovernmental cooperatives in Illinois will offer school administration and school boards options to consider when addressing the current state of the economy. The study of this problem is significant because there are no documents available to school districts that contain a list of the types of intergovernmental cooperative currently being utilized in the state of Illinois involving schools and other cooperating agencies.

CHAPTER II

REVIEW OF RELATED LITERATURE

Unfortunately, during these economic times, superintendents are often caught in a battle of financial pressures, school board pressures, and organizational pressures. Working to promote student achievement in the schools is a difficult task for superintendents if they do not have the background knowledge to move the organization forward while remaining fiscally responsible. The literature review will begin with a focus on the application of intergovernmental cooperation with both units of local government and school districts, and recent studies on intergovernmental cooperatives in Illinois. This will frame the need for superintendents to begin acknowledging the current financial challenges and consider recommendations on how a superintendent can implement organizational change to improve the budgetary/financial impacts on student achievement. To conclude the review, a discussion on the four frameworks for organizational change will outline an approach that the superintendent can use with the board of education to help them better understand the budget and creative methods of funding the budget.

Application of Intergovernmental Cooperation Act

Defining what a “public agency” is restricts superintendents to choose from a given pool of organizations with which an intergovernmental cooperative may be formed.

A school district, as a public agency, may only enter into cooperatives with other publically funded organizations. This allows for a level of equality in terms of the funding limitations within the cooperative to be similar. There is, however, a component from the Illinois Constitutional Article VII, Section 10 that offers a freedom to the restrictions outlined above.

Although school districts are restricted to work with other public agencies, the cooperation act opens up the freedom of creativity as to the type of agreements that are joined. This act can have a positive effect on the school district budget by opening up opportunities beyond the school organization. For example, in an agreement between the City of Salem and Salem Community High School, the city leased two tennis courts to the school for students to use for tennis classes, interscholastic sports, tournaments, and practice sessions. All times were prearranged between the two agencies. There was a cost involved for the annual rental of the facility for \$1500 (Kirk, Levin, McClure, James, & Rockwell, 1976). The district may not have had the land to build tennis courts or the funding to build and maintain the tennis courts. Thus, at a small cost per year, the district was able to gain additional course opportunities through physical education, afterschool activities, and tournaments.

The third section's components on the Intergovernmental Cooperation Act can have the biggest impact on the use of intergovernmental cooperatives by school districts as resources for additional finance/budgetary leverage. The ability to enter intergovernmental cooperatives to share personnel or purchased services can help reduce costs to a district. Superintendents have the option to appropriate funds for this intergovernmental cooperative in a variety of ways: sell, lease, give, and authorize receipt

of a grant. This appropriation of funds gives superintendents some freedom as to allocate various funds for a given purchased service. When thinking about purchasing goods, it is often more economical to buy in bulk. However, purchasing a large quantity may not be a feasible option for any one entity. Therefore, single agencies either pay a higher price for a much smaller quantity of the product or think creatively and share it with another agency. School districts have become savvy in that line of thinking. In 1957, an Association between seven school districts in the Highland-Deerfield community, the park district, libraries, and municipalities was formed. From this association, a list of commonly used materials and supplies was generated and a joint purchasing agreement was developed and entered into by all the agencies involved (Kirk et al., 1976). In an intergovernmental cooperative such as this, there is one public agency that is identified as the purchaser. This public agency is then responsible for purchasing the supplies in bulk. Once the supplies have been received, the purchasing public agency will “sell” the items to the public agencies within the intergovernmental cooperative. In a case like this, one of the components of the intergovernmental agreement that should be included is a clause stating that the purchasing agency will sell the supplies at the same cost that they purchased them for, not making any type of profit. Hence, all of the public agencies are deemed non-for-profit. Using this type of purchasing power allows superintendents the opportunity to reduce expenditures and improve the budget.

Another approach to purchased services was revealed on July 15, 2002 by the Illinois State Board of Education. The ISBE released a report on the overview for public school of choice for those schools who have failed to make adequate yearly progress (AYP) in 2001 and 2002. In this report, the state gives instructions to schools on

developing intergovernmental agreements with neighboring districts for those schools that are defined as a school of choice. If a district would agree, then the requesting district would have the option to pay tuition to the other district for students to attend their schools. According to this report, this is the only option for schools to work with other public institutions in offering schools of choice. Unfortunately, it does not require that neighboring districts must agree to the intergovernmental agreement. This puts the school that did not make AYP into a bind of offering school of choice. At this time, the state does not mandate that any schools must enter into these agreements, which again supports the notion of giving intergovernmental cooperation control at a local level (<http://www.isbe.net/news/2002/july15-02a.htm>).

The Illinois High School Athletic Association (IHSA) promotes a creative approach to intergovernmental cooperatives that could both improve the budget and provide services that promote student opportunities to participate in interscholastic athletic teams within their bylaws. Section 2.030 reads:

2.030 COOPERATIVE TEAM SPONSORSHIP

The Board of Directors shall have the authority to approve the formation of cooperative athletic teams or activity programs by two or more member schools under the following conditions:

- (a) The schools are located in the same geographical area;
- (b) All schools participating in the cooperative are Class A (in a 2-class system) or Class 1A or 2A (in a 3 or 4-class system) schools according to the IHSA Classification System; or, in the event one or more of the cooperating

schools is a Class 3A or 4A public school, the cooperative team is for a sport other than Boys Football or Boys or Girls Basketball; In the event one or more of the schools involved in the cooperative is a public non-boundary school, that school's actual enrollment, not multiplied enrollment is used to determine the eligibility of the cooperative team request.

(c) Only private schools with non multiplied enrollments of 200 or less are eligible to form cooperative teams.

(d) The combined enrollments of all schools involved in the cooperative team, calculated according to the IHSA Classification System, is utilized to determine the classification for the cooperative team;

(e) The cooperative sponsorship agreement is established for a period of two consecutive school years;

(f) The governing boards of all schools participating in the cooperative team agreement jointly make the application to the IHSA Board of Directors for approval of the cooperative team agreement;

(g) The joint application includes:

(1) Written approval from the conference(s) of which the cooperating schools are members, and/or in which the cooperative team will participate, or, in the event the cooperative team will not be affiliated with a conference, written approval from a minimum of seven schools included in the cooperative team's schedule of competition;

(2) A statement signed by the principals of all cooperating schools designating the name under which the cooperative team will compete;

- (3) A report of the number of students from each of the cooperative schools expected to participate on the cooperative team;
- (4) A report of the number of students, if any, from each of the cooperating schools who have been participating in the sport involved, in programs offered on a non-cooperative basis by their own schools;
- (5) A statement expressing the reasons for the formation of a cooperative team;
- (6) Written assurance that the cooperative team will not limit participation opportunities for students in any of the cooperating schools.

When a cooperative team completes two years of approved operation and the boards of education involved wish to renew the agreement for another two-year period, the involved school(s) shall submit to the IHSA, by the established date, an application that addresses the items listed in sub-section (f) from above.

(<http://www.ihsa.org/documents/forms/2012-13/Section%202%202012-13.pdf>)

This by-law clearly outlines the requirements and expectations of the cooperative teams, including a clearly defined application process. This application will allow the IHSA to document the reasons why the districts have entered into the cooperative. Having documentation by a state-wide school organization will provide information for superintendents of small districts as they determine if an intergovernmental cooperative is an opportunity for their athletic teams.

Instead of entering into an agreement to form a cooperative team, the Naperville School Districts joined the City of Naperville and the Naperville Park District on a purchasing agreement to jointly finance the legal defense of specific Naperville

ordinances (Kirk, Levin, McClure, and Rockwell, 1976). This is a unique approach to share in the cost of legal fees for a case that would impact each of the agencies involved.

When it comes to attaining property through an intergovernmental cooperative, the public agencies can draw up a contract that would allow one party to sell the property to the other, lease the property for a specified amount, or give the property to the other party. There are two options for superintendents to consider when it comes to property: usage of the school district facility by an outside agency and usage of a non-school facility by the school district. The first type of facility usage agreement existed in Harrisburg Township Park and Recreation Department and Harrisburg Community Unit School District #3 entered into an agreement that allows the park district to utilize the school district facilities and vice versa (Kirk et al., 1976). The school district agreed to the use of the gymnasiums, auditoriums, specific classrooms, etc. by the park district, and the park district allowed the use of its facilities including baseball diamonds, a swimming pool, and tennis courts. One of the freedoms behind this agreement is avoiding the use of tax payer dollars to duplicate facilities and thus removing the need for duplication of resources. Two examples of the second type of facility usage shared by Kirk et al. (1976) is an agreement between the City of Salem and Salem Community High School where the city leased two tennis courts to the school for students to use for tennis classes, interscholastic sports, tournaments, and practice sessions. All times were prearranged between the two agencies. There was a cost involved for the annual rental of the facility: \$1500. Similarly, the City of Savanna and Savanna School District entered an agreement that allowed the school district to lease a vacant lot to use for school parking. Moreover,

schools may need more than just the opportunity to lease space or property, the district may need infrastructure that they cannot purchase on their own.

Superintendents, with board approval, can enter into intergovernmental agreements with their towns for support in gaining the infrastructure needed for new school buildings to function. In 1998, the City of Richmond and Richmond Burton Community High School District 157 entered into an intergovernmental agreement to share the cost to extend municipal utilities to the new high school (Santi, 1998). This agreement included a cost cap for the district to pay. In 2009, The Village of Crete and Crete Monee High School District 201-U had a similar intergovernmental agreement for the installation of improvements at the intersection of the high school entrance and the village streets (http://www.willcountyboard.com/public_works2.htm).

Although all of these services sound beneficial, superintendents must be very cautious that Illinois School Code is being followed in regards to the bidding and purchasing process. In addition, they need to make sure that they are operating within the legal and ethical considerations in the process. They are not restricted by the Illinois School Code if they are not the direct public agency ordering, but they have signed an intergovernmental contract/agreement stating that they will acquire a purchased service from the agency that may possibly go out for bid. Some examples of federal/state legislation that impact the purchasing process in school organizations include:

- Uniform Commercial Code
- Affirmative action legislation
- Fair labor legislation
- Federal grant procedures (define and/or restrict purchasing procedures)

- Illinois School Code
- Illinois Criminal Code
- State Public Contract Code

Federal and state legislation parameters have been developed into a list of ethical behaviors that will adhere to the fair and uniform treatment of all vendors by the Illinois Association of School Business Officials. Below is a list of the defined ethical purchasing behaviors:

1. Primary consideration must be given to the institution.
2. Strive to obtain the maximum value for each dollar expended.
3. Decline all personal gifts and gratuities.
4. Grant all competitive suppliers equal consideration insofar as state statute and institutional policy permit.
5. Conduct business with potential and current suppliers in an atmosphere of good faith.
6. Demand honesty in sales representation whether offered in verbal or written statements.
7. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement in any controversy.
8. Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business.
9. Foster fair, ethical, and legal trade practices.

Superintendents need to be cautious when using an intergovernmental agreement/contract with another public agency because this agreement cannot be used as a way to avoid an

unethical purchasing decision. They do have the freedom to enter into these agreements without the restriction of adhering to the above components of Illinois Code and ethical considerations. However, they are tied to the purchasing agency through an intergovernmental contract and if there is any type of unethical purchasing that takes place it will make not just the purchasing public agency look bad, but also the school district involved in the intergovernmental cooperative.

The fourth section, intergovernmental contracts, offers both freedoms and restrictions for superintendents to consider. The main restriction within the components of this section is the contract to perform any governmental service that is authorized by law to perform. Through a mandate from the state, schools are required to provide vision and hearing screenings for students. Some schools do not have the manpower to accomplish some of the mandates for health screenings and staffing the appropriate manpower necessary may not be feasible. As a cost savings to the district, superintendents can explore working with their county health department to provide these services. In Menard County, the Department of Health entered an intergovernmental contract with Illinois School districts 200, 202, and 213 to offer much needed health services and more. Some of the services include: vision/hearing screening and referrals, immunizations for pre-school through 9th grade, tuberculosis skin tests, dental, updating school health records, and school nursing services (Kirk et al., 1976). Students were able to get the services required by law to enter into school. Families were also able to receive those services at a reduced or no cost expense.

In addition, an intergovernmental contract with to provide health services is a good political move for superintendents to have an intergovernmental contract with the

public health office for required immunizations, TB tests, and dental to name a few. This helps families in the community who are struggling in these economic times obtain the proper healthcare for their children. Another freedom that an intergovernmental contract for health services can offer if designed correctly is the use of the school facility to host the health screenings and immunizations. Doing so will also allow for community members, who may otherwise not be able to receive a health screening because they have no medical benefits, the opportunity to attend the event ran by the county health office at little to no cost to tax payers in the community. In some cases, the reduced rate for the screenings and immunizations is less than some people's co-pays or deductibles within their insurance. This is an opportunity for the school district to provide both students and community members the same services at a reduced cost through an intergovernmental contract.

The fifth section, joint self-insurance under intergovernmental contracts, is a smart way for superintendents to try to lower health care costs for both the district and its employees. As discussed earlier, one of the main items that are discussed during contract negotiations is health care premiums (Webb & Norton, 2003). Similar to what the federal government has created for all Americans to offer affordable healthcare, schools have the opportunity to offer insurance to all of their employees at a lower monthly premium because of a larger pool of people gained in an intergovernmental cooperative for healthcare. This especially beneficial to small districts as it increases the size of the participant pool and as a result lowering premiums.

Superintendents do need to be cautious on the restrictions of this component. As stated earlier, school organizations may only join into an intergovernmental contract with

other public agencies. Keeping that in mind, a superintendent needs to contact the health providers to find out what the total number of participants within the organization needs to be to have reduced premiums from what they currently pay. In some cases, working with other agencies may not put them in a tier of participants that will lower the premiums. In small rural towns, it may be advantageous for the superintendent to extend beyond their town's public agencies and into the county agencies. This is a beneficial freedom that may not be explored because of the political barriers between communities. The role of the superintendent needs to extend over the political barriers and offer to work together with to save costs. A discussion on the leadership challenges superintendent's encounter and suggestions on how to overcome those challenges will be shared later in the study.

In the sixth section, the act indicates that there is no prohibition of the Illinois Constitutional Article of 1970. As mentioned early on the second section in the cooperative act, the act restricts school districts to only join with other public agencies in an intergovernmental cooperative. In the constitutional article, however, in the first section it states that "units of local government and school districts may contract and otherwise associate with individuals, associations, and corporations in any manner not prohibited by law or by ordinance" (www.ilga.gov/commission/lrb/con7.htm). What this allows is a little more freedom to the superintendents concerning the use of intergovernmental cooperatives to partner with non-public agencies to obtain or share services. Recently, the Illinois Association of School Boards (IASB) has been pushing for school districts to share resources. At the Triple I Joint Annual School Board Conference in November 2010, a presentation was given by Jeff Cohn, a Director for

IASB, on the positive impact that sharing resources between school districts and other parties can have on a school district budget. This opened the door for school board members and superintendents to gain some professional insight on the financial implications an intergovernmental agreement/contract can have on a school organization. Superintendents, however, are currently restricted to options for intergovernmental cooperatives by their own experiences with them. There is no record of examples of intergovernmental cooperatives to share with school districts. In the final section of this study, a recommendation for a further study on this problem will be shared.

In the final section of the cooperative act, it discusses working with the county through an intergovernmental cooperative to attain their services. In rural towns, many of the boundaries for the school organizations lie close to neighboring public agencies. It may be easier for some school districts to partner with an agency outside of their boundaries for services due to the benefits of the location. Many of the instances that this pertains to would concern public agencies other than schools, such as municipalities and park districts. However, without an accurate record of the intergovernmental cooperatives in Illinois schools, it is difficult to identify whether or not a cooperative meets the criteria of this component.

Freedoms and restrictions on intergovernmental cooperatives should be explored by superintendents as a method of financing the school district. Based on the freedoms discussed, superintendents have options to use for financial improvements within the district budget. The concern, however, will be the need for superintendents to identify possible intergovernmental cooperatives that their district would benefit from and overcome the challenges of attaining those agreements/contracts.

In the past few years, it has been a challenge for many superintendents to seek alternate ways to finance their districts. They have been faced with many difficult leadership challenges as they seek to change or reform policy or state law regarding school district finance. Within this section a brief overview of Illinois school financing crisis, leadership challenges that superintendents are faced with, and suggestions on how superintendents can approach financial improvements through organizational change will be elaborated in detail.

Illinois school finance has been in crisis mode for the past few years. Based on a report from Cory Eucalitto, the state of Illinois is ranked the fifth highest debt per capita out of the 50 states (2012). As far as total debt per state, Illinois ranks as the fourth highest state with a total debt balance of \$271,111,148. Schools in the state of Illinois have a tendency to follow a similar pattern. In 2011, 18.2% of the districts in the state of Illinois were identified as deficit spending. By 2012, there were 57.4% districts in the state utilizing deficit spending (http://www.isbe.state.il.us/board/meetings/2012/mar/2012_sd_fin_prof_memo.pdf). The identification of deficit spending within Illinois school districts demands the need to find possible solutions to improve the school budget. Without options to be more creative in balancing the budgets, districts may continue to deficit spend until the economy starts to turn around.

Superintendents are constantly in the hot seat when it comes to the discussions concerning their district's budget. Ultimately, they are responsible for the fiscal management of the district. Both the school district and superintendent are held accountable for rules, regulations, and laws regarding the fiscal management of the

district budget. There are strict guidelines in which a school district can use state funding within the district's budget. Some of the budgetary challenges that superintendents are faced with include:

- special education and other categorical funds
- complying with life safety requirements and building codes
- instruction and test scores
- use of intergovernmental cooperatives

School districts often find themselves in financially challenging situations when they have to wait for categorical funds to be reimbursed by the Illinois State Board of Education. The most relied upon categorical funds include Special Education and transportation for many districts. While state law requires districts to provide special education services and transportation for students who qualify under the busing requirements, districts often find themselves cutting other programs to be able to continue funding those budget items due to lack of payment or a cut in funds from the state. "Their budget shortfalls are forcing larger class sizes and minimal teacher and administrator salary increases, while legislators are creating more state and federal mandates for new special education and bilingual programs and providing little if any funding" (Hoyle, Bjork, Collier, & Glass, 2005, p. 22). As of recently, the state of Illinois has reduced the fund reimbursement for transportation to 45% for the upcoming fiscal year. Last year, districts were supposed to receive 100% funding but have only received 50% thus far and the fiscal year is already over. Even if the state chooses to fund at 100%, the district will still need to be prepared to receive the payment later than

they need to, requiring them to have cash on hand as the bills become due (Hoyle et al., 2005).

The special education fund for a district can fluctuate from one year to the next. Through intergovernmental cooperatives, many districts across the state have come together to provide special education services at a lower cost. A cooperative allows districts to share in the services that are provided for students with disabilities. Some early records indicate that the Kendall County special education cooperative was established as early as 1976 (Kirk et al., 1976). Morris Elementary School District 54 was a part of the Grundy County Special Education Cooperative until the 2010-2011 school year. When the district chose to decentralize partial services from the cooperative to save money, they were unable to project future services for students who transferred in or were identified during pre-school screening. This decision by the superintendent and board of education was made in the course of one year with no way of predicting what the future costs would be due to the unknown student needs. Participating in a cooperative helps predict a budget projection for special education, which includes services that can impact students who move in and are identified through pre-school screening. Joining a special education cooperative can help improve the budget by thousands or even hundreds of thousands of dollars. This is especially evident in low-incident programs in small school districts.

Another categorical fund that is becoming an increasingly larger line item is the English Language Learners (ELL) requirement. Districts are required to provide transitional bilingual education for any student who qualifies under the State of Illinois guidelines (Fischer, Schimmel, & Kelly, 1999). Not only do districts have to make sure

they provide services, but they also have to make sure that they have qualified staff working with the students. This may require paying for course work or professional development in order for the staff to be properly certified to work with the students. This is typically another cost that may need to take priority over others.

Every year districts are required to have the Regional Office of Education do a life safety inspection. At that time, they will indicate any building, fire and safety codes that may need to be fixed in order for the district to be compliant with state code. This is important for the safety and health of the staff and students. The district, by law, must have a priority in the district funding and may need to take the place of lower priority items in the budget. If the district does not comply with the life safety codes, legal consequences can occur (Hoyle et al., 2005).

Although test scores and instruction should be at the forefront of the district goals, resources to accomplish that goal often need to take a back seat because of state mandates. Through the federal No Child Left Behind Act, it is expected that all districts meet AYP each year based on state-mandated assessments given in that spring. However, this has become a mandate that is not financially supported by the federal government and has been prioritized lower than many other funded mandates for districts. In order to receive funding for the categorical funds, schools must comply with the state laws associated with them, thus reducing other expenditures in the budget.

As we review the above budget challenges for a superintendent, it is necessary that they be open to new ways of financially managing the required mandates while being fiscally responsible. Some of this can be accomplished through the use of intergovernmental cooperatives. As mentioned earlier with special education, there are

already districts working in cooperatives to offer special education services at a lower cost to each district. The reason for the lower cost is the bigger pool of districts who share the cost for the same services. This would include administrative, transportation, and facility usage to name a few. Intergovernmental cooperatives (Kirk et al., 1976) can also be formed for:

- general administrative services and facilities
- transportation
- recreation and culture
- community development

However, to develop a non-existent intergovernmental cooperative, superintendents are faced with various challenges. A superintendent that is involved in the decision making process of an intergovernmental cooperation must be able to influence an organization leader(s) who will be involved in the decision making process of choosing whether or not to enter into the cooperation. The key leader in making the cooperation work is the leader who exhibits the capability to: engage all agencies in the process on the agreement/contract writing, will be influential in describing the benefits of the cooperation with each agency, includes all agencies in group decisions, and focuses the cooperation on the end goal (Northouse, 2004). The leader needs to be able to master “the art of influencing others to their maximum performance to accomplish any task, objective or project” (Cohen, 1990, p.9). The leadership capability of expecting “maximum performance” is the transformation needed from one leader to another to move towards the same vision on the cooperation benefits for all participating organizations.

In the beginning stages of cooperation, there is a leader within one of the agencies that is the mastermind behind the agreement/contract. This leader is the “person who sets the purpose or direction for one or more other persons and gets them to move along together with him or her and with each other in that direction with competence and full commitment” (Jaques & Clement, 1994, p.4). This does not necessarily mean that the leader who had the initial goal of cooperation would be responsible for all the cooperative efforts, rather the leader who followed through with the decision-making process and making sure the end goal of cooperation is attained. This leader takes responsibility, however, should be able to answer the question “does making progress on this problem require changes in people’s values, attitudes, or habits of behavior?” (Heifetz, 1994, p.87). In doing so, this will allow the leader to move forward with the decision making process of identifying participants that will accommodate the leadership characteristics necessary to tackle the changes needed to move forward. Their leadership within their own organizations will help lead others towards the goal of the intergovernmental agreement/contract.

Sometimes, an intergovernmental cooperative gives one or more of the agencies more power over another. Steven Covey, in his foreword in *Servant Leadership* by Robert Greenleaf, stresses that if a leader relies heavily on intergovernmental cooperation to borrow strength, then they:

Build weakness in three places:

1. in self, because we are not developing moral authority
2. in the other, because they become co-dependent with our use of formal authority

3. in the quality of the relationship, because authentic openness and trust are never developed (p.12)

Leaders may at times have difficulties pulling all agencies in towards the common goal. When there is resistance from a leader within one of the organizations to enter into the agreement, it may be necessary for a leader to try and mobilize others to “want to struggle for shared aspirations” (Kouzes & Posner, 1995, p.30). Many times this type of leadership can be successful, but other times it could end in an unsuccessful attempt at sharing resources if the other leaders are unable to want or need the same benefit from the possible intergovernmental cooperation. Overall, the leadership of the superintendent is instrumental in the district becoming financially sound. By working with other agencies, the superintendent will further the improvement of the district budget.

Implementing Organizational Change

A superintendent must always be prepared for any type of organizational or financial problem that develops in a school district. To do this requires the ability to implement organizational changes within a district. In *The Superintendent as CEO*, Hoyle et al. (2005) share five indicators that a superintendent should know and be able to perform in order to be an effective leader:

1. develop and implement a strategic plan
2. apply a systems perspective identifying the internal and external connection
3. implement appropriate management techniques
4. monitor and assess progress
5. exhibit an understanding of school finance

These five indicators will capsule various theoretical frameworks in the next few pages as it relates to a broader organizational change of systemic budgetary/finance improvements for student achievement.

Develop and Implement a Strategic Plan

Often times, superintendents have so much on their plate that it is best to deal with the here and now issues. However, that will not always address the unforeseen future of what could happen if we make this decision now. There are two components to developing a strategic plan: strategic direction and strategic alignment. Schwahn and Spady define them as: “one is systematic, future focused plan; the other is its implementation. Strategic direction is identifying what you want to get, and strategic alignment is structuring to get what you want” (1998, p.122). The superintendent along with the administrative team needs to plan a course of action for the budget on an annual basis. Each year the team typically looks at budget projections. This needs to include prior and future years together. This strategic plan should identify goals that focus on the prioritized list of budget items necessary by law. In addition, the plan may need to incorporate action items to help align the district policy manual to reflect what the superintendent wants the budget to accomplish. The superintendent needs to recognize sometimes that he/she cannot be dependent on the budget remaining the same year after year. This dependency on the previous budget can be seen as an insecurity of the superintendent and budget problems will not be resolved under conditions of uncertainty (Fullan, 1998). Hoyle et al. state that “as resources decline and accountability demands increase, no superintendent can afford to depend on handling situations as they arise” (2005, p. 82). So to be proactive, the superintendent needs to start with a plan.

Contained in this plan is a list of resources that will be used and the personnel that will be involved. From this there needs to evolve a contingency plan where the superintendent annually revisits the plan to add/delete resources that are necessary and assign the personnel that will be involved.

Apply a Systems Perspective

It is necessary that a superintendent sees the whole picture of their district organization and has an understanding on how separate systems within an organization are interrelated. When the superintendent finds that there is a problem in one part of the school system, then there needs to be a thorough examination of whether or not this problem is interrelated with another part of the system. As the superintendent examines their budget, if they find that the expenditures are not balanced to match the revenue, they need to determine where the problem exists and find a solution to balance the budget. Similar to the process with amending the budget, the superintendent must consider making changes for the following fiscal year as it relates to changes in the strategic plan and fiscal responsibilities of the district. When examining and preparing the budget for the following year, the superintendent should recognize that small changes can produce big results, but those areas of the highest leverage are often the least obvious (Senge, P., 1990). Superintendents should explore intergovernmental cooperatives as an option offer creative opportunities to improve or maintain current programs, supplies, or personnel, etc. Although it may not be an immediate necessity to join into an intergovernmental agreement, knowing the options will allow for future preparation of the budget that requires a reduction in expenditures to balance with a reduction in revenues.

Implement Appropriate Management Techniques

A superintendent has the difficult task of reading the people of the organization and choosing the leadership approach that will work best with the decision making process of the organization. Site-based decision making (SBDM) is a powerful tool that allows multiple people the opportunity to be involved in the process. It is the responsibility of the superintendent in defining roles, assigning functions, delegating effectively, and determining accountability for attaining goals” (Hoyle et al., 2005, p.88). Including faculty and staff on the decision making team promotes extensive communication and the opportunity to empower the members of the organization. Autry states that “one of the leader’s primary functions is to assure that people have the resources they need to do the job” (p. 115).

Resources to do the job do not always refer to the supplies needed to carry out a task. In a school organization, the superintendent needs to provide the faculty and staff with the proper resources to understand the functions of the organization. Why are positions being eliminated? Why do we have to wait another year to get new textbooks? The superintendent needs to empower all members of the organization as they make difficult financial decisions. “Empowerment means providing the intellectual tools for creating a just society” (Spring, 2002, p. 158). By empowering the faculty and staff, the superintendent is building human potential and leadership capacity. There are four benefits of empowerment that were cited in the works of Hoyle et al. (2005):

1. Empowerment creates a positive supportive school district culture and climate.
2. Empowerment provides a mechanism for rewarding staff members.
3. Empowerment builds a pool of talent.

4. Empowerment opens channels of communication.

(p. 25)

This empowerment will help promote academic rigor and enhance student achievement. The staff will feel a sense of belonging to the organization and believe in the financial decisions that the district may have to make that could have an impact on classroom instruction as a top priority.

Monitor and Assess Progress

In order to monitor and assess the progress of the actions put in place within the organization, there should be a clear understanding of what is needed and following that there should be a way to check what is working and if there are any problems occurring (Hoyle et al., 2005). The superintendent can use formal tools for monitoring such as test scores, monthly budget updates, energy usage charts, etc. But an informal tool can be as useful or more so by walking the building to check progress on district progress towards the common vision and goals. The informal walk through strengthens the empowerment that has been given to the faculty by recognizing their efforts towards the vision and goals. It adds a personal touch and a sense of ownership in the organization (Autry, 2001; Conger, 1992; Hunter, 2004) when both formal and informal monitoring occurs.

In order to assess the progress, a clear set of objectives needs to be identified. Each of these objectives should be measurable and can be related to student achievement. The type of data used to assess the progress as well as a graphical representation of the data should be chosen. From the data chart, a list of observable behaviors of the data needs to be recorded. These behaviors should be objective in nature only. From this activity, the decision making team will be able to assess the progress of the goals as they

relate to the objectives that were set. As a result, this may draw the decision making team to either recycle the same objectives again or choose new objectives to obtain the goal.

Exhibit an Understanding of School Finance

Finally, the superintendent needs to have a clear understanding of public school finance. Although it is not a requirement to have a chief school business official endorsement, it is required that the superintendent does have a solid knowledge base on school finance, especially in smaller districts that do not have a business manager. There are five areas in school finance suggested by Hoyle et al. (2005) for a superintendent to have a solid understanding:

1. financial data management
2. budget creation
3. budget management
4. legal aspects of managing resources
5. financial problem solving

Superintendents need to thrive on the opportunity to blend financial and performance status of budget whenever possible, especially in the decision making process. The financial data management plan can allow the superintendent the opportunity to see the correlation between a district program and the cost associated with it. This is a necessary tool to allow a superintendent to take advantage of the opportunity to reallocate funds when appropriate (Ray, Hack, & Candoli, 2001). Budget creation should be the next step after identifying student needs through a program analysis. The ultimate goal is to have a balanced budget. The superintendent's role is to determine the best approach to

budgeting. Norton, Webb, Dlugash, & Sybouts (1996) shared six approaches to budgeting:

1. incremental budgeting
2. line item budgeting
3. program budgeting
4. the planning, programming, and budgeting system (PPBS)
5. zero-based budgeting
6. site-based budgeting

It is important that the superintendent work with the business manager (if one exists) and the school board of education to determine the approach to developing the school budget.

Superintendents are faced with challenges on a daily basis on how best to manage an educational organization. At the end of the day, a superintendent should be able to reflect upon how the approach to the challenges they were faced with and their solution will impact student achievement. Will it be a positive or a negative effect? Within this section, an outline was provided on both the challenges in educational organizations and suggestions for internal improvements in the organization. These five indicators for internal improvements of the organization, if used consistently and efficiently, will have a positive impact on budget improvements as they relate to student achievement. The superintendent should naturally be able to utilize the internal and external perspectives of the organization as a tool to develop and implement a strategic plan. Creating an administrative culture that allows for input and the organizational direction builds human potential and leadership capacity through empowerment. Utilizing the human potential, it is important to have teams develop clear objectives for programs. To produce a strong

connection to improving student achievement, both teacher and administrative leaders the opportunity evaluate the program and bring recommendations to the superintendent using clear measurable data for each program objective. Finally, having a working knowledge of the budget and capacity to provide solutions to improve the budget are necessary for a superintendent to oversee all facets of the fiscal management.

Within this section, the superintendent's role focused primarily on internal factors that will improve the budget and student achievement. However, external factors within the educational organization can have a huge impact on the improvement in these areas as well. In the next section, an outline of how the superintendent can work with the board of education to have positive impacts on the external improvements on the organization will be explained.

Organizational Change with School Boards

As discussed in earlier, superintendents come across many challenges when it comes to facing the budget. However, they also have another challenge beyond their own: how do they help the members of the board of education understand the current issues related to school finance. After all, the board of education must approve the school budget that is presented by the superintendent. Under the current economic crisis, it has been difficult for the school board and superintendent to easily approve the budget for the upcoming school year that may include numerous unwanted cuts. The financial issues have had a major impact on individual schools, districts, and communities. Problems involving creating innovative methods for financing schools have developed. Throughout this section, suggestions for increasing methods for financing schools will be studied through goal setting, communicating with the public, board of education

motivation, and cultural settings. An in-depth look at solutions to developing a better approach to sharing the methods of funding schools will be studied using the organizational frames defined by Bolman and Deal: structural, political, human resource, and cultural. In addition, Schein's organizational barriers will be reflected and used as parallel problem solving techniques to Bolman and Deal.

Structural Frame

Currently, superintendents have been forced to make budget cuts due to a decrease in revenue sources and develop creative methods to finance the district budget. School board members are still trying to grasp the reality of how schools are being financially impacted by the state of the economy. Many of the current school board goals to increase student achievement have been impacted by the need to re-focus on the financial state of the district. A number of these school board goals require a budget line item to accomplish the necessary objectives to achieve the goal. Based on this problem, the board of education, under the superintendent's direction, needs to focus on developing goals that have methods for financing the district budget as well as financing the already existing school board goals.

In order for the superintendent and board of education to have a successful organizational structure, there are some basic assumptions modeled by Bolman and Deal (2003) that should be considered. One of the main assumptions is the need to establish goals and objectives in order to create an effective organization. Before attacking the problem, the superintendent and board of education need to focus on creating clear expectations for the district. The superintendent must develop specific levels of planning that give direction as to how the members of the board of education will work together to

accomplish the goal setting session as well as the role of the administrative team in the process. With this in mind, the members must work together towards consensus building and avoid their own personal biases. This could be an extremely difficult assumption for the board of education members to meet because they may have preset notions of what will and will not work to fund the district.

The first step to solving the problem is setting goals. This needs to be established by the board of education as a whole, not individually. The main focus is determining how the entire district will be impacted, while increasing the methods for financing their schools. A special board of education meeting should be set up where all members are present and can contribute their thoughts. During this meeting, the superintendent can share the financial projections for the district and where some of the budget issues are present. At the conclusion of the meeting, the board secretary has the duty of compiling the board goals based on methods for financing the district and distributing them to all BOE members and district administration. These goals should also include an analysis of the method for financing the already existing goals.

Following the goal setting process, a strategic plan should be developed to increase the methods of financing the schools. According to Mintzberg, “real strategic change requires inventing new categories, not rearranging the old ones” (1994, p. 109). The administrative team will have to develop alternate ways to fund programs and specific objectives in the strategic plan. This is a time where the superintendent can explore the use of intergovernmental cooperatives as a way to save funding in various budget line items. There should be no focus on what the old budget was, rather what the new budget looks like.

One of the keys to the success for increasing methods for financing schools is for the administrative team as a whole to develop a list of options through a brainstorming activity. Tierney would agree that the brainstorming should include the whole administrative team. If the entire team understands what and why change in the budget should occur, then they will be able to successfully support the objectives in their separate committees to achieve the same goal (2001).

Focusing on the results of the brainstorming activity is not the only strategy to use when trying to increase methods for funding schools. Research on local schools will help with developing this list of possible funding methods. Schein developed a clinical research model that focuses on the correlation between the level of researcher and subject involvement (1997). This model supports an increase of involvement by administrators and board of education which in turn will produce more subject knowledge by the administrators and board members. Thus, the superintendent, members of the administrative team and board of education members may need to visit local schools to gather information regarding their current funding methods. The administrative team and board of education will increase their level of commitment to find alternate ways of funding the district. Preceding the visits, another special board of education workshop meeting should be scheduled where those who attended other schools can share with the group any information gathered. The information that is gathered should address what other schools current funding methods are and the level at which it impacts the district budget. This information can serve as additional resources to develop goals and objectives within the strategic plan.

For a solid organizational structure to exist, it is imperative that the superintendent and the entire board of education team establish goals and objectives that focus on improving the budget and student achievement. Next, creating a strategic plan requires members of the district administrative team to participate defining the plan using the identified goals and objectives set by the superintendent and board of education. Finally, to continually look for ways to improve the budget, superintendents and boards of education need to be willing to explore new ways of budgeting. A possible solution may involve the use of intergovernmental cooperatives to accomplish the goals and objectives identified by the superintendent and board of education. The next section will discuss the need for the superintendent and board of education to utilize information from local districts as a comparative measure to how the district is doing financially.

Political Frame

Taking a look at local and state financial ratings, the superintendent and board of education will find out where they rank in comparison to other schools. Research from other schools should reveal that their district is not alone in their financial rating. To approach the political problems that are apparent within the district budget, there are a few assumptions that must be considered. Based on Bolman and Deal, one of the basic political assumptions we must address is the need to create an organization that encourages diverse opinions and interests (2003). Emphasizing the differences amongst the board of education members and the superintendent's school funding background, the board needs to focus on the central conflicts that exist and utilize them as important assets to creating a resolution to methods for funding the district (Bolman and Deal,

2003). By encouraging those differences, goals and decisions will emulate and produce a feeling of belonging for each member of the board of education.

A problem that protrudes from the political frame is the comparisons that the newspapers have written about regarding the school funding. The newspapers have revealed statistics that develop a negative community perception of school districts. School district revenues have declined in many cases, thus forcing the superintendents to bring tough recommendations to the board of education that involve cutting programs, faculty, and staff to name a few. Pfeffer would argue that the administrators “are skilled in managing the consequences of their decisions” (1992, p.38). Thus, the superintendent should be fully aware that board of education will need to be properly briefed on the methods of financing schools (Cambron-McCabe et al, 2005). The board of education members in response to the community members must assure them that the district is proactive in looking for innovative methods to fund the district, including developing intergovernmental cooperatives to help save in funding.

Bolman and Deal also talk about the competition for scarce resources and how competing groups attempt to gain access to those resources (2003). The more transparent the board of education is with the community in their competition for resources to improve the budget, the more likely the public image will be positively impacted. The image of the school seems to decrease with the negative publicity, so by addressing the issue, the district clears up concerns that exist within the community. An approach to addressing the public concerns could include a question and answer session between the board of education and the community. This would alleviate any animosity that has developed since the methods of funding have been introduced as a political problem.

When the superintendent and board of education unveil all of the fiscal successes and challenges through the political eye, it becomes very apparent that there is a high level of competition for scarce resources for districts to be able to improve their budget while increasing student achievement. Understanding where local districts are at financially allows the individual districts to look for possible solutions through intergovernmental cooperatives with other organizations looking for ways to improve their budget as well. Crossing the bridge from competing for top financial status in the area to competing to attain an intergovernmental cooperative will not only improve the district's financial status, but also the provide the resources necessary to improve student achievement. The next section will provide the tools superintendents and boards of education need to both build and cross the bridge from one completion to another.

Human Resource Frame

The human resources frame takes a look at the intrinsic motivation that is needed for superintendents and board members to successfully develop ways to increase the methods of funding schools. When the superintendent introduces the new budget based on the current projections, the board of education is likely to turn pessimistic and lack the understanding of the budget to be motivated for change. Looking at Bolman and Deal's basic assumptions, we can develop a basis of where to find a resolution to problems that have risen. For intrinsic motivation to be apparent the superintendent needs new opportunities to approach the funding methods of the district and the organization needs new ideas, talent, and energy to successfully implement the opportunities. Once the new methods for funding are developed, they will need to be shared with the board of education. When individuals find satisfaction within their own work, the organization

will find the energy they need to succeed, thus producing a more financially sound institution (Bolman and Deal, 2003).

It is very important that the board of education sees the opportunity to be involved in the decision making process as a positive way to share ideas and develop other methods of funding the district. The opportunity to work with the superintendent during the budget development process could benefit the board of education as well as the superintendent. If the board of education works cooperatively with the superintendent and is willing to accept the change in funding methods, there is a good chance that not only the budget will thrive, but the board of education members understanding of the budget will increase as well.

In order for the board of education to buy-in to the superintendent's study of the current unbalanced budget, the superintendent must empower them. This would include providing information and support about current funding methods, encouraging participation in professional development on the budget, and fostering self-managing committees that encourage board of education learning (Bolman and Deal, 2003). Empowering the board of education creates intrinsic motivation that will develop a desire for board members to understand the budget process. If the board members suggest ideas or strategies, they should be heard. The board members need to be supportive of the superintendent and drive all stakeholders to play an active role in revising the current budget. A cohesive board led by the board president will produce better results, rather than allowing the superintendent to dictate the procedures. These results of empowering the board members to get involved will take time.

The intrinsic motivation will not play an active role for each board member until the end of the fiscal year. Having a specific role during the budget approval will have created a sense of ownership for the board of education as the new funding methods become transparent in the budget. By the superintendent allowing board of education members to be involved in the study of other schools programs, the superintendent gives the members the ability to motivate one-self to change and try new things.

Culture/Symbolic Frame

The symbolic frame focuses on how people can understand how all of the pieces of the puzzle fit together in an organization. The main concerns in the culture/symbolic frame of the organization are the meaning and belief (Bolman and Deal, 2003). Using Bolman and Deal's basic assumptions, the cultural and symbolic frame will focus on the unity and cohesiveness of the superintendent and board of education. For funding methods to be successfully developed for the budget, it is important to allow board members to share their own opinions and contribute verbally during meetings rather than be concerned with how much productivity has taken place. Bolman and Deal's first assumption is very important for any meeting that occurs during the development of the budget: "What is most important is not what happens but what it means" (2003, p. 242). Another assumption that must be considered is the idea that not everyone will interpret all the information the same way. Based on experience, a veteran-board member may view the budget methods of funding as a waste of time because they are already familiar with the funding methods that have been used in the past budgets. However, a new un-experienced board member will not be familiar with funding methods and in return may not make the same connections. Instituting an integrated professional culture developed

would allow veteran and new board members to unite into a common mission: to increase funding methods (Kardos, 2001). This professional culture encourages support for the new board members by the veteran board members and vice versa.

Many school board members have the mindset that funding methods will never successfully balance the budget. This belief constructs a barrier in the budget development process. The superintendent's attitude is that it does not matter what the board members believe; methods of funding must change. And to an extent, a number of board members are aware of this and they are able to focus on the future needs of the district and the change that must be adapted. However, others can be found resisting to the change and believing the myths of the old philosophies, disregarding the fact that alternate funding methods have not been considered in the budget process in the past.

For a solid culture to exist, everyone must have the same beliefs of what expectations must exist for a balanced budget to occur (Kouzes & Posner, 2010). To begin, a set of core expectations on the budget process should be developed. Everyone needs to be involved in creating these expectations; this is the rationale behind becoming a unified organization. Once the board members have identified together the expectations of the budget process and funding methods, then the group will perform at a higher level (Bolman and Deal, 2003).

One thing the board of education should also focus on is a process of shared learning. The superintendent needs to work together with board members to not only develop expectations of the budget, but also of themselves. Schein (1997) discusses the importance of shared learning within a group, which will create a culture. For a successful culture to exist, there must be a clear vision of budget expectations. Board

members will need to contribute their own experience regarding budgeting and allow themselves the opportunity to have an open-mind when others contribute. By allowing board members to share their personal vision of the district budget, shared learning will develop into a solid, cohesive culture. Whether they realize it or not, they all have a consistent theme to their shared experience, the district finances. The school board will come together as one culture expressing the shared values, ideals, and beliefs about school finance (Cambron-McCabe et al, 2005; Smircich, 1983).

For the culture to effectively increase funding methods, everyone must be willing to work together to create an atmosphere to improve. The school must have a mental image of what the vision of increased funding methods means. Four metaphors created by Paul Baker (1990) could be used as a strategy to create the mental image of a shared vision. The four metaphors are factory, family, fair, and forum. The factory will represent the district as a business office for the Illinois State Board of Education. The superintendent will develop a budget to be approved by the school board following the specific standards set by the state and local levels. The family will incorporate the district's role in the culture to not only provide support for their local businesses, but also as a nurturing role that will foster school finance. In a fair school culture, the superintendent needs to be recognized for a balanced budget. The board of education should be praised for their monitoring of the school budget. Finally, the school as a forum creates a culture where everyone can have input on methods of funding. Meetings including the teachers, administration, board of education members, parents, students, and community members should be created to develop a shared vision of the district budget. Utilizing these metaphors will allow the superintendent and board of education

the encouragement to continue progress within their shared learning to develop methods of funding for future budgets.

By focusing on the district budget from Bolman & Deal's four organizational frames, the methods of funding sources will increase over the next few years. The board of education, superintendent, administration, staff and community have to realize that this is not a one-year process. The board of education must act as a support mechanism to the superintendent, while the board members develop a culture that focuses on a shared vision on district finances. Board members will become motivated to contribute ideas and share in the decision making process as the budget process takes form. Changing from a learning environment will have a major impact on the outcome of the annual budget based on funding methods. The focus is not to have an immediate answer and cut programs and jobs to balance the budget, but instead the cooperation between the superintendent and board of education in developing a revised budget that encompass the innovative funding methods. Through time, the superintendents' vision for a repertoire of funding methods will slowly evolve, producing more opportunities for the students in the future of their school districts.

With current knowledge of ways to apply intergovernmental cooperatives, superintendents have a starting point to the various possibilities to help improve their budget. Understanding the leadership role necessary to join an intergovernmental cooperative and strategies for exploring the opportunities with the school board will help strengthen a superintendent's ability to be fiscally responsible. Later chapters will build an outline for superintendent's to utilize when determining possible intergovernmental cooperatives by both type of district and the size of the district.

CHAPTER III

METHODOLOGY

This chapter addresses the characteristics of quantitative research and the data collection, recording, and analysis procedures that have been followed to complete the quantitative research necessary to expand the knowledge concerning intergovernmental agreements that exist in Illinois school districts. This exploratory study contributes to the body of research that focuses on intergovernmental agreements in school systems in Illinois.

The purpose of this study is to identify and examine the statewide use of intergovernmental cooperation by school districts in Illinois. The quantitative study methodology is used to determine if there were patterns of agreements and contracts in the multiple layers of communities that could help other districts better understand how to use these agreements for additional resources. With this study, the researcher documents patterns of agreements and contracts entered into by type of district and district size. In addition, the researcher makes recommendations for other schools in the state.

Research Questions

1. What types of intergovernmental cooperatives have Illinois school districts entered into with local agencies?

2. Do the types of intergovernmental cooperatives differ by type of district?
3. Do the types of intergovernmental cooperatives differ by size of district?
4. What are the main reasons for school districts to enter into an intergovernmental cooperative?
5. Do the reasons for entering into the intergovernmental cooperative differ by type of district?
6. Do the reasons for entering into the intergovernmental cooperatives differ by size of district?

Research Design

Research in general “requires that your mind engage with the material, ask it questions, and act upon it in such a way as to change the material-and, incidentally, yourself” (Bolker, 1998, p. 16). Bryant (2004) suggests that to do quantitative research, one must focus on three methodological challenges: gather enough information, look through all the information to gain a thorough investigation, and develop a method to interpret the data to bring meaning to the findings (p. 99). Creswell’s (2003) description of quantitative research design is as follows:

Quantitative research uses multiple methods that are interactive and humanistic. The methods of data collection are growing, and they increasingly involve active participation by participants and sensitivity to the participants of the study. Quantitative researchers look for involvement of their participants in the data collection and seek to build rapport and credibility with the individuals in the study. They do not disturb the site any more than is necessary. (p. 181)

Following the descriptions of quantitative research by both Creswell and Bryant, this study seeks to examine the use of intergovernmental cooperatives in Illinois schools.

This survey research study focuses on the types of intergovernmental cooperatives in Illinois school districts and attempts to discover the use of cooperatives in Illinois school districts. Using survey research allows the researcher the opportunity to identify and seek to discern if patterns of intergovernmental cooperation exist within school districts in Illinois through the use of the survey results. The survey data has been collected all at once and does not include any longitudinal data collection over time.

Defining Type and Size of Illinois Districts

Illinois districts do not follow the same pattern of classifying the type of school district as many other states. There are three types of districts found in Illinois: elementary, high school, and unit. A unit district incorporates all grades preschool through twelfth grade. It is different from the other two types, because once students enter the district they will continue through high school graduation. An elementary school district contains preschool through grade eight. Each elementary school district feeds into one or more high school districts. A high school district includes grades nine through twelve. What is unique about the separate elementary and high school districts is that the two districts may have different district boundaries. So often, students in one high school district are not all from one particular elementary school district. This provides for some interesting curriculum challenges that require communication and collaboration between the teachers and administration from both the elementary and high school district. Possible solutions to some of the challenges could include the use of

intergovernmental cooperatives to provide similar resources and improve the fiscal management of both districts.

The size of Illinois school districts can be defined in various ways. For the purpose of this study, the size of Illinois school districts follows the classification set by the Illinois Interactive Report Card (IIRC). The technique for classifying districts by size changes slightly year by year. The size numbers are based on the number of students in each type of district broken into 3 quartiles. The highest 25% are "large", the middle 50% are "medium", and the smallest 25% are classified as "small" districts. Table 2 includes the enrollment numbers for each of the three types of districts for 2011:

Table 2

Illinois School Districts Classified by Size

Type of School District Defined by Size:
Small Elem District: <275
Medium Elem District: 275-1757
Large Elem District: >1757
Small HS District: <658
Medium HS District: 658-3033
Large HS District: >3033
Small Unit District: <526
Medium Unit District: 526-1763
Large Unit District: >1763

Source: IIRC Help Desk, personal communication, November 17, 2011

Having this detailed information allows us to categorize the districts later in the study to determine the patterns of intergovernmental cooperatives by both the type of district and size of district by enrollment.

Participants of the Study

For the purposes of this study, all superintendents in the state of Illinois were offered the opportunity to participate in the survey. In the spring of 2009, there were a

total of 869 school districts in the state of Illinois (see www.iasb.com/bulletin/nb0409.cfm). The study survey was sent to every superintendent in the state of Illinois electronically via their email accounts. The advantage to including all superintendents in this survey research study provides the researcher the opportunity to identify patterns amongst the type of district and size based on the responses of smaller groups of individuals.

Within the state of Illinois, the types of districts were broken into 3 categories: unit districts (pre-kindergarten through twelfth grade), secondary districts (ninth through twelfth grade) and elementary districts (pre-kindergarten through eighth grade). Table 3 includes the number of Illinois School Districts categorized by the types of districts as listed above.

Table 3

Number of Illinois School Districts by Type

Type of District	Total Number of Districts
Unit	389
Secondary	101
Elementary	379

Next, Table 4 includes the number of state of Illinois school districts categorized into small, medium, and large based on district enrollment and as defined by the Illinois Interactive Report Card (IIRC):

Table 4

Number of Illinois School Districts by Size

Type of District	Total Number of Districts
Small	218
Medium	432
Large	219

Identifying the number of schools that fall into both the type of district and district size by category will provide a foundation for analyzing whether an accurate response sample was collected.

Data Collection Procedures

For the purpose of this study, data were collected using an electronic survey. To obtain the most accurate amount of data to represent the state of Illinois, the survey was administered to all school districts in the State of Illinois. Participants surveyed during this process included school district personnel, preferably the superintendent, for each respective district. The survey was distributed in June of 2009 via electronic mail. Superintendents were given a link to complete the survey online. There were two notifications sent to remind superintendents to complete the survey. The survey used in this study was developed by Dr. Neil Sappington and Dr. Norm Durflinger, experts in the field of educational administration who have been administering surveys for the multiple years at the collegial level, and was administered through the Center for the Study of Education Policy in the Educational Administration Foundations Department at Illinois State University in spring 2009.

The entire survey consisted of 86 questions. The first six survey questions are valid for the purpose of this study as they relate directly to intergovernmental

cooperatives in the state of Illinois. The questions used for the purpose of this study were the first 6 questions of the survey, which represented 7% of the questions on the survey. The survey design included both multiple choice and short answer questions. Table 4 is a breakdown of the survey categories and the number of questions within each category.

Table 5

Breakdown of Survey Questions

Survey Category	Sub-Category	Number of Questions
Current Issues	Sharing Resources	6
	Principal Experience	3
	Staffing	4
	Student Learning	3
	Consolidation	7
	Professional Development	10
	Principal Preparation	9
	Community College	7
	Collective Bargaining	2
	Evaluation	General
Principal		6
Hiring		2
Finances		9
Demographics		15
Total Questions		86

Only items specific to the current intergovernmental agreements that districts are involved in, the rationale of entering into the agreement, the length of the agreement, and the resources that the district gained as a result of joining into the agreement as well the school demographic information were included for analysis in this study. Appendix A has a list of survey questions that pertained to the study. Survey results also included general demographic questions that were a major component in the data analysis process.

This survey is given annually to all superintendents in the state of Illinois. This informational survey is used to collect data that provides information that will assist the Educational Foundations and Administration department on designing and redesigning course offerings.

Ethical Issues

IRB approval was sought and given prior to the administration of the survey in spring of 2009. An “Exempt from Further Review” amendment approval was gained. Since the original protocol named Dr. Durflinger as co-principal investigator in the study, an amendment was submitted on his behalf for the inclusion of the author of this study as a co-principal investigator to the study. The modification was approved through the IRB process in fall 2011. In order to ensure anonymity, personally-identifiable or institutionally-identifiable information are not used in the presentation of the final study results.

Data Analysis Procedures

To begin the data analysis process, the data was organized according to each research question and analyzed through the use of descriptive statistics such as frequencies and percentages as suggested by Salkind (2011).

Additionally, chi-square test of independence was conducted to identify whether significant differences exist in the data by the type of district and the size of the district. The chi-square test provides further information to help determine whether the type of intergovernmental cooperatives formed were related to the type and size of the school district (Salkind, 2011). The data analyses were conducted using Statistical Package for the Social Sciences (SPSS), a statistics software program.

Summary

This exploratory study was designed to identify and examine the types of intergovernmental cooperatives that exist between Illinois school districts and local agencies and to determine whether the cooperatives differed based on the type and size of the districts as well as the reasons why the school districts entered into the intergovernmental cooperatives. Data gathered by way of surveys originally developed by Dr. Durflinger and Dr. Sappington of Illinois State University. The surveys were distributed to all superintendents in Illinois school districts. The data were collected in the spring of 2009. For the purpose of this study, the data were analyzed quantitatively using descriptive statistics and chi-square analyses. The results of the analyses are presented in the next chapter, Chapter IV.

CHAPTER IV

RESULTS

Overview

The purpose of this chapter is to provide a description of the types of intergovernmental cooperatives entered into by Illinois schools and to identify reason why the school districts entered into the cooperatives. In this chapter, results from the analyses of data gathered for this study are presented. The chapter will begin by outlining the research questions and hypotheses for the study. Next, results from descriptive and chi-square analyses are used to describe the findings of the study. The results are presented by research question.

Research Questions and Hypothesis

The types of intergovernmental cooperatives and nature of the relationship between the types of intergovernmental cooperatives and district types and sizes were examined for Illinois state school districts using data gathered during the spring of 2009. The following six research questions developed for the study included the following:

1. What types of intergovernmental cooperatives have Illinois school districts entered into with local agencies?
2. Do the types of intergovernmental cooperatives differ by type of district?
3. Do the types of intergovernmental cooperatives differ by size of district?

4. What are the main reasons for school districts to enter into an intergovernmental cooperative?
5. Do the reasons for entering into the intergovernmental cooperative differ by type of district?
6. Do the reasons for entering into the intergovernmental cooperatives differ by size of district?

This study hypothesizes that Illinois schools have entered into a variety of intergovernmental cooperatives and a relationship exists between types of intergovernmental cooperatives and the type of district as well as the size of district.

Findings

A survey was designed for the study and was administered to all superintendents in the state of Illinois. A total of 543 superintendents responded to the survey.

This represents a response rate of 62%. Table 6 depicts a distribution of the sample superintendents by type of district. A total of 330 Elementary superintendents, 131 Unit district superintendents, and 82 High School superintendents responded to the survey.

Table 6

Distribution of Superintendents by Type of District (N=543)

	N	Percent
Unit	131	24
High School	82	15
Elementary	330	61
Total	543	100

In addition, a distribution of the 538 respondents by district size shows that half (50%) of the, superintendents were from small-sized districts (under 999 students) (see Table 7). Thirty-three percent of the respondents are from a medium-sized district (1000-2999 students) and 17% are from large-sized districts (3000 and above students).

Table 7

Distribution of Superintendents by Size of District (N=538)

	N	Percent
Small (\leq 999 students)	271	50
Medium (1000-2999 students)	179	33
Large (\geq 3000 students)	88	17
Total	538	100

Descriptive statistics were conducted on the data gathered from the superintendents.

The data comprised of the following variables: number of districts currently in an intergovernmental cooperative, the type of resources each district shares, the reason for entering the intergovernmental cooperative, the type of district, and the size of the district. The data were analyzed using frequencies, percentages and statistics such as measures of central tendencies (mode) and measures of dispersion (range). Chi-square, tests were also applied. The findings from the data analyses are organized according to each research question.

Research Question One: What Types of Intergovernmental Cooperatives have Illinois School Districts Entered into with Local Agencies?

The superintendents who participated in the study were asked to indicate the types of intergovernmental cooperatives their districts engaged in. Table 8 provides an overview of the intergovernmental cooperatives reported by the Illinois superintendents.

The results show that out of the 432 agreements that were chosen by superintendents who responded to the survey, 112 (26%) indicated their school district is involved in Special Education-related agreements. The next two highest responses were for transportation (14%) and purchasing contract (11%). The types of agreements that received the fewest responses included Business Manager (1%), Curriculum Director (2%), Superintendent (2%), and Technology Director (3%). These four types of agreements, which represent the shared personnel intergovernmental agreements, together correspond to 8% of the total responses. The range of intergovernmental agreements spanned from five participants (1%), who shared a Business Manager to 112 participants, 26% of the respondents, who shared Special Education services.

Table 8

Descriptive Statistics for Types of Intergovernmental Agreements (N=432)

Intergovernmental Agreements	N	Percent
Business Manager	5	1
Curriculum Director	9	2
Superintendent	9	2
Technology Director	12	3
Equipment	22	5
Tax Increment Financing (TIF)	23	5
Food Service	27	6
Buildings & Grounds/Maintenance	39	9
Purchasing Contract	47	11
Transportation	59	14
Other	68	16
Special Education	112	26
Total	432	100

Table 9 provides a breakdown of additional types of intergovernmental agreements that were provided by the respondents. These additional cooperatives were categorized into 22 types of agreements. Teachers/Specialists/Staff were the most supplied responses (15

respondents; 22.1%), followed by Building/Facility (12 respondents, 18%), Athletics (7 respondents, 10.3%), and Career & Tech/Vocational Programs (6 respondents, 9%).

Table 9

Types of Additional Intergovernmental Agreements Supplied by Illinois Superintendents

(N=68)

Intergovernmental Agreements	N	Percent
Agricultural programs	1	1.5
Attorney	1	1.5
Building Administration	1	1.5
Business Services	1	1.5
Camera System	1	1.5
Curriculum	1	1.5
ELL Parent Program	1	1.5
Grant Writer	1	1.5
Mentor Program	1	1.5
Pre-School Director	1	1.5
Professional Development	1	1.5
Supplies	1	1.5
Fuel Purchasing	2	3.0
Insurance	2	3.0
Swimming Pool	2	3.0
Band/Orchestra	3	4.4
Police Liaison	3	4.4
Tuition Reimbursement	4	6.0
Career & Tech/Vocational Programs	6	9.0
Athletics	7	10.3
Building Use/Facilities	12	18
Teachers/Specialists/Coaches/Nurse	15	22.1
Total	68	100.0

Research Question Two: Do the Type of Intergovernmental Cooperatives Differ by Type of District?

A cross tabulation of the data showing the types of intergovernmental agreements against the type of districts is presented in Table 10. An observation of the total number of identified intergovernmental agreements by type of district indicates that the unit

districts represent 41% of all agreements, high school districts represent 21% of the agreements, and elementary districts represent 38% of the agreements. The results also show that special education received the largest number of respondents for both the unit and elementary districts (31% and 27%, respectively). In the case of high school districts, transportation (14%) was the highest number of intergovernmental agreements.

It is important to note that none of the superintendents in unit districts indicated that they engaged in either superintendent or business manager intergovernmental agreements. Curriculum Director intergovernmental agreements was the most equally distributed response from superintendents across all three types of districts: Unit (3), high school (3), elementary (3). This was followed by Tax Increment Financing (TIF) intergovernmental agreement that was almost equally distributed: Unit (8), high school (8), elementary (7).

Table 10

Cross Tabulation for Types of Intergovernmental Agreements by Type of District

(N=432)

Intergovernmental Agreements	N	Unit	Percent	High School	Percent	Elementary	Percent
Buildings & Grounds/Maintenance	39	15	9%	6	7%	18	11%
Curriculum Director	9	3	2%	3	3%	3	2%
Food Service	27	10	6%	6	7%	11	7%
Special Education	112	55	31%	12	13%	45	27%
Technology Director	12	5	3%	6	7%	1	1%
Transportation	59	20	11%	13	14%	26	16%
Business Manager	5	0	0	3	3%	2	1%
Equipment	22	7	4%	5	6%	10	6%
Purchasing Contract	47	20	11%	11	12%	16	10%
Superintendent	9	0	0	7	8%	2	1%
TIF Agreement	23	8	5%	8	9%	7	4%
Other	68	33	19%	10	11%	25	15%
Total	432	176	100	90	100	166	100

Chi-square analysis was conducted to determine whether the types of intergovernmental cooperatives reported by the superintendents differ by type of district. The Pearson chi-square analysis showed that there was no significant relationship between the type of district and the types or numbers of intergovernmental agreement: $\chi^2(2, N=539)=1.465, p=.481$.

Research Question Three: Do the Type of Intergovernmental Cooperatives Differ by the Size of District?

Again, a cross tabulation of distribution of the number of superintendents by the two variables: Type of Intergovernmental cooperatives against Size of district is presented in Table 11. The data show that the small districts represent 50% of all agreements, medium districts represent 30%, and large districts represent 20%.

Table 11

Distribution of Types of Intergovernmental Agreements by Size of District (N=428)

Intergovernmental Agreements	N	Small	Percent	Medium	Percent	Large	Percent
Buildings & Grounds/Maintenance	38	15	7%	10	8%	13	15%
Curriculum Director	9	6	3%	2	2%	1	1%
Food Service	27	17	8%	5	4%	5	6%
Special Education	110	60	28%	35	28%	15	17%
Technology Director	12	8	4%	1	1%	3	3%
Transportation	59	31	14%	21	17%	7	8%
Business Manager	5	2	1%	1	1%	2	2%
Equipment	22	13	6%	3	2%	6	7%
Purchasing Contract	47	16	7%	23	18%	8	9%
Superintendent	9	7	3%	1	1%	1	1%
TIF Agreement	23	3	1%	9	7%	11	13%
Other	67	36	17%	15	12%	16	18%
Total	428	214	100	126	100	88	100

Note: Small = \leq 999 students; Medium = 1000-2999 students; Large \geq 3000 students

Further observation of the data indicate that Special Education received the most number of responds for the type of intergovernmental agreement for superintendents in all three sizes of districts (small, medium, and large). Further analysis shows that the Special Education agreements accounted for 28% of small district agreements, followed by 28% of medium-sized districts agreements, and then 17% of large-sized districts agreements. The opposite distribution exists for the distribution for Tax Incremental Finance (TIF) Agreement. In this case, the large districts have the highest percentage (11, 48%), followed by the medium-sized districts (9, 39%), and then the small districts (3, 13%).

A chi-square analysis was conducted to find out whether a relationship exists between the entering an intergovernmental agreement and the size of the district. The

results show a significant relationship between the variables: $\chi^2 (5, N=534)=18.25$, $p=.002$.

Research Question Four: What are the Main Reasons for School Districts to Enter into an Intergovernmental Cooperative?

When asked to identify the reasons for entering an intergovernmental agreement with local agencies, most of the Illinois superintendents (57%) reported that they entered an intergovernmental agreement for financial benefits (see Table 12). The next two highest reasons for districts to enter intergovernmental agreements were to improve programs (27%) and student achievement (13%). Only ten participants (3.5%) reported that they entered into an intergovernmental agreement to gain curriculum alignment. A total of 10 total respondents chose curriculum alignment as a reason to enter intergovernmental agreements compared to the 160 who chose financial benefits as the reason for the intergovernmental agreements.

Table 12

Distribution of Superintendents by Reasons for Entering Intergovernmental Agreements (N=335)

Reasons for Entering	N	Percent
Curriculum Alignment	10	4
Politics	19	7
Other	35	12
Student Achievement	36	13
Improve Program	75	27
Financial Benefits	160	57
Total	335	100

Other reasons noted by the superintendents include program opportunities (including athletics), community needs, legal requirements/state mandates, decreasing enrollment, small district, and safety (see Table 13).

Table 13

Distribution of Superintendents by Other Reasons for Entering Intergovernmental

Agreements (N=35)

Reasons for Entering	N	Percent
Small District	2	6
No response	2	6
Safety	3	9
Legal Requirements/State Mandates	5	14
Decreasing/Increasing Enrollment	5	14
Community Needs	8	23
Program Opportunities (Includes Athletics)	10	29
Total	35	100

Research Question Five: Does the Reason for Entering an Intergovernmental Cooperative Differ by Type of District?

An analysis of the data shows that financial benefits were nearly double the total responses for why all three types of districts entered into intergovernmental agreements with local agencies. A total of 73 of the 166 units (44%), 25 of the 51 high school districts (49%), and 62 of the 118 elementary district (53%) superintendents indicated that they entered intergovernmental agreements for financial benefits (see Table 14). The second most popular reason provided after financial benefits for both unit and elementary districts was improve programs (40 unit superintendents, 24%, and 28 elementary superintendents, 24%). For the high school district superintendents, there was a tie for

second most likely reason: improve programs and politics (7 high school superintendents, 14%, for each).

Table 14

Distribution of Superintendents by Reasons for Entering Intergovernmental Agreements by Type of District (N= 335)

Reasons for Entering	N	Unit	Percent	High School	Percent	Elementary	Percent
Curriculum Alignment	10	3	2%	3	6%	4	3%
Improve Program	75	40	24%	7	14%	28	24%
Student Achievement	36	19	11%	6	12%	11	9%
Financial Benefits	160	73	44%	25	49%	62	53%
Politics	19	8	5%	7	14%	4	3%
Other	35	23	14%	3	6%	9	8%
Total	335	166	100	51	100	118	100

Research Question Six: Does the Reason for Entering an Intergovernmental Cooperative Differ by Size of District?

The responses gathered from the superintendents were cross tabulated by the specific reason provided for entering an intergovernmental agreement against the size of the district from in which the respondent worked (see Table 15). Again, the cross tabulated data shows that most of the superintendents (158 out of 543) indicated the reason for entering the agreements was due to financial benefits. Similarly, the second most popular reason chosen by the superintendents based on the size of the district in which they worked was improve programs. The data show that superintendents from 32 small districts, 27 medium-sized districts, and 15 large districts chose this option as the second most popular reason for entering into intergovernmental agreements.

The range of reasons to enter into an intergovernmental agreement data for small districts was between politics with 4 respondents (2%) and 87 respondents (51%) on financial benefits. The range of reasons to enter into an intergovernmental agreement for medium districts was between curriculum alignment with 3 respondents (3%) and financial benefits with 51 respondents (50%). The range of reasons to enter into an intergovernmental agreement for large districts was between curriculum alignment with 1 respondent (2%) and financial benefit with 20 respondents (34%).

Table 15

Distribution of Superintendents by Reasons to Enter Intergovernmental Agreements by Size of District (N=331)

Reasons to Enter	N	Small	% Small	Medium	% Medium	Large	% Large
Curriculum Alignment	10	6	4%	3	3%	1	2%
Improve Program	74	32	19%	27	26%	15	25%
Student Achievement	35	21	12%	9	9%	5	8%
Financial Benefits	158	87	51%	51	50%	20	34%
Politics	19	4	2%	4	4%	11	19%
Other	35	20	12%	8	8%	7	12%
TOTALS	331	170	100	102	100	59	100

Note: Small = ≤ 999 ; Medium = 1000-2999; Large = ≥ 3000)

Summary

In this chapter, six research questions were examined using descriptive statistics such as frequencies, percentages, and chi-square analysis to test the hypotheses for this study that Illinois schools have entered into a variety of intergovernmental cooperatives and a relationship exists between types of intergovernmental cooperatives and the type of district as well as the size of district. The outcomes from the data analyses show that Business Manager, Curriculum Director, Superintendent, Technology Director,

Equipment, Tax Incremental Financing (TIF) Agreements, Food Service, Purchase Contracts, Buildings & Grounds/Maintenance, Transportation, and Special Education were the types of intergovernmental agreements that exist between the school districts in Illinois and local agencies. The majority of the school district superintendents reported Special Education as the type of intergovernmental agreement entered into by districts in the state of Illinois. In analyzing the patterns of responses by the type of district, special education received the largest number of respondents for both the unit and elementary districts, whereas transportation was the most for the high school district. It is important to note that there was not a significant relationship between the type of intergovernmental agreement and the type of district. That is to say it would be difficult to identify the type of intergovernmental agreement that a district may be in based on the type of district that they are.

When it comes to the size of the school, the data shows similar patterns of responses that are identical to the responses offered based on the type of district. The majority of elementary districts entered into special education intergovernmental agreements irrespective of whether they were small (≤ 999 students), medium-sized (1000-2999 students) or large (≥ 3000 students). Results from a chi-square analysis indicate a significant relationship between the type of intergovernmental agreement entered into and the size of the district. This outcome implies that there is a very strong chance of determining if a small, medium, or large district is a part of an intergovernmental cooperative just by knowing their district enrollment. Based on this information, we can conclude that the most likely type of agreement irrespective of the size of district is special education. The least likely type of agreement for a small district

is a Business Manager, medium size district is tied between technology director and superintendent, and large size district is between curriculum director and superintendent.

An analysis of the reasons for entering into an intergovernmental agreement shows again that irrespective of the type of district and size of district, the superintendent indicated financial benefits, followed by improving programs, as the top reasons for entering into agreements.

CHAPTER V

SUMMARY, DISCUSSION, IMPLICATIONS, AND CONCLUSIONS

Chapter five provides a summary of findings of the study on intergovernmental cooperative agreements and the reasons and types of cooperatives Illinois school districts entered into and based on the school district type and size. In this chapter, the research problem is restated, and the findings of the study are summarized and discussed. Then conclusions and implications of the study are drawn, followed by recommendations for practice and future research.

Statement of the Problem

In the management of school districts, the understanding of available resources has improved the ability to recognize the positive effects that additional resources can provide. But many times, districts are unable to obtain those resources within their current operations. Superintendents have a very important job to maintain fiscal responsibility for a school district. The ability to recognize challenges in the district budget are imperative to developing a balanced budget. Attaining the resources to fund identified financial challenges forces districts to reexamine their approach to developing the district budget. Having additional resources at a low budgetary cost could assist districts when looking to reduce expenditures. There is currently a lack of research available that shares a list of intergovernmental cooperatives and reasons for school

districts to enter into them. This study identified the use of intergovernmental cooperatives in Illinois school districts as a resource to improve the budget process. More specifically, the study focused on the types of intergovernmental cooperatives in Illinois school districts and the reason for entering into the cooperatives.

Summary of Findings

The findings from the survey are explained based on the six research questions of the study. The following research questions were used in the study:

1. What types of intergovernmental cooperatives have Illinois school districts entered into with local agencies?
2. Do the types of intergovernmental cooperatives differ by type of district?
3. Do the types of intergovernmental cooperatives differ by size of district?
4. What are the main reasons for school districts to enter into an intergovernmental cooperative?
5. Do the reasons for entering into the intergovernmental cooperative differ by type of district?
6. Do the reasons for entering into the intergovernmental cooperatives differ by size of district?

Research Question One

Research question one examined the types of intergovernmental agreements that exist in Illinois. Results from the descriptive statistics indicated there were fifteen types of agreements. Those types of agreements are as follows: Special Education, Transportation, Buildings & Grounds/Maintenance, Purchasing Contract, Food Service, Tax Incremental Finance (TIF), Equipment, Teachers/Specialists/Coaches/Nurse,

Technology Director, Building Use/Facilities, Superintendent, Curriculum Director, Athletics, Career & Tech/Vocational Programs, and Business Manager. School districts entered into cooperatives mostly for special education services and the least agreement was in the area of Business management. A results from a survey of 543 superintendents showed that the three most common cooperative agreements were for Special Education (26%), Transportation (14%), and Purchasing Contract (11%) irrespective of the type of school district. These three types of agreements represent more than 50% of the agreements that were identified through the survey results.

On the contrary, the results revealed that the lowest number of cooperative agreements were for Business Manager (1%), Curriculum Director (2%), Superintendent (2%), and Technology Director (3%). Moreover, these four identified types of agreements incorporate individual shared personnel, rather than a purchased service like Special Education, Transportation, and a Purchasing Contract.

Research Question Two

Research question two examined whether the types of intergovernmental cooperatives differ by the type of district. Special Education had the most agreements for unit school districts (31%) and elementary school districts (27%), while the highest frequency of agreements for high school districts was for transportation (14%). Unit districts top three types of agreements are: Special Education (31%), Transportation (11%) and Purchasing Contract (11%). High school districts top three agreements are: Transportation (14%), Special Education (13%) and Purchasing Contract (12%). Elementary districts have a new agreement that is not consistent with the overall, unit, or high school district top three rankings: Special Education (27%), Transportation (16%)

and Buildings & Grounds/Maintenance (11%). Within the elementary school data, Purchasing Contract (10%) was very close to the top three ranking data.

The least number of intergovernmental agreements identified by type of district had both similarities and differences in the results: unit school districts were Business Manager (0) and Superintendent (0); high school districts were Curriculum Director (3%), Business Manager (3%); and elementary school districts were Technology Director (1%), Business Manager (1%), and Superintendent (1%). Furthermore, all of the least frequent responses were all focused on shared personnel that were shared through an intergovernmental cooperative.

Research Question Three

Research question three examined whether the type of intergovernmental cooperatives school districts entered into differed by the size of the district. The results showed a significant difference in the types of cooperatives by school district size. According to the data gathered from the 543 superintendents, the results of the analysis for special education by all three sizes of districts were as follows: small (28%), medium (28%), and large (17%). The next highest intergovernmental agreement by size of district is where we began to see a difference: small was transportation (14%), medium was purchasing contract (18%) and large was buildings & grounds/maintenance (15%).

The least number of intergovernmental agreements identified by size of district had both similarities and differences in the results: small districts were Business Manager (1%) and TIF Agreement (1%); medium districts were Technology Director (1%), Business Manager (1%), and Superintendent (1%); and the large districts were Curriculum Director (1%) and Superintendent (1%). Similar to the results of question 2,

the least frequent responses were also focused on shared personnel through an intergovernmental cooperative.

Research Question Four

Research question four asks respondents to identify the main reasons for school districts to enter into an intergovernmental cooperative. The results indicate that 57% of the superintendent surveyed indicated that financial benefit was the main reason they entered into intergovernmental cooperatives. The least likely reason offered was to gain curriculum alignment. Only 3.5% of the superintendents who participated in the study said their districts entered into cooperative agreements for curriculum alignment.

Other reasons noted include: Improve Programs, Student Achievement, Politics, Program Opportunities (including athletics), Community Needs, Legal Requirements/State Mandates, Decreasing Enrollment, Small District, and Safety.

Research Question Five

Research question five asks whether the reason for entering an intergovernmental cooperative differs by type of district. The results of the analysis were overwhelming in favor of financial benefits for all three types of districts: unit school district (44%), elementary school district (53%), and high school district (49%). The runner up to financial benefits was improving programming for all three types of districts: unit (24%), elementary (24%), and high school (14%). The least favorable reason for all three types of agreements was to enter an agreement is for curriculum alignment: unit school district (2%), elementary school district (3%), and high school district (6%).

Research Question Six

Research question six asks whether the reason for entering an intergovernmental cooperative differs by the size of district. Again, the results were similar to the trends observed for district types. That is, financial benefit was noted as the main reason for districts to enter into an intergovernmental cooperative when looking at the size of the district: small districts (51%), medium districts (50%), and large districts (34%). The next most favorable response was to improve programs: small districts (19%), medium districts (26%), and large districts (25%).

Aside from these two most indicated reasons, it appeared that the order of cooperative agreement school districts entered into beyond the top two reasons did in fact differ by school district size. For instance, for the small districts (≤ 999 students): student achievement (12%), curriculum alignment (4%), and politics (2%) were the next most entered into cooperative agreements. In the case of medium districts (1000-2999 students) the reasons shifted from student achievement (9%) to politics (4%), then curriculum alignment (3%). Finally, for large districts (≥ 3000 students) the results showed the reasons as politics (19%), student achievement (8%), then curriculum alignment (2%).

Discussions

School leaders are responsible for many areas of an educational organization: instructional leadership, finance, general planning, human resources, school plant management, communication and public relations, and student services (Cunningham & Cordiero, 2000). Understanding various options that provide superintendents with opportunities to increase resources while gaining financial benefits can be extremely

appealing. As discussed in the literature review, the Intergovernmental Cooperation Act gives districts the opportunity to enter an intergovernmental cooperative to share personnel or purchased services. As indicated in the findings, there are some districts who have taken advantage of personnel opportunities, however, the results indicate that for all types of agreements, analyzing by both type and size of district, personnel is the smallest percentage of agreements. For instance, Curriculum Director, Business Manager, Superintendent, and Technology Director make up only eight percent of the total responses when analyzing the results by type of district. In addition, the same four types of agreements when analyzed by type of district derive from five percent of unit districts agreements, twenty-one percent of the high school district agreements, and five percent of elementary district agreements. Furthermore, the four agreements when analyzed by size of district derive from eleven percent of small district agreements, five percent of medium districts, and seven percent of large district agreements. Based on the results and what the Intergovernmental Cooperation Act encourages, we can conclude that the majority of the largest percentage of shared personnel can be found in high school district agreements. As we look at the total number of districts in the state of Illinois, there are 101 high school districts, which represent 12% of the total school districts. Recognizing the various needs within a high school district to be successful, they may not have all the personnel resources available to accomplish every task. Bolman and Deal discuss that leadership teams must identify team members for “more complicated projects generally require more complex forms: flexible roles, reciprocal interdependence, and coordination through lateral relationships and mutual feedback” (p. 95, 2003). Taking on challenges within a high school district, such as curriculum

alignment to the Common Core State Standards, requires coordination with feeder districts. High schools have specialists with each content area, however, may lack personnel to bring all the departments together under one vision and build a unified connection with the feeder schools. Although Marzano et al. (2006) identify this as the principal's responsibility as the instructional leader, it may not be a reality if the principal is responsible for managing all areas of the organization on their own. A high school district must have personnel that are prepared to take on flexible roles. "Conscious attention to structure and roles can make an enormous difference in group performance" (Bolman & Deal, p. 108, 2003). High school districts can work with other local agencies to gain shared personnel through intergovernmental cooperatives needed to improve the structure and roles of the leadership team to meet the challenges they are faced with. Elementary and Unit school districts often have personnel in place that can take on flexible roles that offer a unified vision. Unlike shared personnel, purchasing contracts are very well utilized, representing the third highest type of intergovernmental cooperative that districts enter irrespective of the type or size of district with eleven percent.

Superintendents must keep in mind the competing elements noted in Chapter 1 of this study as they closely determine ways to improve the budget process. Some of the competing elements include: federal and state mandates (transportation, special education, ELL and response to intervention), alignment to the Common Core State Standards accountability for AYP (Webb & Norton, 2003). Districts are required by law to adhere to top competing element of federal and state mandates, including transportation and special education. From this study, it is evident that districts have

relied on intergovernmental agreements to be in compliance with the law. The data results would support that intergovernmental cooperatives were used to address the challenges of competing elements within the operations of a school district, such as special education and transportation, to improve the budget process by both the type and size of district. According to Hoyle et al. “special education finance is a particularly difficult area for districts and superintendents because so few children receive a considerable portion of the district budget” (p.100, 2005). Districts have no control over the families that live within their community. With those families come various needs for their children. It is difficult for districts to foresee the budgetary needs for special education students who move into the district during the school year. These costs could sway a district with a balanced budget at the start of a fiscal year into deficit spending by the end of the year.

Districts may need to provide smaller program options to students who have educational needs that cannot be provided within the general education environment. Working with other districts through intergovernmental cooperatives allows districts the ability to share the program costs and improve the district budget. Along with the special education comes the transportation of the students to outside placements. The cost factor along with transporting students to facilities could cost the district a substantial amount of money, hence the need to partner with other districts to share the cost of the transportation. The results from this study show that intergovernmental cooperatives are being utilized by districts of all types and sizes to improve the operations budget.

Another promotion of intergovernmental cooperatives discussed in the literature review focused on the Illinois High School Association’s by-law that states how a small

district may join an intergovernmental cooperative with other districts to offer athletic opportunities. The data from this study would support that seven superintendents did indicate they have entered an Athletic intergovernmental cooperative. In addition, results indicated that ten superintendents stated the reason they chose to enter an intergovernmental agreement was for Program Opportunities (includes athletics). Therefore, the ability to improve the budget for small districts also affords them the ability to improve athletic program opportunities.

Conclusions and Implications

The results from this survey provide valuable insight for consideration when determining opportunities to increase resources while gaining fiscal responsibility. The utilization of intergovernmental cooperatives has been explored since the initial Intergovernmental Cooperative Act in 1973. Through the results of this study, the most likely type of intergovernmental agreement that exists regardless of the type or size of district is Special Education. Webb and Norton identify state and federal mandates as the top challenge that districts and superintendents face (2003). Having both the data results and research together, we can conclude that school districts have utilized intergovernmental cooperatives to deal with top unfunded mandates. Furthermore, the results also show that more than 50% of the intergovernmental cooperatives, irrespective of the type or size of district, support the operations of district versus the instructional side of a district.

Today society is undergoing difficult financial situations. Recognizing that the results of this study indicate the number one reason districts enter into agreements irrespective of their type or size of district is for financial benefits, there are future

opportunities for districts to explore. As explained in the literature review, the leader, or superintendent, is the “person who sets the purpose or direction for one or more other persons and gets them to move along together with him or her” (Jaques & Clement, 1994, p. 4). The superintendent is the person who initiates the implementation for change that will improve the budget and enhance student achievement. For a superintendent and district to demonstrate an understanding and awareness of how to incorporate intergovernmental cooperatives to improving the budget, it is important to demonstrate five indicators from Hoyle et al. (2005) to be an effective financial leader. The five indicators include: develop and implement a strategic plan, apply a systems perspective, implement appropriate management techniques, monitor and assess programs, and exhibit an understanding of school finance. Implementing these five steps will not just be a short term fix, rather a step in the right direction for improving the budget over time.

As presented in the results, there are 15 intergovernmental agreements that were identified by superintendents that are within the broad educational organization. As districts prepare to enter one of these intergovernmental agreements for the first time, superintendents need to develop a strategic plan that encompasses a goal to incorporate the intergovernmental cooperative. Keeping in mind the results support that the majority of the intergovernmental cooperatives support the operations of a district, superintendents must analyze the current budget to determine ways to improve the budget. This analysis will provide both direction and alignment to highlight the superintendent’s main reason for entering into the agreement, whether it is to improve the budget, improve programs, purchased services, etc. Furthermore, applying a systems perspective of the budget

analysis forces the superintendent to eliminate, improve, or maintain current programs, supplies, or personnel.

As with the development of any strategic plan, when superintendents are determining the type of intergovernmental cooperative to consider based on their type or size of district, it is important to utilize appropriate management techniques to include faculty and staff on the decision-making team to promote extensive communication and empowerment. As decisions are made, the team must develop clear objectives to monitor and assess the progress of the intergovernmental cooperative. If the initial reason to join the intergovernmental cooperative was to improve programs, the team needs to determine how the district will measure the effectiveness of the intergovernmental cooperative and identify if the district will continue the agreement the following year.

Finally, as discussed in the literature review, it is extremely important that the superintendent has a clear understanding of public school finance. Hoyle et al. (2005) suggest five areas in school finance a superintendent must have a solid understanding: financial data management, budget creation, budget management, legal aspects of managing resources, and financial problem solving. As demonstrated in the results of the study, financial benefits represented 57% of the results for the reason to enter an intergovernmental agreement. Understanding the five areas of school finance ensures that a superintendent, when exploring intergovernmental cooperatives, will make decisions based on improving the budget or allowing the district the opportunity to reallocate resources to be more fiscally responsible.

Recommendations for Practice and Future Research

This was an exploratory study designed to contribute to practice and research on intergovernmental agreements and, as a result, the findings identified some suggestions for practice and a need for further studies. A few recommendations will be made within the next few pages.

Superintendents have limited time to explore various methods to improve financial responsibility of their district. As indicated in the purpose of this study, the researcher wanted to include recommendations for superintendents to use as a reference when planning for their district. Table 16 provides a simplified version of the top five results for superintendents by type of district to use as an important resource when making decisions that impact the school district.

Table 16

Recommendations for Superintendents by Type of District

Type of District	Type of Intergovernmental Cooperative	Reason for Entering an Intergovernmental Cooperative
Unit	<ol style="list-style-type: none"> 1. Special Education 2. Transportation 3. Purchasing Contract 4. Buildings & Grounds/Maintenance 5. Food Service 	<ol style="list-style-type: none"> 1. Financial Benefits 2. Improve Program 3. Student Achievement 4. Politics 5. Curriculum Alignment
High School	<ol style="list-style-type: none"> 1. Transportation 2. Special Education 3. Purchasing Contract 4. TIF Agreement 5. Superintendent 	<ol style="list-style-type: none"> 1. Financial Benefits 2. Improve Program 3. Politics 4. Student Achievement 5. Curriculum Alignment
Elementary	<ol style="list-style-type: none"> 1. Special Education 2. Transportation 3. Buildings & Grounds/Maintenance 4. Purchasing Contract 5. Food Service 	<ol style="list-style-type: none"> 1. Financial Benefits 2. Improve Program 3. Student Achievement 4. Politics 5. Curriculum Alignment

Table 17 provides a simplified version of the top five results for superintendents by size of district to use as an important resource when making decisions that impact the school district.

Table 17

Recommendations for Superintendents by Size of District

Size of District	Type of Intergovernmental Cooperative	Reason for Entering an Intergovernmental Cooperative
Small (≤ 999 students)	<ol style="list-style-type: none"> 1. Special Education 2. Transportation 3. Food Service 4. Purchasing Contract 5. Buildings & Grounds/Maintenance 	<ol style="list-style-type: none"> 1. Financial Benefits 2. Improve Program 3. Student Achievement 4. Curriculum Alignment 5. Politics
Medium (1000-2999 students)	<ol style="list-style-type: none"> 1. Special Education 2. Purchasing Contract 3. Transportation 4. Buildings & Grounds/Maintenance 5. TIF Agreement 	<ol style="list-style-type: none"> 1. Financial Benefits 2. Improve Program 3. Student Achievement 4. Politics 5. Curriculum Alignment
Large (≥ 3000 students)	<ol style="list-style-type: none"> 1. Special Education 2. Buildings & Grounds/Maintenance 3. TIF Agreement 4. Purchasing Contract 5. Transportation 	<ol style="list-style-type: none"> 1. Financial Benefits 2. Improve Program 3. Politics 4. Student Achievement 5. Curriculum Alignment

When preparing for further research on intergovernmental cooperatives, there are a few suggestions that evolved from this study. First of all, this study focused on schools in the state of Illinois. With the financial burden on school districts, there may be ways that schools/districts in other states find creative ways to improve resources while

remaining fiscally responsible. A study should be designed to determine methods of intergovernmental cooperation that exist in schools in other states.

Second, this study found that the number one reason districts enter intergovernmental cooperatives regardless of the type or size is for financial benefits. However, we are not sure the financial benefits that were attained from the cooperative. A study should be developed to determine the cost savings districts have when entering intergovernmental cooperatives.

A third recommendation from this study would suggest replicating the study, however, modifying the questions by each of the types of intergovernmental agreement and reasons to enter an intergovernmental agreement as independent questions within the survey. A test of whether the reasons offered for entering into different types of intergovernmental agreement differed by type and size of district may be another important area to focus on for future research. Such data would strengthen the recommendation of types of intergovernmental by both type and size of district.

Fourth recommendation for future research would be to administer this same study again within ten years to determine the impact the financial crisis had on intergovernmental cooperatives.

Finally, from the literature review, there was one particular area that was discussed that was not presented in the survey results: joint insurance intergovernmental cooperatives. Considering the current state of the economy, insurance is a lingering factor for contract negotiations. With rising costs of health insurance and the creation of governmental health care, there are constant changes that school districts need to be focused on. Recognizing that no districts have indicated they are involved in an

intergovernmental cooperative that include health joint healthcare, a further study should be explored to determine why districts are currently not involved in that particular type of cooperative.

This study examined patterns of cooperative agreements entered into by Illinois school districts, the reasons for entering into the cooperatives, and whether the types of cooperative agreements entered into differed by district type and size. The survey results provided by the 543 superintendents showed some interesting patterns, reasons and differences. Understanding that the most likely reason to enter into an intergovernmental cooperative regardless of the size or type of district is financial benefits provides superintendents with the opportunity to be more fiscally responsible. This knowledge will provide direction for superintendents to avoid the budget shortfalls affecting class size and salary increases (Hoyle, Bjork, Collier, & Glass, 2005).

Illinois superintendents must continuously look for ways to increase district resources while maintaining fiscal responsibility. They must continue to look beyond their district resources and explore ways to develop intergovernmental cooperatives with other local agencies. The economy is constantly changing either for the worse or for the better, but having options to explore beyond the district will enable district to keep up with the every changing demands of Illinois school systems.

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APPENDIX

DATA COLLECTION SURVEY

Illinois State University
Center for the Study of Education Policy/IL-SAELP
STATEWIDE SURVEY OF SUPERINTENDENTS, Summer 2009

I. CURRENT ISSUES (Put an X next to the answer that best reflects your attitudes toward the following issues.)

Districts often share resources through board approved inter-governmental agreements with other school districts, private schools, governmental agencies, and/or local agencies. Shared resources for the purpose of these questions would relate to personnel, purchasing contracts, and equipment.

1. Are you currently in an agreement with another party to share resources?
 Yes (skip to question #3)
 No

2. If no, are you considering entering into an agreement with another party?
 Yes
 No (skip to question #7)

3. If yes, how long have you been in this agreement(s)?
_____ Year(s) (round months up to next year, i.e. 1year and 2 months = 2 years)

4. What type of agency are you currently in an agreement(s) with? (choose all that apply)
 School District
 Private School
 Government Agency
 Local Agency
 Private Agency
 Other: _____

5. What resources do you currently share or plan to share under the agreement? (choose all that apply)
 Buildings and Grounds Maintenance
 Business Manager
 Curriculum Director
 Equipment
 Food Service
 Purchasing Contracts
 Special Education
 Superintendent
 Technology Director
 TIF Agreement
 Transportation

___ Other: _____

6. What was a factor in choosing to enter into an agreement to share resources? (choose all that apply)
- ___ Curriculum alignment
 - ___ Financial benefits
 - ___ Improve programming
 - ___ Politics
 - ___ Student Achievement
 - ___ Other: _____
7. Did you have a first year principal during the 2008-2009 school year?
___ Yes ___ No
8. Do you feel that this first year principal received a quality mentoring experience in the state paid mentoring program?
___ Yes ___ No
9. How old were you when you received your:
- a. First principal assignment _____
 - b. First superintendent assignment _____
10. Were either of your parents an administrator?
- | | Mother | Father |
|----------------------------|--------|--------|
| Superintendent | ___ | ___ |
| Principal | ___ | ___ |
| Assistant Principal | ___ | ___ |
| Athletic Director | ___ | ___ |
| Special Education Director | ___ | ___ |
| Department Head | ___ | ___ |

Staffing:

1. A shortage of highly qualified candidates for the principalship is an issue in some districts. How will this impact your district in the next three years? (*mark one*)
- ___ Not at all—supply is adequate
 - ___ We have a number of adequate internal candidates in the pipeline
 - ___ To some degree—the pool of available candidates will not be what it should be
 - ___ To a great degree—a limited recruitment pool with few qualified candidates
2. Among administrative vacancies in my district's geographic area, the toughest position to fill currently is: (*mark one*)
- | | |
|-------------------------------------|--|
| ___ High school principal | ___ Assistant superintendent, for instruction/curriculum |
| ___ Middle school principal | ___ Assistant superintendent, for personnel |
| ___ Elementary school principal | ___ Other _____ |
| ___ Special education administrator | |
| ___ Business manager | |
3. Data from previous surveys indicate that while many viewed the supply of candidates for the principalship as sufficient, they thought that the number of quality candidates was more limited. Do you think that the number of highly qualified candidates for the principalship is limited?
___ Yes ___ No
4. What are the areas where principal candidates are lacking?

5. For 2008-2009, my district's one most significant staffing problem will be finding highly qualified: (*mark one*)
- | | |
|--------------------------------|-----------------------------------|
| ___ Math teachers | ___ Vocational education teachers |
| ___ Science teachers | ___ Intermediate grade teachers |
| ___ Special education teachers | ___ Humanities teachers |

- Reading specialists
- Librarians
- Counselors
- Social workers
- Language Arts teachers
- Social Science teachers

- Modern Language teachers (Foreign Language)
- Psychologists
- Bilingual teachers
- Primary teachers
- Principals
- Central Office Administrators

Student Learning:

1. Please place a (1) next to your greatest obstacle to student learning and a (2) next to your second greatest obstacle.

- | | |
|--|---|
| <input type="checkbox"/> Boards of Education | <input type="checkbox"/> Parents |
| <input type="checkbox"/> Booster Organizations | <input type="checkbox"/> Socioeconomic Conditions |
| <input type="checkbox"/> Community Members | <input type="checkbox"/> Time |
| <input type="checkbox"/> Money | <input type="checkbox"/> Union Contract |
| <input type="checkbox"/> Parent Organizations | |

Consolidation:

1. Property tax levels in our district:
 - Discourage families with students from moving into our area
 - Encourage families with students to move into our area
2. At some point during the last year I recommended to the Board of Education that they should discuss the possibility of having a consolidation/annexation study.
 - Yes No
3. Our district has examined consolidation or reorganization within the last three years.
 - Yes No
4. Our district's curriculum could be enhanced as a result of consolidation.
 - Yes No
5. Our district's financial outlook could be improved as a result of consolidation.
 - Yes No
6. In the past five years our district has closed one (or more) schools as a result of budgetary factors.
 - Yes No
7. In the next three years our district may need to close one (or more) schools as a result of budgetary constraints.
 - Yes No

Professional Development:

1. The professional development activities offered for school superintendents in the state are generally worthwhile for a superintendent.
 - Yes No
2. The other administrators in my district receive appropriate amounts of professional development in instructional leadership.
 - Yes No
3. Over the last three years, our professional development budget has:
 - Decreased Stayed the same Increased
4. In an effort to inform the various professional organizations of the superintendents' professional development needs, please list your top three professional development needs for the upcoming two years:
 - 1. _____
 - _____
 - _____

2. _____

—

3. _____

—

5. Do you have a professional development plan for your district?

_____ Yes _____ No

6. Which of the following best describes your professional development activities in your district?

_____ One-time offering with no connection

_____ Offerings that follow a focus

_____ Offerings that follow a particular focus with support for teachers to implement

7. Is your professional development plan connected to and in support of your school improvement plan?

_____ Yes _____ No

Principal Preparation:

1. Has the quality of principal preparation programs improved over the past five years?

_____ Yes _____ No

2. Are current principal preparation programs developing new principals who can effectively lead schools to improve teaching and student learning?

_____ Yes _____ No

3. If universities are required to work with you in choosing candidates, etc., would you be willing to work with them in:

_____ Recruiting Candidates _____ Selecting Candidates _____ Supervising Internship Placements
_____ Evaluating Curriculum _____ Other _____

4. SB860/Public Act 94-1039 allows a principal to receive a Master Principal Designation. Do you believe that your principals would apply for this designation if it is a two-year program like the National Board certification?

_____ Yes _____ No

5. All other factors being equal, would you have a preference for a principal candidate who was an NBCT teacher in comparison to a non-NBCT teacher?

_____ Yes _____ No

6. Now that Illinois is creating a Teacher Leader endorsement, would you create a leadership position in your schools for individuals with the credential?

_____ Yes _____ No

7. If and all other factors were equal, would you have a preference for a teacher leader candidate who was an NBCT teacher in comparison to a non-NBCT teacher?

_____ Yes _____ No

Community Colleges:

1. Does your district work with local community colleges to provide high school students with:

Tech Prep Programs: _____ Yes _____ No _____ Don't Know _____ N/A

Dual/Concurrent Enrollment: _____ Yes _____ No _____ Don't Know _____ N/A

Other Opportunities: (please specify)

2. In your opinion, does your district's work with local community colleges (above) enhance educational opportunities for your high school students?

Yes, definitely Yes, somewhat No Don't Know N/A

3. What challenges have you faced with allowing your students to participate in dual credit courses? (*Mark as many as apply.*)
- | | | |
|---|--------------------------------------|--------------------------------|
| <input type="checkbox"/> Scheduling | <input type="checkbox"/> Funding | <input type="checkbox"/> Books |
| <input type="checkbox"/> Transportation | <input type="checkbox"/> Instruction | <input type="checkbox"/> N/A |
4. At what level does ADA funding for a student enrolled in a dual credit course affect your district's decision to support dual credit?
- Minimally - The district would still encourage students to take dual credit courses, even if this meant that the district would lose ADA funding.
- Average - The district would not encourage students to enroll in dual credit courses if this meant a loss of funding, but also would not discourage students who wanted to enroll in dual credit courses.
- Strongly - The district would discourage students from enrolling in dual credit courses if the district did not receive funding for that student.
- N/A
5. How does your district promote advanced learning opportunities (e.g., dual credit, Tech Prep, etc) to students? (*Mark as many as apply*)
- | | |
|--|--------------------------------------|
| <input type="checkbox"/> Through the guidance counselor | <input type="checkbox"/> Teachers |
| <input type="checkbox"/> Through the participating community college | <input type="checkbox"/> Newsletters |
| <input type="checkbox"/> Word of mouth | <input type="checkbox"/> N/A |

Collective Bargaining:

1. Collective bargaining laws impact my district's ability to provide a quality educational improvement process for our students.
- Yes No
2. There should be the ability to waive portions of a collective bargaining agreement on a building-wide basis so that leadership teams have the ability to work toward improving student learning.
- Yes No

II. EVALUATION

The following section is divided into three parts. The first part examines elements that are taken into consideration when the Board of Education performs your evaluation. The second part examines the elements taken into consideration in the evaluation of principals, either by the superintendent or the person responsible for evaluating principals. The third part examines elements used in hiring new administrators.

1. There is an instrument or predetermined process used in the evaluation of the superintendent.
- Yes No
2. The Board considers the Illinois Professional School Leader Standards for superintendents in the evaluation of the superintendent.
- Yes No
3. A portion of the superintendent's evaluation is based on the district-wide improvement of ISAT or PSAT test scores.
- Yes No

Evaluation of the Principal

1. There is a clause in the principal's contract that is performance based.
- Yes No

If yes, what performance indicators are used?

- a. _____
- b. _____

- c. _____
2. The superintendent/supervisor considers the Illinois Professional School Leader Standards for principals in the evaluation of the principal(s).
 Yes No
 3. A portion of the principal's evaluation is based on his/her school's improvement on ISAT or PSAE test scores.
 Yes No
 4. If principal evaluations are mandated to include a 360° survey by peers, colleagues, subordinates, supervisors, and parents, how difficult will it be for your district to include this in the principal evaluation process?
 No problem Somewhat difficult Very difficult
 5. Has the superintendent/supervisor evaluated all principals on one-year contracts at least once during this last year?
 Yes No

Hiring New Administrators

1. I use applicants' portfolios and find the portfolios helpful in making decisions about hiring of applicants.
 Yes No
2. Do you or a representative of your district perform a site visit for finalists of an administrative vacancy?
 Yes No

III. FINANCES

Following are a series of questions that are intended to determine your opinion relating to school funding in Illinois.

1. In order to better fund schools:
 - a. I would support an increase in the income tax with or without a corresponding decrease in the property tax.
 - b. I would support an increase in the income tax only with a corresponding decrease in the property tax
 - c. I would not support an increase in the income tax.
2. My district has approved Working Cash Fund Bonds this year for the first time in the last 5 years.
 Yes No
3. If answered "No" above, my district has approved Working Cash Fund Bonds sometime during the last 5 years.
 Yes No
4. By the strictest definition, an operating fund is experiencing a deficit when the expenditures in a fiscal year exceed the revenues received in that fiscal year (excluding pre-existing balances and fund transfers). Using this definition, please mark with an "X" next to the operating funds category that demonstrated a deficit for your district.

FY '08	FY '09	FY '10 Est.
<input type="checkbox"/> Education	<input type="checkbox"/> Education	<input type="checkbox"/> Education
<input type="checkbox"/> Operations Building and Maintenance	<input type="checkbox"/> Operations Building and Maintenance	<input type="checkbox"/> Operations Building and Maintenance
<input type="checkbox"/> Transportation	<input type="checkbox"/> Transportation	<input type="checkbox"/> Transportation

5. Does your district have a site-based/school-based budgeting process comprised of at least purchased services, supplies, **and** equipment?
 Yes No

6. Does your district designate funds for school improvement at the school level?
 Yes No
7. Does your district designate funds for school improvement at the district level?
 Yes No
8. If your revenues continue to fall, what program(s) or service(s) would be considered for the next round of cutbacks?
 a. _____
 b. _____
 c. _____
9. Which jobs are most likely to be cut in order to save money (check all that apply)?
 a. Administrative
 b. Instructional (e.g. teachers, aides, specialists)
 c. Staff/service

IV. DEMOGRAPHICS

<i>Please answer the following questions:</i>	
In what type of district are you superintendent? (Circle one)	
1. Unit District 2. High School 3. Elementary	What is the length of your personal contract? (Circle one.)
What is the zip code of your district? _____	1 2 3 4 5 years
What is the size of the district where you are currently employed?	Was an earned doctorate preferred or required for your current position?
<input type="checkbox"/> Under 500 <input type="checkbox"/> 3,000 – 5,999	<input type="checkbox"/> Preferred <input type="checkbox"/> Required <input type="checkbox"/> Neither
<input type="checkbox"/> 500 – 999 <input type="checkbox"/> 6,000 – 11,999	What is your level of education?
<input type="checkbox"/> 1,000 – 2,999 <input type="checkbox"/> 12,000 and above	<input type="checkbox"/> Masters plus hours
How many years have you been superintendent?	<input type="checkbox"/> Certificate of Advanced Study or Ed. Specialist
_____	<input type="checkbox"/> Doctorate
How many years have you been in your current position?	What is your district's low income status:
_____	<input type="checkbox"/> Less than 50% of students are eligible for free or reduced lunches
How many years have you been employed in education?	<input type="checkbox"/> More than 50% of students are eligible for free or reduced lunches

How do you identify your ethnic background?	How many schools are in your district? _____
<input type="checkbox"/> Latino/a	How many schools in your district have 50% or more of the students eligible for free or reduced lunches?
<input type="checkbox"/> Caucasian	_____
<input type="checkbox"/> African/American	What is the Fall 2007 enrollment in your district? (Found on the Fall Housing Report)
<input type="checkbox"/> Asian/Pacific Islander	_____
<input type="checkbox"/> American Indian	
<input type="checkbox"/> Other (Please write in)	

What is your age? _____	What state aid formula is used in your district?
What is your gender? (Circle one) M F	1. Foundation 2. Alternate 3. Flat Grant