



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB4005

Introduced 1/8/2020, by Rep. Rita Mayfield

SYNOPSIS AS INTRODUCED:

105 ILCS 5/11E-135
105 ILCS 5/11E-140 new

Amends the School Code. Creates the School District Efficiency Commission. Provides for the membership and support of the Commission. Requires the Commission to make recommendations to the Governor and the General Assembly on the number of school districts in this State, the optimal amount of enrollment for a school district, and where reorganization and realignment of school districts would be beneficial in this State; specifies the topics on which the recommendations must focus. Provides that, on or before May 1, 2022, the Commission must vote on its recommendations and submit a report to the Governor and the General Assembly. Provides that if the Commission adopts the report recommendations by an affirmative vote of at least 11 of its members, then the Commission's recommendations for reorganization of school districts into unit school districts must be placed on the ballots of the designated school districts in the next general election in the same manner as petitions approved by a regional superintendent of schools, except without financial incentives. Provides that the Commission is dissolved the day after the report is filed with the Governor and the General Assembly. Repeals the provision on February 1, 2023. Makes a conforming change in the Conversion and Formation of School Districts Article. Effective immediately.

LRB101 15448 CMG 64778 b

FISCAL NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning education.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. This Act may be referred to as the Classrooms
5 First Act.

6 Section 5. The School Code is amended by changing Section
7 11E-135 and by adding Section 11E-140 as follows:

8 (105 ILCS 5/11E-135)

9 Sec. 11E-135. Incentives. Except as provided under Section
10 11E-140, for ~~For~~ districts reorganizing under this Article and
11 for a district or districts that annex all of the territory of
12 one or more entire other school districts in accordance with
13 Article 7 of this Code, the following payments shall be made
14 from appropriations made for these purposes:

15 (a)(1) For a combined school district, as defined in
16 Section 11E-20 of this Code, or for a unit district, as defined
17 in Section 11E-25 of this Code, for its first year of
18 existence, the general State aid and supplemental general State
19 aid calculated under Section 18-8.05 of this Code or the
20 evidence-based funding calculated under Section 18-8.15 of
21 this Code, as applicable, shall be computed for the new
22 district and for the previously existing districts for which

1 property is totally included within the new district. If the
2 computation on the basis of the previously existing districts
3 is greater, a supplementary payment equal to the difference
4 shall be made for the first 4 years of existence of the new
5 district.

6 (2) For a school district that annexes all of the territory
7 of one or more entire other school districts as defined in
8 Article 7 of this Code, for the first year during which the
9 change of boundaries attributable to the annexation becomes
10 effective for all purposes, as determined under Section 7-9 of
11 this Code, the general State aid and supplemental general State
12 aid calculated under Section 18-8.05 of this Code or the
13 evidence-based funding calculated under Section 18-8.15 of
14 this Code, as applicable, shall be computed for the annexing
15 district as constituted after the annexation and for the
16 annexing and each annexed district as constituted prior to the
17 annexation; and if the computation on the basis of the annexing
18 and annexed districts as constituted prior to the annexation is
19 greater, then a supplementary payment equal to the difference
20 shall be made for the first 4 years of existence of the
21 annexing school district as constituted upon the annexation.

22 (3) For 2 or more school districts that annex all of the
23 territory of one or more entire other school districts, as
24 defined in Article 7 of this Code, for the first year during
25 which the change of boundaries attributable to the annexation
26 becomes effective for all purposes, as determined under Section

1 7-9 of this Code, the general State aid and supplemental
2 general State aid calculated under Section 18-8.05 of this Code
3 or the evidence-based funding calculated under Section 18-8.15
4 of this Code, as applicable, shall be computed for each
5 annexing district as constituted after the annexation and for
6 each annexing and annexed district as constituted prior to the
7 annexation; and if the aggregate of the general State aid and
8 supplemental general State aid or evidence-based funding, as
9 applicable, as so computed for the annexing districts as
10 constituted after the annexation is less than the aggregate of
11 the general State aid and supplemental general State aid or
12 evidence-based funding, as applicable, as so computed for the
13 annexing and annexed districts, as constituted prior to the
14 annexation, then a supplementary payment equal to the
15 difference shall be made and allocated between or among the
16 annexing districts, as constituted upon the annexation, for the
17 first 4 years of their existence. The total difference payment
18 shall be allocated between or among the annexing districts in
19 the same ratio as the pupil enrollment from that portion of the
20 annexed district or districts that is annexed to each annexing
21 district bears to the total pupil enrollment from the entire
22 annexed district or districts, as such pupil enrollment is
23 determined for the school year last ending prior to the date
24 when the change of boundaries attributable to the annexation
25 becomes effective for all purposes. The amount of the total
26 difference payment and the amount thereof to be allocated to

1 the annexing districts shall be computed by the State Board of
2 Education on the basis of pupil enrollment and other data that
3 shall be certified to the State Board of Education, on forms
4 that it shall provide for that purpose, by the regional
5 superintendent of schools for each educational service region
6 in which the annexing and annexed districts are located.

7 (4) For a school district conversion, as defined in Section
8 11E-15 of this Code, or a multi-unit conversion, as defined in
9 subsection (b) of Section 11E-30 of this Code, if in their
10 first year of existence the newly created elementary districts
11 and the newly created high school district, from a school
12 district conversion, or the newly created elementary district
13 or districts and newly created combined high school - unit
14 district, from a multi-unit conversion, qualify for less
15 general State aid under Section 18-8.05 of this Code or
16 evidence-based funding under Section 18-8.15 of this Code than
17 would have been payable under Section 18-8.05 or 18-8.15, as
18 applicable, for that same year to the previously existing
19 districts, then a supplementary payment equal to that
20 difference shall be made for the first 4 years of existence of
21 the newly created districts. The aggregate amount of each
22 supplementary payment shall be allocated among the newly
23 created districts in the proportion that the deemed pupil
24 enrollment in each district during its first year of existence
25 bears to the actual aggregate pupil enrollment in all of the
26 districts during their first year of existence. For purposes of

1 each allocation:

2 (A) the deemed pupil enrollment of the newly created
3 high school district from a school district conversion
4 shall be an amount equal to its actual pupil enrollment for
5 its first year of existence multiplied by 1.25;

6 (B) the deemed pupil enrollment of each newly created
7 elementary district from a school district conversion
8 shall be an amount equal to its actual pupil enrollment for
9 its first year of existence reduced by an amount equal to
10 the product obtained when the amount by which the newly
11 created high school district's deemed pupil enrollment
12 exceeds its actual pupil enrollment for its first year of
13 existence is multiplied by a fraction, the numerator of
14 which is the actual pupil enrollment of the newly created
15 elementary district for its first year of existence and the
16 denominator of which is the actual aggregate pupil
17 enrollment of all of the newly created elementary districts
18 for their first year of existence;

19 (C) the deemed high school pupil enrollment of the
20 newly created combined high school - unit district from a
21 multi-unit conversion shall be an amount equal to its
22 actual grades 9 through 12 pupil enrollment for its first
23 year of existence multiplied by 1.25; and

24 (D) the deemed elementary pupil enrollment of each
25 newly created district from a multi-unit conversion shall
26 be an amount equal to each district's actual grade K

1 through 8 pupil enrollment for its first year of existence,
2 reduced by an amount equal to the product obtained when the
3 amount by which the newly created combined high school -
4 unit district's deemed high school pupil enrollment
5 exceeds its actual grade 9 through 12 pupil enrollment for
6 its first year of existence is multiplied by a fraction,
7 the numerator of which is the actual grade K through 8
8 pupil enrollment of each newly created district for its
9 first year of existence and the denominator of which is the
10 actual aggregate grade K through 8 pupil enrollment of all
11 such newly created districts for their first year of
12 existence.

13 The aggregate amount of each supplementary payment under
14 this subdivision (4) and the amount thereof to be allocated to
15 the newly created districts shall be computed by the State
16 Board of Education on the basis of pupil enrollment and other
17 data, which shall be certified to the State Board of Education,
18 on forms that it shall provide for that purpose, by the
19 regional superintendent of schools for each educational
20 service region in which the newly created districts are
21 located.

22 (5) For a partial elementary unit district, as defined in
23 subsection (a) or (c) of Section 11E-30 of this Code, if, in
24 the first year of existence, the newly created partial
25 elementary unit district qualifies for less general State aid
26 and supplemental general State aid under Section 18-8.05 of

1 this Code or less evidence-based funding under Section 18-8.15
2 of this Code, as applicable, than would have been payable under
3 those Sections for that same year to the previously existing
4 districts that formed the partial elementary unit district,
5 then a supplementary payment equal to that difference shall be
6 made to the partial elementary unit district for the first 4
7 years of existence of that newly created district.

8 (6) For an elementary opt-in, as described in subsection
9 (d) of Section 11E-30 of this Code, the general State aid or
10 evidence-based funding difference shall be computed in
11 accordance with paragraph (5) of this subsection (a) as if the
12 elementary opt-in was included in an optional elementary unit
13 district at the optional elementary unit district's original
14 effective date. If the calculation in this paragraph (6) is
15 less than that calculated in paragraph (5) of this subsection
16 (a) at the optional elementary unit district's original
17 effective date, then no adjustments may be made. If the
18 calculation in this paragraph (6) is more than that calculated
19 in paragraph (5) of this subsection (a) at the optional
20 elementary unit district's original effective date, then the
21 excess must be paid as follows:

22 (A) If the effective date for the elementary opt-in is
23 one year after the effective date for the optional
24 elementary unit district, 100% of the calculated excess
25 shall be paid to the optional elementary unit district in
26 each of the first 4 years after the effective date of the

1 elementary opt-in.

2 (B) If the effective date for the elementary opt-in is
3 2 years after the effective date for the optional
4 elementary unit district, 75% of the calculated excess
5 shall be paid to the optional elementary unit district in
6 each of the first 4 years after the effective date of the
7 elementary opt-in.

8 (C) If the effective date for the elementary opt-in is
9 3 years after the effective date for the optional
10 elementary unit district, 50% of the calculated excess
11 shall be paid to the optional elementary unit district in
12 each of the first 4 years after the effective date of the
13 elementary opt-in.

14 (D) If the effective date for the elementary opt-in is
15 4 years after the effective date for the optional
16 elementary unit district, 25% of the calculated excess
17 shall be paid to the optional elementary unit district in
18 each of the first 4 years after the effective date of the
19 elementary opt-in.

20 (E) If the effective date for the elementary opt-in is
21 5 years after the effective date for the optional
22 elementary unit district, the optional elementary unit
23 district is not eligible for any additional incentives due
24 to the elementary opt-in.

25 (6.5) For a school district that annexes territory detached
26 from another school district whereby the enrollment of the

1 annexing district increases by 90% or more as a result of the
2 annexation, for the first year during which the change of
3 boundaries attributable to the annexation becomes effective
4 for all purposes as determined under Section 7-9 of this Code,
5 the general State aid and supplemental general State aid or
6 evidence-based funding, as applicable, calculated under this
7 Section shall be computed for the district gaining territory
8 and the district losing territory as constituted after the
9 annexation and for the same districts as constituted prior to
10 the annexation; and if the aggregate of the general State aid
11 and supplemental general State aid or evidence-based funding,
12 as applicable, as so computed for the district gaining
13 territory and the district losing territory as constituted
14 after the annexation is less than the aggregate of the general
15 State aid and supplemental general State aid or evidence-based
16 funding, as applicable, as so computed for the district gaining
17 territory and the district losing territory as constituted
18 prior to the annexation, then a supplementary payment shall be
19 made to the annexing district for the first 4 years of
20 existence after the annexation, equal to the difference
21 multiplied by the ratio of student enrollment in the territory
22 detached to the total student enrollment in the district losing
23 territory for the year prior to the effective date of the
24 annexation. The amount of the total difference and the
25 proportion paid to the annexing district shall be computed by
26 the State Board of Education on the basis of pupil enrollment

1 and other data that must be submitted to the State Board of
2 Education in accordance with Section 7-14A of this Code. The
3 changes to this Section made by Public Act 95-707 are intended
4 to be retroactive and applicable to any annexation taking
5 effect on or after July 1, 2004. For annexations that are
6 eligible for payments under this paragraph (6.5) and that are
7 effective on or after July 1, 2004, but before January 11, 2008
8 (the effective date of Public Act 95-707), the first required
9 yearly payment under this paragraph (6.5) shall be paid in the
10 fiscal year of January 11, 2008 (the effective date of Public
11 Act 95-707). Subsequent required yearly payments shall be paid
12 in subsequent fiscal years until the payment obligation under
13 this paragraph (6.5) is complete.

14 (7) Claims for financial assistance under this subsection
15 (a) may not be recomputed except as expressly provided under
16 Section 18-8.05 or 18-8.15 of this Code.

17 (8) Any supplementary payment made under this subsection
18 (a) must be treated as separate from all other payments made
19 pursuant to Section 18-8.05 or 18-8.15 of this Code.

20 (b)(1) After the formation of a combined school district,
21 as defined in Section 11E-20 of this Code, or a unit district,
22 as defined in Section 11E-25 of this Code, a computation shall
23 be made to determine the difference between the salaries
24 effective in each of the previously existing districts on June
25 30, prior to the creation of the new district. For the first 4
26 years after the formation of the new district, a supplementary

1 State aid reimbursement shall be paid to the new district equal
2 to the difference between the sum of the salaries earned by
3 each of the certificated members of the new district, while
4 employed in one of the previously existing districts during the
5 year immediately preceding the formation of the new district,
6 and the sum of the salaries those certificated members would
7 have been paid during the year immediately prior to the
8 formation of the new district if placed on the salary schedule
9 of the previously existing district with the highest salary
10 schedule.

11 (2) After the territory of one or more school districts is
12 annexed by one or more other school districts as defined in
13 Article 7 of this Code, a computation shall be made to
14 determine the difference between the salaries effective in each
15 annexed district and in the annexing district or districts as
16 they were each constituted on June 30 preceding the date when
17 the change of boundaries attributable to the annexation became
18 effective for all purposes, as determined under Section 7-9 of
19 this Code. For the first 4 years after the annexation, a
20 supplementary State aid reimbursement shall be paid to each
21 annexing district as constituted after the annexation equal to
22 the difference between the sum of the salaries earned by each
23 of the certificated members of the annexing district as
24 constituted after the annexation, while employed in an annexed
25 or annexing district during the year immediately preceding the
26 annexation, and the sum of the salaries those certificated

1 members would have been paid during the immediately preceding
2 year if placed on the salary schedule of whichever of the
3 annexing or annexed districts had the highest salary schedule
4 during the immediately preceding year.

5 (3) For each new high school district formed under a school
6 district conversion, as defined in Section 11E-15 of this Code,
7 the State shall make a supplementary payment for 4 years equal
8 to the difference between the sum of the salaries earned by
9 each certified member of the new high school district, while
10 employed in one of the previously existing districts, and the
11 sum of the salaries those certified members would have been
12 paid if placed on the salary schedule of the previously
13 existing district with the highest salary schedule.

14 (4) For each newly created partial elementary unit
15 district, the State shall make a supplementary payment for 4
16 years equal to the difference between the sum of the salaries
17 earned by each certified member of the newly created partial
18 elementary unit district, while employed in one of the
19 previously existing districts that formed the partial
20 elementary unit district, and the sum of the salaries those
21 certified members would have been paid if placed on the salary
22 schedule of the previously existing district with the highest
23 salary schedule. The salary schedules used in the calculation
24 shall be those in effect in the previously existing districts
25 for the school year prior to the creation of the new partial
26 elementary unit district.

1 (5) For an elementary district opt-in, as described in
2 subsection (d) of Section 11E-30 of this Code, the salary
3 difference incentive shall be computed in accordance with
4 paragraph (4) of this subsection (b) as if the opted-in
5 elementary district was included in the optional elementary
6 unit district at the optional elementary unit district's
7 original effective date. If the calculation in this paragraph
8 (5) is less than that calculated in paragraph (4) of this
9 subsection (b) at the optional elementary unit district's
10 original effective date, then no adjustments may be made. If
11 the calculation in this paragraph (5) is more than that
12 calculated in paragraph (4) of this subsection (b) at the
13 optional elementary unit district's original effective date,
14 then the excess must be paid as follows:

15 (A) If the effective date for the elementary opt-in is
16 one year after the effective date for the optional
17 elementary unit district, 100% of the calculated excess
18 shall be paid to the optional elementary unit district in
19 each of the first 4 years after the effective date of the
20 elementary opt-in.

21 (B) If the effective date for the elementary opt-in is
22 2 years after the effective date for the optional
23 elementary unit district, 75% of the calculated excess
24 shall be paid to the optional elementary unit district in
25 each of the first 4 years after the effective date of the
26 elementary opt-in.

1 (C) If the effective date for the elementary opt-in is
2 3 years after the effective date for the optional
3 elementary unit district, 50% of the calculated excess
4 shall be paid to the optional elementary unit district in
5 each of the first 4 years after the effective date of the
6 elementary opt-in.

7 (D) If the effective date for the elementary opt-in is
8 4 years after the effective date for the partial elementary
9 unit district, 25% of the calculated excess shall be paid
10 to the optional elementary unit district in each of the
11 first 4 years after the effective date of the elementary
12 opt-in.

13 (E) If the effective date for the elementary opt-in is
14 5 years after the effective date for the optional
15 elementary unit district, the optional elementary unit
16 district is not eligible for any additional incentives due
17 to the elementary opt-in.

18 (5.5) After the formation of a cooperative high school by 2
19 or more school districts under Section 10-22.22c of this Code,
20 a computation shall be made to determine the difference between
21 the salaries effective in each of the previously existing high
22 schools on June 30 prior to the formation of the cooperative
23 high school. For the first 4 years after the formation of the
24 cooperative high school, a supplementary State aid
25 reimbursement shall be paid to the cooperative high school
26 equal to the difference between the sum of the salaries earned

1 by each of the certificated members of the cooperative high
2 school while employed in one of the previously existing high
3 schools during the year immediately preceding the formation of
4 the cooperative high school and the sum of the salaries those
5 certificated members would have been paid during the year
6 immediately prior to the formation of the cooperative high
7 school if placed on the salary schedule of the previously
8 existing high school with the highest salary schedule.

9 (5.10) After the annexation of territory detached from
10 another school district whereby the enrollment of the annexing
11 district increases by 90% or more as a result of the
12 annexation, a computation shall be made to determine the
13 difference between the salaries effective in the district
14 gaining territory and the district losing territory as they
15 each were constituted on June 30 preceding the date when the
16 change of boundaries attributable to the annexation became
17 effective for all purposes as determined under Section 7-9 of
18 this Code. For the first 4 years after the annexation, a
19 supplementary State aid reimbursement shall be paid to the
20 annexing district equal to the difference between the sum of
21 the salaries earned by each of the certificated members of the
22 annexing district as constituted after the annexation while
23 employed in the district gaining territory or the district
24 losing territory during the year immediately preceding the
25 annexation and the sum of the salaries those certificated
26 members would have been paid during such immediately preceding

1 year if placed on the salary schedule of whichever of the
2 district gaining territory or district losing territory had the
3 highest salary schedule during the immediately preceding year.
4 To be eligible for supplementary State aid reimbursement under
5 this Section, the intergovernmental agreement to be submitted
6 pursuant to Section 7-14A of this Code must show that staff
7 members were transferred from the control of the district
8 losing territory to the control of the district gaining
9 territory in the annexation. The changes to this Section made
10 by Public Act 95-707 are intended to be retroactive and
11 applicable to any annexation taking effect on or after July 1,
12 2004. For annexations that are eligible for payments under this
13 paragraph (5.10) and that are effective on or after July 1,
14 2004, but before January 11, 2008 (the effective date of Public
15 Act 95-707), the first required yearly payment under this
16 paragraph (5.10) shall be paid in the fiscal year of January
17 11, 2008 (the effective date of Public Act 95-707). Subsequent
18 required yearly payments shall be paid in subsequent fiscal
19 years until the payment obligation under this paragraph (5.10)
20 is complete.

21 (5.15) After the deactivation of a school facility in
22 accordance with Section 10-22.22b of this Code, a computation
23 shall be made to determine the difference between the salaries
24 effective in the sending school district and each receiving
25 school district on June 30 prior to the deactivation of the
26 school facility. For the lesser of the first 4 years after the

1 deactivation of the school facility or the length of the
2 deactivation agreement, including any renewals of the original
3 deactivation agreement, a supplementary State aid
4 reimbursement shall be paid to each receiving district equal to
5 the difference between the sum of the salaries earned by each
6 of the certificated members transferred to that receiving
7 district as a result of the deactivation while employed in the
8 sending district during the year immediately preceding the
9 deactivation and the sum of the salaries those certificated
10 members would have been paid during the year immediately
11 preceding the deactivation if placed on the salary schedule of
12 the sending or receiving district with the highest salary
13 schedule.

14 (6) The supplementary State aid reimbursement under this
15 subsection (b) shall be treated as separate from all other
16 payments made pursuant to Section 18-8.05 of this Code. In the
17 case of the formation of a new district or cooperative high
18 school or a deactivation, reimbursement shall begin during the
19 first year of operation of the new district or cooperative high
20 school or the first year of the deactivation, and in the case
21 of an annexation of the territory of one or more school
22 districts by one or more other school districts or the
23 annexation of territory detached from a school district whereby
24 the enrollment of the annexing district increases by 90% or
25 more as a result of the annexation, reimbursement shall begin
26 during the first year when the change in boundaries

1 attributable to the annexation becomes effective for all
2 purposes as determined pursuant to Section 7-9 of this Code,
3 except that for an annexation of territory detached from a
4 school district that is effective on or after July 1, 2004, but
5 before January 11, 2008 (the effective date of Public Act
6 95-707), whereby the enrollment of the annexing district
7 increases by 90% or more as a result of the annexation,
8 reimbursement shall begin during the fiscal year of January 11,
9 2008 (the effective date of Public Act 95-707). Each year that
10 the new, annexing, or receiving district or cooperative high
11 school, as the case may be, is entitled to receive
12 reimbursement, the number of eligible certified members who are
13 employed on October 1 in the district or cooperative high
14 school shall be certified to the State Board of Education on
15 prescribed forms by October 15 and payment shall be made on or
16 before November 15 of that year.

17 (c) (1) For the first year after the formation of a combined
18 school district, as defined in Section 11E-20 of this Code or a
19 unit district, as defined in Section 11E-25 of this Code, a
20 computation shall be made totaling each previously existing
21 district's audited fund balances in the educational fund,
22 working cash fund, operations and maintenance fund, and
23 transportation fund for the year ending June 30 prior to the
24 referendum for the creation of the new district. The new
25 district shall be paid supplementary State aid equal to the sum
26 of the differences between the deficit of the previously

1 existing district with the smallest deficit and the deficits of
2 each of the other previously existing districts.

3 (2) For the first year after the annexation of all of the
4 territory of one or more entire school districts by another
5 school district, as defined in Article 7 of this Code,
6 computations shall be made, for the year ending June 30 prior
7 to the date that the change of boundaries attributable to the
8 annexation is allowed by the affirmative decision issued by the
9 regional board of school trustees under Section 7-6 of this
10 Code, notwithstanding any effort to seek administrative review
11 of the decision, totaling the annexing district's and totaling
12 each annexed district's audited fund balances in their
13 respective educational, working cash, operations and
14 maintenance, and transportation funds. The annexing district
15 as constituted after the annexation shall be paid supplementary
16 State aid equal to the sum of the differences between the
17 deficit of whichever of the annexing or annexed districts as
18 constituted prior to the annexation had the smallest deficit
19 and the deficits of each of the other districts as constituted
20 prior to the annexation.

21 (3) For the first year after the annexation of all of the
22 territory of one or more entire school districts by 2 or more
23 other school districts, as defined by Article 7 of this Code,
24 computations shall be made, for the year ending June 30 prior
25 to the date that the change of boundaries attributable to the
26 annexation is allowed by the affirmative decision of the

1 regional board of school trustees under Section 7-6 of this
2 Code, notwithstanding any action for administrative review of
3 the decision, totaling each annexing and annexed district's
4 audited fund balances in their respective educational, working
5 cash, operations and maintenance, and transportation funds.
6 The annexing districts as constituted after the annexation
7 shall be paid supplementary State aid, allocated as provided in
8 this paragraph (3), in an aggregate amount equal to the sum of
9 the differences between the deficit of whichever of the
10 annexing or annexed districts as constituted prior to the
11 annexation had the smallest deficit and the deficits of each of
12 the other districts as constituted prior to the annexation. The
13 aggregate amount of the supplementary State aid payable under
14 this paragraph (3) shall be allocated between or among the
15 annexing districts as follows:

16 (A) the regional superintendent of schools for each
17 educational service region in which an annexed district is
18 located prior to the annexation shall certify to the State
19 Board of Education, on forms that it shall provide for that
20 purpose, the value of all taxable property in each annexed
21 district, as last equalized or assessed by the Department
22 of Revenue prior to the annexation, and the equalized
23 assessed value of each part of the annexed district that
24 was annexed to or included as a part of an annexing
25 district;

26 (B) using equalized assessed values as certified by the

1 regional superintendent of schools under clause (A) of this
2 paragraph (3), the combined audited fund balance deficit of
3 each annexed district as determined under this Section
4 shall be apportioned between or among the annexing
5 districts in the same ratio as the equalized assessed value
6 of that part of the annexed district that was annexed to or
7 included as a part of an annexing district bears to the
8 total equalized assessed value of the annexed district; and

9 (C) the aggregate supplementary State aid payment
10 under this paragraph (3) shall be allocated between or
11 among, and shall be paid to, the annexing districts in the
12 same ratio as the sum of the combined audited fund balance
13 deficit of each annexing district as constituted prior to
14 the annexation, plus all combined audited fund balance
15 deficit amounts apportioned to that annexing district
16 under clause (B) of this subsection, bears to the aggregate
17 of the combined audited fund balance deficits of all of the
18 annexing and annexed districts as constituted prior to the
19 annexation.

20 (4) For the new elementary districts and new high school
21 district formed through a school district conversion, as
22 defined in Section 11E-15 of this Code or the new elementary
23 district or districts and new combined high school - unit
24 district formed through a multi-unit conversion, as defined in
25 subsection (b) of Section 11E-30 of this Code, a computation
26 shall be made totaling each previously existing district's

1 audited fund balances in the educational fund, working cash
2 fund, operations and maintenance fund, and transportation fund
3 for the year ending June 30 prior to the referendum
4 establishing the new districts. In the first year of the new
5 districts, the State shall make a one-time supplementary
6 payment equal to the sum of the differences between the deficit
7 of the previously existing district with the smallest deficit
8 and the deficits of each of the other previously existing
9 districts. A district with a combined balance among the 4 funds
10 that is positive shall be considered to have a deficit of zero.
11 The supplementary payment shall be allocated among the newly
12 formed high school and elementary districts in the manner
13 provided by the petition for the formation of the districts, in
14 the form in which the petition is approved by the regional
15 superintendent of schools or State Superintendent of Education
16 under Section 11E-50 of this Code.

17 (5) For each newly created partial elementary unit
18 district, as defined in subsection (a) or (c) of Section 11E-30
19 of this Code, a computation shall be made totaling the audited
20 fund balances of each previously existing district that formed
21 the new partial elementary unit district in the educational
22 fund, working cash fund, operations and maintenance fund, and
23 transportation fund for the year ending June 30 prior to the
24 referendum for the formation of the partial elementary unit
25 district. In the first year of the new partial elementary unit
26 district, the State shall make a one-time supplementary payment

1 to the new district equal to the sum of the differences between
2 the deficit of the previously existing district with the
3 smallest deficit and the deficits of each of the other
4 previously existing districts. A district with a combined
5 balance among the 4 funds that is positive shall be considered
6 to have a deficit of zero.

7 (6) For an elementary opt-in as defined in subsection (d)
8 of Section 11E-30 of this Code, the deficit fund balance
9 incentive shall be computed in accordance with paragraph (5) of
10 this subsection (c) as if the opted-in elementary was included
11 in the optional elementary unit district at the optional
12 elementary unit district's original effective date. If the
13 calculation in this paragraph (6) is less than that calculated
14 in paragraph (5) of this subsection (c) at the optional
15 elementary unit district's original effective date, then no
16 adjustments may be made. If the calculation in this paragraph
17 (6) is more than that calculated in paragraph (5) of this
18 subsection (c) at the optional elementary unit district's
19 original effective date, then the excess must be paid as
20 follows:

21 (A) If the effective date for the elementary opt-in is
22 one year after the effective date for the optional
23 elementary unit district, 100% of the calculated excess
24 shall be paid to the optional elementary unit district in
25 the first year after the effective date of the elementary
26 opt-in.

1 (B) If the effective date for the elementary opt-in is
2 2 years after the effective date for the optional
3 elementary unit district, 75% of the calculated excess
4 shall be paid to the optional elementary unit district in
5 the first year after the effective date of the elementary
6 opt-in.

7 (C) If the effective date for the elementary opt-in is
8 3 years after the effective date for the optional
9 elementary unit district, 50% of the calculated excess
10 shall be paid to the optional elementary unit district in
11 the first year after the effective date of the elementary
12 opt-in.

13 (D) If the effective date for the elementary opt-in is
14 4 years after the effective date for the optional
15 elementary unit district, 25% of the calculated excess
16 shall be paid to the optional elementary unit district in
17 the first year after the effective date of the elementary
18 opt-in.

19 (E) If the effective date for the elementary opt-in is
20 5 years after the effective date for the optional
21 elementary unit district, the optional elementary unit
22 district is not eligible for any additional incentives due
23 to the elementary opt-in.

24 (6.5) For the first year after the annexation of territory
25 detached from another school district whereby the enrollment of
26 the annexing district increases by 90% or more as a result of

1 the annexation, a computation shall be made totaling the
2 audited fund balances of the district gaining territory and the
3 audited fund balances of the district losing territory in the
4 educational fund, working cash fund, operations and
5 maintenance fund, and transportation fund for the year ending
6 June 30 prior to the date that the change of boundaries
7 attributable to the annexation is allowed by the affirmative
8 decision of the regional board of school trustees under Section
9 7-6 of this Code, notwithstanding any action for administrative
10 review of the decision. The annexing district as constituted
11 after the annexation shall be paid supplementary State aid
12 equal to the difference between the deficit of whichever
13 district included in this calculation as constituted prior to
14 the annexation had the smallest deficit and the deficit of each
15 other district included in this calculation as constituted
16 prior to the annexation, multiplied by the ratio of equalized
17 assessed value of the territory detached to the total equalized
18 assessed value of the district losing territory. The regional
19 superintendent of schools for the educational service region in
20 which a district losing territory is located prior to the
21 annexation shall certify to the State Board of Education the
22 value of all taxable property in the district losing territory
23 and the value of all taxable property in the territory being
24 detached, as last equalized or assessed by the Department of
25 Revenue prior to the annexation. To be eligible for
26 supplementary State aid reimbursement under this Section, the

1 intergovernmental agreement to be submitted pursuant to
2 Section 7-14A of this Code must show that fund balances were
3 transferred from the district losing territory to the district
4 gaining territory in the annexation. The changes to this
5 Section made by Public Act 95-707 are intended to be
6 retroactive and applicable to any annexation taking effect on
7 or after July 1, 2004. For annexations that are eligible for
8 payments under this paragraph (6.5) and that are effective on
9 or after July 1, 2004, but before January 11, 2008 (the
10 effective date of Public Act 95-707), the required payment
11 under this paragraph (6.5) shall be paid in the fiscal year of
12 January 11, 2008 (the effective date of Public Act 95-707).

13 (7) For purposes of any calculation required under
14 paragraph (1), (2), (3), (4), (5), (6), or (6.5) of this
15 subsection (c), a district with a combined fund balance that is
16 positive shall be considered to have a deficit of zero. For
17 purposes of determining each district's audited fund balances
18 in its educational fund, working cash fund, operations and
19 maintenance fund, and transportation fund for the specified
20 year ending June 30, as provided in paragraphs (1), (2), (3),
21 (4), (5), (6), and (6.5) of this subsection (c), the balance of
22 each fund shall be deemed decreased by an amount equal to the
23 amount of the annual property tax theretofore levied in the
24 fund by the district for collection and payment to the district
25 during the calendar year in which the June 30 fell, but only to
26 the extent that the tax so levied in the fund actually was

1 received by the district on or before or comprised a part of
2 the fund on such June 30. For purposes of determining each
3 district's audited fund balances, a calculation shall be made
4 for each fund to determine the average for the 3 years prior to
5 the specified year ending June 30, as provided in paragraphs
6 (1), (2), (3), (4), (5), (6), and (6.5) of this subsection (c),
7 of the district's expenditures in the categories "purchased
8 services", "supplies and materials", and "capital outlay", as
9 those categories are defined in rules of the State Board of
10 Education. If this 3-year average is less than the district's
11 expenditures in these categories for the specified year ending
12 June 30, as provided in paragraphs (1), (2), (3), (4), (5),
13 (6), and (6.5) of this subsection (c), then the 3-year average
14 shall be used in calculating the amounts payable under this
15 Section in place of the amounts shown in these categories for
16 the specified year ending June 30, as provided in paragraphs
17 (1), (2), (3), (4), (5), (6), and (6.5) of this subsection (c).
18 Any deficit because of State aid not yet received may not be
19 considered in determining the June 30 deficits. The same basis
20 of accounting shall be used by all previously existing
21 districts and by all annexing or annexed districts, as
22 constituted prior to the annexation, in making any computation
23 required under paragraphs (1), (2), (3), (4), (5), (6), and
24 (6.5) of this subsection (c).

25 (8) The supplementary State aid payments under this
26 subsection (c) shall be treated as separate from all other

1 payments made pursuant to Section 18-8.05 of this Code.

2 (d)(1) Following the formation of a combined school
3 district, as defined in Section 11E-20 of this Code, a new unit
4 district, as defined in Section 11E-25 of this Code, a new
5 elementary district or districts and a new high school district
6 formed through a school district conversion, as defined in
7 Section 11E-15 of this Code, a new partial elementary unit
8 district, as defined in Section 11E-30 of this Code, or a new
9 elementary district or districts formed through a multi-unit
10 conversion, as defined in subsection (b) of Section 11E-30 of
11 this Code, or the annexation of all of the territory of one or
12 more entire school districts by one or more other school
13 districts, as defined in Article 7 of this Code, a
14 supplementary State aid reimbursement shall be paid for the
15 number of school years determined under the following table to
16 each new or annexing district equal to the sum of \$4,000 for
17 each certified employee who is employed by the district on a
18 full-time basis for the regular term of the school year:

19	Reorganized District's Rank	Reorganized District's Rank
20	by type of district (unit,	in Average Daily Attendance
21	high school, elementary)	By Quintile
22	in Equalized Assessed Value	
23	Per Pupil by Quintile	
24		3rd, 4th,
25	1st 2nd	or 5th

	Quintile	Quintile	Quintile
1			
2	1st Quintile	1 year	1 year
3	2nd Quintile	1 year	2 years
4	3rd Quintile	2 years	3 years
5	4th Quintile	2 years	3 years
6	5th Quintile	2 years	3 years

7 The State Board of Education shall make a one-time calculation
8 of a reorganized district's quintile ranks. The average daily
9 attendance used in this calculation shall be the best 3 months'
10 average daily attendance for the district's first year. The
11 equalized assessed value per pupil shall be the district's real
12 property equalized assessed value used in calculating the
13 district's first-year general State aid claim, under Section
14 18-8.05 of this Code, or first-year evidence-based funding
15 claim, under Section 18-8.15 of this Code, as applicable,
16 divided by the best 3 months' average daily attendance.

17 No annexing or resulting school district shall be entitled
18 to supplementary State aid under this subsection (d) unless the
19 district acquires at least 30% of the average daily attendance
20 of the district from which the territory is being detached or
21 divided.

22 If a district results from multiple reorganizations that
23 would otherwise qualify the district for multiple payments
24 under this subsection (d) in any year, then the district shall
25 receive a single payment only for that year based solely on the

1 most recent reorganization.

2 (2) For an elementary opt-in, as defined in subsection (d)
3 of Section 11E-30 of this Code, the full-time certified staff
4 incentive shall be computed in accordance with paragraph (1) of
5 this subsection (d), equal to the sum of \$4,000 for each
6 certified employee of the elementary district that opts-in who
7 is employed by the optional elementary unit district on a
8 full-time basis for the regular term of the school year. The
9 calculation from this paragraph (2) must be paid as follows:

10 (A) If the effective date for the elementary opt-in is
11 one year after the effective date for the optional
12 elementary unit district, 100% of the amount calculated in
13 this paragraph (2) shall be paid to the optional elementary
14 unit district for the number of years calculated in
15 paragraph (1) of this subsection (d) at the optional
16 elementary unit district's original effective date,
17 starting in the second year after the effective date of the
18 elementary opt-in.

19 (B) If the effective date for the elementary opt-in is
20 2 years after the effective date for the optional
21 elementary unit district, 75% of the amount calculated in
22 this paragraph (2) shall be paid to the optional elementary
23 unit district for the number of years calculated in
24 paragraph (1) of this subsection (d) at the optional
25 elementary unit district's original effective date,
26 starting in the second year after the effective date of the

1 elementary opt-in.

2 (C) If the effective date for the elementary opt-in is
3 3 years after the effective date for the optional
4 elementary unit district, 50% of the amount calculated in
5 this paragraph (2) shall be paid to the optional elementary
6 unit district for the number of years calculated in
7 paragraph (1) of this subsection (d) at the optional
8 elementary unit district's original effective date,
9 starting in the second year after the effective date of the
10 elementary opt-in.

11 (D) If the effective date for the elementary opt-in is
12 4 years after the effective date for the optional
13 elementary unit district, 25% of the amount calculated in
14 this paragraph (2) shall be paid to the optional elementary
15 unit district for the number of years calculated in
16 paragraph (1) of this subsection (d) at the optional
17 elementary unit district's original effective date,
18 starting in the second year after the effective date of the
19 elementary opt-in.

20 (E) If the effective date for the elementary opt-in is
21 5 years after the effective date for the optional
22 elementary unit district, the optional elementary unit
23 district is not eligible for any additional incentives due
24 to the elementary opt-in.

25 (2.5) Following the formation of a cooperative high school
26 by 2 or more school districts under Section 10-22.22c of this

1 Code, a supplementary State aid reimbursement shall be paid for
2 3 school years to the cooperative high school equal to the sum
3 of \$4,000 for each certified employee who is employed by the
4 cooperative high school on a full-time basis for the regular
5 term of any such school year. If a cooperative high school
6 results from multiple agreements that would otherwise qualify
7 the cooperative high school for multiple payments under this
8 Section in any year, the cooperative high school shall receive
9 a single payment for that year based solely on the most recent
10 agreement.

11 (2.10) Following the annexation of territory detached from
12 another school district whereby the enrollment of the annexing
13 district increases 90% or more as a result of the annexation, a
14 supplementary State aid reimbursement shall be paid to the
15 annexing district equal to the sum of \$4,000 for each certified
16 employee who is employed by the annexing district on a
17 full-time basis and shall be calculated in accordance with
18 subsection (a) of this Section. To be eligible for
19 supplementary State aid reimbursement under this Section, the
20 intergovernmental agreement to be submitted pursuant to
21 Section 7-14A of this Code must show that certified staff
22 members were transferred from the control of the district
23 losing territory to the control of the district gaining
24 territory in the annexation. The changes to this Section made
25 by Public Act 95-707 are intended to be retroactive and
26 applicable to any annexation taking effect on or after July 1,

1 2004. For annexations that are eligible for payments under this
2 paragraph (2.10) and that are effective on or after July 1,
3 2004, but before January 11, 2008 (the effective date of Public
4 Act 95-707), the first required yearly payment under this
5 paragraph (2.10) shall be paid in the second fiscal year after
6 January 11, 2008 (the effective date of Public Act 95-707). Any
7 subsequent required yearly payments shall be paid in subsequent
8 fiscal years until the payment obligation under this paragraph
9 (2.10) is complete.

10 (2.15) Following the deactivation of a school facility in
11 accordance with Section 10-22.22b of this Code, a supplementary
12 State aid reimbursement shall be paid for the lesser of 3
13 school years or the length of the deactivation agreement,
14 including any renewals of the original deactivation agreement,
15 to each receiving school district equal to the sum of \$4,000
16 for each certified employee who is employed by that receiving
17 district on a full-time basis for the regular term of any such
18 school year who was originally transferred to the control of
19 that receiving district as a result of the deactivation.
20 Receiving districts are eligible for payments under this
21 paragraph (2.15) based on the certified employees transferred
22 to that receiving district as a result of the deactivation and
23 are not required to receive at least 30% of the deactivating
24 district's average daily attendance as required under
25 paragraph (1) of this subsection (d) to be eligible for
26 payments.

1 (3) The supplementary State aid reimbursement payable
2 under this subsection (d) shall be separate from and in
3 addition to all other payments made to the district pursuant to
4 any other Section of this Article.

5 (4) During May of each school year for which a
6 supplementary State aid reimbursement is to be paid to a new,
7 annexing, or receiving school district or cooperative high
8 school pursuant to this subsection (d), the school board or
9 governing board shall certify to the State Board of Education,
10 on forms furnished to the school board or governing board by
11 the State Board of Education for purposes of this subsection
12 (d), the number of certified employees for which the district
13 or cooperative high school is entitled to reimbursement under
14 this Section, together with the names, certificate numbers, and
15 positions held by the certified employees.

16 (5) Upon certification by the State Board of Education to
17 the State Comptroller of the amount of the supplementary State
18 aid reimbursement to which a school district or cooperative
19 high school is entitled under this subsection (d), the State
20 Comptroller shall draw his or her warrant upon the State
21 Treasurer for the payment thereof to the school district or
22 cooperative high school and shall promptly transmit the payment
23 to the school district or cooperative high school through the
24 appropriate school treasurer.

25 (Source: P.A. 100-465, eff. 8-31-17.)

1 (105 ILCS 5/11E-140 new)

2 Sec. 11E-140. School District Efficiency Commission.

3 (a) The School District Efficiency Commission is created.

4 The Commission shall consist of all of the following voting
5 members:

6 (1) The Lieutenant Governor or his or her appointee.

7 (2) One member appointed by the State Board of
8 Education.

9 (3) One representative appointed by the Speaker of the
10 House of Representatives.

11 (4) One representative appointed by the Minority
12 Leader of the House of Representatives.

13 (5) One senator appointed by the President of the
14 Senate.

15 (6) One senator appointed by the Minority Leader of the
16 Senate.

17 (7) A representative of a statewide professional
18 teachers' organization appointed by the head of that
19 organization.

20 (8) A representative of a different statewide
21 professional teachers' organization appointed by the head
22 of that organization.

23 (9) A representative of a statewide organization that
24 represents school boards appointed by the head of that
25 organization.

26 (10) A representative of a statewide organization

1 representing principals appointed by the head of that
2 organization.

3 (11) A representative of an organization representing
4 professional teachers in a city having a population
5 exceeding 500,000 appointed by the head of that
6 organization.

7 (12) A representative of an association representing
8 school business officials appointed by the head of that
9 association.

10 (13) A representative of an association representing
11 school administrators appointed by the head of that
12 association.

13 (14) A member of the Chicago Board of Education
14 appointed by the Chicago Board of Education.

15 (15) A representative from an organization
16 representing administrators of special education appointed
17 by the head of that organization.

18 (16) A representative from a statewide parent
19 organization appointed by the head of that organization.

20 (17) A representative from an organization
21 representing high school districts appointed by the head of
22 that organization.

23 (18) A representative from a rural school district in
24 this State appointed by the Governor.

25 (19) A representative from a suburban school district
26 in this State appointed by the Governor.

1 (20) A representative of an association that
2 represents regional superintendents of schools appointed
3 by the head of that association.

4 Members shall serve without compensation, but shall be
5 reimbursed for their reasonable and necessary expenses from
6 funds appropriated for that purpose. Members shall be
7 reimbursed for their travel expenses from appropriations to the
8 State Board of Education made available for that purpose and
9 subject to the rules of the appropriate travel control board.

10 No later than 60 days after the effective date of this
11 amendatory Act of the 101st General Assembly, the Commission
12 must hold its first meeting, on a date determined by the State
13 Board, and must select a chairperson from among the members of
14 the Commission. After its first meeting, the Commission must
15 meet at the call of the chairperson and must hold public
16 hearings throughout this State. The State Board shall provide
17 administrative assistance and necessary staff support services
18 to the Commission.

19 (b) The Commission must make recommendations to the
20 Governor and the General Assembly on the number of school
21 districts in this State, the optimal amount of enrollment for a
22 school district, and where reorganization and realignment of
23 school districts would be beneficial in this State. The
24 Commission's recommendations must focus on all of the following
25 areas:

26 (1) Reducing the money spent on the duplication of

1 efforts.

2 (2) Improving the education of students by having fewer
3 obstacles between qualified teachers and their students.

4 (3) Lowering the property tax burden.

5 (4) Providing recommendations on what the net cost
6 savings of realignment is to this State.

7 (5) With a view toward reducing unnecessary
8 administrative costs, improving the education of students,
9 and lowering the property tax burden, drafting specific
10 recommendations to reduce the statewide total number of
11 school districts by no less than 25% through the
12 reorganization of school districts into unit districts
13 under Section 11E-25. Each recommendation under this
14 paragraph must include all of the following:

15 (A) A request to submit propositions at the next
16 general election for the purpose of voting for or
17 against the establishment of a combined unit district.

18 (B) A description of the territory comprising the
19 districts proposed to be dissolved and those to be
20 created, which, for an entire district, may be a
21 general reference to all of the territory included
22 within that district.

23 (C) A specification of the maximum tax rates the
24 proposed district or districts are authorized to levy
25 for various purposes and, if applicable, the
26 specifications related to the Property Tax Extension

1 Limitation Law, in accordance with Section 11E-80 of
2 this Code.

3 The Commission may not make any recommendations under this
4 subsection that would provide for the consolidation of
5 individual schools.

6 (c) On or before May 1, 2022, the Commission must vote on
7 its recommendations and file a report with the Governor and the
8 General Assembly. If the Commission adopts the report
9 recommendations by an affirmative vote of at least 11 of its
10 members, then the Commission's specific recommendations for
11 reorganization of school districts into unit districts under
12 paragraph (5) of subsection (b) shall be placed on the ballots
13 of the designated school districts in the next general election
14 in the same manner as if the Commission's recommendations were
15 petitions approved by a regional superintendent of schools
16 under Section 11E-50, except that Section 11E-135 does not
17 apply to school district reorganizations resulting from
18 referenda submitted under this Section. The Commission is
19 dissolved on the day after the report is filed with both the
20 Governor and the General Assembly.

21 (d) This Section is repealed on February 1, 2023.

22 Section 99. Effective date. This Act takes effect upon
23 becoming law.