Proposal for Reorganization Feasibility Study

Central SD #104

July 11, 2005

By

Dr. William H. Phillips
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School District Reorganization

Introduction

During the last fifty years, many school districts in Illinois have changed the size of the geographic area 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 the evolutionary process that number has decreased to the point where the current number of school districts in Illinois is slightly under 1,000.

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 districts’ student enrollment and staff size. In May of 1985, the State Board of Education published a study on school district organization. The report found that there was evidence that students “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 to students in high schools with enrollments over 500 pupils.” That study concluded that the current system of organization meant “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 which became effective March 20, 1986. That law effectively eliminated the mandatory reorganization procedures which had been created by the earlier law.

Notwithstanding the General Assembly's 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." 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. Because this act is so technical, it is best to examine each particular legal method created by statute and to note the very specific requirements of each so as to understand and utilize the processes provided for by law.

The author will attempt to provide information about the various types of school district reorganization, to furnish a reference guide for further study, 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.

NOTE: References will be made to paragraphs or sections of the Illinois School Code (Chapter 122) and there is no significant difference between either citation. Chapter 122 of the Illinois Revised Statutes contains many legislative acts and all of the provisions of these acts are sequentially numbered as paragraphs; within the act known as the School Code, each part is given a section number but since the School Code is found at the beginning of Chapter 122, all sections of the School Code have the identical number as their paragraph numbers in Chapter 122. Entire divisions of the School Code are called Articles and will be so designated. References to other statutes
will include the different Chapter number. In some cases of recently passed legislation, the reference will be to a bill number or to a public act number (P.A.) P.L. is an abbreviation for Public Law and refers to Federal Legislation.
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, to 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-
fivedollars 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 which 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 all 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 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 of 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 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. Therefore, the trend toward consolidation in the State of Illinois should continue as districts explore the various alternatives now open to them.
**Major Types of School District Reorganization**

In view of the fact that each type of reorganization has different names, features and requirements, it may be helpful to review the variety of reorganization possibilities which exist in Illinois. The following is a list of the types of reorganization methods.

**A. Community Unit School Formation:** This method creates a community unit school district (K-12) from one of the following:

- an elementary and high school district
- two or more community school districts
- an elementary, a high school, and a community unit school district
- portions of elementary and high school districts

Technically, a Community unit District can be formed for grades K-12 from any contiguous and compact territory of at least $12,000,000 in equalized assessed valuation if the entire area has a population of not less than 4,000 residents. (C. 122. Art. A). Example: District (K-8) and District (9-12) come together and form Community Unit District C (K-12).

**A. Detachment:** This process provides for the removal of a portion of a school district. This process must be accompanied by a petition for annexation to the Regional Board of School Trustees and the portion being detached to another district by annexation (C. 122. Art. 7) Example: 400 acres from District A is detached from District A and added by annexation to District B.

**B. Annexation:** This process provides for adding a territory or an entire school district and would be accompanied by a petition to the Regional Board of School Trustees for detaching/annexing that territory from some other district. (C. 122. Art. 7). Example: District A petitions the Regional Board of School Trustees to be annexed by District B.
C. **Division:** This process entails a splintering or dividing of a district into one or more other districts. (C. 122. Art 7) Example: District A is divided and District A and District B share in the former district.

D. **Voluntary Dissolution:** This process provides for a school district to be dissolved by a petition to the Regional Board of Trustees who provides that all of the territory which is dissolved is annexed to one or more districts. (C. 122. Art. 7-a). Example: District petitions for dissolution and the Regional Board of Trustees annexes all of its former territory to District B.

E. **Combining Entire Districts:** Two or more entire elementary districts may be combined into a single elementary district. Likewise, two or more entire high school districts may be combined into a single high school district. In each instance, the districts being combined must be contiguous territories having equalized valuations of at least $5,000,000 and a population of not less than 1,500. (C. 122. Art. B). Example: Districts A and B combine to form District C.

F. **Unit District Conversion/Annexation:** This two-step process involves a unit district with less than 250 pupils in grades 9-12 dissolving and becoming an elementary district and the high school students concurrently being annexed to a contiguous high school district. This complicated process involves the splitting of the district taxes by elementary and high school in and election. The former territory of the unit district is retained and assessed valuation as well as the annexing high school district. (C. 122. A). Example: Unit District A converts to Elementary District B, concurrently the high school students from A now are annexed to High School District C.
G. **Deactivation of a High School Facility:** A school district may deactivate a high school. Such action can only be taken with voter approval in the sending district and with Board approval in the receiving district. Thus, a unit district or a high school district may temporarily or permanently “deactivate” which means they are still in existence but non-functioning. Essentially, the high school students are “tuitioned-out” to a neighboring unit or high school district. (C. 12. par. b). Example: Unit District A deactivates its high school facility and tuitions its students to Unit District B for an indefinite period of time at a tuition price agreed upon by both districts.

H. **Joint Operation of a Cooperative High School District:** Two or more unit, high school districts (each with an enrollment of 600 or less in grades 9-12) may jointly operate one or more cooperative high school attendance centers after obtaining voter approval. Also, an Advisory Board is created from the cooperating boards to operate the new cooperative high school. If created, this method is to operate for no less than five years. (C. 122. par. c). Example: District A and District B jointly form and operate a high school for no less than five years.

I. **School District Conversion:** Two or more contiguous unit school districts or one or more unit school district and one or more high school districts, which are contiguous, may dissolve and form a single new high school district and new elementary districts based upon the dissolved district boundaries. The procedures established to allow the creation of new dual districts are essentially similar to the procedures used for the creation of a new unit district or a new combined high school or elementary district. A petition is filed with the appropriate regional superintendent of schools who conducts a hearing to determine the educational appropriateness of the proposed
dual district. That decision is reviewed by the State Superintendent. If the State Superintendent approves the petition (and no judicial appeal is taken), the proposal is placed upon the ballot at the next regularly scheduled election. In order for the proposition to be approved, a majority of voters in each existing district must vote in the affirmative. The statute provides all existing state financial incentives to the newly created district. (C. 122. Art. D). Example: Unit District A and Unit District B combine and form High School District C and Elementary Districts D and E based upon the previously existing unit district boundaries. This is the only approvable form of school district reorganization in which more districts can be created than existed originally and the only approvable method to create a new high school district from unit districts.
Primary Types of Reorganization

The following chart has been prepared to allow a comparison of some of the primary features of the more prevalent types of reorganization. As the elements of any reorganization process are contained in Illinois statutes, it is always necessary to consult the statutes for precise procedures and to see how they apply to a district's circumstances. Nonetheless, this chart may assist in noting some elementary features of each type and the differences among the types.

This chart incorporates all of the major types of reorganization methods and includes all of the features approved by the legislature as of July 1, 1999.
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<th>DETACHMENT AND ANNEXATION</th>
<th>DEACTIVATION OF SCH. FACILITY</th>
<th>JOINT OPERATION OF COOPERATIVE HIGH SCHOOL</th>
<th>UNIT DISTRICT CONVERSION/ANNEXATION</th>
<th>VOLUNTARY DISOLUTION</th>
<th>SCHOOL DISTRICT CONVERS.</th>
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<td>SCHOOL CODE</td>
<td>ART. 11-A</td>
<td>ART. 11-B</td>
<td>ART. 7</td>
<td>SEC. 10.22.22b</td>
<td>SEC. 10.22.22c</td>
<td>ART. 7-A</td>
<td>ART. 7-2A</td>
<td>ART. 11-D</td>
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<tr>
<td>BEGIN BY BOARD ACTION?</td>
<td>Yes</td>
<td>yes</td>
<td>may</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>BEGIN BY VOTER PETITION?</td>
<td>Yes</td>
<td>yes</td>
<td>may</td>
<td>no</td>
<td>no</td>
<td>yes</td>
<td>yes</td>
<td>yes – 50 voters or 10%</td>
</tr>
<tr>
<td>TYPE OF DISTRICTS INVOLVED</td>
<td>2 or more Comm. Unit Dist.; or territory not in a Unit Dist.; or divide</td>
<td>2 or more Elem. or H.S. Dist.; (not unit)</td>
<td>any type</td>
<td>K-12 or 9-12</td>
<td>2 or more K-12 Dist. or H.S. Dist.</td>
<td>Unit District with less than 250 H.S. students</td>
<td>any District with less than 5,000 residents</td>
<td>2 + contiguous Un. Dist. or 1 unit and 1+ H.S. Dist.; 9-12 enr may not be more than 600</td>
</tr>
<tr>
<td>REGIONAL SUPT. DECISION?</td>
<td>Yes</td>
<td>yes</td>
<td>no</td>
<td>no</td>
<td>no</td>
<td>yes</td>
<td>no</td>
<td>yes</td>
</tr>
<tr>
<td>REGIONAL BOARD OF TRUSTEES DECISION?</td>
<td>No</td>
<td>no</td>
<td>yes</td>
<td>no</td>
<td>no</td>
<td>no</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>STATE SUPT. DECISION?</td>
<td>Yes</td>
<td>yes</td>
<td>yes, if no decision after nine months</td>
<td>no</td>
<td>no</td>
<td>yes</td>
<td>no</td>
<td>yes</td>
</tr>
<tr>
<td>ADMINISTRATIVE REVIEW THRU COURTS AVAILABLE?</td>
<td>Yes</td>
<td>yes</td>
<td>yes</td>
<td>no</td>
<td>no</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>ELECTION REQUIRED?</td>
<td>yes – majority of those voting in each affected dist.</td>
<td>yes – majority of those voting in each affected dist.</td>
<td>Yes – majority of those voting in deactivated Dist.</td>
<td>yes – majority of voters in each affected Dist.</td>
<td>yes – majority of those voting in each affected Dist.</td>
<td>yes – majority of those voting in each affected Dist.</td>
<td>yes – majority of those voting in each affected District</td>
<td></td>
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<tr>
<td>TIME LIMIT ON REORGANIZATION? RESULT? WHAT?</td>
<td>No</td>
<td>no</td>
<td>no</td>
<td>yes – minimum of twenty years</td>
<td>no</td>
<td>no</td>
<td>no</td>
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UNIT SCHOOL DISTRICT FORMATION UNDER ARTICLE 11A

I. Territorial Requirements for the Organization of Community Unit Districts (11A-2)

A. The proposed new district must be compact and contiguous.

B. The proposed new district may be formed from the following kinds of territory:

- Dual district territory which meets requirements of having at least $12,000,000 in equalized assessed valuation and at least 4,000 population.

- The territory of two or more entire community districts.

- The territory of one or more entire community unit districts plus any additional dual district territory.

A. Also allowed under Article 11A is a petition or petitions proposing to divide a unit district into two or more parts and proposing to include all such parts in two or more community unit districts.

The State will make Consolidation Incentive Payments to districts formed under Article 11A.

A. A supplementary General State Aid Difference Payment as provided in Section 18-8(A) (5)(m) of the School Code.

B. A supplementary State Deficit Difference Payment as provided in Section 18-8.3 of the School Code.

C. A supplementary State Teacher Salary Difference Payment as provided in Section 18-8.2 of the School Code.

D. A supplementary State Aid Reimbursement of $4,000 for each full-time certified employee as provided in Section 18-8.5 of the School Code.

I. Elements of the Petition Filed with the Regional Superintendent (11A-3)

A. Must be filed in one of the following ways:

- by the boards of education of each school district wholly or partially included in the petition;

- with the signatures of at least 200 voters which include the signatures of 50 voters, or 10% of the voters, whichever is lesser from each districts wholly or partially included in the proposal.
A. Must request submission of the proposition at a regularly scheduled election for a vote for or against the establishment of a community unit school district. (In line with Article 2A of the Election Code, such elections are held up to five times over a two-year period; March and November in even-numbered years and February, April and November in odd-numbered years.

B. Must describe the territory compromising the proposed district.

C. Must set forth the maximum tax rates for the following funds:
   - education
   - operations and maintenance
   - transportation
   - fire prevention and safety

A. Must designate a Committee of Ten of the petitioners.

B. May request in the petition that the proposition include election of board members by school board district, rather than at large, by dividing the proposed school district into seven school board districts, each of which must be compact and contiguous and substantially equal in population to each other school board district.

C. May request at the same election on a separate ballot a proposition authorizing the issuance of bonds by the new district. (These bonds are subject to the debt limitations of Section 19-1.)

D. Must conform to the requirements of Section 28-3 of Article 28 of the Election Code on the content of petitions, if applicable.

E. May request that if the proposition is submitted at the April election of odd-numbered years, the March election of even-numbered years, or at a November election, a board of education be elected on a separate ballot for the proposed new district at the same election.

F. May request that the bonded indebtedness of each existing school district be assumed by the entire territory of the new unit district if formed from the territory of two or more school districts.

I. The Committee of Ten (11A-3)

A. Any seven may amend the petition and may make binding stipulations on behalf of all petitioners within the limitations set forth in Section 11A-3.

B. The Committee of Ten may voluntarily dismiss its petition at anytime before the final decision of the Regional Superintendent.
Regional Superintendent Responsibilities Prior to, at, and Following Public Hearings (11A-3) (Not a complete listing)

A. Publish a notice of petition and hearing date in at least one newspaper of general circulation at least once each week for three successive weeks.

B. Hold, not more than 30 days after publication of notice, a hearing on the petition wherein any resident in the proposed district or any affected district may appear in support of, or in opposition to, the petition.

C. Approve or deny the petition with fourteen days of conclusion of hearing.

D. Submit petition, transcript of hearings, evidence submitted at hearings and decisions on petition to State Superintendent of Education.

I. State Superintendent’s of Education Powers and Duties (11A-3)

A. Shall review the entire record of the proceedings held before the Regional Superintendent, including the transcript of the proceedings.

B. Shall within thirty days after decision of the Regional Superintendent approve or deny the petition taking into consideration:
   
   • whether the proposed district will have sufficient size (pupil enrollment) and financial resources (assessed valuation) to provide and maintain a recognized educational program for grades kindergarten through 12.
   
   • whether the proposed school district is in the best interests of the schools of the area and the educational welfare of the pupils therein.
   
   • whether the territory of the proposed school district is compact and contiguous for school purposes.

A. Shall, if denied, communicate the reasons for the denial.

I. Review Under Administrative Review Law (11A-4)

The commencement of any action for circuit court review of the State Superintendent’s decision within a 35-day period as defined in the law “shall operate as a supersedeas, and no further proceedings shall be had until final disposition of such review.

II. Elections and Passage Requirement (11A-5 to 11A-8)

A. The proposition to create a community unit school district shall pass if a majority of the voters in each affected district vote in favor of the proposition.
B. Affected districts include those proposed to have detached from their district territory that is to become part of the proposed new unit district if they meet the requirements of Section 11A-7.

I. Procedures for a Second Election in Those Districts Approving the Defeated First Consolidation Proposal (11A-3)

If the proposition fails, but is approved by a majority of the voters in at least two community unit school districts, then under the following conditions, a second election can be held in these districts if they are compact and contiguous:

- The Committee of Ten must submit to the boards of education of those districts where the proposition passed the approved petition amended so as to include only those districts where the proposition passed.

- Each school board must approve or not approve the amended petition within 30 days.

- If approved by each board, the amended petition shall be transmitted to the State Superintendent of Education who has thirty days to approve or deny the amended petition based on the same criteria used to approve or deny the initial petition.

- If approved by the State Superintendent, the petition shall be placed on the ballot at the next regularly scheduled election.

I. Election of New Board, Effective Date of Change, and Transfer Rights of Tenured Teachers (11A-8, 11A-10)

A. If the consolidation proposal passes, the Regional Superintendent shall order an election to select the Board of Education for the new district at the next regularly scheduled election date, unless the board is elected at the same election at which the proposition establishing that district passed.

B. Effective date of change: (11A-10)

The change shall not affect the administration of the schools until July 1 following the date the petition is granted, i.e., the school boards existing prior to the change exercise authority until that date.

However, the date when the change shall become effective for purposes of administration and attendance may be accelerated or postponed by stipulation of the boards of each district affected and approval by the Regional Superintendent.
C. Transfer Rights of Tenured Teachers

The position of tenured teachers in the districts involved in the creation of the new district are transferred to the new district pursuant to Section 24-12 of the School Code. The new board must treat such transferred teacher in the same manner as if such teacher was that district’s employee and had been its employee during the time such teacher was actually employed by the board of the district from which the position was transferred.

I. Bonded Indebtedness (11A-12)

Notwithstanding the consolidation, property taxes extended for any existing bonded indebtedness stay assigned to property within the boundary of any previous district that incurred the debt.

J. Accounting

Whenever a part of a district is included within the boundaries of a newly created community unit district, the Regional Superintendent shall cause an accounting to be made between the districts affected by the change in boundaries as provided for in Article 11C of the School Code.

Limitations of Successive Petitions (11A-16)

If a petition does not result in reorganization, no subsequent petition can be filed under this Article for two years after the final determination on the first petition unless during that two-year period:

- a substantially different petition is filed
- a district involved in the first petition is placed on the State Board of Education’s academic watch list, or financial watch list or is certified as being in financial difficulty
Effect of Size on Curriculum

ISBE research has shown the effect enrollment size has on the scope and quality of the educational programs in Illinois schools. (See School District Organization in Illinois, May 1985). Three factors associated with schooling were examined in order to determine what effect enrollment size may have on the scope and quality of education programs in Illinois Schools. These factors were:

- the number of high school course offerings
- students' achievement levels
- number of planning preparations by high school teachers

The findings here are restricted to high school instruction, as the ISBE has not had sufficient data to establish a relationship between school size and the educational program at the elementary level.

High School Size and the Number of Course Offerings

One important factor in determining the desirable range of enrollment in a high school should be that the program of studies offered in the school is adequate and appropriate to the needs of the students enrolled there. The program of studies must be sufficiently rich in learning experiences to meet individual students' needs and goals, whether these goals are to pursue post-secondary education or to enter adult employment directly.

The Illinois State Board of Education conducted a statewide survey of course offerings in Illinois secondary schools. These surveys clearly showed that opportunity to learn is related to the size of high schools, with small high schools providing a smaller range of course offerings.
Given the presence of certain mandated courses, it is assumed that there will be a basic core of courses available in all high schools, regardless of size. In fact, a minimum of 50-55 courses is present in even the smallest high schools. However, as school size increases, the number of course offerings—and therefore the breadth of opportunity available to the students—increases to a maximum of about 300 courses.

2. The opportunity to offer advanced or sequential courses is particularly affected by school size, with the availability of such courses decreasing significantly as the size decreases.

3. The availability of remedial courses is also related to school size, with remedial instruction more often available in larger schools.

4. Larger high schools provide opportunities for a larger proportion of students to enroll in specialized courses or subject areas.

The number of courses in small high school is more sensitive to enrollment changes, particularly enrollment declines, than the number of courses in large schools.

These findings reinforce and strengthen the conclusion that high school size is directly related to educational opportunity. Students attending smaller schools, especially schools with fewer than 200 students, have fewer courses from which to choose and fewer opportunities to participate in advanced or specialized courses. Conversely, students attending larger schools have a broader choice of courses and increased opportunity for remedial or advanced course work.

School Size and Student Achievement

Student achievement levels are generally regarded as reflective of the quality of educational programs. The State Board’s student assessment activities—the Illinois Inventory of Education Progress (IIEP) and the Decade Test—and staff research of ACT data for Illinois
Students have provided important findings regarding the relationship of school size and students achievement.

1. Student performance, as measured by the ACT, was found to be lower in high schools enrolling 214 or fewer students.

2. Results of the IIEP indicated the lowest performance of 11th grade students in science, mathematics, geometry and reading were in schools containing 214 or fewer students.

3. Results of the Decade Study indicated the lowest mathematics achievement in schools with less than 215 students. Across all curriculum areas covered by the Decade tests, the highest achievement occurred in schools with more than 435 students.

4. Among several factors (enrollment, number of courses offered, economic status, location, and community type), school size had the single, strongest predictive weight in explaining variation in performance in geometry, science and mathematics at eleventh grade on IIEP.

Thus, Illinois data based on many subtests from three highly reliable and valid studies provide a demonstrable relationship between high school size and student achievement, with the highest achievement realized in schools enrolling between 494 and 1,279 students. Student achievement is lowest in schools with fewer than 215 students.

High School Size and Number of Planning Preparations by Teachers

A third measure used for examining the effect of school size on the quality of the educational program was the number of planning preparations required of high school teachers. Generally, such planning preparations are determined in relation to the number of different subjects or courses taught and do not include the additional planning which might be necessary to accommodate students grouping differences in the same subject area. Although the number of planning preparations does not necessarily affect the quality of the program, it is
Generally believed that the greater the number of preparations (and therefore more subject areas taught), the less likely that the teacher will be able to teach them all equally well. Teachers in smaller high schools (especially those with fewer than 200 students) have to make more preparations than do teachers in larger schools. To the extent that multiple teacher preparations have a negative effect of quality of the school program, the smaller schools are clearly at a disadvantage.
Impact on School Finances Through Differential in District's Taxing Authority

A major deterrent to school district reorganization 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, 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 districts considering reorganization.
## PERMISSIVE MAXIMUM TAX RATES

<table>
<thead>
<tr>
<th>LEVY</th>
<th>TAX YEAR</th>
<th>ELEMENTARY</th>
<th>HIGH SCHOOL</th>
<th>TOTAL</th>
<th>UNIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>EDUCATIONAL</td>
<td>1994</td>
<td>.92</td>
<td>.92</td>
<td>1.84</td>
<td>1.84</td>
</tr>
<tr>
<td>OPERATIONS, BUILDING, MAINTENANCE</td>
<td>1994</td>
<td>.25</td>
<td>.25</td>
<td>.50</td>
<td>.50</td>
</tr>
<tr>
<td>WORKING CASH</td>
<td>1994</td>
<td>.05</td>
<td>.05</td>
<td>.10</td>
<td>.05</td>
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<tr>
<td>LIFE SAFETY</td>
<td>1994</td>
<td>.05</td>
<td>.05</td>
<td>.10</td>
<td>.05</td>
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<tr>
<td>FACILITY LEASING (RENT)</td>
<td>1994</td>
<td>.05</td>
<td>.05</td>
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<td>.05</td>
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## Summary of Reorganizations Effective in Fiscal Years 1984-1998

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Consolidation (Articles 11A &amp; 11B)</td>
<td>5</td>
<td>8</td>
<td>12</td>
<td>8</td>
<td>3</td>
<td>37</td>
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<tr>
<td>Dissolution/Annexation (Article 7)</td>
<td>2</td>
<td>15</td>
<td>11</td>
<td>18</td>
<td>5</td>
<td>51</td>
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<tr>
<td>Conversion/Annexation (Article 7A)</td>
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<td>2</td>
<td>0</td>
<td>0</td>
<td>4</td>
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<tr>
<td>High School Deactivation (Sec. 10-22.22b)</td>
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<td>1</td>
<td>2</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Cooperative High School Attendance Center (Sec. 10-22.22c)</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Conversion/Dual District Formation (Article 11D)</td>
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<td>N/A*</td>
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<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>TOTALS</td>
<td>8</td>
<td>27</td>
<td>26</td>
<td>28</td>
<td>8</td>
<td>97</td>
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### Net Change in Operating School Districts by Type of Districts

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<td>Unit</td>
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<td>-10</td>
<td>-13</td>
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<td>-43</td>
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<td>-47</td>
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<td>Secondary</td>
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<td>-7</td>
<td>-4</td>
<td>-2</td>
<td>-4</td>
<td>-21**</td>
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<tr>
<td>TOTALS</td>
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<td>-27</td>
<td>-27</td>
<td>-29</td>
<td>-10</td>
<td>-111</td>
</tr>
</tbody>
</table>

### Average Annual Reduction in Number of School Districts

-14

Not available as reorganization option.
LOCATIONS OF REORGANIZED DISTRICTS
FROM 1985-1992

Counties with more than one reorganization:

1. Livingston .............. 5
2. Lake ..................... 4
3. LaSalle .................. 4
4. Vermilion ................ 3
5. White .................... 3
6. Carroll .................. 2
7. Champaign ............... 2
8. Fulton .................... 2
9. Iroquois ................ 2
10. Jackson ................. 2
11. Mason .................. 2
12. Perry .................... 2

STATE INCENTIVE PAYMENTS UNDER SECTIONS 18-8(A)(5)(m), 18-8.2, 18-8.3 AND 18-8.5

Except for high school deactivation and cooperative high school attendance centers, all the types of reorganization qualify for these payments.

I. General State Aid Difference Payment (Section 18-8 (A)(5)(m) of the School Code.)

A. New school districts formed by combining property totally within two or more previously existing districts under Articles 11A or 11B. (Qualifying for this payment are new districts formed by combining property totally within two or more previously existing districts plus portions of one or more other districts.

1. How Calculations Are Made

State aid is calculated for the first year of existence for a consolidated district. For that same year, state aid also is calculated on the basis of the previously existing districts for which property is totally included within the new district.
2. Basis for Payment

If the computation result on the basis of the previously existing districts is greater, then a supplementary payment equal to the difference shall be made for the first four years to the new district.

A. A school district which annexes all of the territory of one or more entire other school districts under Articles 7 or 7A.

1. State Aid

State aid is calculated for the annexing district for the first year during which the annexation becomes effective. For the same year, state aid is also calculated on the basis of the annexing and annexed districts as constituted prior to the annexation.

2. Basis for Payment

If the computation result on the basis of the annexing and annexed districts as constituted prior to the annexation is greater, then a supplementary payment equal to the difference shall be made for the first four years to the annexing district.

I. Teacher Salary Difference Payment (Section 18-8.2 of the School Code)

A. To a new district formed under Article 11A or 11B, the state will make a supplementary payment for four years 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.

B. To one or more districts that annex the territory of one or more school districts under Articles 7 or 7A, the state will make a supplementary payment for four years equal to the difference between the sum of the salaries earned by each certified member of the annexing district after the annexation has taken effect while employed in the annexing and annexed districts and the sum of those salaries those certified members would have been paid if placed on the salary schedule of the annexing or annexed district with the highest salary schedule.
The salaries used in these calculations are those in effect in the annexing and the annexed districts on June 30 prior to the taking effect of the annexation.

I. **Deficit Difference Payment (Section 18-8.3 of the School Code)**

A. New school districts formed by combining property totally within two or more previously existing districts under Article 11A, 11B or 11D. (Qualifying for this payment are new districts formed by combining property totally within two or more previously existing districts plus portions of one or more other districts.)

1. **How Calculations Are Made**

   a. Based on the method set forth in Section 18-8.3(c), and subtracting out early tax distributions, deficits are calculated by totaling the audited fund balances from the Annual Financial Reports in the education fund, the working cash fund, the operations and maintenance fund and the transportation fund for each previously existing district.

   b. A district with a combined fund balance that is positive will be considered to have a deficit of zero.

   c. The calculation is based on the year ending June 30 prior to the referendum for the creation of the new district.

2. **Basis for Payment**

   a. The Payment is made only once and in the first year of the new district.

   b. The payment is equal to the difference between the larger and smaller deficits if only two previously existing are involved.

   c. If more than two previously existing districts are involved, then the payment is equal to the sum of the differences between the smallest deficit and each of the other deficits.

A. For a school district which annexes all of the territory of one or more entire other school districts under Article 7 (including the annexation by a high school district pursuant to Article 7A of all territory of a unit school district).

1. **How the Calculations Are Made**

   a. Based on the method set forth in Section 18-8.3(c), and subtracting out early tax distributions, deficits are calculated by totaling the audited fund balances from the Annual Financial Reports in the
education fund, the working cash fund, the operations and maintenance fund and the transportation fund for each of the annexing and annexed districts.

b. A district with a combined fund balance that is positive will be considered to have a deficit of zero.

c. The calculation is based on the year ending June 30 prior to the date of the affirmative decision issued by the regional board of school trustees.

1. Basis For Payment

a. The payment is made only once and in the first year the annexation becomes effective.

b. The payment is equal to the difference between the larger and smaller deficits if only one annexing district is involved.

c. If more than two districts are involved, then the payment is equal to the sum of the differences between the smallest deficit and each of the other deficits.

A. For both the formation of new districts and for annexation an additional calculation shall be made.

1. A calculation shall be made for the education, operations and maintenance and transportation funds to determine the average annual expenditures for certain categories for the three years prior to the year ending June 30 preceding the decision authorizing the reorganization (whether by referendum of decision of the regional board); and for the year ending June 30 preceding the authorization of the reorganization. These categories are “purchased services,” "supplies and materials" and “capital outlay.”

2. If the three-year average is less than the district’s expenditures in these categories for the year ending June 30 preceding the authorization of the reorganization, then the three year average shall be used in the calculation of the amounts payable in place of the amounts shown in these categories for the year preceding authorization of the reorganization.

I. $4,000 For Each Certified Employee Payment (Section 18-8.5 of the School Code).

A. Who Qualifies For Payment
1. For one, two or three school years, a 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 district on a full-time basis for the regular term of such a school year.

2. Reorganized districts qualifying for this payment are:
   
a. new school districts formed under Articles 11A, 11B, 11D and 7A;
   
b. one or more annexing districts, following the annexation of all the territory of one or more entire school districts including the annexing high school districts under Article 7A;
   
c. unit districts formed under Article 11A resulting from the division of a unit district or districts into two or more parts which all are included in the two or more unit districts resulting upon the division;
   
d. no annexing or resulting district under "b" or "c" shall be entitled to this payment unless such district acquires at least 30% of the average daily attendance of the district from which the territory is being detached or divided;

A. Reorganized districts qualify for one, two or three payments based on enrollment and wealth.

1. The table at the bottom of this page and the top of the following page provides the basis for determining whether a district received the payment once, at the end of its first year of existence; twice, at the end of its first and second years; or three times, at the end of its first, second and third years.

The number of payments to a reorganized district is based on its rank by type if district (unit, high school, elementary) in equalized assessed valuation per pupil by quintile and average daily attendance by quintile.

<table>
<thead>
<tr>
<th>Reorganized District’s Rank in EAV Per Pupil By Quintile</th>
<th>Reorganized District’s Rank ADA By Quintile</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1st Quintile</td>
</tr>
<tr>
<td>Rank in EAV Per Pupil By Quintile</td>
<td>1 year</td>
</tr>
<tr>
<td>1st Quintile</td>
<td>1 year</td>
</tr>
<tr>
<td>2nd Quintile</td>
<td>2 years</td>
</tr>
<tr>
<td>3rd Quintile</td>
<td>2 years</td>
</tr>
<tr>
<td>4th Quintile</td>
<td>2 years</td>
</tr>
<tr>
<td>5th Quintile</td>
<td>2 years</td>
</tr>
</tbody>
</table>
1. The State Board shall make a one-time calculation of reorganized districts quintile ranks based on ADA and EAV data for the reorganized district's first year. The data below are the most recent data and can be used to estimate the number of payments for which a reorganized district would qualify.

**Unit School Districts**

<table>
<thead>
<tr>
<th>Quintile</th>
<th>EAV per Pupil</th>
<th>ADA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>$61, 356 and above</td>
<td>1, 936 and above</td>
</tr>
<tr>
<td>2nd</td>
<td>$47, 293 to $60, 759</td>
<td>1, 120 to 1, 928</td>
</tr>
<tr>
<td>3rd</td>
<td>$38, 501 to $47, 256</td>
<td>704 to 1, 114</td>
</tr>
<tr>
<td>4th</td>
<td>$28, 028 to $38, 448</td>
<td>466 to 703</td>
</tr>
<tr>
<td>5th</td>
<td>$27, 839 and below</td>
<td>464 and below</td>
</tr>
</tbody>
</table>

**High School Districts**

<table>
<thead>
<tr>
<th>Quintile</th>
<th>EAV per Pupil</th>
<th>ADA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>$377, 772 and above</td>
<td>2, 792 and above</td>
</tr>
<tr>
<td>2nd</td>
<td>$274, 603 to $375, 231</td>
<td>1, 414 to 2, 774</td>
</tr>
<tr>
<td>3rd</td>
<td>$164, 213 to $249, 286</td>
<td>766 to 1, 358</td>
</tr>
<tr>
<td>4th</td>
<td>$113, 428 to $160, 239</td>
<td>371 to 765</td>
</tr>
<tr>
<td>5th</td>
<td>$110, 347 and below</td>
<td>342 and below</td>
</tr>
</tbody>
</table>

**Elementary School Districts**

<table>
<thead>
<tr>
<th>Quintile</th>
<th>EAV per Pupil</th>
<th>ADA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>$179, 542 and above</td>
<td>1, 691 and above</td>
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<tr>
<td>2nd</td>
<td>$112, 529 to $179, 080</td>
<td>870 to 1, 680</td>
</tr>
<tr>
<td>3rd</td>
<td>$71, 943 to $112, 404</td>
<td>421 to 866</td>
</tr>
<tr>
<td>4th</td>
<td>$44, 382 to $71, 044</td>
<td>200 to 421</td>
</tr>
<tr>
<td>5th</td>
<td>$43, 357 and above</td>
<td>193 and below</td>
</tr>
</tbody>
</table>

A. If a district results from multiple reorganizations that would otherwise qualify the district for multiple payments in any year, the district shall receive a single payment only for that year based solely on the most recent organization.
Key Dates and Timelines

I. Notice to Boards and to Newspapers of Filing Petitions and Dates of Hearings at Least Once Each Week for Three Successive Weeks

Upon receipt of a filed petition, the Regional Superintendent “shall cause a copy of such petition to be given to each board of any district involved in the proposed formation of the new district and shall cause a notice thereof to be published at least once each week for three successive weeks in at least one newspaper having general circulation within the area of the territory of the proposed district” (11A-3, 11B-3, 11D-2). (7A-2 has slightly different requirements.)

II. Hearings to Follow Within 30 Days of Publication Notice

Not more than 30 days after the publication notice, the Regional Superintendent shall hold a hearing on the petition (11A-3, 11B-3, 11D-2). (7A-2 has slightly different requirements.)

III. Boards to Receive Maps and Reports Within 5 days of Hearing

A copy of the reports and maps submitted by the petitioners to the Regional Superintendent shall be sent to the board of each district involved “not less than 5 days prior to the date upon which the hearing is to be held.” (11B-3, 7A-2)

IV. Submission of Petition to State Superintendent about 100 days Before the Election

The Illinois State Board of Education urges that Regional Superintendents submit petitions and accompanying required information about 100 days prior to the election due to the 30-day and 61-day time frames cited under VI and IX below.

V. The Filing of Nomination Papers for School Board Election

In cases when the board of education is to be elected at the same election that the proposition to form a new district is presented to the voters, nomination papers for the school board must be filed with the appropriate official within the following time frames:

- Not more than 99 but at least 92 days prior to the day of the election in cases of elections in November of even-numbered years.
- Not more than 78 or less than 71 days prior to other elections.
II. **Deadline for Regional Superintendent’s Decision is 14 Days After Hearing**

Within 14 days after the conclusion of the hearing, the Regional Superintendent shall make a decision either approving or denying the petition (11A-3, 11B-3, 11D-2, 7A-2).

III. **30-day period for State Superintendent Decision**

The State Superintendent shall, within 30 days after the decision of the Regional Superintendent, approve or deny the petition (11A-3, 11B-3, 11D-2, 7A-2).

IV. **Court Review of State Superintendent’s Decision Can Begin Within a 35-Day Period**

The commencement of any court action for review of the State Superintendent’s decision within a 35-day period as defined in the law “shall operate as a supersedeas, and no further proceeding shall be had until final disposition of such review.” (Sections 11A-4, 11B-4, 11D-3, 7A-3).

V. **Certification of Consolidation Question at Least 61 Days Before the Election**

Upon the approval of the State Superintendent, the Regional Superintendent shall certify to the proper election authority the question to be submitted to the voters not less than 61 days before the regularly scheduled election (Section 28-5, the Election Code).
**Property Tax Extension Limitation Law (PTELL)**

Provisions of the Property Tax Extension Limitation Law (PTELL) apply to all non-home rule units of local government (including school districts) in Cook County and all non-home rule units of local government (including school districts) in the Collar Counties if a majority of the unit's 1990 EAV is in one or more of the Collar Counties. The 96 downstate counties may be affected if the County Board calls for a referendum and a majority of the voters favor "tax caps."

**The question is:** If four districts reorganize into a unit district in one of these counties, how will the new unit district be impacted by the provisions of the PTELL?

It is the "Aggregate Extension" of a taxing body that is subject to the provisions of the PTELL. For school districts, the Aggregate Extension reflects the Total Extension minus the extension(s) for Bond and Interest purposes.

When taxing bodies are merged or consolidated, the aggregate extension bases of the district are summed.

Assuming that the reorganization/consolidation had been effective July 1, 1995, the Aggregate Extension of the four districts which had levied taxes for 1994 would be added together. This total multiplied by 1.027 (or 102.7%) produces the maximum aggregate extension against the 1995 EAV of property included in the 1994 EAV (1995 EAV minus the EAV of new property).

The County Clerk would first calculate the tax rates for the unit school district based upon the 1995 levies for each fund (1995 levy divided by 1995 EAV). The individual calculated tax rates for all funds, except the bond and interest fund(s), are totaled to give the calculated aggregate tax rate.

The County Clerk would next calculate the aggregate limiting tax rate for the unit district. The aggregate extension for the four districts for 1994 would be totaled to give the extension base for the unit district for the 1995 extension. This total would be multiplied by 1.027 (102.7%). That product would be divided by the 1995 EAV minus the EAV of new property resulting in the aggregate limiting tax rate. If the aggregate limiting tax rate is equal to or greater than the calculated aggregate tax rate, the PTELL does not apply. If the aggregate limiting tax rate is smaller than the calculated aggregate tax rate, the PTELL does apply and a reduction factor will have to be calculated.

**Reduction Factor:** The aggregate limiting tax rate is divided by the calculated aggregate tax rate and the answer is expressed as a decimal. Each individual calculated tax rate is multiplied by the reduction factor to produce the tax rate to be used for extension. **Exceptions:** A taxing body may direct the County Clerk to extend one (or more) fund(s) at its (their) calculated rate(s). All other extensions
will be reduced proportionately so that the aggregate limiting tax rate is not exceeded. Sample calculations follow:

Sample Calculations

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
<th>EXAMPLE</th>
<th>YOUR CALCULATIONS</th>
</tr>
</thead>
<tbody>
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<td>Unduplicated EAV</td>
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<td>$</td>
</tr>
<tr>
<td>1995</td>
<td>Aggregate Extension</td>
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</tr>
<tr>
<td></td>
<td>District A</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>District B</td>
<td>$10,915,597.59</td>
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</tr>
<tr>
<td></td>
<td>District C</td>
<td>$1,655,382.43</td>
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</tr>
<tr>
<td></td>
<td>District D</td>
<td>$10,665,332.31</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>$26,365,336.54</td>
<td></td>
</tr>
</tbody>
</table>

1996 Aggregate Limiting Rate

1995 Aggregate Extension x 102.7%
1996 EAV – EAV of new property

Assume a 5% increase in EAV and new property equals 10% of the 1995 EAV

1995 EAV = $574,857,560 x 1.05 = $603,600,438

New property = $603,600,438 x 10% = $60,360,044

Limiting rate = $26,365,336.54 x 102.7% = 
\[
\frac{26,365,336.54 \times 1.027}{603,600,438 - 60,360,044}
\]

\[
27,077,200.62
\frac{\text{EAV of new property}}{543,240,394} = 4.9844%
\]

Assume a 5% increase in EAV and new property equals 5% of the 1995 EAV

1995 EAV = $603,600,438

New property = $603,600,438 x 5% = $30,180,022

Limiting rate = $26,365,336.54 x 102.7% = 
\[
\frac{26,365,336.54 \times 1.027}{603,600,438 - 30,180,022}
\]

\[
27,077,200.62
\frac{\text{EAV of new property}}{573,420,416} = 4.7221%
\]

Assume calculated 1995 tax rates (levy divided by EAV)
Educational Purposes 3.60%
Operations and Maintenance Purposes .55%
Transportation Purposes .20%
All Other .35%
Total 4.70%

Tax Caps would not apply – this rate is less than either of the limiting rates calculated above.

Educational Purposes 3.75 %
Operations and Maintenance Purposes .60 %
Transportation Purposes .20%
All Other .40%
Total 4.95%

Tax Caps would not apply if Limiting Rate was 4.9844%. Tax Caps would apply if Limiting Rate was 4.7221%.

Effects of Tax Cap

Limiting Factor = Limiting Rate divided by Calculated Rate
4.7221% divided by 4.95% = .95396

Rates to be used for extensions:

Educational Purposes 3.75% x .95396% = 3.5774%
Operations and Maintenance Purposes .60% x .95396% = .5724%
Transportation Purposes .20% x .95396% = .1908%
All Other .40% x .95396% = .3816%
Total 4.95% x .95396% = 4.7221%
Frequently Asked Questions About Commonly Considered Reorganization Options

Q. **What specifically is meant by “whether the proposed school district is for the best interests of the schools of the area and the educational welfare of the pupil’s therein,” a criterion in the law for approval of a petition?**

A. The ISBE currently interprets “best interest of the schools of the area” primarily in financial terms; that is, will the proposed district allow savings in personnel or facility costs, otherwise improve efficiency, increase the amount of local or state revenue available to the schools, or otherwise maintain or enhance the financial condition of the schools? The Section’s interpretation of “the educational welfare of the pupils therein” is primarily but not exclusively whether the new district is likely to provide more depth and breadth in the high school or junior high school curriculum than the current districts provide separately. Also, it is likely that the educational welfare of the pupils will be enhanced by forming a unit district from a dual system as such a reorganization provides the setting to improve the coordination of curriculum and student services for kindergarten through 12. However, petitioners should provide evidence of the likelihood of such improvement.

Q. **What are key responsibilities of the Committee of Ten?**

A. In addition to those clearly stated in the Section 11A-3, key responsibilities include:

- Involve an experienced attorney in the preparation of the petition as well as in the preparation for and questioning at the hearing.
- Call in consultant to help and assist when information or advice is needed.
- Develop a Committee plan or vision for the new district’s curriculum that is for the educational welfare of the pupils. Based on its curriculum plan, the Committee should develop plans for facility and staff utilization, then perhaps ones for transportation, extracurricular activities, and conducting a successful referendum. These plans may be based on feasibility studies already done by school boards, consultants, or citizens committees. A position paper should by presented at the public hearings so that the voters and eventually the new board can know the intentions of the initiators of the new district.
- In order to carry out its statutory responsibility to determine the maximum tax rates for the new district, the Committee should become knowledgeable about the financial conditions of the districts in order to propose tax rates high enough so that the new district has a reasonable chance of financial health. All assumptions used in developing revenue projections should be clearly stated.
- Present at the hearings evidence that the proposed tax rates are for the best interests of the schools of the areas, that is, that they will generate adequate revenue to support the expenses associated with the proposed educational programs and the committee’s facility, staffing and other plans. Note that the
Committee may amend these rates (and other parts of the petition) anytime prior to the final decision of the Regional Superintendent.

- In preparation for the referendum, educate the community about the “pros” of the proposed consolidation. However, the “cons” should not be hidden from the public; nor should the options considered, but not pursued.

**Q. Who may be Committee of Ten Members?**

A. Those on the Committee of Ten may be school board members, people who work in the school system, or any other resident voter of the affected districts, and they may be chosen by cooperating boards, by a group of citizens, or by a single individual.

**Q. How should the petition describe the territory compromising the proposed district?**

A. The best description is a legal description.

**Q. When are the regularly scheduled elections at which the Article 11A referenda may be held?**

A. According to Article 2A of The Election Code, such elections are held five times over a two-year period: March and November in even-numbered years, and February, April and November in odd-numbered years.

**Q. Is there a time that is better than another for holding an Article 11A referenda?**

A. Generally, it is better to have the vote for the formation of the district in November, so that the new board can be elected in March (even-numbered years) or February or April (Odd-numbered years), and the new district can begin operation on July 1. However, board members can be elected at the same election as the referendum.

**Q. What is the effective date for a consolidation approved by the voters at a regularly scheduled election in February, March or April?**

A. July 1. However, if the new board is not elected until the following November, the effective date should be postponed in the manner allowed by Section 11A-10 until after that November election. This will allow the outgoing boards to retain legal authority over the territory until that date. The boards, if they wish, may then enter into a written agreement for the cooperative operation of the district until the new board is elected.

However, is the referendum is held at the March election in even-numbered years or the April election in odd-numbered years, Article 11A allows the election of board members at the same election. This provision allows a new district to begin operations the July following these elections and not have to wait until after the November election.
Q. **Who is responsible for the expenses associated with the reorganization effort?**

A. School boards must pay the costs associated with the preparation of the petition and with the dissemination of information about the reorganization proposition including presenting evidence at the hearings; however, no public funds may be used to urge anyone to vote for or against the proposition. Article 11A imposes no obligation on either the petitioners or the affected districts to pay for the court reporter or the publishing of notices. The costs associated with the public hearings must, therefore, be paid by the Regional Superintendent who conducts the hearings.

Q. **Have the “incentive” payments always been paid, and have they been paid on time?**

A. Over $100 million has been paid under these laws. Generally, but not always, they have been paid on a timely basis. All claims through Fiscal Year 1999 have been fully paid.

Q. **Do tenured teachers whose positions are transferred to a new district as a result of consolidation become tenured employees of the new district, with the same seniority rights they had in their former district?**

A. Yes. The legal basis for this transfer of tenure rights is found in Section 24-12 of the School Code, which reads:

> If...by reason of the creation of a new school district, the position held by any teacher having a contractual continued service status is transferred from one board to the control of a new...board, the contractual continued service status of such teacher is not thereby lost, and such new...board is subject to this Act with respect to such teacher in the same manner as if such teacher were its employees and had been its employees during the time such teacher was actually employed by the board from whose control the position was transferred.

Q. **What obligations does the new district have to contracts incurred by the previous districts?**

A. If the terms of such contracts extend beyond the effective date of the new district, then such contracts normally become an obligation of the new district although negotiable. Such contracts would include multi-year collective bargaining contracts and superintendent contracts as well as vendor contracts, such as bus service. Needless to say, a district should not enter into a contract obligating it to a time beyond which it expects to be in existence.
Q. **Is the new district required to adopt the salary schedule of the previous district that paid the most and also to pay elementary teachers on the same schedule as secondary teachers?**

A. No. The new district’s salary schedule does not legally depend on previous schedules, but usually on a negotiated agreement with an organization representing the teachers in the new district. However, a recent study showed that all recently consolidated districts in Illinois in fact adopted a salary schedule that resembled the schedule of the previous district that paid the most. Although there is not a unit district in Illinois that pays its elementary teachers on a lower salary schedule than its high school teachers, a uniform salary schedule across all grade levels is not required by law. Therefore, a unit district formed from a dual system could phase in a single salary schedule over several years.

Q. **Do non-certified staff members of the former district have similar rights to a job in the new district as do certified staff members under Section 24-12?**

A. No. State law contains no similar rights to jobs in a new district for non-certified staff in the former districts. Of course, a new district may hire such employees if it chooses. However, according to Section 10-23.5, any non-certified employee to be dismissed for the upcoming school term must receive written notice at least 60 days before the end of the current school term.

Q. **What powers do a newly elected board have between the date of its organization and election of officers and the date on which the new district takes effect for all purposes?**

A. The new district shall be permitted with the stipulation of the districts from which the new district is formed and the approval of the Regional Superintendent to, among other actions, do the following:

- Establish the tax levy for the new district in lieu of the levies by the districts from which the new district is formed.
- Conduct a search for the superintendent of the new district and enter into a contract with the person selected.
- Bargain collectively with the representatives of the new district’s employees.
RESUME OF EDUCATIONAL/PROFESSIONAL EXPERIENCE

EDUCATION

Bachelor of Arts Degree, Illinois State University, Normal (1968)
Master of Arts Degree, Illinois State University, Normal (1974)
Doctor of Education, University of Illinois, Urbana-Champaign (1993)

- Member of the first cohort of the School Executive Doctoral Program at the University of Illinois
- Received fellowship from the Educational Policy Fellowship Program sponsored by the Institute for Educational Leadership in Washington D.C.

WORKSHOPS/SEMINARS/PUBLIC SPEAKING ENGAGEMENTS

Illinois Association of School Boards
Illinois Association of School Administrators
Illinois Association of School Business Officials
Illinois Administrator's Academy
Illinois State University
Macoupin County Regional Office of Education
Southern Illinois University at Carbondale
University of Illinois – Urbana Champaign
University of Illinois - Springfield


Panel speaker at the Joint Annual Conference of the educational management associations in Chicago in 2004, “Exploring Realities Through Reorganization: Navigating Your Options.”


PUBLICATIONS


UNIVERSITY SERVICE

- Chairman of the College of Education and Human Services Curriculum Committee.
- College of Education and Human Service Personnel Committee.
- Chairman of the search committee for a full-time tenure track professor for the Master in Teaching Leadership Program.

REORGANIZATION/COMMUNITY PLANNING STUDIES

- Reorganization Feasibility Study for Oakwood CUSD #26, Jamaica CUSD #12 and Catlin CUSD #5 (1989)
- Reorganization Feasibility Study for New Hope #6 and Mill Shoals #18 (1990)
- Reorganization Feasibility Study for Forman CUSD #124, Green Valley H.S. #306, and Green Valley Elementary #695 (1990)
- School-Community Planning Study for North Clay CUSD #25 (1992)
- School-Community Planning Study for Pikeland CUSD #10 (1993)
- Reorganization Feasibility Study for Monticello CUSD #25 and Bement CUSD #5 (1993)
- Reorganization Feasibility Study for East Peoria H.S. #309, East Peoria Elem. #86, Creve Coeur Elem. #76, and Robein Elem. #85 (1994)
- Reorganization Feasibility Study for East Alton-Wood River H.S. #14, East Alton El. #13, and Wood River-Hartford El. #15 (1999)
- Reorganization Feasibility Study: Panhandle CUSD #2 and Morrisonville CUSD #1
- Reorganization Feasibility Study: Ashland-Chandlerville CUSD ##262 and Virginia CUSD #64
- Reorganization Feasibility Study: Hutsonville CUSD #1 and Palestine CUSD #3
- School/Community Study: Pikeland CUSD #10
- Referendum consultant for Peru Elementary #124
- Facilitated strategic planning for: O'Fallon #90, O'Fallon H.S. #203, Central O'Fallon #104 and Shiloh #85
- Limited Feasibility Study for Chenoa CUSD #9
- Reorganization Feasibility Study for Ottawa Elem. SD #141, Grand Ridge Elem. SD #95, Marseilles Elem. SD #150, and Rutland CCSD #230
- Reorganization Feasibility Study for Gridley CUSD #10 and El Paso CUSD #375
- Reorganization Feasibility Study for Pana CUSD #8 and Tower Hill CUSD #6
- Reorganization Feasibility Study for Chenoa CUSD #9, Lexington CUSD #7, and Gridley CUSD #10
- Reorganization Feasibility Study for Livingston CCSD #1, Highland CUSD #5 and Staunton CUSD #6, Livingston CCSD #1 Oversight Panel
- Reorganization Feasibility Study for Thompsonville H.S. #112 and Thompsonville S.D. #62
- Reorganization Feasibility Study for Armstrong-Ellis Consolidated School District #61, Armstrong Township H.S. #225, Bismarck-Henning CUSD #1, Hoopeston Area CUSD #11, Potomac CUSD #10, and Rossville-Alvin CUSD #7.
- Reorganization Feasibility Study for Riverton CUSD #14, and Tri City CUSD #1.
- Reorganization Feasibility Study in progress for United Township H.S. #30, Hampton SD #29, Silvis SD #34, Carbon Cliff Barstow #36, East Moline Elem. #37, Colona SD #190.
- Reorganization Feasibility Study for Massac County CUSD #1, Joppa-Maple Grove CUSD #38
- Reorganization Feasibility Study (in progress) for Pawnee CUSD #11, Divernon CUSD #13

**SCHOOL REORGANIZATION CONSULTANT**

- West Lincoln Elementary #72 and Broadwell Elementary #68
- Fairfield Public School #112, New Hope #6, Jeff #14, and Merriam #19
- Grant #110 and Pontiac-William Holiday #105
- Whiteside #115
- Millstadt #160
- Gardner #72C, South Wilmington #74, Gardner-South, Wilmington H.S. #73, and Braceville #75

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Schuyler County #1, Astoria #1, and VIT #2
Utica #135 and Waltham CCSD #185
Peru Elementary #124
Rossville-Alvin CUSD #7
Hoopeston Area CUSD #1
Paris Chamber of Commerce, Paris Union #95 and Crestwood CUSD #1

**LEGISLATIVE LIAISON**

- Executive Director/Legislative Liaison for the Elementary District Organization.

**ADDITIONAL ACTIVITIES**

- Chairman of the Reorganization Committee of the Illinois Association of School Business Officials
- Research Advisor to the University of Illinois, Department of Administration, Higher Education and Continuing Education on School District Reorganization
- Research Advisor/Consultant/Expert Witness for the law firm of Miller, Tracy, Braun, Funk & Paisley for the Annexation of Dunfermline Elem. #88 to Canton CUSD #86 (1994)
- Research Advisor/Consultant/Expert Witness for the law firm of Miller, Hall & Triggs for the Annexation of Witt CUSD #66 to Hillsboro CUSD #3 (1995)
- Research Advisor/Consultant for the chapter on “Creation, Dissolution & Boundary Changes,” for the Illinois Institute for Continuing Legal Instruction
- Member of Task Force on School District Reorganization formed by Illinois State Board of Education (1999)
- Appointed by the Education Funding Advisory Board to analyze and make proposals for School District Reorganization for Illinois to the General Assembly.
- Appointed to the Board of Directors for the Better Healthy Schools Campaign.
- Appointed by the Mayor of Springfield to be on his educational task force.
- Master Designer for a professional development program for the Illinois Association of School Administrators, “Marketing and Public Relations.”
- Advisor, researcher, and consultant to the A+ Illinois Coordinating Council, Better Schools Coalition, Center for Tax and Budget Accountability, Senate Democratic Caucus on school district reorganization and school funding.
- Advisor, researcher, consultant for the Senate Democratic caucus and the Office of the Governor on school district reorganization.
Corporate Marketing and Consulting Portfolio

- Ameresco Corporation - Education Finance Specialist - specializing in Performance Contracting for schools
- Bernardi Securities – Municipal Bond Specialist - specializing in educational bond sales
- Environmental Consultants – Director of Educational Marketing – specializing in environmental issues including Indoor Air Quality programs