



Classrooms First Commission Multi-District Realignment in Illinois



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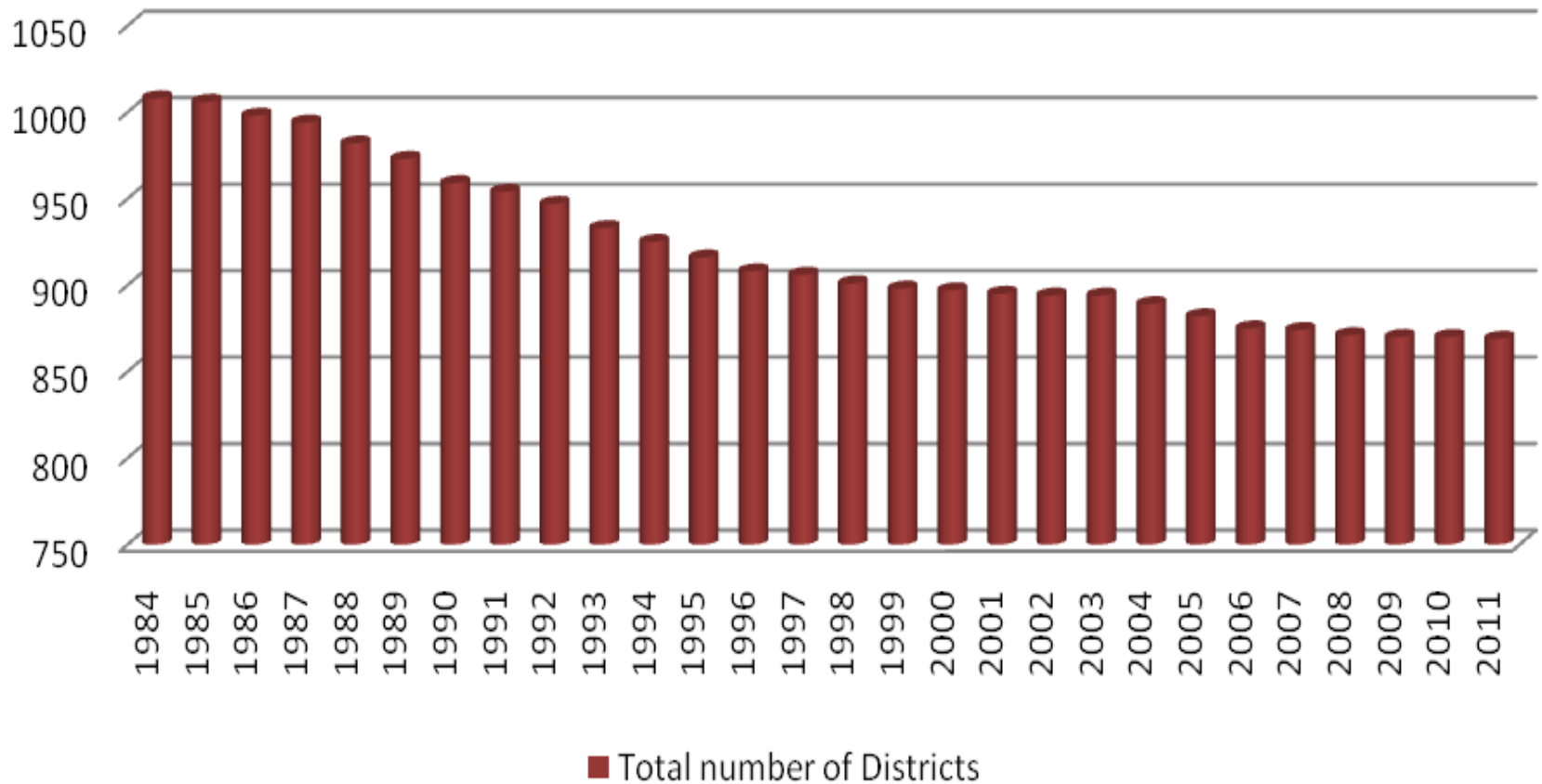
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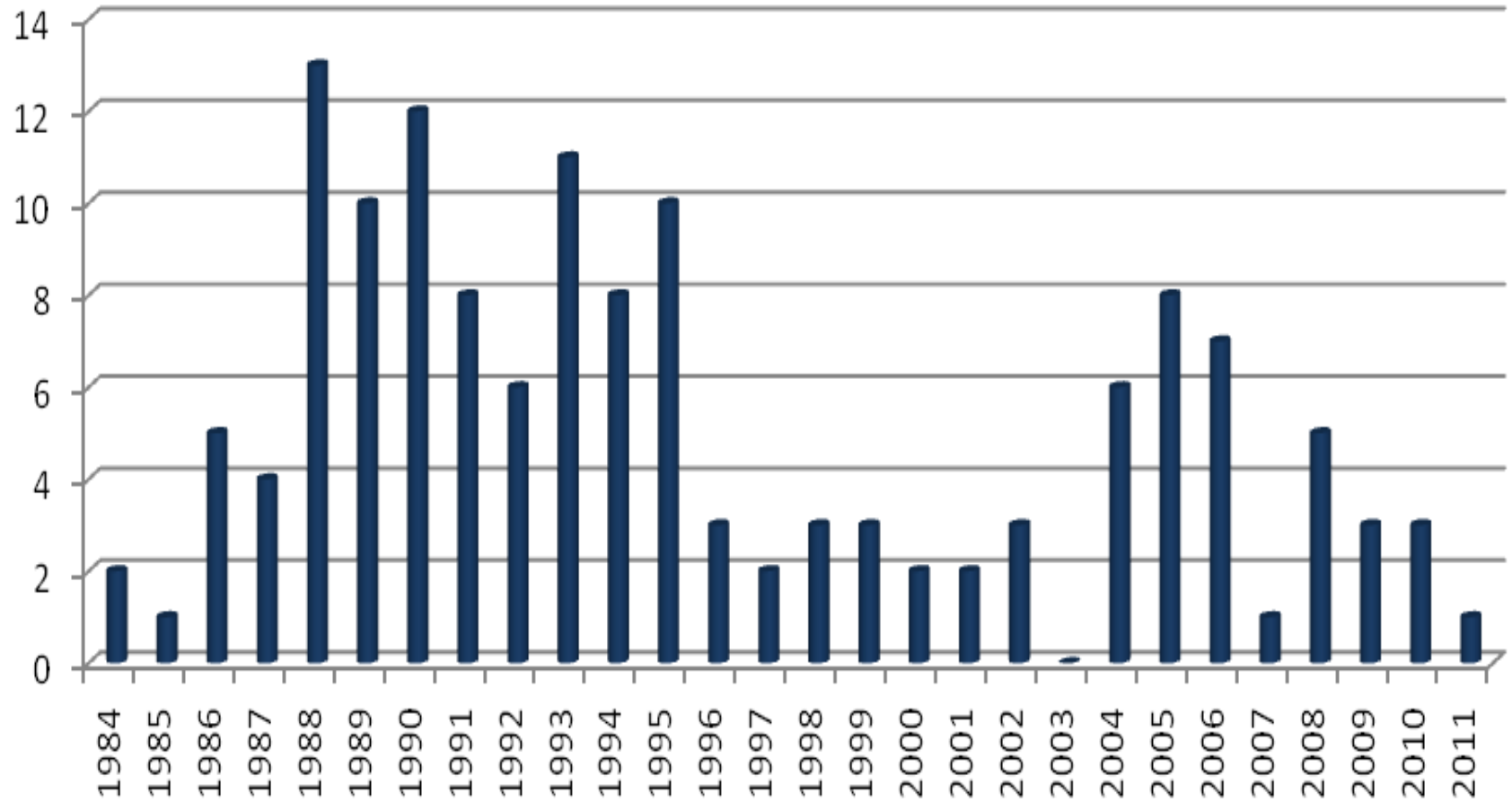
- **History**
- **District Reorganization Process**
- **Dual District Analysis**
- **Active District Reorganizations**
- **Conclusions**



Total number of Districts



Total Number of Reorganizations





School District Reorganization Options

- **New District Formation**
 - Consolidation
 - Conversion
 - Hybrid Formation (Combination of Unit District and Dual District Territory)

- **Annexation**

- **Deactivation**

- **Cooperative High School**

New District Formation Steps



- ❑ **Feasibility Study Completed (optional)**
- ❑ **Committee of Ten**
- ❑ **Petition filed - Regional Superintendent**
 - **School boards or registered voters**
- ❑ **Local Hearing / Regional Superintendent Decision**
- ❑ **ISBE Review / State Superintendent Decision**
- ❑ **Administrative Review Process**
- ❑ **Referendum**
 - **Approved by majority of those voting in each district**

Annexation (Referendum) Steps



- **Feasibility Study Completed (optional)**
- **Committee of Ten**
 - Only if more than 10 signatures on petition
- **Petition filed - Regional Board of School Trustees**
 - School boards or registered voters
 - 7 elected members – Regional Superintendent serves as Secretary
 - One Regional Board for each Region in State, except for Cook County
- **Local Hearing / Regional Board of School Trustees Decision**
- **Administrative Review Process**
- **Referendum**
 - Approved by majority of those voting in each district

Annexation (under 5,000) Steps



- ❑ **Option available to school districts with less than 5,000 population (336 districts)**
- ❑ **Feasibility Study Completed (optional)**
- ❑ **Committee of Ten**
 - Only if more than 10 signatures on petition
- ❑ **Petition filed with Regional Board of School Trustees**
 - Board resolution or registered voters
 - If board resolution, process may be stopped by opposition petition
- ❑ **Local Hearing / Regional Board of School Trustees Decision**
 - Regional Board will make decision on where territory annexed
- ❑ **Administrative Review Process**
- ❑ **No Referendum Vote**



Deactivation and Cooperative HS Steps

- **Feasibility Study Completed (optional)**
- **Board Resolution**
 - **By deactivating district in Deactivation**
 - **By each district wanting to join Cooperative High School**
- **Referendum Vote**
 - **Majority of those voting in deactivating district**
 - **Majority of those voting in each district in Cooperative High School**
- **Approval of School Board in Receiving District for Deactivation**

Case Study: Timelines and Process of Consolidation



Consolidation of Girard CUSD 3 and Virden CUSD 4 into a newly formed unit district: North Mac CUSD 34

October 9, 2008	Original petition filed with Regional Superintendent for Calhoun/Greene/Jersey/Macoupin Counties
October 20, 2008	Original petition withdrawn; new petition filed
Oct. 22, Oct. 29. and Nov. 5, 2008	Notification of Public Hearing (required once each week for three successive weeks)
November 20, 2008	Amended Petition filed
November 20, 2008	Public Hearing on Consolidation Petition (required not more than 15 days after the last notification date)
December 2, 2008	Regional Superintendent approval of petition (required within 14 days of conclusion of hearing)
December 5, 2008	ISBE receipt of petition and Regional Superintendent decision
December 23, 2008	State Superintendent approval of petition
January 28, 2009	Review of State Superintendent decision in accordance with the Administrative Review Law not sought by deadline (required within 35 days of receipt of a copy of the decision)
April 7, 2009	Election passed by a majority of those voting in both Girard CUSD 3 and Virden CUSD 4
February 2, 2010	Election of school board for new district
July 1, 2010	New district North Mac CUSD 34 became effective

Types of Reorganization Incentives

□ **Deficit Fund Balance**

- Compares the reorganizing districts' fund balances for the four operational funds. If there are deficit fund balances, this incentive will pay the difference between the lowest deficit and the other deficits. Paid 1 year.

□ **General State Aid Differential**

- Compares the General State Aid payment received by newly formed district to the total amount of General State Aid the districts would have received filing separately. Paid each year for 4 years.

□ **Salary Differential**

- Compares teachers' salaries in their previous district with a comparable category on the highest salary schedule of all districts forming the new district. Paid each year for 4 years.

□ **\$4,000 per Certified Staff**

- Provides \$4,000 based on the new district's headcount of full-time certified staff. Paid 1, 2, or 3 years, based on new district's Average Daily Attendance (ADA) and Equalized Assessed Value (EAV) per Pupil.



Reorganization Incentives



Types of Reorganization Incentives	Fiscal Year 2012 Payments to 7 Districts (\$000s)	Projected Fiscal Year 2013 Payments to 10 Districts (\$000s)	Total Incentives Paid from Fiscal Year 1986 through 2012 (\$000s)
\$4,000 per Certified Staff	\$1,068.0	\$1,640.0	\$90,454.0
Deficit Fund Balance	\$0	\$0	\$29,433.9
Salary Differential	\$452.2	\$1,329.3	\$26,735.7
General State Aid Differential	\$72.8	\$193.2	\$10,637.6
Total	\$1,593.0	\$3,162.5	\$157,261.2

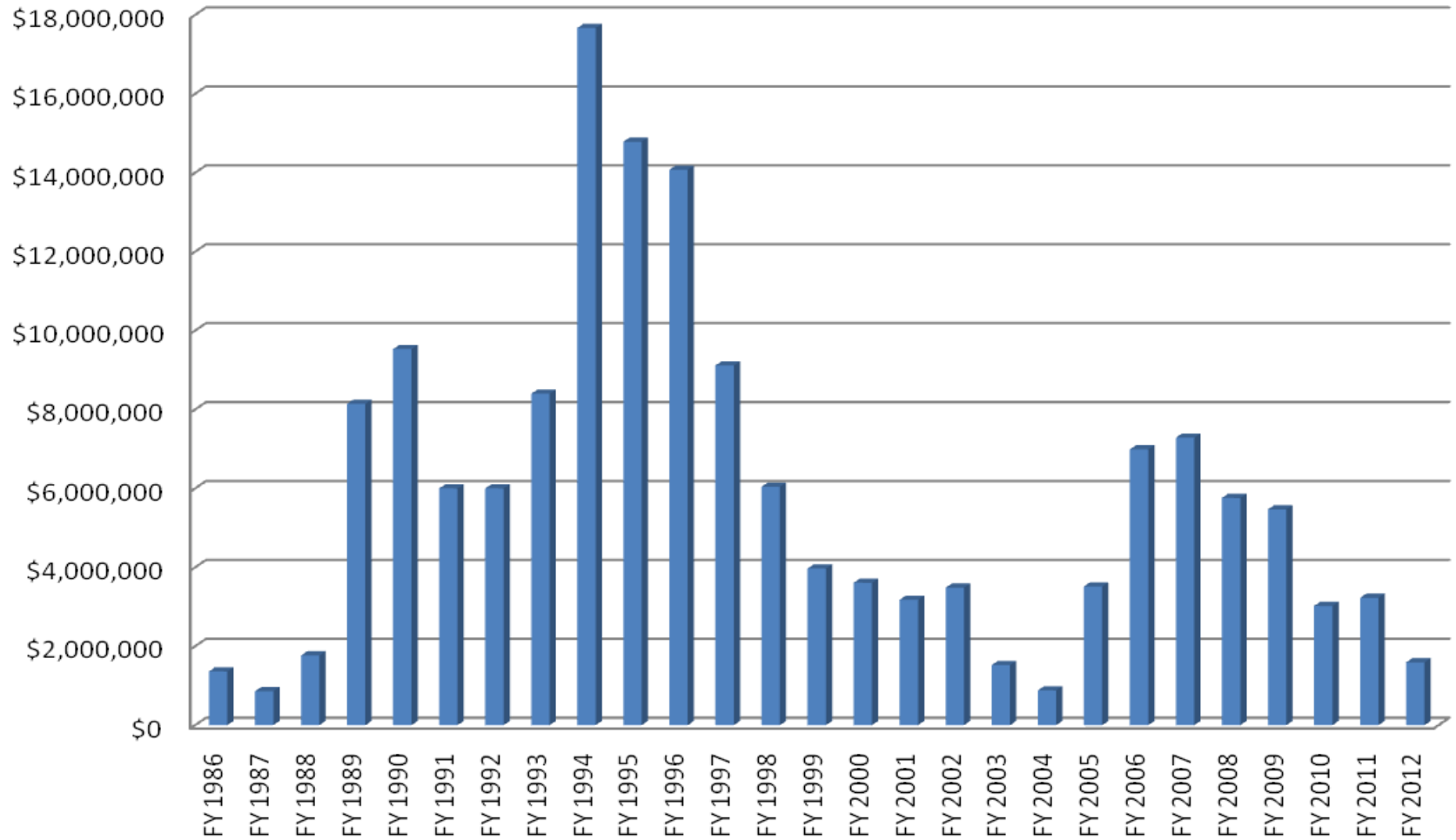
Reorganization Incentive Projection

5-Year projection of Reorganization Incentive Payments if all active reorganization efforts successful – includes successful reorganizations as well as reorganization efforts actively completing a petition

Fiscal Year	Projected Incentives	Projected Number of Districts
FY 2013	\$3,200,000	10
FY 2014	\$5,600,000	9
FY 2015	\$5,550,000	8
FY 2016	\$4,830,000	6
FY 2017	\$2,550,000	2
Totals	\$21,730,000	



Paid Incentive History (1986 - 2012)



Illinois Dual Districts



- **Illinois has 100 high school districts**
 - 16 under 500 enrollment

- **Illinois has one combined high school-unit district**
 - Under 500 enrollment

- **Illinois has 377 elementary districts**
 - 138 under 500 enrollment

What if all dual districts were consolidated into unit districts?

□ Impacts:

- 36 Counties
- 543,000 PK-8 students
- 253,000 high school students
- Result in districts far larger than the LUDA minimum of 3,500
- Result in realigning high performing, well financed districts at great cost in associated incentive payments





All Dual Districts into Unit Districts

Local District Cost Impact

- **Potential increase in costs:**
 - **Potent salary and benefits – teachers move to higher salary and benefits schedule**
 - **Aligning elementary curriculum – new textbooks**

- **Potential decrease in tax revenue:**
 - **Elementary and high school districts can each tax \$3.50 for Education Purposes for a combined \$7.00**
 - **Unit districts can only tax \$4.00 for Education Purposes**

All Dual Districts into Unit Districts

Local District Efficiencies

- **Potential for PK-12 curriculum alignment**
- **Potential for operating efficiencies:**
 - **Administrative staff reduction**
 - **Facility efficiencies**
 - **Other efficiencies including pupil transportation, food service preparation, custodial services, office services – administrative staff reduction**



All Dual Districts into Unit Districts

Costs to State - Incentives



- **Salary Difference Incentive:**
 - Based on average salaries, estimated 1-year cost = \$783.5 million
 - Estimated 4-year cost = \$3.1 billion

- **\$4,000 per Certified Staff Incentive:**
 - Based on estimated teacher numbers, estimated 1-year cost = \$203.5 million
 - Maximum estimated 3-year cost = \$610.5 million (could be less as not all would qualify for 3-year payments)

- **Unable to estimate**
 - Deficit Fund Balance Incentive – requires review of Annual Financial Reports at time of reorganization
 - GSA Difference Incentive – requires recalculation of GSA for each reorganization



All Dual Districts into Unit Districts

Salary Increase Example

- In Union County, registered voters within Anna Jonesboro HSD and elementary districts have filed a reorganization petition for the March 2012 ballot
- In Tazewell County, Washington HSD and elementary districts are completing a feasibility study in FY 2012

County	District Name	% of Elementary in HS	Total # Teachers	Ave Salary	Highest Ave Salary	Ave Salary Difference	Allocated Teachers	Salary Difference (\$000s)	Salary Difference per HSD (\$000s)
Union	Anna Jonesboro CHSD 81	HSD	31	\$52,625	\$53,259	\$634	31	\$19.7	
Johnson	Buncombe Cons SD 43	0.20%	7	\$26,135	\$53,259	\$27,124	0	\$0.0	
Union	Lick Creek CCSD 16	100.00%	10	\$36,937	\$53,259	\$16,322	10	\$163.2	
Union	Anna CCSD 37	100.00%	42	\$53,259	\$53,259	\$0	42	\$0.0	
Union	Jonesboro CCSD 43	100.00%	23	\$48,065	\$53,259	\$5,194	23	\$119.5	\$302.3
Tazewell	Washington CHSD 308	HSD	73	\$66,624	\$66,624	\$0	73	\$0.0	
Tazewell	District 50 Schools	96.70%	53	\$43,510	\$66,624	\$23,114	51	\$1,184.6	
Tazewell	Central SD 51	100.00%	63	\$44,531	\$66,624	\$22,093	63	\$1,391.9	
Tazewell	Washington SD 52	100.00%	52	\$45,168	\$66,624	\$21,456	52	\$1,115.7	\$3,692.2



Overall Summary of Dual Districts

District Size After Reorganization	Number of Districts	Percent of Students Affected in a School Not Meeting**		EAV per Student
		Percentage Category	Percentage of Districts	
Under 1,000	10	Less than 30% 30% up to 60% 60% and over	20% 30% 0%	\$38,366 - \$169,268
1,000 -1,999	11	Less than 30% 30% up to 60% 60% and over	18% 9% 0%	\$37,960 - \$261,786
2,000 – 3,999	23	Less than 30% 30% up to 60% 60% and over	22% 13% 0%	\$49,290 - \$290,304
4,000 – 6,999	14	Less than 30% 30% up to 60% 60% and over	29% 0% 0%	\$68,829 - \$732,692
7,000 – 9,999	14	Less than 30% 30% up to 60% 60% and over	0% 14% 0%	\$86,565 - \$350,306
Over 9,999	29	Less than 30% 30% up to 60% 60% and over	24% 7% 0%	\$73,343 - \$508,342
Total	101			\$211,919

** Number of Districts with at Least One School Not Meeting – represents the number of districts that have at least one of their schools that received a Three-Year Average Percent Proficiency of 50% or less.



Dual District Analysis

- Potential operational efficiencies exist
- There does not appear to be a correlation between student performance and type of district
- There does not appear to be a correlation between wealth and type of district. However smaller dual districts appear to have less wealth
- It appears that larger high school districts have better student performance

Pending School Construction Applications

Successful Reorganizations

School District	County	Application Cycle	Reorganization Type	Effective Date	Estimated FY 13 Incentives (\$000s)	Estimated Total Incentives (\$000s)
North Mac CUSD 34	Macoupin	FY 2003	Consolidation	7/1/2010	\$655.0	\$2,220.2
Paris Cooperative HS	Edgar	FY 2003	Cooperative HS	7/1/2009	\$180.0	\$556.0
Carthage Elementary SD 317	Hancock	FY 2005	Conversion	7/1/2007	Paid in Full	\$795.4
Dallas Elementary SD 327	Hancock	FY 2005	Conversion	7/1/2007	Paid in Full	\$452.0
LaHarpe CSD 347	Hancock	FY 2005	Conversion	7/1/2007	Paid in Full	\$542.2
Illini West HSD 307	Hancock	FY 2005	Conversion	7/1/2007	Paid in Full	\$978.1
Odin Public SD 722	Marion	FY 2006	Consolidation	7/1/2011	\$112.0	\$336.0



Pending School Construction Applications Potential Reorganizations

School District	County	Application Cycle	Reorganization Type	Estimated Total Incentives (\$000s)
Christopher CUSD 99	Franklin	FY 2009	Consolidation (with Zeigler-Royalton CUSD 188)	\$3,009.2
Catlin CUSD 5	Vermilion	FY 2007	Cooperative HS (with Jamaica and Oakwood)	\$1,868.5
Jamaica CUSD 12	Vermilion	FY 2007	Cooperative HS (with Catlin and Oakwood)	See Above
Oakwood CUSD 76	Vermilion	FY 2007	Cooperative HS (with Catlin and Jamaica)	See Above



Reorganization Barriers



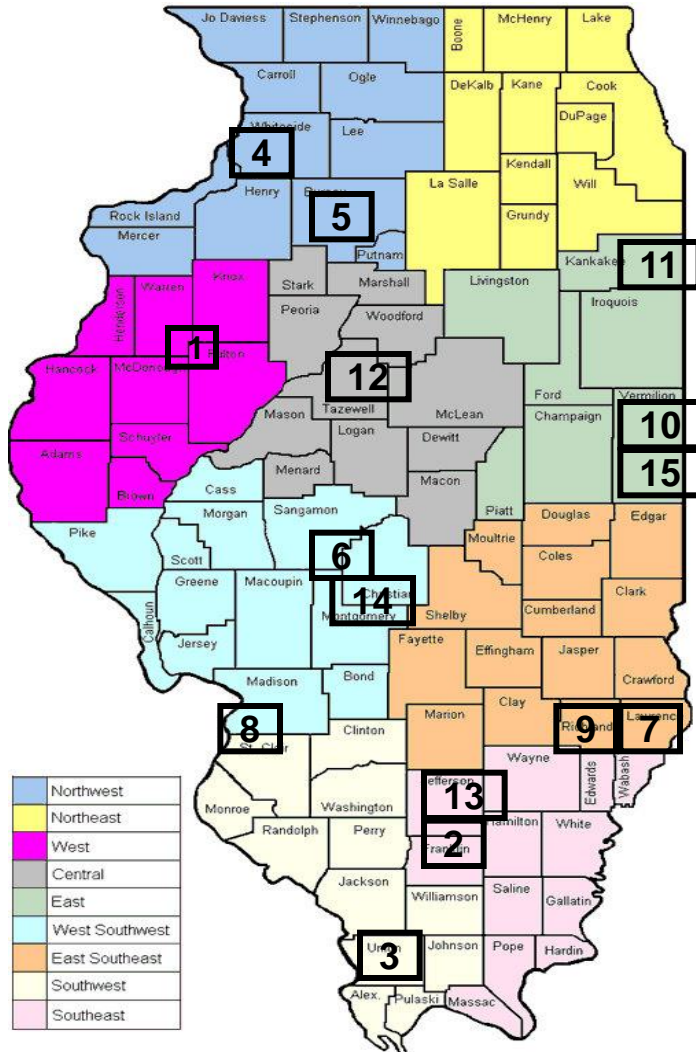
- Tax rates
 - Possible higher tax rates may make a referendum unsuccessful.
- Transportation of students
 - Local community may be concerned that a school may be closed and young students will spend a significant amount of time on the school bus.
 - With a larger geographical area, districts may incur additional transportation costs. Reorganization incentives are not provided for pupil transportation.
- Test Scores
 - What is the impact? Could a reorganization result in declining test scores if one of the reorganizing districts has significantly lower test scores than the other?
- District staff retention
 - If districts reorganize, will the projected savings materialize? Will districts align their staff to meet the needs of the newly formed district?



Reorganization Barriers (continued)

- Delayed incentive payments
 - ISBE obtained a supplemental appropriation to pay. With the state's current fiscal condition, there is concern that there appropriations will be insufficient.
- Cost of Incentives
 - If reorganizations increase, will the State appropriate enough funding?
- Loss of identity or voice
 - Community members fear they will lose a voice in education due to changes in school board.
- Closing of Community schools
 - Community members are concerned about local employment and loss of a neighborhood school as a community center for activities.
- Sentiment over the loss of the mascot and school colors/rivalries/sports

IL Districts Considering Reorganization (ISBE December 2011 Data)



Anticipated 2012 petitions and dissolutions:

- 1 Abingdon 217 / Avon 176 / Bushnell-Prairie City 170
- 2 Christopher 99 / Zeigler-Royalton 188
- 3 Lick Creek 16 / Anna 37 / Jonesboro 43 / Anna-Jonesboro CHSD 81
- 4 Riverdale 14 dissolution
- 5 Leepertown 175 dissolution

Feasibility Studies for FY 2011:

- 6 Pawnee 11 / Morrisonville 1 / Panhandle 2
- 7 Red Hill 10 / Lawrence County 20
- 8 Venice 3 / Brooklyn 188
- 9 East Richland 1 / West Richland 2
- 10 Rossville-Alvin 7 – HS Reactivation

Feasibility Studies for FY 2012:

- 11 St Anne 256 / Pembroke 259 / St Anne CHSD 302
- 12 District 50 / Central 51 / Washington 52 / Washington CHSD 308
- 13 Bethel 82 / Dodds 7 / Ina 8 / McClellan 12 / Opdyke-Belle-Rive 5
- 14 Morrisonville 1 / Nokomis 22 / Panhandle 2

Other Active Discussions:

- 15 Catlin 5 / Jamaica 12 / Oakwood 76

Anticipated 2012 Petitions and Dissolutions



Number	School District	County	Reorganization Type	Potential Election Date	Individual District Enrollment	Combined District Enrollment	Estimated Total Incentives (\$000s)
1	Abingdon 217 Avon 176 Bushnell-Prairie City 170	Knox Fulton McDonough	Consolidation	March 2012	783 240 841	1,864	\$4,330.0
2	Christopher 99 Zeigler-Royalton 188	Franklin	Consolidation	November 2012	842 695	1,537	\$3,009.2
3	Lick Creek 16 Anna 37 Jonesboro 43 Anna-Jonesboro CHSD 81	Union	Hybrid	March 2012	141 666 535 547	1,889	\$1,112.4
4	Riverdale 14	Whiteside	Under 5000 Dissolution	N/A – no referendum	80	80 (annex district not known)	\$1,112.4
5	Leepertown 175	Bureau	Under 5000 Dissolution	N/A – no referendum	51	51 (annex district not known)	\$1,626.4

Feasibility Studies FY 2011



Number	School District	County	Individual Enrollment	Combined Enrollment	Estimated Total Incentives (\$000s)
6	Pawnee 11 Morrisonville 1 Panhandle 2	Sangamon Christian Montgomery	699 1,130 537	2,366	\$3,647.6
7	Red Hill 10 Lawrence County 20	Lawrence	1,193 1,332	2,525	\$2,492.5
8	Venice 3 Brooklyn 188	Madison St Clair	67 187	254	\$2,620.5
9	East Richland 1 West Richland 2	Richland	2,087 402	2,489	\$2,743.7
10	Rossville-Alvin 7 HS Reactivation	Vermilion	266	266	N/A

Feasibility Studies FY 2012

Number	School District	County	Individual Enrollment	Combined Enrollment	Estimated Total Incentives (\$000s)
11	St Anne 259 Pembroke 259 St Anne CHSD 302	Kankakee	405 313 243	961	Agreement not completed
12	District 50 Central 51 Washington 50 Washington CHSD 308	Tazewell	817 950 799 1,124	3,690	\$15,934.5
13	Bethel 82 Dodds 7 Ina 8 McClellan 12 Opdyke-Belle-Rive 5	Jefferson	146 147 115 60 192	660	Agreement rec'd 11/30
14	Morrisonville 1 Nokomis 22 Panhandle 2	Christian Montgomery Montgomery	1,130 706 537	2,373	Agreement rec'd 11/29



Other Active Discussions

Number	School District	County	Individual Enrollment	Combined Enrollment	Estimated Total Incentives (\$000s)
15	Catlin 5 Jamaica 12 Oakwood 76	Vermilion	540 431 1,141	2,112	\$1,868.5



Additional Conclusions of State Board Presentation

September 2010



- Smaller districts could be reorganized for efficiencies.
 - District size does not drive wealth and finances
 - Smaller district have more difficulty offering AP courses, Art, Music, etc.
 - There does not appear to be a correlation between district size and student performance
 - Education offered in fewer buildings reducing facility costs
 - District administrators would be able to specialize into areas such as curriculum or finance



Considerations for Future Illinois Legislation

- Change the language of compact and contiguous
 - Consideration could be given to require compact but not necessarily contiguous. Compact would be statutorily defined.
 - Districts considering reorganization would have a larger pool of area districts to have such discussions with.

Possible Considerations for Future Legislation



- Provide New Incentives
 - Building Construction
 - New State Grant Program for Reorganizing Districts
 - Enhanced for Low Income Districts
 - Centrally located high schools for large geographic districts and reduce transportation costs
 - Pupil Transportation Incentives
 - Low Income Incentives
 - Tax Differential Incentives

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