



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB1722

Introduced 2/26/2021, by Sen. Emil Jones, III

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, 2023, 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, 2024. Makes a conforming change in the Conversion and Formation of School Districts Article. Effective immediately.

LRB102 10193 CMG 15516 b

FISCAL NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

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

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

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

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

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

1 bears to the actual aggregate pupil enrollment in all of the
2 districts during their first year of existence. For purposes
3 of each allocation:

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

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

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

26 (D) the deemed elementary pupil enrollment of each

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

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

24 (5) For a partial elementary unit district, as defined in
25 subsection (a) or (c) of Section 11E-30 of this Code, if, in
26 the first year of existence, the newly created partial

1 elementary unit district qualifies for less general State aid
2 and supplemental general State aid under Section 18-8.05 of
3 this Code or less evidence-based funding under Section 18-8.15
4 of this Code, as applicable, than would have been payable
5 under those Sections for that same year to the previously
6 existing districts that formed the partial elementary unit
7 district, then a supplementary payment equal to that
8 difference shall be made to the partial elementary unit
9 district for the first 4 years of existence of that newly
10 created district.

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

25 (A) If the effective date for the elementary opt-in is
26 one year after the effective date for the optional

1 elementary unit district, 100% of the calculated excess
2 shall be paid to the optional elementary unit district in
3 each of the first 4 years after the effective date of the
4 elementary opt-in.

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

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

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

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

1 to the elementary opt-in.

2 (6.5) For a school district that annexes territory
3 detached from another school district whereby the enrollment
4 of the annexing district increases by 90% or more as a result
5 of the annexation, for the first year during which the change
6 of boundaries attributable to the annexation becomes effective
7 for all purposes as determined under Section 7-9 of this Code,
8 the general State aid and supplemental general State aid or
9 evidence-based funding, as applicable, calculated under this
10 Section shall be computed for the district gaining territory
11 and the district losing territory as constituted after the
12 annexation and for the same districts as constituted prior to
13 the annexation; and if the aggregate of the general State aid
14 and supplemental general State aid or evidence-based funding,
15 as applicable, as so computed for the district gaining
16 territory and the district losing territory as constituted
17 after the annexation is less than the aggregate of the general
18 State aid and supplemental general State aid or evidence-based
19 funding, as applicable, as so computed for the district
20 gaining territory and the district losing territory as
21 constituted prior to the annexation, then a supplementary
22 payment shall be made to the annexing district for the first 4
23 years of existence after the annexation, equal to the
24 difference multiplied by the ratio of student enrollment in
25 the territory detached to the total student enrollment in the
26 district losing territory for the year prior to the effective

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

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

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

23 (b) (1) After the formation of a combined school district,
24 as defined in Section 11E-20 of this Code, or a unit district,
25 as defined in Section 11E-25 of this Code, a computation shall
26 be made to determine the difference between the salaries

1 effective in each of the previously existing districts on June
2 30, prior to the creation of the new district. For the first 4
3 years after the formation of the new district, a supplementary
4 State aid reimbursement shall be paid to the new district
5 equal to the difference between the sum of the salaries earned
6 by each of the certificated members of the new district, while
7 employed in one of the previously existing districts during
8 the year immediately preceding the formation of the new
9 district, and the sum of the salaries those certificated
10 members would have been paid during the year immediately prior
11 to the formation of the new district if placed on the salary
12 schedule of the previously existing district with the highest
13 salary schedule.

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

1 annexing district as constituted after the annexation, while
2 employed in an annexed or annexing district during the year
3 immediately preceding the annexation, and the sum of the
4 salaries those certificated members would have been paid
5 during the immediately preceding year if placed on the salary
6 schedule of whichever of the annexing or annexed districts had
7 the highest salary schedule during the immediately preceding
8 year.

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

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

1 salary schedule. The salary schedules used in the calculation
2 shall be those in effect in the previously existing districts
3 for the school year prior to the creation of the new partial
4 elementary unit district.

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

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

25 (B) If the effective date for the elementary opt-in is
26 2 years after the effective date for the optional

1 elementary unit district, 75% of the calculated excess
2 shall be paid to the optional elementary unit district in
3 each of the first 4 years after the effective date of the
4 elementary opt-in.

5 (C) If the effective date for the elementary opt-in is
6 3 years after the effective date for the optional
7 elementary unit district, 50% of the calculated excess
8 shall be paid to the optional elementary unit district in
9 each of the first 4 years 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 partial
13 elementary unit district, 25% of the calculated excess
14 shall be paid to the optional elementary unit district in
15 each of the first 4 years after the effective date of the
16 elementary opt-in.

17 (E) If the effective date for the elementary opt-in is
18 5 years after the effective date for the optional
19 elementary unit district, the optional elementary unit
20 district is not eligible for any additional incentives due
21 to the elementary opt-in.

22 (5.5) After the formation of a cooperative high school by
23 2 or more school districts under Section 10-22.22c of this
24 Code, a computation shall be made to determine the difference
25 between the salaries effective in each of the previously
26 existing high schools on June 30 prior to the formation of the

1 cooperative high school. For the first 4 years after the
2 formation of the cooperative high school, a supplementary
3 State aid reimbursement shall be paid to the cooperative high
4 school equal to the difference between the sum of the salaries
5 earned by each of the certificated members of the cooperative
6 high school while employed in one of the previously existing
7 high schools during the year immediately preceding the
8 formation of the cooperative high school and the sum of the
9 salaries those certificated members would have been paid
10 during the year immediately prior to the formation of the
11 cooperative high school if placed on the salary schedule of
12 the previously existing high school with the highest salary
13 schedule.

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

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

26 (5.15) After the deactivation of a school facility in

1 accordance with Section 10-22.22b of this Code, a computation
2 shall be made to determine the difference between the salaries
3 effective in the sending school district and each receiving
4 school district on June 30 prior to the deactivation of the
5 school facility. For the lesser of the first 4 years after the
6 deactivation of the school facility or the length of the
7 deactivation agreement, including any renewals of the original
8 deactivation agreement, a supplementary State aid
9 reimbursement shall be paid to each receiving district equal
10 to the difference between the sum of the salaries earned by
11 each of the certificated members transferred to that receiving
12 district as a result of the deactivation while employed in the
13 sending district during the year immediately preceding the
14 deactivation and the sum of the salaries those certificated
15 members would have been paid during the year immediately
16 preceding the deactivation if placed on the salary schedule of
17 the sending or receiving district with the highest salary
18 schedule.

19 (6) The supplementary State aid reimbursement under this
20 subsection (b) shall be treated as separate from all other
21 payments made pursuant to Section 18-8.05 of this Code. In the
22 case of the formation of a new district or cooperative high
23 school or a deactivation, reimbursement shall begin during the
24 first year of operation of the new district or cooperative
25 high school or the first year of the deactivation, and in the
26 case of an annexation of the territory of one or more school

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

22 (c)(1) For the first year after the formation of a
23 combined school district, as defined in Section 11E-20 of this
24 Code or a unit district, as defined in Section 11E-25 of this
25 Code, a computation shall be made totaling each previously
26 existing district's audited fund balances in the educational

1 fund, working cash fund, operations and maintenance fund, and
2 transportation fund for the year ending June 30 prior to the
3 referendum for the creation of the new district. The new
4 district shall be paid supplementary State aid equal to the
5 sum of the differences between the deficit of the previously
6 existing district with the smallest deficit and the deficits
7 of each of the other previously existing districts.

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

26 (3) For the first year after the annexation of all of the

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

21 (A) the regional superintendent of schools for each
22 educational service region in which an annexed district is
23 located prior to the annexation shall certify to the State
24 Board of Education, on forms that it shall provide for
25 that purpose, the value of all taxable property in each
26 annexed district, as last equalized or assessed by the

1 Department of Revenue prior to the annexation, and the
2 equalized assessed value of each part of the annexed
3 district that was annexed to or included as a part of an
4 annexing district;

5 (B) using equalized assessed values as certified by
6 the regional superintendent of schools under clause (A) of
7 this paragraph (3), the combined audited fund balance
8 deficit of each annexed district as determined under this
9 Section shall be apportioned between or among the annexing
10 districts in the same ratio as the equalized assessed
11 value of that part of the annexed district that was
12 annexed to or included as a part of an annexing district
13 bears to the total equalized assessed value of the annexed
14 district; and

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

26 (4) For the new elementary districts and new high school

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

23 (5) For each newly created partial elementary unit
24 district, as defined in subsection (a) or (c) of Section
25 11E-30 of this Code, a computation shall be made totaling the
26 audited fund balances of each previously existing district

1 that formed the new partial elementary unit district in the
2 educational fund, working cash fund, operations and
3 maintenance fund, and transportation fund for the year ending
4 June 30 prior to the referendum for the formation of the
5 partial elementary unit district. In the first year of the new
6 partial elementary unit district, the State shall make a
7 one-time supplementary payment to the new district equal to
8 the sum of the differences between the deficit of the
9 previously existing district with the smallest deficit and the
10 deficits of each of the other previously existing districts. A
11 district with a combined balance among the 4 funds that is
12 positive shall be considered to have a deficit of zero.

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

1 (A) If the effective date for the elementary opt-in is
2 one year after the effective date for the optional
3 elementary unit district, 100% 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 (B) If the effective date for the elementary opt-in is
8 2 years after the effective date for the optional
9 elementary unit district, 75% 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 (C) If the effective date for the elementary opt-in is
14 3 years after the effective date for the optional
15 elementary unit district, 50% 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 (D) If the effective date for the elementary opt-in is
20 4 years after the effective date for the optional
21 elementary unit district, 25% of the calculated excess
22 shall be paid to the optional elementary unit district in
23 the first year after the effective date of the elementary
24 opt-in.

25 (E) If the effective date for the elementary opt-in is
26 5 years after the effective date for the optional

1 elementary unit district, the optional elementary unit
2 district is not eligible for any additional incentives due
3 to the elementary opt-in.

4 (6.5) For the first year after the annexation of territory
5 detached from another school district whereby the enrollment
6 of the annexing district increases by 90% or more as a result
7 of the annexation, a computation shall be made totaling the
8 audited fund balances of the district gaining territory and
9 the audited fund balances of the district losing territory in
10 the educational fund, working cash fund, operations and
11 maintenance fund, and transportation fund for the year ending
12 June 30 prior to the date that the change of boundaries
13 attributable to the annexation is allowed by the affirmative
14 decision of the regional board of school trustees under
15 Section 7-6 of this Code, notwithstanding any action for
16 administrative review of the decision. The annexing district
17 as constituted after the annexation shall be paid
18 supplementary State aid equal to the difference between the
19 deficit of whichever district included in this calculation as
20 constituted prior to the annexation had the smallest deficit
21 and the deficit of each other district included in this
22 calculation as constituted prior to the annexation, multiplied
23 by the ratio of equalized assessed value of the territory
24 detached to the total equalized assessed value of the district
25 losing territory. The regional superintendent of schools for
26 the educational service region in which a district losing

1 territory is located prior to the annexation shall certify to
2 the State Board of Education the value of all taxable property
3 in the district losing territory and the value of all taxable
4 property in the territory being detached, as last equalized or
5 assessed by the Department of Revenue prior to the annexation.
6 To be eligible for supplementary State aid reimbursement under
7 this Section, the intergovernmental agreement to be submitted
8 pursuant to Section 7-14A of this Code must show that fund
9 balances were transferred from the district losing territory
10 to the district gaining territory in the annexation. The
11 changes to this Section made by Public Act 95-707 are intended
12 to be retroactive and applicable to any annexation taking
13 effect on or after July 1, 2004. For annexations that are
14 eligible for payments under this paragraph (6.5) and that are
15 effective on or after July 1, 2004, but before January 11, 2008
16 (the effective date of Public Act 95-707), the required
17 payment under this paragraph (6.5) shall be paid in the fiscal
18 year of January 11, 2008 (the effective date of Public Act
19 95-707).

20 (7) For purposes of any calculation required under
21 paragraph (1), (2), (3), (4), (5), (6), or (6.5) of this
22 subsection (c), a district with a combined fund balance that
23 is positive shall be considered to have a deficit of zero. For
24 purposes of determining each district's audited fund balances
25 in its educational fund, working cash fund, operations and
26 maintenance fund, and transportation fund for the specified

1 year ending June 30, as provided in paragraphs (1), (2), (3),
2 (4), (5), (6), and (6.5) of this subsection (c), the balance of
3 each fund shall be deemed decreased by an amount equal to the
4 amount of the annual property tax theretofore levied in the
5 fund by the district for collection and payment to the
6 district during the calendar year in which the June 30 fell,
7 but only to the extent that the tax so levied in the fund
8 actually was received by the district on or before or
9 comprised a part of the fund on such June 30. For purposes of
10 determining each district's audited fund balances, a
11 calculation shall be made for each fund to determine the
12 average for the 3 years prior to the specified year ending June
13 30, as provided in paragraphs (1), (2), (3), (4), (5), (6), and
14 (6.5) of this subsection (c), of the district's expenditures
15 in the categories "purchased services", "supplies and
16 materials", and "capital outlay", as those categories are
17 defined in rules of the State Board of Education. If this
18 3-year average is less than the district's expenditures in
19 these categories for the specified year ending June 30, as
20 provided in paragraphs (1), (2), (3), (4), (5), (6), and (6.5)
21 of this subsection (c), then the 3-year average shall be used
22 in calculating the amounts payable under this Section in place
23 of the amounts shown in these categories for the specified
24 year ending June 30, as provided in paragraphs (1), (2), (3),
25 (4), (5), (6), and (6.5) of this subsection (c). Any deficit
26 because of State aid not yet received may not be considered in

1 determining the June 30 deficits. The same basis of accounting
2 shall be used by all previously existing districts and by all
3 annexing or annexed districts, as constituted prior to the
4 annexation, in making any computation required under
5 paragraphs (1), (2), (3), (4), (5), (6), and (6.5) of this
6 subsection (c).

7 (8) The supplementary State aid payments under this
8 subsection (c) shall be treated as separate from all other
9 payments made pursuant to Section 18-8.05 of this Code.

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

1	Reorganized District's Rank	Reorganized District's Rank		
2	by type of district (unit,	in Average Daily Attendance		
3	high school, elementary)	By Quintile		
4	in Equalized Assessed Value			
5	Per Pupil by Quintile			
6				3rd, 4th,
7		1st	2nd	or 5th
8		Quintile	Quintile	Quintile
9	1st Quintile	1 year	1 year	1 year
10	2nd Quintile	1 year	2 years	2 years
11	3rd Quintile	2 years	3 years	3 years
12	4th Quintile	2 years	3 years	3 years
13	5th Quintile	2 years	3 years	3 years

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

1 No annexing or resulting school district shall be entitled
2 to supplementary State aid under this subsection (d) unless
3 the district acquires at least 30% of the average daily
4 attendance of the district from which the territory is being
5 detached or divided.

6 If a district results from multiple reorganizations that
7 would otherwise qualify the district for multiple payments
8 under this subsection (d) in any year, then the district shall
9 receive a single payment only for that year based solely on the
10 most recent reorganization.

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

19 (A) If the effective date for the elementary opt-in is
20 one year after the effective date for the optional
21 elementary unit district, 100% of the amount calculated in
22 this paragraph (2) shall be paid to the optional
23 elementary unit district for the number of years
24 calculated in paragraph (1) of this subsection (d) at the
25 optional elementary unit district's original effective
26 date, starting in the second year after the effective date

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

11 (C) If the effective date for the elementary opt-in is
12 3 years after the effective date for the optional
13 elementary unit district, 50% of the amount calculated in
14 this paragraph (2) shall be paid to the optional
15 elementary unit district for the number of years
16 calculated in paragraph (1) of this subsection (d) at the
17 optional elementary unit district's original effective
18 date, starting in the second year after the effective date
19 of the elementary opt-in.

20 (D) If the effective date for the elementary opt-in is
21 4 years after the effective date for the optional
22 elementary unit district, 25% of the amount calculated in
23 this paragraph (2) shall be paid to the optional
24 elementary unit district for the number of years
25 calculated in paragraph (1) of this subsection (d) at the
26 optional elementary unit district's original effective

1 date, starting in the second year after the effective date
2 of the elementary opt-in.

3 (E) If the effective date for the elementary opt-in is
4 5 years after the effective date for the optional
5 elementary unit district, the optional elementary unit
6 district is not eligible for any additional incentives due
7 to the elementary opt-in.

8 (2.5) Following the formation of a cooperative high school
9 by 2 or more school districts under Section 10-22.22c of this
10 Code, a supplementary State aid reimbursement shall be paid
11 for 3 school years to the cooperative high school equal to the
12 sum of \$4,000 for each certified employee who is employed by
13 the cooperative high school on a full-time basis for the
14 regular term of any such school year. If a cooperative high
15 school results from multiple agreements that would otherwise
16 qualify the cooperative high school for multiple payments
17 under this Section in any year, the cooperative high school
18 shall receive a single payment for that year based solely on
19 the most recent agreement.

20 (2.10) Following the annexation of territory detached from
21 another school district whereby the enrollment of the annexing
22 district increases 90% or more as a result of the annexation, a
23 supplementary State aid reimbursement shall be paid to the
24 annexing district equal to the sum of \$4,000 for each
25 certified employee who is employed by the annexing district on
26 a full-time basis and shall be calculated in accordance with

1 subsection (a) of this Section. To be eligible for
2 supplementary State aid reimbursement under this Section, the
3 intergovernmental agreement to be submitted pursuant to
4 Section 7-14A of this Code must show that certified staff
5 members were transferred from the control of the district
6 losing territory to the control of the district gaining
7 territory in the annexation. The changes to this Section made
8 by Public Act 95-707 are intended to be retroactive and
9 applicable to any annexation taking effect on or after July 1,
10 2004. For annexations that are eligible for payments under
11 this paragraph (2.10) and that are effective on or after July
12 1, 2004, but before January 11, 2008 (the effective date of
13 Public Act 95-707), the first required yearly payment under
14 this paragraph (2.10) shall be paid in the second fiscal year
15 after January 11, 2008 (the effective date of Public Act
16 95-707). Any subsequent required yearly payments shall be paid
17 in subsequent fiscal years until the payment obligation under
18 this paragraph (2.10) is complete.

19 (2.15) Following the deactivation of a school facility in
20 accordance with Section 10-22.22b of this Code, a
21 supplementary State aid reimbursement shall be paid for the
22 lesser of 3 school years or the length of the deactivation
23 agreement, including any renewals of the original deactivation
24 agreement, to each receiving school district equal to the sum
25 of \$4,000 for each certified employee who is employed by that
26 receiving district on a full-time basis for the regular term

1 of any such school year who was originally transferred to the
2 control of that receiving district as a result of the
3 deactivation. Receiving districts are eligible for payments
4 under this paragraph (2.15) based on the certified employees
5 transferred to that receiving district as a result of the
6 deactivation and are not required to receive at least 30% of
7 the deactivating district's average daily attendance as
8 required under paragraph (1) of this subsection (d) to be
9 eligible for payments.

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

14 (4) During May of each school year for which a
15 supplementary State aid reimbursement is to be paid to a new,
16 annexing, or receiving school district or cooperative high
17 school pursuant to this subsection (d), the school board or
18 governing board shall certify to the State Board of Education,
19 on forms furnished to the school board or governing board by
20 the State Board of Education for purposes of this subsection
21 (d), the number of certified employees for which the district
22 or cooperative high school is entitled to reimbursement under
23 this Section, together with the names, certificate numbers,
24 and positions held by the certified employees.

25 (5) Upon certification by the State Board of Education to
26 the State Comptroller of the amount of the supplementary State

1 aid reimbursement to which a school district or cooperative
2 high school is entitled under this subsection (d), the State
3 Comptroller shall draw his or her warrant upon the State
4 Treasurer for the payment thereof to the school district or
5 cooperative high school and shall promptly transmit the
6 payment to the school district or cooperative high school
7 through the appropriate school treasurer.

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

9 (105 ILCS 5/11E-140 new)

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

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

12 The Commission shall consist of all of the following voting
13 members:

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

15 (2) One member appointed by the State Board of
16 Education.

17 (3) One representative appointed by the Speaker of the
18 House of Representatives.

19 (4) One representative appointed by the Minority
20 Leader of the House of Representatives.

21 (5) One senator appointed by the President of the
22 Senate.

23 (6) One senator appointed by the Minority Leader of
24 the Senate.

25 (7) A representative of a statewide professional

1 teachers' organization appointed by the head of that
2 organization.

3 (8) A representative of a different statewide
4 professional teachers' organization appointed by the head
5 of that organization.

6 (9) A representative of a statewide organization that
7 represents school boards appointed by the head of that
8 organization.

9 (10) A representative of a statewide organization
10 representing principals appointed by the head of that
11 organization.

12 (11) A representative of an organization representing
13 professional teachers in a city having a population
14 exceeding 500,000 appointed by the head of that
15 organization.

16 (12) A representative of an association representing
17 school business officials appointed by the head of that
18 association.

19 (13) A representative of an association representing
20 school administrators appointed by the head of that
21 association.

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

24 (15) A representative from an organization
25 representing administrators of special education appointed
26 by the head of that organization.

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

3 (17) A representative from an organization
4 representing high school districts appointed by the head
5 of that organization.

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

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

10 (20) A representative of an association that
11 represents regional superintendents of schools appointed
12 by the head of that association.

13 Members shall serve without compensation, but shall be
14 reimbursed for their reasonable and necessary expenses from
15 funds appropriated for that purpose. Members shall be
16 reimbursed for their travel expenses from appropriations to
17 the State Board of Education made available for that purpose
18 and subject to the rules of the appropriate travel control
19 board. No later than 60 days after the effective date of this
20 amendatory Act of the 102nd General Assembly, the Commission
21 must hold its first meeting, on a date determined by the State
22 Board, and must select a chairperson from among the members of
23 the Commission. After its first meeting, the Commission must
24 meet at the call of the chairperson and must hold public
25 hearings throughout this State. The State Board shall provide
26 administrative assistance and necessary staff support services

1 to the Commission.

2 (b) The Commission must make recommendations to the
3 Governor and the General Assembly on the number of school
4 districts in this State, the optimal amount of enrollment for
5 a school district, and where reorganization and realignment of
6 school districts would be beneficial in this State. The
7 Commission's recommendations must focus on all of the
8 following areas:

9 (1) Reducing the money spent on the duplication of
10 efforts.

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

14 (3) Lowering the property tax burden.

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

17 (5) With a view toward reducing unnecessary
18 administrative costs, improving the education of students,
19 and lowering the property tax burden, drafting specific
20 recommendations to reduce the statewide total number of
21 school districts by no less than 25% through the
22 reorganization of school districts into unit districts
23 under Section 11E-25. Each recommendation under this
24 paragraph must include all of the following:

25 (A) A request to submit propositions at the next
26 general election for the purpose of voting for or

1 against the establishment of a combined unit district.

2 (B) A description of the territory comprising the
3 districts proposed to be dissolved and those to be
4 created, which, for an entire district, may be a
5 general reference to all of the territory included
6 within that district.

7 (C) A specification of the maximum tax rates the
8 proposed district or districts are authorized to levy
9 for various purposes and, if applicable, the
10 specifications related to the Property Tax Extension
11 Limitation Law, in accordance with Section 11E-80 of
12 this Code.

13 The Commission may not make any recommendations under this
14 subsection that would provide for the consolidation of
15 individual schools.

16 (c) On or before May 1, 2023, the Commission must vote on
17 its recommendations and file a report with the Governor and
18 the General Assembly. If the Commission adopts the report
19 recommendations by an affirmative vote of at least 11 of its
20 members, then the Commission's specific recommendations for
21 reorganization of school districts into unit districts under
22 paragraph (5) of subsection (b) shall be placed on the ballots
23 of the designated school districts in the next general
24 election in the same manner as if the Commission's
25 recommendations were petitions approved by a regional
26 superintendent of schools under Section 11E-50, except that

1 Section 11E-135 does not apply to school district
2 reorganizations resulting from referenda submitted under this
3 Section. The Commission is dissolved on the day after the
4 report is filed with both the Governor and the General
5 Assembly.

6 (d) This Section is repealed on February 1, 2024.

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.