

# Feasibility Study for

**Scott Morgan #2  
Winchester CUSD #1**



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## Table of Contents

|  |     |
|--|-----|
| Preface.....   | 4   |
| History of School District Reorganization in Illinois.....   | 5   |
| Historical Considerations and Alternative Strategies.....  | 12  |
| A Brief Literature Review.....   | 20  |
| School District Reorganization in Illinois since 1985.....   | 23  |
| Proposed Legislation Realigns Reorganization (An Article by Bill Phillips) .....                             | 29  |
| School District Reorganization.....  | 33  |
| Timelines for reorganization for April 4 vote <b>(Will not be used for this study)</b> .....                 | 54  |
| Key Dates and Timelines.....   | 55  |
| The Relationship between School Size and Achievement in Downstate Elementary Schools (An ISBE Document)..... | 82  |
| Unit Districts Formed From Dual Systems (An ISBE Document).....  | 93  |
| Reorganization Considerations and Options.....   | 101 |
| - Recommendation of consultants.....   | 116 |
| Curriculum Considerations and Comparisons.....   | 118 |
| School Enrollment History and Forecast.....  | 138 |
| District Facilities.....   | 148 |
| Transportation Considerations.....   | 154 |
| Financial Considerations and Comparisons.....  | 158 |
| Reorganization and Incentive Payments .....  | 189 |
| ESP Personnel/seniority List Requirements.....   | 201 |
| School District Reorganization History .....   | 204 |
| Reorganization and Guidance Document.....  | 208 |

Glossary of Terms.....215  
Appendix 1: Five Year Projected Fund Balances ..... 218  
Appendix 2: School District Financial Profile .....220  
Appendix 3: Reorganization Incentives .....Separate attachment

## **Preface**

These reports never happen without help. We owe thanks to Superintendents Dr. Tim Arnold and Mrs. Donna Gray who were most gracious in supplying information requested by us. We are also certain that thanks go to their secretaries who did the necessary search through the files to find the information. Special thanks also go to the Board of Education members and district administrators who gave generously of their time in order to gain their insight and thoughts concerning this process.

Without all of the aforementioned assistance, this report would have been less than complete.

## **History of School District Reorganization in Illinois**

Schooling for the early settlers of Illinois consisted of one-room schools in which the students were from rural backgrounds. These schools taught predominately the “three R’s” and the teachers more often than not were “boarded out” to families of the students. Control of these schools was almost entirely local in nature as they were built and run by the citizens of the community in which the students lived. Parcels of land were set aside for the local schools in the Northwest Territory and other states west of the original thirteen colonies.

The Free School Law was passed in 1825, which established common schools for all white citizens between the ages of five and twenty-five. Aid for these schools was provided by the state in the amount of two out of every one hundred state tax dollars collected.

This period was marked by the influx of immigrants, which began flooding into Illinois. With these immigrants, came a need for a more modern form of education. The needs of these immigrants included more than the three R’s, as they required language, history and political instruction. Schools supported by the public became an accepted part of the communities and as the school became bigger and more sophisticated, the intervention of state finances and control became more prevalent in the local schools.

As school districts were developing, a fragmenting of districts began to appear. Natural boundaries became the district’s borders and districts that were wealthier in assessed valuation tended to try to restrict their boundaries so as to not conflict with their neighbors who were not as financially fortunate. Thus began, even at this point historically, a financial separation in which the wealthy school districts wanted to

maintain their privileged position and exclude their less fortunate neighboring school districts.

The one-room schoolhouse was fast becoming out-moded in Illinois as in other Midwestern states with the rapid influx of population and the substantial growth of urban areas. These areas required a higher quality, more diverse educational program than could be provided by the one-room school with its single teacher.

By 1845, the Office of Superintendent of Public Instruction had been established. Section 6 of that law stated that the Superintendent "...shall use his influence to reduce to a system of practical operation the means of common schools in the state..."

The following year, the Board of Trustees was created to authorize the reorganization of school districts and hold title to all school property. This Board of Trustees was elected and functioned between the level of the state and the local Board of Education. In effect, this Board of Trustees could create, alter and/or dissolve school districts if petitioned by local boards of education. Today, this little known public body, controls annexation and, detachment petitions that are brought to them by the Regional Superintendent of Schools from local boards of Education and citizen's petitions.

With the passage of the 1870 Illinois Constitution, the General Assembly stated that they "...shall provide a thorough and efficient system of free schools, whereby all the children of the state may receive a good common school education. It was this time that the General Assembly curtailed the formation of Special Charter School Districts with its Act of 1872.

With the rapid expansion of the population centers in Illinois due to continued waves of immigration, it became necessary to reorganize school districts into larger

educational units in the urban areas. With this reorganization, changes in administrative and instructional patterns became necessary to improve the quality of schools.

However, then as now the rural population reluctantly gave way to the reorganization of larger school districts. The loss of local control of their schools has presented a prevalent historical trend. One of the prime obstacles to the formation of larger school districts was the problem of widely scattered populations in which the students couldn't be transported to larger schools because there was no transportation system in place.

The General Assembly in 1909 started the school consolidation movement when it allowed school districts to consolidate based upon a majority vote of the citizens in each affected district. Also, in 1909, the General Assembly passed legislation mandating that districts which did not have a high school, must pay the tuition for each student whose parents were unable to pay. By 1915, the enrollment of students in high school had risen by 15% while the elementary school enrollment had risen by only 1%. With these pieces of legislation, the concept of consolidating schools to provide a quality education was begun.

By 1917, consolidated and non-high school districts were formed. Tuition was paid for all eighth grade students who lived in non-high school districts, to the nearest district where a high school was present.

State aid per child was first legislated in 1927. Every district was eligible for nine dollars per child in attendance for students in grades one through eight. Less wealthy districts were given an additional incentive for additional state aid amounting to twenty-

five dollars per student if the district levied the maximum education tax rate allowed without referendum.

The Depression created an even wider disparity in school ability to generate income in that state aid was apportioned by the amount of local money generated; thus, wealthier districts generated more revenue and in turn received more state aid. This wide financial disparity created indirectly the initial legislation concerning reorganization of school districts in the early 1940's.

Transportation remained one of the earliest and largest impediments to the interest in consolidating school districts in Illinois. Students living in rural areas were so widely scattered that a system for collecting and delivering students to centralized schools became a necessity for districts considering consolidation. In 1939, the legislature appropriated a half million dollars for transportation aid to school districts for the first time. With this aid from the state, the period of largest consolidation was beginning.

Another problem facing school districts that were investigating consolidation was the financial inequities given to the dual system of districts in the State of Illinois. Illinois maintains three types of school districts. The first is separate elementary and high school districts operating autonomously in generally the same district boundaries; however, it is common for a number of elementary districts to feed into a single high school district. Unit districts, which encompass both the elementary and high school districts were in existence but fairly small in number at this time.

Prior to 1945, both type districts were eligible for the same state aid and tax rate limitations. Thus, unit districts were asked to provide an elementary and high school

education on basically the same taxing amounts that a separate elementary or high school would generate. In 1945, the legislature gave the unit districts equal taxing power to the dual districts and in addition, unit districts were given a lower qualifying rate for entrance into state aid reimbursements. In effect, unit districts were now given essentially financial parity with dual districts and the lower qualifying rate for state aid provided a powerful incentive for the formation of unit districts. As a result of the aforementioned legislation, the number of districts declined from 11,000 to 5,000 by 1950.

More recent legislation has further created financial incentives for districts to consolidate. In 1983, legislation was enacted to guarantee that districts, which consolidated were insured of state aid that would not be less than would have been generated separately. This parity was insured for a period of three years.

In addition, state incentive money was guaranteed to equalize the salaries of the certified employees of districts that consolidated. This aid was also in the form of a three-year guarantee, which theoretically would give a newly formed district time to deal with staffing problems that would normally accrue in the formation of a new school district and the combination of employees.

Probably, the most significant incentive legislated in the 1983 package, was the state incentive aid on a one-time basis that would erase the “operational deficit” of combining districts. This legislation therefore would bring both districts combining at least to a zero level and enable the newly formed district to begin operations without a deficit in its main operating funds.

By 1985, the State Board of Education was investigating not only the financial aspects of school consolidation but also the educational inequities that were present in schools of various sizes. A study was commissioned by ISBE that examined the effects of enrollment size and district type on the quality of the educational program. This study reported minimal and optimal sizes of effective high schools in Illinois based on the number of courses available, achievement of students, number of teacher's preparations required and educational offerings available in high schools. Highest achievement was found to occur in high schools of between 494-1279 students. What ensued was legislation in the Omnibus 1985 reform educational legislation that determined that a minimal size for school districts and that unit districts were preferred over a dual district format.

Mandated reorganization committees were formed and given the task of studying reorganization in every region in the State of Illinois. Committee members were appointed by local boards of education. With few exceptions, these members were sympathetic to the current district structure and most of these committees' resisted ISBE efforts to impose reorganization. As the political ramifications of school reorganization rose to the top of the political arena, the Governor and the State Superintendent "reinterpreted" their intent of these reorganization committees and withdrew the minimal size of districts reorganizing and the preferred status of unit districts. With this, the reorganization committees, by and large, performed perfunctorily and made reports, which stated that no reorganization was needed or wanted by most districts in the state.

Legislation since 1983 has removed many of the disincentives discouraging reorganization. While the mandated avenue of reorganization at the state level has met with a great deal of resistance by the local school districts, the legislature and ISBE has attempted to encourage further reorganization by enacting legislation favorable to districts contemplating reorganization. Currently, there are more alternative methods now available to districts besides the referendum, which has been the historical model used to reorganize school districts. This variety of methods has sparked a renewed interest with generally smaller unit districts in dealing with their sparse high school populations. Also, small districts in general are looking at reorganization simply because the economy of size has caught up with their districts and they are finding it increasingly more difficult to fund the quality education of their students in an equitable and efficient manner. Therefore, the trend toward consolidation in the State of Illinois should continue as districts explore the various alternatives now open to them.

## **Historical Considerations and Alternative Strategies**

During the last fifty years, many school districts in Illinois have changed in the size of the geographic area that they serve as well as in their pattern of organization. Although it seems that Illinois has a large number of school districts (852 in 2017), it was not that long ago (1940s) that the state had over 12,000 districts.

There has been increasing emphasis in recent years on reducing the total number of school districts and on increasing the geographic area served by districts in order to increase both the size of student enrollment and staff. In May of 1985, the State Board of Education published yet another study on school district organization.

This report found that there was evidence that students:

"In the hundreds of very small school districts were receiving a significant loss in opportunity to learn when the courses available to them are compared with those available to students in high schools with enrollments of over 500 pupils."

This study further concluded that the current system of organization meant that:

"Uniform access to both adequate financial support and reasonable educational quality is not permitted by the present organization of our school districts."

Public Act 84-126 enacted in 1985 made sweeping changes and mandated the school reorganization of many smaller districts into larger districts through an elaborate set of procedures. However, within nine months of its enactment, the general assembly modified the reform bill with the passage of Public Act 84-1115, which effectively eliminated the mandatory reorganization procedures, which had been created by the earlier law.

Since the passage of PA 84-1115, it appears to some that there is literally an unannounced plan to bring about school consolidation as a result of additional reform

legislation; increased activities by the State Board of Education through more stringent rules and regulations; and legislative finance policies which place increasing pressure on local property to support schools. The combination of these factors continues to apply unrelenting pressure upon small districts to reorganize in some way into larger units of instruction. Added to these three forces, one must add a fourth and most recent one in the form of the State Board of Higher Education, high school requirements for admission to Illinois colleges and universities.

Despite well-researched studies as to the benefits of greater equity, the ability to attract higher quality teachers, the ability to increase both the depth and breadth of curricular offerings and a number of other "benefits" to be derived from economies of scale, those school reorganizations which actually take place are most often brought about by concern over increasing tax loads at the local level.

Recently, financial equity plans have included a statewide constitution challenge to the school funding formula. By seeking judicial relief in the form of a court case showcasing the inequity of school district financing in Illinois, school districts endeavored to change the current school district funding formula. While this effort was unsuccessful, it can be assumed that in the future, there will be other judicial or constitutional challenges to the system of financing Illinois schools, which have precipitated a disparate financing formula for the school children of Illinois.

Although the primary question in this study relates to the procedures and processes by which school districts might reorganize, the fact is that there have been less than fifty consolidations of school districts in the past five years. This translates into a consolidation figure of about five percent of the state's school districts. This low percentage is particularly remarkable when one considers that over half of the high

schools in the state have enrollments of less than five hundred students. Given these realities, this section is intended to address some “alternatives” being practiced in the state to inform the districts involved in this study.

### **Legislative Facilitation**

Cooperative agreements between school districts or between school districts and other governmental agencies have provided some viable consolidation alternatives.

Probably more Illinois districts than not, are involved in cooperatives in the areas of special education, vocational education, or both. What about areas other than these?

The broadest statutory authority supporting such a move is the Intergovernmental Cooperation Act, (Chapter 127, Sections 741 - 745 (1985)). This Act states that:

“Powers, privileges, or authority exercised ... by a public agency of this state may be exercised and enjoyed jointly with any other public agency of this state.”

This appears to authorize school districts to cooperate with each other in all of the normal functions carried on by school districts. Chapter 147, Section 745, further states that:

“One or more public agencies may contract with other public agencies to perform any governmental service, activity, or undertaking, which any of the agencies is authorized by law to perform, provided that such contract is authorized by the governing body of each party.”

Also, in 1985, Chapter 122 (School Code) was revised to authorize school districts to permit students to attend the schools of other districts. One limitation is that every school board must still maintain at least one elementary school within the district. More recent legislation took this process a step further. As a result of school code revisions

in 1986, school boards may deactivate and reactivate high and junior high school facilities under specific conditions, thus giving districts some time to thoroughly study the issue of consolidation. High schools and junior high schools may be deactivated indefinitely, with their students sent to another school in another district. This action may be taken with the approval of the voters in the sending district and the approval, by proper resolution, of the school board of the receiving district.

Another of the more recent legislative statutes, (P.A. 85-759), is the Cooperative High School Attendance Centers legislation. This legislation is a natural extension of the inter-governmental legislation mentioned above. This legislation is one of the approved methods for school district reorganization in Illinois.

### **Educational Cooperatives and Programming, Alternative**

Taking the cooperative model of Special and Vocational education, some school districts have entered into the formation of academic cooperatives. The Leland School District, LaSalle County #1, has been involved in a curriculum cooperative with the Somonauk School District #432 for many years. Both of the high schools have very small student enrollments. Yet, under a tuition agreement, students of both schools have access to courses in foreign languages, art, business, science, and other subjects that might not have been available without the agreement. The two districts developed a tuition agreement, which provided a formula for determining how much each district was charged based upon the "per capita tuition charge." As an outgrowth of the agreement, similar calendars, testing schedules, and transportation schedules were arranged cooperatively between the districts.

The Waterman School District #431 and Shabonna School District #524 share several high school staff members, course offerings, transportation, and costs related to

these functions. The districts have also combined their music programs that have resulted in one band and one chorus.

Schools in the area of the Toulon-Lafayette School District, band together to pool their resources by sharing staff, utilizing the local community colleges, and investing in microwave television hookups. These brief examples only begin to discuss academic cooperation, which is being carried out between and among many small districts in the state.

For many years the Hoopston area school district and Rossville-Alvin school district have shared their curricular offerings, transporting students between the two high schools each period of the school day.

### **Staff Recruitment, Retention, and Development Alternatives**

A shortage of teachers, keeping good teachers, and in-service education opportunities are problems relating to staffing that often force consolidation. Districts may combat the problem of teacher shortages in the small district through the following strategies:

- Make all district personnel and board members aware of shortages.
- Print brochures pointing up local advantages.
- Offer part-time additional jobs for qualified teachers.
- Establish cooperative staff development.
- Help teachers procure housing at a reasonable cost.
- Promote the benefits and challenges of a small district.
- Share a teacher among several districts in a technical or low incidence program (advanced math, electronics, physics, and music).
- Give academic credit for experience outside of teaching.
- Provide summer job assistance for teachers.
- Offer extended contracts for teaching on a year-round or near year-round basis.

Others who have worked on this problem suggest making salary and fringe benefits competitive, but a caution here is that community support is even more essential. Other approaches include the subsidizing of further education of teachers in small districts, encouraging churches and civic organizations to include teachers in their activities, and making recreational programs in the community available to teachers.

Staff development is a particularly critical area for recruiting and holding teachers in small communities. Teacher assistance teams can be established so that teachers may help other teachers, and visits to nearby districts are always a possibility. The Regional Office of Education (ROE) should be approached for specific and worthy in-service programs, which the districts want, not just what the ROE wishes to provide. Federal grants for staff development are available as are state assistance grants. Teachers can be reimbursed for college credit and should be encouraged to take as many courses in a new subject matter as possible. Finally, every district has "experts" living in the surrounding area that can be called upon to provide valuable in-service training to teachers.

### **Administrative Alternatives**

William Collier, retired superintendent in the Dunlap Unit School District, proposes that one superintendent be shared by several school districts to reduce costs and gain greater economy of scale. In an administrative co-op, two small districts can share the services of one superintendent and a small office staff. Duties and responsibilities associated with the Superintendent's position would remain much the same. Possible strengths include the fact that one person would be totally aware of the cooperating districts strengths and weaknesses and would be able to make adjustments easily. Collier provides a list of areas where sharing could occur as a result of

administrative cooperation: food service, transportation, gifted education, legal services, guidance programs, driver education, purchasing, staff development, and staff sharing. Superintendent Collier claims that,

*"Many of the concerns of small districts could be eliminated by' well organized and trusting cooperation."*

Several recommendations (from the IASB Journal article entitled, "Tips for Sharing Administrators" by William H. Phillips) have been developed by a superintendent who had direct experience with administrative cooperatives. In the article, Dr. Phillips relates his experience as a superintendent of two school districts and provides suggestions for superintendents contemplating administrative sharing with two or more school districts:

- Share superintendents but do not share principals.
- Re-define the superintendent's job so that the workload is the equivalent of one position, not two or three.
- Establish one central administrative office.
- Do not have the superintendent wasting time between separate district offices.
- Create continuing communication linkages between participating school boards. Joint informational board meetings enhance economy of time by allowing the superintendent to keep all boards informed with a single report.

### **Technological Alternatives**

A major success story in the area of technology is that of Hall-Spring Valley High School. At this high school, satellite television in the classroom allows students to communicate with students in other schools both inside and outside of this country. In this particular case, government surplus materials were used to build the receiving station. The Illinois location also permits the use of lower cost receiving equipment.

Educational advantages are numerous and include the capability to tape programs for later playback. District administrators report that this technology has improved virtually every program in the school system.

In Carroll County, the Television Cooperative provides the use of a two-way interactive television system and cable facilities. Curricular advantages include being able to offer courses that usually attract only a small number of students in one school district such as advanced level mathematics, science, and foreign language. A second important feature of the system is the opportunity to utilize the best teachers to teach more students. This arrangement further motivates and challenges students, promotes higher levels of student achievement, and increases the efficiency of teacher instructional time.

An additional technological means of enhancing the financial and educational services of the small district is to establish a network linking a mainframe or mini-computer to terminals housed in several small districts. Districts can share the costs of programming and maintenance of the single larger computer. The Gillette, Wyoming, school district is a national show place of connecting far-flung individual schools together through the use of the computer.

The focus of this section of the study has discussed Alternatives to Reorganization that school districts may utilize in Illinois. It has focused on the options and alternatives for high schools. It should be noted for information purposes that elementary districts may also utilize these same alternatives for their elementary and junior high school programs.

## **A Brief Literature Review**

The issue of reorganization has been the focus of several studies throughout the United States. One of the common themes in the literature has been the "strengths of rural schools." Stephens (1986) lists several of the commonly accepted attributes of small schools: smaller classes, individual attention by teachers, low drop-out rates, the opportunity to develop student leadership, strong family and community support, and good parental interaction.

Monk and Haller (1986), in a study of rural New York schools, found that substantial problems exist in small schools and these problems significantly disadvantage students who attend them. At the same time, Monk and Haller found that small districts provide important educational advantages to pupils and to the communities they serve. The weaknesses identified by Monk and Haller included:

- Limited Curricula
- Scheduling difficulties that further limit programs
- Shortage of teachers in some subject areas
- Faculty have heavy and non-specialized teaching loads
- Educational aspirations of the students and community tend to be low.

The strengths identified by Monk and Haller included:

- Schools are the focal point of the community
- Schools are devoid of discipline problems evident in large urban districts
- Students learn the "basics" as well as other students and sometimes better
- Schools provide opportunities to develop leadership potential and non-academic skills

Monk and Haller noted that some problems appear in only the very smallest of schools (i.e., those schools with fewer than 100 students per grade level). It should be noted that Illinois currently has at least 250 school districts that enroll fewer than 100 students per grade level.

Regarding school size, Webb (1977) states:

'Studies relating to effective and desirable sizes of school districts indicate that school district size is not an absolute, that the "optimum size" will vary from state to state and that size is but one of many factors related to educational quality and operational efficiency'. (p. 365)

They also noted that in small rural schools, if a student does not relate well to a teacher, he/she has no other choices. Similarly, many students are pressured into participating in extra-curricular activities in which they have no interest or may not have the physical abilities needed. Additionally, students are unable to avoid incompetent teachers. Monk and Haller note that while small schools give teachers the opportunity to know their students better, this also provides increased opportunities for harmful mistakes by teachers.

Hughes (1990) studied the 100 smallest schools in Wisconsin from May 1987, through October 1988. The study identified the same small school attributes and disadvantages as Monk, Haller and Stephens. Hughes stated that following advantages selected from the study were verified by the literature: broader student participation, close personal relationships, student leadership opportunities, community support, better school climate and student attitudes, fewer discipline problems and greater flexibility. The constraints identified by Hughes were: limited administrative and supervisory personnel, teachers spread too thin, lack of cultural diversity, limited offerings for students, difficulty in recruiting and keeping staff, restricted facilities and higher per pupil costs. Hughes was not able to show that small schools had higher test scores or that small school graduates had a higher rate of college completion.

A recurring problem for small rural schools, as identified by Monk, Haller, Stephens and Hughes is attracting and retaining competent staff. One of the contributing factors could be salaries paid to beginning and veteran teachers in small rural schools. In a survey

of school administrators in Illinois, Hall and Smith-Dickson (1991) found that 122 of 499 reporting districts believed their salary schedules were not competitive and hindered the recruitment of qualified teachers. Sher (1986) was commissioned by the North Carolina School Board Association to critique a 1986 report by the State Board of Public Instruction that called for larger school districts. In his analysis of the report, Sher concluded that there was no solid foundation for believing that wholesale elimination of school districts would improve educational opportunities and stated that reorganization should be strictly voluntary. In his report, Sher made the following five points:

1. Merger decisions are too complex and far-reaching in their impact to be made any way other than on a case-by-case basis.
2. Good schools and school districts come in all shapes and sizes (as do poor ones) and therefore, educational policies, which place too much reliance on any rigid size and organizational criteria are likely to be counterproductive.
3. Since directly mandating across-the-board mergers will not advance any compelling state interest, the state should discontinue all backdoor approaches to the same end.
4. There are a variety of alternatives to consolidation that can expand educational opportunities and enhance cost-effectiveness without abolishing existing units. Most important, organizational issues like merger are very rarely the key to enhancing the quality and efficiency of public education.
5. Most important, organizational issues like merger are very rarely the key to enhancing the quality and efficiency of public education. Occasionally, making schools and school districts bigger is helpful, but more often it is merely a diversion away from the greater task of finding new ways to positively influence the lives of children and to increase the effectiveness of those who work in their service.

## **School District Reorganization in Illinois Since 1985**

During the last fifty years, many school districts in Illinois have changed the size of the geographic area that they serve and in the manner in which they are organized. Although today it seems that Illinois has an extremely large number of school districts, it should be remembered that a few decades ago this state had an even larger number of school districts. Before the end of World War II, Illinois had nearly 12,000 school districts. Through the evolutionary process, the number has decreased to the point where the current number of school districts (2019-20) in Illinois is 851.

There has been increased emphasis in recent years on reducing the total number of school districts and on increasing the geographic area served by districts in order to increase districts student enrollment, high school course offerings, assessed valuation, and staff size. In May of 1985, the Illinois State Board of Education published a study on school district reorganization. The report found that there was evidence that students "in the hundreds of very small districts were receiving a significant loss in opportunity with those available to students in high schools with enrollments over 500 students." That study concluded that the current system of organization meant that, "uniform access to both adequate financial support and reasonable educational quality is not permitted by the present organization of our school districts.

Part of the education reform legislation that became effective on August 1, 1985, provided for school district reorganization. Public Act 84-126 made sweeping changes and mandated the school reorganization of many smaller districts into larger districts through an elaborate set of Procedures. However, shortly after enactment of that law, the General Assembly modified the law by Public Act 84-1115. That law effectively

eliminated the mandatory reorganization procedures, which had been created by the earlier law.

Notwithstanding, the General Assembly's action, which caused Illinois to step back from mandated reorganization, there still exists strong interest and concern about what has come to be called "school consolidation." School consolidation is the general term, which covers many of the different methods for school districts to be combined, deactivated, dissolved, annexed or otherwise reorganized.

The reason reorganization proposals have been increasing is based on legislation that has encouraged consolidations in the state by allowing the various school districts to choose from an expanded list of methods and procedures to consolidate. In addition, the financial incentives passed by the General Assembly continue to be a strong impetus to school districts that are increasingly experiencing financial trouble based upon lowered assessed valuations and declining student enrollments.

As a clear example of the progress of school district reorganization in Illinois, the number of school consolidations in the period of 1980-85 was six consolidations. Additionally, at this period, there were only three authorized methods of school district consolidation. As a result of numerous State Board of Education studies, there was adopted in 1983, the first piece of significant legislation that addressed the problem of school district reorganization "disincentives." In 1983, three financial incentives were promulgated by the General Assembly. These incentives paid for the operating debt deficits between consolidating districts from the education, operations, and transportation and working cash fund balances of school districts. Reorganization incentives were based upon prior year's budget balances, equalizing the salaries of

full-time, certified employees from the newly reorganized districts for a period of three years, and holding harmless the amount of General State Aid to be received in a newly reorganized district.

In 1985, the Omnibus Education Bill, was enacted which addressed school district reorganization with its mandatory provisions while the General Assembly repealed the mandatory provisions of the legislation, the required studies were completed and seemed to initiate interest in the process of reorganization throughout the state. As proof of the increasing interest in school district reorganization, there were 44 school consolidations in the period of 1985-90 with 62 additional consolidations in the time period of 1990-98.

Districts are now able to pick from an expanded list of authorized methods of school district reorganization. There are currently eleven authorized methods of school district reorganization. From this list of authorized methods, two methods, 11E consolidation and Article 7, annexations have constituted over 90% of the consolidations in the state since 1985.

In addition, another financial incentive was added to the three existing incentives. This incentive provides for a payment of up to three years of \$4,000.00 per full-time, certified staff member in a newly reorganized district. The financial incentives paid to school districts have amounted to over \$103,000,000 from the period of 1986-1998. During the 1991-92 school years, the legislature did not allocate enough money to pay all of the incentive claims made upon the Illinois State Board of Education, and the \$4,000 per certified employee incentive was not paid to some newly consolidated districts until the following year. However, in 1993 and in all subsequent years, enough

funds have been allocated to pay all of the reorganization incentive claims made by newly consolidated districts.

Among the currently authorized methods of school district reorganization are eleven different legal processes that encompass different kinds of school districts and their legal consolidation or dismemberment. The names of the appropriate sections from the Illinois School Code are utilized to identify the separate legal processes in school district reorganization.

1. Article 11E, formerly 11E, Unit District formation is the only method by which a new unit district can be formed from currently existing unit districts or a combination of elementary and high school districts. This is one of the more commonly utilized methods of reorganization. Districts using this method are able to access all four financial incentives. Districts utilizing this method must pass with a majority of voters in each affected area to approve the proposition.
2. Article 11E, formerly 11B, Combination of Elementary and High School Districts utilizes basically the same guidelines for Article 11E consolidations except that it combines either elementary or high school districts. The proposition to create a combined school district shall pass if a majority in each affected district, vote in favor of the proposition. Districts utilizing this method of reorganization are also eligible for the financial incentives.
3. Smaller unit districts, may convert a unit district into a dual district and annex their high school students to a neighboring high school district in Article 11E, formerly 7A. Both the newly created elementary district and the annexing high school district are eligible for financial incentives. Unit districts wanting to utilize this reorganization method must have a contiguous high school district willing to annex their high school populations.
4. Article 11E, formerly 11D, Conversions of existing unit districts into dual districts is an authorized method and has to date been utilized only once in Illinois. It is the only method of reorganization where more school districts are created than originally existed. All newly created dual districts are eligible for financial incentives. The proposition to create dual districts utilizing Article 11E must pass in each affected area to be successful.
5. Article 7 Annexation has attained the status of one of the most commonly utilized methods of school district reorganization. Article 7 annexations are approved by the Regional Board of School Trustees. The required public hearing is the opportunity for local proponents and opponents to be heard by

the Regional Board. Annexing districts are also eligible for financial incentives. In all of the methods of reorganization, bonded indebtedness stays with the original existing school district. In addition, the tax rates of the annexed district convert to the existing rates of the annexing district with the exception of the bond & interest fund. Since 1997, annexations must now also be approved in a referendum by passing with a majority of voters in each affected district.

6. Article 7-2a(a) Dissolutions allow districts with a population of less than 5,000 to petition the Regional Board to Trustees to dissolve their district and annex them to one or more contiguous districts. Petitions for dissolution may be made by school boards or a majority of voters in the dissolving district. This "automatic" provision requires the Regional Board to dissolve the district after a public hearing and annex the district to one or more neighboring districts. Only a counter-petition signed by a majority of district voters can stop the board's dissolution petition. The bonded indebtedness of the annexed district remains with the former district unless the annexing district votes to assume their bonded debt. The annexing district(s) are eligible for financial incentives.
7. Deactivations of high schools under Section 10-22.22b is the temporary deactivation of a high or junior high school with the approval of the board of the receiving district and a vote of the majority of voters in the deactivating district. In this reorganization method, the deactivating district pays an agreed upon fee per student for educational services through an Intergovernmental Agreement. These agreements begin as a two-year agreement but may be continued for a one- or two-year period. In this method, the deactivated district is still existing and continues its financial requirements including providing transportation to the new district. Currently, there are two financial incentives authorized for this reorganization method.
8. Section 10-22.22c allows two or more contiguous high school or unit districts, to jointly operate one or more high school centers. There is a twenty-year minimum time period requirement for Cooperative High Schools utilizing this method of reorganization. A new board of education is created from members of the existing boards of cooperating districts. Currently two of the four financial incentives are authorized: \$4,000 per full time certified teacher for three years, and the Salary Difference payment for four years. This method of school district reorganization was created in 1987 and has been utilized only twice in the state as of this date (Paris Coop HS and Bismark Henning Rossville Alvin Coop HS).

New reorganization types authorized by P.A. 94-1019 are included within the new Article 11E are:

9. Optional Elementary Unit District: A unit district is formed from a high school district and any elementary district(s) approving the consolidation. All

students in the territory will attend the new district for high school purposes. Only those students living in elementary districts electing to join the new district will attend for elementary purposes. Elementary districts electing not to join the new district will remain separate, independent elementary districts. Under prior law, one elementary district could keep an entire area from moving forward with a unit district formation.

10. Combined high school-unit district: A high school district can combine with a unit district so long as both districts approve and are physically contiguous. The new district would serve the entire territory for high school purposes, but only the former unit district territory for elementary purposes.

11. Multi-unit conversion: A new conversion process is available if two or more unit districts want to consolidate at the high school level, but keep a separate elementary district for part of the territory. The unit districts can dissolve to form a new combined high school-unit district serving the entire territory for high school purposes, and the former territory of one of the units for elementary purposes. A new elementary district would be formed serving the former territory of the other unit district for elementary purposes.

All of the above methods of school district reorganization require that teachers employed in newly reorganized districts maintain their teacher tenure in the new district in the same manner and with the same number of years on a consolidated certified seniority list. In addition, all multi-year agreements with the exception of collective bargaining agreements, existing in reorganized districts must be honored or negotiated by the newly created district(s). New legislation now requires a combined Education Support Personnel combined Seniority List. Support staff must be reduced by this newly combined ESP Seniority List by the newly reorganized district.

While the subject of school district reorganization is discussed annually by the Illinois General Assembly there continues to be refinement of the rules and regulations governing this intricate set of legal processes in Illinois. However, there is continued interest in voluntary school district reorganization in Illinois due to the declining enrollments and fiscal conditions of many Illinois school districts.

March/April 2006

### Proposed legislation realigns reorganization

*by William H. Phillips*

William H. Phillips is an associate professor of educational leadership at the University of Illinois-Springfield and conducts school reorganizational studies in Illinois.

Proposed legislation has been crafted to discuss one of the most sensitive issues involving school districts in Illinois: reorganization.

In the past, the provisions of the School Code have been complicated and lengthy. Essentially, what this draft legislation intends to do is merge four of the eight approvable reorganization methods into a single article (11-E) and, in the process, allow mergers of school districts that were not previously allowed. The proposed legislation was written by the governor's office in conjunction with the Illinois State Board of Education.

To paraphrase State Superintendent Randy Dunn, this legislation would add greater flexibility and efficiency to the reorganization process, while consolidating and streamlining provisions of the School Code.

No language in the proposed legislation is intended to be mandatory, and voters in each district would still need to approve these reorganizations.

So what are the changes, additions and implications of this lengthy proposal?

The biggest change is the combinations allowed under a new Article 11-E of the School Code, which merges the only current method of creating a unit district (Article 11-A), the only way to create a new elementary or high school district (Article 11-B), a method to make dual districts out of unit districts (Article 11-D) and small unit district conversion provisions (Article 7a), in which a unit district is dissolved and transformed into an elementary district while concurrently annexing the high school population to a contiguous high school

In this process, many of the intricacies of the previous methods have been aligned, as well as allowing some new combinations of school districts. New combinations would include:

- **Elementary districts within the same high school district could consolidate to form a unit district even if the districts are not contiguous.**
- **A district (or districts) could consolidate within a high school district to form a unit district even if all of the elementary districts do not approve. With this provision, there is an "opt in" provision in which elementary districts can join the unit at a later date. This same "opt in" provision is also included in a possible phasing in of financial incentives for consolidating districts.**
- **A high school district could consolidate with a unit district as long as both districts are contiguous. Later, feeder elementary districts from the former high school districts may also "opt in" to the newly created unit district.**

In addition, a "stair-step mechanism" is created in which the consolidating districts may reduce the maximum levy gradually to recognize the benefits of their consolidation. This provision would allow combination of the lowest elementary districts tax rates with the high school rates without reduction if they exceeded the maximum allowable rates by district type for two years and then reduce annually by .10 percent.

In creating Article 11-E, many of the various provisions have been standardized for uniformity. Some of the recommendations include:

- **The requirements for board approval or resident signatures are standardized to 50 signatures or 10 percent of the registered voters in each affected district, whichever is less.**
- **The hearing requirements would be the same for all reorganization in which the Regional Superintendent would grant or deny reorganization petitions without state superintendent approval. If the ROE denies the petition, then the state superintendent may make the final decision.**
- **Voting requirements have also been standardized so that a successful reorganization referendum requires a majority of voters "in each affected district for passage." This is a change from original requirements for 11-B reorganizations, which required a "majority of those voting overall."**

#### ***Other provisions***

Section 11-E-15 would allow School District Conversion with the following guidelines:

- **A small unit district, defined as fewer than 250 students in grades 9-12, may be dissolved and converted into an elementary district if the new elementary district keeps all of the former unit district territory and there is a concurrent annexation to a contiguous high school district.**
- **Two or more contiguous unit districts or one or more unit districts and a high school district may form a high school district and new elementary districts based upon the former boundaries of the dissolved districts.**
- **Districts may not use this second provision if they have more than 600 high school students. The state superintendent may grant waivers for this requirement.**

Section 11-E-25 would allow unit district formation from dual district territory exclusively.

- **In Section A of this provision, unit districts may be formed from territory of districts that do not encompass any unit district territory.**
- **In Section B of this provision, one or more unit districts that are contiguous plus any territory *no part of which is included within any unit district* may be organized into a unit district.**

Section 11-E-30 allows partial elementary unit district formation.

- **In Section A of this provision high school district(s) and unit district(s) may be dissolved and form a combined high school-unit district.**
- **In Section B of this provision a high school district and one or more elementary districts may organize into an "optional elementary unit district."**
- **In Section C, there is an "opt-in" provision for those elementary districts that may wish to join the elementary unit district at a later date.**

#### ***Other issues***

Other salient issues that always accompany consolidations also are discussed in this draft legislation, including requirements for petitions to initiate the reorganization process. They are standardized in Article

11-E to include petitions from school boards and citizen petitions that have 50 voter signatures from "each affected district" or 10 percent of the registered voters from "each affected district," whichever is smallest.

The petitions must also now set forth the *maximum tax rates* that the proposed district will be authorized to levy plus information pertaining to the Property Tax Extension Limitation Law (PTELL), including the "aggregate extension base" and the "debt service extension base" of the districts.

The allowable methods on the referendum ballot to elect board members have not changed: the "default method" is "at large" or the choice can be to divide the new district into seven equally populated areas. This second method is not newly created but does require approval at the reorganization referendum. However, new sections deal with Board of Education membership for community unit school districts formed before January 1, 1975, and for combined school districts formed before July 1, 1983. These circumstances may be rare, but they allow for different configurations of board membership.

The Committee of Ten retains many of the same responsibilities for reorganization. Article 11-E contains language that delineates vacancies on the Committee of Ten, in which the committee may replace its own members, is retained from previous statutes.

Regional superintendents will continue to hold hearings under Article 11-E, with newly expanded requirements. At this hearing, after notice has been published, there is a required agenda including:

- **Evidence of school needs and conditions**
- **Ability of proposed district to meet standards of recognition.**
- **Consideration of division of funds and assets.**
- **Maximum tax rates for various purposes that the proposed district shall be authorized to levy including PTELL information, if appropriate, which shall have information regarding the "aggregate extension base" and the "debt service extension base."**

Within 14 days after the conclusion of the hearing, the regional superintendent would either approve or deny the petition. If the regional superintendent fails to act within 21 days after the hearing or denies the petition, the petition is deemed to have been denied and petitioners may appeal to the state superintendent. If the state superintendent denies the petition, then that office issues the "specific basis for the denial." Administrative review for either denial is still possible within a one-year period after the petition by any resident of the territory described, petitioner or board member.

### ***Election changes***

The election process also has been standardized in that all elections for Article 11-E reorganization must pass with a majority of voters in each affected district. This was the same as previously required except that Article 11-B previously required a "majority of those voting overall." Election passage requirements also feature that in an "optional elementary unit district" a majority of voters in the high school district and at least one affected elementary district. In the case of voting requirements for elementary districts "opting in" later, they must also pass with a majority of voters in each affected district. Special provisions for unit district formation include that if "at least two unit districts voted in favor of consolidation" then the members of the Committee of Ten shall present an amended petition to the boards as long as the territory is contiguous.

Tax rates and the voting for these rates in a referendum are changed by Article 11-E. Previously, only the tax rates for the education; operations, buildings and maintenance (OMB); transportation; and life safety funds were included on the ballot. Now each rate is to be included on the ballot, except bond and interest, and there is also a new provision which allows the "maximum allowable rates by district type" to be exceeded for a temporary period.

The maximum allowable rates for a new district are calculated by combining the rates currently levied in education, OBM and transportation funds, with the rates of the lowest participating elementary district and

the current rates of the high school district for two years after a successful reorganization and with a concurrent reduction to maximum allowable rates at .10 percent per year thereafter for a newly formed district. Therefore, this new provision allows a newly formed district to temporarily exceed the allowable tax rates by district type. This provides a necessary equalization of former tax rates for a newly merged district. A provision also allows districts forming in April elections may submit their new rates to respective county clerks and they may receive their new rates in the same calendar year in which the referendum was approved.

An additional section of Article 17-3 deals with tax rates in which districts may submit a referendum to allow them to levy a tax for a period of "not less than three years or more than 10 years." Thus, taxpayers and districts have a "temporary tax increase" authority. This may cause taxpayers to be more inclined to vote for tax increases when they know there is a sunset date for the increase. This is currently in statutes but not used extensively by school districts.

The issue of bonded indebtedness of a newly reorganized district always has been a prominent issue. Article 11-E again uses the concept that bonded indebtedness "stays with the district and its boundaries that originally issued the bonds." Also as previously allowed, bond sales may be approved at the same time in the passage of a reorganization referendum.

Teacher tenure or "contractual continued service" remains mostly the same as previously approved. The only different implications allow teachers, who for five years previous to a reorganization served in a capacity as a high school teacher or an elementary school teacher, to transfer to the board of the type of school that allows them to serve in the same capacity. In the case of a teacher who previously split teaching assignments, the teacher can request to serve in either type of district.

### ***Financial incentives***

The state has offered four financial incentives for decades for districts that consolidate. Each incentive — General State Aid Equalization; Teacher Salary Equalization; Debt Difference Payment; and \$4,000 per full-time certified teacher — is still based on an ISBE "quintile system." While there are no new incentives or increases in incentive amounts, there is an "opt in" provision for elementary districts merging with the unit district at a later date. The "opt-in" provisions are allowed for four years after a successful merger with other elementary districts.

This legislation is lengthy and complicated, allowing changes in possible school district configurations, opting-in provisions, more tax rates being included on a referendum, districts to use a combined tax rate that may exceed allowable rate limits temporarily, newly expanded requirements for ROE hearings and a host of other issues.

Keep in mind that all of these changes are meant to be permissive; there are no mandatory provisions for districts to consolidate.

Changes of this magnitude to existing laws and procedures are bound to raise considerable interest and concern, if not outright skepticism. However, do not let the sheer size and number of changes keep you from a careful examination of this legislation that addresses, more than any legislation since 1985, the issue of school district reorganization in Illinois.

### ***Be alert for changes***

This proposed school reorganization legislation is now SB2795. Because a bill can be amended at any time, some of the provisions described here may have changed by the time the Journal reaches you.

According to Ben Schwarm, IASB associate executive director, governmental relations, the Association will not take an official position until the language and provisions are more finalized.

Schwarm will keep IASB members up-to-date on changes through the weekly Alliance Legislative Report, available at [www.iasb.com](http://www.iasb.com). Those who would like to have the report e-mailed to them automatically should e-mail Schwarm at [bschwarm@iasb.com](mailto:bschwarm@iasb.com).



# Illinois State Board of Education

July 28, 2006

Guidance Document

## SCHOOL DISTRICT REORGANIZATION

*This document is intended to provide non-regulatory guidance on the subject matter listed above. For specific questions, please contact the person(s) identified in the document.*

**(Public Act 94-1019)**

Rod R. Blagojevich, Governor

**Illinois State Board of Education**

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Printed by AFL-CIO (AFSCME Local #288 and IFSOE Local #3236) Employees

# TABLE OF CONTENTS

## GUIDANCE DOCUMENT ON SCHOOL DISTRICT REORGANIZATIONS UNDER PUBLIC ACT 94-1019

|   |    |
|---|----|
| A. General Information.....                                       | 1  |
| 1. Definition of “school district reorganization”.....            | 1  |
| 2. Impact of Public Act 94-1019.....                              | 1  |
| 3. Importance of more opportunities.....                          | 1  |
| 4. Types of reorganization allowed.....                           | 1  |
| a. Those not impacted .....                                       | 1  |
| b. Those authorized under prior law .....                         | 2  |
| c. New reorganization types.....                                  | 2  |
| 5. Reorganization is voluntary .....                              | 3  |
| 6. Changes to prior requirements, generally .....                 | 3  |
| B. Further Explanation of “Hybrid” .....                          | 4  |
| 1. Optional Elementary Unit Districts .....                       | 4  |
| 2. Combined High School-Unit District .....                       | 5  |
| 3. Multi-Unit .....   | 6  |
| 4. Tax rates and bonding for .....                                | 6  |
| 5. Service on school boards .....                                 | 8  |
| 6. Effect on General State Aid .....                              | 9  |
| 7. Administration of subfunds and tax .....                       | 9  |
| C. General Questions Regarding Consolidations Under Article ..... | 9  |
| 1. General .....  | 9  |
| 2. Approval of filing of petition .....                           | 9  |
| 3. Changes to petition requirements .....                         | 10 |
| 4. Petition requirements .....                                    | 10 |
| 5. Specification of tax rates on petition .....                   | 10 |
| 6. Committee of Ten .....   | 11 |
| 7. Rights of “affected districts” .....                           | 12 |
| 8. Notice of filing of petition .....                             | 12 |
| 9. Hearing requirements; conduct of .....                         | 12 |
| 10. Approval of petition; administrative .....                    | 13 |
| 11. Role of regional board of school trustees .....               | 13 |
| 12. Payment of costs .....  | 13 |
| 13. Viability of reorganized school .....                         | 13 |
| 14. General election .....  | 14 |
| 15. Passage requirements of .....                                 | 14 |
| 16. Effective date of .....                                       | 14 |
| 17. Actions by new board prior to effective .....                 | 14 |
| 18. Transfer of tenured .....                                     | 15 |

|   |    |
|---|----|
| 19. Exemption from increase in payment to .....                         | 15 |
| 20. Impact on adequate yearly .....                                     | 15 |
| 21. Impact on .....   | 16 |
| D. Incentives .....   | 16 |
| 1. Continued incentive structure .....                                  | 16 |
| 2. Funding of feasibility .....   | 16 |
| 3. Application for feasibility study .....                              | 16 |
| 4. Budgeted amount for 2007 incentives .....                            | 17 |
| 5. Types of incentives .....  | 17 |
| E. First Steps and Further .....  | 17 |
| 1. School Board exploration of options .....                            | 17 |
| 2. Citizen exploration of .....   | 18 |
| 3. ISBE contact information .....                                       | 18 |
| F. Appendix A – approximate timelines for April 17, 2007 election ..... | 19 |
| G. Appendix B – comparison chart of current and prior statutory .....   | 21 |

# **GUIDANCE DOCUMENT ON SCHOOL DISTRICT REORGANIZATIONS**

## **UNDER PUBLIC ACT 94-1019**

### **A. GENERAL INFORMATION ON PUBLIC ACT AND REORGANIZATION OPTIONS IN ILLINOIS**

#### **1. What is meant by the term “school district reorganization”?**

School district reorganization is the umbrella term which includes consolidation, combination, annexation, unit district conversion, high school deactivation, and cooperative high school attendance centers.

#### **2. In general, how does P.A. 94-1019 impact school district reorganization?**

Public Act 94-1019 consolidates Articles 7A, 11A, 11B and 11D of the School Code into a new Article 11E. It adds greater flexibility and efficiency to the reorganization process. In addition, it creates opportunities for new types of reorganizations not allowed under prior law. Petition and voting requirements are now consistent for all types of reorganizations under Article 11E. The new Article 11E only includes options that ensure any reorganization will be approved by the voters, and ensures no reorganization will raise taxes without approval by the voters in the affected districts.

#### **3. Why is it important to provide more opportunities for reorganizations?**

Illinois has approximately 875 school districts; about 200 of these districts are single-school. Having multiple school districts in the same geographic area can lead to unnecessary administrative costs. Smaller school districts can have difficulty providing a comprehensive program, especially at the high school level. In areas with multiple elementary districts feeding to a separate high school district, it can be difficult to achieve curricular alignment among the elementary, middle and senior high schools.

#### **4. What types of school district reorganizations are allowed after P.A. 94-1019?**

School district reorganizations can be grouped into three categories: (A) reorganization types not included in Article 11E as the result of P.A. 94-1019, and therefore not impacted by this Act; (B) reorganization types authorized under prior law and included within Article 11E pursuant to P.A. 94-1019; and (C) new reorganization types authorized by P.A. 94-1019.

*A. Reorganization types not included in Article 11E as the result of P.A. 94-1019, and therefore not impacted by this Act*

Article 11E does not include reorganization types not involving the creation of a new district. These types of reorganization are:

- Deactivation (Sec. 10-22.22b)

- Cooperative High School (Sec. 10-22.22c)
- Dissolution or Detachment (Article 7)

P.A. 94-1019 does not impact a community's ability to use a reorganization process not included in Article 11E. These options may still offer the best solution for a particular community's needs.

*(B) Reorganization types authorized under prior law and included within Article 11E pursuant to P.A. 94-1019*

Reorganizations allowed under prior law and included within Article 11E (with minor changes described later) are:

**Small unit district conversion (previously in Article 7A of the School Code): A small unit district is dissolved. An elementary district is created, and high school students go to a contiguous high school district.**

- Unit district formation (previously in Article 11A of the School Code): Formation of a K-12 district from elementary and high school (dual) territory, or from an existing unit district and territory not within a unit district, or from two or more existing unit districts.
- Combined school district (previously in Article 11B of the School Code): Two or more elementary districts or two or more high school districts combine to form a new district.
- School district conversion (previously in Article 11D of the School Code): Two or more unit districts combine to form elementary districts based on the old unit district boundaries and a new high school district overlying the entire territory.

**C. New reorganization types authorized by P.A. 94-1019**

The new reorganization types authorized by P.A. 94-1019 and included within the new Article 11E are:

- Optional elementary unit district: A unit district is formed from a high school district and any elementary district(s) approving the consolidation. All students in the territory will attend the new district for high school purposes. Only those students living in elementary districts electing to join the new district will attend for elementary purposes. Elementary districts electing not to join the new district will remain separate, independent elementary districts. Under prior law, one elementary district could keep an entire area from moving forward with a unit district formation.
- Combined high school – unit district: A high school district can combine with a unit district so long as both districts approve and are physically contiguous. The new district would serve the entire territory for high school purposes, but only the former unit district territory for elementary purposes.
- Multi-unit conversion: A new conversion process is available if two or more unit districts want to consolidate at the high school level, but keep a separate

elementary district for part of the territory. The unit districts can dissolve to form a new combined high school-unit district serving the entire territory for high school purposes, and the former territory of one of the units for elementary purposes. A new elementary district would be formed serving the former territory of the other unit district for elementary purposes.

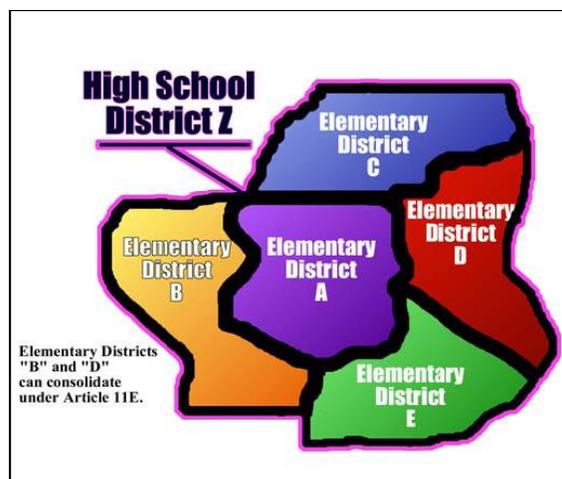
**5. Are any of the reorganization types included in Article 11E involuntary?**

No. All reorganizations included in Article 11E must be approved by a majority vote in each of the districts impacted by the reorganization.

**6. Does P.A. 94-1019 change the prior requirements for conversions, combinations and unit district formations?**

P.A. 94-1019 makes minor changes to the prior requirements for conversions, combinations and unit district formations to provide more opportunities for voluntary reorganizations. It eliminates the minimum equalized assessed valuation (EAV) and population requirements for the formation of unit districts and school district combinations, which lead to larger districts. It also eliminates the maximum enrollment limits for school district conversions, which lead to larger high school districts. The regional superintendent and State Superintendent will have the opportunity to review the viability of the proposed districts. Therefore, the drafters of P.A. 94-1019 felt these statutory restrictions were unnecessary.

P.A. 94-1019 also authorizes elementary districts within the same high school district to consolidate, even if not contiguous. These districts will always be in the same general geographic region, and because they feed to the same high school district, their consolidation can help with curricular alignment between the elementary and high school districts.



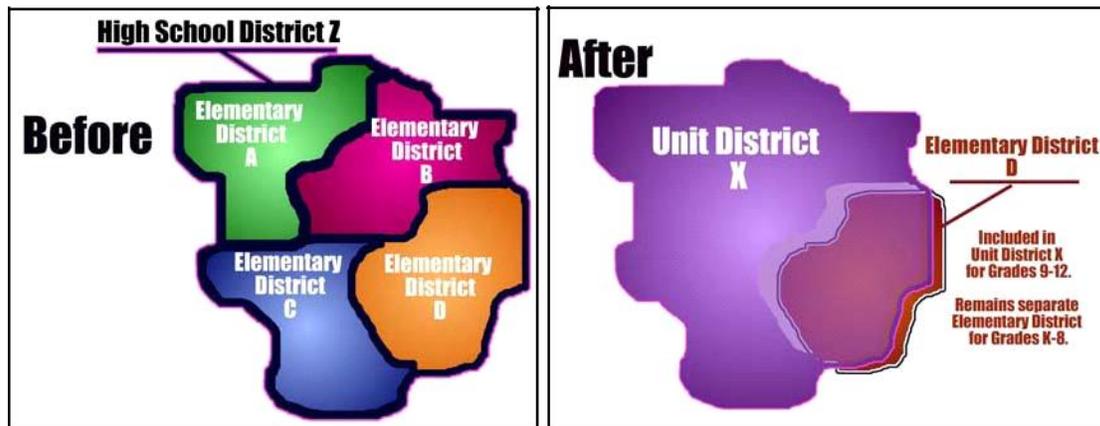
## B. FURTHER EXPLANATION OF “HYBRID” DISTRICTS

P.A. 94-1019 authorizes the creation of two entirely new types of school districts: optional elementary unit districts, and combined-high school unit districts. (A multi-unit conversion is a new reorganization process that results in a combined high school – unit district and one or more new elementary districts.) In this guidance document, optional elementary unit districts and combined-high school unit districts are collectively referred to as “hybrid” districts because they both include some territory of the district for K – 12 purposes, and the remaining territory for high school purposes only. (In Article 11E, the statutory term for “hybrid” districts is partial elementary unit districts.) The following sections further illustrate these options.

### 1. Optional Elementary Unit District

An optional elementary unit district may be a desirable option for dual district territory where some, but not all, of the elementary districts are likely to approve a unit district formation.

- Under this type of reorganization, a unit district is formed from the high school district and any elementary district(s) approving the consolidation. Elementary districts A, B and C can form a unit with high school district Z, even if D does not join.



#### *Eligibility Requirements*

P.A. 94-1019 includes protections to ensure that optional elementary unit districts are only formed from dual district territory with tax rates suggesting the newly-formed district can be viable at unit district rates. Specifically, territory comprising at least 51% of the EAV of the high school district must be subject to a combined high school and elementary tax rate for educational purposes of 4.0% or less.

In addition, the high school district and elementary districts must be “substantially coterminous.” This means that the high school district and elementary districts share the same boundaries, or share the same boundaries except for territory encompassing, for a particular

district, (i) less than 25% of the land area of the district, (ii) less than 8% of the student enrollment of the district, and (iii) less than 8% of the equalized assessed valuation of the district. If the dual territory is not “substantially coterminous,” it can become that way through the detachment and annexation process authorized under Article 7 of the School Code.

ISBE can assist local districts to determine whether they are eligible to form an optional elementary unit district.

***Opt-in process:***

For five years following the formation of an optional elementary unit district, an elementary district that did not join initially can vote to join solely by a vote within that elementary district. The elementary district must bond out any operational debt it has incurred since the new district was formed so that the debt remains the responsibility of taxpayers within the elementary district. The drafters of P.A. 94-1019 did not want the elementary district to run up its operational debt, knowing it has the ability to opt-in to the unit and force that debt onto the larger territory.

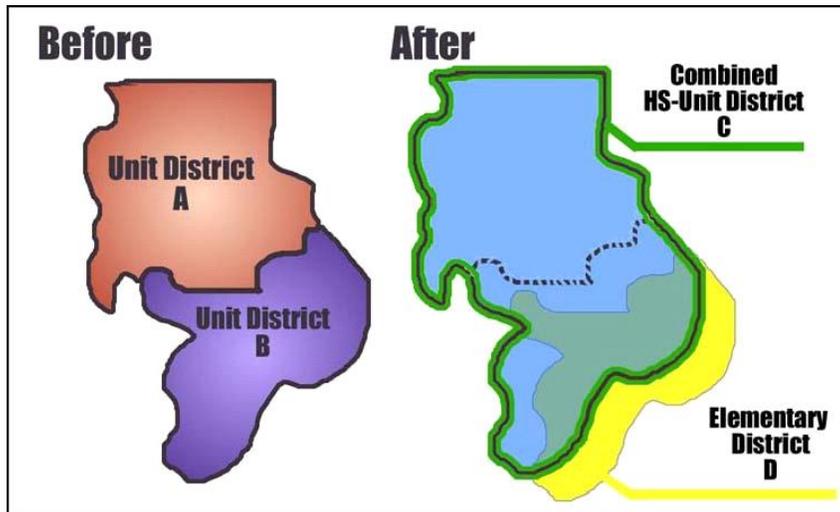
A very limited exception to the Property Tax Extension Limitation Law (PTELL) is allowed so that tax-cap elementary districts can convert the operational debt to bonded debt. Otherwise, a tax cap district that could have originally voted to join the unit district could be shut out of that opportunity simply because of PTELL restrictions. P.A. 941019 adds language to the notice and ballots for an opt-in to ensure voters know that funding bonds will be issued to convert any operational debt to bonded debt.

**2. Combined High School – Unit District**

A combined high school – unit district may be a desirable option when voters in dual district territory wish to consolidate with a neighboring community for high school purposes, but want to retain their existing separate elementary school district(s).

**3. Multi-Unit Conversion**

A multi-unit conversion may be a desirable option when voters in a unit district wish to consolidate with a neighboring unit district for high school purposes, but want to create a new elementary district to maintain local control over the elementary schools.



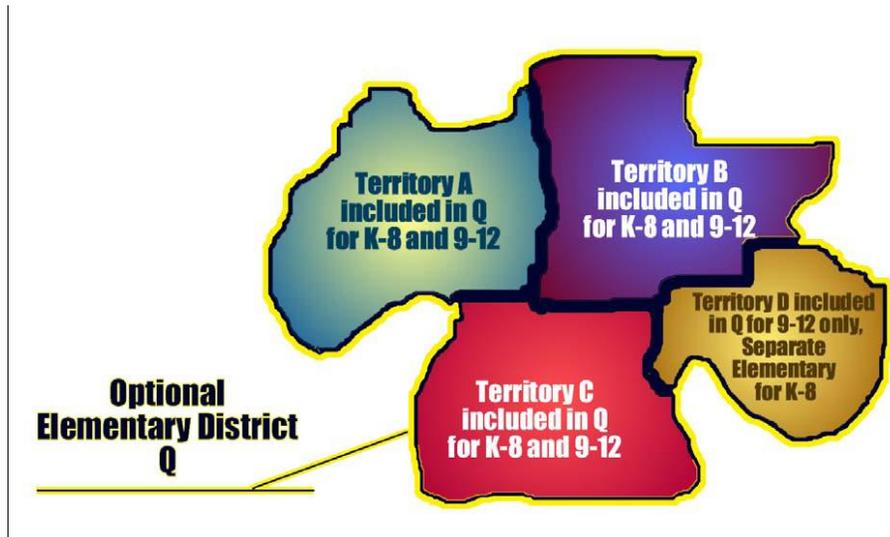
**4. How do the tax rates and bonding work for the “hybrid districts”?**

- In general, for a few of the taxes levied by a hybrid district, the hybrid district will have a separate rate for high school purposes and a separate rate for elementary purposes. The high school rate will apply to the entire territory. The elementary rate will only apply to the territory included for elementary purposes.
- A hybrid district has three types of tax rates: elementary rates, high school rates, and general rates. If the district wants to increase the rates after the district has been formed, the following approval requirements apply:
  - Elementary rates: Any increases to tax rates for elementary purposes must only be approved by a majority of voters living in the territory included for elementary purposes.
  - High school rates: Any increase to the high school rates must be approved by a majority of the voters living in both the high school-only territory, and the K-12 territory.
  - General rates: Any increase to general rates (e.g., transportation, health life safety) must be approved by a majority of the voters living in both the high school-only territory, and the K-12 territory.
- Hybrid districts must issue bonds for either elementary or high school purposes. Bonds for high school purposes must be approved by a majority of voters in the entire territory. Bonds for elementary purposes must only be approved by a majority of voters included in the district for elementary purposes. Hybrids will have a debt limitation applicable to the entire district for high school purposes, and a separate debt limitation for elementary purposes only applicable to a portion of the district. The districts will have flexibility to use either elementary or high school bond funds for expenses and facilities used by the whole district (such as administrator salaries, administrative offices, etc.).

### **Example 1 – Optional Elementary Unit District**

In this example, elementary districts A, B, and C and high school district Z have consolidated to form new optional elementary unit district Q.

- The optional elementary unit district has separate rates for K-8 and 9-12 educational purposes, operations and maintenance purposes and special education. In the example below, the 9-12 rates apply to the entire territory (A, B, C and D below); K-8 rates only apply to the territory where the elementary districts elected to join the new district (A, B and C below). All other rates apply to the entire territory.
- Rate for educational purposes (4.0% unit maximum under current law): The K-8 and 9-12 rates are each capped at 3.5%; the combined rate cannot exceed 4.0%.
- Rate for operations and maintenance purposes (.75% unit maximum under current law). The K-8 and 9-12 rates are each capped at .55%; the combined cannot exceed .75%.
- Rate for special education purposes (.80% unit maximum under current law): .40% maximum rate for K-8 special education purposes, and .40% maximum rate for 9-12 special education purposes.
- All other rates are subject to unit district maximums.

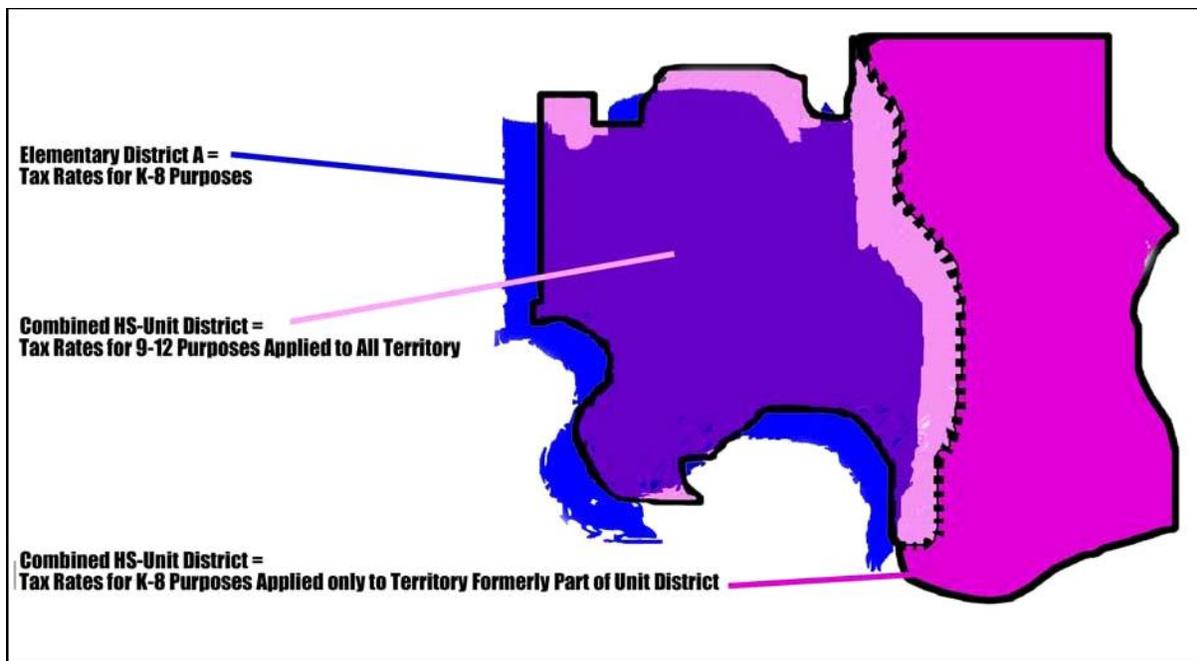


### **Example 2 – Combined High School – Unit District**

In this example, districts Q and Z have formed a combined high school - unit district that serves entire the territory for 9-12 purposes, and residents of Q for K-8 purposes.

**The combined high school – unit district has separate rates for K-8 and 9-12 educational purposes, operations and maintenance purposes, and special education purposes. The 9-12 rates apply to entire territory (Q and Z below); the K-8 rates only apply to territory served for elementary (Q below). All other rates apply to entire territory.**

- Rate for educational purposes (4.0% unit maximum under current law): The K-8 and 9-12 rates are each capped at 3.5%; the combined rate cannot exceed 4.0%.
- Rate for operations and maintenance purposes (.75% unit maximum under current law): The K-8 and 9-12 rates are each capped at .55%; the combined rate cannot exceed .75%.
- Rate for special education purposes (.80% unit maximum under current law): .40% maximum rate for K-8 special education purposes, and .40% maximum rate for 9-12 special education purposes.
- All other rates are subject to unit district maximums.



**5. Who serves on a hybrid district’s school board? Who votes to elect them?**

All hybrid board members will be elected at-large from the entire territory included in the district. Anyone living in the territory, whether for high school purposes only or K-12 purposes, will vote to elect the board. The bill includes protections for voters living in the different parts of the territory to ensure the board does not unfairly try to raise elementary or high school taxes for the benefit of a particular subset of voters.

**6. How does the formation of hybrid districts affect General State Aid?**

When determining General State Aid, the equalized assessed valuation (EAV) for hybrid districts will be determined by adding a K-8 EAV and a 9-12 EAV. The total for K-8 and 9-12 is 3.00%, which is the same rate for current unit districts. The K-8 rate of 2.08% and 9-12 rate of .94 percent were established by taking the current elementary and high school EAV rates (2.30% and 1.05%), and reducing each proportionally so that the overall rate is equal to 3.00%.

**7. Will school business officials be able to administer hybrid districts, and will county clerks be able to figure out the tax levies?**

The hybrid districts will require the establishment of a few additional subfunds not required for traditional unit districts. However, school districts are used to accounting for subfunds from multiple restricted sources (state, federal, specific grant programs, etc.) and the fund accounting for the new districts will not involve much additional complexity.

One must also remember that two or more old districts will be dissolved in the formation of the new district. Consequently, the overall number of tax levies, funds, etc. will be substantially reduced for the territory. One business official will administer one set of books for a hybrid district, rather than multiple district business officials administering multiple sets of books. County clerks would actually be dealing with fewer levies than prior to the creation of the hybrid district. County clerks will be able to rely on the boundaries of the old districts when determining the tax levies.

**C. GENERAL QUESTIONS REGARDING CONSOLIDATIONS UNDER ARTICLE 11E**

**1. In general, what is the process for undertaking a school district reorganization?**

**A feasibility study may be conducted to assess options, or data may be gathered less formally by school boards or interested citizens**

- A petition is filed with the appropriate regional office of education
- The regional office publishes notice of a hearing
- A hearing is held to consider the petition
- The regional superintendent makes a decision to approve or deny the petition
- The State Superintendent reviews the information from the local hearing and makes a decision to approve or deny the petition
- If approved, the regional superintendent certifies the public question for the ballot
- Citizens vote

**2. Who must approve the filing of a petition under Article 11E?**

Section 11E-35 provides that a petition shall be filed with the regional superintendent of schools of the educational service region in which the territory described in the petition or that part of the territory with the greater percentage of equalized assessed valuation is situated.

### **3. Does P.A. 94-1019 change the petition requirements under prior law?**

Only minimally. Under Article 11E, petitions must be signed by at least 50 legal resident voters or 10% of legal resident voters, whichever is less, or approved by the boards of each affected district. These are the same requirements set forth in three of the School Code reorganization articles consolidated into 11E. Unit district formations under the prior Article 11A had the same requirements, but also required the signature of 200 voters in the territory if the petition was not approved by the boards. While the 200 voter signature requirement was not carried over to Article 11E for consistency purposes, this is not a substantial change. Any unit district formation involving four districts will automatically meet the 200 voter signature requirement, and ISBE had not found the 200 voter signature requirement to be an impediment to getting a petition on the ballot.

### **4. What must be included on a petition?**

- a. A request to submit the proposition at a regular scheduled election
- b. A description of the territory comprising the districts proposed to be dissolved and those to be created
- c. The maximum tax rates for various purposes which the proposed district(s) shall be authorized to levy, with PTELL information if necessary
- d. Allocation of supplementary State deficit difference payments among proposed districts
- e. Division of assets and liabilities
- f. f desired, a request to elect school board members at the same election by separate ballot
- g. If desired, a request that board members for a unit district (other than a partial elementary unit district) be elected by school board districts rather than at large
- h. If desired, a request to submit the format for the election of a new high school board as part of a unit to dual conversion proposition
- i. If desired, a request to submit a proposition by separate ballot for authority to issue bonds
- j. A designation of a committee of ten of the petitioners (Committee of Ten)

### **5. How are tax rates for the proposed district specified on the petition?**

Section 11E-80 distinguishes formation of a district subject to PTELL from a district not subject to PTELL.

#### ***Proposed district not subject to PTELL:***

A non-PTELL district, other than a partial elementary unit district ("hybrid district") must include in the petition:

- A. The maximum rates for educational, operations and maintenance, and pupil transportation purposes, subject to the rate limitations in Sections 17-2 and 17-3; and
- B. If the new district wants to secure authority to levy other taxes above the permissive rates, then those maximum rates must also be included. For example, such additional levies might be needed for special education, leasing of educational facilities or computer technology, capital improvement, and fire prevention and safety.

Where a partial elementary unit district ("hybrid district") not subject to PTELL will be formed, Section 11E-90(b) or 11E-95(b) provides the necessary purposes and tax rate information. Generally, the petition must include:

- A. The maximum rates for both K-8 and 9-12 educational, operations and maintenance, and special education purposes;
- B. The maximum rate for pupil transportation purposes; and
- C. If the new district wants to secure authority to levy other taxes above the permissive rates for unit districts, then those maximum rates must also be included.

***Proposed district subject to PTELL:***

A proposed district subject to PTELL must include in the petition:

- A. The purpose for each and every tax that the new district will be authorized to levy;
- B. The maximum rates;
- C. The aggregate extension base in accordance with Section 18-210 of the Property Tax Code; and
- D. If desired, the debt service extension base under Section 18-212 of the Property Tax Code.

If a partial elementary unit district ("hybrid district") subject to PTELL will be formed, the petition must also indicate whether the tax is for K-8 or 9-12 purposes to the extent required by Section 11E-90 or Section 11E-95.

**6. What is the Committee of Ten? Who is usually included, and how does it operate?**

A committee of ten of the petitioners will be designated in the petition. The Committee of Ten acts as attorney in fact for all petitioners, may amend the petition in all respects (with exceptions for increasing or decreasing territory in a unit district formation), and may make binding stipulations on behalf of all petitioners as to any question with respect to the petition. While the Committee of Ten technically doesn't come into existence until designated in the petition, the reality is most committees form prior to the petition to work on the items needed in the petition. That committee then becomes the "Committee of Ten" when it is formally designated in the petition.

It is the duty of the petitioners to complete the items required in the petition. As representatives of all the petitioners, this duty usually falls to the Committee of Ten. Also, most parents/taxpayers will want to know additional information regarding the proposed new district(s) such as: curriculum, extra-curricular offering, facility usage, transportation issues, etc. Most Committees of Ten also formulate plans for the new district(s) in these areas for presentation at the local hearing and community and board meetings. Committees of Ten often form sub-committee work groups to develop these plans as well as the information required for the petition. Usually, one or two members from the Committee of Ten serve on each sub-committee work group along with additional community members.

## **7. What districts have the right to be notified of and vote on a school district reorganization?**

“Affected districts” have the right to be notified of and vote on the reorganization. Section 11E-10 defines “affected district” as:

Any school district with territory included in a petition for reorganization under this Article that encompasses (i) 25% or more of the total land area of the district, (ii) more than 8% of the student enrollment of the district, or (iii) more than 8% of the equalized assessed valuation of the district.

## **8. What notices must be given when a petition is filed?**

Section 11E-40 states that upon filing of the petition, the regional superintendent shall cause a copy of the petition to be given to each school board of the affected districts and to the regional superintendent of any other educational service region in which territory described in the petition is situated.

The regional superintendent also must publish notice at least once each week for 3 successive weeks in at least one newspaper of general circulation in the area. The notice shall state when and to whom the petition was presented, the prayer of the petition, descriptions of the territories proposed to be dissolved and created, and the day on which the hearing shall be held. If applicable, at the same election but by separate ballots, the notice also must include the proposition to elect school board members and any proposition to issue bonds, including the amount and purpose.

## **9. What are the hearing requirements? Who conducts it and how is it conducted?**

No more than 15 days after the last date on which notice was published, the regional superintendent with whom the petition is required to be filed shall hold a hearing. Prior to the hearing, the Committee of Ten shall submit maps showing the districts involved and other pertinent information. The regional superintendent shall allow for public testimony on the action proposed in the petition. Any regional superintendent entitled to notice and any resident or representative of a school district in which any territory described in the petition is situated may appear in person or through an attorney to provide oral or written testimony or both. The regional superintendent must arrange for a written transcript of the hearing.

The regional superintendent shall allow for public testimony and shall present or arrange to have presented the following:

- Evidence as to the school needs and conditions of the affected districts and in the area adjacent thereto
- Evidence with respect to the ability of the proposed district(s) to meet ISBE recognition standards
- A consideration of the division of funds and assets
- A description of the maximum tax rates and if applicable, the specifications related to PTELL

**10. Who must approve the petition prior to it being placed on the ballot? Can these decisions be challenged in court?**

Within 14 days after the conclusion of the hearing, the regional superintendent must approve or deny the petition through a written order. Failure to act within 14 days shall be deemed a denial.

The regional superintendent shall submit the decision and all evidence to the State Superintendent of Education. The State Superintendent shall review the petition, the record of the hearing, and the written order (if any). Within 21 days after the receipt of the regional superintendent's decision, the State Superintendent shall approve or deny the petition through a written order. If denied, the State Superintendent shall set forth in writing the basis for denial.

The decision of the State Superintendent is a final administrative decision subject to the Administrative Review Law. Any resident of any territory described in the petition who appears in support of or opposition to the petition at the hearing or any petitioner or any school board of any district in which territory described in the petition is situated may, within 35 days after receipt of the decision by certified mail, appeal.

**11. Does P.A. 94-1019 eliminate the role for the Regional Board of School Trustees?**

The regional board of school trustees does not play a role in the reorganization types included in Article 11E. It is only involved in detachments and dissolutions under Article

7. P.A. 94-1019 has no impact on its role.

**12. Who is responsible for paying the costs associated with a reorganization?**

The petitioners are responsible for paying the costs of notices and transcripts. Some prior reorganization articles required these costs to be split with the regional superintendent, but in Article 11E these costs are placed on the petitioners.

**13. What protections are included in P.A. 94-1019 to ensure viable school districts result from school district reorganizations?**

All reorganizations under Article 11E must be approved by a majority vote in each of the affected districts. In addition, Article 11E has several protections against allowing a reorganization that will not form a viable district. Both the regional superintendent and the State Superintendent have to approve the petition before it ever gets on the ballot. During this review, the regional superintendent and State Superintendent must consider the needs of the proposed districts and the surrounding districts, and determine whether viable districts will result from the reorganization.

**14. What are the general election procedures under Article 11E?**

Elections are conducted in accordance with the general election law. The regional superintendent is the election authority who orders the elections and certifies the reorganization question, candidates for newly created school boards, and a proposition to issue bonds, if any, to the county clerk for placement on the ballot. When board members are elected for a new district, the regional superintendent calls the organizational meeting and certifies the officers.

**15. What are the passage requirements for a reorganization question?**

For an optional elementary unit district, a majority of the electors voting in the high school district and a majority of the voters in at least one affected elementary district must vote in favor of the proposition.

For an elementary district electing to join an optional elementary unit district (opt-in), a majority of the electors voting in that elementary district only is required.

In all other cases under Article 11E, a majority of the electors voting at the election in each affected district must vote in favor of the proposition.

**16. If approved, when does the reorganization go into effect?**

The change becomes effective after the time for appeal has run; however, the administration shall not be affected until the July 1 following the date that the school board election is held for the new district(s). The effective date for purposes of administration and attendance may be accelerated or postponed by stipulation and with the approval of the regional superintendent.

**17. What actions can be taken prior to the effective date of the new district?**

After the new board has organized and elected officers, but before the effective date of the reorganization, the new board shall have the following powers if the existing districts so allow by stipulations approved by the regional superintendent:

- Establish a tax levy
- Enter into agreements for depositing and investing funds
- Conduct a search for a superintendent and enter an employment contract
- Conduct a search for other administrators and staff and enter employment contracts
- Engage the services of accountants, architects, attorneys, and other consultants
- Plan for the administrative transition
- Bargain collectively
- Expend funds from the levy and from the existing districts to meet payroll and other essential operating expenses
- Issue bonds under Section 17-2.11 (Fire Prevention & Safety)
-

**18. What happens to the tenured teaching staff of districts involved in a reorganization?**

Upon the effective date of a school district reorganization, the positions of tenured teachers shall be transferred in accordance with Section 24-12. Tenure is not lost and transferred teachers shall be treated as if they had been employees of the new district during the time they were employed by the original district.

Article 11E also provides specific requirements in the case of a school district conversion or multi-unit conversion. Positions of tenured teachers that, during the 5 school years immediately preceding the effective date of change, were full-time positions in grades 9-12 shall be transferred to control of the school board of the high school or combined high school–unit district. Positions of tenured teachers that, during the 5 years immediately preceding the effective date of change, were full-time positions in K-8 shall be transferred to the control of the school board of the newly created successor elementary district. Positions of tenured teachers that were full-time positions not required to be transferred to either shall be transferred to the control of whichever of the boards the teacher shall request. If neither the original district nor the newly created district can stipulate as to where a position is transferred, the regional superintendent shall make the determination.

**19. When districts combine or consolidate, the teaching staffs tend to have their pay scales equalized by bumping everyone up to the highest-paid district’s level. Are there any exemptions for these adjustments from the 6% Teachers’ Retirement System (TRS) cap?**

**NOTE: THE ANSWER BELOW APPLIES IF AND WHEN SENATE BILL 49 BECOMES LAW.**

Yes. Newly amended Section 16-158 of the Pension Code (40 ILCS 5/16-158) requires a teacher’s same employer to pay TRS the present value of the increase in pension benefits that results from that portion of a salary increase in excess of 6%. However, the same Section also states that a transfer in teaching position due to school district reorganization shall constitute a change in employer. Because the new district will not be the same employer for this purpose, it will not be required to pay the increase to TRS.

**20. How does a school district reorganization impact Adequate Yearly Progress status under the No Child Left Behind Act and the School Code?**

When two or more districts are involved in a school district reorganization that results in the formation of one or more new districts, the new district(s) will assume the most favorable improvement status level – at each of the state and federal levels – of the districts involved in the reorganization. For example, if District D is in the third year of improvement status, and it combines with District E which is in the fifth year of improvement status, the new District DE will assume the third year of improvement status.

**21. How does a school district reorganization impact approved waivers and modifications?**

Newly created districts under Article 11E must apply for waivers and modifications regardless of whether any of the former districts had a previously approved waiver or modification. Pursuant to Section 2-3.25g, all residents must have an opportunity to give input on the waiver or modification at a public hearing prior to application.

**D. INCENTIVES**

**1. How does P.A. 94-1019 change the incentive structure for reorganizations?**

Article 11E carries forward the reorganization incentive structure in current law and applies these incentives to the new reorganization types.

**2. Do districts get state assistance for conducting studies to investigate reorganization options? Is there money in the FY 07 budget for this?**

Yes and yes. Districts can receive financial assistance from the State in order to hire a consultant to conduct a School District Reorganization Feasibility Study. Feasibility studies are a tool to be used by school districts wanting to investigate the advantages and/or disadvantages of reorganization options. The State of Illinois Fiscal Year 2007 budget appropriates \$300,000 to ISBE for School District Reorganization Feasibility Studies.

**3. How do school districts apply and qualify for feasibility study funds?**

Interested school districts submit a proposed agreement with an independent contractor(s) to their Regional Office of Education (ROE). The ROE reviews the agreement for approval and submits to the State Board of Education (ISBE) for final approval. The school board of each district involved must approve, by board action, the initiation of the feasibility study, and the superintendent of each district must sign the feasibility study agreement prior to submission to the ROE. Feasibility study funds are available on a “first come – first served” basis.

Questions on feasibility studies and funding can be addressed to: Michelle Heninger, School Business and Support Services Division Illinois State Board of Education 217/785-8779 - [mheninge@isbe.net](mailto:mheninge@isbe.net)

**4. How much is in the budget for reorganization incentives?**

The State of Illinois Fiscal Year 2007 budget appropriates \$7,550,000 to ISBE for School District Reorganization Incentive payments. All incentives are fully funded at this time.

**5. Please explain the types of reorganization incentives included in Article 11E.**

The four School District Reorganization Incentives are:

- General State Aid Difference: paid if the General State Aid Entitlement (GSA) for the newly reorganized district(s) for the first year of existence is less than the GSA would have been that same year on the basis of the previously existing districts
- Salary Difference: for teachers employed in each newly reorganized district who were also employed in one of the previously existing districts, calculates the difference between what those teachers were paid in their original district for the last year of existence and what they would have been paid if placed on the highest salary schedule of the districts forming the newly reorganized district
- Deficit Fund Balance: calculates each previously existing district's fund balances by combining the Education, Operations and Maintenance, Transportation, and Working Cash funds; if any previously existing district has a combined deficit fund balance, the incentive pays the difference between the lowest deficit and the other deficits; a positive combined fund balances is considered a deficit of \$0; for districts with a deficit, an additional calculation compares current year expenditures to prior 3-year average expenditures, with the incentive being reduced by the excess if the current year expenditures are greater than the prior 3-year average
- \$4,000 per Certified Staff: \$4,000 paid for each full-time, certified staff member employed by each reorganized district

**E. FIRST STEPS AND FURTHER QUESTIONS**

**1. If a school board is interested in exploring reorganization options, what are the first steps?**

The following are suggestions only. Since each school district is unique, how it first explores reorganization options will vary.

A school board should first assess its own district's situation to discover which option or options would most benefit the district's students, parents, and taxpayers. Inquiry letters could then be sent out to neighboring districts to gauge interest in reorganization. Interested districts can discuss reorganization options during board meetings, joint board meetings, community meetings, and/or small group meetings. Interested districts may also apply for Reorganization Feasibility Study funding in order to hire a consultant to report on their specific situation. It is best for a school board exploring reorganization options to continually communicate with its public. A referendum is more likely to be successful with community buy-in. A board should keep its local regional superintendent informed of its discussions and progress.

**2. If a citizen is interested in exploring reorganization options, what are the first steps?**

The following are suggestions only. Since each school district is unique, how citizens first explore reorganization options will vary.

A citizen should assess his own district's situation to discover which option or options would most benefit the district's students, parents and taxpayers. This could be done by gathering information about curriculum, finances, school buildings, student transportation, extra-curricular activities and the community's feelings regarding reorganization. Inquiry letters could even be sent out to neighboring districts to gauge interest in reorganization. Citizens may present the information gathered to the local school board.

If the citizen drive leads to the filing of a petition for school district reorganization, all requirements of Article 11E must be met, just as if a school board submitted the petition.

### **3. Who can I contact for further information?**

ISBE provides technical assistance for districts or citizens investigating reorganization options. ISBE can also send staff members to interested communities to discuss these options.

Questions on School District Reorganization options and process can be addressed to: Michelle Heninger School Business and Support Services Division Illinois State Board of Education  
217/785-8779  
[mheninge@isbe.net](mailto:mheninge@isbe.net)

### Approximate Timelines

Illinois State Board of Education Conversion and Formation of School Districts under Article 11E of the School Code Approximate Timelines: April 6, 2021 Consolidated Election. Prepared by Staff of School Business Services Department, April 2020

The following are approximate timelines only. Timelines would have to be adjusted based on the actual dates of the filed petition, the published notices, and the local hearing.

Week of October 5, 2020 Approximate last week to file a petition under Article 11E with ROE and meet all other timelines.

October 12 – October 18 ROE Publishes 1st Public Hearing Notice

October 19 – October 25 ROE Publishes 2nd Public Hearing Notice

October 26 – November 1 ROE Publishes 3rd Public Hearing Notice

Not more than 15 days after the last date on which the required notice is published, the ROE holds the Public Hearing.

Between Nov. 10 and Nov. 16 Public Hearing – based on date of published notice

November 17 – November 30 Decision by ROE – based on November 16 hearing date (14 days)

December 1 – December 2 Submit Hearing Documents to ISBE

December 3 – December 23 Decision by State Superintendent (21 days after receipt of ROE Decision)

December 24 – January 27 Time period to contest State Superintendent decision under Administrative Review Law (within 35 days after decision was served)

January 28, 2021 Proposition Submitted to Proper Election Authority (68 days prior to election)

April 6, 2021 Consolidated Election

**Comparison Chart of Article 11E**  
**to Prior School Code Reorganization Provisions**

|   | <b>Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E)</b>                                     | <b>Small Unit District Conversions (Article 7A)</b>  | <b>Unit School District Formation (Article 11A)</b>  | <b>School District Combination (Article 11B)</b>  | <b>School District Conversion (Article 11D)</b>  | <b>Conversion and Formation of School Districts (Article 11E)</b> |
|---|---|--|--|---|--|---|
| Types of districts involved                     | Elementary, high school, or unit districts; for dissolution under 7-2a(b) and 7-11, district dissolving must have less than 5,000 residents | Unit district with less than 250 students in grades 9-12 contiguous to a high school district (7A-1) | Dual territory (elementary and high school), 2 or more entire unit districts, one or more entire unit district with dual territory   | 2 or more entire elementary districts or 2 or more entire high school districts (11B-1) | 2 or more contiguous unit districts or 1 or more unit and one or more high school districts, all contiguous; none of the districts involved may have more than 600 students in grades 9-12 (11D-1) | Depends on type of reorganization involved                        |
| Minimum EAV requirements for involved territory | No  | No   | At least \$12,000,000 EAV for dual territory consolidation; may have consolidation of dual territory with less than minimum EAV if ROE & State Superintendent determine consolidation meets 5 specific factors (11A- | At least \$5,000,000 EAV (11B-2)  | No   | No  |

|                                     |    |    |  |   |    |    |
|-------------------------------------|----|----|--|---|----|----|
|                                     |    |    | 2)   |   |    |    |
| Minimum population requirements for | No | No | Not less than 4,000 nor more than 500,000 for dual | Not less than 1,500 nor more than 500,000 (11B-2) | No | No |

|                              | <b>Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E)</b>  | <b>Small Unit District Conversions (Article 7A)</b>  | <b>Unit School District Formation (Article 11E)</b>  | <b>School District Combination (Article 11E)</b>  | <b>School District Conversion (Article 11D)</b>   | <b>Conversion and Formation of School Districts (Article 11E)</b>  |
|------------------------------|--|--|--|---|---|--|
| involved territory           |  |  | territory consolidation; may have consolidation of dual territory with less than minimum population if ROE & State Supt determine consolidation meets 5 specific factors (11A-2)   |   |   |  |
| Petition filing requirements | May be filed by the boards of each district affected, a majority of registered voters of each district affected, or 2/3 of the registered voters in the territory proposed to be detached; if there are no registered voters in the territory proposed to be detached, the petition may be filed by all owners of record of the real estate of the territory; any petition for dissolution can be filed by the board of education or a majority of voters in the district proposed to be | Must be signed by at least 10% of the voters residing within each district affected (unit district and high school district) or by the boards of each district affected (7A-2) | Must be signed by 200 voters residing in at least ¾ of the school districts or parts of districts and residing in the territory included in the petition and must contain signatures from the lesser of 50 legal resident voters or 10% of the legal resident voters from each district wholly or partially included in the petition, or must be signed by the | Must be signed by at least 10% of the voters residing within each district or by the boards of each district (11B3) | Must be signed by the lesser of 50 voters or 10% of the voters residing in each affected district (11D-2) | Must be signed by at least 50 legal resident voters or 10% of legal resident voters, whichever is less, or approved by boards of each affected district. (11E-35(a)) |

|                               | <b>Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E)</b>   | <b>Small Unit District Conversions (Article 7A)</b>  | <b>Unit School District Formation (Article 11A)</b>  | <b>School District Combination (Article 11B)</b>  | <b>School District Conversion (Article 11D)</b>  | <b>Conversion and Formation of School Districts (Article 11E)</b>  |
|-------------------------------|---|--|--|---|--|--|
|                               | dissolved (7-1; 7-2; 72a(a))  |  | boards of each district wholly or partially included in the petition (11A-3)   |   |  |  |
| Petition content requirements | 1. If filed under 7-1 or 72 and dissolution/annexation, petition shall request submission at regular scheduled election; 2. Except for petitions filed under 7-2a(b), any petition for dissolution must specify annexing school district or districts; 3. For Detachment/Annexation or Dissolution/Annexation, designate Committee of Ten when petition contains more than 10 signatures 4. For a petition for Detachment/Annexation or Dissolution/Annexation filed under Section 7-1, each page of circulated | 1. Request submission at regular scheduled election 2. describe territory of unit to be dissolved 3. describe territory of existing high school district 4. set forth maximum tax rates 5. may request election of elementary board members at same election 6. designate Committee of Ten, if petition contains more than 10 signatures. (7A-2) | 1. Request submission at regular scheduled election; 2. describe territory of proposed district; 3. set forth maximum tax rates; 4. designate Committee of Ten; 5. may request election of board members by school board districts instead of at-large; 6. may request election of board members at same election; 7. may request issuance of bonds on separate ballot; 8. may request that bonded indebtedness of | 1. Request submission at regular scheduled election; 2. describe territory comprising the proposed district by districts; 3. set forth maximum tax rates; 4. designate Committee of Ten 5. may request election of board members at same election; 6. may request issuance of bonds on separate ballot; (11B-3) | 1. Request submission at regular scheduled election; 2. describe territory comprising proposed districts; 3. set forth maximum tax rates for each proposed district; 4. set forth manner in which State deficit difference payment will be allocated among new districts; 5. designate Committee of Ten; 6. define format for election of the new high school board; 7. provide for the division of assets | 1. Request submission at regular scheduled election; 2. describe territory; 3. set forth maximum tax rates; 4. set forth manner in which State deficit difference payments will be allocated among new districts; 5. address division of assets and liabilities; 6. may request election of board members; 7. for units other than partial elementary unit district, may request election of |

|                               | <b>Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E)</b>  | <b>Small Unit District Conversions (Article 7A)</b>   | <b>Unit School District Formation (Article 11A)</b>  | <b>School District Combination (Article 11B)</b>  | <b>School District Conversion (Article 11D)</b>  | <b>Conversion and Formation of School Districts (Article 11E)</b>  |
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|                               | petition shall include the full prayer of the petition; each signature contained therein shall match the official signature and address of the registered voters as recorded in the office of the election authority having jurisdiction over the county; each petitioner shall record the date of his/her signing; each page of the petition shall be signed by a circulator who has witnessed the signature of each petitioner on that page (7-6(b-5), 7-2a(a), 7-6(c), 7-1) |   | each existing district be assumed by entire territory of new district (for new district formed from entire territory of 2 or more school districts (11A-3) |   | and liabilities to be allocated to the proposed new districts 8. may request election of school board for each new district at same election; 9. may request issuance of bonds on separate ballot. (11D-2 and 11D-6 for item #6) | board members by district; 8. for unit to dual conversion, may define the format for election of high school board 9. may request issuance of bonds; 10. designate Committee of Ten. 11E-35(b) |
| Notice of petition            | Notice given, by copy of petition, to board of any district involved in boundary change and to the Regional Board of School Trustees of any region affected (7-6(a) and 7-6(b))  | Notice given, by copy of petition, to board of each district affected and any other ROE affected (7A-2) | Notice given, by copy of petition, to board of each district involved in the proposed formation of new district (11A-3)                                    | Notice given, by copy of petition, to board of each district involved in the proposed formation of new district (11B-3) | Notice given, by copy of petition, to each board of any district involved in the petition (11D-2)  | Notice given, by copy of petition, to board of each affected district and any other affected ROE (11E-40(a)).  |
| Committee of Ten requirements | Needed when more than 10 signatures on petition; attorney in fact for all  | Attorney in fact for all petitioners; may make binding  | Can amend the petition in all respects prior to  | Can amend the petition in all respects prior to   | Can amend the petition in all respects prior to  | Attorney in fact for all petitioners; can amend the petition   |

|                                  | <b>Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E)</b>  | <b>Small Unit District Conversions (Article 7A)</b>   | <b>Unit School District Formation (Article 11A)</b>  | <b>School District Combination (Article 11B)</b>   | <b>School District Conversion (Article 11D)</b>  | <b>Conversion and Formation of School Districts (Article 11E)</b>   |
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|                                  | petitioners; may make binding stipulations on behalf of all petitioners as to any question with respect to the petition or hearing or joint hearing; power to stipulate to accountings or waiver between school districts (7-6(c)) | stipulations on behalf of all petitioners as to any question with respect to petition or hearing; power to stipulate to accountings or waiver between school districts (7A-2) | final decision of ROE (can not have increase or decrease of territory by more than 25%); can make binding stipulations on behalf of all petitioners as to any question with respect to the petition or hearing; can stipulate to accountings or waiver between school districts; may voluntarily dismiss petition at any time before final decision of ROE (11A-3) | ROE final decision; can make binding stipulations on behalf of all petitioners as to any question with respect to the petition or hearing; can make stipulations for accountings or waiver between school districts; may voluntarily dismiss petition at any time before final decision of ROE (11B-3) | ROE final decision; can make binding stipulations on behalf of all petitioners as to any question with respect to the petition or hearing; may voluntarily dismiss petition at any time before the final decision of ROE (11D-2) | in all respects (except that, for unit districts, may not increase or decrease territory by more than 25 percent); make binding stipulations on behalf of petitioners (11E-35(b)(10)) |
| Regional superintendent decision | N/A  | Determines whether petitioners have paid expense of notice; determines whether the petition as filed is proper and in compliance with   | Determines whether petition is proper and in compliance with any applicable petition requirements of Election Code; hears evidence as  | Hears evidence as to school needs and conditions in the territory which will form the proposed new district and as to the ability of the proposed new district to meet the   | Determines whether petition is proper and in compliance with any applicable petition requirements of Election Code; hears evidence as  | Determines whether petition is in proper order and in compliance with Article 11E and Election Code and informs petitioners of such or of defects in petition                         |

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|  | <b>Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E)</b> | <b>Small Unit District Conversions (Article 7A)</b> | <b>Unit School District Formation (Article 11A)</b> | <b>School District Combination (Article 11B)</b> | <b>School District Conversion (Article 11D)</b> | <b>Conversion and Formation of School Districts (Article 11E)</b> |
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|  |  | <p>requirements of Election Code; hears evidence as to school needs and conditions in all territory described in petition and in area adjacent; hears evidence with respect to ability of elementary district to be created and high school district after annexation to meet standards of recognition; takes into consideration any division of funds or assets; determines whether it is for the best interests of the schools of the area and the educational welfare of the pupils; decision approving or denying petition within 14 days after conclusion of hearing (7A-2)</p> | <p>to the school needs and conditions of the territory and adjacent area; takes into consideration the division of funds and assets which will result; determines whether it is for the best interests of the schools of the area and the educational welfare of the pupils; decision by ROE approving or denying petition must be made within 14 days after conclusion of hearing (11A-3)</p> | <p>standards of recognition as prescribed by ISBE; decision by ROE granting or denying petition must be made within 14 days after the conclusion of the hearing (11B-3)</p> | <p>to school needs and conditions of the territory and adjacent area; takes into consideration the division of funds and assets which will result; determines whether it is for the best interests of the schools of the area and the educational welfare of the pupils; decision by ROE approving or denying petition must be made within 14 days after conclusion of hearing (11D-2)</p> | <p>prior to hearing; (11E-40(d)) At the hearing, takes into consideration the school needs and conditions of the affected districts and in the area adjacent thereto, the division of funds and assets that will result from the action described in the petition, the best interests of the schools of the area, and the best interests and the educational welfare of the pupils residing therein; decision by ROE approving or denying petition must be made within 14 days after conclusion of the hearing (11E50(a))</p> |
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|  | <b>Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E)</b> | <b>Small Unit District Conversions (Article 7A)</b> | <b>Unit School District Formation (Article 11A)</b> | <b>School District Combination (Article 11B)</b> | <b>School District Conversion (Article 11D)</b> | <b>Conversion and Formation of School Districts (Article 11E)</b> |
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| Regional Board of School Trustees decision | For petition filed under 71 or 7-2: Hearing by Regional Board of School Trustees of each region affected; (7-6(i), 7-6(k), 7-6(m))<br>For petition filed under 72a(b): Petition decided solely by the Regional Board of School Trustees of the region in which the ROE has supervision over the district to be dissolved; (7-2a(b) and 7-11)                        | N/A   | N/A  | N/A  | N/A  | N/A   |
| State Superintendent decision              | For petitions filed under 7-1, if within 9 months after filing a petition it is not approved or denied by the Regional Board of School Trustees, the petitioners may submit the petition to the State Superintendent for approval or denial; the Regional Board loses all jurisdiction over the petition and all jurisdiction is transferred to the State Supt; the | Reviews entire record of proceedings had before ROE; considers whether the proposed elementary district and high school district after annexation will have sufficient size and financial resources to provide and maintain a | Reviews entire record of proceedings had before ROE; considers whether the proposed district will have sufficient size and financial resources to provide and maintain a recognized educational program; considers whether the | Reviews entire record of proceedings had before ROE; considers whether proposed district will have sufficient size and financial resources to provide and maintain a recognized educational program; considers whether the | Reviews entire record of proceedings had before ROE; considers whether proposed districts will have sufficient size and financial resources to provide and maintain a recognized educational program; considers whether proposed | Reviews the petition, the record of the hearing, and the written order of the ROE; takes into consideration the school needs and conditions of the affected districts and in the area adjacent thereto, the division of funds and assets that will result from the action |

|  | <b>Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E)</b>   | <b>Small Unit District Conversions (Article 7A)</b>  | <b>Unit School District Formation (Article 11A)</b>   | <b>School District Combination (Article 11B)</b>  | <b>School District Conversion (Article 11D)</b>  | <b>Conversion and Formation of School Districts (Article 11E)</b>  |
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|  | State Supt shall not be required to repeat any proceedings conducted, but is required to give and publish any notice and hold or complete any hearings that were not given, held, or completed (7-6(l)) | recognized educational program; considers whether the dissolution of the unit school district, creation of an elementary school district therefrom and annexation of the same territory to the existing high school district is for the best interests of the schools of the area and the educational welfare of the pupils; considers whether the territory of the proposed elementary district and the territory of the high school district after annexation are each compact and contiguous for school purposes; decision made within 30 days of | proposed school district is for the best interest of the schools of the area and the educational welfare of the pupils; considers whether the territory for the proposed district is compact and contiguous for school purposes; decision made within 30 days of ROE decision (11A-3) | proposed district is for the best interests of schools of the area and the educational welfare of the pupils; considers whether the territory for the proposed district is compact and contiguous for school purposes; decision made within 30 days of ROE decision (11B-3) | districts are for the best interests of the schools of the area and the educational welfare of the pupils; considers whether the territory for the proposed school districts is compact and contiguous for school purposes; decision made within 30 days of ROE decision (11D-2) | described in the petition, the best interests of the schools of the area, and the best interests and the educational welfare of the pupils residing therein; decision approving or denying petition within 21 days after receipt of the ROE decision (11E-50(b)) |

|                               | <b>Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E)</b>   | <b>Small Unit District Conversions (Article 7A)</b>  | <b>Unit School District Formation (Article 11A)</b>  | <b>School District Combination (Article 11B)</b>   | <b>School District Conversion (Article 11D)</b>  | <b>Conversion and Formation of School Districts (Article 11E)</b>   |
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|                               |   | ROE decision (7A2)   |  |  |  |   |
| Timing of notice of petition  | For petition filed under 71 or 7-2: Prior to Regional Board(s) of School Trustees hearing; notice published once; hearing held not more than 15 nor less than 10 days after notice (7-6(a) and 7-6(f) For petition filed under 72a(b): Prior to Regional Board of School Trustees hearing; notice published twice each week for two successive weeks; hearing held not less than 50 days nor more than 70 days after petition is filed (7-11) | Prior to ROE hearing on petition; notice once each week for 3 successive weeks; hearing held no more than 30 days after the last date on which required notice is published (7A-2) | Prior to ROE hearing on petition; notice once each week for 3 successive weeks; hearing held not more than 30 days after publication of notice (11A-3) | Prior to ROE hearing on petition; notice once each week for 3 successive weeks; hearing held not more than 30 days after publication of notice (11B-3) | Prior to ROE hearing on petition; notice once each week for 3 successive weeks; hearing held not more than 30 days after publication of notice (11D-2) | Prior to ROE hearing on petition; notice once each week for 3 successive weeks; hearing held not more than 15 days after the last date on which required notice is published (11E-40(a)(2) and 11E-45(a)) |
| Content of notice of petition | For petition filed under 71 and 7-2: 1. When petition was filed; 2. description of territory; 3. prayer of the petition; 4. day on which the  | 1. When & to whom the petition was presented; 2. description of territory of unit district to be dissolved; 3. description of  | 1. When & to whom petition was presented; 2. description of territory of proposed district; 3. if requested in the petition a                          | 1. When & to whom petition was presented; 2. description of territory of proposed district; 3. day on which hearing upon                               | 1. when & to whom the petition was presented; 2. description of territory of proposed districts; 3. if requested in the petition a                     | 1. when and to whom the petition was presented; 2. prayer of petition; 3. description of territory; 4. if requested,  |

|                               | <b>Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E)</b>   | <b>Small Unit District Conversions (Article 7A)</b>   | <b>Unit School District Formation (Article 11A)</b>  | <b>School District Combination (Article 11B)</b>   | <b>School District Conversion (Article 11D)</b>  | <b>Conversion and Formation of School Districts (Article 11E)</b>  |
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|                               | hearing or joint hearing upon petition will be held (7-6(f)) For petition filed under 72a(b): No specifics on contents of notice contained within Section 7-2a(b) or Section 7-11 | territory of existing high school district; 4. statement of maximum tax rates; 5. prayer of petition; 6. day on which hearing on petition shall be held (7A2) | statement of the proposition to issue bonds and the amount and purpose; 4. day on which the hearing upon the petition will be held (11A-3) | petition will be held (11B-3)  | statement of the proposition to issue bonds and the amount and purpose; 4. day on which hearing upon petition will be held (11D-2) | proposition to elect board members; 5. if requested, proposition to issue bonds; 6. day on which hearing upon petition will be held. (11E-40(b))   |
| Payment for notice of hearing | Petitioners pay expense of publishing notice; petitioners also pay expense of transcript taken at hearing or joint hearing (7-6(e))   | Petitioners pay expense of publishing notice; petitioners also pay expense of transcript taken at hearing (7A-2)  | No specific mention on party responsible for payment of notice; common practice is that ROE office pays for notice under 11A               | No specific mention on party responsible for payment of notice; common practice is that ROE office pays for notice under 11B | No specific mention on party responsible for payment of notice; common practice is that ROE office pays for notice under 11D       | Expense of publishing notice shall be borne by the petitioners and paid on behalf of the petitioners by the Committee of Ten; the expense of the transcript taken at the local hearing shall also be borne by the petitioners and paid on behalf of the petitioners by the Committee of Ten (11E40(a)(2) and 11E45(d)) |
| Administrative review         | Yes For petitions filed under 7-1 or 7-2 – within 35  | Yes – within 35 days of receipt of copy of State Supt   | Yes – within 35 days of receipt of copy of State Supt  | Yes – within 35 days of receipt of copy of State Supt  | Yes – within 35 days of receipt of copy of State Supt  | Yes – within 35 days of receipt of copy of State Supt  |

|                                | <b>Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E)</b>  | <b>Small Unit District Conversions (Article 7A)</b>                      | <b>Unit School District Formation (Article 11A)</b>                             | <b>School District Combination (Article 11B)</b>                          | <b>School District Conversion (Article 11D)</b>                           | <b>Conversion and Formation of School Districts (Article 11E)</b>                          |
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|                                | days of receipt of copy of Regional Board(s) or State Supt decision (7-7) For petitions filed under 7-2a(b) – within 10 days of receipt of copy of Regional Board decision (7-11)  | decision (7A-3)  | decision (11A-4)  | decision (11B-4)  | decision (11D-3)  | decision (11E50(c))  |
| Election required?             | Election required for dissolution/annexation filed under 7-1 or 7-2 (71, 7-2, 7-2a(a), 7-6(o), 77.5) Detachment/Annexations to not have election requirement Dissolutions filed under 7-2a(b) do not have election requirement | Yes (7A-4)   | Yes (11A-5)   | Yes (11B-5)   | Yes (11D-4)   | Yes. (11E-55)  |
| Notice of election             | In accordance with general election law (77.5(b))  | In accordance with general election law (7A-4(b) and 7A-4(c))            | In accordance with general election law (11A-5(b) and 11A-5(c))                 | In accordance with general election law (11B-5(b) and 11B-5(c))           | In accordance with general election law (11D-4(b) and 11D-4(c))           | In accordance with general election law; contents the same as in existing law. (11E-55(d)) |
| Election approval requirements | Majority of electors voting at election in each affected district (7-7.7)  | Majority of electors voting at election in each affected district (7A-6) | Majority of electors voting at election in each affected district; if territory | Majority of electors voting within the territory of the proposed district | Majority of electors voting at election in each affected district (11D-6) | Majority of electors voting at election in each affected district.                         |

|                          | <b>Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E)</b> | <b>Small Unit District Conversions (Article 7A)</b> | <b>Unit School District Formation (Article 11A)</b>   | <b>School District Combination (Article 11B)</b> | <b>School District Conversion (Article 11D)</b> | <b>Conversion and Formation of School Districts (Article 11E)</b>  |
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|                          | Detachment/Annexations and Dissolutions filed under 7-2a(b) do no ave election.                         |   | will be taken from a district to be part of the new unit district and that territory is 25% or more of total land area or student enrollment of territory is greater than 8% and EAV of territory is greater than 8% of the total original district, then all residents of that district are eligible to vote on the consolidation question but not the bond question, if applicable; otherwise, consolidation question submitted only to voters of territory which comprises proposed new district (11A-7 and 11A-8) | (11B-7)  |   | For optional elementary unit district, only requires majority of electors voting in high school district and majority of electors voting in at least one elementary district. For elementary district electing to join an optional elementary unit district (opt-in), only requires a majority of electors voting in that elementary district (11E-65) |
| Effective date of change | Does not affect administration of the   | Does not affect administration of                   | Does not affect administration of   | Does not affect administration of                | Does not affect administration of               | Does not affect administration of  |

|                            | <b>Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E)</b>  | <b>Small Unit District Conversions (Article 7A)</b>  | <b>Unit School District Formation (Article 11A)</b>  | <b>School District Combination (Article 11B)</b>  | <b>School District Conversion (Article 11D)</b>   | <b>Conversion and Formation of School Districts (Article 11E)</b>  |
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|                            | schools until July 1 following the date the petition is granted or upon which the election is held (7-9) | the schools until July 1 following the date the board of education election is held for the new district (7A-8)  | the schools until July 1 following the date the board of education election is held (11A-10)   | the schools until July 1 following the date the board of education election is held (11B-9)   | the schools until July 1 following the date board of education election is held (11D-7)   | schools until July 1 following the date school board election is held. (11E-70(a))   |
| Authority of new districts | N/A – no new district is formed in any option under Article 7  | 1. Establish tax levy; 2. Enter into agreements with banks and deposit funds; 3. Search and contract for superintendent; 4. Engage professionals; 5. Plan for transition; 6. Bargain collectively; 7. Expend funds to meet expenses of existing districts; 8. Expend funds in exercise of other powers; 9. Issue bonds. (7A-8) | 1. Establish tax levy; 2. Enter into agreements with banks and deposit funds; 3. Search and contract for superintendent; 4. Engage professionals; 5. Plan for transition; 6. Bargain collectively; 7. Expend funds to meet expenses of existing districts; 8. Expend funds in exercise of other powers; 9. Issue bonds. (11A-10) | 1. Establish tax levy; 2. Enter into agreements with banks and deposit funds; 3. Search and contract for superintendent; 4. Engage professionals; 5. Plan for transition; 6. Bargain collectively; 7. Expend funds to meet expenses of existing districts; 8. Expend funds in exercise of other powers; (11B-9) Note: 11B does not give the new board | 1. Establish tax levy; 2. Enter into agreements with banks and deposit funds; 3. Search and contract for superintendent; 4. Engage professionals; 5. Plan for transition; 6. Bargain collectively; 7. Expend funds to meet expenses of existing districts; 8. Expend funds in exercise of other powers; 9. Issue bonds. (11D-7) | 1. Establish tax levy; 2. Enter into agreements with banks and deposit funds; 3. Search and contract for superintendent; 4. Search and contract for other administrators and staff; 5. Engage professionals; 6. Plan for transition; 7. Bargain collectively; 8. Expend funds to meet expenses of existing districts or in exercise of other powers; |

|   | <b>Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E)</b> | <b>Small Unit District Conversions (Article 7A)</b>   | <b>Unit School District Formation (Article 11A)</b> | <b>School District Combination (Article 11B)</b>             | <b>School District Conversion (Article 11D)</b>   | <b>Conversion and Formation of School Districts (Article 11E)</b>         |
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|   |   |   |   | the power to issue bonds prior to new district taking effect |   | 9. Issue bonds. (11E-70(c))   |
| Teachers in contractual continued service | Provisions of Section 2412 apply (7-2a(b))  | Provisions of Section 24-12 apply; For unit district: 1. positions of teachers in contractual continued service that were in grades 9-12 last 5 years are transferred to annexing high school district 2. positions of teachers in contractual continued services that were in grades K-8 last 5 years are transferred to new elementary district 3. positions of teachers in contractual continued service that don't fall within #1 or #2 are | Provisions of Section 24-12 apply (11A-10)          | Provisions of Section 24-12 apply (11B-9)                    | Provisions of Section 24-12 apply; Teachers having tenure with the districts at the time of their dissolution shall be transferred: 1. to new high school district if employed full time in grades 9-12 for preceding 5 years; 2. to newly created successor elementary district if employed full time in grades K-8 for preceding 5 years; 3. full time teacher not falling within #1 or #2 transferred based on request of teacher to new high school district or newly created | Provisions of Section 24-12 apply. (No changes to existing law) (11E-110) |

|   | <b>Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E)</b>   | <b>Small Unit District Conversions (Article 7A)</b>  | <b>Unit School District Formation (Article 11A)</b>   | <b>School District Combination (Article 11B)</b>  | <b>School District Conversion (Article 11D)</b>   | <b>Conversion and Formation of School Districts (Article 11E)</b> |
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|   |   | transferred based on the request of teacher (7A-12)  |   |   | successor elementary district (11D-10)  |   |
| Limitations on contesting boundary change | Within 2 years after the order annexing the territory is final or within 2 years after the date of the election if no proceedings to contest election are duly instituted or within 2 years after the final disposition of any proceedings which may be so instituted to contest such election (7-29) | Within one year after the order providing for action is final or within one year after the date of the election if no proceedings to contest election are duly instituted or within one year after the final disposition of any proceedings which may be so instituted to contest such election (7A13) | Within one year after the order providing for action is final or within one year after the date of the election if no proceedings to contest election are duly instituted or within one year after the final disposition of any proceedings which may be so instituted to contest such election (11A14) | Within one year after the order providing for action is final or within one year after the date of the election if no proceedings to contest election are duly instituted or within one year after the final disposition of any proceedings which may be so instituted to contest such election (11B12) | Not specifically mentioned within Article 11D   | No changes to existing law (11E115)                               |
| Limitation on successive petitions        | May not come back with petition within 2 years of final determination of first proceedings unless during those 2 years a petition is filed that is substantially different, a school district involved is placed on academic watch or financial watch by ISBE, or is certified as                     | May not come back with petition within 2 years of final determination of first proceedings unless during those 2 years a petition is filed that is substantially different, a school district involved is  | May not come back with petition within 2 years of final determination of first proceedings unless during those 2 years a petition is filed that is substantially different, a school district involved is   | May not come back with petition within 2 years of final determination of first proceedings unless during those 2 years a petition is filed that is substantially different, a school district involved is   | May not come back with petition within 2 years of final determination of first proceedings unless during those 2 years a petition is filed that is substantially different, a school district involved is | No changes to existing law (11E120)                               |

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|  | being in financial difficulty, or if first proceeding involved a petition brought under 72b (Annexation of non-coterminous territory from an elementary or high school district) (7-8) | placed on academic watch or financial watch by ISBE, or is certified as being in financial difficulty (7A-15) | placed on academic watch or financial watch by ISBE, or is certified as being in financial difficulty (11A-17)  | placed on academic watch or financial watch by ISBE, or is certified as being in financial difficulty (11B-14)   | placed on academic watch or financial watch by ISBE, or is certified as being in financial difficulty (11D-12)             |  |
| Provisions related to nonrecognition   | Provision not included within Article 7  | Provision not included within Article 7A  | Any school district included in a petition under Article 11A shall not suffer the loss of State aid as a result of being placed on a nonrecognized status if the district continues to operate and the petition is granted (11A-16) | Any school district included in a petition under Article 11B shall not suffer loss of State aid as a result of being placed on nonrecognition status if the district continues to operate and the petition is granted (11B-13) | Provision not included within Article 11D  | No district included in a petition for reorganization suffers loss of State aid due to nonrecognition if the district continues to operate and petition is granted (11E-125) |
| General State Aid Difference Incentive | Detachment/Annexation not eligible for GSA Incentive; in Dissolution/Annexation, annexing district(s) eligible for GSA Incentive (18-8.05(I))  | Annexing high school district eligible for GSA Incentive (188.05(I))  | Newly formed district eligible for GSA Incentive (188.05(I))  | Newly formed district eligible for GSA Incentive (188.05(I))   | Newly formed high school district and newly formed successor elementary district(s) eligible for GSA Incentive (11D-11(3)) | No changes to existing law for most districts eligible for GSA Difference Incentive under 188.05(I); adds partial elementary unit district and new                           |

|                             | <b>Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E)</b>  | <b>Small Unit District Conversions (Article 7A)</b>                             | <b>Unit School District Formation (Article 11A)</b>                     | <b>School District Combination (Article 11B)</b>                        | <b>School District Conversion (Article 11D)</b>                                       | <b>Conversion and Formation of School Districts (Article 11E)</b>  |
|-----------------------------|--|---|---|---|---|--|
|                             |  |   |   |   |   | elementary district(s) formed from high school-unit conversion (originally 7A Conversion) to list of districts eligible for GSA Difference Incentive; unit to dual conversion (originally 11D Conversion) eligible for 4 years of incentive instead of 3 years (11E135(a)) |
| Salary Difference Incentive | Detachment/Annexation not eligible for Salary Difference Incentive; in Dissolution/Annexation, annexing district(s) eligible for Salary Difference Incentive (188.2) | Annexing high school district eligible for Salary Difference Incentive (18-8.2) | Newly formed district eligible for Salary Difference Incentive (18-8.2) | Newly formed district eligible for Salary Difference Incentive (18-8.2) | Newly formed high school district eligible for Salary Difference Incentive (11D11(4)) | No changes to existing law for most districts eligible for Salary Difference Incentive under 188.2; adds partial elementary unit district to list of districts eligible for GSA Difference Incentive; unit to dual conversion (originally 11D                              |

|                                     | <b>Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E)</b>  | <b>Small Unit District Conversions (Article 7A)</b>   | <b>Unit School District Formation (Article 11A)</b>                          | <b>School District Combination (Article 11B)</b>                             | <b>School District Conversion (Article 11D)</b>   | <b>Conversion and Formation of School Districts (Article 11E)</b>  |
|-------------------------------------|--|---|--|--|---|--|
|                                     |  |   |  |  |   | Conversion) eligible for 4 years of incentive instead of 3 years (11E135(b))   |
| Deficit Fund Balance Incentive      | Detachment/Annexation not eligible for Deficit FB Incentive; in Dissolution/Annexation, annexing district(s) eligible for Deficit FB Incentive (18-8.3)  | Annexing high school district eligible for Deficit FB Incentive (188.3)   | Newly formed district eligible for Deficit FB Incentive (18-8.3)             | Newly formed district eligible for Deficit FB Incentive (18-8.3)             | Newly formed high school district and newly formed successor elementary district(s) eligible for Deficit FB Incentive; petition must include the manner in which Deficit FB Incentive allocated among new districts (11D-11(1) and 11D-2) | No changes to existing law for most districts eligible for Deficit FB Incentive under 18-8.3; adds partial elementary unit district to list of districts eligible for Deficit FB Incentive (11E135(c)) |
| Full-time certified staff incentive | Detachment/Annexation not eligible for \$4,000/Certified Staff Incentive; in Dissolution/Annexation, annexing district(s) eligible for \$4,000/Certified Staff Incentive if receive at least 30% of the dissolved district | Annexing high school district and newly formed elementary district eligible for \$4,000/Certified Staff Incentive (188.5) | Newly formed district eligible for \$4,000/Certified Staff Incentive (188.5) | Newly formed district eligible for \$4,000/Certified Staff Incentive (188.5) | Newly formed high school district and newly formed successor elementary district(s) eligible for \$4,000/Certified Staff Incentive (11D-11(2))  | No changes to existing law for districts eligible for \$4,000/Certified Staff Incentive under 18-8.5; adds partial elementary unit district to list of districts eligible for \$4,000/Certified        |

|                                       | <b>Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E)</b>  | <b>Small Unit District Conversions (Article 7A)</b>  | <b>Unit School District Formation (Article 11A)</b>   | <b>School District Combination (Article 11B)</b>  | <b>School District Conversion (Article 11D)</b>  | <b>Conversion and Formation of School Districts (Article 11E)</b>  |
|---------------------------------------|--|--|---|---|--|--|
|                                       | Average Daily Attendance (18-8.5)  |  |   |   |  | Staff Incentive (11E-135(d))   |
| Impact of reorganization on tax rates | In Detachment/Annexation or Dissolution/Annexation, the territory being detached or the district dissolved will be taxed at the rate of the annexing district after the annexation | Newly formed elementary district may levy taxes at rates for elementary districts in accordance with limitations of 17-2 through 17-7; taxpayers in the original unit district will be taxed at the annexing high school's rates for 912 purposes; Ed, O&M, Transportation, Fire Prevention & Safety rates must be stated in petition for new elementary district and annexing high school district (7A2 and 7A-7) | Newly formed district may levy taxes at rates for unit districts in accordance with limitations of 17-2 through 17-7; Ed, O&M, Transportation, Fire Prevention & Safety rates must be stated in petition for new district (11A-3 and 11A-9) | Newly formed district may levy taxes at rates for elementary districts or high school districts (depending on type of district formed) in accordance with limitations of 17-2 through 17-7; Ed, O&M, Transportation, Fire Prevention & Safety rates must be stated in petition for new district (11B-3 and 11B-8) | Newly formed high school district and newly formed successor elementary district(s) may levy taxes at rates for respective type of district in accordance with limitations of 17-2 through 17-7; Ed, O&M, Transportation, Fire Prevention & Safety rates must be stated in petition for each new district (11D-2 and 11D-13) | Allows partial elementary unit district (combined high school-unit district and optional elementary unit district) to levy the following: for K-8 educational purposes at a rate not to exceed 3.5% and for 9-12 educational purposes at a rate not to exceed 3.5%, with the combined rate for K-8 and 912 educational purposes not to exceed 4.0%; for K-8 O&M purposes at a rate not to exceed 0.55% and for 9-12 O&M purposes at a rate not to exceed 0.55%, with the combined rate for |

|  | <b>Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E)</b> | <b>Small Unit District Conversions (Article 7A)</b> | <b>Unit School District Formation (Article 11A)</b> | <b>School District Combination (Article 11B)</b> | <b>School District Conversion (Article 11D)</b> | <b>Conversion and Formation of School Districts (Article 11E)</b>  |
|--|---|---|---|--|---|--|
|  |   |   |   |  |   | <p>K-8 and 9-12 O&amp;M purposes not to exceed 0.75%; for K-8 sped purposes at a rate not to exceed 0.40% and for 9-12 sped purposes at a rate not to exceed 0.40%; for other taxes at rates not to exceed those established for unit districts. For partial elementary unit district (combined high school-unit district and optional elementary unit district), tax increases for 9-12 purposes must be approved by a majority of voters in the area served by the partial elementary unit district for 9-12</p> |

|  | <b>Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E)</b> | <b>Small Unit District Conversions (Article 7A)</b> | <b>Unit School District Formation (Article 11A)</b> | <b>School District Combination (Article 11B)</b> | <b>School District Conversion (Article 11D)</b> | <b>Conversion and Formation of School Districts (Article 11E)</b>  |
|--|---|---|---|--|---|--|
|  |   |   |   |  |   | <p>purposes only and by a majority of voters in the area served by the partial elementary unit district for both K-8 and 9-12 purposes, and tax increases for K-8 purposes must be approved by a majority of voters in the area served by the partial elementary unit district for both K8 and 9-12 purposes. (11E-90 and 11E95)</p> |

## **School District Organization in Illinois (An ISBE Study Paper)**

### **Perspective on School District Organization in Illinois, Past and Present**

The organization of school districts has been a matter of discussion in the United States dating back to the early 1800's. This interest in the organization of public schools has continued to the present. While the factors considered important to studies of the organization of school districts have varied during these years, the discussion continues and invariably includes such major unsolved issues as:

1. What is the optimum school district size for providing a sufficiently broad range of educational opportunities?
2. What is the optimum school district size for providing an adequate tax base to develop and maintain an efficient and economical system for delivery of educational programs?
3. How can you develop the community interest, support and leadership necessary to maintain educational programs?
4. How can the above questions be answered, given the disparities among rural, suburban and urban communities?

Researchers have studied school district organizations and have developed various objectives for reorganization. Among these researchers, there is a general consensus that the goals of organization should include, at the minimum, the following:

- To produce improvement in the quality of the educational program.
- To extend the scope of programs to meet individual student needs within an ever-changing society.
- To complement the development of the most efficient and equitable system of financing public education.

While questions of optimum size, structure and procedures for school district organization are not resolved in a final sense, the historical trend in Illinois and the nation in terms of the number and size of school districts is clear - the number is diminishing; districts are larger in area; and they serve more children.

## **Types of Organization/Reorganization**

Reorganization may take one of various forms. Internal organization involves the assignment of students within a district, e.g., K-3, 4-8, 9-12; K-6, 7-9, 10-12; etc.

Horizontal reorganization is the combining of two or more elementary districts, two or more high school districts, or two or more unit districts. Vertical reorganization is the combining of one or more elementary districts with one or more high school districts to form a K-12 district with coterminous boundaries. Statutes provide for reorganization through detachment, annexation, division, dissolution or consolidation or any combination of these procedures.

## **Advantages and Disadvantages of Reorganization**

During past studies of various types of school district reorganization, some advantages and disadvantages have been identified, including the following.

### **Advantages**

1. Larger tax base--more flexibility in budgetary process.
2. Potential follow--through on student progress and achievement.
3. Economies of scale in purchasing, staffing, construction, operations, transportation, etc.
4. Flexibility in staffing patterns.
5. Potential for more efficient use of school buildings.
6. Reduced competition for educational dollars between the elementary and secondary structure.
7. Potential consolidation of legal and accounting procedures.
8. More equitable distribution of wealth factors as less wealthy districts consolidate with wealthier districts.
9. Potential opportunity for improved articulation of curricular programs if consolidated into a K through 12 district.
10. Additional students in a district provide opportunities for increased extracurricular activities and may increase efficiency in meeting the special needs of students.

## **Disadvantages**

1. Potential loss of General State Aid dollars due to General State Aid formula restrictions.
2. Less access to some non-referendum tax rates.
3. Student achievement data (usually expressed in averages) may drop after reorganization due to broadening of the test base.
4. Loss of "community identity" where this has been centered in the local schools.
5. Concern for loss of informality of smaller districts (where immediate contact with administrators and boards of education is available).

These advantages and disadvantages should not be construed as applicable to every situation, but rather as general comments regarding reorganization.

## **Review of Research and General Conclusions Related to School District Size and District Organizational Patterns**

Much of the recent discussion of school district organization concerns the educational and economic performance of school districts as they relate to size. There have also been attempts to identify optimal school and/or district size figures. These studies, however, have too frequently focused upon one consequence to the exclusion of others. Numerous factors, e.g., enrollment, geography, transportation, assessed valuation, etc., are interrelated and play a role in determining optimal size.

### **Costs and Enrollments in Relation to Size**

A number of researchers have discovered a "U-shaped" relationship between per pupil costs and school district size, typically measured as enrollment. Per pupil costs are higher for the very large and very small districts than for the mid-sized districts. For example, Sabulao and Hickrod, in 1971, found that the lowest expenditure per child occurred at about 700 students for elementary and secondary districts in Illinois, and about 5,000 for unit districts. Districts above and below these enrollments experienced costs as high as \$300 per child over the average per pupil cost at these enrollments. Sabulao and Hickrod also discovered the same relationship for administrative costs per pupil, although the differences are less pronounced. At least five other empirical research studies confirm the existence of a "U"-shaped curve relationship between per pupil costs and enrollment.

### Table of Findings

| Study             | Finding  |
|-------------------|--|
| 1. Riew (1966)    | U-shaped average cost curve with minimum costs at 1,675 high school pupils.                |
| 2. Cohn (1968)    | U-shaped average cost curve with minimum costs at 1,675 high school pupils.                |
| 3. Katzman (1971) | U-shaped average cost curve with minimum costs between 1,400 and 1,800 high school pupils. |
| 4. Johnson (1972) | U-shaped average cost curve with minimum costs at 1,426 high school pupils.                |
| 5. Hind (1977)    | U-shaped average cost curve with minimum costs at 600 elementary pupils.                   |

From these studies, whether administrative costs follow similar patterns is uncertain. Some studies have shown lower administrative costs with higher enrollments, while others find no administrative cost savings above certain enrollments.

The evidence of a nonlinear relationship between costs and enrollments has led Cohn to observe that, "it follows that schools are either too large or too small, resulting in considerable waste of resources to society." However, determining the optimal size has proved difficult. In part, this is because "school costs are influenced by forces, e.g., labor market conditions, regional geography, client tastes, and educational fads." A second problem is that building costs and transportation costs are seldom considered. Transportation is of particular concern when districts are geographically dispersed.

As an example, where a proposed unit district covers a significant number of square miles and the proposed new district may result in a reduction in the number of

schools in order to provide upgraded programs and a more efficient operation, increased transportation costs may outweigh, the proposed advantages.

The above discussion demonstrates that both per pupil expenditures and administrative costs differ, based on school size. Both extremely small and large schools spend more per pupil than schools in the middle of size distribution. This finding leads to the next question: What is an optimal school size?

### **Optimal School Size**

Researchers have tried to identify the most cost-effective size for a school and/or school district. Some have used attendance centers rather than districts as their unit of analysis. But quite frequently, the district size is the school size. Also, states differ widely in their types of school district organization and average school enrollments. While an attempt has been made to identify these differing factors, it should be recognized that the findings may not always be applicable to Illinois school districts.

Fox (1981) reviewed more than 30 studies on size economies in education. Citing consistency in the results of the studies reviewed, Fox claims optimal economies for elementary education in the range of 300 to 600 pupils per school and for secondary education in the range of 1,400 to 1,800 pupils per school. Findings for school districts are less consistent in the studies because the common unit of analysis was school, rather than district. Although Fox's review indicates economies at certain pupil enrollments for both per pupil costs and administrative costs, he raises an important qualification. That qualification is "the impact of school size on the quality of education." Citing James and Levin, whose review of the literature found no relationship or a negative one between school size and educational outcomes, Fox expresses his

concern. “The relevant question for analysis is whether quality declines in larger schools when per pupil resources are held constant.”

### **Instructional and Participation Outcomes and School Size**

Researchers have seldom addressed the question of the relationship between school size and school outcomes. Rather, school size was either one of many school conditions included by researchers in the quest for variables affecting learning outcomes, or school size was considered as a cause of such problems as student alienation, dropouts, and suspensions.

A recent study on student achievement in Illinois indicates slightly different results than those cited above. The categories used were small (below 500 students), medium (500 to 1,499 students), and large (1,500 or more students). On mathematics sections of the IIEP (Illinois Inventory of Educational Progress) test, fourth graders from small schools scored the highest; while for the eighth and eleventh grades, the highest scores came from medium-sized schools. Science and reading results followed a somewhat similar pattern. The strongest performances for fourth and eighth grades were found in small schools, and the high eleventh grade achievement was found for medium-sized schools. It should be noted that the size categories were developed in 1975 and may need to be revised as a reporting variable. Therefore, no cause and effect relations were determined.

The evidence presented by researchers on the effects of school size on achievement is generally small, non-significant, and contradictory. *In short, school size appears to be neither significantly detrimental nor significantly advantageous to pupil achievement.*

Some research has suggested that a K-12 organizational pattern provides for a better continuity of transition between elementary school and high school. Curriculum articulation, smooth pupil tracking, testing programs, and other continuing programs are indicative of this type of continuity. A Boston College study found that, from a financial viewpoint, a K-12 organizational structure was the most efficient. The researchers further indicated that K-6 or K-8 districts were the least efficient.

In Illinois, the organizational pattern is further complicated, particularly in urban areas, where non-coterminous district boundaries result in students from one elementary district being sent to two different high school districts, or one high school receiving students from several elementary districts.

As an organizational design, a K-12 district offers a better opportunity for pupil and cost efficiencies. For dual districts to go to a K-12 pattern, however, results in an immediate shortfall in access to non-referendum generated tax rates. For example, two districts covering the same tax base may levy without referendum a total of \$.10 per EAV for health/life safety purposes, but if reorganized as a K-12 district may only levy \$.05 for this purpose. Similarly this holds for taxing for transportation (\$.20 vs. \$.24): working cash (\$.05 vs. \$.10), and lease levy (\$.05 vs. \$.10).

School districts, as other governmental units, must compete for tax resources. The more numerous the taxing bodies, the more difficult it becomes for each individual taxing body to obtain the resources that it considers necessary. By reducing the number of school districts covering the same geographic area and tax base, competition for limited resources is reduced.

## **General Conclusions From Research**

In 1982 the Illinois State Board of Education adopted the topic of school district organization/consolidation as a policy study. In addition, the Illinois State Senate Education Committee has requested that the Illinois State Board of Education review the status of school district organization in the State of Illinois.

The analyses of research and other data elements considered in this paper were guided by the concern that responses are provided to the following seven questions. The questions are not mutually exclusive. They must be addressed, and then examined, knowing that they are interrelated.

1. *Are there economies of scale? If so, what are they? Are there points of diminishing returns?*

The greatest impact of size appears to be on costs, usually specified as per pupil expenditure. Research indicates that both small and large schools or districts incur higher per pupil expenditures than schools in the middle of the range. Therefore, it is possible to determine an enrollment level that may be more economical than another.

2. *Are there efficiencies of scale? Does a broader student base affect program offerings?*

Research findings indicate that the breadth and scope of curricular offerings are greater when enrollment is increased above a threshold level of enrollment. Analyses of 4-year high schools suggest that, in general, for schools of less than 2,000 enrollments, a 30 to 40% increase in curricular offerings may result when the enrollment is doubled until reaching 2,000. This finding however, does not apply equally to all academic subjects. Factors such as urban, suburban, and rural composition play an important role in determining the breadth and scope of curriculum.

Additional findings indicate a greater student participation in nonacademic and extracurricular areas in smaller districts. However, these findings are not correlated with the broader range of activities that may be offered in larger districts.

The conclusion is that a broader student base provides the opportunity for increased efficiencies in program offerings.

3. *Are there inequities or disincentives in Illinois, which relate to any one organizational pattern? Elementary districts? Secondary districts? Unit districts?*

A review of the Statutes pertaining to tax levies for different types of districts clearly shows that elementary and secondary districts seeking to consolidate as a unit district in Illinois will have less access to tax levies in the lease levy fund; transportation fund; working cash fund and the health/life safety fund. The conclusion is that there are inequities and/or disincentives that can be identified regarding organizational patterns.

4. *Are there organizational patterns, which, by design, provide a better chance for curriculum articulation or services to pupils? (K-4, 5-8, 9-12), (K-12). etc.?*

Research in this area is rather limited; however, it suggests that a K-12 pattern may provide a better continuity of transition between elementary and high school. Curriculum articulation, smooth pupil tracking, and testing programs are examples of this continuity. The research supports a K-12 organizational pattern.

5. *Do problems exist in educational priority setting or in access to resources when more than one educational district covers the same geographic area (e.g., elementary, secondary community college, regional special districts)?*

Research regarding this question is also limited. Observation by numerous educational administrators in Illinois appears to indicate that the more districts serving the same community, the greater the competition is for tax resources, e.g., adopting a referendum resolution prior to competing districts or a secondary district's policy dominating the underlying elementary district(s). However, as the number of school

districts decrease, there is less competition with other governmental units for tax monies. The conclusion is that tax resources should be available on an equitable basis to all educational entities.

6. *Are there program or student achievement gains in any district type or size that may supersede economies or efficiencies of scale?*

Numerous research studies have been undertaken regarding this question. The answers appear to be inconclusive- school size appears to be neither significantly detrimental nor significantly advantageous to pupil achievement. Therefore, economies of scale carry a greater weight in determining optimal school or district size.

## **The Relationship Between School Size and Achievement in Downstate High Schools**

A readily accepted premise is that because of the inability of small high schools to offer expanded curricula achievement levels of students attending small schools will not be on par with students attending larger schools. In a rigorous sense, in order to determine if that is a true statement there must be agreement on certain questions. One such question would be "What constitutes a small school?" Another would be "What constitutes high achievement?"

A second premise is that students in small high schools do not have access to the same level of courses as students in larger schools. The number of course offerings, and especially advanced classes are limited. One question that naturally arises is "How many advanced course offerings are necessary?"

This report presents data regarding the relationship between school size and student achievement and school size and number of course offerings in Illinois high schools outside the city of Chicago. No attempt is made to answer the above stated questions. Rather, the size data are categorized with mean achievement data presented within category. It is up to the reader to discern if school size does make a difference in student achievement.

Table I presents the number of high schools by category of enrollment. Data are for the 2010-11 to 2012-13 school years.

Table I  
Number of Downstate High Schools  
By Category of Enrollment

| <u>Enrollment<br/>Category</u> | <u>2010-2011</u> | <u>2011-2012</u> | <u>2012-2013</u> |
|--------------------------------|------------------|------------------|------------------|
| Less than 100                  | 21               | 26               | 27               |
| 100-200                        | 101              | 102              | 99               |
| 200-300                        | 74               | 66               | 67               |
| 300-400                        | 52               | 57               | 61               |
| 400-500                        | 37               | 36               | 35               |
| 500-1,000                      | 81               | 81               | 80               |
| 1,000-2,000                    | 106              | 106              | 105              |
| 2,000-3,000                    | 72               | 69               | 70               |
| More than 3,000                | 17               | 23               | 18               |
| Total                          | 561              | 566              |                  |
| 562                            |                  |                  |                  |

Table II  
High School Mean Composite PSAE and ACT Scores

| <u>Enrollment<br/>Category</u> | <u>2010-2011</u> |            | <u>2011-2012</u> |            | <u>2012-2013</u> |            |
|--------------------------------|------------------|------------|------------------|------------|------------------|------------|
|                                | <u>PSAE</u>      | <u>ACT</u> | <u>PSAE</u>      | <u>ACT</u> | <u>PSAE</u>      | <u>ACT</u> |
| Less than 100                  | 36.9             | 19         | 40.2             | 18.5       | 39.8             | 18.1       |
| 100-200                        | 47.3             | 19.7       | 48.7             | 19.9       | 49.6             | 19.2       |
| 200-300                        | 50.8             | 20         | 51.6             | 20.3       | 54.9             | 19.6       |
| 300-400                        | 53.3             | 20.2       | 52               | 20.3       | 52.8             | 19.8       |
| 400-500                        | 53.8             | 20.4       | 54.5             | 20.7       | 56.8             | 19.8       |
| 500-1,000                      | 52.9             | 20.6       | 53.6             | 20.5       | 54.7             | 20.1       |
| 1,000-2,000                    | 50.2             | 20.5       | 49.2             | 20.3       | 51.1             | 19.9       |
| 2,000-3,000                    | 57.9             | 21.6       | 60.1             | 21.8       | 62.4             | 21.6       |
| More than 3,000                | 59.1             | 22         | 58.6             | 22         | 59.4             | 21.6       |

Table III  
High School Grade 11 Mean Composite Reading & Math PSAE Scores

| <u>Enrollment<br/>Category</u> | <u>2010-2011</u> |             | <u>2011-2012</u> |             | <u>2012-2013</u> |             |
|--------------------------------|------------------|-------------|------------------|-------------|------------------|-------------|
|                                | <u>Reading</u>   | <u>Math</u> | <u>Reading</u>   | <u>Math</u> | <u>Reading</u>   | <u>Math</u> |
| Less than 100                  | 41.7             | 34.3        | 43.8             | 35.6        | 44.5             | 35.2        |
| 100-200                        | 49.7             | 46.9        | 49.2             | 48.3        | 51.9             | 47.3        |
| 200-300                        | 51.9             | 51.4        | 52.9             | 49.5        | 57.3             | 52.4        |
| 300-400                        | 54.7             | 52.7        | 53.5             | 49.9        | 55.9             | 49.7        |
| 400-500                        | 56               | 52.8        | 54.4             | 54.1        | 59               | 54.5        |
| 500-1,000                      | 53.6             | 52.8        | 54.1             | 51.7        | 57.2             | 52.3        |
| 1,000-2,000                    | 50.6             | 50.8        | 48.7             | 49          | 53               | 49.1        |
| 2,000-3,000                    | 72               | 59.1        | 58.2             | 61.3        | 62.9             | 62          |
| More than 3,000                | 58.8             | 60.3        | 57.2             | 59.5        | 60.6             | 58.2        |

## **Unit Districts Formed from Dual Systems (An ISBE Document)**

### **The Case to Prefer Unit Districts**

While the State Board of Education school district reorganization policy emphasizes the creation of higher-enrollment high schools from districts with high schools with below-average enrollments, the State Board has also stated that the unit district should be the preferred organization pattern in Illinois.

There have been cases of the formation of unit districts from a dual system of a coterminous high school district and elementary district and from a contiguous unit district. These reorganizations had the effect of creating larger high schools. However, there have been seven unit districts formed from dual districts that did not create a larger enrollment high school. Each of these cases involved a single high school district with one building; in three cases the high school district contained two underlying elementary districts and in four cases only one. Most of the high schools are under 200 in enrollment.

Looking at all eleven of the unit formations from duals, one notes that with the exception of the North Chicago case, and these reorganizations occurred downstate outside of densely populated areas.

Cases for the unit district's being the preferred organization pattern were made in State Board of Education reports, one in 1982 and the other in 1985. According to these reports, the unit district provides a better structural arrangement than the dual district for cooperation and coordination in curriculum, student assessment and student services from kindergarten through twelfth grade. It allows greater flexibility in deployment of staff and in course offerings, particularly within the seventh to tenth grade

levels. Moving to a unit system provides the potential for greater efficiencies in the use of school buildings, administrative and support personnel, legal services, purchasing, and other areas.

Varying degrees of organizational complexity are created by the dual system. These eleven reorganizations were all at the simple end of the simplicity-complexity continuum. After all, there are 108 high school districts and 400 elementary districts in the State, which means the typical high school district has four underlying elementary districts. There have been no cases of a unit formed from a dual of three, or more elementary districts. The most complex dual systems involve six to ten elementary districts feeding into one multi-building high school district with one or more of the elementary districts overlapping into other high school districts.

The more complex, the greater the difficulty and the lesser the likelihood of effective coordination of curriculum and student services. Thus, some degree of educational efficiency or effectiveness is lost by not having unit districts. At least that is a conclusion of logic, common sense and experience. However, it may be methodologically difficult if not impossible to conduct empirical studies measuring degrees of effective "articulation" between the elementary and secondary level in units.

Table H

Units Formed from Duals – No Larger High School Formed (Article 11A)  
1993-1994 High School

| <u>Effective Year</u> | <u>County</u>                    | <u>Merged Districts</u>  | <u>Enrollment of Reorganized District</u> |
|-----------------------|----------------------------------|--|---|
| FY 11                 | Marion                           | Odin CHSD, Odin SD   | 320                                       |
| FY 07                 | Franklin                         | Thompsonville CHSD, Thompsonville SD   | 310                                       |
| FY 99                 | Franklin                         | Christopher CHSD, Christopher SD   | 835                                       |
| FY 98                 | Shelby                           | Cowden-Herrick CHSD, Cowden-Herrick CCSD   | 414                                       |
| FY 97                 | Fulton                           | St. David Elem., Lewistown Elem. Pritchard Clark Elem., Lewistown HS   | 925                                       |
| FY 95                 | Bureau                           | Manlius Unit, Western Unit, Wyanet Elem., Wyanet HS, Walnut Elem., Walnut HS                                   | 1,100                                     |
| FY 94                 | LaSalle/Marshall Woodford/Putnam | Lostant High School and Elementary Districts Formed Lostant Unit *   | 1,284/941<br>362/290                      |
| FY 90                 | Lake                             | North Chicago High School and Elementary Districts formed North Chicago Unit                                   | 843                                       |
|                       | Marshall/Putnam                  | Henry-Senachwine High School District and its two underlying Elementary Districts formed Henry-Senachwine Unit | 219                                       |
| FY 89                 | Calhoun                          | Brussels High School and Elementary Districts formed Brussels Unit   | 70  |
| FY 88                 | Massac                           | Joppa High School and Maple Grove Elementary Districts formed Joppa Maple Grove Unit                           | 99  |
|                       | Johnson                          | Goreville High School and Elementary Districts formed Goreville Unit   | 136                                       |

|       |           |   |     |
|-------|-----------|---|-----|
| FY 85 | Christian | South Fork High School and its two underlying elementary districts formed South Fork Unit | 125 |
|-------|-----------|---|-----|

**\*Simultaneous with voter approval of unit district formation, the voters also approved high school deactivation to four neighboring districts, which range in high school enrollment from 290 to 1,284.**

## **Inequities, Inefficiencies and Costs Associated with the Dual System**

One obvious consequence of the dual system involving two or more elementary districts is the tendency for a notable variation among the elementary districts in enrollment, tax rates, percent of spending from state sources and per-pupil wealth. The formation of a unit district along the boundaries of the high school district would have the effect of creating equity of tax rates and per-pupil spending. A unit district provides the structure for rational distribution of resources where they are needed. Dual systems lack the capacity to prioritize and properly allocate total resources because of the segregation of local revenue. Thus, pupils who graduate from certain elementary districts may be at a disadvantage in the high school in comparison with other graduates of elementary districts within the same high school district. For example, a poorer elementary district may be unable to pass tax rate increase referenda and has to cut programs while a neighboring richer elementary district continues to have adequate revenue to maintain and enhance programs.

Not only does the dual system contribute to the inequities of the Illinois school system, but also to its costs. Based on research conducted in 1992, the dual system in the six-county Chicago suburban area in contrast to the unit system in the area is characterized by higher salary levels for high school *teachers* in high school districts than high school teachers in unit districts; by a somewhat higher proportion of total expenditures for "general administration;" and generally speaking, by higher educational and operational tax rates.

Reorganization feasibility studies conducted by the former ISBE School Organization and Facilities Section for dual systems clearly demonstrate that the

formation of unit districts in these cases would allow certain efficiencies in the use of resources. Almost all of the smaller enrollment elementary districts in these studies and a few of the larger elementary districts have low pupil-teacher ratios. The teacher data in these studies are confirmed by state-level data, which show that at both the elementary and secondary levels, pupil-teacher ratios in small enrollment districts are well below state-wide averages of about 19 to 1. Consolidating or annexing such districts provides the opportunity for savings in personnel costs through a reduction in force and a more efficient and flexible deployment of teachers.

These studies conducted for downstate dual systems compared the dual system with 10 unit districts in the same general part of the state that had enrollments about the same as the elementary districts and the high school district combined. The average of the tax rates and of the number of teachers were notably lower in each set of 10 unit districts than in each dual system under study. However, forming a unit district would usually incur the additional cost of bringing up the salaries of the teachers in the former elementary districts to the level of salaries that prevailed in the high school district.

### **Impediments to Forming Units from Duals**

Former ISBE School Organization and Facilities Section studies for dual systems contemplating reorganization and the reactions to them have further clarified the impediments to unit district formation from a high school district and its underlying elementary districts in all but the organizationally non-complex sparsely populated areas of the State. They include the usual general reasons for school boards and staff, parents and other district residents to prefer the status quo: the widely held preference to protect local identity and the existing geographic scope of local control and to defend

existing facilities, programs and boundaries. The following are some specifics to maintain existing dual systems:

1. The fact that the law requires a majority of "yes" votes in each affected district in the referendum on the unit district formation proposition, rather than a majority overall. Thus, the smallest elementary district can veto the whole proposal by voting "no". This impediment has been altered with the passage of SB2795 in 2006 which allows a unit district to be formed from a high school district and any one or more of its elementary feeder districts.
2. Resistance to the loss of a board and superintendent oriented solely to elementary or high school level programs.
3. The cost of bringing up the salaries of elementary teachers to the level of the high school teachers. A \$10,000 or more difference is not uncommon between the average salary for teachers in the high school district and the average salary for teachers in the elementary districts. The cost of bringing up the elementary salaries to the high school level is paid by the State for a four-year period under the State's program of incentive payments to reorganized districts, but thereafter is strictly a district expense. This cost of raising elementary teacher salaries -- which in the larger dual systems would exceed \$1,000,000 a year--could cancel out savings potentially realizable by more efficient facility and staff utilization when a unit district replaces a dual system.
4. The overlap of an elementary district or districts within the high school district into one or more neighboring high school districts. Forming a unit district in such circumstances necessitates the making of boundary adjustments that generally engender opposition from any district proposed to lose territory and, in any event, adds to the complexity of the reorganization process.
5. The fiscal and socioeconomic diversity among the elementary districts within the high school district. For example, residents of elementary districts with a high equalized assessed valuation per pupil and a below average tax rate are likely to oppose merging their resources and seeing their tax rates go up.
6. The high expense to the State for reorganization incentive payments to a unit district formed from a high enrollment dual system. (NOTE: General State Aid was replaced in 2017018 by Evidence Based Funding).
  - a) The potentially high cost of the teacher salary difference payment has already been cited.

- b) A unit district formed from a dual will lead to either- a net gain or loss in General State Aid. Losses could be in the hundreds of thousands of dollars. Any loss is paid for four years under another State payment program to reorganized districts. A loss in general state aid, like the increased salary costs, would have to be borne by the unit district after the four years of State payments are over. Note: General State Aid has been replaced in 2017-18 by Evidence Based Funding” after “A unit district formed from a dual will lead to either a net gain or loss in General State Aid”.
- c) Another State payment to reorganized districts designed to encourage reorganization is the deficit difference payment. Several recent proposed reorganizations in Chicago suburbia would have generated multi-million dollar payments, not because the districts involved were financially unhealthy, but because they were in counties with early tax distribution and such distributions are not included in the June 30th fund balances used to determine whether there is a payment under this program. Thus, the formula in the law created a deficit.
- d) The fourth incentive payment authorized for newly formed unit districts is the \$4,000 payment for each of three years for each full-time certified staff member in the new district. Two hundred and fifty such members in a suburban system is not a high number, yet such a count could generate a \$3,000.000 payment by the State over three years.

### **Reorganization Considerations and Options**

In reviewing the reorganization options, each individual situation has to be looked at in terms of factors unique to that situation. The goals of a school district reorganization should include, at minimum, the following:

Goal #1: To produce improvement in the quality of the educational system.

Goal #2: To extend the scope of programs to meet individual student needs within an ever-changing society.

Goal #3: To develop an efficient and equitable system of financing public education.

Currently, the State of Illinois allows for school district reorganization to take place through the implementation of a number of processes. Each of these has its own set of regulations and is designed to accommodate the different circumstances found throughout Illinois. The following is a discussion of the feasibility, and probable effect, of those, which "fit" reorganization considerations if employed by the districts involved in this study.

#### Community Unit District Formation – Article 11E

This method of reorganization can create a new unit district from two or more existing unit districts and/or dual district territory. Districts utilizing this type of consolidation will have their present boards dissolved and a new Board of Education will be elected "at large" in the next election or in the same election as the reorganization proposition is submitted.

The process begins with a petition to the Regional Superintendent of Schools either by the respective Board of Education or the voters. The voter's petition must be signed by at least 50 voters or 10% of the voters, whichever is lesser from each of districts wholly or partially included in the proposal. The Regional Superintendent is required to publish notice of the petition for three consecutive weeks in a local

newspaper. A description of the proposed district must be included. A Committee of Ten citizens is formed as an advisory and planning group in the formation of the new district. This Committee of Ten may be in part made up of Board of Education members from the affected districts as well as citizens living within the newly planned district. A hearing is held by the Regional Superintendent to gain input from all parties pro or con on the reorganization issue. After the hearing, the Regional Superintendent must approve or deny the petition within 14 days of the conclusion of the hearing. If the Regional Superintendent approves the petition, the State Superintendent of Schools reviews the petition and also approves or denies it within a similar timeframe.

If the State Superintendent approves the petition, an election is held at the next regularly scheduled election date. *For approval at the election, a majority of voters in each "affected district" is required for passage of the referendum.* Recent legislation has allowed the election of school board members for a newly reorganized district may be held at the same time as the reorganization issue is voted upon. This would normally be held

in the April election date but may be held in the fall election date of alternate years.. Bonds may also be approved at this election if it is determined to be necessary by the Committee of Ten.

*A further consideration in the formation of a new unit district using this method is that the bonded indebtedness of any previously existing district "stays with the district (territory within a new district) that incurred the debt."* In other words, whatever bonded indebtedness was present before reorganization will be assessed on those voters only until that bond issue(s) are paid for completely. In 1994, legislation was passed that the

election petition may also request that bonded indebtedness of each existing district could be assumed by the entire territory of the new unit district.

The possibilities for school district reorganization utilizing Article 11E include the following:

1. The petition requirements are normally made by the school boards of the districts contemplating reorganization. However, in the case of the districts included in this study, it is possible that the voter's petition requirements of 50 from each district or 10%, whichever is lesser from each of the districts, would have to be the method to bring an 11E reorganization proposition to the voters.
2. Some other pertinent factors in school district reorganization include bonded indebtedness of the newly reorganized district. In the case of an 11E reorganization, the bonded indebtedness of each district will stay with the previous district that incurred the debt. In other words, any bonded debt that each individual district had before reorganization will be paid by only the citizens of the original district.
3. Teachers and ESP personnel in the districts will have their tenure/seniority merged into a single seniority list respectively in the newly reorganized district.
4. Multi-year agreements made by the previous districts except collectively bargained multi-year agreements with certified and non-certified employee groups must be honored with the newly reorganized district. These agreements may include transportation, cafeteria, and individual administrative multi-year agreements.
5. As the old boards of education are dissolved after a successful reorganization vote, so are the teachers unions of the previous districts. Normally they merge to form a new union and collective bargaining will commence after the new board of education is formed.
6. Formation of a unit district could result in a more efficient use of existing facilities and staff. In other words, the administration of a newly formed unit district would be responsible for all of the existing elementary, junior high and high school facilities. In addition, the staff of the new unit district would be placed in a more efficient staffing pattern when using all of the existing programs throughout the new unit district as opposed to those existing in the current separate districts.
7. The tax rate would be the same for all of the taxpayers in the newly formed unit district not counting the bonded indebtedness.

8. Economies of scale could be more effectively utilized in the business operations of a unit district. By this, the consultant implies that purchasing of larger quantities of supplies would inherently be cheaper due to the increased volume of the expenditures of a newly reorganized district.
9. Curriculum coordination between the elementary buildings and junior highs would have a higher degree of coordination and articulation of curriculum programs leading into the high school years.
10. A comprehensive junior and senior high program could be developed for all unit district students.
11. There would undoubtedly be reductions of administrative staff especially in the central office and areas of superintendent and other central office positions, in a newly reorganized unit district with concurrent salary savings in this area, as well as central office duplication of staff currently in the districts involved in this study.
12. In any reorganization, there are areas of concern. In this reorganization method,
  - a. one of the concerns is that the election must pass with a majority of yes votes in
  - b. each district, or affected area, regardless of the number of voters. In addition,
  - c. when combining unit districts, districts generally reduce their certified teaching
  - d. force with economies of scale in the numbers of teachers needed in a larger unit
  - e. district. Lastly, there is a measure of loss of local control when school boards
  - f. and their members are reduced to a smaller number of board members in a
  - g. new unit district. Many or all of these factors relating to a school district
  - h. reorganization will apply equally in the other methods of reorganization
  - i. currently approved in Illinois.

Conversion and Formation of School Districts Article 11E, Optional Elementary District (Hybrid District)

The newly enacted Article 11E is somewhat different than the original Article 11

A. In this configuration of dual districts into a unit and possibly some elementary districts outside of the unit district is a new concept and approved by PA 94-1019.

Some of the differences involved in this method of reorganization include the following:

1. All dual districts do not have to approve the formation of a unit district. However, all dual districts must vote on the issue. If one or more of the elementary districts and the high school district approve the formation of a new unit district with the voting requirements of a majority of voters in each affected district. In other words, a single elementary district or more may vote yes on a referendum to form a new unit district with the high school and leave one or more elementary districts as elementary districts but will still attend the same high school.
2. There are no minimum EAV nor population requirements.
3. Citizen petition requirements are 50 legal residents or 10% whichever is smaller for each district or by the boards of each affected district.
4. All financial incentives are authorized for the newly formed district.
5. The elementary districts that vote yes with the high school need not be "coterminous" or be within the same high school district.
6. There is an "opt in process" in which elementary districts not voting yes for the Optional Elementary Unit may opt in to the unit by voting singly or in tandem to join the unit within five years without all districts voting yes on the referendum.
7. In general, for a few of the taxes levied by a hybrid district, the hybrid district will have a separate rate for high school purposes and a separate rate for elementary purposes. The high school rate will apply to the entire territory and the elementary rate will only apply for elementary purposes.
8. A hybrid district has three types of tax rates; elementary, high school rates and general rates. If the district wants to increase the rates after the district has been formed, the following approval requirements apply:
  - a. Elementary rates: Any increase to tax rates for elementary Purposes must only be approved by a majority of voters living in the territory included for elementary purposes.
  - b. High school rates: Any increase to the high school rates must be approved by a majority of the voters living in both the high school only territory, and the K12 territory.
  - c. General rates: Any increase to general rates (transportation, health life safety, etc.) must be approved by a majority of the voters living in both the high school-only territory, and the K-12 territory.

9. Hybrid districts must issue bonds for either elementary or high school purposes.  
Bonds for high school purposes must be approved by a majority of voters in the entire territory. Bonds for elementary purposes must only be approved by a majority of voters included in the district for elementary purposes. Hybrids will have a debt limitation applicable to the entire district for high school purposes.

*For purposes of this study, this reorganization method may not be utilized since there is no high school district involved in this study.*

#### Consolidation Utilizing Article 11E

In an 11E consolidation, elementary or high school districts may be reorganized utilizing the same set of regulations and procedures. In the election to approve the formation of a larger elementary or high school district from existing elementary or high school district, the vote will pass if a majority of those voting in each affected district approve the vote for reorganization.

*For purposes of this study, this reorganization method can not be utilized since there are no dual districts. The procedures, incentives available are very similar to an 11-E consolidation that was previously discussed.*

#### Annexation of School District by Article 7

Annexation of school districts either in part or an entire district is permitted under the guidelines in Article 7 of the Illinois School Code. This method differs in many respects from the requirements for other reorganization methods.

Districts utilizing annexation processes essentially become a part of an existing district. In other words, one district annexes another district(s) with one district continuing to function and the other district(s) going out of existence.

This process may begin in one of two ways. Currently the dissolution-annexation petition can be filed by the board of education of the dissolving district or by a majority of registered voters in the dissolving district. Requirement on 2/3 registered voter filing is only in a detachment-annexation petition.

After a petition is received by the Regional Board of School Trustees, the Regional Superintendent holds a hearing at which the Regional Superintendent submits maps, report of financial and educational conditions of the districts involved, and the probable effect of the proposed changes to the regional board. Any resident of the territory in the affected districts may appear at the hearing and present evidence in support of opposition to the petition. The order on the petition must be entered within 30 days of the conclusion of the hearing.

It is important to note that there is now an election for districts using the annexation method and that the decision on annexation lies with the voters in each “affected district.” While this method has been utilized by many of the school district reorganizations approved from 1980-1997 and was the most widely utilized method of school district reorganization, the added requirement of an election after approval by the Regional Board of School Trustees has significantly diminished the utilization of the annexation method. Normally, this type of reorganization is approved by boards of education and brought to the Regional Board of Trustees. The petitions would be filed by the board of education of the dissolving district or a majority of the registered voters in the dissolving district. In this reorganization option, one board is dissolved and the annexing district board takes over and utilizes their current tax rate, etc. *This reorganization method could be utilized in this study as they could annex one district in*

*its entirety. Utilizing an annexation does not create a new district. One district absorbs the other. Taxes paid by district annexing are utilized for the district's taxpayers that are annexed. No new collective bargaining agreement is created.*

#### Deactivation of a High School Facility Under Section 10-22B

This type of school district reorganization is a method that has been used on limited occasions since its inception in 1987. Essentially, a district "deactivates" its high or junior high school, and "tuitions" its students to a neighboring district.

Until June of 1989, deactivation could only occur for a maximum of five years but legislation has removed that time limit and deactivation may now continue indefinitely with either a continuation of a one-year or two-year agreement between the districts. Deactivation requires the approval of the board of the receiving district and of the majority of those voting upon the deactivation proposition in the sending district. Thus, a two-pronged approval system is utilized with one part being an approval by a Board of Education and the other by a vote of the majority of the voters in the sending district.

A board contemplating deactivation shall, by proper resolution, cause the proposition to deactivate the high or junior high school facility to be submitted to the voters at a regularly scheduled election. Notice shall be published at least ten days prior to the date of the election, at least once in a newspaper. A majority of those voting upon the proposition vote is required for passage.

If the vote is successful, the sending district shall pay to the receiving district an amount agreed upon by the 2 districts. Under a deactivation, tuition amounts are not tied to per capita. The length of the initial contractual agreement shall be for two years, but the districts may renew the contract for one- or two-year periods.

Transportation of students remains the responsibility of the sending district. In addition, tenure rights of teachers in the deactivated high school are maintained and when the deactivation becomes effective, they are transferred to the receiving district. The question of transfer of tenure in a deactivation is interesting in that while the high school teachers of the sending district transfer their tenure and salary to the receiving district, the sending district is technically still in existence and can be reconstituted by the sending district at the end of the contractual agreement between the districts.

Thus, a school district that deactivates its high or junior high school facility is in the position of temporarily discontinuing its high or junior high school program but does not go out of existence as in all other methods of reorganization except the Cooperative High School. Essentially, the business functions of the high school continue and the Board of Education in the sending district(s) must continue to maintain the levy, budget, and other duties as a functioning district. Districts wishing to reactivate their high schools have a process to do so if they desire and to begin their high school program again.

Since there is no official reorganization of school districts utilizing high school deactivation, financial incentives are partially available for districts utilizing this process. Two of the incentives are available, the \$4,000 incentives and Salary Equalization.

*For purposes of this study, a deactivation is an option for the districts in this study. One district could deactivate its high school and tuition its students*

Dissolution of School Districts Under Section 7-2 and 7-11 of Article 7 of the School Code of Illinois

This type of reorganization was possible under Article 7, but new legislation effective in 1989 now delineates a different format for dissolution of school districts with populations of less than 5,000 or student enrollment less than 750. Essentially, districts using this method simply go out of existence. Control over these districts passes to the Regional Board of School Trustees.

Petitions for dissolution are made by the Board of Education or a majority of the legal voters residing in the district proposed to be dissolved. The Regional Board will not act on a petition filed by a board of education, if within 45 days after giving notice of the hearing, a petition in opposition to the petition of the Board to dissolve, signed by a majority of the registered voters of the affected district, is received.

The Regional Board has no authority to deny dissolution requested in a proper petition but shall exercise its "discretion" on the Issue of annexing the territory of a district being dissolved. Tenured teachers of a dissolved district are transferred to the annexing district(s) in relation to their seniority within the dissolved district and in relation to the seniority of teachers in the annexing district.

The Regional Board may annex all or part of the dissolved district to one or more districts. It should be noted here that a review of the legislation and ISBE regulations do not stipulate that a district may refuse annexing all or part of a dissolved district.

In the dissolution of school districts, if a majority of signatures of the voters in the district are obtained to dissolve the school district, the Regional Board of School Trustees cannot deny the petition and must dissolve the district after a public hearing is held to hear the views of the citizens. Thus, there is a forcible method of school district

reorganization, which can totally bypass a Board of Education and in which no election is held.

A hearing will be held not less than 50 days nor more than 70 days after a petition to dissolve is received. At the hearing, the Regional Board shall hear evidence as to the school needs and conditions of the territory and the area. Within ten days of the hearing the regional board will render a decision on the annexation of the dissolved district.

Districts utilizing this reorganization format are essentially empowering the Regional Board with the ultimate authority to decide what is going to happen to the dissolved district. Districts dissolving are eligible for the financial incentives available to the annexing district. Essentially, the same guidelines for annexing districts apply to districts dissolving and becoming annexed by the Regional Board of Trustees.

In this case, all of the districts, could utilize dissolution. The method of dissolution would depend upon the population of the individual school district that wishes to dissolve. However, all of the reorganization scenarios could dissolve and be annexed to a neighboring similar type of district.

Annexing districts utilizing dissolution are eligible for all financial incentives currently offered by ISBE.

*For purposes of this study, both districts are eligible and may utilize dissolution. Both districts could dissolve and the determination of the dissolving would be made by the Regional Board of School Trustees with an annexation to a neighboring district. While it is legal, it is not a recommended option for these districts as the dissolving district loses control of the process.*

### Unit District Conversion in Districts Under Article 11E

Basic requirements for unit districts wishing to convert to an elementary district and annex its high school students to a neighboring high school district are not present in this study. Current statutes require unit district conversion for a unit district only to a contiguous high school district. *Since there are no high school districts contiguous to any unit district included in this study, it could not utilize this reorganization method.* Voting requirements are that it pass in the converting and annexing district with a majority of voters. Districts utilizing this method of reorganization are eligible for all current financial incentives.

### Cooperative High School Attendance Centers

Two or more contiguous unit or high school districts may jointly operate one or more cooperative high school attendance centers. Such action shall be taken for a minimum period of twenty school years.

The board of each district contemplating such joint operation shall, by proper resolution, cause the proposition to enter into such joint operation to be submitted to the voters of the districts at a regularly scheduled election. If the majority of those voting on the proposition in each district vote in favor of the proposition, the school boards of the participating districts would execute a contract for such joint operation subject to the following provisions:

1. The agreement for joint operation of any such cooperative high school attendance center shall be executed on forms provided by the State Board of Education and shall include, but not limited to, a process to resolve disputes on matters which each participating district cannot agree, provisions for administration, staff, programs, financing and transportation. Even if two or more of the participating district boards approve an extension of the agreement, any

other participating district shall, upon failure of its board to approve such extension, disengage from such participation at the end of the then current term.

2. An advisory board, which shall govern the operation of any such cooperative high school attendance center, shall be composed of an equal number of board members from each of the participants, except that where all participating district boards concur, membership on the advisory board may be apportioned to reflect the number of students in each respective district. The membership of this advisory board shall be not less than 6 or more than 10. The school board of each participating district shall select from its membership, its representatives on the advisory board. The advisory board shall prepare and recommend a budget for the cooperative high school attendance center, which must be approved by each of the participating districts.
3. Each participating school district shall provide any necessary transportation for students residing in the district, or enter into an agreement with the other participating districts for transportation of its students.
4. Each participating district shall pay its per capita cost of educating the students residing in its district and attending any such cooperative high school attendance center into the budget for the maintenance and operation of the cooperative high school attendance center or centers.

Such per capita cost shall be computed in the following manner. The cost of maintaining and operating such cooperative high school attendance centers shall be first determined by the advisory board and shall include the following expenses applicable only to each attendance center under rules and regulations established by the State Board of Education as follows:

5. Additional districts may be added as long as they conform to the same requirements as the original cooperating districts.
6. Administrators, teachers, and other staff assigned to the cooperative high school attendance center or centers by participating school districts shall continue to be subject to employment by and to maintain all rights, privileges and benefits in the districts from which they were assigned. However, the participating districts may jointly employ a principal to oversee the administration of the cooperative high school attendance center, provided the principal does not have the authority to employ or terminate the employment of other personnel.

While this method two cooperative high schools have been formed.

- a) Cooperating school districts do not go out of existence but cooperate in the most expensive curricular aspect of education, the maintenance of the 9-12 high school.

- b) Cooperating districts have an opportunity to jointly solve the problems in operating and maintaining a high school facility. Current legislation even allows for flexibility in the number and proportion of board members on the advisory board.
- c) A mechanism is in place for districts to disengage themselves from a cooperating agreement but only after a minimum of twenty years.
- d) Personnel to staff the cooperative high school maintain their current seniority and salary schedules so there is no loss of status quo in these two critical personnel areas.

*This reorganization method is an option for the purposes of this study. There are two incentives available to districts utilizing this method of reorganization, the \$4,000 incentive and Salary differential.*

#### School District Conversion Under Article 11-E

This is a relatively recent reorganization option to be approved by the General Assembly and as yet only one group of districts has utilized this method of reorganization in Illinois. Of the eleven approved reorganization methods, this is the only option where more school districts are created than existed previously.

In this option, unit districts may break apart and create a dual district format. For example, if two unit-districts were to utilize this option, the districts would dissolve their existing unit districts and two elementary districts would be created from the area of the previous unit districts. In addition, an over-laying high school district would be created to cover the area of both of the previous unit districts.

In order to file a petition with the Regional Superintendent for an 11E conversion, one of two requirements must be met. First, the boards of education of the affected

districts may resolve to bring the proportion to the next regularly scheduled election. A petition may also be filed with the signature of at least 50 voters or 10% of the voters, whichever is less, residing within each affected district.

There must also be a provision made by agreement of the affected district of the division of assets. Normally, this process would be handled by the Regional Superintendent of Schools utilizing Article 11-C of the School Code and would facilitate this process.

To be successful, a majority of the voters in "each affected district must approve the resolution." *This reorganization method is not a viable option for the purposes of this study.* *Districts utilizing this method of reorganization are eligible for all of the financial incentives.*

#### Combined High School – Unit District (Hybrid) Article 11E

A combined high school-unit district may be a desirable option when voters in dual district territory wish to consolidate with a neighboring community for high school purposes but want to retain their existing separate elementary school district (s).

In this method of reorganization, a high school district can combine with a neighboring unit district so long as both districts approve and are physically contiguous. The new district would serve the entire territory for high school purposes but only the former unit district territory for elementary purposes. The rules for the formation of hybrid districts outlined earlier in the study also apply for a Combined High School – Unit District.

*For purposes of this study, this is not an option for the two unit-districts.*

## Multi-Unit Conversions – Article 11E

Another new conversion process is available if two or more unit-districts want to consolidate at the high school level, but keep a separate elementary district for part of the territory. The unit districts can dissolve to form a new combined high school-unit district serving the entire territory for high school purposes, and the former territory of one of the units for elementary purposes. A new elementary district would be formed serving the former territory of the other unit district for elementary purposes.

*Since the two unit-districts are not considering creating dual districts, this is a legal option, but not a recommendation of this study.*

## Summary/Recommendations

The various methods currently available for school district reorganization have been listed. Each of these methods has a separate set of regulations and requirements. District Combination Article 11E, Annexation of school district Article 11-E, Dissolution of school district Article 7-2 and 7-11, and Cooperative high school centers Article 11E, were found to be legally permissible. *The consultants recommend that an Article 11E Consolidation be the method utilized by these two districts.*

Currently, both of the districts are in sound fiscal condition. Both of the districts are experiencing moderate increases in local property values and fairly steady in student enrollment. These districts in combination would undoubtedly make a stronger financially disposed district and the combination of their facilities should enable the districts to more effectively utilize their existing capital facilities not to mention improve the course offerings for students.

The incentives that are available to all districts in the different scenarios are available with the stated concern for incentive being late but eventually received.

Conclusion:

The responsibility of the Consultants has been to bring a higher level of awareness of the intricacies of school district reorganization in Illinois. Finally, while the various reorganization methods have been recounted, an additional possibility has not been mentioned. That possibility is maintaining the status quo for the districts cooperatively seeking information in this report. It will be the responsibility of the Boards of Education and interested citizens to sift through the information to determine the best actions for their individual districts. In this endeavor, the team of consultants stands ready to assist in these determinations for the future of these school districts.

**Curriculum Considerations and Comparisons  
Scott-Morgan School District #2  
Winchester CUSD #1**

*Part 1: K-8 Organization*

Overview of grade configurations PK-8

The curricula of Winchester Elementary (K-8) is offered for 426 students and is housed in two facilities for grades K-5 (289) and 6-8 for Winchester Junior High (137). Scott-Morgan #2 offers a K-8 curriculum for 131 students at one site. Bluffs Elementary grades PK-5 (76) and Bluffs Junior High grades 6-8 (55).

Early Childhood and Elementary Levels

Winchester Elementary offers full-day Kindergarten for 19 students. Winchester Elementary (PK-3) offers 2 sections of Kindergarten for 48 students and 2 sections of PK for 42 students.

Bluffs Elementary offers full-day Kindergarten for 9 students and 1 section of PreK for 10 students.

The following table presents data showing the distribution of teachers across K-8 grades:

Number of Classroom Teachers in Pre K- 8 Grades  
(Excluding Specialists)

| Grade | Winchester | Bluffs |
|-------|------------|--------|
| PK    | 2          | 1      |
| KG    | 2          | 1      |
| 1     | 2          | 1      |
| 2     | 2          | 1      |
| 3     | 2          | 1      |
| 4     | 2          | 1      |

|   |               |           |
|---|---------------|-----------|
| 5 | 2             | 1         |
|   | Winchester JH | Bluffs JH |
| 6 | 2             | 1         |
| 7 | 2             | 1         |
| 8 | 3             | 1         |

|                    | Winchester          | Bluffs              |
|--------------------|---------------------|---------------------|
| Average Class Size | EL 17.2<br>SEC 10   | EL 16.4<br>SEC 15.3 |
| Pupil/Tchr. Ratio  | EL 18.4<br>SEC 10:1 | EL 12:2<br>SEC 16:1 |
| Teachers FTE       | 49                  | 21                  |
| Admin. Ratio       | 154:1               | 118:1               |
| Certified Staff    | 8:1                 | 8:1                 |

#### Racial/Ethnic Diversity

|                   | Winchester | Bluffs |
|-------------------|------------|--------|
| White             | 97%        | 97%    |
| Black             |            |        |
| Hispanic          | .7%        | 1%     |
| Asian             |            |        |
| American Indian   |            |        |
| Two or more races | 1.6%       | 1.9%   |
| Pacific Islander  |            |        |

|                     | Winchester | Bluffs |
|---------------------|------------|--------|
| Chronic Absenteeism | 12%        | 13.6 % |
| Mobility Rate       | 6.7%       | 5.6%   |
| Disabilities        | 10%        | 22.9%  |
| IEP Rate            | 10.6%      | 22.9%  |
| ELL                 |            |        |
| Low Income          | 10.7%      | 16 %   |

Grades 6-8, Middle School/Junior High

Winchester Junior High students, grades 6-8 (137 students) are taught in a traditional schedule with electives in Chorus, Band, Visual Arts, Spanish (8), Technology (7), Yearbook (8), Physical Education (6-8), and Health (7). Sports include: Girls' Volleyball, Girls' Basketball, Boys' Basketball, Girls' Softball, Boys' Baseball, Track, and Cheerleading.

Bluffs Junior High houses 55 students in a 6-12 facility. Electives are offered in Creative Design (6-8), Agriculture (6-8), Business Math, Physical Education and Health (6-8), and Study Skills (6). Sports are offered in Girls' Volleyball, Girls' Basketball, Boys' Basketball, Girls' Softball, Boys' Baseball, Track, and Cheerleading.

Another consideration in this matter is the special subjects. Because specialists are shared between levels and buildings, the distribution of specialty subjects across K-8 is depicted in the following table below:

|               | Winchester     |          | Bluffs |          |
|---------------|----------------|----------|--------|----------|
| Subject       | K-5            | 6-8      | K-5    | 6-8      |
| PE/Health     | 1<br>Half- day | 1 shared | 1      | 1        |
| Art           | 1<br>Half-day  | .5       |        |          |
| Band & Chorus | .5             | 1 shared |        |          |
| Agriculture   |                |          |        | 1 shared |
| Technology    |                | 1 shared |        | 1 shared |

The strengths of the Winchester #1 PK-8 curriculum include:

PK-5 Winchester Elementary

- Math curriculum has an online component.
- Reading curriculum has a textbook option and balanced literacy option to meet the needs of all students.
- Technology components are included in curriculum.
- Physical Education offered daily.
- Targeted RTI program.
- Special Education services.

Winchester Junior High (6-8)

- Reading curriculum has a textbook option and balanced literacy option to meet the needs of all students.
- Math series helped raise JH Math scores.
- Science curriculum online component.
- Technology incorporated into the curriculum.
- ELA online program.
- PE/Health offered daily.
- Special Education

The strengths of the Scott-Morgan #2 curriculum include:

#### Bluffs Elementary (PK-5)

- Digital curriculum from Savvis Learning. Provides the most up-to-date curriculum.
- The digital curriculum provides embedded resources and help options for students.
- Fully aligned to the state standards.
- Use of technology (K-1) iPads and (2-5) Chromebooks.
- Technology centered instruction (1:1 Chromebooks and digital curriculum).
- Small class size with individual instruction.

#### Bluffs Junior High (6-8)

- Digital curriculum from Savvis Learning. Provides the most up-to-date curriculum.
- The digital curriculum provides embedded resources and help options for students.
- Fully aligned to the state standards.
- Use of technology (K-1) iPads and (2-5) Chromebooks.
- Technology centered instruction (1:1 Chromebooks and digital curriculum).
- Small class size with individual instruction.

### Special Education Programs, K- 12

Winchester School District #1-serves 78 students in house.

The district offers a full continuum of services including Resource room (K-8), Self-contained instruction, Speech, and Social Worker.

Scott-Morgan #2 School District-serves 18 (PK-5 grades) and (6 - 8 grades) students in special programs.

The district offers a full continuum of services throughout the district with a special education teacher and instructional aide. The teacher provides a pull-out program and the instructional aide provides classroom assistance according to the IEP.

High School 9-12, Winchester High School

The high school has a traditional curriculum for programs in grade 9 through 12 for 170 students. Examples of these include:

- Mathematics courses in Tech Math, Pre-Algebra, Algebra, Algebra 1A & 1 B, Algebra II, Honors Algebra II, Geometry, Statistics, Pre-Calculus/Trig, and Calculus.
- Science courses in Earth Science, Environmental Science, Biology, Anatomy & Physiology, Human Biology, Health Occupations, Zoology, Chemistry, and Physics.
- English courses in English 1-4, Speech, Film as Literature, Honors English 3-4, Writing, and Newspaper/Yearbook.
- Social Studies courses in Geography, Hands-on History, US History, Honors US History, World History in Film, Sociology, Civics, World History, Honors World History, Anthro/Archeology, and Humanities.
- Foreign Language is offered in Spanish 1-4 and American Sign Language.
- Business Education courses are offered in Intro. to Business, Information Procedures, Accounting, Advanced Accounting, Sports Marketing & Media, and Coop I & II.
- Career & Technical Education-Agriculture-courses are offered in Intro. to Woods, Woods I & II, Industrial Arts, Welding, Automotive I, Small Engines, and Diesel Mechanics.
- Agriculture-Intro to Agriculture, Greenhouse, Advanced Ag Science, Horticulture/Landscaping, and Ag Business Management.
- Consumer Sciences in Foods I & II, Child Development I, Clothing, Interior Design, and Consumer Education.
- Visual Arts courses include: Drawing/Painting, 3D Art, Printmaking 1 & 2, and Digital Photography.
- Foreign Language offered in Spanish 1-4 and American Sign Language 1 & 2.
- Music offers course in Band.
- Physical Development/Health offers Fitness PE, PE 9-12, Health, and Drivers Education.

#### Graduation Requirements (2020-21)

- 26 credits will be required to graduate.
- 3.5 credits English (English I, II, III) and Speech .5 year.
- 3 credits Math (must include 1 credit Algebra and 1 credit in Geometry content).
- 2 credits in Science.
- 3 credits in Social Studies (Geography, US History, and Civics). Passing the American Government/Civics course fulfills the Illinois Constitution and US Constitution graduation requirements established by the State of Illinois.

- 3 credits in Physical Education (unless exempted), Driver Education & Health to total 8 semesters.
- 2 credits in Fine Arts, Foreign Language or Vocational courses.
- 0.5 credit in Consumer Education (may be earned through CEO, Coop1, Ag Business Management, Business Orientation).

Strengths of the Curriculum:

- A variety of career and technical options in Automotive, Woodworking, and Consumer Sciences (Foods, Child Development, Accounting and Business).
- Inquiry-based Science curriculum.
- Several elective courses in English and Social Studies.
- Offer several pathways in the Math curriculum.
- A variety of courses in Agriculture, Career, and Technical areas.
- Art courses.
- Offer Fitness PE courses.

The following sports are offered for female and male athletes:

| BOYS         | GIRLS        |
|--------------|--------------|
| Football     | Volleyball   |
| Golf         | Golf         |
| Basketball   | Basketball   |
| Baseball     | Softball     |
| Track        | Track        |
| Bass Fishing | Bass Fishing |

Clubs are offered 9-12 in the following areas:

Student Council, FFA, Spanish Club, Winchester Key Club, History Club, Ecology Club, Drama Club, Art Club, Book Club, Scholastic Bowl, and National Honor Society.

4-year graduation rate  
Percentage

| Year | WHS  | State |
|------|------|-------|
| 2017 | 94%  | 86%   |
| 2018 | 89%  | 86%   |
| 2019 | 100% | 88%   |

### Freshman On-Track Percentage

| Year | WHS | State |
|------|-----|-------|
| 2017 | 84% | 87%   |
| 2018 | 88% | 87%   |
| 2019 | 83% | 89%   |

\*Retrieved from Illinois Report Card site, December, 2020

#### High School 9-12, Bluffs High School

The high school has a traditional curriculum for programs in grade 9 through 12 for 70 students. Examples of these include:

- Mathematics courses in Business Math, Algebra I & II, Algebra B, Geometry, and Pre-Calculus.
- Science courses in Biology, Physical Science, Human Anatomy, and Chemistry.
- English courses in English 1-4, Writing Essentials, and Literature as Drama.
- Social Studies courses in US History, Consumer Economics, World History, 20<sup>th</sup> Century, Civics, and Illinois History.
- Career & Technical Education-Introduction to Woods and Woods I.
- Agriculture-Intro to Agriculture, Ag. Science, Greenhouse, and Ag Coop.
- Physical Development/Health offers Physical Education 9-12 and Health.

#### Graduation Requirements (2020-21)

- 24 credits will be required to graduate.
- 4 credits English (English I, II, III, IV). Including Writing Essentials 1 credit.
- 3 credits Math (must include 1 credit Algebra and 1 credit in Geometry content).
- 3 credits in Science (including Biology and Physical Science).

- 2.5 credits in Social Studies (US History I and Illinois History/Civics). Passing the American Government/Civics course fulfills the Illinois Constitution and US Constitution graduation requirements established by the State of Illinois.
- 4 credits in Physical Education
- 4-8 credits in Elective coursework
- Pass-Consumer Education.

Strengths of the Curriculum:

- Digital curriculum from Savvis Learning. Provides the most up-to-date curriculum.
- The digital curriculum provides embedded resources and help options for students.
- Fully aligned to the state standards.
- Use of technology (K-1) iPads and (2-5) Chromebooks.
- Technology centered instruction (1:1 Chromebooks and digital curriculum).
- Offer online courses through local colleges to provide more course opportunities.
- Offer online credit recovery program.
- Seniors must participate in a minimum of 10 hours of community service.
- Small class size with individual instruction.

The following sports are offered for female and male athletes:

| BOYS         | GIRLS        |
|--------------|--------------|
| Football     | Volleyball   |
| Golf         | Golf         |
| Basketball   | Basketball   |
| Bass Fishing | Bass Fishing |
| Baseball     | Softball     |
| Track        | Track        |

Clubs are offered 9-12 in the following areas:  
National Honor Society, FFA, Student Council, and Gaming Club.

4-year graduation rate  
Percentage

| Year | BHS  | State |
|------|------|-------|
| 2017 | 100% | 87%   |
| 2018 | 100% | 86%   |
| 2019 | 100% | 86%   |

Freshman On-Track  
Percentage

| Year | BHS | State |
|------|-----|-------|
| 2017 | 75% | 87%   |
| 2018 | 71% | 87%   |
| 2019 | 94% | 87%   |

\*Retrieved from Illinois Report Card site, December, 2020

## Part 2: Curriculum Alignment

### History and Purpose

The purpose of the curriculum map/guide is a written document that presents the content and skills that students should know and be able to do as a result of learning (outcome or objective). It should be written by district staff in order to match the local outcomes or objectives with the state goal or Common Core standards mandated by the state of Illinois (i.e., alignment). The curriculum maps can serve to focus teaching, learning activities, assessment, and selection of instructional materials.

The new [Common Core State Standards](#) establish clear expectations for what students should learn in [English/language arts](#) and [mathematics](#) at each grade level. The standards are high, clear, and uniform to ensure that students are prepared for success in college and the workforce (Illinois State Board of Education, retrieved, March 25, 2016).

### K-12 Curriculum Development

Although the curriculum development efforts between the districts has taken place independently, there is not one complete plan or articulation between the K-8 and the 9-12 districts. Starting a mapping process PK-12 could help accomplish this improvement. Much of the standards alignment work already completed could be used as a starting point. Both districts need to make a concerted effort to hold scheduled discussions regarding curriculum articulation, textbook conversion/articulation, grading scales, and other special program offerings that are currently offered at each district.

### *Part 3: Articulation*

Articulation is the opportunity for staff to meet with other teachers with the same or related responsibilities to discuss topics of mutual interest and concern about teaching and learning. In most cases, it will be formal articulation where specific groups of teachers meet for definite lengths of time with designated topics and a clearly identified purpose. It is the formal articulation, facilitated by a curriculum coordinator and the administration, which is most crucial to the development, improvement and consistent implementation of the curriculum across the grade levels of a district.

Articulation within both districts could occur through their own in-service training held during the year. These can be either early dismissal days (School Improvement Days) or full day meetings on district institute days.

### Curriculum Development

Curriculum development efforts in each district have taken place. Much of the standards alignment work already completed could be used as a starting point for a K-12 articulation. Reorganization of any type will require discussions on curriculum articulation, textbook conversion/articulation, and other special programs that are currently offered in each district.

### Summary of Curriculum Alignment

- Both K-12 districts have shifted their focus of curriculum alignment to the Common Core and IAR assessments. In reorganization, this in turn, will help better prepare all students for the Illinois state assessments.
- A new articulation activity between the Junior High 8<sup>th</sup> grade teachers and the High School 9<sup>th</sup> grade teachers should occur to discuss subject area

performance levels and expectations. In some cases, it may be the same faculty teaching both levels.

The meetings and topics for this year are presented in the following table:

Professional Development Programs

|   |
|---|
| Winchester Elementary   |
| <i>Teacherease</i> Training, Crisis Management, Building Leadership Team, PBIS Tier 1 training, STAR & IAR data access, Analysis of grade level data, and Writing Data. |
| Winchester JH & HS  |
| <i>Teacherease</i> Training, Crisis Management, Building Leadership Team, PBIS Tier 1 training, STAR & IAR data access, Analysis of grade level data, and Writing Data. |

|   |
|---|
| Bluffs K-12   |
| <i>Teacherease</i> Training, Crisis Management, Building Leadership Team, PBIS, Social Emotional Learning, Student Discipline, NWEA Data Day, CPR, AED, First Aid Training, Emergency Procedures, and Mandated GCN Trainings. |

There are opportunities for articulation between the two school districts in addition to the professional development programs. The continued development efforts to align curriculum, map and develop assessments linked to the Common Core Standards in each district do provide a well-utilized opportunity for articulation. As a result, articulation within grade levels occurs when a curriculum map is developed and all teachers in the district work together to align the core subjects, identify assessment activities, and align all activities to the state standards. Also, articulation among grade levels could occur during textbook adoption activities. Further, articulation across grade

levels could occur when all teachers in grades K-8 and high school departments meet to develop common curriculum maps.

*Part 4: Student Achievement, Common Core, and Illinois Assessment for Readiness*

The performance of students on standardized achievement tests has long been held to be an important indicator of the quality and impact of a district's curriculum on learning, although certainly not the only or single most crucial source of data that a school can consider.

A few years ago, Illinois joined more than 40 states in a collaborative effort to raise learning standards and improve college and career readiness for all students, regardless of where they live. The new [Common Core State Standards](#) establish clear expectations for what students should learn in [English/language arts](#) and [mathematics](#) at each grade level. The standards are high, clear, and uniform to ensure that students are prepared for success in college and the workforce (Illinois State Board of Education, retrieved, December, 2020).

The Illinois Assessment for Readiness (IAR) was developed to improve upon the previous PARCC assessments. IAR measures the same standards and includes the same high-quality test questions used the last four years. Using the same content and measuring the same standards ensures comparability from year to year – an essential commitment to including growth in our support and accountability system. The assessment may be slightly shorter this year to field test new questions needed for the transition to a computer adaptive test.

New Data Points: National Assessment of Educational Progress Congressionally mandated project administered by the National Center for Education Statistics within the

U.S. Department of Education and the Institute of Education Sciences. Given to a representative sample of students across the country every two years at grades 4 and 8 and approximately every four years at grade 12. The National Assessment of Educational Progress (NAEP) on the 2019 Illinois Report Card reflects the 2017 administration. 4th Grade Reading 8th Grade Reading 4th Grade Math 8th Grade Math Reading Inclusion Rates: Participation of students with disabilities and English Learners in the NAEP in Reading. Math Inclusion Rate: Participation of students with disabilities and English Learners in the NAEP in Mathematics.

Illinois Assessment for Readiness  
 Percent of students Meeting or Exceeding Standards  
 By grade in ELA & Math  
**2020 Data unavailable due to COVID 19**

| Grade 3 | Winchester | Bluffs |
|---------|------------|--------|
| ELA     |            |        |
| 2019    | 21         | 46     |
| Math    |            |        |
| 2019    | 37         | 47     |

| Grade 4 | Winchester | Bluffs |
|---------|------------|--------|
| ELA     | 50         |        |
| 2019    |            | 21     |
| Math    |            |        |
| 2019    | 44         | 29     |

| Grade 5 | Winchester | Bluffs |
|---------|------------|--------|
| ELA     |            |        |
| 2019    | 35         | 25     |
| Math    |            |        |
| 2019    | 38         | 35     |

| Grade 6 | Winchester | Bluffs |
|---------|------------|--------|
| ELA     |            |        |
| 2019    | 17         | 35     |
| Math    |            |        |
| 2019    | 19         | 18     |

| Grade 7 | Winchester | Bluffs |
|---------|------------|--------|
| ELA     |            |        |
| 2019    | 39         | 15     |
| Math    |            |        |
| 2019    | 20         | 15     |

| Grade 8 | Winchester | Bluffs |
|---------|------------|--------|
| ELA     |            |        |
| 2019    | 54         | 5      |
| Math    |            |        |
| 2019    | 36         | 0      |

Grades 5 & 8  
Science Assessment  
Percentage Proficient  
**2020 Data unavailable due to COVID 19**

| YEAR | GRADE 5    |        | GRADE 8    |        |
|------|------------|--------|------------|--------|
|      | Winchester | Bluffs | Winchester | Bluffs |
| 2019 | 73         | 60     | 51         | 50     |
| 2018 | 39         | 71     | 38         | 33     |
| 2017 | 46         | 55     | 31         | 25     |

Winchester High School  
SAT Performance Levels  
Grade 11  
Percent Achieving

|      | ELA | Math |
|------|-----|------|
| 2019 | 30% | 23%  |
| 2018 | 34% | 26%  |
| 2017 | 28% | 22%  |

Bluffs High School  
SAT Performance Levels  
Grade 11  
Percent Achieving  
**2020 Data unavailable due to COVID 19**

|      | ELA | Math |
|------|-----|------|
| 2019 | 16% | 16%  |
| 2017 | 0%  | 8%   |
| 2018 | 31% | 15%  |

The Scholastic Aptitude Test (SAT) is now used in Illinois to assess high school students beginning in the 2017-18 school year. As of the March 5, 2016 exam, the SAT is completely redesigned, revamped and refurbished. The differences between the former SAT and the newly redesigned SAT are many and varied. The essay is optional, the best score is 1600, vocabulary is no longer at the forefront, the verbal and math

sections test new content in new ways, and – my favorite – you no longer lose points for getting a question wrong.

High School  
Science Assessment  
Percentage Proficient

|      | WHS | BHS | State |
|------|-----|-----|-------|
| 2019 | 32% | 5%  | 49%   |
| 2018 | 39% | 29% | 51%   |
| 2017 | 67% | 32% | 51%   |

Part 5: Technology Resources (Computer Technology)

Summary of Technology Resources

- The current and planned technology resources across the two districts provide a variance of access to computers in every classroom. Schools have added new hardware, smart boards, and Chromebooks to their facilities. A reorganized district would not have to address any inadequacy in classroom computers but might choose to consider adding computers to some classroom over time to reach equivalency.

Technology Resources

|                  | Winchester                                    | Bluffs                          |
|------------------|---|---------------------------------|
| K-5              | Chromebooks,<br>1:1 K-8                       | 1:1 Technology                  |
| 6-8              | Chromebooks<br>1:1 K-8                        | 1:1 Technology                  |
| Teacher Hardware | Laptop<br>Promethean<br>Boards<br>Seesaw\Kami | Laptops<br>iPads<br>Smartboards |

Winchester High School Technology

The high school has developed a technology plan which includes Laptops for students and Promethean Boards and Projectors in the classrooms.

## Bluffs High School Technology

The high school has a technology plan which includes: 1:1 Laptops, Smartboards, iPads, and Webcams for the teachers. Students have access to Laptops, Smartboards, and iPads.

### *Part 6: Effects of Reorganization on Curriculum*

If the two K-12 districts become one, sufficient planning time would be needed if merging Winchester and Bluff's curricula, texts, and materials. It would also be worth a look at how the current 8<sup>th</sup> grade curriculum flows into the newly merged Freshman curriculum.

- Existing special education program and services received by students would not be affected by the reorganization. If the districts which reorganized utilize different cooperatives, one would have to be chosen over another. Services may have to be redistributed depending on the need.
- The existing early childhood programs could continue to meet the needs of children ages' 3-5, as they are currently offered.
- The existing overall PK-8 organization of grades into PK-5, and 6-8 grades will be continued in a reorganized district. Where students are housed, may change.
- A more comprehensive assessment improvement plan is needed at the grade 8-12 levels to improve test scores.
- A decision on HS Graduation requirements will have to be made regarding credits. Currently, Winchester requires 26 credits and Bluffs 24 credits. The new requirements could begin with an incoming freshman class.

### Enhancements to Curriculum

- Develop a long-range instructional plan much like what is currently has in place, to improve state scores across the PK-12 will need further consideration for resources in teacher training and on-going student assessment before testing dates occur.
- Articulation between grade 8 and 9-12 teachers would improve with a unit district because the view of curriculum would shift from several segments to a single comprehensive PK-12 curriculum. A PK-12 district affords the important and influential perspective of how children learn from the start of their public-school experience in Pre-Kindergarten through high school.
- Merge the high school curricula to provide a more comprehensive set of course offerings for junior high and high school students. If both districts combined, there would be an increased number of students (200-225) to offer more courses. Combine programs in the following areas:
  - Combine Math, Science, Social Studies, and English courses.
  - Increase the Science requirement from 2 credits to 3.
  - Combine Career & Technical courses at Bluffs and Winchester.
  - Combine Agriculture courses offered at Bluffs and Winchester.
  - Combine Art & Band courses currently offered at Winchester HS.
  - Add Spanish 1-4 and American Sign Language (ASL) currently offered at Winchester HS.
  - Add a Choral program to the current Band program.
  - Add Business courses currently offered at Winchester HS.
  - Add Family & Consumer Science courses offered at Winchester HS.

\*This will also provide elective opportunities for junior high students in Spanish, Technical Education, Industrial Arts, Agriculture, Family & Consumer Science, Art, and Music.

## **SCHOOL ENROLLMENT HISTORY AND FORECAST**

### *Introduction*

School enrollment history and a forecast for future enrollment are important factors to calculate when a district is considering the viability of reorganization. Projected increases or decreases in enrollment impact the number and types of buildings needed, the breadth of the curriculum and the level of financing that will be required. Transportation can also be impacted as the number of buses and routes required to meet the student needs is directly related to the sized of the student population. The building and transportation needs will be addressed in separate sections later. This study is unique in that the districts involved are housed within the same community resulting in very little change for transportation or the housing of students.

### *Census Bureau Data*

In developing this study, data from the U.S. Census Bureau and student enrollment provided by each of the districts was used. While the census data is relatively accurate, it is compiled by counties and not by school districts and this requires analysis and manipulation of the data so it will be meaningful. Table 1 displays the Census Bureau population figures for Morgan and Scott Counties from April 1, 2010 to April 1, 2019.

The population in these counties decreased by 2,291 during this time frame which is not reflected by the student enrollments of the district in this study with the combined five-year decrease of 54 K-8 students from 2016-17 to 2020-21 and 20 students at the combined high school levels.

**TABLE 1**  
**Census Bureau Population**  
**Morgan and Scott Counties**  
**2010 - 2019**

| COUNTY | Population Estimates |        |           |
|--------|----------------------|--------|-----------|
|        | 2019                 | 2010   | GAIN/LOSS |
| Morgan | 33,658               | 35,545 | -1,887    |
| Scott  | 4,951                | 5,355  | -404      |
| Totals | 38,609               | 40,900 | -2,291    |

<https://www.census.gov/quickfacts/morgancountyillinois>

<https://www.census.gov/quickfacts/scottcountyillinois>

Table 2 provides a more focused picture of the population trends for Bluffs and Winchester. As shown in Table 2, from 2010 to 2019 the population decreased by 194. The population decline has been steady during these nine years.

**TABLE 2**  
**Census Bureau**  
**City Populations**  
**2010 to 2019**

| VILLAGE    | Population Estimates |       |           |
|------------|----------------------|-------|-----------|
|            | 2018                 | 2010  | GAIN/LOSS |
| Bluffs     | 656                  | 715   | -59       |
| Winchester | 1,458                | 1,593 | -135      |
| Total      | 2,114                | 2,308 | -194      |

Using the number of live births in Morgan County provides a base from which to develop a percentage that helps predict the number of students who will enter Kindergarten and Pre-Kindergarten. These live birth numbers, shown in Table 3, are combined with other factors such as housing increases, industrial growth and the general economic status of the region to make Kindergarten projections.

TABLE 3  
Live County Births

| COUNTY | LIVE BIRTHS |      |      |      |      |      |      |      |
|--------|-------------|------|------|------|------|------|------|------|
|        | 2011        | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Morgan | 364         | 371  | 393  | 374  | 365  | 334  | 402  | 330  |
| Scott  | 50          | 56   | 38   | 49   | 57   | 50   | 47   | 37   |
| Total  | 414         | 427  | 431  | 423  | 422  | 384  | 449  | 367  |

<http://www.dph.illinois.gov/data-statistics/vital-statistics/birth-statistics>

The number of live births in Tables 3 were divided into the enrollments of the district at the Kindergarten level six years later resulting in a ratio/percentage of births to Kindergarten population (Table 4). The three-year average was determined and these percentages were applied to the live-birth statistics provided by the Census Bureau to project enrollment projections for 2021-22 to 2025-26 Kindergarten students.

TABLE 4  
Ratio of Live Births to  
Kindergarten Population

| K PROJECTION PERCENTAGES FROM<br>LIVE BIRTHS |        |         |
|--|--------|---------|
| Winchester                                   | Bluffs | YEAR    |
| 9.42%  | 6.04%  | 2018-19 |
| 8.67%  | 3.28%  | 2019-20 |
| 9.28%  | 2.32%  | 2020-21 |
| 9.12%  | 3.88%  | AVERAGE |

### Enrollment

Enrollment history for the schools in this study is provided in order to determine the patterns of growth that have occurred over the past five years (Table 6). This data shows the total student population in each district declined over the past five years with a combined decrease in the student population of 103 students. The individual school population changes are shown in Table 5.

**TABLE 5  
STUDENT ENROLMENT CHANGES**

| School           | Change in student population<br>2016-17 to 2020-21 |
|------------------|--|
| Bluffs G. S.     | - 8  |
| Winchester G. S. | - 46   |
| Bluffs H. S.     | - 1  |
| Winchester H. S. | - 48   |

The projections for the student population indicate that the negative trend for student enrollment will continue over the next five years (Table 6).

**Table 6  
Student Enrollment Differences  
2021-22 to 2025-26**

| School           | Change in student population |
|------------------|------------------------------|
| Bluffs G. S.     | -3                           |
| Winchester G. S. | -58                          |
| Bluffs H. S.     | -3                           |
| Winchester H. S. | -29                          |

The methodology by which these projections were made will be discussed in the following section with data sheets and graphs provided for further clarification.

*Cohort Survival Projection Methodology*

A projection for future enrollments was made using the cohort survival method which has been shown to be the most reliable projection method and is the method used by the Census Bureau. This method uses the historical records for a cohort (e.g. first grade) and determines what percentage of this cohort survives (moves on) to the next cohort (e.g. second grade). Kindergarten projections were made using live birth data from six years earlier and comparing this to the number of children who registered for kindergarten six years later. The percentage factors used for each grade were determined by looking at the five-year growth percentages and are shown in Table 8. A percentage below 100% indicates the classes got smaller over the period of time the cohort was measured. Likewise, a percentage over 100% indicates that cohort (grade) increase in numbers as they moved to the next grade.

**TABLE 7  
PERCENTAGE FACTORS FOR GROWTH PROJECTIONS**

| ENROLLMENT PERCENTAGE PROJECTIONS BLUFFS |        |         |         |         |         |         |         |         |        |         |          |          |
|--|--------|---------|---------|---------|---------|---------|---------|---------|--------|---------|----------|----------|
| K  | K TO 1 | 1 to 2  | 2 to 3  | 3 to 4  | 4 to 5  | 5 to 6  | 6 to 7  | 7 to 8  | 8 to 9 | 9 to 10 | 10 to 11 | 11 to 12 |
| 3.88%                                    | 89.23% | 100.00% | 112.00% | 105.08% | 102.70% | 102.50% | 103.90% | 106.49% | 94.67% | 101.47% | 95.71%   | 84.51%   |

| ENROLLMENT PERCENTAGE PROJECTIONS WINCHESTER |        |         |        |        |        |        |        |        |         |         |          |          |
|--|--------|---------|--------|--------|--------|--------|--------|--------|---------|---------|----------|----------|
| K  | K TO 1 | 1 to 2  | 2 to 3 | 3 to 4 | 4 to 5 | 5 to 6 | 6 to 7 | 7 to 8 | 8 to 9  | 9 to 10 | 10 to 11 | 11 to 12 |
| 9.12%  | 95.27% | 106.98% | 95.53% | 95.19% | 94.21% | 91.40% | 98.92% | 99.44% | 104.05% | 101.03% | 98.40%   | 93.69%   |

Once the growth percentage factors were determined, they were applied to the individual schools within the districts and the results of these projections are on the following pages. Table 8 shows the current and projected numbers for the schools/buildings in this study.

TABLE 8  
CURRENT AND PROJECTED STUDENT POPULATIONS

| WINCHESTER PRE-K TO 8 |       |  |    |    |    |    |           |           |    |           |    |       |
|-----------------------|-------|--|----|----|----|----|-----------|-----------|----|-----------|----|-------|
| YEAR                  | Pre-K |  | K  | 1  | 2  | 3  | 4         | 5         | 6  | 7         | 8  | TOTAL |
| 2016-17               | 59    |  | 46 | 46 | 42 | 59 | 43        | 42        | 55 | 43        | 41 | 476   |
| 2017-18               | 49    |  | 47 | 38 | 49 | 40 | 60        | 41        | 41 | 59        | 37 | 461   |
| 2018-19               | 46    |  | 39 | 46 | 41 | 45 | 40        | 61        | 41 | 42        | 56 | 457   |
| 2019-20               | 62    |  | 37 | 42 | 47 | 43 | 47        | 42        | 48 | <b>35</b> | 39 | 442   |
| 2020-21               | 66    |  | 40 | 35 | 47 | 43 | <b>31</b> | <b>35</b> | 40 | 47        | 46 | 430   |
| PROJECTED             |       |  |    |    |    |    |           |           |    |           |    |       |
| 2021-22               | 57    |  | 39 | 38 | 37 | 45 | 41        | 29        | 32 | 40        | 47 | 405   |
| 2022-23               | 52    |  | 38 | 37 | 41 | 36 | 43        | 39        | 27 | 32        | 39 | 383   |
| 2023-24               | 61    |  | 35 | 37 | 39 | 39 | 34        | 40        | 35 | 26        | 31 | 378   |
| 2024-25               | 50    |  | 41 | 33 | 39 | 38 | 37        | 32        | 37 | 35        | 26 | 368   |
| 2025-26               | 55    |  | 33 | 39 | 36 | 37 | 36        | 35        | 29 | 36        | 35 | 372   |

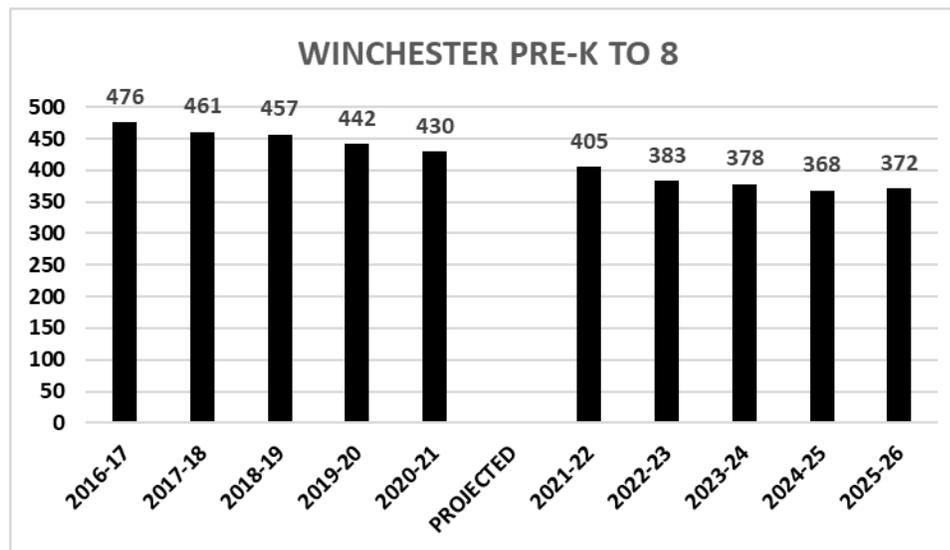
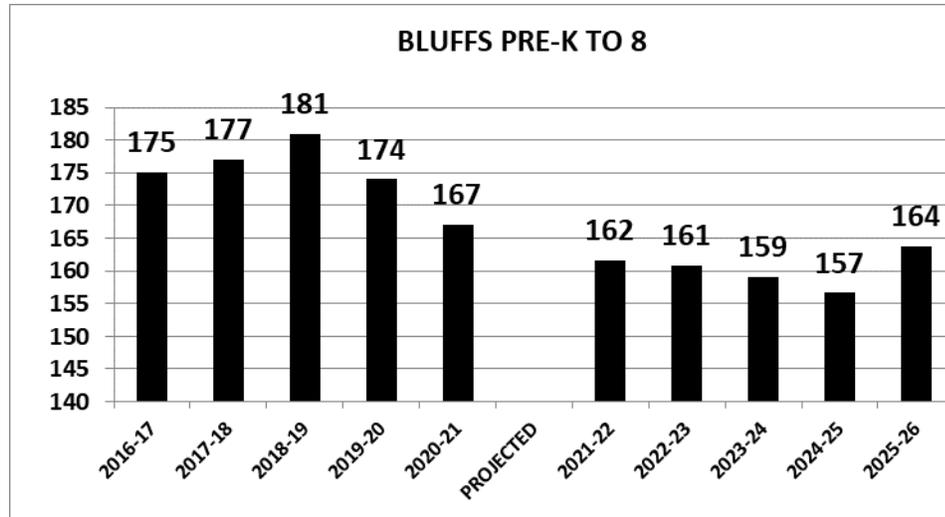
| BLUFFS PRE-K TO 8 |       |  |    |    |    |    |    |    |    |    |    |       |
|-------------------|-------|--|----|----|----|----|----|----|----|----|----|-------|
|                   | Pre-K |  | K  | 1  | 2  | 3  | 4  | 5  | 6  | 7  | 8  | TOTAL |
| 2016-17           | 25    |  | 14 | 13 | 13 | 14 | 24 | 21 | 15 | 15 | 21 | 175   |
| 2017-18           | 28    |  | 12 | 13 | 16 | 16 | 15 | 24 | 19 | 15 | 19 | 177   |
| 2018-19           | 23    |  | 25 | 9  | 13 | 16 | 21 | 15 | 25 | 19 | 15 | 181   |
| 2019-20           | 16    |  | 14 | 23 | 8  | 13 | 14 | 20 | 18 | 28 | 20 | 174   |
| 2020-21           | 17    |  | 10 | 13 | 21 | 11 | 12 | 17 | 20 | 18 | 28 | 167   |
| PROJECTED         |       |  |    |    |    |    |    |    |    |    |    |       |
| 2021-22           | 18    |  | 16 | 9  | 13 | 24 | 12 | 12 | 17 | 21 | 19 | 162   |
| 2022-23           | 17    |  | 16 | 15 | 9  | 15 | 25 | 12 | 13 | 18 | 22 | 161   |
| 2023-24           | 20    |  | 15 | 15 | 15 | 10 | 15 | 25 | 12 | 13 | 19 | 159   |
| 2024-25           | 16    |  | 17 | 13 | 15 | 16 | 11 | 16 | 26 | 13 | 14 | 157   |
| 2025-26           | 18    |  | 16 | 16 | 13 | 16 | 17 | 11 | 16 | 27 | 13 | 164   |

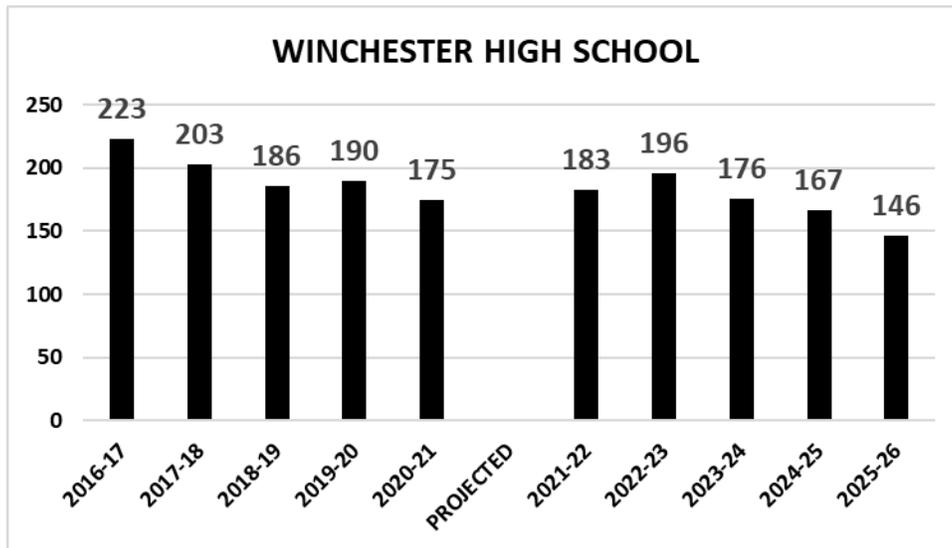
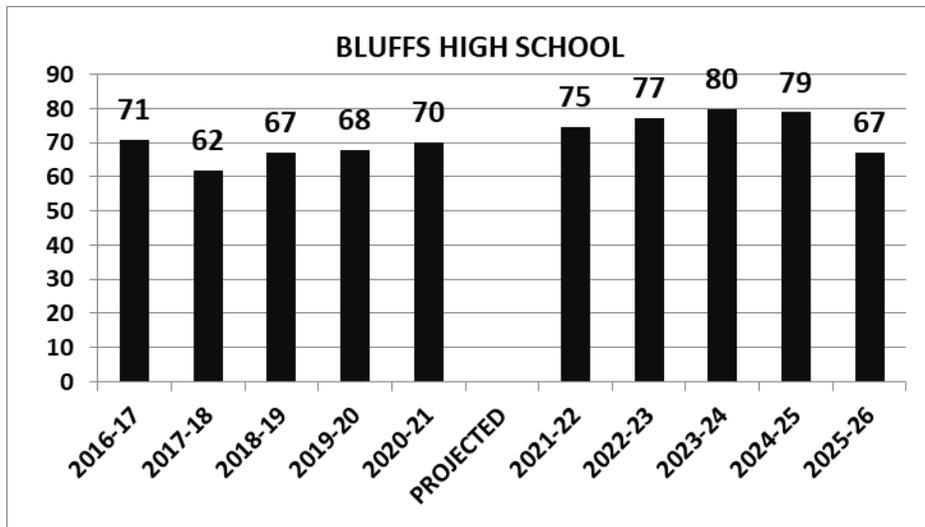
**Classes highlighted in black are there because of the unexpected large changes.**

| <b>BLUFFS HIGH SCHOOL</b> |          |           |           |           |              |
|---------------------------|----------|-----------|-----------|-----------|--------------|
|                           | <b>9</b> | <b>10</b> | <b>11</b> | <b>12</b> | <b>TOTAL</b> |
| 2016-17                   | 15       | 19        | 19        | 18        | 71           |
| 2017-18                   | 17       | 13        | 16        | 16        | 62           |
| 2018-19                   | 18       | 21        | 15        | 13        | 67           |
| 2019-20                   | 18       | 17        | 21        | 12        | 68           |
| 2020-21                   | 18       | 18        | 15        | 19        | 70           |
| <b>PROJECTED</b>          |          |           |           |           |              |
| 2021-22                   | 27       | 18        | 17        | 13        | 75           |
| 2022-23                   | 18       | 27        | 17        | 15        | 77           |
| 2023-24                   | 21       | 18        | 26        | 15        | 80           |
| 2024-25                   | 18       | 21        | 18        | 22        | 79           |
| 2025-26                   | 13       | 19        | 20        | 15        | 67           |

| <b>WINCHESTER HIGH SCHOOL</b> |          |           |           |           |              |
|-------------------------------|----------|-----------|-----------|-----------|--------------|
|                               | <b>9</b> | <b>10</b> | <b>11</b> | <b>12</b> | <b>TOTAL</b> |
| <b>2016-17</b>                | 55       | 55        | 55        | 58        | 223          |
| <b>2017-18</b>                | 45       | 52        | 56        | 50        | 203          |
| <b>2018-19</b>                | 37       | 44        | 52        | 53        | 186          |
| <b>2019-20</b>                | 57       | 37        | 43        | 53        | 190          |
| <b>2020-21</b>                | 41       | 63        | 34        | 37        | 175          |
| <b>PROJECTED</b>              |          |           |           |           |              |
| <b>2021-22</b>                | 48       | 41        | 62        | 32        | 183          |
| <b>2022-23</b>                | 49       | 48        | 41        | 58        | 196          |
| <b>2023-24</b>                | 41       | 49        | 48        | 38        | 176          |
| <b>2024-25</b>                | 33       | 41        | 48        | 45        | 167          |
| <b>2025-26</b>                | 27       | 33        | 41        | 45        | 146          |

FIGURES 1  
HISTOGRAMS SHOWING STUDENT ENROLLMENT CHANGES





### Enrollment Summary

Enrollment is a critical factor as one looks at school districts as they consider consolidation. The results of these projections show that the student population for these schools has decreased for the past five years and will decrease over the next five years. Should these districts decide to combine, the high school totals will decrease enough to enable Winchester High School to house all of these students (see Table 9).

**TABLE 9  
CURRENT AND PROJECTED COMBINED ENROLLMENTS  
HIGH SCHOOLS**

| <b>YEAR</b>      | <b>Bluffs</b> | <b>Winchester</b> | <b>TOTAL</b> |
|------------------|---------------|-------------------|--------------|
| <b>2016-17</b>   | 71            | 223               | 265          |
| <b>2017-18</b>   | 62            | 203               | 253          |
| <b>2018-19</b>   | 67            | 186               | 253          |
| <b>2019-20</b>   | 68            | 190               | 258          |
| <b>2020-21</b>   | 70            | 175               | 245          |
| <b>PROJECTED</b> |               |                   |              |
| <b>2021-22</b>   | 75            | 183               | 258          |
| <b>2022-23</b>   | 77            | 196               | 273          |
| <b>2023-24</b>   | 80            | 176               | 256          |
| <b>2024-25</b>   | 79            | 167               | 246          |
| <b>2025-26</b>   | 67            | 146               | 213          |

The review of the buildings and the transportation of the students will be addressed in the following sections.

## **DISTRICT FACILITIES**

When school officials and the voters of different school districts are considering the issue of reorganization, the need to fully understand the condition, usability and capacity of the buildings within the district is imperative. This section will review and summarize these areas by district and building in order to provide this information to the boards and voters.

### **BLUFFS SCHOOL DISTRICT**

Bluffs School District has all of the buildings on one campus. The ongoing history of construction and maintenance is provided below. The high school is a multi-level structure that was built in 1914 and is in need of major renovations or full replacement. Full replacement cost for the high school has been estimated at 15 million dollars. There is a new science room. The only restrooms in the building are in the basement and renovation of these has been estimated at \$500,000. All classrooms are in use resulting in 100% capacity.

The elementary was built in 1956 with a gymnasium added in 1963, two classrooms added in 1976 along with a cafeteria/multipurpose room. A 2.2 million-dollar renovation has been completed for the elementary. There is a beautiful gymnasium that meets the current needs for P.E. and athletics. All rooms in the district are in use resulting in 100% usage.

The Pre-K to 3 building is not handicapped accessible. All buildings are airconditioned and no plumbing, electrical or asbestos issues have been identified. Boiler system is nearing the end of its usable life and will need to be replaced soon.

Bluffs has sufficient storage space and the parking areas are in good condition and have recently been upgraded.

SCOTT-MORGAN CUD #2

|      |  |
|------|--|
| 1914 | High School Bldg   |
| 1956 | Elementary Bldg  |
| 1963 | Gym  |
| 1976 | Two Classroom on South Side of Elementary  |
| 1976 | Cafeteria, Multipurpose Rm, Classrooms East side of Gym                                    |
| 1986 | Purchase 2 Relocatable Classrooms  |
| 1990 | Replaced Bleachers   |
| 1994 | Roof for hall between gym/mpr & locker room areas  |
| 1997 | Purchase Current Supt Office   |
| 1999 | Repaired Bleachers   |
| 2000 | Bus Barn built   |
| 2003 | Gym - Rewire & new ceiling   |
| 2004 | Fire Alarm System replaced<br>Kitchen, Elem, JH Roofs replaced                             |
| 2005 | HS Boiler repaired   |
| 2006 | Walkway enclosure (Sandy Creek)  |
| 2007 | Elem boiler piping and controls (Prairie State)  |
| 2008 | Kitchen floor / Repipe Elementary boiler<br>Sold one relocatable classroom                 |
| 2010 | Rooftop Units /Electrical Updates  |
| 2011 | New roofs - Gym, Central Office & all outer shingled buildings                             |
| 2012 | Junked relocateable  |
| 2013 | Exterior Doors / Science Lab   |
| 2014 | JH Bathroom Renovation / Exterior Gym Doors  |
| 2015 | Tile/Paint Kitchen MPR & Entry Hall/Gym Entry<br>Roof                                      |
| 2016 | New Gym floor & Doors / New Bleachers / New Scoreboards                                    |
| 2018 | Elementary/JH complete renovation (roof /windows/air onditioning/painting/cabinets/floors) |
| 2019 | HS Roof (storm damage in July)   |
| 2020 | HS Tuckpointing<br>Painting HS from 2019 storm damage                                      |

## **WINCHESTER SCHOOL DISTRICT**

Winchester School District is comprised of three buildings all on one campus. These consist of the high school, vocational building, early learning center and the elementary. All Category A issues listed on the Health Life Safety analysis have been addressed. A new 10-year analysis is being developed as this report is being written. The high school was built in 1921 with the addition of the agriculture shop in 1962 and a band and home economics room in 1970. There is no cafeteria in the building and the district has an open campus policy because of this. Students who wish to eat off campus must walk to their desired food destination. Lunches are brought to the high school for those wishing to eat the school lunch. A home economics room with kitchen and sewing areas is located in the high school as is the original gymnasium. This gym is not used for sports events as these are held in the newer gym in the grade school. The building is handicapped accessible due to a stair lift. The classrooms are much smaller than those in Bluffs and create a potential issue with adding more students to this existing building. The high school will be 100 years old this year and some plumbing issues have been identified. The parking areas at the high school need to be addressed. The high school has window air-conditioners and the age of these makes replacing them a need. The boiler system needs to be addressed as there is inconsistent heating throughout the building due to wiring and temperature control issues. The high school has a very attractive auditorium with a large stage. There is a need to replace the seats and the paint is peeling. The seats should be replaced and

additional health-life safety needs will need to be addressed as stated in the soon to be released HLS report.

The elementary was built in 1958 with a 1969 addition, a handicapped elevator in 1993 and a library addition in 1997. Most of the building is one story with the exception of the two-story section on the east end of the gymnasium. This building was renovated in 2017 and the roof needs replacement. All rooms are in use resulting in a 100% usage. The cafeteria is crowded and additional space would be helpful. This building has updated RTU and air-conditioning. The parking is sufficient and needs no upgrading at this time.

The Early Learning Center houses Pre-K students. It was constructed in 2009 and is a single-story structure. It does have HVAC and is handicapped accessible. There are no identified needs for the building.

The vocational building was constructed in 1975. An auto-mechanics and woods shop are housed here. Students must walk from the high school to this building. The only air-conditioning is in the office portions of this building. This is where the central office housed at this time.

## SUMMARY

If these two districts decided to combine there would need to be decisions made as to how to accommodate the influx of high school, and eventually junior high (7-8) students into the already crowded classroom situation in Winchester. The 70 high school students coming from Bluffs could be accommodated, in the short term, with the addition of portable units. This temporary solution would enable the transfer of the high school from Bluffs to Winchester using portable units for the needed space.

The key word here is temporary. The consultants believe that it would be in the best interest of the students to construct a building capable of housing the students in grade 7 – 12. The current high schools do not have sufficient room and the rooms that do exist are too small. A new building would accommodate all of the students and provide the types of classrooms that could meet the varying needs of all of the students.

Listed below is an estimate for the costs of modular classrooms should the newly formed district decide to go this route as they work to pass a bond referendum.

- JMO Modular (<http://www.jmolc.com/work-category/educational/>) provided the following information regarding the cost for preparing the grounds, transporting the units and the purchase price.
  - Site Preparation would include:
    - Pouring a concrete pad or
    - Creating a crawl space that the units would sit on
      - Advantage to crawl space is it removes the need to put steps into the building.
      - Estimate of steps cost:
        - Wooden \$7,000/unit
        - Aluminum \$12,000/unit
    - Need to have electricity, plumbing, fire alarm and data access installed
  - Units can be two units with two classrooms or one four-classroom unit.
    - Estimated cost for two-classroom units:
      - New unit: \$115 – 120,000 each
      - Used unit: \$80 – 90,000 each
        - Use caution when buying used
    - Transportation and set up
      - \$8 – 10,000 each for now but \$12,000 should be budgeted to assure that the final cost remains within the budget

The above estimates as just that and, if the districts do vote to consolidate, these would need to be reviewed and updated. These would be temporary and would enable the new district to move forward with developing a school bond construction resolution that could house all 7- 12 students from both communities.

## TRANSPORTATION

This study will address any increases in transportation that might occur should the two districts in this study decide to reorganize into one district. All data for this section was obtained from the transportation report provided by the districts. The complete summary is found in Table 9 which immediately follows this section.

Table 1 shows the cost for the regular route transportation for the 2019-20 school year. There would be no impact an increase should the districts become one. This increase would be caused by the transportation of the high school students.

TABLE 1  
REGULAR ROUTE EXPENDITURES

| Regular Route Information |            |          |
|---------------------------|------------|----------|
|                           | Winchester | Bluffs   |
| # Students Transported    | 305        | 143      |
| Cost                      | \$153,006  | \$95,076 |
| Cost/student              | \$502      | \$665    |
| Regular Route Miles       | 45703      | 20369    |
| Cost/mile                 | \$3.35     | \$4.67   |

The cost of transportation for the Special Education Student (Table 2) and Vocational Students (Table 3) will not be impacted by the consolidation of these districts. Special Education students requiring transportation will still need that service regardless of the configuration of the districts. There would be no change in how these students are transported since both districts lease from the same company. If a consolidation would occur all contracts would need to be honored which, as noted would cause no conflicts. Since no vocational costs exist this will continue to be zero.

TABLE 2  
SPECIAL EDUCATION TRANSPORTATION

| Special Education Information |             |            |
|-------------------------------|-------------|------------|
|                               | Winchester  | Bluffs     |
| # Students Transported        | 5           | 7          |
| Cost                          | 83,324      | 63,990     |
| Total miles                   | 24,889      | 22,485     |
| Cost/student                  | \$16,664.80 | \$9,141.43 |
| Cost/mile                     | \$3.35      | \$2.85     |

TABLE 3  
VOCATIONAL TRANSPORTATION COST

| Vocational Transportation Information |            |        |
|---------------------------------------|------------|--------|
|                                       | Winchester | Bluffs |
| # Students                            | 0          | 0      |
| Total Miles                           | 0          | 0      |
| Total Cost                            | \$0        | \$0    |
| Cost/mile                             | \$0.00     | \$0.00 |
| Cost/student                          | \$0        | \$0    |

Table 4 shows the non-reimbursable costs for transportation. These costs include the cost for transporting students beyond the defined regulations provided by the state. This would include transporting students who live less than 1.5 miles from a school when there is no identified danger or hazard for those students who walk to school. As with the other funding areas, there would likely be no change to these should a consolidation occur.

TABLE 4  
NONREIMBURSABLE TRANSPORTATION COST

| Non-reimbursable Transportation Information |            |          |
|---|------------|----------|
|   | Winchester | Bluffs   |
| Transportation costs                        | \$102,374  | \$36,731 |
| Transportation miles                        | 28,507     | 12,434   |
| Cost/mile                                   | \$3.59     | \$2.95   |

TRANSPORTATION SUMMARY

There would an increase to the transportation costs should these districts consolidate. If these districts consolidated the need to transport the junior high and high school students would see an estimated 90 students from Bluffs to Winchester. This would result in an increase of \$39,600 (see Table 5). All other transportation costs would remain the same.

TABLE 5  
PROJECTED COST FOR TRANSPORTATION OF BLUFFS STUDENTS

| DISTRICT | # STUDENTS TRANSPORTED | Cost/mile from current year | Number miles round trip to Winchester | # buses | # days | COST        |
|----------|------------------------|-----------------------------|---------------------------------------|---------|--------|-------------|
| Bluffs   | 90                     | \$3.75                      | 30                                    | 2       | 176    | \$39,600.00 |

TABLE 6  
TRANSPORTATION SUMMARY

|  | Winchester                   | Bluffs           |
|--|------------------------------|------------------|
| # Buses  | 6 Regular<br>3 Special<br>Ed | 2                |
| # Vans   | 3                            | 1                |
| Type of Program                                    | Lease                        | Lease            |
| <b>Regular Route Information</b>                   |                              |                  |
| # Students Transported                             | 305                          | 143              |
| Cost   | \$153,006                    | \$95,076         |
| Cost/student                                       | \$502                        | \$665            |
| Regular Route Miles                                | 45,703                       | 20,369           |
| Cost/mile  | \$3.35                       | \$4.67           |
| <b>Special Education Information</b>               |                              |                  |
| # Students Transported                             | 5                            | 7                |
| Cost   | \$83,324                     | \$63,990         |
| Total miles  | 24,889                       | 22,485           |
| Cost/student                                       | \$16,665                     | \$9,141          |
| Cost/mile  | \$3.35                       | \$2.85           |
| <b>Vocational Transportation Information</b>       |                              |                  |
| # Students   | 0                            | 0                |
| Total Miles  | 0                            | 0                |
| Total Cost   | \$0                          | \$0              |
| Cost/mile  | \$0.00                       | \$0.00           |
| Cost/student                                       | \$0                          | \$0              |
| <b>Non-reimbursable Transportation Information</b> |                              |                  |
| Transportation costs                               | \$102,374                    | \$36,731         |
| Transportation miles                               | 28,507                       | 12,434           |
| Cost/mile  | \$3.59                       | \$2.95           |
| <b>TOTAL COST - ALL AREAS</b>                      | <b>\$338,704</b>             | <b>\$195,797</b> |

## **Financial Considerations and Comparisons**

In this part of the report the consultants have attempted to provide the readers with all the pertinent data necessary to make judgments about the feasibility of a union of the districts involved. This part of the report will have a number of tables showing comparative data. Occasionally space requirements made it necessary to use just the official number designation of the districts as follows:

Winchester CUSD #1

Scott-Morgan CUSD #2

### Section 1

This section of the report will address comparative financial data between the districts. An attempt has been made to draw analogous data between the school districts, which might become issues for discussion by the respective Boards of Education and/or citizens in the communities involved in the study.

This section will separate the financial issues, conclusions and comments by the various reorganization scenarios.

General District Comparisons 2018-2019

|                                      | Winchester CUSD #1               | Scott-Morgan #2                  |
|--------------------------------------|----------------------------------|----------------------------------|
| Average Daily Attendance             | 611                              | 220                              |
| Evidence Based Funding Revenue       | 2,870,269                        | 967,363                          |
| EBF Revenue/Per Student              | 4,698                            | 4,397                            |
| Total District Expenditures          | 8,456,974                        | 5,523,061                        |
| Operating Expense Per Pupil          | 8,750                            | 10,302                           |
| Assessed Valuation Per Pupil         | 109,782                          | 123,149                          |
| Total Certified Staff (2018-2019)    | 56                               | 21                               |
| Average Teacher's Salary (2018-2019) | Salary assumptions are included. | Salary assumptions are included. |
| EAV 2018-2019                        | 67,077,032                       | 27,092,853                       |

- The average daily attendance indicates there is a significant variance in the enrollment size of the districts with Winchester having the larger enrollment.
- The very important Operating Expense Per Pupil indicates a somewhat consistent number throughout the districts studied. There is not a significant disparity between this cost to educate students in the districts. This is an extremely important variable and indicates the average cost to educate a student per district. Winchester has a lower Operating Expense Per Student. This relative cost to educate a student annually is generally reflective of the ability of a district to generate more revenue per student.
- The Assessed Valuation Per Pupil indicates that Scott-Morgan has a higher EAV/per pupil. This figure normally denotes the relative reliance on local property taxes per student enrollment.
- In comparing the highest and lowest teacher salaries, it is apparent that the districts in this study have a slight variation in teacher's salaries. Out of 77 total certified staff, the total difference between the highest and lowest total salary cost is \$34,046 which is an average of \$442 per person. *This difference will be paid in the state incentives for four years, but after that point, a reduced staffing level should be instituted by then with attrition, a final determination of staffing levels required, etc. Keep in mind that all collectively bargained multi-year agreements are nullified and new bargaining agreements are agreed upon in a newly reorganized district(s).*
- The reader needs to be reminded that two important variables that of non-certified salaries and differences in fringe benefits are not included in any state incentives. While there are no state incentives for non-certified employees, there are undoubtedly **some** differences in salaries which must also be renegotiated if there are collectively bargained contracts available. It stands to reason that in a newly reorganized district, efforts to gain non-certified staff salary parity may be expensive. Also, fringe benefits are not covered in ISBE incentives. Therefore, large differences in districts bargained agreements may be expensive to achieve parity in a newly reorganized district.

**EBF funds for the districts are significantly disparate with Winchester getting almost three times more in EBF annually because they have a higher student enrollment.** EBF is calculated for a reorganized district just like any other district. In the first year, the EBF is also calculated as if the reorganization didn't occur. If the reorganized district's EBF is less than the sum the of EBF for the original districts, the difference becomes the incentive. The comparison is made in the first year and any incentive is scheduled to be paid each year for four years. **In this case the new district EBF is an \$1,468, therefore this is no EBF incentive.**

Comparison of Contractual issues/salaries, etc.

Winchester summary of contractual issues/salaries, etc.

- has a basic salary of \$31,353 (2020-2021)
- pays for 100% tuition reimbursement up to masters degree
- pays 20% tuition beyond a masters degree for educational area of study
- grants sick leave days in a graduated schedule ranging from 12 – 20 days annually
- grants two personal leave days per year
- grants three days bereavement per year
- provides 75% of employee medical and dental insurance coverage for all teachers

Scott - Morgan summary of contractual issues/salaries, etc.

- has a starting salary is \$31,535
- internal teaching substitutes, paid at \$25.00 per hour
- board pays 50% of medical insurance for employee.
- board pays \$2000 for TRIP insurance for up to five years after retirement.
- board pays \$300.00 per graduate hour for tuition reimbursement
- receives 11 sick days per year
- receives 3 personal days per year
- grants three days bereavement per year

Comparisons.

While there are some differences in their Collective Bargaining Agreements, in general the contract language is similar.

ISBE salary comparisons by individual teachers are included based upon their assumptions that staff will gravitate to highest salary level existing in both current school districts. With these two districts utilizing a standard matrix-style salary schedule, new teachers are placed on a schedule and then all certified staff receive similar salary increases over a stipulated period.

The reader should keep in mind that current salary differences forthcoming after a successful reorganization are paid for the first four years. There are however, no state incentive funds for fringe benefits and or/for non-certified staff salary differences which are not within the scope of this study.

Evidence Based Funding Comparisons (2018-2019)

|  | Winchester<br>CUSD #1 | Scott-<br>Morgan #2 |
|---|-----------------------|---------------------|
| EBF 2018-2019   | 2,870,269             | 967,363             |
| Average Daily<br>Attendance 2018-<br>2019   | 611                   | 220                 |
| ADA 2017-2018   | 601                   | 208                 |
| ADA 2016-2017   | 556                   | 192                 |
| Personal Property<br>Replacement Tax<br>2015-2016                                 | 151,381               | 92,563              |
| Operating Tax<br>Expense Per Pupil  | 8,750                 | 10,302              |

- The student enrollments over the last three years indicate that both districts are experiencing a small but steady decrease in enrollment trends.
- Both districts receive revenue from the Personal Property Replacement Tax with Winchester getting the higher amount. The following is a definition of Personal Property Replacement Tax; “The Illinois Constitution of 1970 abolished the corporate personal property tax in Illinois as of January 1, 1979, and provided for the replacement of revenues derived from this tax by creation of the Personal Property Replacement Tax. The Department of Revenue certifies each taxing district’s share of the replacement revenues collected by the state at that date. Payments are made eight times per year to approximately 6,700 units of local government and school districts.” To determine the amount that would be allocated to a newly consolidated district, one would have to add together the amounts currently received by the districts. The relative share of the state revenue continues to be the same percentage as allocated in 1979. Therefore, districts having a larger allocation at that time will continue to receive that percentage of the annual state revenue regardless of a loss in EAV. *Until the State of Illinois changes its formula for this revenue source, these districts will continue to receive the same combined revenue from this source.* This annual amount would not be affected by consolidation and should continue to be allocated to the new district in the same amounts as they were allocated individually.

2019 Property Tax Rates/Extensions

| Fund            | Winchester<br>CUSD #1 | Rate  | Scott-<br>Morgan #2 | Rate  |
|-----------------|-----------------------|-------|---------------------|-------|
| Ed.             | 1,031,809             | 1.719 | 677,678             | 2.8   |
| OBM             | 210,292               | 0.350 | 181,521             | 0.75  |
| Trans.          | 112,158               | 0.187 | 48,406              | 0.2   |
| Sp. Ed.         | 22,435                | 0.038 | 9,681               | .04   |
| Working Cash    | 28,043                | 0.047 | 12,101              | 0.05  |
| Bonds           | 0                     | 0     | 0                   | 0     |
| IMRF            | 84,115                | 0.14  | 4,884               | 0.02  |
| Social Security | 112,158               | 0.187 | 39,073              | 0.161 |
| TORT            | 476,650               | 0.794 | 117,217             | 0.484 |
| Lease           | 28,043                | 0.047 | 12,101              | 0.05  |
| Life Safety     | 354,881               | 0.591 | 12,101              | 0.05  |
| Total           | 2,460,585             | 4.099 | 1,114,763           | 4.606 |

- Transportation Fund, both districts are levying at a similar rate.
- All districts have a bond levy rate to pay off its outstanding bonds of various varieties. It can also be inferred from this that the districts have sold bonds of a variety of authorized sources, working cash, construction, life safety, etc. The bonded debt limit for a unit district is 13.8% of its most recent equalized assessed valuation. **Keep in mind that the bond & interest levy amount remains with the original district that incurred the debt and is not merged with any district(s) that reorganize with it unless authorized in the reorganization referendum.**
- Current tax rates become an important variable in the formation of a new school district and the setting of new tax rates. Normally, new tax rates are determined somewhere in between the highest and lowest rates of the participating districts. Therefore, the higher the variation in the rates, the more potential for significantly higher or lower tax rates of a newly reorganized district. For these districts, it looks

as if a successful merging of the districts **could** enable a reduction of the overall tax rate for the Scott-Morgan taxpayers.

#### Audit Comparisons: Education Fund

|                     | 2018-2019 | 2017-2018 | 2016-2017 |
|---------------------|-----------|-----------|-----------|
| Winchester CUSD #91 | 190,459   | 342,717   | 34,430    |
| Scott-Morgan #2     | 1,136,178 | 956,042   | 912,163   |

This section of the financial report will deal with the audited fund balances of the districts in all funds for the last three years. These figures should be illustrative of the relative financial strength of the individual districts by fund and provides a brief illustration of past fund balances.

The education fund is by far the most important of all funds utilized by a school district. Within this fund are usually up to 80% of the revenue and expenditures for a school district. The strength of this fund will be of paramount importance in determining the financial stability of a school district.

- The education fund balances for the districts indicate a challenge for both districts. Scott-Morgan has **a higher fund balance than Winchester**. Both districts have a surplus in this most important fund over the three-year period indicating fiscal stability.
- It should also be noted that both districts rely heavily on support from state revenue. While we have a new EBF funding formula, the issue of maintaining state support for education remains a problematic issue, particularly in these times of pandemics.

Audit Comparisons: Operations Fund

|                     | 2018-2019 | 2017-2018 | 2016-2017 |
|---------------------|-----------|-----------|-----------|
| Winchester CUSD #91 | 270,464   | 225,358   | 51,256    |
| Scott-Morgan #2     | 363,150   | 310,860   | 278,787   |

The Operations, Building & Maintenance Fund is the second largest and most important fund for a school district. The OBM fund and Life Safety are the funds that are utilized to maintain the district’s facilities. The reader needs to keep in mind that the OBM fund normally has only one source of revenue, local property taxes, unless unrestricted funds like EBF or CPPRT are inserted into the OBM fund. Normally, with no source of state revenue as the Education and Transportation fund have, it routinely is a fund with small or negative fund balances.

- Both districts have significant balances in this fund and has for years while These relatively significant fund balances in the OBM fund for both districts are symptomatic of districts with considerable local assessed valuation. Most of its expenditures in this fund are also of a recurring nature and rise without any decision-making by the school district such as utility costs.

### Audit Comparisons: Transportation Fund

|                    | 2018-2019 | 2017-2018 | 2016-2017 |
|--------------------|-----------|-----------|-----------|
| Winchester CUSD #1 | 394,006   | 132,251   | 83,466    |
| Scott-Morgan #2    | -6        | 29,343    | 24,617    |

The transportation fund for the districts appears to be different for the districts in this study. The districts are experiencing a varying pattern with Winchester increasing its surplus in the transportation fund over a three-year period, while Scott-Morgan is sitting at or near 0. It should be noted that the State of Illinois is “supposed” to pay for 80% of the annual authorized transportation costs for each school district in Illinois. Therefore, the local transportation levy normally is not required to pay for the majority of the transportation costs. Normally, the transportation fund for most school districts in Illinois does not experience the financial stress as the other major operating funds due to this “state financial assistance.” Reduced funding levels from ISBE have altered the position of the transportation fund for school districts throughout Illinois.

- Reimbursement for authorized transportation costs have been prorated at a dramatically reduced rate for the past four years. It has varied from about 60-80% of what the state has promised according to current state law.
- NOTE: The transportation fund will undoubtedly face more fiscal stress in the future with a new transportation formula being utilized and past transportation payments lagging far behind in their reimbursement to districts. This factor alone will cause stress for all Illinois school districts

Audit Comparisons: IMRF Fund

|                    | 2018-2019 | 2017-2018 | 2016-2017 |
|--------------------|-----------|-----------|-----------|
| Winchester CUSD #1 | 231,490   | 211,362   | 200,688   |
| Scott-Morgan #2    | 61,714    | 103,272   | 161,395   |

The Illinois Municipal Retirement Fund pays for the retirement expenses of all qualifying non-certified employees. Districts may make an “unlimited levy” to pay for concurrent Social Security costs for non-certified employees or make separate IMRF and Social Security levies for these retirement costs. Districts normally make a separate levy for Social Security. The IMRF/Social Security levy is an “unlimited levy.” That is to mean that the costs for the retirement program can be levied relative to the individual requests of the school districts. The levy amounts can be varied from year to year since the principal and interest from these funds cannot be transferred to any other fund.

Audit Comparisons: Bond & Interest Fund

|                    | 2018-2019 | 2017-2018 | 2016-2017 |
|--------------------|-----------|-----------|-----------|
| Winchester CUSD #1 | 71,494    | 71,107    | 136,627   |
| Scott-Morgan #2    | -89,500   | 888       | 598       |

The Bond & Interest Fund is another “unlimited levy.” It has also been described as a “self-liquidating fund” as school districts sell bonds of various kinds. The County Clerks are given, after the successful sale of the bonds, the schedule of payments for the principal and interest to pay off the bonds regardless of the amount. The only mitigating factor is the bonded debt limit, which is 13.8% of a unit-districts current EAV. Generally, there are only modest surpluses in these funds as the levy is restricted by the County Clerk to the amount necessary to pay off all outstanding principal and interest on bonds.

### Audit Comparisons: Working Cash Fund

|                    | 2018-2019 | 2017-2018 | 2016-2017 |
|--------------------|-----------|-----------|-----------|
| Winchester CUSD #1 | 352,683   | 322,316   | 296,773   |
| Scott-Morgan #2    | 91,514    | 79,665    | 68,752    |

Districts may sell Working Cash Bonds and then “abate” which means partially transfer working cash funds during a fiscal year or totally abolish the fund and put the balance into the educational fund in the month of June. The amount of bonds, bonded debt limit for the working cash fund, is 85% of the education fund extension from the previous year plus 85% of the amount received in personal property replacement taxes from the previous year. Thus, there is a separate bond limit for working cash bonds in this fund comparison.

In addition to serving as a “loaning fund” for the other operating funds, the Working Cash fund is a method to generate operating revenue for the other operating funds with its independent bond sale authority plus its ability to permanently transfer all (abolish) or part (abate) of its fund balance during the fiscal year.

The working cash fund is essentially a “loaning fund” for other district funds in financial need. It appears that both districts levy in this fund and both have allowed their balances to accrue.

Audit Comparisons: Tort Fund

|                    | 2018-2019 | 2017-2018 | 2016-2017 |
|--------------------|-----------|-----------|-----------|
| Winchester CUSD #1 | 79,624    | 10,344    | 53,976    |
| Scott-Morgan #2    | 141,906   | 109,689   | 32,136    |

The Tort Fund is a levy in which payments for district insurance coverage is usually paid as well as costs for Unemployment Compensation and Workman’s Compensation coverage. In addition, it is here that many districts utilize a Risk Management Plan to cover costs related to maintaining the safety and security of the facilities and staff.

Audit Comparisons: Capital Projects Fund

|                    | 2018-2019 | 2017-2018 | 2016-2017 |
|--------------------|-----------|-----------|-----------|
| Winchester CUSD #1 | 82,931    | 82,462    | 730,323   |
| Scott-Morgan #2    | 112,147   | 102,422   | 71,047    |

The Site & Construction Fund encompasses funds sold for the construction of school district facilities. Winchester looks to have utilized this fund to construct a new facility and currently has funds left over from a previous construction bond sale.

### Audit Comparisons: Fire and Safety Prevention Funds

|                     | 2018-2019 | 2017-2018 | 2016-2017 |
|---------------------|-----------|-----------|-----------|
| Winchester CUSD #91 | 213,402   | 233,340   | 3,789,245 |
| Scott-Morgan #2     | 91,362    | 2,109,550 | 19,904    |

This fund is maintained by the annual levy of \$.05 for all districts or by the sale of bonds up to an individual district’s bonded debt limit and approval by the architect, ROE and ISBE. The districts have a disparate balance in this fund with RB having a much small fund balance. This fund is used to renovate district facilities and complete required alterations from the Ten Year Life Safety Survey. All expenditures from the Fire and Safety fund must be approved by a licensed architect/engineer, the Regional Office of Education as well as the Illinois State Board of Education.

It appears that both districts have utilized this fund.

#### Comparison of Equalized Assessed Valuations

The author will examine the EAV of each of the districts over the last three years. Normally, the EAV of a school district will not make dramatic increases or decreases without special circumstances. However, as the author will point out, the districts have realized a moderate increase in EAV in the recent past and have caused moderate increases in local revenue for each of the districts.

### Equalized Assessed Valuations

|                    | 2019       | 2018       | 2017       |
|--------------------|------------|------------|------------|
| Winchester CUSD #1 | 71,525,120 | 67,077,032 | 58,059,260 |
| Scott-Morgan #2    | 28,637,916 | 27,092,853 | 25,202,646 |

Both districts in this study demonstrated an ongoing increase in their EAV,

#### Projected Tax Rate for District

In any discussion of school district reorganization, the future tax rate of a new district is always an issue of importance. At this point, the author will discuss that in a reorganization resulting in **a new unit district**, the tax rate of the newly reorganized district as approved in the referendum becomes the tax rate for the reorganized district. As has been pointed out previously, the Bond and Interest Fund will continue to be levied against the original taxpayers until the current bonds are paid. Only Bonds that have been sold after the effective date of the newly reorganized district will be paid by the constituents of the newly enlarged school district.

Keep in mind that this is only a suggested rate to generate the same amounts of revenue with local sources. This projection does not attempt to project the amount that could be utilized in the referendum for long term district projections. Therefore, this simulation should give the reader an idea of the comparison of a new unit district tax rate.

2019 Equalized Assessed Valuation

|                    |            |
|--------------------|------------|
| Winchester CUSD #1 | 71,525,120 |
| Scott-Morgan #2    | 28,637,916 |

|                    | Total  | Total Extension |
|--------------------|--------|-----------------|
| Winchester CUSD #1 | 4.0986 | 2,460,584       |
| Scott-Morgan #2    | 4.6059 | 1,114,763       |
| Total Extension    |        | 3,575,348       |

Utilizing a combined district EAV of \$100,163,036 means that a penny of local property taxes would generate approximately \$10,016 per \$100 of EAV. Taking the \$10,016 x \$3.57 of the tax rate for the reader to approximate the tax rate needed to generate the same amount of funds generated previously by the existing districts. What you now have in \$3.57 is a projected DISTRICT rate for a newly reorganized district instead of separate district rates to generate the same amount of dollars in two districts. It the case of a lower tax rate to generate the same amount of taxes in a newly

reorganized school district, it seems that **both districts** may experience a **lower tax rate, to generate the same amount of revenue.**

**Additional calculation of a projected tax rate of \$3.57 has been projected for a newly reorganized district not counting the bond and interest amount for either district.**

Therefore, with a merger of the districts, it would be necessary to change the current tax structure for these districts. **PLEASE KEEP IN MIND THAT THE AUTHOR DOES IN NO WAY SUGGEST THAT THIS RATE WOULD BE UTILIZED FOR PLANNING FOR A REORGANIZATION REFERENDUM. The tax rates that would be voted upon in a referendum would be all of the rates. The Committee of Ten is responsible for determining the tax rates to be voted upon in the reorganization referendum.**

#### Other Financial Considerations

Inherent in any successful reorganization proposal are several financial considerations that are difficult to quantify but should be discussed. Current statutes for all reorganizations require that all multi-year agreements that are currently in force by any of the reorganizing districts must be honored by the newly created district. In this case, a newly reorganized district would be obligated to renegotiate all such contracts, including individual and commercial multi-year agreements. In the case of certified and non-certified staff union agreements, the collective bargaining agreements in place in all districts would be abolished and the staff that is employed by the original districts on the last day of said district will be placed upon an appropriate salary schedule position in the newly negotiated salary schedule. Another area of fiscal consideration in a possible

reorganization is the change of staffing inherent in the creation of a new district. Certainly, there will only be one superintendent of a new district. The central office staff and ancillary central office staff are normally the group of employees that are the most affected. For example, it would be normal to assume that only one bookkeeper; payroll clerk and/or superintendent's secretary would be necessitated. While it would be impossible to determine at this point what personnel or salaries would be required by the newly enlarged district it should be noted that it is rare that there is a large financial savings when districts reorganize. It is also logical to assume there would be financial savings in the personnel required to manage one central office instead of multiple offices. Non-certified staff now receive some job protection in that Reductions in Non-Certified Staff after the new district is formed must come from a combined Educational Support Personnel Seniority List. In this reorganization, there will undoubtedly be certified staff reductions based upon the needs of the newly enlarged district. The certified staff that will be affected the most will be the junior high school staff and central office administrators and staff.

**When districts successfully merge, an economic theory known as the Economy of Scale is encountered. This theory essentially states that the larger the purchasing amounts, the cheaper the costs to purchase the same items. While this theory is present in this reorganization, the amount of savings would be rather minimal in the overall costs for a newly reorganized district.** The savings in certified, non-certified staff plus any possible building closings will reflect a much higher savings for a newly reorganized district. The staffing levels and possible building closings will be the decision of a newly elected board of education. In this

reorganization proposal, both of these major factors are present for future savings in a newly reorganized district.

Another area that needs to be explained is the current bonded debt of the districts. In the case of reorganization, will taxpayers in the new district be responsible for the debt that has been previously accumulated in the previous districts? That answer is no. *All bonded debt in the new district will be paid by the original residents of the district that encumbered the debt.* The county clerk will continue to levy enough funds to pay the principal and interest of the previous bonded debt until it is paid in full. Only bonds sold by the new district will be spread over the entire newly reorganized district.

### Conclusions

From the financial reports provided the author, a generalization can be made. The districts studied seem to be increasing at a **minimal** rate in the important local revenue indicator of Equalized Assessed Valuation. With this increase in EAV comes an increase in local funds from the same tax rate. It is expected that these trends will continue for the districts. All of the districts would benefit financially within a newly reorganized district by combining the staff and programs, plus the more efficient utilization of the districts school buildings.

Some of my conclusions on financial matters include:

- Tax rates for **both districts** have generally been at the authorized levels.
- The projected unit tax rate of **\$3.57** would only generate approximately the same amount of revenue as the previous year. With the projected rate at **\$3.57** or any other rate determined by the Committee of Ten to be included on a

reorganization referendum, it is assumed that the taxpayers of the districts could realize a level tax burden and, in some measure, taxes may need to be increased, due to the lack of financial support from the State of Illinois.

- The fund balances are currently in various stages but financially the districts are financially sound. While the reorganization incentives should provide a short-term infusion of discretionary funds, these funds are provided for the transition period between the successful reorganization period and its initial years. Incentive funds are essentially unrestricted in nature and may be utilized by the new board of education as it determines to be necessary and prudent.
- Other financial roadblocks to school districts financial success are also possible in future TIF districts, a reduced poverty count from the **2020 Census**, or DHS poverty count and a stagnant Illinois economy.

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**ILLINOIS STATE BOARD OF EDUCATION**

**Fiscal Year 2015 School District Financial Profile Scores,  
based upon Fiscal Year 2014 Annual Financial Reports**



James T. Meeks  
Chairman

Christopher A. Koch, Ed.D.  
State Superintendent of Education

**Illinois State Board of Education**  
**Fiscal Year 2015 School District Financial Profile Scores**  
**Based on Fiscal Year 2014 Annual Financial Reports**

Enclosed is the Fiscal Year 2015 School District Financial Profile Scores based on the Fiscal Year 2014 Annual Financial Reports. Financial profile calculations for school districts are determined using five key indicators:

- Fund Balance to Revenue Ratio,
- Expenditure to Revenue Ratio,
- Days Cash on Hand,
- Percentage of Remaining Short-Term Borrowing Ability,
- and Percentage of Remaining Long-Term Borrowing Ability

A detailed explanation of these indicators and the Financial Profile calculation formulae are shown in Appendix A to the report. They are also available on the ISBE website at <http://www.isbe.net/sfms/afr/profile.pdf>

**Background Information**

Section 1A-8 of the School Code states, "To promote the financial integrity of school districts, the State Board of Education shall be provided the necessary powers to promote sound financial management and continue operation of the public schools."

The School District Financial Profile was designed to better illustrate information on school district finances and to establish financial designation lists for all districts. The designation categories in descending order are:

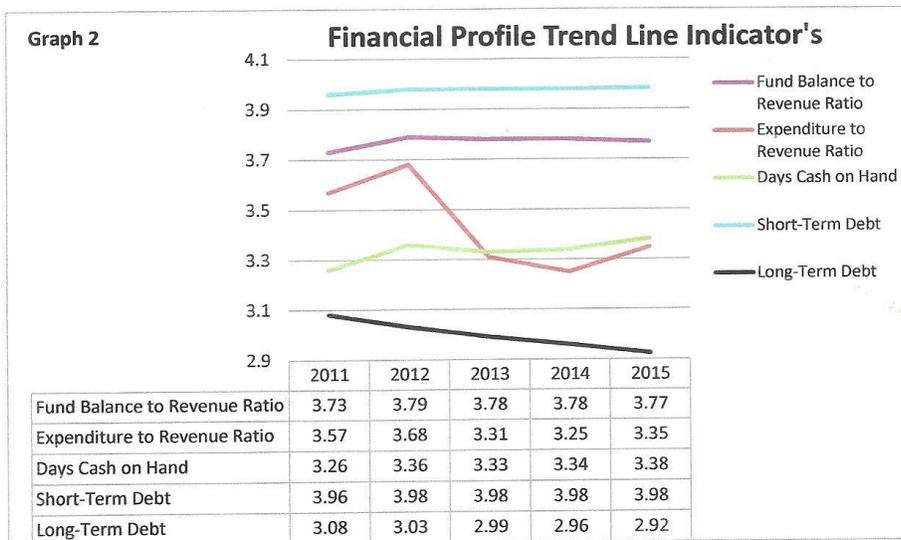
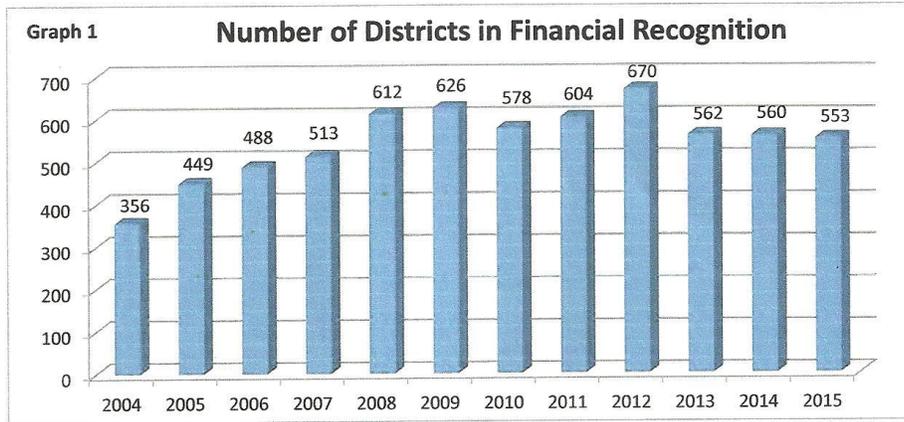
- Financial Recognition,
- Financial Review,
- Financial Early Warning,
- and Financial Watch

with Financial Recognition being the highest category.

This is the twelfth year that the Financial Profile has been used to evaluate districts.

- Beginning with the 2004 Financial Profile through the 2009 Financial Profile, the number of districts in Financial Recognition status has increased each year.
- In 2010 the number of districts in Financial Recognition decreased to 578 from the previous year's 626.
- For the 2011 and 2012 Financial Profiles, the number of districts in Financial Recognition increased again to 604 and 670, respectively.
- For 2013, 2014, and 2015 the number of districts in Financial Recognition has declined to 562, 560, and 553 respectively.

The 2015 Financial Profile continues to reflect the difficult economic times every district in the State is realizing. The number of districts realizing Financial Recognition for 2015 Profile decreased to 553 districts (64.3% of 860 districts), resulting in seven fewer districts in the highest category compared to last year and 117 fewer when compared to the 2012 Financial Profile. The number of districts realizing Financial Watch decreased to 38 (4.4% of 860 districts) from 49 last year. The data point derived from the 2015 Financial Profile Data is that the overall average score for 2014 was Financial Review and the 2015 overall average score has increased to Financial Recognition. See Graph 1 for the number of districts in Financial Recognition for the Financial Profile years 2004 through 2015.



As denoted in Graph 2 above:

The average Expenditure to Revenue Ratio Indicator trend line improved from last year's Financial Profile to this year's Profile.

- In Fiscal Year 2014 districts spent an average of \$1.00 for every dollar of revenue received compared to an average of \$1.016 in FY 2013.

However, the average Fund Balance to Revenue Ratio score has remained constant over the past years, with a slight decrease in FY 2014.

- This is an indication that reserves are being to be diminished

Graph 4 reflects the average Financial Profile score for the 2011 Financial Profile through the 2015 Financial Profile.

School finance is a complicated topic. Given this complexity and the financial and accounting differences among the 860 Illinois school districts, there will likely always be issues with how school district finances are characterized. The issues most often identified include:

- Weighting a deficit more than short-term or long-term borrowing (incentive to borrow without really improving the financial condition)
- Timing of revenues (e.g. early receipt of local taxes or late state payments)

As the Financial Profile is a “snap shot” in time of a district’s finances, the data alone cannot give a holistic view of the districts’ financial picture.

#### **Payment Delays**

Many school districts have inquired about their rankings in the Financial Profile due to delays in the receipt of the mandated categorical payments. In Fiscal Year 2014, school districts received five mandated categorical payments instead of the customary four. This was one delayed payment from fiscal year 2013 and all four of fiscal year 2014 payments. Mandated categorical payments were not delayed in fiscal year 2014.

Beginning with the 2009 Financial Profile, Section 1A-8 of the School Code [105 ILCS 1A-8] mandates that the Financial Profile calculations shall incorporate delayed State Payments for General State Aid and Mandated Categorical. Because last year’s Financial Profile incorporated the payment that was delayed until this year, this year’s Financial Profile is adjusted for that payment and reflects only the normal four mandated categorical payments. For cash basis school districts, this resulted in adjustments to the Revenue to Fund Balance Ratio, Expenditure to Revenue Ratio, and Days Cash on Hand indicators. The adjustment for accrual basis districts depended upon the amount of delayed payments that were recognized in the AFR.

#### **Summary of Watch List Districts**

Of the 49 districts that were on the Watch List last year:

- Four improved to Recognition
- Nine improved to Review
- Fourteen improved to Early Warning
- Twenty one remained as Watch
- One consolidated

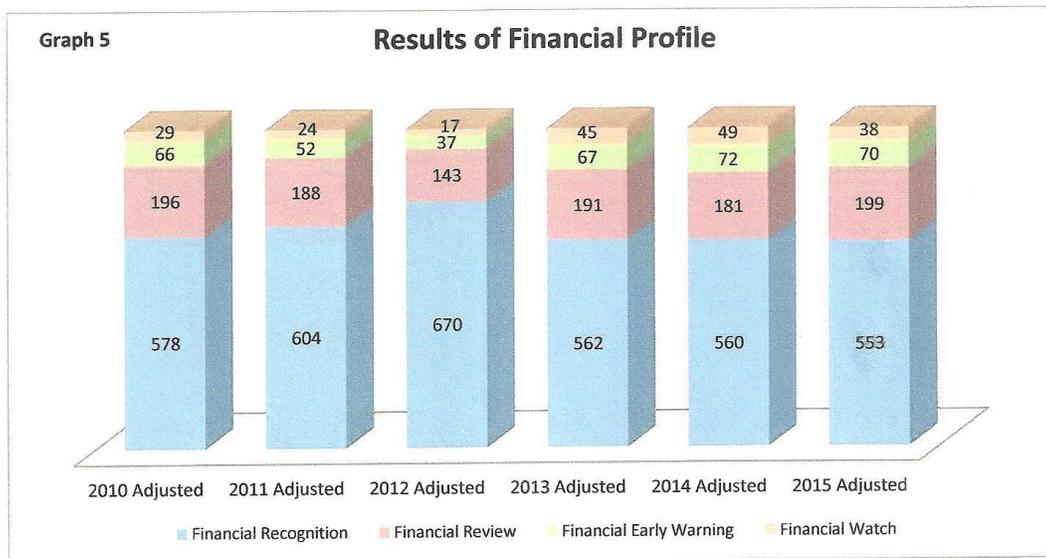
For the twenty-seven districts that made improvements, all made expenditures reductions and twelve of the twenty-seven issued long-term Working Cash Fund bonds (44.4%). ISBE has four geographically located field staff that work with districts facing financial difficulty. Of the twenty-seven districts that improved, these four employees met and working with fifteen of the districts.

There are seventeen new districts that were added to the Watch category this year:

- Five decreased from Review
- Twelve decreased from Early Warning

**Results of the Financial Profile (Table 1 and Graph 5)**

| Table 1                       | FY10<br>Financial<br>Profile Based<br>on FY09 data<br>Adjusted | FY11<br>Financial<br>Profile Based<br>on FY10 data<br>Adjusted | FY12<br>Financial<br>Profile Based<br>on FY11 data<br>Adjusted | FY13<br>Financial<br>Profile Based<br>on FY12 data<br>Adjusted | FY14<br>Financial<br>Profile Based<br>on FY13 data<br>Adjusted | FY15<br>Financial<br>Profile Based<br>on FY14 data<br>Adjusted |
|-------------------------------|--|--|--|--|--|--|
| Financial<br>Recognition      | 578  | 604  | 670  | 562  | 560  | 553  |
| Financial<br>Review           | 196  | 188  | 143  | 191  | 181  | 199  |
| Financial<br>Early<br>Warning | 66   | 52   | 37   | 67   | 72   | 70   |
| Financial<br>Watch            | 29   | 24   | 17   | 45   | 49   | 38   |
| <b>Total</b>                  | <b>869</b>   | <b>868</b>   | <b>867</b>   | <b>865</b>   | <b>862</b>   | <b>860</b>   |





**Financial Watch Designations**

- From 2004 through 2009 the number of school districts in the financial watch category has declined each year until 2010. This was the first year there has been an increase in the number of districts in this category.
- For the 2011 Financial Profile the number of districts in Financial Watch decreased again and continued to decrease for 2012.
- The 2013 and 2014 Financial Profile once again reflects increases in the number of districts in the Financial Watch designation.
- For the 2015 Financial Profile the number of district in the Financial Watch designation decreased by 11 from the 2014 year to 38 school districts.

The 2015 Financial Profile continues to reflect the difficult economic times every district in the state is realizing. While the number of districts in the lowest category, Financial Watch decreased to 38 districts from 49 districts, district were still required to decrease their expenditure and incur long-term debt to sustain operations.

- For the 2015 Financial Profile compared to the 2014 Financial Profile, the number of districts in the lowest designation category, Financial Watch, decreased by 11 districts or 22% (currently 38 school districts compared to 49 school districts last year)
  - For the 2014 Financial Profile compared to the 2013 Financial Profile, the number of districts in the lowest designation category increased by 4 school districts or 9% (49 compared to 45)
  - For the 2013 Financial Profile compared to the 2012 Financial Profile, the number of districts in the lowest designation category increased by 28 school districts or 165% (45 compared to 17)
- 12.6% of the school districts are in the lowest two designation categories compared with 14.0% last year

**School District Budget Analysis -- Deficit Spending**

Table 2 below depicts historical trends in school districts' deficit spending. The deficit is calculated by examining the four operational funds: Educational Fund, Operation and Maintenance Fund, Pupil Transportation, and Working Cash.

| <b>Table 2</b>   | <b>2009<br/>Annual<br/>Financial<br/>Report</b> | <b>2010<br/>Annual<br/>Financial<br/>Report</b> | <b>2011<br/>Annual<br/>Financial<br/>Report</b> | <b>2012<br/>Annual<br/>Financial<br/>Report</b> | <b>2013<br/>Annual<br/>Financial<br/>Report</b> | <b>2014<br/>Annual<br/>Financial<br/>Report</b> | <b>2015<br/>Budget<br/>Report</b> |
|--|---|---|---|---|---|---|-----------------------------------|
| <b>Total Number of School Districts</b>                  | 867   | 864   | 863   | 861   | 862   | 860   | 857                               |
| <b>Total Number of Deficit Spending School Districts</b> | 355   | 327   | 157   | 415   | 420   | 364   | 550                               |
| <b>Percentage of Deficit Spending School Districts</b>   | 40.9%   | 37.8%   | 18.2%   | 48.2%   | 48.7%   | 42.3%   | 64.2%                             |

Given economic conditions, school districts anticipate that their financial position will worsen in the coming year. Information submitted by school districts for FY2015 projects that the number of districts with deficits will increase to 550 or 64.2% of the total districts compared to the FY 2014 which reflected 364 or 42.3%. There are 171 districts that report their Annual Financial Report on the modified accrual basis of accounting. Most of these districts prepare their budgets on the cash basis of accounting. Therefore, their budgets do not reflect

Pursuant to the authority provided by Section 1A-8 of the School Code, the Illinois State Board of Education (ISBE) developed the "School District Financial Profile" to help monitor the finances of school districts and identify which are in or are moving toward financial difficulty. This system replaced the "Financial Watch List and Financial Assurance and Accountability System (FAAS)" that had been used for the assessment of a school district's financial health. The major change in methodology was that the FAAS utilized only one financial indicator – the Fund Balance to Revenue Ratio. The Profile includes that indicator plus four additional measures to expand our capability to accomplish a truer risk assessment. The five indicators are individually scored and weighted in order to arrive at a Total Profile Score and applicable designation.

The School District Financial Profile was developed with the invaluable assistance of school superintendents, school business administrators, financial advisors, lawyers, and bond brokers throughout the state as well as major interest groups such as IASBO, IASA, ED-RED and LUDA. Influenced by their feedback, we were able to make significant enhancements in systematically analyzing/monitoring finances of all Illinois public school districts.

The following provides a detailed explanation of each indicator. It is the Total Profile Score that we believe best determines a district's financial strengths or weaknesses. This document will also lead you through the four applicable designations, Financial Recognition, Financial Review, Financial Early Warning, and Financial Watch.

#### **Financial Profile Indicators:**

- 1. Fund Balance to Revenue Ratio** – This indicator reflects the overall financial strength of the district. It is the result of dividing the ending fund balances by the revenues for the four operating and negative IMRF/SS funds. Operating Funds are the Educational, Operations and Maintenance, Transportation and Working Cash Funds.
- 2. Expenditure to Revenue Ratio** – This indicator identifies how much is expended for each dollar received. It is computed by dividing total expenditures for the Educational, Operations and Maintenance, and Transportation Funds by the revenues for those same funds plus Working Cash. The calculation also takes into account remaining balances of these funds at the end of the year if a district is scoring low for their Expenditure to Revenue Ratio. This is especially beneficial to districts that have saved for projects and are now incurring the expenditures for them or who have healthy fund balances even after spending a portion of their savings.
- 3. Days Cash on Hand** – This indicator provides a projected estimate of the number of days a district could meet operating expenditures provided no additional revenues were received. It is computed by dividing the total expenditures of the Educational, Operations and Maintenance, and Transportation Funds by 360 days to obtain an average expenditure per day. Then the total cash on hand and investments for the same funds plus working Cash are divided by the average expenditures per day. As with the Fund Balance to Revenue Ratio and the Expenditure to Revenue Ratio, the Working Cash Fund has now been incorporated into the calculation.
- 4. Percent of Short-Term Borrowing Ability Remaining** – Districts often incur short-term debt due to several factors (i.e., delays in receipt of local revenues, etc.). For this indicator, the sum of unpaid Tax Anticipation Warrants is divided by 85% of the Equalized Assessed Valuation (EAV)

multiplied by the sum of the tax rates for the Educational, Operations and Maintenance, and Transportation Funds.

5. **Percent of Long-Term Debt Margin Remaining** – A district often incurs long-term debt for major expenditures such as buildings and equipment. This total is derived by the product of the district's EAV multiplied by its maximum general obligation debt limitation, reduced by any outstanding long-term debt.

**Total Profile Score:**

Each indicator is scored in order to obtain a district's overall **School District Financial Profile Score**. This overall score is computed for the most current year's financial data.

Each indicator is calculated and the results are slotted into a category of a four, three, two, or one with four being the highest and best category possible. Each indicator is weighted and the weighted indicators' scores are summed to obtain a district's overall "Total Profile Score".

**Fund Balance to Revenue Ratio (has a weighting of 35%)**

|            |   |
|------------|---|
| Category 4 | Greater or equal to 25% [lowest risk]     |
| Category 3 | Less than 25% but greater or equal to 10% |
| Category 2 | Less than 10% but greater or equal to 0%  |
| Category 1 | Less than 0% [highest risk]               |

**Expenditures to Revenue Ratio (EXRV) (has a weighting of 35%)**

|            |   |
|------------|---|
| Category 4 | District is spending \$1.00 or less for every dollar they are receiving [lowest risk] |
| Category 3 | District is spending more than \$1.00 to \$1.10 for every dollar they receive         |
| Category 2 | District is spending more than \$1.10 to \$1.20 for every dollar they receive         |
| Category 1 | District is spending more than \$1.20 for every dollar they receive [highest risk]    |

If the resulting calculation places a district in category 1 or 2, and the Fund Balance to Revenue Ratio (FBRR) is a category 4 then the following calculation is completed:

- $(FBRR - .1)$  divided by  $(EXRV - 1.0)$
- If the result is greater than 2, then the Expenditures Revenue score is assigned a 3
- If the result is greater than 1 but less than 2, then the Expenditure Revenue score is assigned a 2

**Days Cash on Hand (has a weighting of 10%)**

|            |  |
|------------|--|
| Category 4 | At least 180 days cash on hand [lowest risk]                     |
| Category 3 | Less than 180 days cash on hand to at least 90 days cash on hand |
| Category 2 | Less than 90 days cash on hand to at least 30 days cash on hand  |
| Category 1 | Less than 30 days cash on hand [highest risk]                    |

**Percentage of Short-Term Borrowing and Long-Term Borrowing Remaining (Short-term and Long-term borrowing each has a weighting of 10%)**

|            |  |
|------------|--|
| Category 4 | Greater than or equal to 75% debt margin remaining [lowest risk] |
| Category 3 | Less than 75% but at least 50% debt margin remaining             |

|            |  |
|------------|--|
| Category 2 | Less than 50% but at least 25% debt margin remaining |
| Category 1 | Less than 25% debt margin remaining [highest risk]   |

The Total Profile Score is the sum of the five weighted scores. The highest score a district may receive is a 4.00 and the lowest score is 1.00.

### Your School District Financial Profile Designation:

If a district receives a score of **3.54 - 4.00**, they are in the highest category of financial strength - **Financial Recognition**. These districts require little or no review or involvement by ISBE unless requested by the district.

If a district receives a score of **3.08 - 3.53**, they are in the next highest financial health category of **Financial Review**. Districts in this category will be given a limited review by ISBE, but they will be monitored for potential downward trends. Staff will be assessing the next year's school budget for negative trends.

If a district receives a score of **2.62 - 3.07**, they are placed in the category of **Financial Early Warning**. ISBE will be monitoring these districts closely and offering proactive technical assistance (e.g., financial projections and cash flow analysis, etc.) These districts will also be reviewed to determine whether they meet the criteria set forth in Article 1A-8 of the **School Code** to be certified in financial difficulty and possibly qualify for a Financial Oversight Panel.

If a district receives a score of **1.00 - 2.61**, they are in the highest risk category of **Financial Watch**. As with the Financial Early Warning districts, ISBE will be monitoring these districts very closely and offering them technical assistance including, but not limited to, financial projections, cash flow analysis, budgeting, personnel inventories, and enrollment projections. These districts will also be reviewed to determine whether they meet criteria set forth in Article 1A-8 of the **School Code** to be certified in financial difficulty and qualify for a Financial Oversight Panel.

Your comments regarding your district's finances are an integral part of the profile. While the Profile is generated from the District's Annual Financial Report (AFR), there are often extenuating circumstances outside of the School Administration's control which have a financial impact on the district. It is within the Comments portion of the Profile that districts are afforded the opportunity to verbally and publicly convey what has transpired in their district which may have or will impact their Total Profile Score. This will allow for the explanation of significant local financial issues such as cash versus accrual accounting implications and timing of revenue receipts versus expenditures incurred for unique circumstances such as school construction projects. In this capacity, the Profile can be implemented as a communication vehicle for a district's constituents.

We will present Total Profile Scores with the applicable School District comments at our anticipated March Board Meeting. The Profile Scores and Comments will then be listed at the [School District Financial Profile](#) website. This website includes a seven year analysis (sorted by district name, county, and designation), a searchable application that will display a 5-year track record.

The information provided by the School Profile is a snapshot of variables for schools to give the reader a quick estimate of the fiscal stability of a school district. The chart above has been compiled from the most recent School Financial Profile available from the Illinois State Board of Education.

The following generalizations can be made from the “financial profiles”:

- The Scott-Morgan district has been given designations of “Recognition” for fiscal stability. Winchester district has been given the designation of “Review” for fiscal stability.
- The districts in this study have significant surpluses in their working cash funds.
- Both districts had positive fund balances at the end of the year.
- Both of the districts have between 29% (Scott-Morgan.) and 45% (Winchester) Long Term Debt margin remaining. This indicates the future ability to generate additional revenue, if needed, through the sale of long-term debt, could be accessed. Keep in mind that long term debt remains with the district incurring it.
- Both of the districts have disparate “Days of Cash” on hand with Scott-Morgan having 237 and Winchester having 81. Therefore, Scott-Morgan has a superior number of this number indicating more cash reserves on hand per capita.

#### Results of 2019 Financial Profile for Districts

|                            |                            |                          |
|----------------------------|----------------------------|--------------------------|
| Profile Score -            | Scott-Morgan Recognition   | Winchester Recognition   |
| Days Cash on Hand -        | Scott-Morgan 237           | Winchester -81           |
| Long term Debt Remaining - | Scott-Morgan 29%           | Winchester - 45%         |
| Beginning Fund Balance -   | Scott-Morgan - \$1,375,911 | Winchester - \$1,022,642 |
| Ending Fund Balance –      | Scott-Morgan - \$1,590,836 | Winchester - \$1,207,612 |
| Working Cash Balance -     | Scott-Morgan. - \$91,514   | Winchester – \$352,683   |

## Reorganization and Incentive Payments

### EBF Difference Payment (Section 11E of the School Code)

Qualifying for this payment are new school districts formed by combining property within two or more previously existing districts under Article 11E and school districts which annex or dissolve all of the territory of one or more other school districts under Article 7. For example, if the evidence-based funding (EBF) is less for the newly consolidated district in the first year than the EBF would have been that same year on the basis of the previously existing districts, a supplementary payment equal to the difference shall be made for the first four years to the new district. For reorganizations, if the EBF is less for the reorganized district or for the first year in which reorganization is effective than in that same year on the basis of the original districts as constituted prior to the reorganization, then a supplementary payment equal to the difference shall be made for the first four years to the reorganized district. Also eligible for this payment are the new elementary districts and the new high school district formed under Article 11E, if these new districts qualify for less EBF than would have been payable to the previously existing districts.

The newly consolidated, or cooperative HS district would receive *as listed below* for the next four school years if the reorganization had been passed by a majority of voters in each affected district, except for a deactivated district in which only the sending district must approve at an election. This figure has been received from the School Business Services Division from the Illinois State Board of Education.

This newly formed unit district is not eligible for EBF incentive since the newly formed district will qualify for \$1,468.56 more in EBF as a new district.

### **Teacher Salary Difference Payment (Article 11E)**

The state will make a supplementary payment for four years to the district formed, equal to the difference between the sum of the salaries earned by each certified member of the new district while employed in one of the previously existing districts, and the sum of the salaries those certified members would have been paid if placed on the salary schedule of the previously existing district with the highest salary schedule. The salaries used in these calculations are those in effect in each of the previously existing districts on June 30, prior to the creation of the new district. The state will make a supplementary payment for four years to newly reorganized districts, equal to the difference between the sums of the salaries earned by each certified member of the previous district, as they would have been paid if placed on the salary schedule of the newly enlarged district. *The salaries used in these calculations are those in effect in the previous districts on June 30 prior to the effective date of the reorganization.*

By calculating the salaries of current certified staff members in the new district, an estimate of *as listed below* per year is calculated. Therefore, over a four-year period approximately *as listed below* should be received in the certified salary differential from ISBE. It should be noted that these figures are based upon salaries prior to a successful reorganization. The “actual” salary figures are based upon a teacher-by-teacher comparison with salaries from previous and current school district salary schedule placement in a newly reorganized district. A teacher by teacher salary comparison is included in the packet of incentives as calculated by ISBE.

**Unit District = \$136,184 over a four-year period.**

**Annually, there is a difference in salaries paid by the State of Illinois of \$34,046.**

The actual number would be calculated on a teacher by teacher basis after a successful reorganization which is included. For purposes of this study and in keeping with Illinois law only the salaries of certified staff are included in this incentive. Salaries of administrators and non-certified personnel are not included in the incentive.

### **Deficit Difference Payment (Article 11E)**

Eligible for this payment are new school districts formed by combining property within two or more previously existing districts. The payment is made once and is equal to the difference between the larger and smaller deficits. If more than two districts are involved, the payment is equal to the sum of the differences between the smallest deficit and each of the other deficits. Based on the method set forth in Article 11E, deficits are calculated by totaling the audited fund balances in the educational fund, the working cash fund, the operations and maintenance fund, and the transportation fund for each previously existing district or each of the annexing and annexed districts, as the case may be. A district with a combined fund balance that is positive will be considered to have a deficit of zero. *The calculation is based on the year ending June 30 prior to the referendum for the creation of the new district, or in the case of annexation under Article 7, the June 30 prior to the date that the annexation is approved by the regional board of school trustees.* New school districts formed are eligible for the deficit difference payment and the payment shall be allocated among these newly formed districts, as provided for in the petition for the formation of such districts. House Bill 2638, passed in the summer legislative session of 1994 has altered the formula for Deficit Difference Payments in the following manner:

“For purposes of determining each district’s audited fund balances, a calculation shall be made for each fund to determine the average for the three years prior to the specified year ending June 30 in subsections (a), (b), (c) of the district’s expenditures in the categories: purchased services, supplies and materials, and capital outlay as those categories are defined by the Illinois State Board of Education. If the three-year average is less than the district’s expenditures in these categories for the specified year ending June 30 as provided in subsection (a), (b), (c), then the three-year average shall be used in calculating the amounts payable under this Section in place of the amounts shown in these categories for the specified year ending June 30 as provided in subsections (a), (b), and (c).”

For purposes of calculating an approximate incentive for a newly formed district encompassing the districts involved in this study, fund balances were taken from the 2019 Annual Financial Report for the following funds: Education, Operations, Building and Maintenance, Transportation, and Working Cash. Based upon these criteria, the newly created district would not be eligible for this financial incentive.

**\$4,000 Payment for Certified Employee (Article 11E)**

At the end of the second and third school years, an annual supplementary state aid reimbursement shall be paid to a reorganized district equal to the sum of \$4,000 for each certified employee who is employed by the new district on a full-time basis for the regular term of such school year. The state payment shall be made within 60 days after the end of the first, second, and third year of the reorganized district.

HB2638 also changed the formula for a newly reorganized district to receive this incentive in the following manner: "The State Board of Education will make a one-time calculation of a reorganized district Quintile Ranks. The average daily attendance used in this calculation shall be the best three months' average daily attendance for the district's first year. The equalized assessed value per pupil shall be the district's real property equalized assessed value used in calculating the district's first year Evidence Based Funding Claim divided by the best 3 months average daily attendance.

Therefore, since this calculation will now be made during the newly reorganized district's first year of existence, it is impossible to predict before the consolidation. A newly consolidated district would be eligible for the following payments for a variable year period following the successful reorganization:

The Unit District would receive \$328,000 annually for three years (at the end of the second year). Therefore, in the fall of Year 2 of the newly reorganized district, there would be an annual payment of the aforementioned amounts for a total amount of \$328,000.

### **Summary of Reorganization Incentives**

The EBF incentive would result in an additional \$0 payment for EBF for four years in the new district. This amount is based upon estimated calculations of EBF. These incentive payments are payable to the new district for the first four years of their reorganization.

The certified staff salary difference payment would depend upon the staff of the newly reorganized district. Essentially, the certified staff of the districts would be placed upon a new collectively bargained salary schedule. The estimated amount the newly

reorganized district is variable with the number of staff employed by the newly reorganized district. The Salary Difference Incentive estimates use the salary schedules and teacher lists provided by the districts. In this incentive, theoretically, staff of the lowest paying district would be increasing staff salaries to bring them to the level of the salary schedule of the highest paying district. Please keep in mind that all collective bargaining agreements are dissolved in a newly reorganized district and must be renegotiated with the new certified/non-certified staff. However, it is hard to conceptualize any eventuality that would preclude the districts from beginning at the point of the highest current salary schedule for their negotiations. Individual costs to bring the teachers to this schedule are listed on the ISBE estimates which are included at the end of this chapter. It must be remembered that after four years, the newly reorganized district would have to be ready to absorb the increased labor costs for their certified and non-certified employees. There are no estimates of the costs for non-certified employees from ISBE but it can only be concluded that their salaries would also escalate to the point of the highest non-certified staff level.

It should be noted that all incentive money is considered unrestricted for spending purposes for the new district. Essentially, the newly created district can budget for and expend these funds as they determine necessary.

Having listed the costs of the salary differential, there would be savings incurred by the newly reorganized district in coalescing the certified and non-certified staff of the districts. Certainly, there would be substantial savings in the central office staff and administration of the districts. *It will be up to the new Board of Education to make these determinations for staffing levels for the newly reorganized district.*

### Reorganization Incentives

- Total Incentives = \$1,120,184
- EBF Difference Incentive = \$0
- Deficit Fund Balance Incentive = -0-
- \$4,000 Certified Staff Incentive = \$984,000
- Salary Difference Incentive = \$136,184

### Impact on School Finances through Differential in District's Taxing Authority: Dual Districts to Units

A major deterrent to school district reorganization for districts is inequity of permissive taxing authority applicable to the different types of school districts in Illinois. These permissive rates are established by state law and limit certain taxes that a school district can levy without passage of a referendum. The permissive tax rates for elementary and high school districts are the same but when added together exceed the permissive tax rates of unit districts.

In 1984, the General Assembly, equalized the permissive taxing authority in the Education Fund for unit districts with dual districts in a gradual process ending in 1988. Again in 1989, the General Assembly addressed this taxing inequity and will equalize the permissive taxing of unit districts in the Operations and Building and Maintenance Fund culminating in 1992.

Thus, the equalization process has begun in two very important operating school district funds, but there still remain four funds with an inequity. These inequities in taxing authority have been referred to as one of the "disincentives" to voluntary school district reorganization, and it is hoped that the General Assembly will address the

three remaining taxing inequities in the future and remove this obstacle to district's considering reorganization.

Included in the following chart are the reorganization incentives provided to school districts since 1986. The consultant is often asked, "Has the State of Illinois always paid its obligations for these reorganizations. " In 1987, ISBE did not allocate a sufficient amount in its line item for reorganization to pay all authorized incentive costs. ISBE prorated the amount given to all school districts based on the amount available and paid the remaining costs in full the following year. In 2003, Governor Blagojevich deleted the line item for reorganization costs in his original budget presented to the General Assembly. In 2004, Governor Blagojevich partially reduced the line item for reorganization incentives. These line items were totally restored in his final budget by the legislature. Recently, in 2013, ISBE pro-rated the total incentives at 89% but then later in the later restored the funds to 100%. For FY 2014 and 2015 these payments were vouchered and paid at 100%. For FY 2016 they were vouchered and paid at 76%. For 2017 they were vouchered at 100% with excess funds used to cover a portion of the FY 2016 shortfall raising the proration from 76% to 94%. Note: Notwithstanding this proration, districts eligible and having been vouchered their payments for this year have not as yet received payments due to the high backlog of unpaid bill by comptroller.

NOTE: INCENTIVE PAYMENTS ARE AT THE END OF THIS DOCUMENT AND SENT AS AN ATTACHEMENT IN ORDER PRESERVE THE ORIGINAL FORMAT OF THESE

DOCUMENTS AS SENT BY THE STATE OF ILLINOIS.

Reorganization Incentives:

|         |              |
|---------|--------------|
| FY 1986 | \$1,361,511  |
| FY 1987 | \$859,764    |
| FY 1988 | \$1,767,794  |
| FY 1989 | \$8,144,705  |
| FY 1990 | \$9,531,341  |
| FY 1991 | \$6,000,000  |
| FY 1992 | \$6,000,000  |
| FY 1993 | \$8,400,000  |
| FY 1994 | \$17,669,000 |
| FY 1995 | \$14,785,497 |
| FY 1996 | \$14,075,596 |
| FY 1997 | \$9,116,918  |
| FY 1998 | \$6,030,925  |
| FY 1999 | \$3,970,770  |
| FY 2000 | \$3,608,208  |
| FY 2001 | \$3,177,269  |
| FY 2002 | \$3,484,142  |
| FY 2003 | \$1,522,906  |
| FY 2004 | \$880,027    |
| FY 2005 | \$3,514,822  |
| FY 2006 | \$6,991,436  |
| FY 2007 | \$7,286,707  |
| FY 2008 | \$5,759,186  |
| FY 2009 | \$5,468,819  |
| FY 2010 | \$3,022,204  |
| FY 2011 | \$3,228,635  |
| FY 2012 | \$1,593,037  |
| FY 2013 | \$2,667,683  |
| FY 2014 | \$2,847,384  |
| FY 2015 | \$2,881,247  |

## ESP PERSONNEL/SENIORITY LIST REQUIREMENTS

New legislation passed in the Spring of 2007 now gives ESP personnel seniority bumping rights in the various kinds of reorganization options. The actual wording of the legislation is included for your edification.

### Deactivation in ESP

When the deactivation of school facilities becomes effective pursuant to this Section, the provisions of subsection (b) of Section 10-23.5 of this Code relative to the transfer of educational support personnel employees shall apply, and the positions at the school facilities being deactivated that are held by educational support personnel employees at the time of the deactivation shall be transferred to the control of the board or boards that will be receiving the district's students on the following basis:

- (A) positions of such educational support personnel employees that were full-time positions shall be transferred to the control of whichever of the boards the employees request, with the educational support personnel employees making these requests proceeding in the order of those with the greatest length of continuing service with the board to those with the shortest length of continuing service with the board, provided that the number selecting one board over another board or other boards must not exceed that proportion of students going to such board or boards; and
- (B) positions of such educational support personnel employees that were full-time positions and as to which there is no selection left under subdivision (A) shall be transferred to the appropriate board.

The length of continuing service of any educational support personnel employee thereby transferred to another district is not lost and the receiving board is subject to this Code with respect to that transferred educational support personnel employee in the same manner as if the educational support personnel employee was the district's employee during the time the educational support personnel employee was actually employed by the board of the deactivating district from which the position was transferred.

### Conversion or Multi-Unit Conversion ESP

When a school district conversion or multi-unit conversion becomes effective for purposes of administration and attendance, as determined pursuant to Section 11e-70 of this Code, the provisions of subsection (b) of Section 10-23.5 of this Code relative to the transfer of educational support personnel employees shall apply, and the positions held by educational support personnel employees shall be transferred on the following basis:

- (1) Positions of educational support personnel employees that, during the 5 school years immediately preceding the effective date of the change, as determined under Section 11E-70 of his Code, were full-time positions in which all of the time required of the position was spent in one or more of grades 9 through 12 shall be transferred to the control of the school board of the new high school district or combined high school – unit district, as the case may be.
- (2) Positions of educational support personnel employees that, during the 5 school years immediately preceding the effective date of the change, as determined under Section 11E-70 of this Code, were full-time positions in which all of the time required of the position was spent in one or more of the grades kindergarten through 8 shall be transferred to the control of the school board of the newly created successor elementary district; and
- (3) Positions of educational support personnel employees that were full-time positions not required to be transferred to the control of the school board of the new high school district or combined high school – unit district, as the case may be, or the school board of the newly created successor elementary district under subdivision (1) or (2) of this subsection (a-5) shall be transferred to the control of whichever of the boards the educational support personnel employee requests.

With respect to each position to be transferred under this subsection (a-5), the amount of time required of each position to be spent in one or more of grades kindergarten through 8 and 9 through 12 shall be determined with reference to the applicable records of the unit district being dissolved pursuant to stipulation of the school board of the unit district prior to the effective date of its dissolution or thereafter of the school board of the newly created districts and with the approval in either case of the regional superintendent of schools of the educational service region in which the territory described in the petition filed under this Article or the greater percentage of equalized assessed evaluation of the territory is situated; however, if no such stipulation can be agreed upon, the regional superintendent of schools, after hearing any additional relevant and material evidence that any school board desires to submit, shall make the determination.

## 11 E ESP

(b) In the case of a new school district or districts formed in accordance with Article 11E of this Code, a school district or districts that annex all of the territory of one or more entire other school districts in accordance with Article 7 of this Code, or a school district receiving students from a deactivated school facility in accordance with Section 10-22.22b of this Code, the employment of educational support personnel in the new, annexing, or receiving school district immediately following the reorganization shall be governed by this subsection (b). Lists of the educational support personnel employed in the individual districts for the school year immediately prior to the effective date of the

new district or districts, annexation, or deactivation shall be combined for the districts forming the new district or districts, for the annexed and annexing districts, or for the deactivating and receiving districts, as the case may be. The combined list shall be categorized by positions, showing the length of continuing service of each full-time educational support personnel employee who is qualified to hold any such position. If there are more full-time educational support personnel employees on the combined list than there are available positions in the new, annexing, or receiving school districts, then the employing school board shall first remove or dismiss those educational support personnel employees with the shorter length of continuing service within the respective category of position, following the procedures outlined in subsection (a) of this Section. The employment and position of each educational support personnel employee on the combined list not so removed or dismissed shall be transferred to the new, annexing, or receiving school board, and the new, annexing, or receiving school board is subject to this Code with respect to any educational support personnel employee so transferred as if the educational support personnel employee had been the new, annexing, or receiving board's employee during the time the educational support personnel employee was actually employed by the school board of the district from which the employment and position were transferred.

The changes made by this amendatory Act of the 95<sup>th</sup> General Assembly shall not apply to the formation of a new district or districts in accordance with Article 11E of this Code, the annexation of one or more entire districts in accordance with Article 7 of this Code, or the deactivation of a school facility in accordance with Section 10-22.22b of this Code effective on or before July 1, 2007.

#### 11E Optional Elementary Combined ESP

(c) When the creation of a unit district or a combined school district becomes effective for purposes of administration and attendance, as determined pursuant to Subsection 11E-70 of this Code, the positions of educational support personnel employees in the districts involved in the creation of the new district shall be transferred to the newly created district pursuant to subsection (b) of Section 10-23.5 of this Code. The length of continuing service of any educational support personnel employee thereby transferred to the newly created district is not lost and the new school board is subject to this Code with respect to the transferred educational support personnel employee in the same manner as if the educational support personnel employees had been that district's employee during the time the educational support personnel employee was actually employed by the school board of the district from which the position was transferred.

*Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 95<sup>th</sup> General Assembly.*

## **ESP PERSONNEL/SENIORITY LIST REQUIREMENTS**

New legislation passed in the Spring of 2007 now gives ESP personnel seniority bumping rights in the various kinds of reorganization options. The actual wording of the legislation is included for your edification.

### **Deactivation in ESP**

When the deactivation of school facilities becomes effective pursuant to this Section, the provisions of subsection (b) of Section 10-23.5 of this Code relative to the transfer of educational support personnel employees shall apply, and the positions at the school facilities being deactivated that are held by educational support personnel employees at the time of the deactivation shall be transferred to the control of the board or boards that will be receiving the district's students on the following basis:

- (A) positions of such educational support personnel employees that were full-time positions shall be transferred to the control of whichever of the boards the employees request, with the educational support personnel employees making these requests proceeding in the order of those with the greatest length of continuing service with the board to those with the shortest length of continuing service with the board, provided that the number selecting one board over another board or other boards must not exceed that proportion of students going to such board or boards; and
- (B) positions of such educational support personnel employees that were full-time positions and as to which there is no selection left under subdivision (A) shall be transferred to the appropriate board.

The length of continuing service of any educational support personnel employee thereby transferred to another district is not lost and the receiving board is subject to this Code with respect to that transferred educational support personnel employee in the same manner as if the educational support personnel employee was the district's employee during the time the educational support personnel employee was actually employed by the board of the deactivating district from which the position was transferred.

### **Conversion or Multi-Unit Conversion ESP**

When a school district conversion or multi-unit conversion becomes effective for purposes of administration and attendance, as determined pursuant to Section 11e-70 of this Code, the provisions of subsection (b) of Section 10-23.5 of this Code relative to the transfer of educational support personnel employees shall apply, and the positions held by educational support personnel employees shall be transferred on the following basis:

- (4) Positions of educational support personnel employees that, during the 5 school years immediately preceding the effective date of the change, as determined under Section 11E-70 of his Code, were full-time positions in which all of the time required of the position was spent in one or more of grades 9 through 12 shall be transferred to the control of the school board of the new high school district or combined high school – unit district, as the case may be.
- (5) Positions of educational support personnel employees that, during the 5 school years immediately preceding the effective date of the change, as determined under Section 11E-70 of this Code, were full-time positions in which all of the time required of the position was spent in one or more of the grades kindergarten through 8 shall be transferred to the control of the school board of the newly created successor elementary district; and
- (6) Positions of educational support personnel employees that were full-time positions not required to be transferred to the control of the school board of the new high school district or combined high school – unit district, as the case may be, or the school board of the newly created successor elementary district under subdivision (1) or (2) of this subsection (a-5) shall be transferred to the control of whichever of the boards the educational support personnel employee requests.

With respect to each position to be transferred under this subsection (a-5), the amount of time required of each position to be spent in one or more of grades kindergarten through 8 and 9 through 12 shall be determined with reference to the applicable records of the unit district being dissolved pursuant to stipulation of the school board of the unit district prior to the effective date of its dissolution or thereafter of the school board of the newly created districts and with the approval in either case of the regional superintendent of schools of the educational service region in which the territory described in the petition filed under this Article or the greater percentage of equalized assessed evaluation of the territory is situated; however, if no such stipulation can be agreed upon, the regional superintendent of schools, after hearing any additional relevant and material evidence that any school board desires to submit, shall make the determination.

## **11 E ESP**

(b) In the case of a new school district or districts formed in accordance with Article 11E of this Code, a school district or districts that annex all of the territory of one or more entire other school districts in accordance with Article 7 of this Code, or a school district receiving students from a deactivated school facility in accordance with Section 10-22.22b of this Code, the employment of educational support personnel in the new, annexing, or receiving school district immediately following the reorganization shall be governed by this subsection (b). Lists of the educational support personnel employed in the individual districts for the school year immediately prior to the effective date of the

new district or districts, annexation, or deactivation shall be combined for the districts forming the new district or districts, for the annexed and annexing districts, or for the deactivating and receiving districts, as the case may be. The combined list shall be categorized by positions, showing the length of continuing service of each full-time educational support personnel employee who is qualified to hold any such position. If there are more full-time educational support personnel employees on the combined list than there are available positions in the new, annexing, or receiving school districts, then the employing school board shall first remove or dismiss those educational support personnel employees with the shorter length of continuing service within the respective category of position, following the procedures outlined in subsection (a) of this Section. The employment and position of each educational support personnel employee on the combined list not so removed or dismissed shall be transferred to the new, annexing, or receiving school board, and the new, annexing, or receiving school board is subject to this Code with respect to any educational support personnel employee so transferred as if the educational support personnel employee had been the new, annexing, or receiving board's employee during the time the educational support personnel employee was actually employed by the school board of the district from which the employment and position were transferred.

The changes made by this amendatory Act of the 95<sup>th</sup> General Assembly shall not apply to the formation of a new district or districts in accordance with Article 11E of this Code, the annexation of one or more entire districts in accordance with Article 7 of this Code, or the deactivation of a school facility in accordance with Section 10-22.22b of this Code effective on or before July 1, 2007.

### **11E Optional Elementary Combined ESP**

(c) When the creation of a unit district or a combined school district becomes effective for purposes of administration and attendance, as determined pursuant to Subsection 11E-70 of this Code, the positions of educational support personnel employees in the districts involved in the creation of the new district shall be transferred to the newly created district pursuant to subsection (b) of Section 10-23.5 of this Code. The length of continuing service of any educational support personnel employee thereby transferred to the newly created district is not lost and the new school board is subject to this Code with respect to the transferred educational support personnel employee in the same manner as if the educational support personnel employees had been that district's employee during the time the educational support personnel employee was actually employed by the school board of the district from which the position was transferred.

*Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 95<sup>th</sup> General Assembly.*

## **SCHOOL DISTRICT REORGANIZATION HISTORY 1983 - 2008**

### School District Reorganization in Illinois 1983-2008: Where Are We Now?

During the last twenty years, many school districts in Illinois have changed the size of the geographic area that they serve and in the manner in which they are organized. Although today, it seems that Illinois has an extremely large number of districts, it should be remembered that a few decades ago, this state had an even larger number of districts. Before the end of the second world war, Illinois had nearly 12,000 school districts. Through an evolutionary process, that number has decreased to the point where the current number of school district in Illinois is 889.

During the early 1980's the concept and problems dealing with school district reorganization were extensively studied by ISBE and others not only in Illinois but throughout the USA. In 1983, the first three "financial incentives" were offered to school districts that reorganized. They included incentive money that guaranteed the equalization of salaries of all full-time certified staff of a newly reorganized district for three (now four) years. General State Aid was "held harmless", in that a duplicate calculation was made by ISBE for the initial three (now four) years of a newly reorganized district. If General State Aid was calculated to be a higher amount separately than a newly reorganized district, the best of the calculations were given to the district for three (now four) years. The third incentive was a one-time payment to a newly reorganized district to erase the "operational deficit" of combining districts. Over the years this has evolved into a complicated formula that essentially allows combining districts to start with at least a "zero deficit" in its major operating funds. Lastly, in 1985, the so-called \$4,000 incentive was enacted by the General Assembly. This incentive guaranteed an annual payment of \$4,000 per full-time certified staff member for a period of from one to three years

based upon a formula called the “quintile system” which essentially gives more payments to smaller, poorer in EAV per student districts that reorganize.

There has been increasing emphasis in recent years on reducing the total number of school districts and on increasing the geographic area served by districts in order to increase district’s student enrollment and gain economic efficiency. In May of 1985, the State Board of Education published a study on school district organization. The report found that there was evidence that student’s “in the hundreds of very small districts were receiving a significant loss in opportunity to learn when the courses available to them are compared with those available in students in high schools with enrollments of over 500 pupils.” That study concluded that the current system of organization meant that “uniform access to both adequate financial support and reasonable educational quality is not permitted by the present organization of our school districts.”

Public Act 84-126 made sweeping changes and *mandated* the school reorganization of many smaller districts into larger districts through an elaborate set of procedures. However, due in no small part to tremendous political pressure, shortly after that law was passed, the General Assembly modified the law by Public Act 84-115 which became effective, March 20, 1986. That law effectively eliminated the mandatory reorganization procedures which had been created by the earlier law. One of the requirements of the original law however was that each Regional Office of Education conduct a “required study of reorganization.” It is with this beginning that currently ISBE awards districts interested in studying reorganization a payment for a feasibility study.

Notwithstanding the General Assembly amendment which caused Illinois to step back from mandated reorganization, there still exists strong interest and concern about what has

come to be called “school consolidation.” This article will deal briefly with some of the major issues involved in reorganization, how it has evolved in Illinois since 1983 and to highlight some of the issues to be analyzed and the strategies which can be developed when the opportunity and challenge of school district reorganization arises in Illinois. As a consultant that discusses consolidation with a great many school boards, I am often asked about the financial incentives and their reliability. With two exceptions, one in 1996 in which the ISBE line item was not sufficient to pay all of the incentives for that year and last year in which the incentives were entirely eliminated by the Governor then later restored, the financial incentives have played a significant role in districts considering consolidation. The following chart indicates that since 1986, \$120, 376, 373 were spent as incentives for school district reorganization. \*

Legislation since 1983 has removed many of the “disincentives” discouraging reorganization. Included in those disincentives are the equalization of taxing power of dual districts in the education and building fund. However, “disincentives” continue to exist in the transportation, working cash, life safety and lease fund authorized levies for dual districts as compared to a unit district. The following chart will illuminate some of the existing taxing “disincentives.” \*\*

While the mandated avenue of reorganization at the state level has met with a great deal of resistance by the local school districts, the legislature and ISBE has attempted to encourage further reorganization by enacting legislation favorable to districts contemplating reorganization and increasing the time that financial incentives are available for newly combined districts. This variety of methods has sparked a renewed interest with generally smaller unit districts in dealing with their sparse high school populations and also small districts in general are looking at reorganization simply because the “economy of size” has caught up with their districts and

they are finding it increasingly more difficult to fund the quality education of their students in an equitable and efficient manner. The following chart indicates the general requirements and allowable methods for school district reorganization currently. \*\*\*

In any discussion of the variety of methods that are currently available in Illinois for consolidation, the methods have shown a continued strong interest and support by ISBE and the General Assembly to encourage school district to consider school district consolidation. Over the last twenty years, there have several task forces discussing reorganization culminating with EFAB of 2003 in which sweeping changes were recommended. With this variety of methods, there exists a veritable “potpourri” of allowable methods for all three kinds of school districts.



# Illinois State Board of Education

July 31, 2006

## CITIZENS' GUIDANCE TO SCHOOL DISTRICT REORGANIZATION

*This document is intended to provide non-regulatory guidance on the subject matter listed above. For specific questions, please contact the person(s) identified in the document.*

**Rod R. Blagojevich, Governor**

**Illinois State Board of Education**

Jesse H. Ruiz, Chairman • Dr. Christopher J. Ward, Vice Chair • Dr. Vinni M. Hall, Secretary Dr. Andrea S. Brown • Dean E. Clark • Dr. David L. Fields • Edward J. Geppert, Jr. Brenda J. Holmes • Joyce E. Karon

Dr. Randy J. Dunn, State Superintendent

**Printed by AFL-CIO (AFSCME Local #288 and IFSOE Local #3236) Employees**

Note: The process described below is intended as general guidance and not legal advice.

## **SCHOOL DISTRICT REORGANIZATION EFFORT BY CITIZENS**

### **A. How do I start?**

School district reorganization efforts sometimes begin with citizens rather than school boards. The community might have discussed this idea for years before any action occurs. Citizens will need to consider many factors to determine whether reorganization is a good option for their school district, as discussed in Question C below. If a group of citizens concludes that a reorganization should move forward, a petition will need to be filed.

### **B. What are the school district reorganization options?**

There are several types of school district reorganization. They are:

1. Deactivation
2. Cooperative high school
3. Detachment/annexation
4. Dissolution/annexation
5. High School-Unit conversion
6. Unit district formation (Consolidation)
7. Combined school district
8. Unit to dual conversion
9. Optional elementary unit district (new)
10. Combined high school-unit district (new)
11. Multi-unit conversion (new)

The Illinois State Board of Education has a more comprehensive guidance document, available at [www.isbe.net/sfms/html/pa\\_94-1019.htm](http://www.isbe.net/sfms/html/pa_94-1019.htm), which describes in greater detail the available options.

### **C. What information should I gather?**

To determine whether reorganization is in the best interest of your school district, its students, and the community as a whole, you will need to assess curriculum, finances, school buildings, student transportation, extra-curricular activities, community feelings, and interest from neighboring school districts.

### **D. What is a Committee of Ten, and do I need one?**

A Committee of Ten is a group of ten petitioners that has authority to act as attorney in fact for all petitioners. Such a committee may amend the petition and make binding stipulations on behalf of all petitioners. A Committee of Ten must be designated in all petitions filed under the new Article 11E. However, for detachment and dissolution, only those petitions that contain more than 10 signatures

must designate a Committee of Ten. Deactivations and cooperative high schools may go to referendum through school board resolution; a Committee of Ten is not needed.

**E. Will I need the services of an attorney?**

Typically, an attorney is hired to draft the petition for the group of citizens or the school board(s). While an attorney is not required, hiring one can be beneficial because to be valid, a petition must comply with several statutory provisions. Additional information must be included if the district is subject to a tax cap. In addition, the petitioners often enlist the help of an attorney for the hearing.

**F. What are the petition requirements?**

There are no statutorily required forms for petitions, other than that petitions must include certain minimum requirements as listed below.

Minimum requirements for an Article 11E petition are:

1. A request to submit the proposition at a regular scheduled election,
2. A description of the territory comprising the districts proposed to be dissolved and those to be created,
3. A specification of the maximum tax rates for various purposes the proposed district or districts shall be authorized to levy for various purposes, and if applicable, the specifications related to the Property Tax Extension Limitation Law,
4. A description of how supplementary State deficit difference payments will be allocated,
5. Where applicable, a division of assets and liabilities to be allocated,
6. A designation of a committee of ten of the petitioners as attorney in fact,
7. Voter signatures with residence address, including those of the committee of ten of the petitioners, or board resolutions,
8. Sheets of uniform size,
9. Heading (prayer) on each sheet which includes the question to be submitted, where it will be submitted, and the election at which it will be submitted,
10. Signature of a circulator who has witnessed the signature of each petitioner on that page, and
11. Petition sheets that are bound securely and numbered consecutively.

**Minimum requirements for a Section 7-1 petition are:**

1. Full prayer on each page, and if a dissolution, the question to be submitted, where it will be submitted, and the election at which it will be submitted,
2. Board resolutions, or signatures that match the official signatures and addresses of the registered voters as recorded in the office of the election authority having jurisdiction over the county, including those of the committee of ten of the petitioners,
3. Date of signing recorded by each petitioner,
4. Assertion that the proposed district will have a population of at least 2,000 and an equalized assessed valuation of at least \$6 million,

5. Assertion that the districts after the granting of the petition will be compact and contiguous,
6. Description of the property to be dissolved and annexed, or if a detachment, a legal description of the property to be detached and annexed,
7. When the petition contains more than ten signatures, a designation of a committee of ten of the petitioners,
8. Sheets of uniform size,
9. Signature of a circulator who has witnessed the signature of each petitioner on that page, and
10. Petition sheets that are bound securely and numbered consecutively.

**Minimum requirements for a Section 7-2 petition are:**

1. Assertion that the proposed district will have a population of at least 2,000 and an equalized assessed valuation of at least \$6 million,
2. Assertion that the districts after the granting of the petition will be compact and contiguous,
3. Description of the property to be dissolved and annexed, or if a detachment, a legal description of the property to be detached and annexed,
4. When the petition contains more than ten signatures, a designation of a committee of ten of the petitioners,
5. Voter signatures with residence address, including those of the committee of ten of the petitioners, or board resolutions,
6. Signature of a circulator who has witnessed the signature of each petitioner on that page,
7. Sheets of uniform size,
8. Heading (prayer) on each sheet, and if a dissolution, the question to be submitted, where it will be submitted, and the election at which it will be submitted, and
9. Petition sheets that are bound securely and numbered consecutively.

A subsection 7-2a(a) petition will always be either a Section 7-1 or 7-2 petition. However, subsection 7-2a(a) further requires that the district to which the dissolving district shall be annexed be specified in the petition.

The only express statutory requirement for a subsection 7-2a(b) petition is that it include voter signatures, including those of the committee of ten of the petitioners if applicable, or a board resolution. However, a description of the property to be dissolved is necessary for a determination by the regional board of school trustees about where to annex the dissolving district.

**G. What is included on the signature pages of a petition?**

Where voter signatures are a required part of a petition, signature sheets must be prepared prior to circulation. Each signature sheet must include a heading (prayer) and space for petitioner signatures and residence addresses (except for a subsection 7-2a(b) dissolution). At the bottom of each signature sheet, a circulator's statement must be included. The circulator's statement must be signed by a person 18 years of age or older who is a citizen of the United States, stating the street address or rural route number, as

well as the county, city, village or town, and state. The statement shall certify that the signatures on that sheet of the petition were signed in the circulator's presence and are genuine. The statement shall further certify that to the best of the circulator's knowledge and belief the persons so signing were at the time of signing the petition registered voters of the political subdivision in which the question of public policy is to be submitted and that their respective residences are correctly stated therein. Such statement shall be sworn to before some officer authorized to administer oaths in this State.

#### **H. How do I circulate the petition for signatures?**

Volunteers typically walk door-to-door or set up in a public location to ask registered voters to sign. As circulators, such volunteers must certify that they personally witnessed the voters sign.

#### **I. How many signatures do I need?**

If the petition is for a reorganization option under Article 11E of the School Code, you will need it signed by at least 50 legal resident voters or 10% of legal resident voters, whichever is less, from each affected district, or approved by the boards of each affected district.

Article 7 reorganizations generally require that a petition be submitted by the boards of each district affected or by a majority of the registered voters in each district affected or by two-thirds of the registered voters in any territory proposed to be detached from one or more districts or in each of one or more districts proposed to be annexed to another district. If there are no registered voters within the territory proposed to be detached from one or more districts, then the petition may be signed by all of the owners of record of the real estate of the territory. An exception is a dissolution petition filed pursuant to Section 7-2a. A subsection 7-2a(a) petition may be made by the board of education or a majority of the legal voters residing in the district proposed to be dissolved. No petition from any other district affected shall be required. A subsection 7-2a(b) petition may be adopted by resolution of the board of education or signed by a majority of registered voters of the district seeking the dissolution.

No petition is required for a deactivation or cooperative high school. Instead, the question can be put on a ballot through school board resolution.

#### **J. Where do I file the petition?**

For an Article 11E reorganization where the territory described in the petition lies entirely within one educational service region, the petition is filed with the regional superintendent of schools for that region. Where the territory described in the petition lies within two or more educational service regions, the petition is filed with the regional superintendent who has supervision over the greater or greatest percentage of equalized assessed valuation. For an Article 7 reorganization, the petition is filed with the regional superintendent of schools of the regional office of education in which the territory described in the petition is situated. Information about regional offices is available at [www.isbe.net/regionaloffices](http://www.isbe.net/regionaloffices).

#### **K. What happens after I file a petition?**

The regional superintendent will determine whether the petition is valid. If so, he or she will publish notice of a public hearing on the petition.

**L. Who is responsible for paying the costs associated with a reorganization?**

The petitioners are responsible for paying the costs of publishing the hearing notices and the costs of the transcript of the public hearing. Most regional superintendents require a deposit to cover these costs at the time of filing the petition. Additionally, the petitioners are responsible for their expenses to draft the petition and any attorney fees they incur.

**M. What is the purpose of the hearing?**

With the exception of a subsection 7-2a(b) dissolution where the regional board of school trustees shall hear evidence only to decide where to annex the dissolving district, a hearing is conducted to determine whether there is adequate evidence that the petition should proceed to the next step of the process. Where a detachment petition is approved, the districts involved may begin the transition. Where a dissolution petition is approved, the regional superintendent will forward the public policy question to the clerk to be placed on the ballot. Where an 11E petition is approved, the regional superintendent will forward the petition to the State Superintendent for review.

**N. Who conducts the hearing?**

The regional superintendent or the regional board of school trustees, depending on what type of reorganization is sought, conducts the hearing. In certain cases, a joint hearing will be held with another region.

**O. What happens during the hearing?**

The regional superintendent listens to oral testimony and reviews evidence in the record from those in favor of and those opposed to the petition to reorganize the school districts. Anyone in any affected district may attend the hearing to testify or submit written testimony.

**P. Who makes the final decision about whether a dissolution or Article 11E reorganization is put on the ballot?**

For a dissolution, the regional board of school trustees will make a final determination. For an Article 11E reorganization, the regional superintendent of schools approves or denies the petition. The State Superintendent of Education reviews the petition to make a final decision. Decisions by a regional board or the State Superintendent may be appealed through the Administrative Review Law.

**Q. How does the question get placed on the ballot?**

If approved, the regional superintendent submits the question to the county clerk(s) to be printed for the appropriate election.

**R. If the referendum fails, may I try again?**

Yes, however, you may have to wait **up to two years before submitting a petition that covers the same territory.**

**S. If the referendum is successful, what is the next step?**

The school districts involved will need to plan for the transition.

**T. Where can I look for more information?**

Three helpful resources are:

1. The Illinois School Code, Article 7, Article 11E, Section 10-22.22 b and Section 10-22.22c (105 ILCS 5/7, 105 ILCS 5/11E, 105 ILCS 5/10-22.22b, and 105 ILCS 5/10-22.22c),
2. Brochures on [http://www.isbe.net/sfms/html/reorg\\_school.htm](http://www.isbe.net/sfms/html/reorg_school.htm), and
3. The Public Act 94-1019 Guidance Document

## Glossary of Terms

**Assessed Value:** The amount entered on the assessment rolls as a basis for division of the tax burden. This amount is subject to the State equalization factor and the deduction of the homestead exemptions.

**Average Daily Attendance (ADA):** The aggregate number of pupil days in attendance divided by the number of days in the regular school session. A pupil who attends school for five or more clock hours while school is in session constitutes one pupil day of attendance. The average daily attendance used to determine General State Aid is the three months of the most recent school year with the highest average daily attendance.

**Categorical Aid:** Money from the State or Federal government that is allocated to local school districts for special children or special programs.

**Corporate Personal Property Replacement Funds:** A state tax on the net income of corporations, partnerships and other businesses was enacted in 1979 to replace the local tax on the assessed value of corporate personal property. These are taxes paid in lieu paid on 1978 and prior years Corporate Personal Property assessed valuation.

**Dual School System:** The situation in which a separate elementary district (grades pre-k-8) and a high school district (grades 9-12) serve the same geographical area.

**Equalization Factor (State multiplier):** The factor that must be applied to local assessments to bring about the percentage increase or decrease that will result in an equalized assessed valuation equal to one-third of the market value of taxable property in a school district (other than farm acreage and buildings).

**Equalized Assessed Valuation:** The assessed value of real property multiplied by the State equalization factor; this gives the value of the property from which the tax rate is calculated after deducting homestead exemptions, if applicable. For farm acreage and buildings, the final assessed value is the equalized value. In determining a district's wealth for General Stated Aid purposes, a district's corporate personal property replacement funds are divided by a total tax rate to generate a corporate personal property replacement equalized assessed valuation. This computed amount is combined with a district's real property equalized assessed valuation to determine its wealth for computing General State Aid Entitlement and Regular Pupil Transportation Claims.

**Extension:** The process by which the County Clerk determines the tax rate needed to raise the revenue certified to the County Clerk by each school district in the county. The extension is the actual dollar amount billed to the property taxpayers.

**Foundation Level:** A dollar level of financial support per student representing the combined total of state and local resources available as a result of the state aid formula. The General State Aid Formula for 1989-90 provides a foundation level of \$2,384.25 per weighted pupil, provided the district has an operating tax rate equal to or in excess of 1.28 percent, 1.10 percent or 2.18 percent for elementary, high school, and unit districts, respectively. The foundation level is dependent upon the State appropriation for General State Aid.

**Joint Agreement and/or Cooperative:** An educational program or programs in which two or more local education agencies and/or eligible institutions of higher education agree to participate by uniting efforts in accordance with a written agreement and by designating a fiscal and legal agent.

**Levy:** The amount of money a school district certifies to be raised from the property tax.

**Operating Expense Per Pupil:** The gross operating cost of a school district (excepting summer school, adult education, bond principal retired, and capital expenditures) divided by the average daily attendance for the regular school term,

**Operating Tax Rate:** A school district's total tax rate less the tax rates for bond and interest, rent, and vocational and junior colleges. Districts may include tax rates extended for the payment of principal and interest on bonds issued for Fire Prevention, Safety, Environmental, Energy, and Working Cash at the rate of .05 percent per year for each purpose or the actual tax rate extended, whichever is less.

**Per Capita Tuition Charge:** The amount of local school district charges as tuition to nonresident students as defined by Section 18-3 of The School Code of Illinois. This amount represents expenditures from local taxes and common school fund monies and is generated by deducting revenues for various state categorical programs, local user fees, and federal receipts from the operating expenses. The divisor is the average daily attendance during the regular school term.

**Regional Superintendent:** The chief school officer for the county or counties that comprise an educational service region. The Regional Superintendent exercises supervision and control over school districts and cooperatives within that region. There are 57 Regional Superintendents in Illinois.

**State Aid Formulas:** The formulas legislated by the General Assembly for apportioning General State Aid and certain categorical aids.

**Tax Effort:** The extent to which a local school district levies local taxes for schools.

**Tax-Rate Limit:** The tax-rate limit is the maximum tax rate that the county clerk may extend. Illinois law authorizes maximum tax rates without referendum, but districts may increase tax rates, within limits, subject to voter approval. A limited number of tax rates exist without a tax-rate limit.

**Unit District:** A school district that encompasses all grade level (Pre-K-12). A term used interchangeably with a 12-grade district.

**Weighted Pupils:** General State Aid is provided to districts in Illinois based upon average day attendance (ADA). The ADA figure used is subject to the use of weights and adjustments designed to enhance funding levels for pupils with varying educational needs. In the General State Aid law, grade Pre-K-6 pupils are weighted 1.00, grade 7-8 pupils are weighted 1.05, and grade 9-12 pupils are weighted 1.25. These weightings provide a Weighted Average Daily Attendance (WADA) figure. Pupils from families with low incomes provide an additional type of weighting to attendance, one that adjusts average attendance upwards. The additional formula adjustment for low-income pupils in a district ranges from zero to a maximum of .625. In combination, the grade-level weighting and the poverty count adjustment create a district's "CWADA" or Chapter I Weighted Average Daily Attendance figure.

## **FIVE YEAR**

### **PROJECTED FUND BALANCES**

Projecting revenue and expenditures in the current fiscally uncertain arena is a very difficult if not impossible task. Districts rarely know from year to year the level of funding they will receive yet they can predict the level of expenditures. As initially noted, this is a broad estimate and should be used as a snapshot of the future based on the past with no real guarantee that state and federal funding will remain as promised.

CONTENTS FOR THIS PAGE WILL BE SENT UNDER SEPARATE COVER WHEN THE  
FINAL PROJECTION HAVE BEEN MADE AND APPROVED

# **FINANCIAL PROFILES**

**School District Financial Profile**

Scott-Morgan CUSD 2  
Unit  
01-086-0020-26

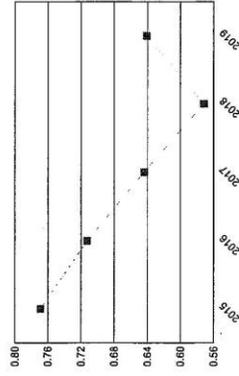
Located in : Bluffs Scott  
Superintendent: Dr. Kevin Blankenship  
Historical Data

Basis of Accounting: Cash  
Under Tax Cap: No

**Financial Indicators :**

Score

|  | 2015      | 2016  | 2017  | 2018  | 2019  |                |
|--|-----------|-------|-------|-------|-------|----------------|
| <b>Fund Balance to Revenue Ratio :</b>   | 0.77      | 0.713 | 0.644 | 0.572 | 0.641 | 4              |
| (Includes Educational, Operations & Maintenance, Transportation, Working Cash, and negative IMRF/FICA Funds) |           |       |       |       |       | Weighted Score |
| Total Fund Balance divided by  | 1,592,073 |       |       |       |       |                |
| Total Revenue  | 2,482,561 |       |       |       |       |                |

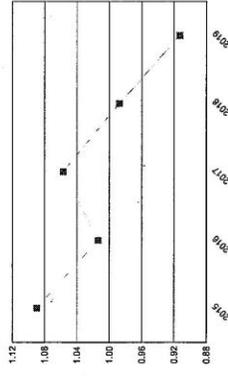


The Fund Balance to Revenue Ratio reflects the impact of additional revenues to the existing fund balances of the district. Fund Balances, to a district, can be viewed as savings or checking account balances to the average citizen. A ratio of .25 or greater scores 4, between .25 and .10 scores 3, between .10 and zero scores 2 and a negative fund balance to revenue ratio scores 1.

**Expenditure to Revenue Ratio :**

Score

|  | 2015      | 2016 | 2017  | 2018  | 2019  |                |
|--|-----------|------|-------|-------|-------|----------------|
| <b>Expenditure to Revenue Ratio :</b>  | 1.09      | 1.01 | 1.057 | 0.988 | 0.913 | 4              |
| (Includes Educational, Operations & Maintenance, Transportation, and Working Cash Funds) |           |      |       |       |       | Weighted Score |
| Total Expenditure divided by   | 2,266,399 |      |       |       |       |                |
| Total Revenues   | 2,482,561 |      |       |       |       |                |



The Expenditure to Revenue Ratio represents how much the school district is spending for every dollar they are bringing in as revenue. Equal to or less than \$1.00 has a score of 4, between \$1.00 and \$1.10 scores 3, between \$1.10 and \$1.20 scores 2 and spending of greater than \$1.20 scores 1. One-time expenditures made by the district, including construction costs, are included in this ratio. Upon review of the remaining fund balance when deficit spending occurs, the indicator score may be adjusted.

**Days Cash on Hand :**

Score

|  | 2015      | 2016 | 2017 | 2018 | 2019 |                |
|--|-----------|------|------|------|------|----------------|
| <b>Days Cash on Hand :</b>   | 254       | 253  | 219  | 209  | 238  | 4              |
| (Includes Educational, Operations & Maintenance, Transportation, and Working Cash Funds) |           |      |      |      |      | Weighted Score |
| Cash on Hand divided by  | 1,498,140 |      |      |      |      |                |
| Expenditures per Day   | 6,296     |      |      |      |      |                |

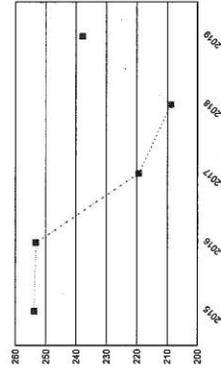
Days Cash on Hand reflects the number of days a school district would be able to pay their average bills without any additional revenues. 180 days or greater scores 4, between 90 and 180 scores 3, between 30 and 90 scores 2 and less than 30 days of cash on hand scores 1.

**% of Short-Term Borrowing Max. Remaining :**

Score

|   | 2015    | 2016   | 2017   | 2018   | 2019   |                |
|---|---------|--------|--------|--------|--------|----------------|
| <b>% of Short-Term Borrowing Max. Remaining :</b> | 100.00  | 100.00 | 100.00 | 100.00 | 100.00 | 4              |
| Tax Anticipation Warrants                         | 0       |        |        |        |        |                |
| Short-Term Debt Max. Available                    | 789,785 |        |        |        |        | Weighted Score |

Based on Tax Anticipation Warrants, this represents how much short-term debt the district may incur.



**% of Long-Term Debt Margin Remaining :**

Score

|   | 2015      | 2016  | 2017   | 2018  | 2019  |                |
|---|-----------|-------|--------|-------|-------|----------------|
| <b>% of Long-Term Debt Margin Remaining :</b> | 91.03     | 81.82 | 83.930 | 17.07 | 28.73 | 2              |
| Long-Term Debt Amount                         | 2,437,000 |       |        |       |       | Weighted Score |

Represents how much long-term debt the district may incur.

|                            |             |
|----------------------------|-------------|
| <b>FY 18 Profile Score</b> | <b>3.70</b> |
| <b>FY 19 Profile Score</b> | <b>3.80</b> |
| <b>Recognition</b>         |             |

**School District Financial Profile**

Scott-Morgan CUSD 2  
Unit  
01-086-0020-26

Located in : Bluffs  
Superintendent: Dr. Kevin Blankenship

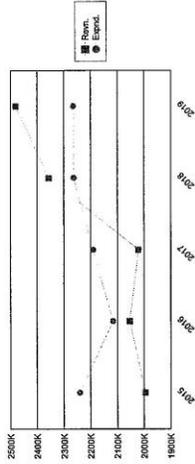
Scott

Basis of Accounting: Cash  
Under Tax Cap: No

**Historical Data**

|                                   | 2015             | 2016             | 2017             | 2018             | 2019             |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>*Operating Funds Summary :</b> |                  |                  |                  |                  |                  |
| Beginning Fund Balance            | 1,765,940        | 1,518,881        | 1,455,303        | 1,284,319        | 1,375,911        |
| + Revenues                        | 1,995,155        | 2,054,251        | 2,022,081        | 2,356,492        | 2,481,324        |
| - Expenditures                    | 2,242,214        | 2,117,829        | 2,193,065        | 2,264,901        | 2,266,399        |
| = Results of Operations           | (247,059)        | (63,578)         | (170,984)        | 91,591           | 214,925          |
| + Other Receipts and Adjustments  | 0                | 0                | 0                | 0                | 0                |
| <b>Ending Fund Balance</b>        | <b>1,518,881</b> | <b>1,455,303</b> | <b>1,284,319</b> | <b>1,375,910</b> | <b>1,590,836</b> |
| Working Cash Ending Fund Balance  | 48,497           | 58,446           | 68,752           | 79,665           | 91,514           |

**Revenues and Expenditures**



\* The Operating Funds include the Educational, Operations and Maintenance, Transportation and Working Cash Funds. For further analysis of the district's ability to levy and transfer monies into the operations of a district, the Working Cash Fund has been pulled separate below. Districts may transfer money from the working cash fund to any of the operating funds as a loan.

**School District Financial Profile**

Winchester CUSD 1  
Unit  
01-086-0010-26

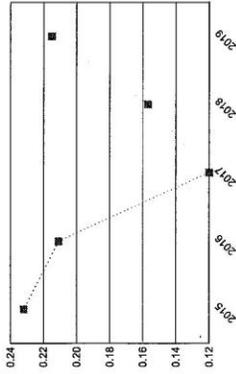
Located in : Winchester  
Superintendent: Dr. Kevin Blankenship

Scott

Basis of Accounting: Cash  
Under Tax Cap: No

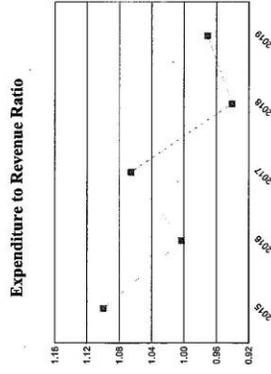
**Financial Indicators :**

|   | 2015      | 2016  | 2017  | 2018  | 2019  | Score |
|---|-----------|-------|-------|-------|-------|-------|
| <b>Fund Balance to Revenue Ratio :</b>  | 0.23      | 0.211 | 0.120 | 0.157 | 0.215 | 3     |
| <i>(Includes Educational, Operations &amp; Maintenance, Transportation, Working Cash, and negative IMRF/FICA Funds)</i> |           |       |       |       |       |       |
| Total Fund Balance divided by   | 1,181,272 |       |       |       |       |       |
| Total Revenue   | 5,505,141 |       |       |       |       | 1.05  |



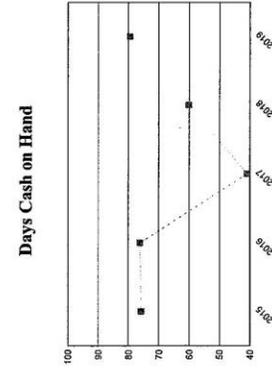
The Fund Balance to Revenue Ratio reflects the impact of additional revenues to the existing fund balances of the district. Fund Balances, to a district, can be viewed as savings or checking account balances to the average citizen. A ratio of .25 or greater scores 4, between .25 and .10 scores 3, between .10 and zero scores 2 and a negative fund balance to revenue ratio scores 1.

|   | 2015      | 2016 | 2017  | 2018  | 2019  | Score |
|---|-----------|------|-------|-------|-------|-------|
| <b>Expenditure to Revenue Ratio :</b>   | 1.10      | 1.00 | 1.066 | 0.941 | 0.971 | 4     |
| <i>(Includes Educational, Operations &amp; Maintenance, Transportation, and Working Cash Funds)</i> |           |      |       |       |       |       |
| Total Expenditure divided by  | 5,346,511 |      |       |       |       |       |
| Total Revenues  | 5,505,141 |      |       |       |       | 1.40  |



The Expenditure to Revenue Ratio represents how much the school district is spending for every dollar they are bringing in as revenue. Equal to or less than \$1.00 has a score of 4, between \$1.00 and \$1.10 scores 3, between \$1.10 and \$1.20 scores 2 and spending of greater than \$1.20 scores 1. One-time expenditures made by the district, including construction costs, are included in this ratio. Upon review of the remaining fund balance when deficit spending occurs, the indicator score may be adjusted.

|   | 2015      | 2016 | 2017 | 2018 | 2019 | Score |
|---|-----------|------|------|------|------|-------|
| <b>Days Cash on Hand :</b>  | 76        | 76   | 41   | 60   | 80   | 2     |
| <i>(Includes Educational, Operations &amp; Maintenance, Transportation, and Working Cash Funds)</i> |           |      |      |      |      |       |
| Cash on Hand divided by   | 1,180,958 |      |      |      |      |       |
| Expenditures per Day  | 14,851    |      |      |      |      | 0.20  |



Days Cash on Hand reflects the number of days a school district would be able to pay their average bills without any additional revenues. 180 days or greater scores 4, between 90 and 180 scores 3, between 30 and 90 scores 2 and less than 30 days of cash on hand scores 1.

|   | 2015      | 2016   | 2017   | 2018   | 2019   | Score |
|---|-----------|--------|--------|--------|--------|-------|
| <b>% of Short-Term Borrowing Max. Remaining :</b>   | 100.00    | 100.00 | 100.00 | 100.00 | 100.00 | 4     |
| <i>(Includes Educational, Operations &amp; Maintenance, Transportation, and Working Cash Funds)</i> |           |        |        |        |        |       |
| Tax Anticipation Warrants   | 0         |        |        |        |        |       |
| Short-Term Debt Max. Available  | 1,157,639 |        |        |        |        | 0.40  |



Based on Tax-Anticipation Warrants, this represents how much short-term debt the district may incur.

|   | 2015      | 2016  | 2017   | 2018  | 2019  | Score |
|---|-----------|-------|--------|-------|-------|-------|
| <b>% of Long-Term Debt Margin Remaining :</b>   | 93.82     | 97.33 | 29,900 | 39.26 | 45.37 | 2     |
| <i>(Includes Educational, Operations &amp; Maintenance, Transportation, and Working Cash Funds)</i> |           |       |        |       |       |       |
| Long-Term Debt Amount   | 4,550,440 |       |        |       |       | 0.20  |

Represents how much long-term debt the district may incur.

|                            |             |
|----------------------------|-------------|
| <b>FY 18 Profile Score</b> | <b>3.25</b> |
| <b>FY 19 Profile Score</b> | <b>3.25</b> |
| <b>Review</b>              |             |

**School District Financial Profile**

Winchester CUSD 1  
Unit  
01-086-0010-26

Located in : Winchester  
Superintendent: Dr. Kevin Blankenship

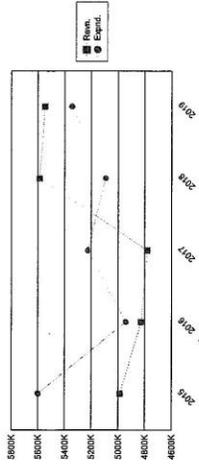
Basis of Accounting: Cash  
Under Tax Cap: No

Scott

**Historical Data**

|                                   | 2015             | 2016           | 2017           | 2018             | 2019             |
|-----------------------------------|------------------|----------------|----------------|------------------|------------------|
| <b>*Operating Funds Summary :</b> |                  |                |                |                  |                  |
| Beginning Fund Balance            | 1,690,285        | 1,054,178      | 912,428        | 465,925          | 1,022,642        |
| + Revenues                        | 4,987,012        | 4,826,354      | 4,782,645      | 5,589,055        | 5,549,639        |
| - Expenditures                    | 5,602,505        | 4,945,604      | 5,229,148      | 5,095,148        | 5,346,511        |
| = Results of Operations           | (615,493)        | (119,250)      | (446,503)      | 493,907          | 203,128          |
| + Other Receipts and Adjustments  | (20,614)         | (22,500)       | 0              | 62,810           | (18,158)         |
| <b>Ending Fund Balance</b>        | <b>1,054,178</b> | <b>912,428</b> | <b>465,925</b> | <b>1,022,642</b> | <b>1,207,612</b> |
| Working Cash Ending Fund Balance  | 251,586          | 273,659        | 296,773        | 322,316          | 352,683          |

**Revenues and Expenditures**



\* The Operating Funds include the Educational, Operations and Maintenance, Transportation and Working Cash Funds. For further analysis of the district's ability to levy and transfer monies into the operations of a district, the Working Cash Fund has been pulled separate below. Districts may transfer money from the working cash fund to any of the operating funds as a loan.