

# PROPERTY TAX RELIEF TASK FORCE

Government Consolidation Subcommittee

Meeting Minutes

Tuesday September 24, 2019

12:00pm

**James R. Thompson Center**

100 West Randolph Street

Suite 2-025

Chicago, Illinois 60601

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The Property Tax Relief Task Force subcommittee on Government Consolidation met on September 24, 2019.

## MEETING START

Meeting scheduled to start at 12:00pm

## AGENDA

- I. Welcome/Roll Call
  - a. IDOR Staffer Sam Salustro called the meeting to order shortly after noon CDT and Representative Carroll welcomed committee members.
  - b. Roll Call was taken. Quorum was met at this time.

Name	Present
Representative Jonathan Carroll	Yes
Representative Michelle Mussman	Yes
Representative Dan Ugaste	Yes
Representative David Welter	No
Representative Lance Yednock	Yes
Representative Sam Yingling	Yes
Representative Joyce Mason	No
Representative Anne Stava-Murray	Yes
Representative Jennifer Gong-Gershowitz	No
Representative Thomas Bennett	Yes
Senator Laura Ellman	Yes
Senator Julie Morrison	No
Senator Dan McConchie	Yes
Senator Dale Righter	No

**II.** Approval of Meeting Minutes- Representative Carroll made a motion to accept the minutes Representative Yingling second the motion.

**a. VOTE - Unanimous voice vote in the affirmative.**

**III. Guest Presentations- Illinois Policy Institute and Metropolitan Planning Council**

A. Adam Schuster, Director of Budget and Tax Research at the Illinois Institute (IPI): IPI advocates for HB 3053 which passed unanimously in the House of Representatives but stalled in the Senate while in committee. HB 3053 would create a school district efficiency commission that would make recommendations on school district consolidation that would then go to the ballot for voter approval. When looking at the national general administrative spending data, Illinois is set apart from other states in its general administrative spending line item. These funds are designated to the School Board and office of the Superintendent. School consolidation first became an issue around 1975, a study was published in the American Sociology Review, which concluded that larger school districts equate larger budgets and in turn improve the diversity and quality of instructional resources. Schuster argued it was because they spend less money on general administration and more money on instruction, teacher salaries and school supplies. Other findings suggest that because larger districts can afford to pay teachers more, districts can attract better talent. Nearly all the literature on this subject agrees that higher teacher salaries are positively correlated with better student outcomes. For example, increasing the size of the district to 1,000 students improves the average student's performance by 48 SAT points, and increasing it again to 2,000 students improves student's performance by an additional 15 points. Metropolitan Planning Council put together a study in 2018 that stated that IL was the only state in the nation that spent a billion or more on general administration costs. California has 3 times as many students than IL but spent 33% less overall on general administrative costs. IL spends \$581 per student on general administration, this figure puts IL tied for 2<sup>nd</sup> highest in the nation on school district spending which is 150% more than the national average. Schuster argued IL spends more per student, but educational outcomes remain average while other states are spending less and getting better results. Illinois has 852 school districts, and if it matched the state of California's number of students served per district, IL would have 339 school districts. In 2017, two school districts, Cherry school district #92 and Dimmick #175 successfully consolidated their districts. This has resulted in decreased tax rates every year since the consolidation. They were able to use new resources from the consolidation to abate over \$200,000 in bond debt that they were able to pay off. The School Efficiency Commission would only be tasked with making recommendations, it would not subscribe to a top down or one-size-fits-all approach and it would encourage local control (parents, residents, taxpayers in the district) to approve on the ballot. Schuster briefly addressed common misconceptions of school districts which were included in the School District Consolidation Summary handout he provided. He clarified that school district consolidation does not mean closing schools and emphasized that research indicates that closing schools and increased busing routes can negatively impact student performance. In the draft of the bill

that IPI supports there was a prohibition on making recommendations to close school and does not provide any ballot mechanism for voters to consolidate schools themselves, just the districts. Schuster said another misconception is that consolidation would cost the state money. The Current consolidation process creates incentive payments to encourage school boards to do this on their own. Schuster said that reducing administrative costs to the national average would save \$708 million, or two years of increases under the new school funding formula. Schuster contended there was disagreement over whether Illinois' administrative costs were inflated due to what was reported as administrative costs, but he said that regardless the overall disparity between Illinois and the national average was still large.

- B. Adam Slay with Metropolitan Planning Council (MPC): MPC wants to focus the discussion of more effective government operations and the relief of any unnecessary property tax burden. MPC is in support of HB 3053 and of SB 1287, which was sponsored by Senator Sue Rezin and would allow the sharing of school district administrative costs through contracting processes with multiple school districts as an alternative to consolidation. It would enable a reduction of payroll or financial personnel and utilize financial management systems more appropriate for number of students incapsulated in the district. The census was updated with 2017 data and the numbers for general administration spending have increased since the previous year. Illinois spends \$581 per student, or \$1.172 billion, general administration cost, while the national average decreased from the previous year. Slay believed there are some administrative inefficiencies by separating elementary and high school districts administratively in part because one cannot track performance over time in one system or forecast needs in the same way. Both geographic distribution and age distribution between districts is important information that can be captured via school district consolidation. Slay pointed out that Illinois had 31 school districts with less than 100 students and 463 school districts few than 1,000 students. He argued the economies of scale from an administrative standpoint are large and attributable to the density issues with school districts in terms of enrollment. As an example, the State of Vermont recently passed Act 46 which asked for voluntary school districts consolidation of school districts with minimum enrollment level of 900, which resulted in 157 of state school districts consolidated into 39 districts. Slay pointed out two principles: looking at enrollment as a main factor in determining where schools may want to consider consolidating, and tracking student needs/achievement Pre-K-12 to help guide the state to be more effective with its school spending.

#### **IV. Questions for Witnesses: Illinois Policy Institute and Metropolitan Planning Council**

- a. Representative Mussman asked what are the benefits of merging elementary and high school districts to maintain the continuity? How does one deal with the issue of salary discrepancy between elementary and high school without the assistance of the state? What benefits are there for students? Slay reiterated the importance of the Consolidation Efficiency Commission's role in conducting a deep analysis to see what the financial impact will result in since presently there are no hard

numbers to make those decisions. Savings on the administrative side can also be used in the equation. IL is facing a teacher shortage and recruiting teachers at a higher salary might be a good policy choice anyway. The costs are significant, but we need to couch them in the outcomes, how we are going to invest in kids in the long term and what the overall impact will be. In their analysis, single school districts generally have a higher proficiency level starting out, but multi-school districts have greater growth, about 3 times more than single school districts. Subsequently there is correlation between school size and district size, but it depends on what the funds are spent on. For example, if a school district is at 70% adequacy funding and they need a lot of special ed teachers, transferring some of that money from administrative costs to special ed services would increase proficiency. This is the level of detail needed to get into analysis to figure out the impact on students and the choices that are made at the district level. The adequacy standards as defined by the state 2017 are a good way to determine if we are investing properly on children on the front end and then tracking the results as adequacy levels increase to determine student achievement. Schuster added that student outcomes is a primary focus and cited that in the Journal of Regional Analysis and Public Policy 2018, which shows a positive correlation between district size and student outcomes up to a certain point (and depends on local context and varies significantly as districts get much larger like Chicago Public Schools (CPS). HB 3053 would not allow for any consolidation into or within Cook County or CPS, its only for non-CPS schools. To answer the question about school salary discrepancies amid the exemption of incentive payments, districts can use the savings from the economy of scale can defray the cost of higher teacher salaries.

- b. Representative Bennett wanted to clarify that the panelists were looking at 1,000 students per school district for K-12? Slay said that while different studies gives different recommendations, the task of the commission would be to find an ideal enrollment level and geographic constraint for its given school district. Schuster added that nationwide the average number of students per district is about 3,600, and including CPS brings the number up to 1,900, Illinois is still very far on the other spectrum and regardless there is much room for improvement. Slay said the State of Oklahoma with its rural environment was seeking a target of 500 students at a minimum for their school districts.
- c. Bennett stated that schools downstate geographically cover a lot of ground and don't have that many students. Children on the school bus may have commuting times of over an hour. Asked if there were any studies that might address concerns of children commuting for over an hour and leaving or arriving at home well after dark. Schuster said his supported bill included creating subcommittees at a regional level to provide that local support and guidance. Additionally, the need for voters to approve those recommendations via the ballot process. In general advances in technology make it possible to manage a larger geographical area with fewer resources.
- d. Representative Yednock wanted clarification on transitioning into unit schools. He asked if the schools would be sharing superintendents and administrative cost but not closing schools, so children wouldn't necessarily have increased bus

routes. Schuster agreed with Yednock and added that 56% of school districts in Illinois already serve more than one school. To show contrast, Florida is serving 37,500 students per districts. If Illinois served the same number of students per districts as Florida, it would have 55 school districts which is 800 fewer than we have. Slay commented on unit districts and one of the hidden benefits of the reorganization is being able to align curriculum among the many different elementary districts and feeding into the high school districts so all students are tracked similarly and the outcomes clear are for all students from structural standpoint.

- e. Representative Yednock asked if Illinois was unique in regional offices of education. Schuster responded by saying that regional offices of education do not exist everywhere but does not have the data of which states have versus which states don't. HB 3053 doesn't address regional offices of education issue. Schuster is open to feedback.
- f. Representative Yednock stated that he met with the superintendent for Dimmick school district and they talked about the consolidation. The Superintendent said that the most difficult part of that process was the administrative burdens that the state places on school districts in the process of consolidating. The Superintendent said he would be willing to come to this panel to talk about his experience. Representative Carroll commented that he would appreciate the Superintendent's contact information so that the subcommittee could take his testimony. Representative Yednock asked what ISBE is demanding of school districts in terms of reporting and administrative information? He was getting feedback from school districts who spoke about duplication and redundancy of information in various reports, placing an undue administrative burden of time and resources on schools. Schuster said the IPI believes that HB 3053 and consolidation is the best way to address this issue and supports a multi-prong approach such as the shared services bill to allow larger districts to share their services and streamline requirements/ mandates so that they can spend less time on compliance administration issues.
- g. Senator McConchie stated that a superintendent of a unit district was strongly supportive of unit districts for a number of reasons. One was continuity of curriculum that existed from kindergarten through high school. Also, with a larger footprint, they are able to service children with special needs in a much more robust way. McConchie then asked how the presenters legislation would address the inequities of access between poorer versus wealthier districts? Schuster said by ensuring that Illinois are not segregating school districts by their property wealth. Schuster said McConchie mentioned the superintendent could veto a consolidation effort if a community or other district wants the consolidation. HB 3053 will by-pass administrator veto and give local residential control to parents and other taxpayers who know what is right for their community. Slay said Advance Illinois has an equity dashboard on the adequacy level percentages that it spends on its students. Thinking about how much we are spending on students in an equitable lens we should use to be more effective with our spending.
- h. Senator Ellmen said high school labor contracts have higher salaries for teachers, that could put upward pressure on unified school districts in the area to try to

attract their teachers in their area. Schuster said one of the commission's goals is increase salaries for teachers, higher teacher salaries are correlated with better student outcomes. He said net savings from consolidation is believed to be greater than the net increase in cost, in total more resources available for the school. He also said unit school districts spend less per student than elementary and high school districts.

- i. Ellmen added that consideration had to be given to neighboring districts as they are looking at the same labor pool. Slay agreed with the Senator's comment and reiterates that the committee needs to conduct the analysis to help answer those questions. He said keeping the focus on effectiveness of our school system and not just the financial impacts may be the best way to move the discussion forward in order to reform school districts system.
- j. Carroll asked if there was a formula that might illustrate a correlation between the amount of money spent per pupil? Schuster responded by saying that there is a correlation between district spending and student outcomes, between states and between districts but it's not a perfect correlation because there are a lot of other factors that matter. Investing in teachers to ensure they feel supported is critical. He said 40% of student outcomes from the classroom come from the teacher.

**V. Guest Presentation- Illinois School Board of Education**

**A. Amanda Elliot, from the Illinois School Board of Education (ISBE).**

School consolidation is not a new conversation and that there had been a number of working groups on the issue. The latest one being the Local Government Consolidation and Unfunded Mandates Task Force in 2015. Elliot did not go over the findings of these reports, in the interest of time, but will make the reports available to the subcommittee. School consolidation has been employed by schools in the past and have been consolidating on their own for years. A slide in the presentation shows a steady decline in number of districts from FY 1985 when the state had 1006 districts to date FY 2020 where IL has 852 districts. While the Department of Juvenile Justice is counted as a district, special education does not factor into these numbers. Elliot described the different types of reorganization and goes into a step by step explanation of how districts get consolidated. **1) Petition** - both citizens and school board districts can generate a petition. A study is needed to determine what the tax rate should be, what the curriculum should be, what building will be, how they will transport students, and how will the school board going to be organized, like at large elections or geographic boundaries for each of their school board members. There are requirements for what tax rates can be charged and what needs to be on the ballot. One thing to note is when a school district has debt and its consolidated with another school, the debt stays with the voters that originated the debt. **2) Petition** is filed with Regional Superintendent (RS) or director of the Intermediate Service Center (ISC). **3) Public hearing** must be held. **4) RS or DISC** Approve or Deny the petition (very rare that they should deny a petition). **5) State Superintendent** approves or denies the petition at which time the question placed on ballot. **6) Goes to a referendum vote** where it must pass with a majority vote in each district. The majority of consolidation in the last 10 years have been initiated by school

boards. Since 2010, 23 were filed, with 8 filed by citizens and 15 filed school by districts. The state board's role is to provide technical assistance to those seeking to consolidate. For a petition to be approved, it must contain the required statutory elements, the territories need to be contiguous, must meet the admission standards in place, the proposed district must be financially sound, and the consolidation must be in the best interest and educational welfare of the school, pupils of the area. Historically the state has provided incentive dollars for consolidation efforts. Two of the most familiar are salary differential of \$4,000 payment per certified staff. There are other resources that are built in to the evidence-based funding recognizes consolidation, so they can pair the re-organized district to the original districts. In 2012, state board did an analysis for the Classrooms First Commission and determined that these costs were funded to convert all dual districts to unit districts the four-year cost would be around 3.7 billion dollars.

## **VI. Questions for Witness: Illinois School Board of Education**

- a. Representative Yingling asked what the main underlying issue against consolidation? Elliot said there are financial barriers towards consolidation like the fact tax rates set in statue may disincentivize elementary school districts from consolidating into unit districts. A law passed during the 1997 by the general assembly that provides for a stepped down in tax rate so that one wouldn't see the impact immediately, but this approach would need to be more closely evaluated. Local communities especially in the elementary districts are very active with the school board and that communities are afraid of losing their voice as districts get bigger.
- b. Yingling asked Elliot to give a brief definition of the types of reorganization mentioned on slide 5 of the presentation? Elliot listed:
  1. Consolidation: Two or more districts of your typical consolidation;
  2. School District Conversion: When a unit district converts into a dual district (very rare);
  3. Dissolution-Annexation: When a district completely dissolves and then is annexed into another district (it can divide in multiple ways);
  4. Detachment-annexation: When a portion of the district detaches and goes to another district, if a subdivision is built across school district boundaries
  5. Deactivation: when a districts transitions out its students to a neighboring district via an agreement, and cooperative high school-high schools would come together to cooperatively educate their students.
- c. Yingling asked what happens to grade school districts trying to consolidate to a high school districts but boundaries are not continuous? Elliot said in general, they need to be contiguous, but there are exceptions however.
- d. McConchie asked if there was one high school district and 10 feeder districts in an area, is the only way to create a unit district is to have all 11 districts in agreement? Elliot said she would need to research that issue.
- A- Mussman asked what is ISBE's perspective on the concerns regarding how it calculates general administrative costs as compared to the national average, which the IPI touched on? Elliot said ISBE has identified the issue and has been working

to rectify. Before FY2009 tort levies were calculated or reported as a part of the education fund. They had restricted the reporting in the budget to a single function number, if spending money out of tort, it would be reported through general administration. ISBE believes this is the reason for the inflated number in comparison to the national average. They are prepared to go before their board with rules for initial review that would allow for reporting on all functions. For example, an allowable use of tort fund is insurance but perhaps a better place for that expense could be under transportation. If these rules are received with a positive reception by the board as well as the public, new administrative reporting could be in place by FY21 year. And will there be opportunity for public comment it will go through JCAR.

**VII. Guest Presentations - ED-RED, Illinois Association of School Administrators, Illinois Association of School Boards, Illinois Statewide School Management Alliance, Illinois Education Association**

- A. Sarah Hartwick executive Director of ED-RED: ED-Red is an advocacy organization representing school districts in northwest Cook and Lake counties. ED-RED has about 80 members that include suburban public-school districts, intermediate service centers and special education groups. ED-RED's roles have always been focused on maintaining that local school boards know what's best for kids and balancing with needs and interests of the community. ED-RED is in support of consolidation, but the approach should be encouraged and not forced. There were many legislative proposals on consolidation and shared services. Many suburban school districts already share services with other school districts and local units of government via administrator and service agreements to lower costs these decisions are driven by local school board who determine terms and feasibility. While a decrease in administrative costs can lead to savings it's not guaranteed because there are discrepancies in tax code, additional staff required for consolidation, requirements to negotiate new teacher contracts, and the geographic issue of transporting students. ED-RED did some work recently in comparing the percentage of teacher salaries that it takes up from the overall budget from across the state. On average suburban districts and districts across the state tend to spend the same amount of their overall budget on administrative salaries, and do not find any significant discrepancies between these numbers. There are also number of bills passed in recent years that tried to limit inflated administrator salaries, such as the 5% cap administrators salary from year to year, or that districts have to pay a penalty to TRS if they raise administrator/teacher salaries over 6% in the last 4 years and districts are required to pay the TRS normal cost for salaries that above the governor's salary (\$175,000). Hartwick also wanted to address a point that was mentioned earlier that there are also pieces of legislation that have passed recently that have added the number of duties for school administrators - they were all intended to improve transparency and accountable which are important tasks but wanted to acknowledge that the additional work load (ex. FOIA officer, teacher evaluation system reform, discipline bill Senate 100- which as a result of the data findings encouraged some districts to hire additional staff such as an equity officer ). Hartwick wants to

reiterate support for current incentives already allotted by the school code and said some additional items that can make consolidation more seamless such as examining the tax rates for more egalitarian approach for unit districts and to use school construction dollars to prioritize districts that can consolidate if they choose to consolidate. Forgiveness of debt is also a lucrative incentive to consolidate. Lastly looking at small low performing school and determining if consolidating would help improve the education opportunity of these schools.

- B. Peg Agnos works with school districts in DuPage County and high schools across the state. In 2011, the General Assembly established the Classrooms First Commission. The Commissions created an action plan to facilitate the districts to voluntarily organize under our current incentives and create ways to make the most out of limited resources using not just statewide economies of scale but use the concept of virtual organization. Agnos believes that the state needs to be a partner in any efforts to consolidate or reorganization. Agnos will make the study available to subcommittee. A study conducted by Illinois State University found that a state commission should be established to study consolidation. The study also looked at small districts versus big districts and determined that initially bigger districts may see some savings but as time goes on those efficiencies and savings will disappear. In 2011, Agnos witnessed an annexation of a small school district into a larger school district in DuPage County. The process of annexation was very drawn out. Agnos provided a list of considerations that were compiled by an administrator who helped spearhead the effort of annexation, will provide to this information to the subcommittee. Districts in DuPage county that have conducted feasibility studies to help determine if they should all become unit districts or if just combining a couple of schools is all that's needed. Agnos can also provide the results of the feasibility study to subcommittee members. In summary, economies of scale are greatest small districts merge. As districts get larger sometimes economies plateau, expenses rise when district complexity increases, and student performance is equal or better in small schools.
- C. Deanne Sullivan from Illinois Association of School Boards and the Illinois Statewide School Management Alliance. Sullivan wanted to emphasize that of the taxing districts in the state, school districts have a have citizen driven petition process and has been consistently consolidating over time. As reiterated in other presentations, the question of consolidation needs to be resolved locally. Many of the ideas have already been shared in the various presentation the most prominent of recommendations are the increase of state incentives and shared services in administrative services (municipalities, park districts, etc.).
- D. Alison Maley from Illinois Principals Association (IPA) and part of the Illinois Statewide School Management Alliance. Maley have an overview of a school principal's responsibilities: conducting high stakes teacher evaluations, implementing Illinois learning standards, state assessments, investigating bullying, managing student discipline, implementing new mandates and acting as de facto school nurse, social worker, transportation coordinator, athletic director, communications director, webmaster, technology director, curriculum director grant writer, etc. To add more students and staff to a larger school district and expecting the same work or more to be done by fewer people fails to recognize

the work of a principal. Illinois school districts and their personnel struggle with complying with hundreds of state and federal mandates, which seem to increase in number each year. Teacher evaluations being especially cumbersome as many components come into play. The Waterbury principal in Roselle explained that he must conduct 3 evaluations per week from the end of September to beginning of January so that by February he can write summative evaluations, all while working with teachers to implement their growth plans throughout the year. All evaluations and teacher conferencing must be completed by spring break in March. He conducts these evaluations in the evening and on weekends as there are many other duties that need to be done during the school day. Many presenters pointed at the very demanding duties performed by school principals. The evidence-based funding model aims for an ideal student to principal ratio of 1 principal and 1 assistant principal to 450 students in elementary and middle schools and 1 principal and 1 assistant principal per 600 students in high schools. The General Assembly has endorsed this ratio as best practices. By increasing the amount of student and subsequently reducing administrator staff, we go against what the evidence-based model was intended to do.

- E. Larry Frank Director of the Educational Policy Research for the Illinois Education Association (IEA). Frank would like to email his testimony and instead speak to a couple issues. It is true that there are a lot of studies that focus on school size and student performance. One study alleged that larger districts tend to be better funded it could be related to per pupil wealth. Another study by Education Department from Maine couldn't with certainty agree that size was the sole driver of this issue. Education First Study of 2011-12 predicted that it would take 3 billion plus dollars to complete the consolidation cost and part of that will be ameliorated by the evidenced-based funding formula which is starting to equalize pay and spending across districts. It is his organization's opinion to wait and allow the evidence-based formula to be fully funded before forcing consolidation. Spending changes should go away, and it might make local consolidation a lot easier and citizens might be more engaged in the process. Frank questioned if consolidation reduces immediately the local property tax revenue where does the money come from to accomplish the goal? The IEA supports school consolidation if the goal is increasing the scope of education available to students. IEP is only opposed to a state mandated consolidation that does not account for local issues.

**VIII. Question for Witnesses ED-RED, Illinois Association of School Administrators, Illinois Association of School Boards, Illinois Statewide School Management Alliance, Illinois Education Association.**

- a. Carroll asked about principals getting bogged down by the administrative minutia and what role superintendents had. Maley said many superintendents are already doing the same work. To expect that the all the work gets done with fewer people is the wrong assumption. One-in-three to one-in-five principals leave in 5 years. Hartwick said she has been involved in elementary education appropriations for years and watch the state cut out or zeroed out principal mentorship programs while state struggles financially. Principal support is a national issue and an

article on the current issue of NCSL magazine. High turnover rate for principals is due in part to little to no training for a demanding job. It's also predicted that there will be a shortage of superintendents, due to fewer teachers, and the job getting harder from state mandate requirements. Sullivan said superintendents are the chief executive officer of the school districts. The board takes the job of hiring the superintendent very seriously. Superintendents are tasked with working with administrators to determine what the appropriate staffing numbers are, hiring of the principals, teachers, and other school staff, have a fiduciary responsibility to the community is adhered to, coordinate transportation needs, coordinate food service, determine what the needs are of the community and children, and balance the budget. Over the years state mandated requirements have given administrators more responsibilities than they were intended to perform via more stringent evaluation and monitor.

- b. Yingling said unit school's tax rate is capped at 4% while dual districts can leverage at 7%. How is it that unit schools can function adequately at 4%? Frank said in general, you will find that highest student performance levels are in the dual districts. Children get more resources applied and the expenditure in the classroom directly benefits the students. Unit schools are having a harder time hiring teachers than dual district schools and salaries are higher in dual districts.
- c. Yingling said in the absence of consolidating school districts, what are some cost saving strategies that we can pass down to tax payers? Frank said inter-government agreements for shared expenditures like transportation costs, special education cooperating and buying in bulk for things like toilet paper, pencils, paper, etc.) for multiple schools. Yingling asked why it was not happening more. Agnos said there were a number of barriers outlined in a recent report. Sullivan said ensuing that the incentives are there to support consolidation as school districts become more comfortable with the idea. Frank said at some point you economize as much as you can so one is going to need to consider what other revenue source can step in to replace property tax income. Agnos stated that consolidation doesn't always equate savings and stresses that consolidation should not be a one size fits all, does not believe that consolidation is best for downstate communities.
- d. Representative Ugaste said that for the most part it sounded like the panel wanted to maintain the status quo and do some operating efficiencies. How are of states effectively educating their students using less administration money? Sullivan said the thought the data showed that using the census data looked at top 11 size states and enrollment, Illinois is 3<sup>rd</sup> but also 4<sup>th</sup> in size, total number of kids enrolled and total number of expenditures. Texas has 1031 districts for 5.3 million students. California has 977 school districts for 6.3 million students. And Illinois has 850 school districts for 2 million students. One needs to drill into the data to find the answer to that particular question. Hartwick said ED-RED is not anti-consolidation or determined to maintain status quo. But her organization doesn't believe that a across the board decrease in administrators will guarantee savings either. Sullivan said now taxpayers can facilitate a petition for consolidation.
- e. McConchie stated that the consolidation efforts have declined the number of school districts but not in a dramatic way. Superintendents in McConchie's

district believe that units districts are best for kids, and most efficient use of resources. Asked the panel if they agree with that statement? And is there a reason why we need separate K-8 and high school districts? If so, what are they? Agnos said historical Illinois has been set up as dual districts. McConchie asked with a blank slate, should the state be set up as a dual district system? Agnos did not know. She represented both dual and unit district and they are both doing exceedingly well. She had communities in dual districts that have explored converting into a unit districts one finds they are not ready to do so at the moment and another that began a feasibility study. Unit districts don't ever want to become dual districts, they stay unit districts. Classrooms first study pointed at some good recommendations. Mussman said that public buy-in is needed in the process of consolidation. Additionally, she said people can approach the property tax issue in a slow, steady and comprehensive manner but if property taxes are not reduced by the next payment installment it looks like we haven't been effective.

- f. Bennett stated that he heard that Indiana went the route of county schools. Does anyone in the panel have more information? Is it effective? Sullivan doesn't know about the particulars of how Indiana implemented but recalls in 2010, Representative Rita presented the idea of county schools in a town hall meeting in Tinley Park. 500 people showed up from all across the state if IL to indicate mainly their opposition. Cook County school districts were particularly concerned about being one school district. Manley said county schools are in existence in rural areas in southern Illinois. Frank recalled that Indiana went years with school construction dollars, buildings were falling into disrepair. The state used consolidation to facilitate school building.
  - g. Carroll wanted to talk about some wealthier school districts sitting on large cash reserves without input from constituents about how those funds get used. Sullivan said in the past, the state has encouraged schools to save for a rainy day. Working with schools on legislation that would provide flexibility to provide abatements and not penalize the school district for doing so. Frank said sometimes those reports are the result of a school district getting a payment infusion at the same time as the report is done, making it seem inflated. Hartwick said the topic had been brought up in another subcommittee and she would relay that information.
  - h. Representative Mazzochi asked what the benefit of having K-8 and separate high school districts? The benefit that's been explained is that there is a perception that it's much more expensive to be a unit school because of how collective bargaining works. One also can't make distinctions between a kindergarten teacher versus a high school physics teacher or an elementary teacher, and by creating the dual district system it allows for more flexibility. Mazzochi asked how to deal with collective bargaining as you consolidate the school system? She also wanted to find ways to alleviate certain administrative burdens necessitated by collective bargaining agreements. Sullivan- There has been some studies of the effectiveness of teacher evaluations system, will forward to subcommittee for review.
- IX.** No new business. No Public Comment. Carroll said he was scheduling the next meeting for next Thursday at noon. Meeting Adjourned at 2:35pm