

SB 2795 / Public Act 94-1019:

**Improving
and Streamlining
School District
Reorganization**

August 11, 2006

Overview

- **Adds greater flexibility and efficiency to the reorganization process**
- **Only includes options that ensure any reorganization will be approved by the voters**
- **Ensures no reorganization will raise taxes without approval by voters in affected districts**
- **Consolidates Articles 7A, 11A, 11B and 11D into new Article 11E**

Why?

- There are approximately 875 school districts in Illinois, 200 of which are single-school districts.
- There is one district for every 2,334 students, giving Illinois the second lowest ratio of the 14 states with school populations over 1 million—NJ: 1 dist./2,287 students; FLA: 1 dist./37,709 students; NC: 1 dist./11,418 students.

Why?

- **Lowering administrative costs**
- **Having the right administrators**
- **Offering a comprehensive program**
- **Curricular alignment**
- **NCLB restructuring and corrective action**

Reorganizations Under Original Law

- **Deactivation (Sec. 10-22.22b)**
- **Cooperative High School (Sec. 10-22.22c)**
- **Dissolution or Detachment (Article 7)**
- **Small unit district conversion (Article 7A):** Dissolve a small unit district; create an elementary district; high school students go to a contiguous high school district.
- **School district conversion (Article 11D):** Two or more unit districts combine; form a new high school district and elementary districts based on the old boundaries.

Reorganizations Under Original Law

- **Unit District formation (Article 11A):**
Formation of K-12 district from elementary and high school (dual) territory, from a unit and territory not within a unit, or from two or more unit districts
- **School District Combination (Article 11B):**
Two or more elementary districts form a new elementary district or two or more high school districts form a new high school district.

[Articles 7A, 11D, 11A and 11B
included within New Article 11E.]

Reorganizations Under Current Law

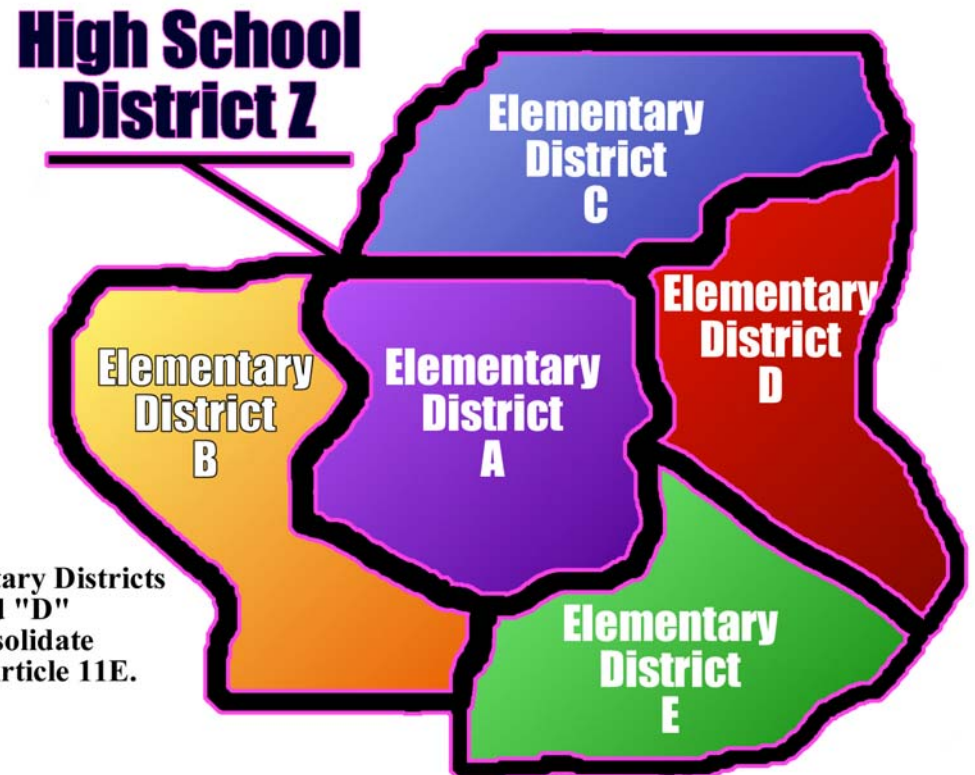
- **Deactivation (Sec. 10-22.22b)**
- **Cooperative High School (Sec. 10-22.22c)**
- **Dissolution or Detachment (Article 7)**
- **High School-Unit Conversion (Section 11E-15(a))**
- **Unit to Dual Conversion (Section 11E-15(b))**
- **Combined School District Formation (Section 11E-20)**
- **Unit District Formation (Section 11E-25)**

Reorganizations Under Current Law

- **Combined HS-Unit District Formation (Section 11E-30(a))**
- **Multi-Unit Conversion (Section 11E-30(b))**
- **Optional Elementary Unit District Formation (Section 11E-30(c))**
- **Elementary Opt-In to Optional Elementary Unit District (Section 11E-30(d))**

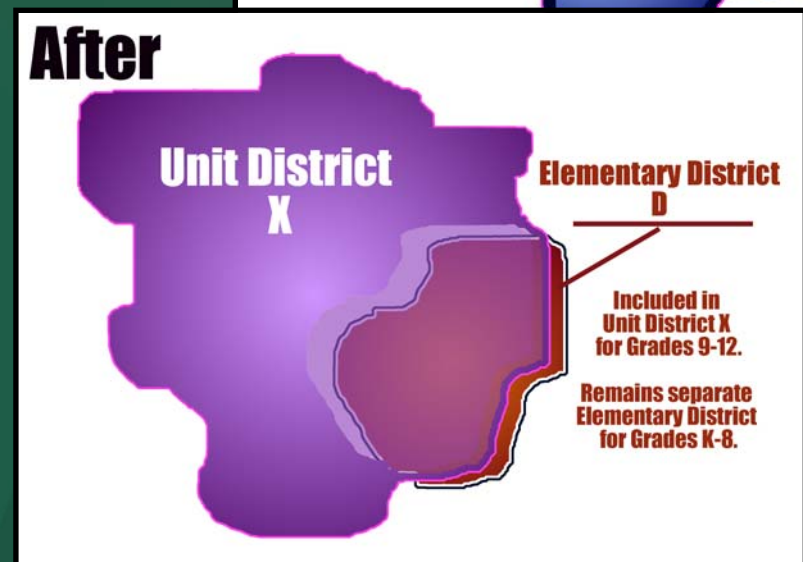
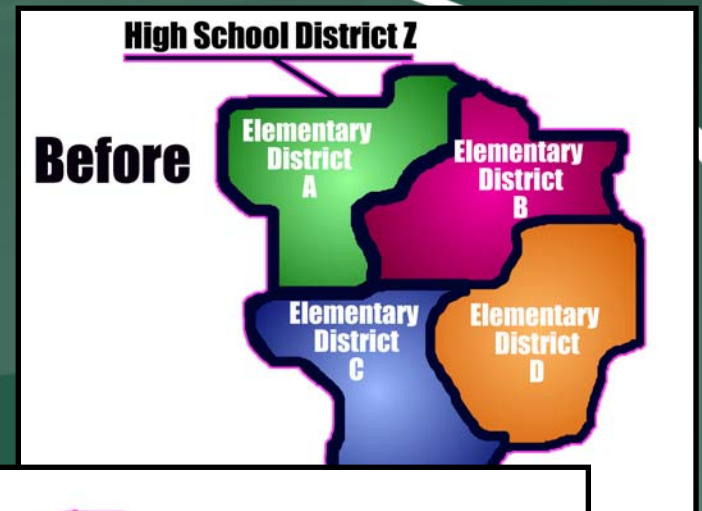
Article 11E – More Opportunities for Voluntary Reorganizations

- Eliminates minimum EAV and population requirements for formation of unit districts and school district combinations. Eliminates size limits for school district conversions.
- Authorizes elementary districts within the same high school district to consolidate, even if not contiguous.



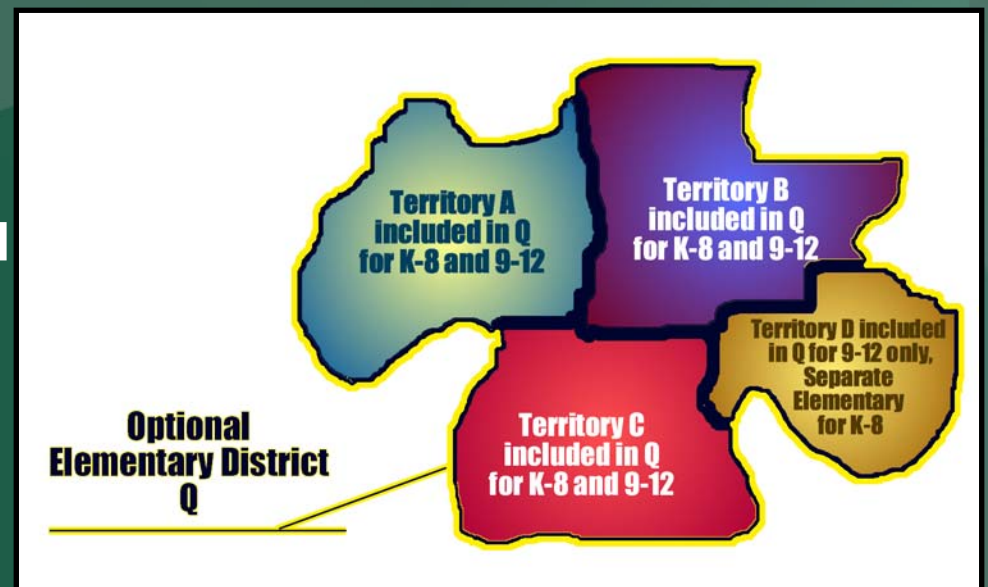
Optional Elementary Unit District (Sections 11E-30(c) and (d))

- Unit district formed from high school district and any elementary district(s) approving consolidation-- Elementary districts A, B and C can form a unit with high school district Z, even if D does not join.
- 5-year opt-in provision allows non-merging elementary district to join solely on the vote of that elementary district. Voters in Elementary District D can later join the new district through a simple process.
- Elementary District D solely responsible for operational debt incurred during opt-in period.



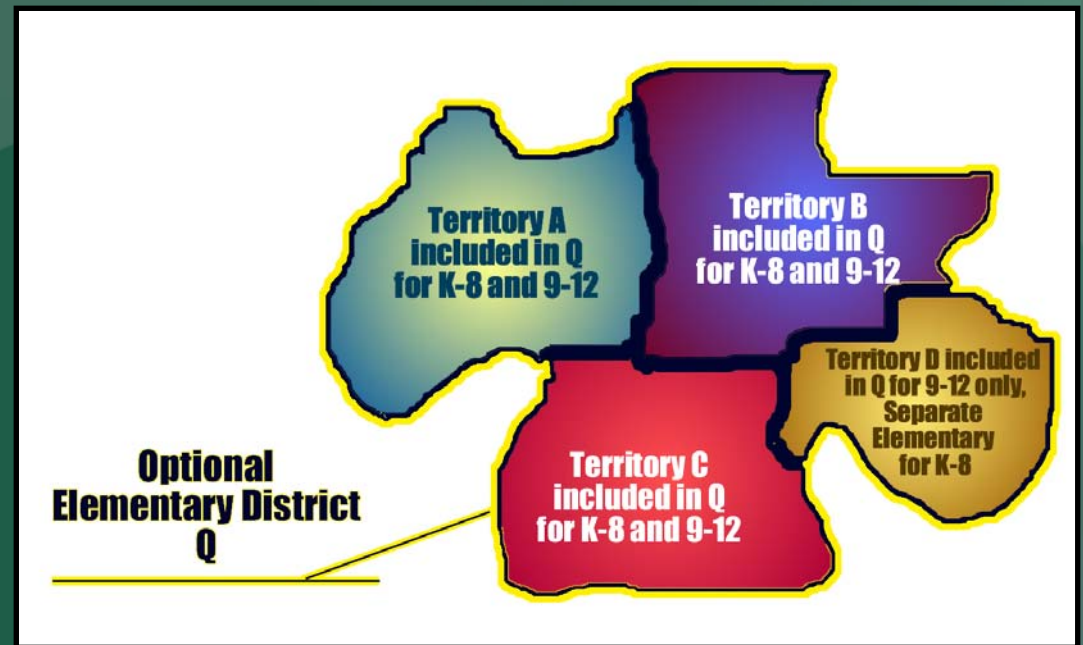
Tax Rates for Optional Elementary Unit Districts

- Separate rates for K-8 and 9-12 educational purposes, operations and maintenance purposes and special education purposes. 9-12 rates apply to entire territory (A, B, C and D); K-8 rates only apply to territories where elementary districts elected to join (A, B and C below). All other rates apply to entire territory.
- Rate for educational purposes (4.0% unit maximum under current law): K-8 and 9-12 rate both capped at 3.5%, combined cannot exceed 4.0%.
- Rate for operations and maintenance purposes (0.75% unit maximum under current law): K-8 and 9-12 rate both capped at 0.55%, combined cannot exceed 0.75%.



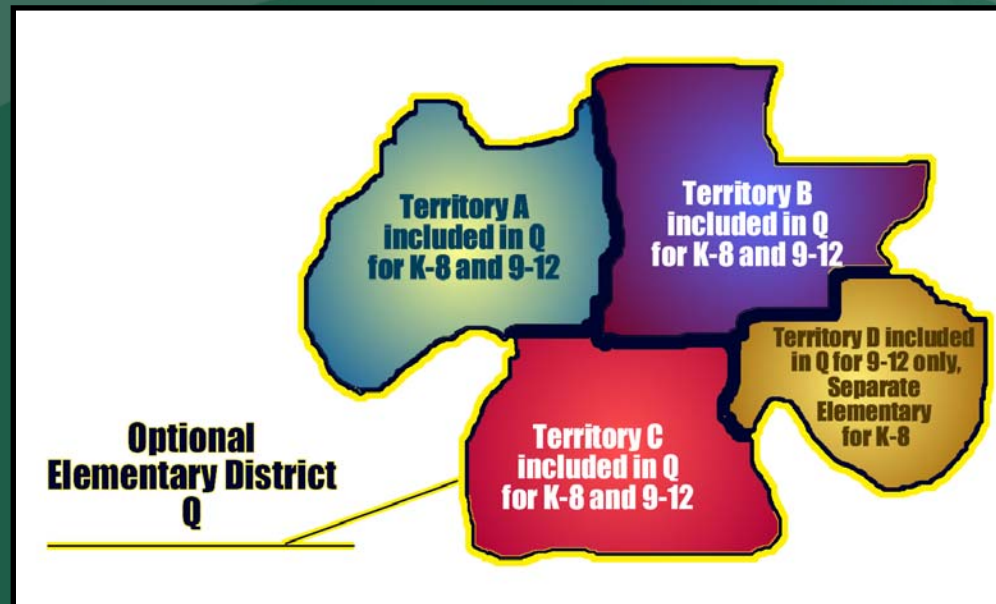
Tax Rates for Optional Elementary Unit Districts *(continued)*

- Rate for special education purposes (0.80% unit maximum under current law): 0.40% maximum for K-8 special education purposes, and 0.40% maximum for 9-12 special education purposes.
- All other rates applicable to entire territory and subject to unit district maximums.
- After formation, tax increases for 9-12 rates must be approved by majority of voters both in K-8 and 9-12 territory (A, B and C), and 9-12 territory only (D). After formation, tax increases for K-8 rates must be approved by majority of voters in K-8 and 9-12 territory only (A, B and C).



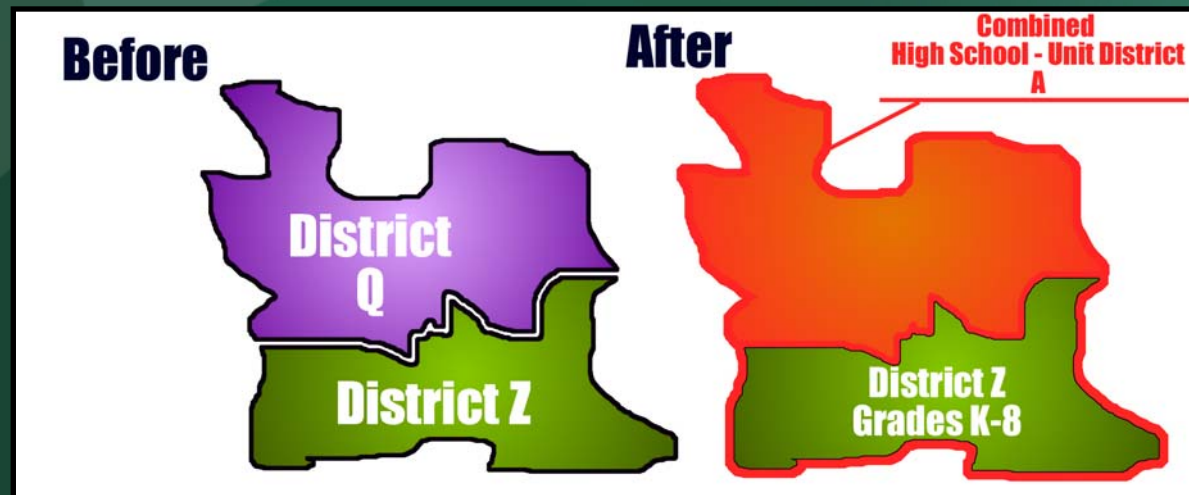
Tax Rates for Optional Elementary Unit Districts *(continued)*

- Bonds issued for either K-8 or 9-12 purposes. Establishes overall debt limitation for new and pre-existing debt, and separate debt limits for new debt for 9-12 purposes and new debt for K-8 purposes. Bonds for 9-12 purposes must be approved by majority of voters in entire territory. Bonds for K-8 purposes can only be issued after formation, and must be approved by majority of voters only in K-8 and 9-12 territory (A, B and C).



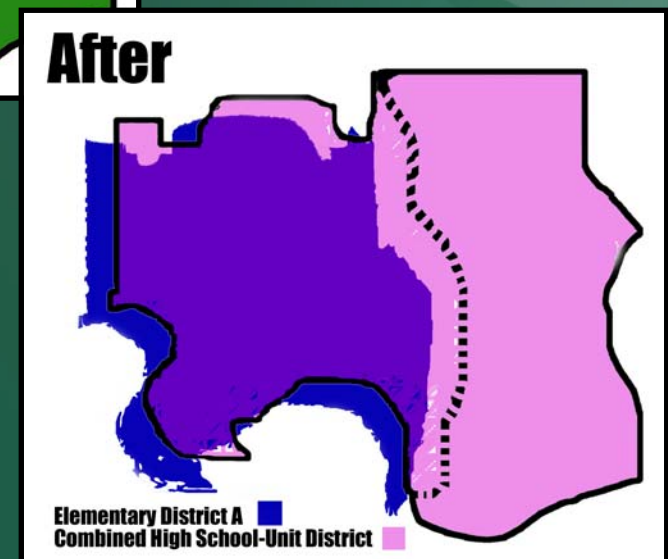
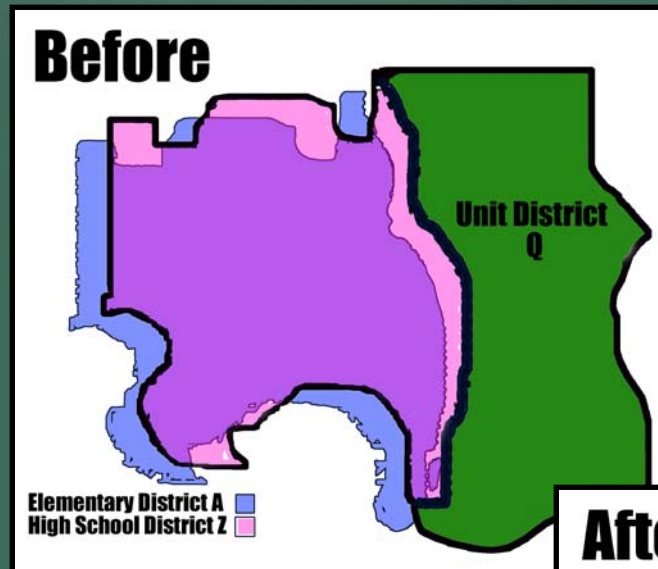
Combined High School – Unit District

- Allows a high school district to combine with a unit district so long as both districts approve and are physically contiguous. Districts Q and Z can form a unit district that serves entire territory for 9-12 purposes, and residents of Z for K-8 purposes.
- Separate rates for K-8 and 9-12 educational purposes, operations and maintenance purposes, and special education purposes. 9-12 rates apply to entire territory (Q and Z below); K-8 rates only apply to territory served for elementary (Q below). All other rates apply to entire territory.



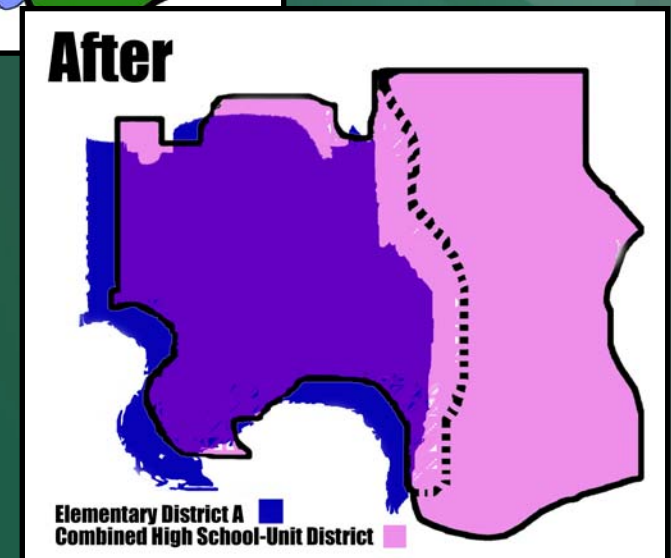
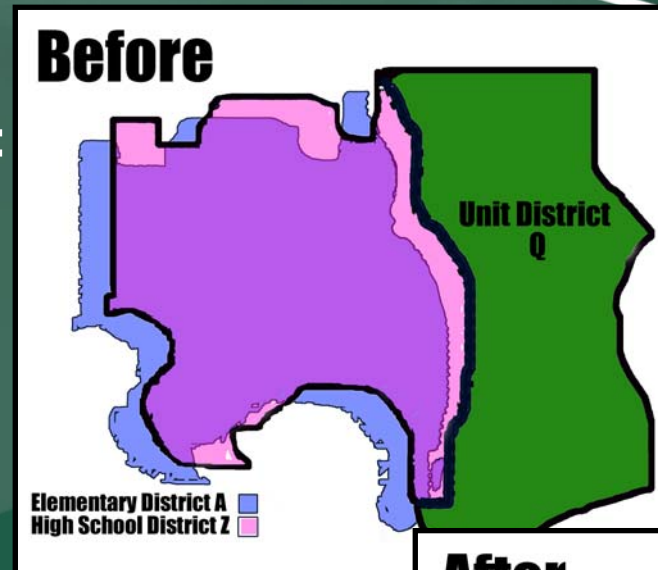
Combined High School – Unit District

- Rate for educational purposes (4.0% unit maximum under current law): K-8 and 9-12 rate both capped at 3.5%, combined cannot exceed 4.0%.
- Rate for operations and maintenance purposes (0.75% unit maximum under current law). K-8 and 9-12 rate both capped at 0.55%, combined cannot exceed 0.75%.



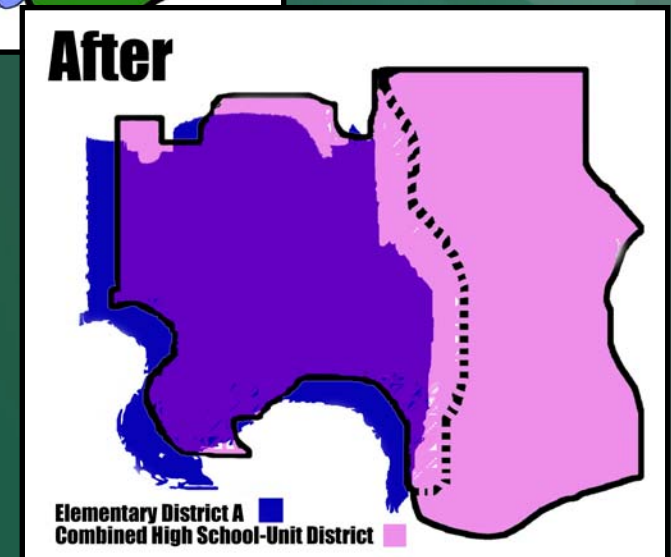
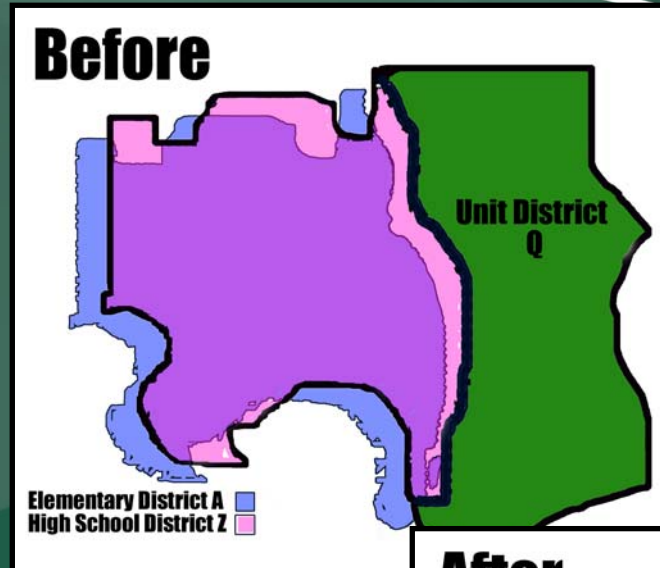
Combined High School – Unit District

- Rate for special education purposes (0.80% unit maximum under current law): 0.40% maximum for K-8 special education purposes, and 0.40% for 9-12 special education purposes.
- All other rates applicable to entire territory, and subject to unit district maximums.
- After formation, tax increases for 9-12 rates must be approved by majority of voters both in K-8 and 9-12 territory (Q below), and 9-12 territory only (Z below).



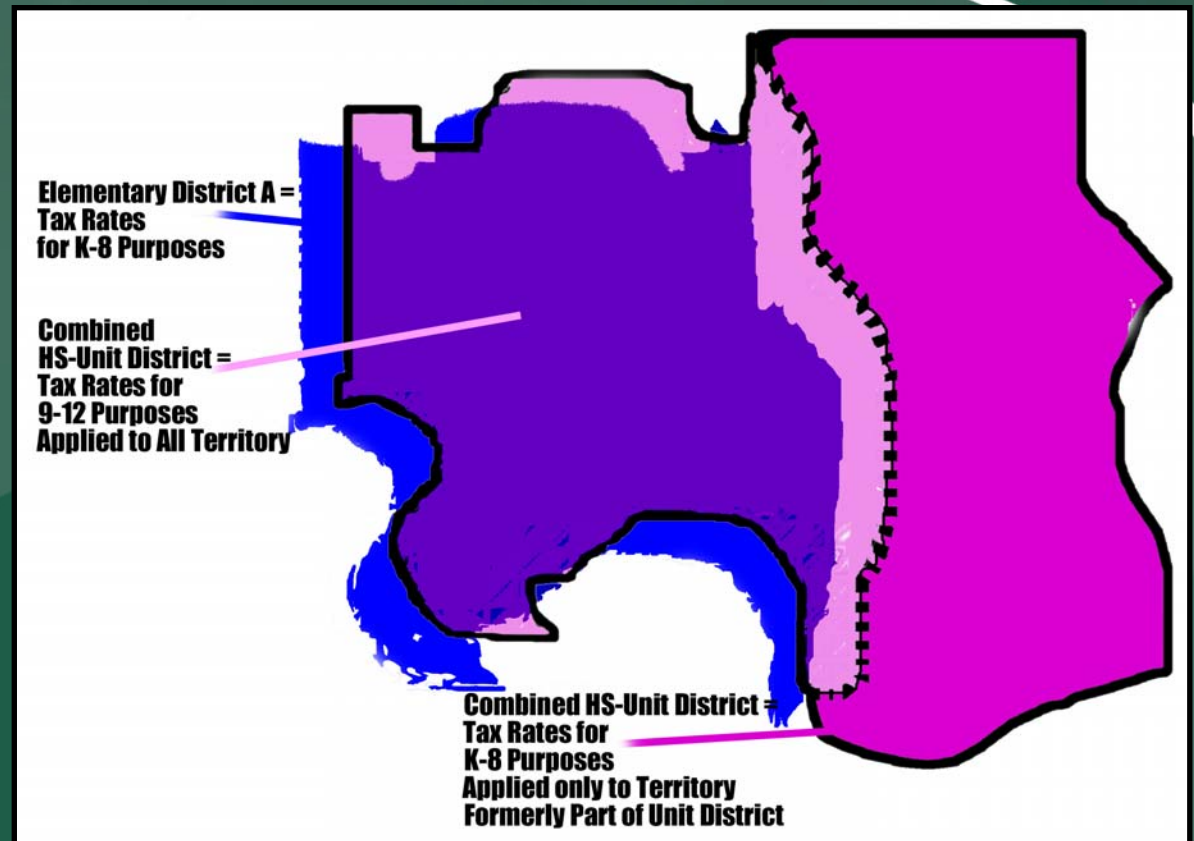
Combined High School – Unit District

- Bonds issued for either K-8 or 9-12 purposes. Establishes overall debt limitation for new and pre-existing debt, and separate debt limits for new debt for 9-12 purposes and new debt for K-8 purposes. Bonds for 9-12 purposes must be approved by majority of voters in entire territory. Bonds for K-8 purposes must be approved by majority of voters only in K-8 and 9-12 territory (Q below).



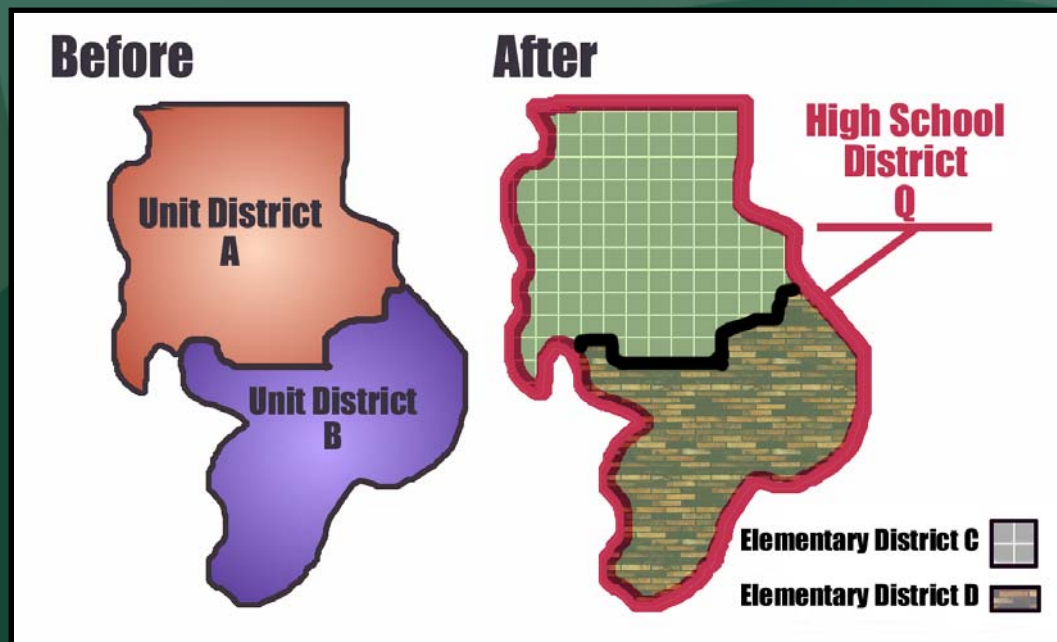
School District Conversions Under Article 11E

- High school-unit conversion (11E-15(a)): Similar to conversion under Article 7A of the School Code. Unit district dissolves, creates new elementary district, existing high school district expands to accept students from dissolved unit. No longer limited to unit districts with less than 250 students in high school.



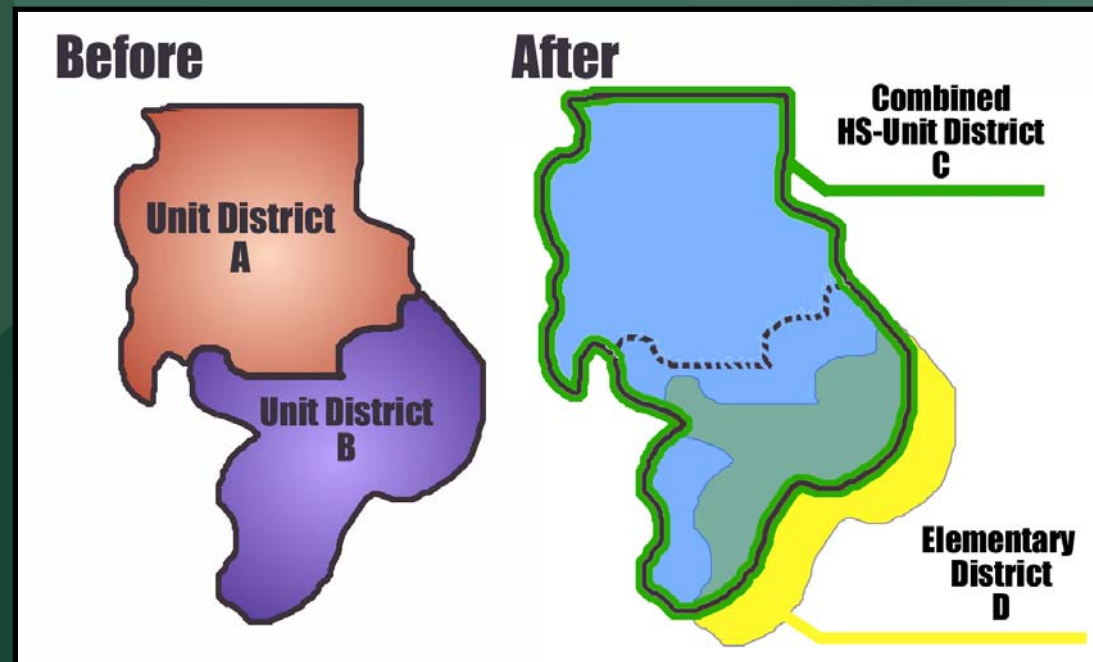
School District Conversions Under Article 11E

- Unit to dual conversion (11E-15(b)): Similar to conversion under Article 11D of the School Code. Two or more unit districts dissolve to form a new high school district and new elementary districts based on the boundaries of the dissolved unit districts. No longer requires size waiver for unit districts with more than 600 students in high school.



School District Conversions Under Article 11E

- Multi-unit conversion (11E-30(b)): Two or more unit districts dissolve to form a new combined high school-unit district and new elementary district(s) based on the boundaries of the dissolved unit district(s) electing to join the combined high school-unit district for high school purposes only.



Consolidates Duplicative Articles of the School Code

- **Adopts approach of the 2003 report of the Governor's Commission on Revising the School Code and consolidates Articles 7A, 11A, 11B and 11D.**
- **Does not eliminate or alter in any way existing reorganization options not included in Article 11E (cooperative high school, deactivation, dissolution or detachment).**
- **Does not eliminate or make major changes to existing reorganization options included within Article 11E.**

Standardizes Requirements for Reorganizations

- Standardizes requirements for resident signatures or board approval of petitions for all types of reorganizations.
- Hearing requirements and review and approval by ROE and State Superintendent are the same for all types of reorganizations. Specifies hearing agenda to ensure community is adequately informed.

Standardizes Requirements for Reorganizations

- Standardizes requirements for specification of tax rates for petitions, notices and ballots.
 - For non-PTELL districts, must specify (i) maximum rate for educational, operations and maintenance and pupil transportation purposes; and (ii) other rates above the statutory permissive rate.
 - For PTELL districts, must specify all purposes and rates. Authorized to establish aggregate extension base and debt service extension base without a separate referendum.

Standardizes Requirements for Reorganizations

- **Voting requirements are consistent for all types of reorganizations.**
- **Maintains existing financial incentives and applies them to new types of reorganizations. Makes financial incentives for conversions consistent with other types of reorganizations.**