



Illinois State Board of Education

July 28, 2006

Guidance Document 06-02

SCHOOL DISTRICT REORGANIZATION (Public Act 94-1019)

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

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GUIDANCE DOCUMENT ON SCHOOL DISTRICT REORGANIZATIONS

UNDER PUBLIC ACT 94-1019

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

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

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

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

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

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

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

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

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

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

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

- Deactivation (Sec. 10-22.22b)

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

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

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

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

- Small unit district conversion (previously in Article 7A of the School Code): A small unit district is dissolved. An elementary district is created, and high school students go to a contiguous high school district.
- Unit district formation (previously in Article 11A of the School Code): Formation of a K-12 district from elementary and high school (dual) territory, or from an existing unit district and territory not within a unit district, or from two or more existing unit districts.
- Combined school district (previously in Article 11B of the School Code): Two or more elementary districts or two or more high school districts combine to form a new district.
- School district conversion (previously in Article 11D of the School Code): Two or more unit districts combine to form elementary districts based on the old unit district boundaries and a new high school district overlying the entire territory.

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

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

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

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

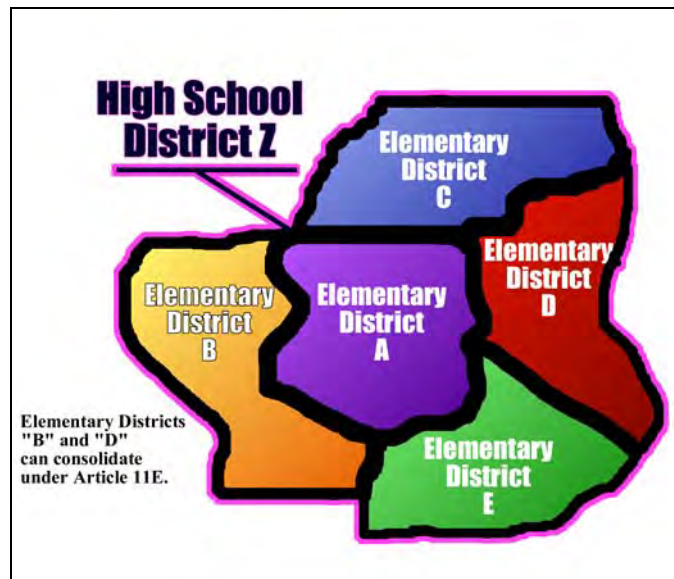
5. Are any of the reorganization types included in Article 11E involuntary?

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

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

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

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



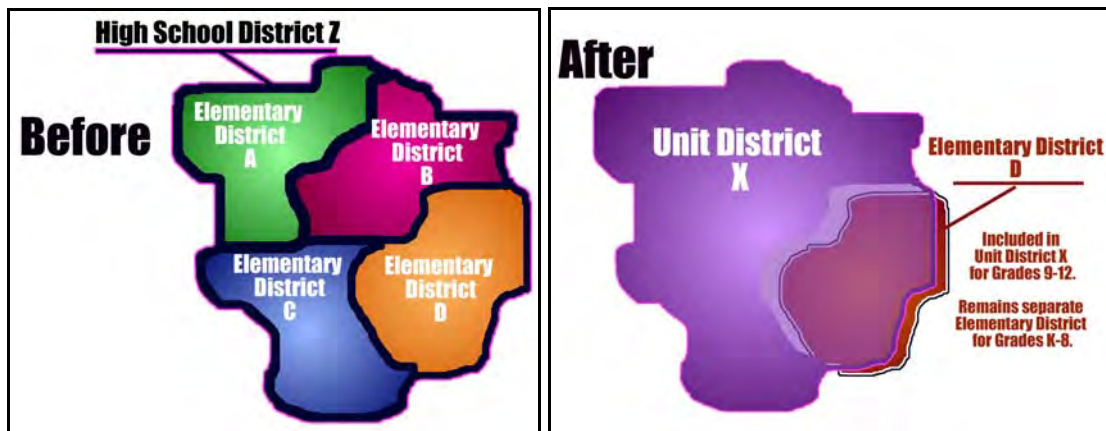
B. FURTHER EXPLANATION OF “HYBRID” DISTRICTS

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

1. Optional Elementary Unit District

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

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



Eligibility Requirements

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

In addition, the high school district and elementary districts must be “substantially coterminous.” This means that the high school district and elementary districts share the same boundaries, or share the same boundaries except for territory encompassing, for a particular district, (i) less than 25% of the land area of the district, (ii) less than 8% of the

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

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

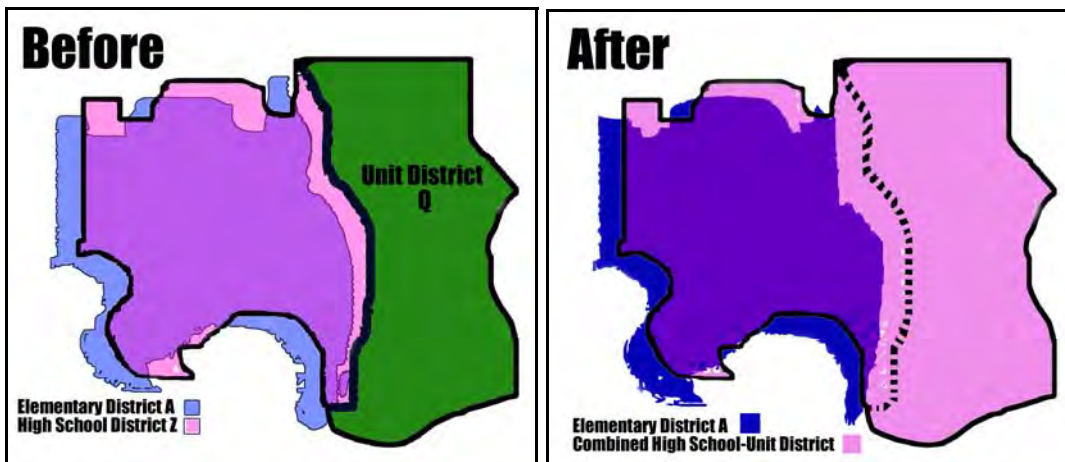
Opt-in process:

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

A very limited exception to the Property Tax Extension Limitation Law (PTELL) is allowed so that tax-cap elementary districts can convert the operational debt to bonded debt. Otherwise, a tax cap district that could have originally voted to join the unit district could be shut out of that opportunity simply because of PTELL restrictions. P.A. 94-1019 adds language to the notice and ballots for an opt-in to ensure voters know that funding bonds will be issued to convert any operational debt to bonded debt.

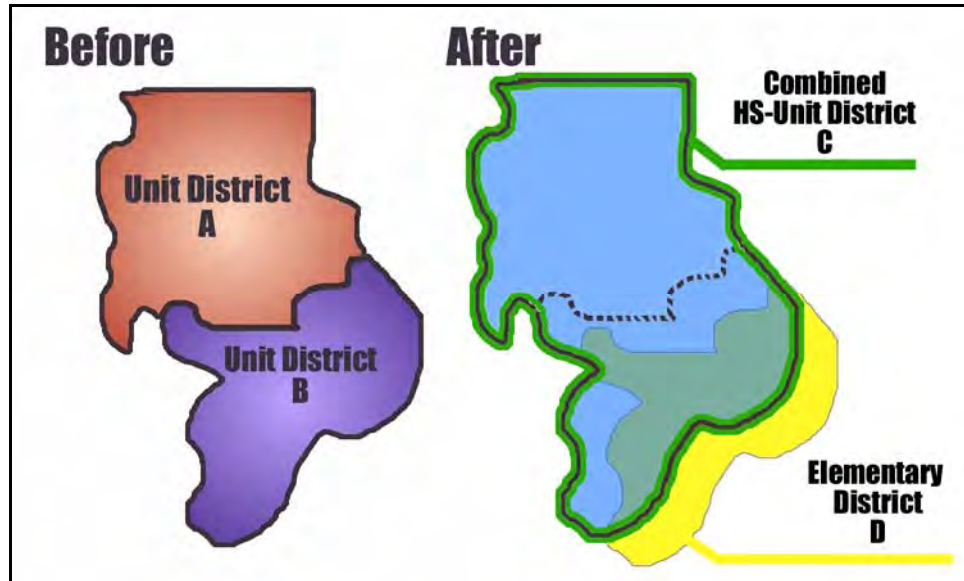
2. Combined High School – Unit District

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



3. Multi-Unit Conversion

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



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

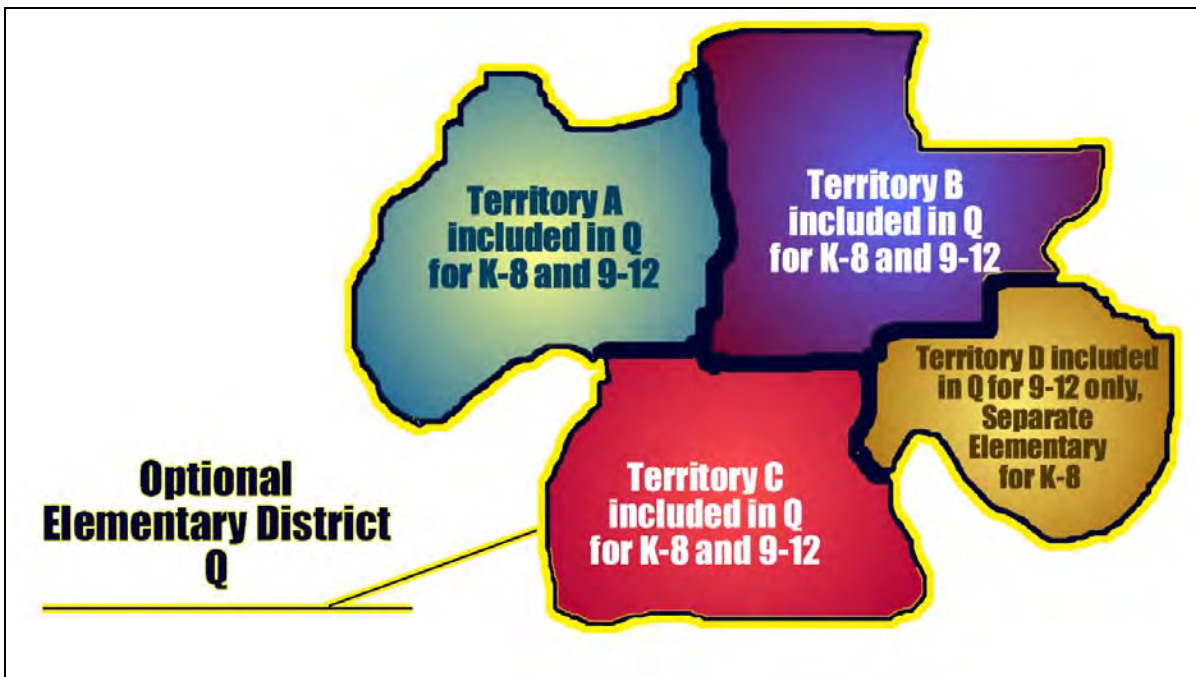
- In general, for a few of the taxes levied by a hybrid district, the hybrid district will have a separate rate for high school purposes and a separate rate for elementary purposes. The high school rate will apply to the entire territory. The elementary rate will only apply to the territory included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

and a separate debt limitation for elementary purposes only applicable to a portion of the district. The districts will have flexibility to use either elementary or high school bond funds for expenses and facilities used by the whole district (such as administrator salaries, administrative offices, etc.).

Example 1 – Optional Elementary Unit District

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

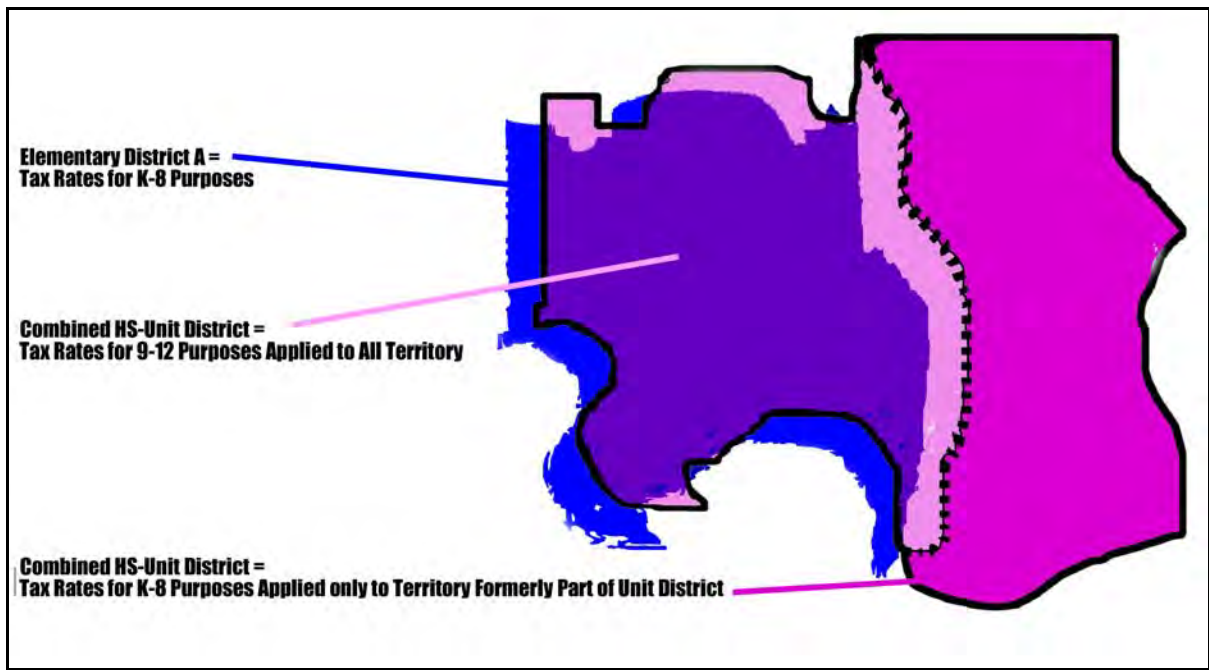
- The optional elementary unit district has separate rates for K-8 and 9-12 educational purposes, operations and maintenance purposes and special education purposes. In the example below, the 9-12 rates apply to the entire territory (A, B, C and D below); K-8 rates only apply to the territory where the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



Example 2 – Combined High School – Unit District

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

- The combined high school – unit district has separate rates for K-8 and 9-12 educational purposes, operations and maintenance purposes, and special education purposes. The 9-12 rates apply to entire territory (Q and Z below); the K-8 rates only apply to territory served for elementary (Q below). All other rates apply to entire territory.
- Rate for educational purposes (4.0% unit maximum under current law): The K-8 and 9-12 rates are each capped at 3.5%; the combined rate cannot exceed 4.0%.
- Rate for operations and maintenance purposes (.75% unit maximum under current law): The K-8 and 9-12 rates are each capped at .55%; the combined rate cannot exceed .75%.
- Rate for special education purposes (.80% unit maximum under current law): .40% maximum rate for K-8 special education purposes, and .40% maximum rate for 9-12 special education purposes.
- All other rates are subject to unit district maximums.



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

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

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

When determining General State Aid, the equalized assessed valuation (EAV) for hybrid districts will be determined by adding a K-8 EAV and a 9-12 EAV. The total for K-8 and 9-12 is 3.00%, which is the same rate for current unit districts. The K-8 rate of 2.06% and 9-12 rate of .94% were established by taking the current elementary and high school EAV rates (2.30% and 1.05%), and reducing each proportionally so that the overall rate is equal to 3.00%.

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

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

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

C. GENERAL QUESTIONS REGARDING CONSOLIDATIONS UNDER ARTICLE 11E

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

- A feasibility study may be conducted to assess options, or data may be gathered less formally by school boards or interested citizens
- A petition is filed with the appropriate regional office of education
- The regional office publishes notice of a hearing
- A hearing is held to consider the petition
- The regional superintendent makes a decision to approve or deny the petition
- The State Superintendent reviews the information from the local hearing and makes a decision to approve or deny the petition
- If approved, the regional superintendent certifies the public question for the ballot
- Citizens vote

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

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

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

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

4. What must be included on a petition?

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

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

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

Proposed district not subject to PTELL:

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

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

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

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

Proposed district subject to PTELL:

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

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

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

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

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

It is the duty of the petitioners to complete the items required in the petition. As representatives of all the petitioners, this duty usually falls to the Committee of Ten. Also, most parents/taxpayers will want to know additional information regarding the proposed new district(s) such as: curriculum, extra-curricular offering, facility usage, transportation issues, etc. Most Committees of Ten also formulate plans for the new district(s) in these areas for presentation at the local hearing and community and board

meetings. Committees of Ten often form sub-committee work groups to develop these plans as well as the information required for the petition. Usually, one or two members from the Committee of Ten serve on each sub-committee work group along with additional community members.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The regional board of school trustees does not play a role in the reorganization types included in Article 11E. It is only involved in detachments and dissolutions under Article 7. P.A. 94-1019 has no impact on its role.

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

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

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

All reorganizations under Article 11E must be approved by a majority vote in each of the affected districts. In addition, Article 11E has several protections against allowing a reorganization that will not form a viable district. Both the regional superintendent and

the State Superintendent have to approve the petition before it ever gets on the ballot. During this review, the regional superintendent and State Superintendent must consider the needs of the proposed districts and the surrounding districts, and determine whether viable districts will result from the reorganization.

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

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

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

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

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

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

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

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

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

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

- Establish a tax levy
- Enter into agreements for depositing and investing funds
- Conduct a search for a superintendent and enter an employment contract
- Conduct a search for other administrators and staff and enter employment contracts
- Engage the services of accountants, architects, attorneys, and other consultants
- Plan for the administrative transition

- Bargain collectively
- Expend funds from the levy and from the existing districts to meet payroll and other essential operating expenses
- Issue bonds under Section 17-2.11 (Fire Prevention & Safety)

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

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

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

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

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

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

When two or more districts are involved in a school district reorganization that results in the formation of one or more new districts, the new district(s) will assume the most

favorable improvement status level – at each of the state and federal levels – of the districts involved in the reorganization. For example, if District D is in the third year of improvement status, and it combines with District E which is in the fifth year of improvement status, the new District DE will assume the third year of improvement status.

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

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

D. INCENTIVES

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

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

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

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

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

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

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

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

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

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

The four School District Reorganization Incentives are:

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

E. FIRST STEPS AND FURTHER QUESTIONS

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

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

A school board should first assess its own district's situation to discover which option or options would most benefit the district's students, parents, and taxpayers. Inquiry letters could then be sent out to neighboring districts to gauge interest in reorganization. Interested districts can discuss reorganization options during board meetings, joint board meetings, community meetings, and/or small group meetings. Interested districts may also apply for Reorganization Feasibility Study funding in order to hire a consultant to report on their specific situation.

It is best for a school board exploring reorganization options to continually communicate with its public. A referendum is more likely to be successful with community buy-in. A board should keep its local regional superintendent informed of its discussions and progress.

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

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

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

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

3. Who can I contact for further information?

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

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

Appendix A
Approximate Timelines
for April 17, 2007 Election

Appendix A – Approximate Timelines for April 17, 2007 Election

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

| | |
|---|--|
| Week of October 23, 2006 | Approximate last week to file a petition under Article 11E with ROE & meet all other timelines |
| October 30 – November 5 | ROE Publishes 1 st Public Hearing Notice |
| November 6 – November 12 | ROE Publishes 2 nd Public Hearing Notice |
| November 13 – November 19 | ROE Publishes 3 rd Public Hearing Notice |
| Not more than 15 days after the last date on which the required notice is published, the ROE holds the Public Hearing | |
| Between Nov. 28 and Dec. 4 | Public Hearing |
| December 5 – December 18 | Decision by ROE – based on December 4 hearing date (14 days) |
| December 19 – December 20 | Submit Hearing Documents to ISBE |
| December 21 – January 10 | Decision by State Superintendent (21 days after receipt of ROE Decision) |
| January 11 – February 14 | Time period to contest State Superintendent decision under Administrative Review Law (35 days) |
| February 15, 2007 | Proposition Submitted to Proper Election Authority (61 days prior to election) |
| April 17, 2007 | Consolidated Election |

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

| | Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E) | Small Unit District Conversions (Article 7A) | Unit School District Formation (Article 11A) | School District Combination (Article 11B) | School District Conversion (Article 11D) | Conversion and Formation of School Districts (Article 11E) |
|---|---|--|--|---|--|---|
| Types of districts involved | Elementary, high school, or unit districts; for dissolution under 7-2a(b) and 7-11, district dissolving must have less than 5,000 residents | Unit district with less than 250 students in grades 9-12 contiguous to a high school district (7A-1) | Dual territory (elementary and high school), 2 or more entire unit districts, one or more entire unit district with dual territory | 2 or more entire elementary districts or 2 or more entire high school districts (11B-1) | 2 or more contiguous unit districts or 1 or more unit and one or more high school districts, all contiguous; none of the districts involved may have more than 600 students in grades 9-12 (11D-1) | Depends on type of reorganization involved |
| Minimum EAV requirements for involved territory | No | No | At least \$12,000,000 EAV for dual territory consolidation; may have consolidation of dual territory with less than minimum EAV if ROE & State Superintendent determine consolidation meets 5 specific factors (11A-2) | At least \$5,000,000 EAV (11B-2) | No | No |
| Minimum population requirements for | No | No | Not less than 4,000 nor more than 500,000 for dual | Not less than 1,500 nor more than 500,000 (11B-2) | No | No |

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

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

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

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

| | Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E) | Small Unit District Conversions (Article 7A) | Unit School District Formation (Article 11A) | School District Combination (Article 11B) | School District Conversion (Article 11D) | Conversion and Formation of School Districts (Article 11E) |
|--|---|---|---|--|---|---|
| | | requirements of Election Code; hears evidence as to school needs and conditions in all territory described in petition and in area adjacent; hears evidence with respect to ability of elementary district to be created and high school district after annexation to meet standards of recognition; takes into consideration any division of funds or assets; determines whether it is for the best interests of the schools of the area and the educational welfare of the pupils; decision approving or denying petition within 14 days after conclusion of hearing (7A-2) | to the school needs and conditions of the territory and adjacent area; takes into consideration the division of funds and assets which will result; determines whether it is for the best interests of the schools of the area and the educational welfare of the pupils; decision by ROE approving or denying petition must be made within 14 days after conclusion of hearing (11A-3) | standards of recognition as prescribed by ISBE; decision by ROE granting or denying petition must be made within 14 days after the conclusion of the hearing (11B-3) | to school needs and conditions of the territory and adjacent area; takes into consideration the division of funds and assets which will result; determines whether it is for the best interests of the schools of the area and the educational welfare of the pupils; decision by ROE approving or denying petition must be made within 14 days after conclusion of hearing (11D-2) | prior to hearing; (11E-40(d)) At the hearing, takes into consideration the school needs and conditions of the affected districts and in the area adjacent thereto, the division of funds and assets that will result from the action described in the petition, the best interests of the schools of the area, and the best interests and the educational welfare of the pupils residing therein; decision by ROE approving or denying petition must be made within 14 days after conclusion of the hearing (11E-50(a)) |

| | Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E) | Small Unit District Conversions (Article 7A) | Unit School District Formation (Article 11A) | School District Combination (Article 11B) | School District Conversion (Article 11D) | Conversion and Formation of School Districts (Article 11E) |
|--|---|---|--|--|--|---|
| Regional Board of School Trustees decision | For petition filed under 7-1 or 7-2: Hearing by Regional Board of School Trustees of each region affected; (7-6(i), 7-6(k), 7-6(m)) For petition filed under 7-2a(b): Petition decided solely by the Regional Board of School Trustees of the region in which the ROE has supervision over the district to be dissolved; (7-2a(b) and 7-11) | N/A | N/A | N/A | N/A | N/A |
| State Superintendent decision | For petitions filed under 7-1, if within 9 months after filing a petition it is not approved or denied by the Regional Board of School Trustees, the petitioners may submit the petition to the State Superintendent for approval or denial; the Regional Board loses all jurisdiction over the petition and all jurisdiction is transferred to the State Supt; the | Reviews entire record of proceedings had before ROE; considers whether the proposed elementary district and high school district after annexation will have sufficient size and financial resources to provide and maintain a | Reviews entire record of proceedings had before ROE; considers whether the proposed district will have sufficient size and financial resources to provide and maintain a recognized educational program; considers whether the | Reviews entire record of proceedings had before ROE; considers whether proposed district will have sufficient size and financial resources to provide and maintain a recognized educational program; considers whether the | Reviews entire record of proceedings had before ROE; considers whether proposed districts will have sufficient size and financial resources to provide and maintain a recognized educational program; considers whether proposed | Reviews the petition, the record of the hearing, and the written order of the ROE; takes into consideration the school needs and conditions of the affected districts and in the area adjacent thereto, the division of funds and assets that will result from the action |

| | Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E) | Small Unit District Conversions (Article 7A) | Unit School District Formation (Article 11A) | School District Combination (Article 11B) | School District Conversion (Article 11D) | Conversion and Formation of School Districts (Article 11E) |
|--|---|--|---|---|--|--|
| | State Supt shall not be required to repeat any proceedings conducted, but is required to give and publish any notice and hold or complete any hearings that were not given, held, or completed (7-6(1)) | recognized educational program; considers whether the dissolution of the unit school district, creation of an elementary school district therefrom and annexation of the same territory to the existing high school district is for the best interests of the schools of the area and the educational welfare of the pupils; considers whether the territory of the proposed elementary district and the territory of the high school district after annexation are each compact and contiguous for school purposes; decision made within 30 days of | proposed school district is for the best interest of the schools of the area and the educational welfare of the pupils; considers whether the territory for the proposed district is compact and contiguous for school purposes; decision made within 30 days of ROE decision (11A-3) | proposed district is for the best interests of schools of the area and the educational welfare of the pupils; considers whether the territory for the proposed district is compact and contiguous for school purposes; decision made within 30 days of ROE decision (11B-3) | districts are for the best interests of the schools of the area and the educational welfare of the pupils; considers whether the territory for the proposed school districts is compact and contiguous for school purposes; decision made within 30 days of ROE decision (11D-2) | described in the petition, the best interests of the schools of the area, and the best interests and the educational welfare of the pupils residing therein; decision approving or denying petition within 21 days after receipt of the ROE decision (11E-50(b)) |

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

| | Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E) | Small Unit District Conversions (Article 7A) | Unit School District Formation (Article 11A) | School District Combination (Article 11B) | School District Conversion (Article 11D) | Conversion and Formation of School Districts (Article 11E) |
|-------------------------------|--|---|---|--|---|--|
| | hearing or joint hearing upon petition will be held (7-6(f)) For petition filed under 7-2a(b): No specifics on contents of notice contained within Section 7-2a(b) or Section 7-11 | territory of existing high school district; 4. statement of maximum tax rates; 5. prayer of petition; 6. day on which hearing on petition shall be held (7A-2) | statement of the proposition to issue bonds and the amount and purpose; 4. day on which the hearing upon the petition will be held (11A-3) | petition will be held (11B-3) | statement of the proposition to issue bonds and the amount and purpose; 4. day on which hearing upon petition will be held (11D-2) | proposition to elect board members; 5. if requested, proposition to issue bonds; 6. day on which hearing upon petition will be held. (11E-40(b)) |
| Payment for notice of hearing | Petitioners pay expense of publishing notice; petitioners also pay expense of transcript taken at hearing or joint hearing (7-6(e)) | Petitioners pay expense of publishing notice; petitioners also pay expense of transcript taken at hearing (7A-2) | No specific mention on party responsible for payment of notice; common practice is that ROE office pays for notice under 11A | No specific mention on party responsible for payment of notice; common practice is that ROE office pays for notice under 11B | No specific mention on party responsible for payment of notice; common practice is that ROE office pays for notice under 11D | Expense of publishing notice shall be borne by the petitioners and paid on behalf of the petitioners by the Committee of Ten; the expense of the transcript taken at the local hearing shall also be borne by the petitioners and paid on behalf of the petitioners by the Committee of Ten (11E-40(a)(2) and 11E-45(d)) |
| Administrative review | Yes For petitions filed under 7-1 or 7-2 – within 35 | Yes – within 35 days of receipt of copy of State Supt | Yes – within 35 days of receipt of copy of State Supt | Yes – within 35 days of receipt of copy of State Supt | Yes – within 35 days of receipt of copy of State Supt | Yes – within 35 days of receipt of copy of State Supt |

| | Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E) | Small Unit District Conversions (Article 7A) | Unit School District Formation (Article 11A) | School District Combination (Article 11B) | School District Conversion (Article 11D) | Conversion and Formation of School Districts (Article 11E) |
|--------------------------------|--|--|---|---|---|--|
| | days of receipt of copy of Regional Board(s) or State Supt decision (7-7) For petitions filed under 7-2a(b) – within 10 days of receipt of copy of Regional Board decision (7-11) | decision (7A-3) | decision (11A-4) | decision (11B-4) | decision (11D-3) | decision (11E-50(c)) |
| Election required? | Election required for dissolution/annexation filed under 7-1 or 7-2 (7-1, 7-2, 7-2a(a), 7-6(o), 7-7.5) Detachment/Annexations to not have election requirement Dissolutions filed under 7-2a(b) do not have election requirement | Yes (7A-4) | Yes (11A-5) | Yes (11B-5) | Yes (11D-4) | Yes. (11E-55) |
| Notice of election | In accordance with general election law (7-7.5(b)) | In accordance with general election law (7A-4(b) and 7A-4(c)) | In accordance with general election law (11A-5(b) and 11A-5(c)) | In accordance with general election law (11B-5(b) and 11B-5(c)) | In accordance with general election law (11D-4(b) and 11D-4(c)) | In accordance with general election law; contents the same as in existing law. (11E-55(d)) |
| Election approval requirements | Majority of electors voting at election in each affected district (7-7.7) | Majority of electors voting at election in each affected district (7A-6) | Majority of electors voting at election in each affected district; if territory | Majority of electors voting within the territory of the proposed district | Majority of electors voting at election in each affected district (11D-6) | Majority of electors voting at election in each affected district. |

| | Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E) | Small Unit District Conversions (Article 7A) | Unit School District Formation (Article 11A) | School District Combination (Article 11B) | School District Conversion (Article 11D) | Conversion and Formation of School Districts (Article 11E) |
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| | Detachment/Annexations and Dissolutions filed under 7-2a(b) do not have election. | | will be taken from a district to be part of the new unit district and that territory is 25% or more of total land area or student enrollment of territory is greater than 8% and EAV of territory is greater than 8% of the total original district, then all residents of that district are eligible to vote on the consolidation question but not the bond question, if applicable; otherwise, consolidation question submitted only to voters of territory which comprises proposed new district (11A-7 and 11A-8) | (11B-7) | | For optional elementary unit district, only requires majority of electors voting in high school district and majority of electors voting in at least one elementary district. For elementary district electing to join an optional elementary unit district (opt-in), only requires a majority of electors voting in that elementary district (11E-65) |
| Effective date of change | Does not affect administration of the | Does not affect administration of | Does not affect administration of | Does not affect administration of | Does not affect administration of | Does not affect administration of |

| | Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E) | Small Unit District Conversions (Article 7A) | Unit School District Formation (Article 11A) | School District Combination (Article 11B) | School District Conversion (Article 11D) | Conversion and Formation of School Districts (Article 11E) |
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| | schools until July 1 following the date the petition is granted or upon which the election is held (7-9) | the schools until July 1 following the date the board of education election is held for the new district (7A-8) | the schools until July 1 following the date the board of education election is held (11A-10) | the schools until July 1 following the date the board of education election is held (11B-9) | the schools until July 1 following the date board of education election is held (11D-7) | schools until July 1 following the date school board election is held. (11E-70(a)) |
| Authority of new districts | N/A – no new district is formed in any option under Article 7 | <ol style="list-style-type: none"> 1. Establish tax levy; 2. Enter into agreements with banks and deposit funds; 3. Search and contract for superintendent; 4. Engage professionals; 5. Plan for transition; 6. Bargain collectively; 7. Expend funds to meet expenses of existing districts; 8. Expend funds in exercise of other powers; 9. Issue bonds. (7A-8) | <ol style="list-style-type: none"> 1. Establish tax levy; 2. Enter into agreements with banks and deposit funds; 3. Search and contract for superintendent; 4. Engage professionals; 5. Plan for transition; 6. Bargain collectively; 7. Expend funds to meet expenses of existing districts; 8. Expend funds in exercise of other powers; 9. Issue bonds. (11A-10) | <ol style="list-style-type: none"> 1. Establish tax levy; 2. Enter into agreements with banks and deposit funds; 3. Search and contract for superintendent; 4. Engage professionals; 5. Plan for transition; 6. Bargain collectively; 7. Expend funds to meet expenses of existing districts; 8. Expend funds in exercise of other powers; (11B-9) Note: 11B does not give the new board | <ol style="list-style-type: none"> 1. Establish tax levy; 2. Enter into agreements with banks and deposit funds; 3. Search and contract for superintendent; 4. Engage professionals; 5. Plan for transition; 6. Bargain collectively; 7. Expend funds to meet expenses of existing districts; 8. Expend funds in exercise of other powers; 9. Issue bonds. (11D-7) | <ol style="list-style-type: none"> 1. Establish tax levy; 2. Enter into agreements with banks and deposit funds; 3. Search and contract for superintendent; 4. Search and contract for other administrators and staff; 5. Engage professionals; 6. Plan for transition; 7. Bargain collectively; 8. Expend funds to meet expenses of existing districts or in exercise of other powers; |

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

| | Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E) | Small Unit District Conversions (Article 7A) | Unit School District Formation (Article 11A) | School District Combination (Article 11B) | School District Conversion (Article 11D) | Conversion and Formation of School Districts (Article 11E) |
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| | | transferred based on the request of teacher (7A-12) | | | successor elementary district (11D-10) | |
| Limitations on contesting boundary change | Within 2 years after the order annexing the territory is final or within 2 years after the date of the election if no proceedings to contest election are duly instituted or within 2 years after the final disposition of any proceedings which may be so instituted to contest such election (7-29) | Within one year after the order providing for action is final or within one year after the date of the election if no proceedings to contest election are duly instituted or within one year after the final disposition of any proceedings which may be so instituted to contest such election (7A-13) | Within one year after the order providing for action is final or within one year after the date of the election if no proceedings to contest election are duly instituted or within one year after the final disposition of any proceedings which may be so instituted to contest such election (11A-14) | Within one year after the order providing for action is final or within one year after the date of the election if no proceedings to contest election are duly instituted or within one year after the final disposition of any proceedings which may be so instituted to contest such election (11B-12) | Not specifically mentioned within Article 11D | No changes to existing law (11E-115) |
| Limitation on successive petitions | May not come back with petition within 2 years of final determination of first proceedings unless during those 2 years a petition is filed that is substantially different, a school district involved is placed on academic watch or financial watch by ISBE, or is certified as | May not come back with petition within 2 years of final determination of first proceedings unless during those 2 years a petition is filed that is substantially different, a school district involved is | May not come back with petition within 2 years of final determination of first proceedings unless during those 2 years a petition is filed that is substantially different, a school district involved is | May not come back with petition within 2 years of final determination of first proceedings unless during those 2 years a petition is filed that is substantially different, a school district involved is | May not come back with petition within 2 years of final determination of first proceedings unless during those 2 years a petition is filed that is substantially different, a school district involved is | No changes to existing law (11E-120) |

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| | being in financial difficulty, or if first proceeding involved a petition brought under 7-2b (Annexation of non-coterminous territory from an elementary or high school district) (7-8) | placed on academic watch or financial watch by ISBE, or is certified as being in financial difficulty (7A-15) | placed on academic watch or financial watch by ISBE, or is certified as being in financial difficulty (11A-17) | placed on academic watch or financial watch by ISBE, or is certified as being in financial difficulty (11B-14) | placed on academic watch or financial watch by ISBE, or is certified as being in financial difficulty (11D-12) | |
| Provisions related to nonrecognition | Provision not included within Article 7 | Provision not included within Article 7A | Any school district included in a petition under Article 11A shall not suffer the loss of State aid as a result of being placed on a nonrecognized status if the district continues to operate and the petition is granted (11A-16) | Any school district included in a petition under Article 11B shall not suffer loss of State aid as a result of being placed on nonrecognition status if the district continues to operate and the petition is granted (11B-13) | Provision not included within Article 11D | No district included in a petition for reorganization suffers loss of State aid due to nonrecognition if the district continues to operate and petition is granted (11E-125) |
| General State Aid Difference Incentive | Detachment/Annexation not eligible for GSA Incentive; in Dissolution/Annexation, annexing district(s) eligible for GSA Incentive (18-8.05(I)) | Annexing high school district eligible for GSA Incentive (18-8.05(I)) | Newly formed district eligible for GSA Incentive (18-8.05(I)) | Newly formed district eligible for GSA Incentive (18-8.05(I)) | Newly formed high school district and newly formed successor elementary district(s) eligible for GSA Incentive (11D-11(3)) | No changes to existing law for most districts eligible for GSA Difference Incentive under 18-8.05(I); adds partial elementary unit district and new |

| | Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E) | Small Unit District Conversions (Article 7A) | Unit School District Formation (Article 11A) | School District Combination (Article 11B) | School District Conversion (Article 11D) | Conversion and Formation of School Districts (Article 11E) |
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| | | | | | | elementary district(s) formed from high school-unit conversion (originally 7A Conversion) to list of districts eligible for GSA Difference Incentive; unit to dual conversion (originally 11D Conversion) eligible for 4 years of incentive instead of 3 years (11E-135(a)) |
| Salary Difference Incentive | Detachment/Annexation not eligible for Salary Difference Incentive; in Dissolution/Annexation, annexing district(s) eligible for Salary Difference Incentive (18-8.2) | Annexing high school district eligible for Salary Difference Incentive (18-8.2) | Newly formed district eligible for Salary Difference Incentive (18-8.2) | Newly formed district eligible for Salary Difference Incentive (18-8.2) | Newly formed high school district eligible for Salary Difference Incentive (11D-11(4)) | No changes to existing law for most districts eligible for Salary Difference Incentive under 18-8.2; adds partial elementary unit district to list of districts eligible for GSA Difference Incentive; unit to dual conversion (originally 11D |

| | Detachment/Annexation and Dissolution/Annexation (Article 7) (Not incorporated into Article 11E) | Small Unit District Conversions (Article 7A) | Unit School District Formation (Article 11A) | School District Combination (Article 11B) | School District Conversion (Article 11D) | Conversion and Formation of School Districts (Article 11E) |
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| | | | | | | Conversion) eligible for 4 years of incentive instead of 3 years (11E-135(b)) |
| Deficit Fund Balance Incentive | Detachment/Annexation not eligible for Deficit FB Incentive; in Dissolution/Annexation, annexing district(s) eligible for Deficit FB Incentive (18-8.3) | Annexing high school district eligible for Deficit FB Incentive (18-8.3) | Newly formed district eligible for Deficit FB Incentive (18-8.3) | Newly formed district eligible for Deficit FB Incentive (18-8.3) | Newly formed high school district and newly formed successor elementary district(s) eligible for Deficit FB Incentive; petition must include the manner in which Deficit FB Incentive allocated among new districts (11D-11(1) and 11D-2) | No changes to existing law for most districts eligible for Deficit FB Incentive under 18-8.3; adds partial elementary unit district to list of districts eligible for Deficit FB Incentive (11E-135(c)) |
| Full-time certified staff incentive | Detachment/Annexation not eligible for \$4,000/Certified Staff Incentive; in Dissolution/Annexation, annexing district(s) eligible for \$4,000/Certified Staff Incentive if receive at least 30% of the dissolved district | Annexing high school district and newly formed elementary district eligible for \$4,000/Certified Staff Incentive (18-8.5) | Newly formed district eligible for \$4,000/Certified Staff Incentive (18-8.5) | Newly formed district eligible for \$4,000/Certified Staff Incentive (18-8.5) | Newly formed high school district and newly formed successor elementary district(s) eligible for \$4,000/Certified Staff Incentive (11D-11(2)) | No changes to existing law for districts eligible for \$4,000/Certified Staff Incentive under 18-8.5; adds partial elementary unit district to list of districts eligible for \$4,000/Certified |

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

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

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| | | | | | | <p>purposes only and by a majority of voters in the area served by the partial elementary unit district for both K-8 and 9-12 purposes, and tax increases for K-8 purposes must be approved by a majority of voters in the area served by the partial elementary unit district for both K-8 and 9-12 purposes. (11E-90 and 11E-95)</p> |