

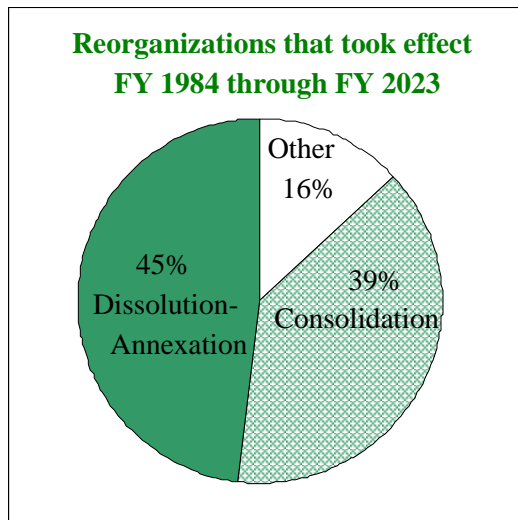
SCHOOL DISTRICT REORGANIZATION

School district reorganization is the umbrella term that includes consolidation, school district conversion, partial elementary unit formation, annexation, deactivation, and cooperative high school formation. 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 school size can make a difference in both achievement and in the number of course offerings available to high school students.

Each reorganization situation is unique.

The number of individual school districts decreased from 1,008 to 852 from fiscal year 1984 to 2023, a reduction of 15.5 percent.



TYPES OF REORGANIZATIONS

Consolidation is the merger of two or more existing districts to create a new district. Consolidation includes two or more elementary districts, two or more high school districts, or two or more unit districts combining to form a larger, like-type district. Consolidation also includes dual district territory or dual district territory plus one or more unit districts combining to form a new unit 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. School district conversion includes forming dual districts from two or more existing unit districts or from one or more existing high school districts and one or more existing unit districts.

Partial elementary unit formation is the formation of a “hybrid” unit district that includes all territory for high school purposes but only a portion of the territory for elementary purposes. Partial elementary unit formation includes the formation of a “hybrid” unit district from one or more high school districts and one or more unit districts, from a high school district and elementary feeder districts, or from unit districts.

Consolidation, school district conversion, and partial elementary unit formation are governed by Article 11E of the School Code and require:

- ⇒ 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 (detachment) or all (dissolution) of one school district into another school district. Annexation

is governed by Article 7 of the School Code 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).

Deactivation is the closing 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. Deactivation is governed by Article 10, Section 22.22b of the School Code and requires:

- ⇒ Board resolution to deactivate.
- ⇒ Successful referendum in deactivating district.
- ⇒ Tuition agreement between the sending and receiving districts.

Cooperative high school formation is the establishment of a high school jointly operated by two or more unit or high school districts, each with an enrollment of fewer than 600 students in Grades 9 through 12, while retaining the individual districts. Cooperative high school formation is governed by Article 10, Section 22.22c of the School Code and requires:

- ⇒ Board resolution by all boards.
- ⇒ Successful referendum in all districts.
- ⇒ Cooperative agreement and governing board.

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 most detachment-annexation, all other types of

reorganization may qualify for some or all of these incentives.

EVIDENCE-BASED FUNDING DIFFERENCE

This incentive is paid if the Evidence-Based Funding (EBF) for the newly reorganized district(s) for the first year of existence is less than the EBF would have been that same year on the basis of the previously existing districts.

SALARY DIFFERENCE

This incentive, which is based on 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 for the last year of existence of the districts forming the newly reorganized district.

DEFICIT FUND BALANCE

This incentive 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, with a positive combined fund balance being considered a deficit of \$0. For districts with a deficit, an additional calculation compares current year expenditures to prior three-year average expenditures, with the incentive being reduced by the excess if the current year expenditures are greater than the prior three-year average.

\$4,000 per CERTIFIED STAFF

This incentive pays \$4,000 multiplied by the headcount of the full-time, certified staff members employed by each reorganized district.

**Reorganization Incentives
FY 1986 – FY 2023
(\$ in millions)**

GSA/EBF Difference.....	\$13.6
Salary Difference.....	\$33.5
Deficit Fund Balance.....	\$29.6
\$4,000 per Certified.....	\$102.3
Total Paid.....	\$179.0

**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 during 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, school district conversion, or partial elementary unit formation, 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. Petitioners must pay the expense of publishing the notice and the expense of the transcript of any public hearing. School boards may pay the costs associated with the preparation of the petition and with the dispersing of information about the reorganization, but 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, school district conversion, or partial elementary unit formation, 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 may 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 part of the School Code that details the specific reorganization option or in the Illinois State Board of Education brochure on the option.

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

A. Reorganization questions can be placed on the ballot at a regular scheduled election. In accordance with Article 2A of the Election Code, 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 question for reorganization -- to be put on the ballot, some precincts within the school district

would need 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. Generally, yes. In the deactivation of a school facility, the voters of the deactivating district must approve the question by a simple majority, but the voters of the receiving district do not vote on the deactivation. In all other reorganization options, voters of each affected school district must approve the referendum question by a majority of those voting.

Q. What is a Committee of Ten?

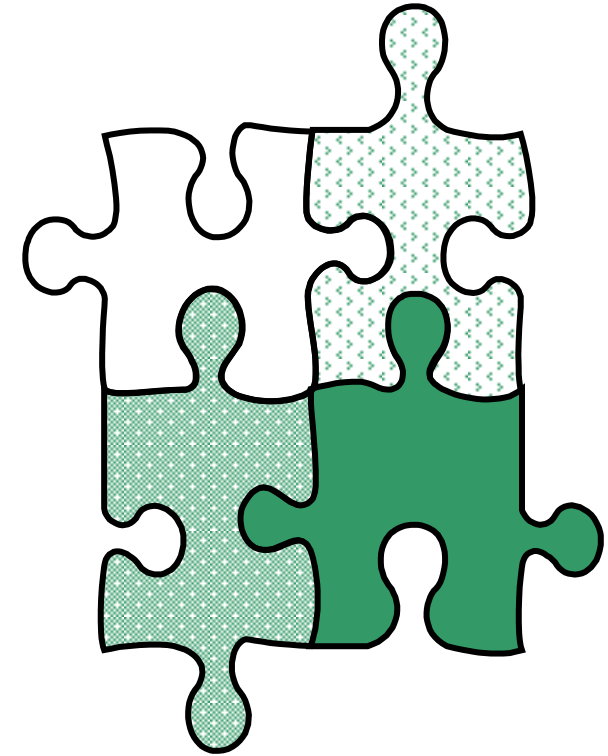
A. The Committee of Ten is a committee of 10 individuals designated in the petition to act on behalf of all the petitioners. These individuals may be school board members, people who work in the school system, or any other resident voter of the affected districts, as long as the individual qualifies as a petitioner and signs the petition.

Brochures are available detailing each of the previously mentioned reorganization options. These brochures are not to be used in place of the School Code but as an informational tool. For specific information regarding these reorganization options, please refer to the School Code area governing each option.

For additional information and assistance, please contact the School Business Services Department of the Illinois State Board of Education at 217-785-8779. Information is also available on the [ISBE School District Reorganization webpage](#).

Produced by the Illinois State Board of Education
School Business Services Department
May 2023

**School District
Reorganization
At a Glance**



Illinois State Board of Education

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Chair of the Board

Dr. Tony Sanders
State Superintendent of Education