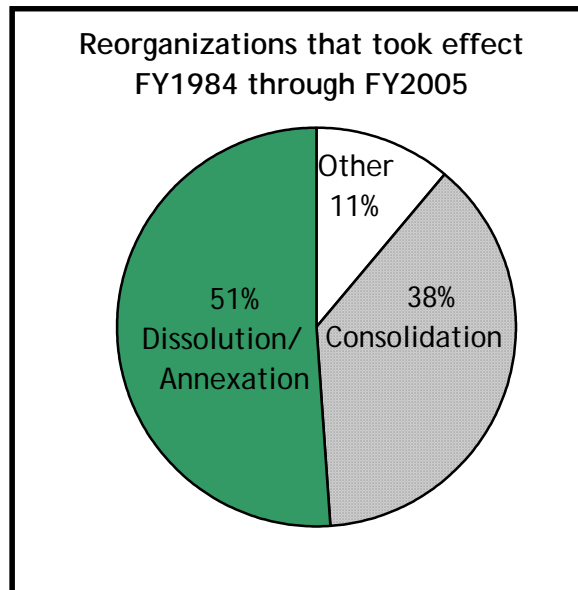


SCHOOL DISTRICT REORGANIZATION

School district reorganization has been around since 1899, with the first consolidation petition in 1903. Although different needs have driven reorganization in the past, the critical areas of concern today are the educational opportunities reorganization provides students and the fiscal viability of school districts to provide the highest quality educational opportunities.

In addition to the basic financial motivations for reorganization, research demonstrates that for high school students, school size can make a difference in both achievement and in the number of course offerings available to students.

From FY 1984 to FY 2005, the number of individual school districts has decreased from 1,008 to 882, a reduction of more than 12 percent.



TYPES OF REORGANIZATIONS:

Consolidation is the merger of two or more existing districts to create a new district and requires:

- ⇒ Petition filed by voter signatures or school boards
- ⇒ Local public hearing conducted by Regional Superintendent
- ⇒ Approval by State Superintendent
- ⇒ Successful referendum

Annexation is the incorporation of a portion or all of one school district into another school district and requires:

- ⇒ Petition filed by voter signatures or school boards
- ⇒ Local public hearing conducted by Regional Board of School Trustees
- ⇒ Regional Board of School Trustees approval
- ⇒ Successful referendum (for annexation of entire district)

School District Conversion is the formation of a single new high school district and new elementary districts based upon the boundaries of dissolved unit districts and requires:

- ⇒ Petition filed by voter signatures or school boards
- ⇒ Local public hearing conducted by Regional Superintendent
- ⇒ Approval by State Superintendent
- ⇒ Successful referendum

Deactivation is the deactivation of a district's elementary attendance center or high school attendance center and the sending of students in grades Kindergarten through 8 or 9 through 12 to one or more other districts once all districts agree and requires:

- ⇒ Board resolution to deactivate
- ⇒ Successful referendum
- ⇒ Tuition agreement by the affected districts

Cooperative High School is the establishment of a jointly operated high school by two or more contiguous unit or high school districts, each with an enrollment of less than 600 students in grades 9 through 12, while retaining the affected districts' school boards and requires:

- ⇒ Board resolution by all boards affected
- ⇒ Successful referendum
- ⇒ Cooperative agreement by the affected districts

STATE FINANCIAL INCENTIVES:

A major initiative for school district reorganization began when the General Assembly established financial incentives for newly consolidated districts. Since that time, these same incentives have been authorized for other types of reorganizations. Except for deactivation and cooperative high school formation, all other types of reorganization may qualify for these incentives.

STATE AID DIFFERENCE:

If the general state aid is less for the newly reorganized district in the first year than the general state aid would have been that same year on the basis of the previously existing districts, the state will make supplementary state aid payments equal to the difference for the first four years to the reorganized district.

TEACHER SALARY DIFFERENCE:

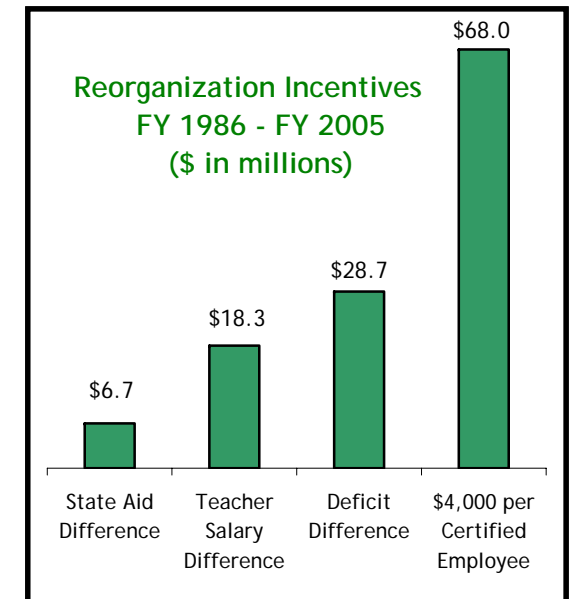
If there is a difference between the sum of the salaries earned during the previous year by teachers of the new district and the sum of the salaries those teachers would have been paid if placed on the salary schedule of the previously existing district using the highest salary schedule, the state will make supplementary state aid payments equal to the difference for the first four years to the reorganized district.

DEFICIT DIFFERENCE:

Deficits are calculated by totaling the *audited fund balances* in the Educational Fund, the Operations and Maintenance Fund, the Transportation Fund, and the Working Cash Fund for each previously existing district. The state will make a single supplemental state aid payment to the reorganized district equal to the difference between the largest and smallest deficit. A district with a positive fund balance will be considered to have a deficit of zero.

\$4,000 per CERTIFIED EMPLOYEE:

For one, two, or three years, a reorganized district may receive a supplementary state aid payment equal to \$4,000 for each certified employee who is employed by the district on a full-time basis for the school year.



The state has paid over \$120 million for financial incentives for school district reorganizations.

FREQUENTLY ASKED QUESTIONS:

Q. Does the state mandate reorganizations?

A. No. School district reorganization is a strictly voluntary matter of local choice.

Q. Why do school districts choose to reorganize?

A. School districts reorganize primarily to improve their ability to develop and implement quality programs for students, offset student enrollment declines, and provide a more cost-efficient and stable school district.

Q. Will school districts and citizens have any input into the process?

A. Yes. There will be local public hearings conducted by the Regional Superintendent or Regional Board of School Trustees, depending on the type of reorganization. Any resident of any district involved may testify at these hearings.

Q. Will my taxes be affected?

A. Possibly. In a consolidation or conversion, new tax rates will be included in the petition for the new school district(s). In an annexation, taxpayers will pay the tax rates of the annexing district.

Q. Who is responsible for the expenses associated with the reorganization?

A. School boards may pay the costs associated with the preparation of the petition and with the dispersing of information about the reorganization; however, no public funds may be used to urge anyone to vote for or against the proposition.

Q. Will each district involved be represented on the new school board?

A. In a consolidation or conversion, the requirements to elect a new school board are set forth in the petition. In an

annexation, the annexing board will remain in effect until the next scheduled school board election.

Q. Who can file a reorganization petition?

A. Generally, a petition may be filed by all affected school boards or with a certain number of voter signatures from each district involved. Details on the number of voter signatures required to file a petition can be found in the article of the School Code that details the specific reorganization option or in the Illinois State Board of Education brochure on the specific reorganization option.

Q. When can reorganization issues be put on the ballot?

A. Reorganization questions can be placed on the ballot at a regular scheduled election. According to Article 2A of the Election Code (10 ILCS 5/2A), regular scheduled elections are held in March and November of even-numbered years and in April of odd-numbered years. A regular scheduled election is also held in February of odd-numbered years, but in order for a public question, like a reorganization referendum, to be put on the ballot, some precincts within the school district would have to be open to vote on candidates.

Q. Do voters of each affected school district have to approve the reorganization question at the referendum?

A. In a consolidation to form a new unit district, in the annexation of an entire district, in a conversion, or in the formation of a Cooperative High School, voters of each affected school district must approve the petition by a simple majority. In a consolidation to form a new elementary or high school district, only a simple majority overall is needed to approve the petition. In the deactivation of a school facility, the

voters of the deactivating district must approve the question by a simple majority; the voters of the receiving district do not vote on the deactivation.

Q. What is a Committee of Ten?

A. The Committee of Ten is a committee of ten individuals designated in the consolidation, annexation, or conversion petition to act on behalf of all the petitioners. These individuals may be school board members, people who work in the school system, or any other resident voter of the affected districts.

Each reorganization situation is unique. Many items will depend on the individual circumstances that surround the particular school districts involved. The employees of the Illinois State Board of Education are ready to assist school districts through this process. Brochures are also available from the Illinois State Board of Education detailing each of the reorganization options.

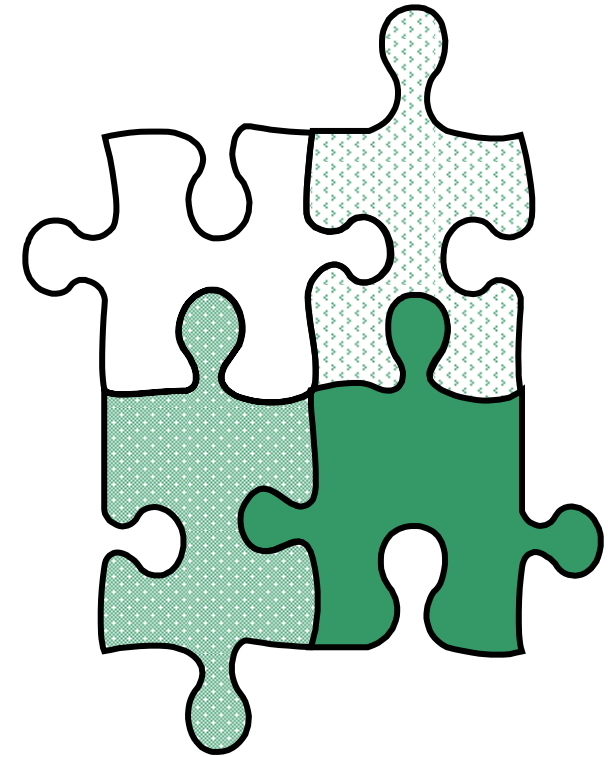
The Illinois State Board of Education brochures are not to be used in place of the School Code, but as an informational tool. For specific information regarding consolidations, refer to Articles 11A and 11B; for annexations, refer to Article 7; for conversions, refer to Articles 7A and 11D; for deactivation, refer to Article 10, Section 22.22b; for a cooperative high school, refer to Article 10, Section 22.22c.

For additional information and assistance, please contact the School Business and Support Services Division of the Illinois State Board of Education at 217/785-8779.

Information is also available on the ISBE web page at:
www.isbe.net/sfms/htmls/reorg_school.htm

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School District Reorganization At a Glance



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