



# REORGANIZATION FEASIBILITY STUDY

Leland CUSD #1

Somonauk CUSD #432

**Authorized By**

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## **Preface**

The consideration of consolidating two or more school districts is a very serious decision that must be carefully reviewed by all stakeholders of the school districts. Generally, Boards of Education, staff, parents, and students become the main stakeholders engaged in the consideration for reorganization. In this study the school districts Leland District No. 1 and Somonauk District No.432 have committed to review the possible benefits of consolidation of their districts. Thus, the study will focus on the impacts that all members of the community will experience as the result of any proposed reorganization efforts. The bottom line of final considerations should be based upon what is best for the students. . Thus, we must also focus on the impacts that all members of the community will experience as the result of reorganization efforts. The bottom line of final considerations should be based upon what is best for the students.

We would like to commend the Boards of Education for Leland and Somonauk for their willingness to pursue the development of a study that involves examining the reorganization options that may create an opportunity to provide improved educational opportunities for all students involved. The process of establishing a reorganization feasibility study and rendering recommendations regarding possible reorganization options does not occur without the assistance of a number of individuals. The leadership of the district superintendents, Ms. Jodi Moore and Mr. Jay Streicher and their staffs have been wonderful to work with. And finally, we would like to acknowledge the role of the Regional Superintendent of Schools, Christopher Dvorak from the LaSalle County ROE #35 and Amanda Christenson from the DeKalb County ROE #16 and their staff who have served as major contributors to this study. The Regional Offices of Education plays a very essential role in establishing and supporting the quality pursuit of education in the school districts

within our State. They are essential elements in support of the State's efforts to reorganize the school districts into units that can function at a higher level of efficiency both fiscally and academically.

## **Introduction**

The organizational structure of public schools has gone through many various forms since their early beginnings. Different arrangements and formats have been explored and pursued in an attempt to provide the most efficient and most effective procedure for the delivery of education to the citizenry of their local communities. Throughout the United States, school administrators and school boards are presently being forced into the careful examination of the fiscal operational parameters of their schools. Over the past decade in Illinois, the revenue side of the budget has been heavily impacted by the failure of the State to provide the necessary funding to support the operations of the local school districts. This caused school administrators and school boards to look for ways to cut costs. Taxpayers have long been concerned about the heavy impact of property taxes which has led to some taxpayers to begin to consider the possibility of school district reorganization and specifically the possibility of consolidation with another school district. This very tough decision is driven by the desire of these governing bodies to provide the highest quality of education for its citizenry with the lowest possible tax rate.

School reorganization is the process of establishing a different structure for the delivery of education for a specific educational community. Very often presented as a means only to save money, the reorganization process can take on many different forms such as the consolidation of school districts into a new district or the merging of a high school and

elementary schools into one unit. This is the question presently being pursued by the Leland and Somonauk school districts.

Consolidation is the practice of combining two or more schools for educational and or economic benefits. It has been found that a consolidated school can often offer an expanded curriculum and a more prominent identity in the community while reducing costs through the economy of scale. On the other hand, consolidation can sometimes incur numerous liabilities, especially if there are schools that will be closed that presently are the providers of community services and the sole source of identity for the community. It is sometimes difficult being the messenger who says that some school districts are simply too small to survive. Fortunately, there are now more people willing to stand up and say that for the benefit of a better education for children, school consolidation must be a serious consideration for many of our smaller school districts in Illinois.

When schools can combine small student populations into one district under the governance of a single unit, they normally can gain efficiencies of operation and management due to the economy of scale. Typically, the more efficient the operation the more likely they will be able to gain enhanced resources. School districts can leverage these additional resources to provide a better quality of education for its students. The possible enhancements to the system could include the broader curricular offerings, greater extra-curricular opportunities, and improvements to the overall educational environment.

Today's reality faces the fact that the plans for reorganization are many times met with opposition from some administrators, boards of education, faculty, parents, and other community members. These individuals tend to argue that although the schools might save money, the personal identity of the schools will be lost, and the residents could end up

footing the bill because they will pay more in taxes when their district merges. However, when examined, it is found that in most situations after reorganization, the flow of resources is enhanced while maintaining or even lowering the impact on the local taxpayer. Naysayers also maintain that larger schools and fewer administrators mean a decrease in school unity, personalized education, and accountability.

Do the benefits of school consolidation outweigh the possible impacts on communities? This is why the examination of the reorganization of schools is a personal decision; a decision that has different variables of impact from community to community. It is extremely important that each individual school district and community carefully examine all of the critical elements involved in the deliberations of reorganizing schools as there are examples of both successes and failures on consolidated schools. Bottom line is that in some cases, consolidation is the right thing to do. In some cases, it is not. It is vital that all consolidation studies be considered on a case by case basis. Only discussion and debate can determine the proper weight to be given to all elements of the consolidation issue. Concerns for economic efficiency and school size must not outweigh the effect of school consolidation on the community. Only by granting equal importance to all the major factors can decision-makers ensure that "narrow concerns about formal schooling do not unconsciously override broader educational concerns and the general well-being of the community to which those broader educational concerns are intimately connected" (Kay 1982) Because it is such an emotional topic, there will be individuals upset no matter what the results of the study.

### **HISTORICAL PERSPECTIVE OF CONSOLIDATED SCHOOLS**

When we look at the evolution of the American public education system, we will find its early origins began in the 17th century. The concept of the public supporting the public

educational system began in Massachusetts in 1647. It was the establishment of the Old Satan Deluder Law that required that all towns of 50 or more families provide an elementary school where teachers were required to teach not only reading and writing, but the Bible as well. Towns that held 100 or more families were required to have grammar schools. This was a school where students focused mostly on Latin and Greek. This act was a way for the local community to ensure that education was passed from one generation to the next. Puritans, also, wanted to avoid having a generation of poor and unintelligent people, and in order to keep that from happening, they made sure that every citizen got enough education to read so that they could understand the laws and read the Bible. Life in the 1600's was based on religion and their laws came from the Bible. The Satan Deluder Act was a follow-up to the parental neglect law of 1642. Apparently, some felt that the Law of 1642 did not go far enough in ensuring that children got a proper education. This law, though oddly named, was a crucial turning point in American public-school education and is credited with giving rise to public education for the masses which the United States enjoys to this day.

It was in the late 18<sup>th</sup> century that Thomas Jefferson provided some of the first leadership directed at the establishment of a public-school system throughout the emerging United States. Jefferson believed that education should be under the control of the government, free from religious biases, and available to all people irrespective of their status in society.

In the early 19<sup>th</sup> century, another champion for public education emerged. Horace Mann felt that a common school would be the "great equalizer." He felt that through the establishment of the common school, poverty would most assuredly disappear and a host of moral vices like violence and fraud would diminish. In sum, there was no end to the social

good which might be derived from a common school. His belief in the establishment of the common school led to his being identified as the “Father of the American School System.”

However, it is important to note that our system of education differs from the systems of education that exist in other nations. One of the main differences is that in America the primary responsibility for educating its people is the responsibility of the states and the local school districts. This pursuit of equity of education for all students has been a challenge for our communities and our states. Many attempts have been made to create a guarantee of equitable public-school opportunities for all students; however, in most cases the efforts to achieve this desired status has failed. In reality, we have found that where you live will actually dictate the quality of your public-school education. In Illinois, like many other states, we have realized that the quality of education is very dependent upon the availability of both local and state resources. In Illinois, the struggle to provide the highest quality of educational programs brought about an early realization that total equity most likely will not be achieved. Therefore, the best that Illinois and other states can do is to pursue the establishment of an adequate education for each of its students.

### **ILLINOIS SCHOOL FUNDING FORMULAS**

In the past, the State of Illinois determined a foundation level for each student based on the total amount of funds appropriated. The General State Aid Formula was basically a foundation approach with three separate calculations, but for nearly 80% of the school districts in Illinois the “Foundation Formula” calculation served as the means through which they received their fiscal assistance from the state. The foundation level represented a minimum level of financial support to provide a basic education per pupil. This foundation



formula was best described as the adequacy level for education. In other words, it attempted to respond to the question of how much money was needed to provide an adequate not equitable educational program for the students in Illinois. The foundation or adequacy level for 2016 was set at \$6,119 for general state aid payments to be made during the 2016-2017 academic year. Recognizing the fact that local wealth and resources vary from one community to the next, the general state aid formula attempted to distribute state dollars to assure that, at a minimum, all districts could support their students at the foundation level. The formula was designed to distribute more aid to poorer districts and a minimum amount to wealthier districts. The amount of state aid that districts received was basically the difference between the foundation level and the available local resources multiplied by the number of students (average daily attendance). This formula was not working for most school districts, so Public Act 100-0465 or the Evidence-Based Funding for Student Success Act was signed by IL Governor, Bruce Rauner, on August 31, 2017. “This law enacts evidence-based funding (EBF) and comprehensively changes the way that school districts receive the bulk of state funds. EBF sends more resources to Illinois’ most under-resourced students. EBF takes the necessary first steps toward ensuring all schools have the resources they need to provide a safe, rigorous, and well-rounded learning relationship between equity, adequacy, and student outcomes.” (Illinois State Board of Education’s Evidence-Based Funding webpage, 2017). According to ISBE’s EBF reporting memorandum to Superintendents on September 4<sup>th</sup>, 2018, Public Acts 100-465, 100-578, and 100-582 require that public school districts and laboratory schools that serve any students in kindergarten through 12<sup>th</sup> grades shall describe in a district-level spending plan how they will utilize the Evidence-Based Funding (comprising Base Funding Minimum and Tier Funding) they

receive from this state. This plan is designed to be incorporated into the annual budget process and submitted to ISBE by September 30 of each year.

Boer, Figueira, and Jacoby (2017) recognized the following goals that guided the development of the Illinois Evidence Based Funding Formula:

- Recognizing individual student needs, and
- Account for differences in local resources, and
- Close funding gaps, and
- Provide a stable, sustainable system, and
- Ensure that no schools lose state funding

(The Journal of School Business Management, Volume 29, p. 9)

Boer, Figueira, and Jacoby (2017) write about the Illinois Evidence Based Funding Formula has been “...developed to allow districts to consider a reduction of their reliance on local property taxes over time and ensure that taxing effort in the formula is aligned with districts’ capacity for taxing and the needs of the district” (p. 10). There are four major components to the Illinois Evidence Based Funding Formula (Boer, Figueira, and Jacoby (2017):

- First, a unique adequacy target is calculated for each school district in Illinois representing the amount of local and state funding students need to receive a high-quality education, and
- Second, each district’s local capacity is calculated, representing the amount each Illinois district can contribute towards its adequacy target from local resources, and

- Third, the formula determines how adequately funded an Illinois district currently is from state and local funding or its percent of adequacy, and
- Fourth, the distribution method drives equity by pushing new state dollars to those districts that are calculated to be the least adequately funded.

(The Journal of School Business Management, Volume 29, p. 10)

Each Illinois public school district was required, as part of the newly implemented EBF, by September 30<sup>th</sup>, 2018 to submit an Evidence-Base Funding Spending Plan, via IWAS. Inputs or prescribed EBF resources for low income students, English learners, special education, and computer technology and equipment investment were identified by revenue based on ISBE calculations taken from each district's student demographics in the fall of 2018. Each Illinois school district declared how they intend to use its state funds distributed through EBF Tier I or Tier II revenues by Illinois school districts must benefit low income students, English learners, students with special needs, or any other student populations, as required by Statute (ISBE EBF Spending Plan report via IWAS, September 30<sup>th</sup>, 2018).

Many times, the struggle to attain the best possible system of educational services has caused the local school administration and governing bodies to examine the economy and efficiency of their present educational delivery system. The unpredictability of local and state support along with declining enrollments is usually the catalysts for these examinations. In Illinois, funding for education has varied dramatically over the years depending on the fiscal integrity of the state and the availability of local revenue sources. These self-initiated examinations by school boards have in many situations evolved into the discussion and

consideration of possible reorganization of their school districts, specifically the consolidation of the school systems into a more efficient and effective structure.

In the United States, school districts have been consolidating since early in the last century. This occurred at a time when there were a number of school-initiated unifications happening that helped to reduce the number of the nation's school districts from 17,995 to 13,588. However, since those early efforts we have seen consolidation at the national level slow to a much more reduced pace.

The reorganizations of school districts in Illinois can be traced back to around 1899. It was at this time that some of the first considerations were given to the concepts of efficiency and economy of scale. The actual first official consolidation petition was initiated in 1903. However, not much activity occurred after that early petition. It was not until 1946 that school consolidation began to take on a more serious consideration in our state. The problem facing school districts at the time that we were investigating consolidation was the financial inequities given to the dual system of districts in the State of Illinois. While this problem remains today, this was especially true in the time period surrounding the end of World War II all the way to 2017. As we know, Illinois maintains three types of school districts. The first is separate elementary and high school districts operating autonomously in generally the same district boundaries; however, it is common for a number of elementary districts to feed into a single high school district.

Unit districts, which encompass both the elementary and high school districts were in existence but fairly small in number at this time. This has increased over the years as funding levels were higher from the state in Unit Districts. Prior to the conclusion of World War II, both types of districts were eligible for the same state aid and tax rate limitations. Thus, unit

districts were asked to provide an elementary and high school education on basically the same taxing amounts that a separate elementary or high school would generate. In 1945, the legislature gave the unit districts equal taxing power to the dual districts and in addition, unit districts were given a lower qualifying rate for entrance into state aid reimbursements. In effect, unit districts were given the same taxing rate as the combined dual districts and the lower qualifying rate for state aid which provided a powerful incentive for the formation of unit districts. This actually lasted until 2017 as Unit Districts had approximately 35 cents less local EAV subtracted from the state aid formula than combined elementary and high school districts.

Illinois Governor Adlai E. Stevenson targeted school consolidation as an issue that his newly elected administration would confront. At that time in Illinois, there were around 11,000 separately established school districts ranging from one-room schoolhouses in the rural regions to the district that served the entire city of Chicago. Each had its own board, budget, and administrator. This post war effort to reduce the number of Illinois school districts was very successful. Beginning in 1947, the 11,000 school districts started declining and reached a consistent existence of approximately 1,000 by the mid-1950s. The massive reduction came as the result of the closing of the many emotionally embraced “one room” schools. Many of these “one room” schools came together to form the Community Consolidated School Districts that presently exist throughout the state. Since the early efforts of the Stevenson administration, there has been little progress to reduce the number of school districts in Illinois. Today there are 852 school districts operating in the state of Illinois. That would indicate a reduction of only 148 school districts in the past sixty-five years.

The School Reform Package of 1985 was supposed to address the problem of school consolidation. One of the 169 measures in the package was Senate Bill 730, which required Regional Offices of Education to establish reorganization committees. These committees were then directed to look at all unit districts within their jurisdictions that had fewer than 1500 students, all elementary districts with fewer than 1000 and all high school districts with fewer than 500. When the consolidation legislation of 1985 was passed, discussions were undertaken by small districts everywhere on the belief that consolidation was a "done deal." However, the consolidation initiative died because many of the politicians, including Governor James R. Thompson, were concerned about the impact that this legislation would have on their ability to be re-elected to their political positions. Therefore, the proposed legislation slowly slipped into the proverbial fog that has consumed many of the best intentions of the Illinois political governance system.

**HISTORICAL PERSPECTIVE OF LELAND/SOMONAUK AREA SCHOOLS**

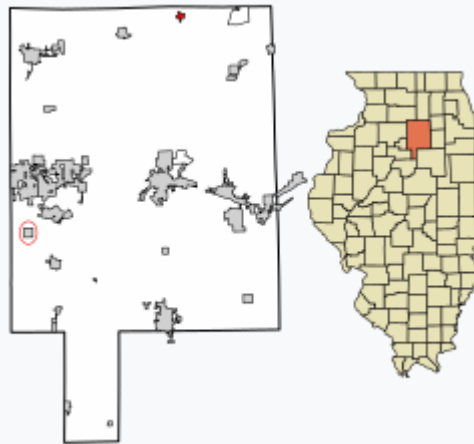
**Leland Community Unit School District #1**

**Leland, Illinois**

Village



Railroad Avenue



Location in LaSalle County, Illinois



Location of Illinois in the United States

Coordinates:  [41°36′45″N 88°47′58″W](#)Coordinates:  [41°36′45″N 88°47′58″W](#)

<b>Country</b>	United States
<b>State</b>	Illinois
<b>County</b>	<a href="#">LaSalle</a>
<b>Township</b>	<a href="#">Adams</a>
<b>Government</b>	
• <b>Village President</b>	Daniel Shumway
<b>Area</b> <a href="#">[1]</a>	
• <b>Total</b>	0.53 sq mi (1.38 km <sup>2</sup> )
• <b>Land</b>	0.53 sq mi (1.38 km <sup>2</sup> )
• <b>Water</b>	0.00 sq mi (0.00 km <sup>2</sup> )
<b>Elevation</b>	696 ft (212 m)
<b>Population</b> <a href="#">(2010)</a>	
• <b>Total</b>	977
• <b>Estimate</b> <a href="#">(2018)</a> <sup>[2]</sup>	923
• <b>Density</b>	1,752.81/sq mi (677.04/km <sup>2</sup> )
<b><a href="#">Time zone</a></b>	<a href="#">UTC-6 (CST)</a>
• <b>Summer (<a href="#">DST</a>)</b>	<a href="#">UTC-5 (CDT)</a>
<b><a href="#">ZIP Code(s)</a></b>	60531

Leland is a village in LaSalle County, Illinois, United States.<sup>[3]</sup> The population was 977 at the 2010 census.<sup>[4]</sup> The 2018 estimated population was 923. It is part of the Ottawa–Streator Micropolitan Statistical Area.



The pioneer school of Leland was taught in the winter of 1854-'5 by Nancy Merwin, in a room over Whitmore's store. This was used two years. In 1856 E. M. Kinney and others borrowed money, having secured a school district, and erected a small frame house, which was used until the erection of the school building, about 1864. It was a frame building, two stories in height, and contains four rooms. The school grounds covered about one acre. The attendance was about 250. Leland was incorporated in 1872; in 1900 the population was 634, (Nancy Piper, The History of Leland County, 1924)

The current high school building was constructed in 1948 with the north and south additions built in 1960 and 1966, respectively. A media center was built in 2003 along with the current bus building.

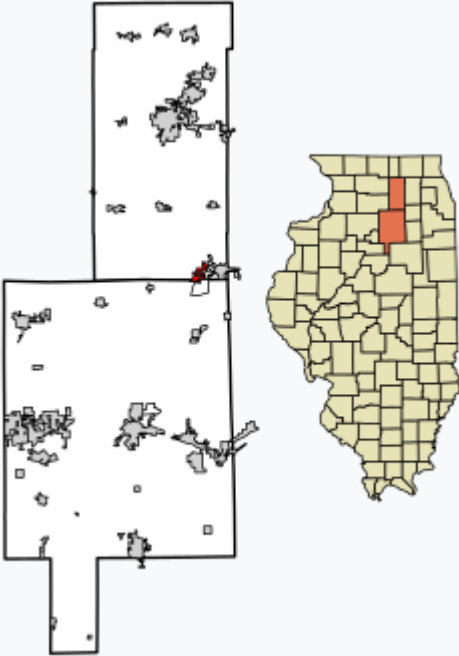
### **Somonauk Community Unit School District #432**

The name "Somonauk" is of [Pottawatomie](#) origin. The name is most likely derived from the phonetic phrase *As-sim-in-eh-kon*, which translates to "pawpaw grove", in reference to the vast groves of [pawpaw trees](#) that filled the area at that time. Somonauk is located at [41°37'58"N 88°41'11"W](#) (41.6327194, -88.6865175).<sup>[7]</sup> The village is situated along the boundary between DeKalb and LaSalle counties. In the 2000 census, 1,190 of Somonauk's 1,295 residents (91.9%) lived in DeKalb County and 105 (8.1%) lived in LaSalle County. The estimated population in 2018 was 1,873..<sup>[8]</sup>

The village of Somonauk is served by Somonauk Community Unit School District (CUSD) #432 which offers grades Pre-K–12.<sup>[14]</sup> The school's athletic teams are known as the Bobcats. School colors are blue and gold. The school's song is titled "Bobcat Loyalty" and is a basic spin-off of the University of Illinois' fight song, named "Illinois Loyalty". Their first graduating class dates back to 1887.

The community adjoins a private community known as "Lake Holiday." Somonauk School District covers most of the west side of the lake as well as a section of the southeast side. Sandwich School District covers most of the east side and a two small sections on the west side of the lake. (Wikipedia)

Somonauk CUSD #432 is a public-school district with approximately 900 students Pre-K through 12<sup>th</sup> grade. The district has three buildings – James R. Wood Elementary, Somonauk Middle School, and Somonauk High School.



Location of Somonauk in DeKalb County, Illinois.



Location of Illinois in the United States

<b>Country</b>	United States
<b>State</b>	Illinois
<b>Counties</b>	<a href="#">DeKalb</a> , <a href="#">LaSalle</a>
<b>Townships</b>	<a href="#">Somonauk</a> , <a href="#">Northville</a>
<b>Area</b> <a href="#">[1]</a>	
• <b>Total</b>	2.43 sq mi (6.28 km <sup>2</sup> )
• <b>Land</b>	2.42 sq mi (6.27 km <sup>2</sup> )
• <b>Water</b>	0.01 sq mi (0.01 km <sup>2</sup> )
<b>Elevation</b>	686 ft (209 m)
<b>Population</b> <a href="#">(2010)</a>	
• <b>Total</b>	1,893
• <b>Estimate</b> <a href="#">(2018)</a> <sup>[2]</sup>	1,873
• <b>Density</b>	777.69/sq mi (300.24/km <sup>2</sup> )
<b><a href="#">Time zone</a></b>	<a href="#">UTC-6 (CST)</a>
• <b>Summer</b> <b><a href="#">(DST)</a></b>	<a href="#">UTC-5 (CDT)</a>

## **SCHOOL CONSOLIDATION**

### **What Is Standing in The Way of School Consolidation Today?**

Some would argue that the strongest opposition comes from a fear of losing another community institution. That indeed could be a major roadblock to consolidation simply because schools have remained long after the business district died, the general store closed, or the post office was relocated. These schools serve as the only remaining remnant of former communities. We have found in working with schools on the reorganization reviews that one cannot discount the value placed on the local events held at these community schools. It is events such as an annual chili supper, fall festival and the Pee Wee Basketball Tournaments that bring together the members of local community and continues to nurture the emotional connections to these last vestiges of the community's identity. Communities often resist consolidation to protect their sports teams and their mascot. But in some places, school districts have lost so many students they can no longer field a starting lineup and face little choice except to merge operations to sustain reasonable quality athletics and academics for their students. Carr P.J. & Kefalas, M. (2010)

Another factor that seems to stand in the way of the school consolidation is the unwillingness of many of the boards of education to consider the merger of the governance process. This may be as much a hindrance as the possible emotional loss of the community identity. However, as schools statewide are being faced with unprecedented fiscal concerns, the idea of merging small districts has moved to the top of the agenda both at the local and at the State level.

### **WHAT ARE THE POSITIVE EFFECTS OF SCHOOL CONSOLIDATION?**

Consolidation of schools has both curricular and financial advantages. First, it often enables the consolidated schools to share courses and facilities. Sharing results in a more

varied curriculum because fewer classes are dropped due to low enrollment. Expenditures for capital improvements and basic maintenance are reduced because there is no need to upgrade or maintain duplicate facilities. Because consolidation often combines classes and increases their size, fewer teachers need to be employed. Consolidated schools, moreover, do not normally employ as many administrative personnel as did the separate schools.

Consolidation of schools also can produce psychological benefits. When combined, schools often gain a confidence and an identity in the community they did not previously possess (Kay 1982). Sports programs and co-curricular activities flourish in consolidated schools because of combined funding. Additional co-curricular activities are often offered.

The argument to consolidate the smaller school districts in Illinois has been based upon several assumptions: (1) potential cost savings that could accrue from the combining of the districts; (2) greater administrative effectiveness and operational efficiencies; and (3) fiscal benefits due to the economy of scale; (4) additional co-curricular activities; (5) and most important the educational advantages for all students. These items are discussed at length later in this report.

In Illinois, many districts would realize cost savings from a reduction in superintendent salaries and from the overall fiscal efficiencies that economies of scale would provide. There are approximately 842 men and women who serve as school superintendents in Illinois (a few serve as superintendent in more than one district). Many are paid on a full-time basis to run a single building with fewer than 500 students. Each of the 852 school districts have a board of education consisting of seven elected persons, which means there are approximately 5,964 board members (852 x 7) who are overseers of local education in the state. Many would argue that the governance of the schools needs to be streamlined. For

example, in one Southern Illinois County with a population of approximately 32,000, there exist 17 school districts and 119 school board members.

Many of the school districts in Illinois are so small that they realize no benefit from the concept of economy of scale when it comes to the expenditures of operating their school facilities and educational programs. They realize no competitive advantage in contracting for operational equipment, food, maintenance supplies, textbooks, supporting instructional materials and technology. Suppliers tend to provide the largest discounts to the higher-volume buyers. In many situations, smaller school districts have attempted to gain from the benefits provided from economy of scale by establishing consortiums and buying partnerships with other school districts. One example of this effort can be found with the Egyptian Trust Consortium that provides health insurance to a large number of school districts in Southern and Central Illinois.

Administrative effectiveness often results from an increase in role differentiation. Because a small district superintendent has only a building or two, he or she usually serves as a principal and as the district business manager. These duties are in addition to serving as the chief executive officer responsible to the board of education for the oversight of the curriculum and as the legal administrator for state mandates and local board policies. This causes a serious fragmentation of effort and responsibility. Consolidation would increase the number of children and the financial base of the district to the point where such role differentiation would be feasible.

The financial advantages to consolidate usually are represented by the increased operational efficiency of the school districts, the possible enhancement of revenue from the State and the reorganization incentives that are offered by the State of Illinois. However, it is important to note that each reorganization consideration can result in dramatically different

fiscal benefits and enhancements. Therefore, each situation must be carefully analyzed, and each consolidation consideration must examine the projected levels of efficiency and the potential for increased revenue. In some instances, school districts have explored consolidation only to discover that peculiarities in the state financial aid formula would result in less state aid with consolidation. For example, data from the Illinois Association of School Boards pointed to a district that found that merging the seven elementary districts with the high school district would save \$1.6 million in administrative salaries but would cost \$10 million in higher teacher salaries once the salaries were merged. (Alliance Legislative Report, March 29, 2011)

The Illinois State Board of Education maintains a "Watch List" of districts that are in financial trouble. If these public districts were private businesses, they would have declared Chapter 11 bankruptcies years ago. Just as Chapter 11 provides the opportunity for reorganization, schools on the Financial Watch list should see this situation as a similar opportunity to review the fiscal health of the district and to examine the possible benefits that can be derived from the merger with one or more school districts.

Board members must take time to become aware of the impact that consolidation can have upon students, instruction, district governance, finances, and the community. Consolidation is not without risk, pitfalls, and controversy. It requires much additional effort from administrators and teachers to ensure its success and needs a commitment from the general community to support the goals of consolidation. Hence, options that cannot earn professional, community or taxpayer support may not be viable.

Support received from stakeholders will be dependent upon:

- Expanded student opportunities

- Potential long-term savings related to building renovation and shared construction
- Lower administrative, teacher costs
- Keeping the best of existing district instructional programs and teacher expertise
- Motivation to plan the district's own destiny
- Finding lower costs and higher efficiencies.

Educationally, there are good reasons to consolidate. When a small high school can only meet the state mandated curriculum by stretching itself as thin as to become transparent, it is time to take action. Educational advantages become especially apparent at the middle school and the high school level where departmentalization is common. Small high schools and junior high/middle schools have great difficulty in meeting the required state curriculum. In attempting to do so, teachers are sometimes assigned to teach courses for which they possess only the absolute minimum legal requirement. Many of these schools looking into consolidation cannot offer foreign languages, advanced mathematics, or advanced science courses. Even ordinary subjects like algebra, geometry, biology, and chemistry are offered on an "every other year basis." This is not a satisfactory solution for the student who moves into the district during the "off year" when the subject needed was taught the year before.

### **TRENDS IN CONSOLIDATION**

Serious consideration for consolidation has been in existence for some time. Much of the initiative with consolidation began with the movement to consolidate many of the one room schools that existed throughout this country. This movement began in 1918 as a reaction to the perceived academic weakness in rural and small schools. This served as a catalyst for broader based consolidation efforts that took place during the 1940's and 50's. Ravitch (1984) reports that, while total enrollment in elementary and secondary schools nearly doubled from 1945 to 1980 (from 23 million to 40 million), the number of schools



dropped from 185,000 to under 86,000. During the 1970s, the number of schools in the country declined 5 percent.

If the present reorganization efforts will not afford the districts an opportunity to pursue efforts to restructure their existence, then they can pursue the Waiver Process. The Waiver Process has been established by the law to allow school districts desiring to reorganize to bypass the legislative statutes. For example: In this study both districts would have to be represented on the petition for legislative reorganization options. However, if only three wishes to pursue a petition, then those three would have to request waiver. Basically, they would be requesting a waiver out of the “substantially coterminous” requirement, which is what requires all four to be on the petition. If the three districts are successful in waiving out of that requirement, then the three districts could advance a petition and potentially get it to referendum vote (if it gets through all its steps) without including the fourth.

General Assembly has approved a waiver of this issue. United Twp. HSD has five elementary feeder districts. Two of the elementary districts did not want to pursue any reorganization attempt. The high school district and the remaining three elementary districts each filed a request to waive out of the “substantially coterminous” requirement. Their waivers were approved. However, the district’s waiver was not renewed at the close of FY 2019.

The application deadline for the Fall 2020 Waiver Report is August 2020. Applications for modifications of the School Code, or for waivers or modifications of the State Board’s administrative rules are *not subject to the postmark deadlines for waivers of the School Code*. However, in all cases approvals for any of these requests must be granted before the request can be implemented.

Please note: The process for applying for modification of the School Code, a waiver of State Board rules, or a modification of State Board rules is *the same process as the one* used in applying for a waiver of a School Code mandate.

### **FACTORS THAT MUST BE CONSIDERED IN CONSOLIDATION?**

Over the years many justifications have been offered for considering the reorganization of schools and specifically the consolidation of these individual units into a merged existence. The justifications have been led by the concept that larger schools can perform at a higher level of efficiency than their smaller counter parts. It has often been suggested that the merged unit would be able to offer an improved educational program for all the students.

However, (Beckner and O'Neal 1980), in their study, pointed out the benefits of small schools and questioned the effectiveness of school reorganizations. In their study, they pointed out that in many situations the smaller schools have shown to be able to perform functions that are impossible in larger schools. Small schools usually provide closer relations between faculty and administration, a smaller teacher-pupil ratio, and an enhanced potential for individualized instruction.

School districts looking at the possibility of consolidation must invest adequate time to carefully examine their community and to determine the possible impact that consolidation of the local schools may have on the overall stability of the community. According to Kay (1982), a leading research analyst in the school consolidation field, a school system "considering consolidation ought to investigate the nature, extent, and strength of other community institutions and social service agencies serving any community facing possible loss of its schools."

It is critical that all parties impacted by potential reorganizations should be provided the opportunity to actively engage in discussion and debate related to the proposed mergers. Yes, we must carefully review the research and the related concerns of economic efficiency and school size; however, these items alone should not be allowed to totally discount the effect of school consolidation on the community. Only by granting equal importance to all the major factors can decision-makers ensure that "narrow concerns about formal schooling do not unconsciously override broader educational concerns and the general well-being of the community to which those broader educational concerns are intimately connected" (Kay 1982).

One of the major factors that can contribute to the benefits of consolidation is the concept of economy of scale. Economy of scale can be defined as the reduction in cost per unit resulting from increased production, realized through operational efficiencies. Economies of scale can be accomplished because as production increases, the cost of producing each additional unit falls. We can relate these business definitions to the calculations of the cost necessary to provide a quality educational program for each and every child in our school districts. It is important to note that for many small school districts the benefits that can come in relation to economy of scale normally evades them. In many situations this usually prevents them from being able to receive certain fiscal advantages within their operations. Small school districts have a harder time funding a wide array of programs and normally end up providing a basic adequate program for the students. For example, the cost of providing a course in Calculus for two students becomes much more expensive than providing the same course for fifteen students. It is normally apparent to the investigator that the larger schools due to their increased enrollment, enhanced revenue can

provide more diverse curriculum offerings needed by students to get into college and find jobs.

## **Reorganization Incentives**

Full financial incentives are available for most of the district reorganization options. However, only the receiving district in a deactivation receives salary and the \$4,000 incentives based on staff transferred in the deactivation.

Although different needs have driven reorganization in the past, the critical areas of concern today are the educational opportunities reorganization provides students and the fiscal viability of school districts to provide the highest quality educational opportunities. School District Reorganization is the umbrella term which includes consolidation, school district conversion, partial elementary unit district formation, annexation (detachment and dissolution), high school deactivation, and cooperative high school attendance centers. Districts can receive financial assistance from the State in order to hire a consultant to conduct a School District Reorganization Feasibility Study. Feasibility studies are a tool to be used by school districts wanting to investigate the advantages and/or disadvantages of reorganization options. Some examples are:

Effective Date	County	Type of Reorganization	Annexed to or New School District Formed	School District Dissolved or Deactivated
7-1-12	Bureau	Annexation (7-2a(b)Dissolution)	Ladd CCSD 94 Princeton ESD 115	Leepertown CCSD 175
7-1-12	Douglas/ Moultrie	Annexation	Arthur CUSD 305	Lovington CUSD 303
7-1-12	Whiteside	Annexation (7-2a(b)Dissolution)	Rock Falls ESD 13	Riverdale SD 14

Effective Date	County	Type of Reorganization	Annexed to or New School District Formed	School District Dissolved or Deactivated
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7-1-13	Knox/ Fulton	Consolidation	Abingdon-Avon CUSD 276	Abingdon CUSD 217 Avon CUSD 176
7-1-13	Whiteside/ Lee	Consolidation	East Coloma-Nelson CESD 20	East Coloma SD 12 Nelson Public SD 8
7-1-14	Iroquois	Consolidation	Milford Area Public SD 124	Milford CCSD 280 Milford TWP HSD 233
7-1-14	Douglas/ Piatt	Annexation	Arthur CUSD 305	Atwood Hammond CUSD 39
7-1-14	Richland	Annexation (7- 2a(b)Dissolution)	East Richland CUSD 1	West Richland CUSD 2
7-1-14	Bureau/ LaSalle	Deactivation	Tuition to: Dimmick CCSD 175	Cherry SD 92 (k-8)
7-1-15	Jefferson	Consolidation	Spring Garden CCSD 178	Dodds CCSD 7 Ina CCSD 8
7-1-15	Vermilion	Consolidation	Salt Fork CUD 512	Catlin CUSD 5 Jamaica CUSD 12
7-1-15	Jefferson	Hybrid Formation	Bluford Unit SD 318	Bluford CCSD 114 Webber TWP HSD 204
7-1-15	Jefferson	Hybrid Formation	Woodlawn Unit SD 209	Woodlawn CCSD 4 Woodlawn CHSD 205
7-1-15	Washington	Annexation (7- 2a(b)Dissolution)	Nashville CCSD 49	Hoyleton Cons SD 29
7-1-16	No Reorganization Effective with 2016-2017 School Year			
7-1-17	LaSalle/ Bureau	Consolidation	Dimmick CCSD 175	Dimmick CCSD 175 Cherry SD 92
7-1-17	Vermilion	Cooperative HS	Bismark Henning Rossville Alvin Cooperative High School	Bismark Henning CUSD 1 (9-12) Rossville Alvin CUSD 7 (9-12)

<b>2017-2018 Totals:</b>	<b>Number of School Districts:</b>	<b>Other LEA's</b>		
	Elementary.....	368	Cooperative HS.....	2
	Secondary.....	97		
	Unit .....	386		
	IDJJ.....	1		
	<b>Total.....</b>	<b>852</b>		

7-1-18 No reorganization efforts effective with the 2018-19 school year.

2019 – 2020 Paw-Paw High School Deactivated. Students to Indian Creek.

For the beginning of the 2019-2020 school year, there was action near Leland and Somonauk as Paw-Paw High School had its final graduating class in 2019. Paw-Paw had a 117-year history and now its students attend Indian Creek High School in Shabbona, Illinois. Voters in DeKalb, LaSalle, and Lee counties in the Paw-Paw District approved a referendum in November 2018 to cease operations of the school.

*Data Received From- Illinois State Board of Education School Business Service Division, April 2019*

School districts like many other institutions are very resistant to change. This resistance is natural due to the nature of organizations preferring to maintain the comfortable stability of complacent continuance. In many situations, additional incentives must be offered to encourage the school districts to take on this uncomfortable change initiative. Fortunately, in Illinois an impetus to promote reorganization consideration began in 1983 when the General Assembly established financial incentives for newly consolidated districts. Since that time, these same incentives have been authorized for other types of reorganizations.

Michelle Heninger with the Illinois State Board of Education stated interest in reorganization seems to be increasing. She indicated “we’ve received calls from those interested in asking questions about reorganization, board members, district personnel, and citizens, the calls seem to have picked up from all categories.” (*Personal Interview March 2011*)

The state House passed HB 1216 in 2012 which called for the creation of the School District Realignment and Consolidation Commission, whose purpose was to recommend the number of school districts needing to reorganize in Illinois to the governor and the General Assembly. The commission was also responsible for advising the optimal amount of enrollment for a school district and where consolidation and realignment would be beneficial. By July 1, 2012, the commission was required to submit a report with its recommendations to the General Assembly. Their results included the following recommendations:

- 1) Require the State Board of Education to complete feasibility and efficiency studies for districts in counties with small and declining school-age populations, subject to a specific appropriation for the purposes for carrying out the recommendation
- 2) Require the State Board of Education to convene a study group to develop a district efficiency profile calculation, giving consideration to performance, finances, demographics, and size, subject to a specific appropriation for the purposes of carrying out the recommendation
- 3) Allow non-contiguous but compact school districts to reorganize if contiguous school districts reject reorganization
- 4) Permit districts under 750 student enrollment to dissolve with or without referendum
- 5) Establish a hold harmless provision that would maintain grant and entitlement funding levels for four years following a dual district to unit district reorganization
- 6) Implement a tax inequity “step-down” for dual district to unit district reorganization
- 7) Pilot a reorganization school construction program
- 8) Allow for a delayed reorganization effective date
- 9) Convene a commission to review and revise reorganization incentives

*Data Received From- Classroom First Commission: A Guide to P-12 Efficiency and Opportunity. Lieutenant Governor Sheila Simon, July 2012*

Needless to say, all of these recommendations have not been implemented. But it does give school districts a basis to formulate discussions regarding the school consolidation initiative. As we have stated over and over, the ultimate decision regarding school consolidation rests within the people of the districts involved in the study.

At this time, the Illinois State Board of Education actively supports school districts that are considering one or more of the approved reorganization options. The consultants do want to point out that with the change in the state aid formula, these current incentives could be influx. The new state aid formula funding results were just distributed to the school districts in early April 2018. Currently, ISBE provides four major incentives to school districts that agree to consolidate:

- **Evidence Based Funding Difference:** paid if the Evidence Based Funding (EBF) for the newly reorganized district(s) for the first year of existence is less than the EBF would have been that same year on the basis of the previously existing districts
- **Salary Difference:** for teachers employed in each newly reorganized district who were also employed in one of the previously existing districts, calculates the difference between what those teachers were paid in their original district for the last year of existence and what they would have been paid if placed on the highest salary schedule of the districts forming the newly reorganized district.
- **Deficit Fund Balance:** calculates each previously existing district's fund balances by combining the Education, Operations and Maintenance, Transportation, and Working Cash



funds; if any previously existing district has a combined deficit fund balance, the incentive pays the difference between the lowest deficit and the other deficits; a positive combined fund balances is considered a deficit of \$0; for districts with a deficit, an additional calculation compares current year expenditures to prior 3-year average expenditures, with the incentive being reduced by the excess if the current year expenditures are greater than the prior 3-year average

- **\$4,000 per Certified Staff**: \$4,000 paid for each full-time, certified staff member employed by each reorganized district. However, even with the state providing payment for feasibility studies and the lucrative incentives we are finding few school districts that are willing to pursue the concept of reorganization.

At this time in Illinois a joint commitment on the part of the Legislature, Governor and State Superintendent of Schools is needed to support expansion in the reorganization of schools. These officials, in concert, could provide the needed momentum to move the consolidation effort forward at a more effective rate in the state. Without this joint governmental effort, we will continue to see an anemic attempt to bring higher levels of efficiency to operating our educational system in Illinois.

Meeting the educational needs of all students has always been a challenge. Today that challenge has been amplified with the multitude of needs and concerns that face public education. The declining population in some schools coupled with the decline in revenues makes the consideration of school district reorganization a reality of necessity.

Presently in Illinois there exist approximately 200 single building school districts. These districts are working very hard to provide the highest quality of education possible for

each of their students. However, many of those districts are experiencing enrollment declines and revenue shortfalls that make it more and more difficult to maintain the level of quality that their public demands and that their students deserve. With the prospects of continuing declines in enrollment and continued budget shortfalls, a number of these districts are actively reviewing the reorganization options outlined by the Illinois State Board of Education.

### **PRESENT TYPES OF REORGANIZATIONS:**

**Consolidation** is the merger of two or more existing districts to create a new district. The process is governed by Article 11E of the Illinois School Code and requires:

- Voter signatures or school board action
- Public hearing conducted by regional superintendent
- Approval by State Superintendent
- Successful referendum

**Annexation** is the incorporation of a portion or all of one school district into another school district. Annexation is governed by Article 7 of the Illinois School Code and requires:

- Voter signatures or school board action
- Public hearing conducted by regional board of trustees
- Regional board of trustee's approval
- Referendum approval (for annexation of entire district)

**School District Conversion** is the formation of a single new high school district and new elementary districts based upon the boundaries of a dissolved unit district as governed by Article 11E of the Illinois School Code and requires:

- Voter signatures or school board action
- Public hearing conducted by regional superintendent
- Approval by State Superintendent

- Successful referendum

**High School Deactivation** is the closing of a district's high school attendance center, of the closing of a district's elementary center and sending its students in grades 9 through 12, or grades through Kindergarten through grade 8 or 9 to one or more other districts once all districts agree and requires:

- Board resolution to deactivate
- Successful referendum
- Tuition agreement by the affected districts

**Cooperative High School** is the establishment of a jointly operated high school by two or more contiguous unit or high school districts, each with grades 9 through 12 enrollments of fewer than 600 students while retaining the affected districts' school boards. Cooperative High School Formation is governed by Article 10, Section 22.22c of the Illinois School Code and requires:

- Board resolution by all boards affected
- Successful referendum
- Cooperative agreement by the affected District

## **GENERAL QUESTIONS REGARDING CONSOLIDATIONS**

### **1. In general, what is the process for undertaking a school district reorganization?**

**A feasibility study may be conducted to assess options, or data may be gathered less formally by school boards or interested citizens.** If the findings of the study indicate the boards should consider consolidation and the boards both agree to proceed then petitions will be approved by all boards involved and forwarded to the Regional Office with the greatest EAV of the proposed new district. It appears that would be Lasalle in the case of this study. The petition process consists of specific procedures.

- The Committee of Ten must be named in the petition.
- The proposed date for the referendum must be included in the petition.

- The Regional Superintendent approves or denies the petition.
- The petition submitted must include the listing of the Committee of Ten. If it appears that consolidation is the desire of both districts it would be wise to have the Committee of Ten selected and engaged as soon as possible.
- The Committee of 10 is by appointment. It does not require a community vote. A great deal of preparatory work should be done by the committee prior to the actual consolidation community vote.
- Once the petition is approved by the ROE, it is forwarded to the State Superintendent seeking approval to conduct a referendum.
- The State Superintendent will respond with an answer via the ROE.
- Once authority has been granted to conduct the election the School Boards, Superintendents and the Committee of Ten will pursue the election.
- Having the Committee of Ten selected and engaged allows them to serve a major role in the promotion of the referendum. Educating the public is the major task in a reorganization referendum. The public will have multiple questions and they must be addressed.
- The referendum is simply asking the voters of the districts to approve the consolidation. In some referendum questions, they have included the Board Candidates for the new district. This is not required, but it does eliminate the need for another election process.
- The referendum must pass by majority in all districts. If it fails in one, the issue is dead. The districts would have to wait two years to conduct another referendum unless the referendum question is changed to another option.
- The referendum most likely would occur no earlier than the first election after a one-year review process after completion of the study. There are lots of items that must be dealt with prior to conducting the referendum including the job of educating the public.

## **2. Who must approve the filing of a petition under Article 11E?**

Section 11E-35 provides that a petition shall be filed with the regional superintendent of schools of the educational service region in which the territory described in the petition or that part of the territory with the greater percentage of equalized assessed valuation is situated.

## **3. Does P.A. 94-1019 change the petition requirements under prior law?**

Only minimally. Under Article 11E, petitions must be signed by at least 50 legal resident voters or 10% of legal resident voters, whichever is less, or approved by the boards of each affected district. These are the same requirements set forth in three of the School Code reorganization articles consolidated into 11E. Unit district formations under the prior Article 11A had the same requirements, but also required the signature of 200 voters in the territory if the petition was not approved by the boards. While the 200-voter signature requirement was not carried over to Article 11E for consistency purposes, this is not a substantial change. Any unit district formation involving four districts will automatically meet the 200-voter signature requirement, and ISBE had not found the 200-voter signature requirement to be an impediment to getting a petition on the ballot.

## **4. What must be included on a petition?**

- a. A request to submit the proposition at a regular scheduled election
- b. A description of the territory comprising the districts proposed to be dissolved and those to be created
- c. The maximum tax rates for various purposes which the proposed district(s) shall be authorized to levy, with PTELL information if necessary
- d. Allocation of supplementary State deficit difference payments among proposed districts
- e. Division of assets and liabilities
- f. If desired, a request to elect school board members at the same election by separate ballot

- g. If desired, a request that board members for a unit district (other than a partial elementary unit district) be elected by school board districts rather than at large
- h. If desired, a request to submit the format for the election of a new high school board as part of a unit to dual conversion proposition
- i. If desired, a request to submit a proposition by separate ballot for authority to issue bonds
- j. A designation of a committee of ten of the petitioners (Committee of Ten)

**5. How are tax rates for the proposed district specified on the petition?**

Section 11E-80 distinguishes rules regarding the tax rates.

**Proposed district not subject to PTELL: Please note these districts involved in this study are not subject to PTELL.**

A non-PTELL district, other than a partial elementary unit district ("hybrid district") must include in the petition:

- A. The maximum rates for educational, operations and maintenance, and pupil transportation purposes, subject to the rate limitations in Sections 17-2 and 17-3; and
- B. If the new district wants to secure authority to levy other taxes above the permissive rates, then those maximum rates must also be included. For example, such additional levies might be needed for special education, leasing of educational facilities or computer technology, capital improvement, and fire prevention and safety.

Where a partial elementary unit district ("hybrid district") not subject to PTELL will be formed, Section 11E-90(b) or 11E-95(b) provides the necessary purposes and tax rate information. Generally, the petition must include:

1. The maximum rates for both K-8 and 9-12 educational, operations and maintenance, and special education purposes.
2. The maximum rate for pupil transportation purposes; and

3. If the new district wants to secure authority to levy other taxes above the permissive rates for unit districts, then those maximum rates must also be included

**6. What is the Committee of Ten? Who is usually included, and how does it operate?**

A committee of ten of the petitioners will be designated in the petition. The Committee of Ten acts as attorney in fact for all petitioners, may amend the petition in all respects (with exceptions for increasing or decreasing territory in a unit district formation), and may make binding stipulations on behalf of all petitioners as to any question with respect to the petition. While the Committee of Ten technically does not come into existence until designated in the petition, the reality is most committees form prior to the petition to work on the items needed in the petition. That committee then becomes the “Committee of Ten” when it is formally designated in the petition. It is the duty of the petitioners to complete the items required in the petition. As representatives of all the petitioners, this duty usually falls to the Committee of Ten. Also, most parents/taxpayers will want to know additional information regarding the proposed new district(s) such as: curriculum, extra-curricular offering, facility usage, transportation issues, etc. Most Committees of Ten also formulate plans for the new district(s) in these areas for presentation at the local hearing and community and board meetings. Committees of Ten often form sub-committee work groups to develop these plans as well as the information required for the petition. Usually, one or two members from the Committee of Ten serve on each sub-committee work group along with additional community members. This group is the major leadership group in the formulation of the newly consolidated school district.

## **SOME SPECIFICS ABOUT THE COMMITTEE.**

The committee members should have some knowledge of school functions as they will have the responsibility to set up an outline of functions such as curriculum, extra-curricular offering, facility usage, transportation issues, etc. With that said, the Board and Administration can do some feasibility studies to provide the committee knowledge of these areas and the financial conditions of the districts as the committee develops tax rates.

Committee members must be willing to serve on sub-committees to lead the development of each of these categories. Other individuals in the community are usually asked to serve on these sub-committees. Thus, the individuals on the Committee of 10 should have some leadership abilities. These individuals along with school leadership are the most important components of a successful reorganization. The more collaboration and ownership the district can get from the community, the better chance for success.

Many times, an attorney is involved to support the Committee. The attorney should have knowledge of school law and practices.

The Committee will need to educate the community on the pros of consolidating the school districts. With that said, the Committee will need to stick with factual data even if there are some negatives that come out of the research. The Committee can make some predictions of some tough issues (i.e. mascots) and prepare responses.

### **7. What districts have the right to be notified of and vote on a school district reorganization?**

“Affected districts” have the right to be notified of and vote on the reorganization.

Section 11E-10 defines “affected district” as:

Any school district with territory included in a petition for reorganization under this Article that encompasses (i) 25% or more of the total land area of the district, (ii) more than 8% of the student enrollment of the district,



or (iii) more than 8% of the equalized assessed valuation of the district.

### **8. What notices must be given when a petition is filed?**

Section 11E-40 states that upon filing of the petition, the regional superintendent shall cause a copy of the petition to be given to each school board of the affected districts and to the regional superintendent of any other educational service region in which territory described in the petition is situated. The regional superintendent also must publish notice at least once each week for 3 successive weeks in at least one newspaper of general circulation in the area. The notice shall state when and to whom the petition was presented, the prayer of the petition, descriptions of the territories proposed to be dissolved and created, and the day on which the hearing shall be held. If applicable, at the same election but by separate ballots, the notice also must include the proposition to elect school board members and any proposition to issue bonds, including the amount and purpose.

### **9. What are the hearing requirements? Who conducts it and how is it conducted?**

No more than 15 days after the last date on which notice was published, the regional superintendent with whom the petition is required to be filed shall hold a hearing. Prior to the hearing, the Committee of Ten shall submit maps showing the districts involved and other pertinent information. The regional superintendent shall allow for public testimony on the action proposed in the petition. Any regional superintendent entitled to notice and any resident or representative of a school district in which any territory described in the petition is situated may appear in person or through an attorney to provide oral or written testimony or both. The regional superintendent must arrange for a written transcript of the hearing. The regional superintendent shall allow for public testimony and shall present or arrange to have presented the following:

- Evidence as to the school needs and conditions of the affected districts and in the area adjacent thereto

- Evidence with respect to the ability of the proposed district(s) to meet ISBE recognition standards
- A consideration of the division of funds and assets
- A description of the maximum tax rates

**10. Who must approve the petition prior to it being placed on the ballot? Can these decisions be challenged in court?**

Within 14 days after the conclusion of the hearing, the regional superintendent must approve or deny the petition through a written order. Failure to act within 14 days shall be deemed a denial. The regional superintendent shall submit the decision and all evidence to the State Superintendent of Education. The State Superintendent shall review the petition, the record of the hearing, and the written order (if any). Within 21 days after the receipt of the regional superintendent's decision, the State Superintendent shall approve or deny the petition through a written order. If denied, the State Superintendent shall set forth in writing the basis for denial. The decision of the State Superintendent is a final administrative decision subject to the Administrative Review Law. Any resident of any territory described in the petition that appears in support of or opposition to the petition at the hearing or any petitioner or any school board of any district in which territory described in the petition is situated may, within 35 days after receipt of the decision by certified mail, appeal.

**11. Does P.A. 94-1019 eliminate the role for the Regional Board of School Trustees?**

The regional board of school trustees does not play a role in the reorganization types included in Article 11E. It is only involved in detachments and dissolutions under Article 7. P.A. 94-1019 has no impact on its role.

**12. Who is responsible for paying the costs associated with reorganization?**

The petitioners are responsible for paying the costs of notices and transcripts. Some prior reorganization articles required these costs to be split with the regional superintendent, but in Article 11E these costs are placed on the petitioners.

**13. What protections are included in P.A. 94-1019 to ensure viable school districts result from school district reorganizations?**

All reorganizations under Article 11E must be approved by a majority vote in each of the affected districts. In addition, Article 11E has several protections against allowing a reorganization that will not form a viable district. Both the regional superintendent and the State Superintendent must approve the petition before it ever gets on the ballot. During this review, the regional superintendent, and State Superintendent must consider the needs of the proposed districts and the surrounding districts and determine whether viable districts will result from the reorganization.

**14. What are the general election procedures under Article 11E?**

Elections are conducted in accordance with the general election law. The regional superintendent is the election authority who orders the elections and certifies the reorganization question, candidates for newly created school boards, and a proposition to issue bonds, if any, to the county clerk for placement on the ballot. When board members are elected for a new district, the regional superintendent calls the organizational meeting and certifies the officers.

**15. What are the passage requirements for a reorganization question?**

For an optional elementary unit district, a majority of the electors voting in the high school district and a majority of the voters in at least one affected elementary district must vote in favor of the proposition. For an elementary district electing to join an optional elementary unit district (opt-in), a majority of the electors voting in that elementary district only is

required. In all other cases under Article 11E, a majority of the electors voting at the election in each affected district must vote in favor of the proposition.

**16. If approved, when does the reorganization go into effect?**

The change becomes effective after the time for appeal has run; however, the administration shall not be affected until the July 1 following the date that the school board election is held for the new district(s). The effective date for purposes of administration and attendance may be accelerated or postponed by stipulation and with the approval of the regional superintendent.

**17. What actions can be taken prior to the effective date of the new district?**

After the new board has organized and elected officers, but before the effective date of the reorganization, the new board shall have the following powers if the existing districts so allow by stipulations approved by the regional superintendent:

- Establish a tax levy
- Enter into agreements for depositing and investing funds
- Conduct a search for a superintendent and enter an employment contract
- Conduct a search for other administrators and staff and enter employment contracts
- Engage the services of accountants, architects, attorneys, and other consultants
- Plan for the administrative transition
- Bargain collectively
- Expend funds from the levy and from the existing districts to meet payroll and other essential operating expenses
- Issue bonds under Section 17-2.11 (Fire Prevention & Safety)

**18. What happens to the tenured teaching staff of districts involved in a reorganization?**

Upon the effective date of a school district reorganization, the positions of tenured teachers shall be transferred in accordance with Section 24-12. Tenure is not lost and transferred teachers shall be treated as if they had been employees of the new district during the time they were employed by the original district. Article 11E also provides specific requirements in the case of a school district conversion or multi-unit conversion. Positions of tenured teachers that, during the 5 school years immediately preceding the effective date of change, were full-time positions in grades 9-12 shall be transferred to control of the school board of the high school or combined high school–unit district. Positions of tenured teachers that, during the 5 years immediately preceding the effective date of change, were full-time positions in K-8 shall be transferred to the control of the school board of the newly created successor elementary district. Positions of tenured teachers that were full-time positions not required to be transferred to either shall be transferred to the control of whichever of the boards the teacher shall request. If neither the original district nor the newly created district can stipulate as to where a position is transferred, the regional superintendent shall make the determination.

**19. When districts combine or consolidate, the teaching staffs tend to have their pay scales equalized by bumping everyone up to the highest-paid district’s level. Are there any exemptions for these adjustments from the 6% Teachers’ Retirement System (TRS) cap?**

Yes. Newly amended Section 16-158 of the Pension Code (40 ILCS 5/16-158) requires a teacher’s same employer to pay TRS the present value of the increase in pension benefits that results from that portion of a salary increase in excess of the current restrictions placed on school districts by Illinois state law (3-6%). (f) If the amount of a teacher's salary for any school year used to determine final average salary exceeds the member's annual full-time salary rate with the same employer for the previous school year by more than 6%, the teacher's employer

shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, the present value of the increase in benefits resulting from the portion of the increase in salary that is in excess of 6%. This present value shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. As an example If a teacher's salary for the 2005-2006 school year is used to determine final average salary under this subsection (f), then the changes made to this subsection (f) by Public Act 94-1057 shall apply in calculating whether the increase in his or her salary is in excess of 6%. For the purposes of this Section, change in employment under Section 10-21.12 of the School Code on or after June 1, 2005 shall constitute a change in employer. The System may require the employer to provide any pertinent information or documentation. The changes made to this subsection (f) by Public Act 94-1111 apply without regard to whether the teacher was in service on or after its effective date.

## **20. How does a school district reorganization impact ESSA and the New System of Academic Accountability?**

When two or more districts are involved in a school district reorganization that results in the formation of one or more new districts, the new district(s) will assume the most favorable improvement status level established by the newly formed ESSA guidelines. – at each of the state and federal levels. The Every Student Succeeds Act (ESSA) was signed into law on December 10, 2015 and replaces the No Child Left Behind Act (NCLB). Under ESSA, states are charged with creating a plan to ensure every child is learning and on the path to college and career readiness. Plans must include long-term goals, challenging academic standards and assessments, support for low-performing schools, and universal indicators of school quality. In addition, states must account for the needs of special student populations and ensure all students have equitable access to a high-quality education. The Illinois ESSA Plan reflects specific goals embedded in a system of support and accountability. In order to assess each school’s progress toward meeting ESSA goals, the Illinois State Board of Education

(ISBE) identifies academic indicators (such as PARCC, ACCESS, and Illinois Science Assessment scores), school quality indicators (such as student absenteeism and climate survey scores), and student subgroups (such as economically disadvantaged students, students with disabilities, and English language learners) to determine student success. More specifically, ISBE measures the performance of each subgroup in a school across each academic and school quality indicator to generate a school's composite score. Schools are ranked based on their composite scores, and this comparative ranking is the school's "official designation" for the school report card. These designations are defined below.

- Tier 1 (Exemplary Schools): Performance is in the top 10% of all Illinois schools, with no underperforming student subgroups (defined as falling below the lowest 5% of all Illinois schools)
- Tier 2 (Commendable Schools): Performance is below the top 10% of all Illinois schools, with no underperforming student subgroups (defined as falling below the lowest 5% of all Illinois schools – currently, Somonauk is in this category)
- Tier 3 (Underperforming Schools): Performance of one or more student subgroups is at or below the lowest 5% of all Illinois schools.
- Tier 4 (Lowest Performing Schools): Performance is at or below the lowest 5% of all Illinois schools.

**21. How does a school district reorganization impact approved waivers and modifications?**

Newly created districts under Article 11E must apply for waivers and modification regardless of whether any of the former districts had a previously approved waiver or modification.

Pursuant to Section 2-3.25g, all residents must have an opportunity to give input on the waiver or modification at a public hearing prior to application.

**22. If school districts consolidate, will students in the district have to change schools and will individual residents be subject to boundary change?**

The decision regarding location of school attendants and the particular school boundaries or each house located in the district is subject to the decision of the newly formed Board of Education. The newly formed Board of Education will have the power to decide if school attendant's area boundaries remain the same or are changed.



# **TRANSPORTATION**

## **GENERAL ISSUES**

Transportation of students to and from school has been and continues to be a critical component of the education process for our public-school students. In the early evolution of the American Public Educational System, student transportation was nonexistent. For many years it was the responsibility of the parents and the student to get to school. But as we moved away from the one room schools into community consolidated school districts the distance from home to school was expanded and therefore demanded assistance in getting the students to and from the new educational centers. Today schools are legally obligated to provide transportation for students who need it, which is often more than half the student population of any given school, and sometimes far more.

The transportation of students is an issue that must be examined and considered when school districts become engaged in the discussion of reorganizing or consolidating multiple districts into a single school district. As the concept of reorganization is being pursued the various impacts of transportation such as the time on the bus, the length of the routes, and the number of students needing and qualifying for transportation must be identified and examined.

In addition to the concerns for the students the fiscal impact on the district must also be reviewed. Presently in Illinois the reimbursement to school districts for transportation of students has been declining and often difficult to project due to the fiscal integrity of the Illinois annual budgeting processes. This issue is magnified even more when we consider the often-unstable cost of fuel.

## **DISTRICT INFORMATION**

The study addresses these considerations and concerns. The study required the investigators to gather specific transportation information for each of the school districts engaged in the study. Table 1 shows the number of regular students transported, the total regular miles, total cost and cost per mile and students. Somonauk is presently transporting 684 regular students over 46,000 miles at a total cost

of \$211,387. Table 1 shows that Leland presently transports 109 regular students over 24,978 miles at a total cost of \$82,555.

The data provides the disaggregated costs of regular transportation per mile and per student. The per mile is calculated by dividing the total number of miles transported by the total cost for regular transportation. The per student is calculated by dividing the total number of students transported by the total cost for regular transportation. As shown the per student cost for transportation for Leland District No. 1 is much higher than the per student cost for Somonauk No. 432 simply because of the difference in the total number of students transported. However, reviewing the cost per mile we find that Leland has a lower per mile cost than Somonauk. It is anticipated that through a merger and the establishment of a single transportation system with more logistical scheduling and routing could result in reduced transportation expenses for the new consolidated school district.

In Table 2 the cost of special student transportation has a much higher per student cost due to fewer students being transported per trip and the distance to the location where offsite educational services are being provided. Many of the subject school's students are being transported out of their district to obtain special education programming. The data includes the disaggregated costs of special transportation per mile and per student. The present cost per special student transportation for Leland is \$9,880 where the per student special transportation cost for Somonauk is \$29,082. The actual total cost of transportation of special students for both districts far exceeds the total cost of regular transportation of students by \$212,003. It is anticipated the merger of the districts could result in a significant reduction in transportation costs for special students as a result of changes in program site assignments, maintaining special students within the home district, revision of present scheduling and more logistical routing. It is also noted that even without a merger of the districts it is recommended that the two districts actively seek ways to mitigate the overall costs of special transportation through aggressive cooperative efforts and partnerships.

Table 3 shows the disaggregated costs of Vocational Student transportation per mile and per student. As shown the per student cost for Vocational transportation for Leland District No. 1 is much higher than the per student cost for Somonauk No. 432 simply because the Leland and Somonauk students are transported to the Indian Valley Vocational Center in Sandwich, Illinois, and the distance in miles for Leland is greater than Somonauk.

It is assumed that a consolidated school district utilizing Somonauk as the middle and high school site could reduce the cost of Vocational transportation since all students would be transported from the high school in Somonauk which is only 3 miles away from the Center in Sandwich. Presently 26 students are being transported from Leland which is 10 miles away from the Center. Therefore, it is anticipated that the total cost per student would be less due to the reduction in total miles transported for the combined Vocational students.

Table 4 shows the disaggregated costs of Non-Reimbursable transportation per mile and per student. As shown the per student cost for Leland District No. 1 is \$174 and is \$368 for Somonauk No. 432. It is somewhat difficult to quantify the projected actual costs of the difference in transportation costs for these categories due to several variables that might impact the final design and operation of a new district. However, the review and analysis (pondering) of the data regarding the cost per mile and cost per student tends to indicate that savings would occur as the result of the merger of the Leland No. 1 and Somonauk No. 432 Districts.

The total combined transportation data for the two districts is shown in Table 5. Presently the combined cost is \$954,069 for a total of 1,169 students transported. Somonauk's total cost for both regular and special students is \$618,537 with a total of 144,521 miles transported. Leland's total combined cost is \$181,350 with a total of 72,146 miles transported.

The data from Tables 1-5 has been reviewed and utilized in supporting recommendations for reorganization of the subject school districts. It is also recommended that the school district's administration, boards of education and the Committee of Ten carefully review the data in this report

and utilize the information to assist in informing their decision related to the possible reorganization of the school districts. The goal is to establish the best organizational structure for the delivery of education for the Leland and Somonauk students and communities.

<b>TABLE 1 DISTRICT REGULAR TRANSPORTATION SUMMARY FY20</b>					
<b>DISTRICT</b>	<b>TOTAL # TRANSPORT</b>	<b>REGULAR MILES</b>	<b>TOTAL COST</b>	<b>TOTAL COST PER STUDENT</b>	<b>TOTAL COST PER MILE</b>
LELAND 1	109	24,978	\$82,555	\$757	\$3.31
SOMONAUK 432	684	46,732	\$211,387	\$309	\$4.52
<b>TOTAL/AVG</b>	<b>793</b>	<b>71,710</b>	<b>\$293,942</b>	<b>\$371</b>	<b>\$4.10</b>

<b>TABLE 2 DISTRICT SPECIAL TRANSPORTATION SUMMARY FY 20</b>					
<b>DISTRICT</b>	<b>TOTAL # TRANSPORT</b>	<b>SPECIAL ED MILES</b>	<b>TOTAL COST</b>	<b>TOTAL COST PER STUDENT</b>	<b>TOTAL COST PER MILE</b>
LELAND 1	10	47168	\$98,795	\$9,880	\$2.09
SOMONAUK 432	14	95789	\$407,150	\$29,082	\$4.25
<b>TOTAL/AVG</b>	<b>24</b>	<b>142957</b>	<b>\$505,945</b>	<b>\$21,081</b>	<b>\$3.54</b>

**TABLE 3 DISTRICT VOCATIONAL TRANSPORTATION SUMMARY FY20**

DISTRICT	TOTAL # TRANSPORT	REGULAR MILES	TOTAL COST	TOTAL COST PER STUDENT	TOTAL COST PER MILE
LELAND 1	26	19,882	\$65,123	\$2,505	\$3.28
SOMONAUK 432	41	3,480	\$14,792	\$361	\$4.25
TOTAL/AVG	67	23362	\$79,915	\$1,193	\$3.42

**TABLE 4 NON-REIMBURSABLE TRANSPORTATION SUMMARY FY20**

DISTRICT	TOTAL # TRANSPORT	REGULAR MILES	TOTAL COST	TOTAL COST PER STUDENT	TOTAL COST PER MILE
LELAND 1	158	14,265	\$27,473	\$174	\$1.93
SOMONAUK 432	127	11,560	\$46,794	\$368	\$4.05
TOTAL/AVG	285	25825	\$74,267	\$261	\$2.88

**TABLE 5 COMBINED DISTRICT TRANSPORTATION SUMMARY FOR ALL CATEGORIES FY20**

DISTRICT	TOTAL # TRANSPORT	TOTAL MILES TRANSPORT	TOTAL COST	TOTAL COST PER STUDENT	TOTAL COST PER MILE
REGULAR	793	71,710	\$293,942	\$533	\$4.10
SPECIAL ED	24	142957	\$505,945	\$21,081	\$3.54
VOCATIONAL	67	23362	\$79,915	\$1,193	\$3.42
NON-REIMBURSE	285	25825	\$74,267	\$261	\$2.88
<b>TOTAL COST</b>	<b>1,169</b>	<b>263,854</b>	<b>\$954,069</b>		

**TRANSPORTATION MANAGEMENT**

Both school districts presently manage and operate their own transportation program. As shown in Table 6 each district has secured their transportation inventory through a combination of purchase and lease arrangements. Each district has personnel employed that provide the management and operations for the transportation of their students.

**TABLE 6 TRANSPORTATION INVENTORY**

LELAND DIST. NO. 1			SOMONAUK DIST. NO. 432		
VEHICLE	CAPACITY	YEAR	VEHICLE	CAPACITY	YEAR
BUS 1	71	2020	BUS 1	71	2018
BUS 2	71	2020	BUS 2	71	2018
BUS 3	71	2020	BUS 3	71	2018
VAN 1	6	2006	BUS 4	72	2018
VAN 2	6	2014	BUS 5	72	2016
VAN 3	10	2016	BUS 6	72	2016
			BUS 7	71	2015
			BUS 8	71	2013
			BUS 9	71	2013
			BUS 10	71	2013
			MINI BUS 1	15	2016
			MINI BUS 2	15	2017
			MINI BUS 3	15	2015

The existing inventory for each district meets the transportation needs of each of the districts and would accommodate the transportation in a combined district without having to secure additional units.

## **Travel Time**

As previously stated, the amount of time and distance a student spends on the bus routes must be carefully reviewed and considered. It is often a school district's concern, but that concern is equally shared by the parents. Illinois rules and statutes do not contain a maximum length of time that a pupil may be expected to spend riding on a school bus. However, it is widely accepted that the in-route time must be reasonable and not exceed one hour.

The State Superintendent has held that numerous factors may be considered in determining whether the amount of time is reasonable. Such factors as the following: age of the pupil, distance between home and school, safety, efficiency, cost, available buses, the number of schools on a trip, and the opening and closing times of schools. Many districts attempt to limit the time in-route to much less than one hour, but there are situations because of the distances traveled, where it is not possible to complete all transportation routes within one hour. Districts are expected to provide economical and efficient transportation, and therefore, will often transport to more than one school on a single trip which will normally extend the time spent on the bus.

The size of the school district obviously can impact the time and distance a student may spend in route on a bus. Some school districts are very large with total square miles more than 300. For example, the Jasper County School District CUSD No.1 has a transportation frame that exceeds 460 square miles. Both subject districts have small transport frames with Somonauk at 52 square miles and Leland with only 43 square miles. So, with a merger of the two districts the new district would have a transportation frame of only 95 square miles.

The present travel times for students in the subject school districts are well within the recommended time frame for students in all grade levels. The distance between the subject schools on the average is about 7-9 miles. The relatively small square mile frame will present minimal challenges for the redesign of the transportation operations for a newly reorganized school district.

The design of routes for a newly organized district would not present any encumbrance or impact on time or management.

As shown in Table 5 it is anticipated because of a merger and the pursuit of the economy of scale impact the total cost of regular student transportation could result in savings of between twenty to forty thousand dollars. Please note this is an estimate based on utilizing a total per mile cost of \$3.55 for regular transportation.

However, if the new district elects to move to an attendance center concept the cost of the transportation system would most likely result in additional expenditures. For example, if all middle and high school students are housed within the Somonauk District approximately 100 middle and high school students would have to be transported to Somonauk from Leland for instruction. This would result in an increase in the total cost of transportation due to the increase in the number of students transported and the number of miles traveled. It should be noted that the increase cost in the attendance center concept could be offset by a reduction in the cost of Vocational, Special Education and Non-Reimbursable transportation.

As has been found in other studies central planning and operational management has a positive impact on the costs of any system. It is the belief of the consultants that even with the movement to an attendance center concept costs could be reduced through the utilization of strategic and logistical routing and scheduling.

The Illinois State Board of Education for many years has been engaged in the review and analysis of student transportation. They have convened numerous panels and task forces to examine



various transportation issues. The document *Essentials of Illinois Finance* by James B. Fritts provided a broad discussion of various issues related to transportation. Fritts along with others have shown concern for the increasing cost for student transportation. In Illinois, the transportation costs for school districts consume four to five percent of their total operating budgets (IASB 2015).

We continue to experience the inflationary operational expenditures related to the transportation of students. Costs of vehicles, fuel and labor are increasing at a rate higher than inflation. A standard size no-frills bus may cost as much as \$80,000. Currently, regular transportation costs are calculated on an equalizing formula only for students who live more than 1.5 miles from school or live within areas that have been designated as hazardous for walkers to school. Both districts in this study are unit school districts providing transportation for students, PK-12th grades. This formula may change due to proposed funding change legislation.

The *Classrooms first Commission* (2012) proposed an “incentive” for transportation for districts choosing to reorganize. The incentive proposal includes an additional supplement for transportation costs where a need is demonstrated after a school district/s has/have been reorganized. Calculations for the transportation incentive would be a formula based on inputs such as number of districts in the reorganization, number of students transported, and geographic area of the reorganized district. The transportation incentive would assist with bus route scheduling and increased expenditures such as fuel, supplies, etc. (Costs and benefits to be calculated). However, at this time the incentive has not been added to the calculations for reorganization incentives.

## **TRANSPORTATION SUMMARY**

Both school districts are presently operating separate transportation systems and are incurring separate costs for the systems. The districts are doing a good job in providing transportation for over 1,000 students. The costs per student and cost per mile ranges differently for each district due to the variance in total number of students and the total number of miles transported in each of the four

categories. The transportation costs for special education programs is the largest expense for each district. Special Education transportation tends to be higher especially when busses are being dispatched by school districts with very few student occupants and in some cases to program sites at an extended distance from the home school.

## **TRANSPORTATION CONCLUSION**

Oftentimes, the post consolidation transportation system created by the new district can present some negative factors. In a traditional consolidation where a merger of separate school districts into one not only causes increases in the overall costs but also results in requiring many or most students to travel increased distances to school. However, given the relatively small geographical frame for the combined districts it appears this would not be a concern for restructuring options being considered in this study. In fact, the opposite would likely occur as the result of a reorganization merger.

The design and development of a single transportation program could establish a system with the capability to capture greater efficiencies in time, costs and management and could ultimately establish fewer redundancies in routing especially in special education and vocational transports.

Based on the analysis of the present transportation systems and patterns, it is projected that the reorganization of the subject districts into a new unit district would have minimal time and fiscal impact on the transportation of students due in part to the relatively small geographical range of the current school districts. It is anticipated in a newly organized district the overall costs of transportation would not present a financial impact. A new system could establish a more efficient utilization of the existing inventory, better scheduling logistics and the ability to maintain the amount of time on the bus within acceptable time frames as is presently experienced by both districts. Again, the districts are to be commended for their efforts in meeting the transportation needs of their students.

# **FACILITIES**

Each of the subject school district have a variety of facilities that are presently being utilized to meet the needs of their educational programs. As shown in Table 1 the facilities consist of elementary, middle, and high school buildings. Each building has its own unique footprint regarding design, size, and construction. The review of facilities is a critical component of the feasibility study to determine each building's present condition, their structural integrity, their compliance with both state and federal codes and their capacity quotient.

Study consultants conducted a site visit to the existing school facilities with an emphasis on the review of the following areas:

- Condition of the current facilities
- Capacity status and the ability to meet the needs of the present organizational structure
- The potential for meeting the needs of organizational restructuring.
- Compliance with both state and federal codes.

Within the subject school districts there are presently a total of five school facilities.

Somonauk #432 is the largest district in the study and has the greatest number of facilities. The District #432 facilities consist of one high school building, one elementary building, and one junior high school.

Leland #1 facilities consist of one high school building and one elementary building.

The review of the facilities consisted of a walk-through examination of each of the buildings, a review of the most recent Health Life Study reports and an examination of the current architectural floor plans for each of the districts. A meeting was held with each of the district's superintendents to review the status of the school plants and to determine other specifics regarding the present facilities of the school districts engaged in this study.

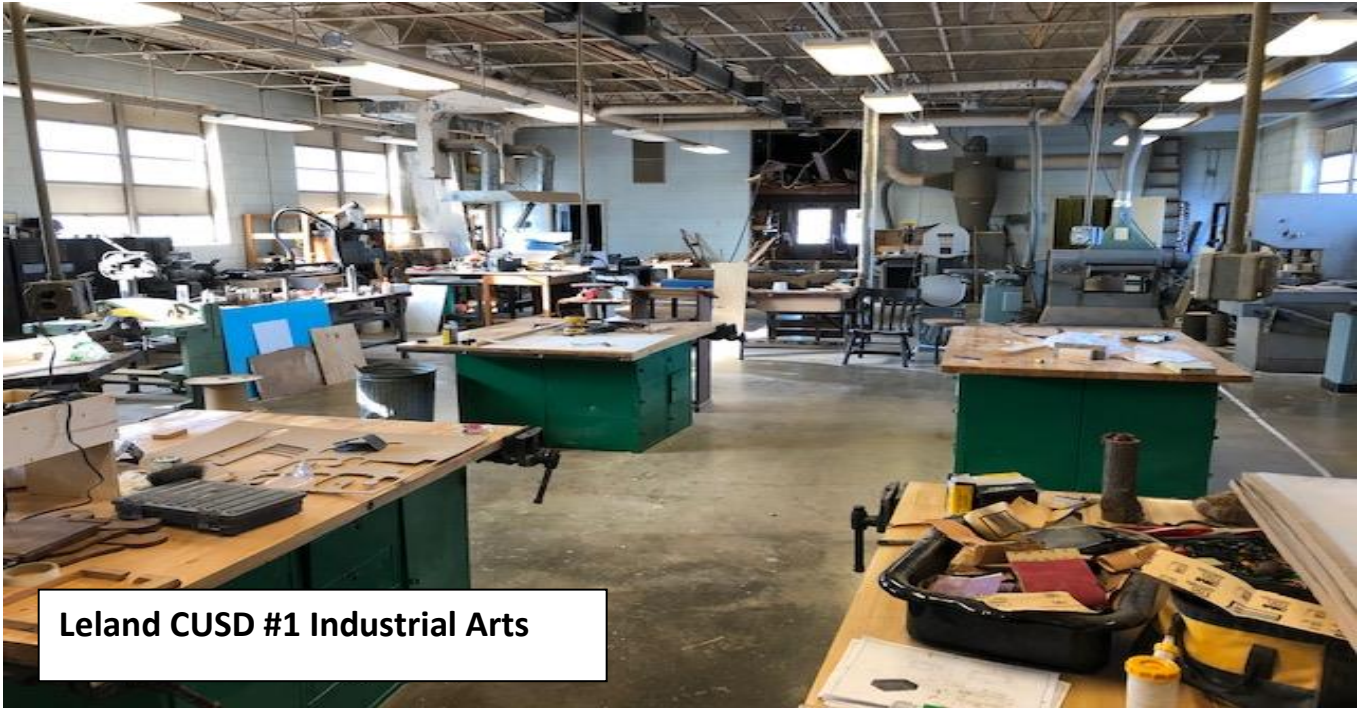
# LELAND CUSD #1



Leland CUSD #1



Leland CUSD #1 Gym



**Leland CUSD #1 Industrial Arts**



**Leland CUSD #1 Library**



Leland CUSD #1 Classroom

## SOMONAUK DISTRICT NO. 432



Wood Elementary School



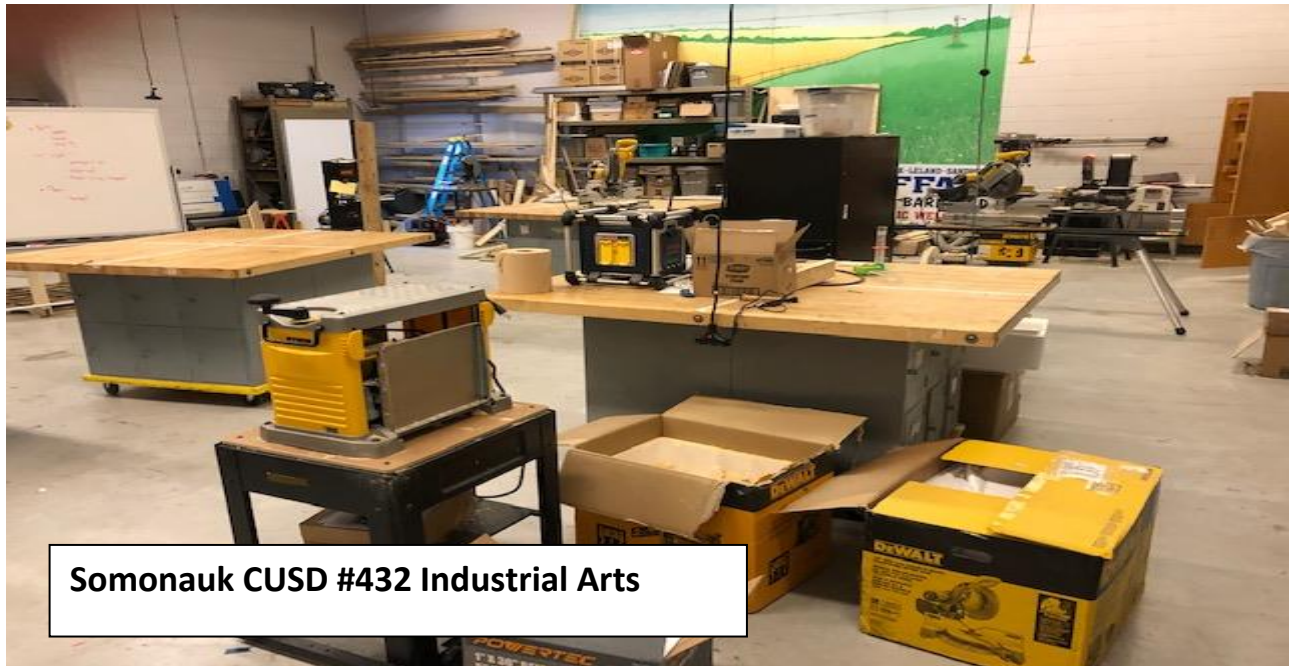
**Somonauk Middle School Library**



**Somonauk High School**



**Somonauk CUSD #432 Gym**



**Somonauk CUSD #432 Industrial Arts**



The facilities for each of the school districts have been maintained and managed in a manner that has secured excellent educational environments for their students. The staff of each of the two districts are to be commended for the quality of their work in management of the school plants.

The condition of school facilities in Illinois has been an area of concern and under review for many years. The Illinois legislature passed the School Construction Law (Public Act 90-548) in December 1997. The initial School Construction Grant Program benefited 502 school districts in every region of the state and provided over \$3.1 billion in state-funded grants to provide for new facilities, additions, and renovations of aging buildings.

The Illinois State Board of Education partnered with the Capital Development Board in the management of the School Construction Funding Program. ISBE's goal was to assist school districts that were dealing with issues of facility capacity and functional obsolescence within their individual school districts. However, many school districts continue to deal with facility issues and struggle with the area of capacity and functional integrity.

To determine the status of each of the subject school's physical condition, age, and operational capacity it was necessary to visit each building along with a study of the history of each of the facilities. Documents dealing with code compliance were reviewed through accessing Illinois School Board of Education records. The documents were reviewed along with an audit of each building's status regarding compliance with codes.

Each of the buildings were found in compliance with the Illinois Health Life Safety Codes. All buildings reviewed presently meet compliance with the Illinois State Board of Education. The review of the Health Life Safety reports indicate that each district is presently pursuing recommendations that will allow them to maintain their status of compliance. The recommendations consist of a minimal number of areas designated as needing urgent attention. Most of the areas noted in the studies were either noted as required or recommended. Each school district is operating within the timelines of compliance for each item noted.

The subject school facilities range in age from 1948 to 2003. Most of the structures are at or over fifty years in construction age. Aging buildings will require continued deferred maintenance activities. However, the buildings are in good shape and presently provide a good educational environment for the students.. Tables 1 and 2 include data related to each building’s age, construction history and their present status regarding compliance with the state’s Health and Life Safety Regulations

<b>FACILITY OVERVIEW LELAND CUSD #1</b>				
<b>TABLE 1</b>				
<b>School</b>	<b>Year Built</b>	<b>Structure</b>	<b>Ten Year Health Life Safety Report</b>	<b>Compliance</b>
<b>ELEMENTARY</b>	1948, 1960, 1966 2003	SINGEL LEVEL BRICK	On File-Roe	In Compliance
<b>HIGH SCHOOL</b>	1948, 1960, 1966 2003	SINGLE LEVEL BRICK	On File-Roe	In Compliance

<b>FACILITY OVERVIEW SOMONAUK 432</b>				
<b>TABLE 2</b>				
<b>School</b>	<b>Year Built</b>	<b>Structure</b>	<b>Ten Year Health Life Safety Report</b>	<b>Compliance</b>
<b>ELEMENTARY</b>	1951, 1961, 1980	BRICK SINGLE LEVEL	On File-Roe	In Compliance
<b>MIDDLEL SCHOOL</b>	1999	BRICK SINGLE LEVEL	On File-Roe	In Compliance
<b>HIGH SCHOOL</b>	1969, 1980, 1994	BRICK TWO LEVEL	On File-Roe	In Compliance

As previously indicated, the total capacity of each of the school districts must be reviewed to determine the status of square footage available to meet the present and the projected operational parameters of the subject school district's student population.

To gain a general understanding of the relationship of students to space an audit of the number of classrooms presently being utilized by each school within each district was conducted. Table 3 and 4 shows the number of classrooms that exist within each of the buildings of the subject school districts. This included a review of their respective school building floor plans.

To determine the level of capacity for the district's buildings the reviewer utilized a student to classroom ratio for calculation purposes. For the study it was decided to use a ratio of students to classrooms of 24 to 1. The class size ratio used for this analysis is lower than the average class size ratios existing within comparable school districts. However, the ratios provide a look at the total available operational capacity for the district at a preferred level. Tables 3 and 4 include the present count of the classrooms being utilized by the subject districts, enrollment capacity for each facility utilizing the preferred class size ratio, the present enrollment, the actual number of classrooms needed to support the preferred class size ratio and the number of estimated additional classrooms presently existing in the subject districts.

Both districts have excess classrooms and the ability to house additional enrollment as shown in Table 3 and 4. Leland District No.1 has 8.75 additional classrooms and the capacity to house 263 additional students. Somonauk District No. 432 has 14.9 additional classrooms and the capacity to house a total of 522 additional students. Please note these calculations are only for the purpose of establishing an overview of the potential enrollment capacity for each of the districts. The resulting calculations in Table 5 provides data that can be used to inform decisions related to the ability of the new reorganized district to house the projected enrollment growth of the districts and or the housing of the projected enrollment within new structures of operation.

**CLASSROOM CAPACITY****Table 3 LELAND CUSD #1**

School	Classrooms Presently Being Utilized	Enrollment Capacity 24 per classroom	Present Enrollment	Actual Classroom Need	Excess Classrooms	Plus/Minus Capacity	Labs	Extra-Curricular
ELEMENTARY	12	288	156	7.8	4.2	132	2	2
MIDDLE SCHOOL	4	96	44	2.2	1.8	52		
HIGH SCHOOL	6	144	65	3.25	2.75	79	3	2
TOTALS	22	528	265	13.25	8.75	263	0	2

**CLASSROOM CAPACITY****Table 4 SOMONAUK CUSD #432**

School	Classrooms Presently Being Utilized	Enrollment Capacity 24 per classroom	Present Enrollment	Actual Classroom Need	Excess Classrooms	Plus/Minus Capacity	Labs	Extra-Curricular
ELEMENTARY	19	456	314	15.7	3.3	142	2	2
MIDDLE	17	408	229	11.45	5.55	179	1	1
HIGH	20	480	279	13.95	6.05	201	3	2
Totals	56	1344	822	41.1	14.9	522	6	5

**Table 5 Total Capacity for Reorganization Study Districts**

School	Classrooms Presently Being Utilized	Enrollment Capacity 24 per	Present Enrollment	Present Classrooms Needed	Excess Classrooms	Plus, Minus Capacity
Leland CUSD #1	22.00	528.00	265.00	11.04	10.96	263.00
Somonauk CUSD #1	56.00	1344.00	822.00	34.25	21.75	522.00
<b>Totals</b>	<b>78.00</b>	<b>1872.00</b>	<b>1083.00</b>	<b>45.13</b>	<b>32.88</b>	<b>789.00</b>

The data from Tables 1-5 has been reviewed and utilized in supporting recommendations for reorganization of the subject school districts. It is also recommended that the school district’s administration, boards of education and the Committee of Ten carefully review the data in this report and utilize the information to assist in informing their decision related to the possible reorganization of the school districts. The goal is to establish the best organizational structure for the delivery of education for the Leland and Somonauk students and communities.

**FACILITIES CONCLUSION**

It is noted that the present facilities are meeting the educational needs of the subject school districts.as they presently exist. Both districts are to be commended on the quality and condition of their facilities. Special recognition is given to the maintenance and custodial staff for their efforts in maintaining the school plants.

The schools are all presently in compliance with the Health Life Safety rules being monitored and supervised by the local Regional Office of Education.

The assumption with the study is that Leland and Somonauk school districts will pursue consolidation and form a new PK-12-unit district. The proposed organizational structure being considered for a new district could include one High /Middle School located at Somonauk and with each district retaining their elementary schools as they are presently being operated. It is anticipated that Leland would house additional special education classrooms, vocational classrooms, and the new district office. The facilities at both sites are capable of accommodating the enrollment plans. Somonauk and Leland facilities will also be shared for sports activities, fine arts engagements and various organizational groups and multiple school activities.

It has been determined that the proposed organizational structure for a new unit district could be accomplished due to the available capacity at Somonauk High and Middle School. Table 4 indicates that Somonauk High and Middle School have the classroom space available to accommodate the 45 7<sup>th</sup> and 8<sup>th</sup> grade students and the 65 high school students from Leland.

No new school facilities would be necessary to accommodate the proposed reorganization.

## **SCHOOL ENROLLMENT HISTORY AND FORECAST**

School enrollment history and a forecast for the future enrollments are important ingredients when considering the merger of two or more districts into a new unit district. Projected increases or decreases in enrollment impact the number and type of buildings needed, the breadth of the curriculum and the level of financing that will be required.

Establishing projections of future enrollment provides data that can be utilized in making critical decisions regarding the operational aspects of a school district. Being future focused is an important ingredient in organizational planning. It is important and becoming a demand of the public to operate our schools in the most efficient manner. Having a focus on the future helps us to plan for the proper dimension of resource allocation. The overview of the present enrollment with demography data for the subject districts provides a base line for this study. The present district’s enrollment and demographic data are shown in Table 1.

<b>Table 1 SCHOOL DISTRICT DEMOGRAPHIC AND ENROLLMENT DATA 2019</b>															
DISTRICT	School Count	KG-12	PreK-12	Low Income	Home less	English Learner	Female	Male	Hisp	Am In	Asian	Black	Pac Island	White	Two or More Races
SOMONAUK	3	797	820	242	4	3	401	419	86	1	5	10	-	707	11
LELAND	2	253	255	101	2	6	117	138	35	-	1	-	-	219	-

The review and study of school enrollment requires a review of the trend data by grade level. The grade level trending data has always been a central concern for school district planning. The future enrollment data can be determined utilizing a variety of strategies. One method is to make the projection on the basis of community demographics. All communities reflect certain specific characteristics such as age groups, income levels, ethnicity, employment rates, mobility and other

demographic traits that could be utilized in estimating what the certain numbers of students will be in specific grades. Another method is to calculate next year's enrollment on the basis of this year's enrollment and in turn calculate the enrollment

two years from now on the basis of next year's enrollment, and so forth.

The census collection and calculations assume that particular groups of families or children will result in a certain enrollment rate of students based on the previous history of a school district or similar school districts. Existing population trends and public/non-public school enrollment rates are important factors in estimating future enrollment.

To initiate the analysis of enrollment data, we conducted a six-year historical review of the enrollment patterns for the two school districts beginning in the 2014-15 school year. As shown in Table 2 and 3 the enrollment for the subject school districts has been statistically stable over the past six years.

<b>Table 2 ENROLLMENT HISTORY 2014-2020 SOMONAUK 432</b>															
	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	
15	10	44	48	53	62	54	66	57	72	59	64	75	64	67	795
16	11	50	48	48	54	62	56	69	62	74	62	67	74	65	802
17	10	60	51	52	56	57	62	54	69	63	78	63	65	71	811
18	18	51	64	47	53	55	65	63	55	71	69	76	63	65	815
19	23	50	51	70	55	49	61	68	63	57	74	69	73	64	827
20	24	58	51	59	68	54	49	54	60	66	63	73	68	75	822
<b>Table 3 ENROLLMENT HISTORY 2014-2020 LELAND 1</b>															
	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	
15	1	22	20	27	27	15	16	22	22	28	19	14	28	15	276
16	0	18	23	16	23	28	13	12	22	26	24	20	15	25	265
17	1	19	21	23	18	24	24	13	15	21	27	22	17	12	257
18	0	20	21	21	24	21	22	23	12	14	23	21	22	17	261
19	0	16	19	22	23	27	21	22	23	10	13	25	24	21	266
20	1	27	16	19	24	24	27	19	19	25	9	13	21	22	266

Table 4 shows the combined totals of the enrollment history for the two-school district. The composite view of the data also reflects the stable status of enrollment for the past six years. The composite review reflects the possible enrollment frame for a consolidation of the two school districts.



**Table 4 COMBINED DISTRICT ENROLLMENT HISTORY 2014-2020**

	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	
15	11	66	68	80	89	69	82	79	94	87	83	89	92	82	1071
16	11	68	71	64	77	90	69	81	84	100	86	87	89	90	1067
17	11	79	72	75	74	81	86	67	84	84	105	85	82	83	1068
18	18	71	85	68	77	76	87	86	67	85	92	97	85	82	1076
19	23	66	70	92	78	76	82	90	86	67	87	94	97	85	1093
20	25	85	67	78	92	78	76	73	79	91	72	86	89	97	1088

To develop and forecast future enrollment projections in this study we have used the Cohort Survival Method. A cohort is a group of persons [in this case, students]. The cohort survival projection methodology uses historical student enrollments to “age” a known population or cohort throughout the school grades. For instance, a cohort begins when a group of kindergarteners enrolls in grade K and moves to first grade the following year, second grade the next year, and so on. A “survival ratio” (see tables 5,6 and 7) is developed to track how this group of students grew or shrunk in number as they moved through the grade levels. By developing survival ratio indexes for each grade transition over a six-year period, patterns emerge and can be folded into projections by using the survival ratios as a multiplier. For example, if student enrollment has consistently increased from the 8th to the 9th grade over the past ten years, the survival ratio would be greater than 100% and could be multiplied by the current 8th grade ratio index to develop a projection for next year’s 9th grade. This methodology can be carried through to develop on average five years of projection calculations.

<b>Table 5 ENROLLMENT PERCENTAGE CHANGE 2014-2020 SOMONAUK 432</b>														
	PK	K	1	2	3	4	5	6	7	8	9	10	11	12
14-15														
15-16			1.09	1	1.02	1	1.04	1.05	1.09	1.03	1.05	1.05	0.99	1.02
16-17			1.02	1.08	1.17	1.06	1	0.96	1	1.02	1.05	1.02	0.97	0.96
17-18			1.07	0.92	1.02	0.98	1.14	1.02	1.02	1.03	1.1	0.97	1	1
18-19			1	1.09	1.17	0.92	1.11	1.05	1	1.04	1.04	1	0.96	1.02
19-20			0	0	0	0	0	0	0	0	0	0	0	0

<b>Table 6 ENROLLMENT PERCENTAGE CHANGE 2014-2020 LELAND 1</b>														
	PK	K	1	2	3	4	5	6	7	8	9	10	11	12
14-15														
15-16			1.05	0.8	0.85	1.04	0.87	0.75	1	1.18	0.86	1.05	1.07	0.89
16-17			1.17	1	1.13	1.04	0.86	1	1.25	0.95	1.04	0.92	0.85	0.8
17-18			1.11	1	1.04	1.17	0.92	0.96	0.92	0.93	1.1	0.78	1	1
18-19			0.95	1.05	1.1	1.13	1	1	1	0.83	0.93	1.09	1.14	0.95
19-20			0	0	0	0	0	0	0	0	0	0	0	0

<b>Table 7 COMBINED DISTRICT ENROLLMENT PERCENTAGE CHANGE 2014-2020</b>														
	PK	K	1	2	3	4	5	6	7	8	9	10	11	12
14-15														
15-16			1.08	0.94	0.96	1.01	1	0.99	1.06	1.06	0.99	1.05	1	0.98
16-17			1.06	1.06	1.16	1.05	0.96	0.97	1.04	1	1.05	0.99	0.94	0.93
17-18			1.08	0.94	1.03	1.03	1.07	1	1	1.01	1.1	0.92	1	1
18-19			0.99	1.08	1.15	0.99	1.08	1.03	1	1	1.02	1.02	1	1
19-20			0	0	0	0	0	0	0	0	0	0	0	0

To determine future patterns of school enrollment you must consider several elements that can impact the number of students entering, remaining, and leaving our school districts. For the purpose of this study we pursued an investigation of the enrollment and population data to determine if the districts are experiencing increases, decreases or stability regarding their enrollments.

Many things can influence the enrollment of the school district. The one contributing element to the process of making projections of school enrollment is the status of the ongoing population of the region. Population data tends to be very accurate but is only compiled by counties and is not targeted at

specific communities.

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Many things can influence the enrollment of the school district. The one contributing element to the process of making projections of school enrollment is the status of the ongoing population of the region. Population data tends to be very accurate but is only compiled by counties and is not targeted at specific communities.

The population data utilized by school districts and other entities is compiled by the Illinois Department of Public Health with the assistance of the U.S. Census Bureau and includes projected forecasts for 2020, 2025, and 2030. Projecting population growth is an important part of a reorganization study. The review of the school age population of the county is an essential element to determine the impact of a shifting population on the local schools. As shown in table 8 the census data is listed by age groups and by gender.

For the purpose of this study we have reviewed the population data for the 0-4, 5-9, 10-14 and the 15-19 age groups for LaSalle County to get a frame of the present population growth in the area. This represents the population of students that would be engaged in our schools. The school age populations in the county have shown a small decrease in population between 2000 and 2010 in the 0-4, 5-9, 10-14 and the 15-19 age groups. These same categorical age groupings are projected to continue to show declining trends in population through 2025. Please note the projections provided by IDPH are for the entire county. Variations in percentages of change in population can vary from community to community within the county.

<b>Table 8 IDPH-LASALLE COUNTY POPULATION PROJECTIONS 2020 TO 2025 BY AGE GROUP</b>				
	<b>2020</b>	<b>SCHOOL IMPACT</b>	<b>2025</b>	<b>DIFFERENCE</b>
<b>Both Sexes</b>	<b>113,924</b>		<b>112,034</b>	<b>-1,890</b>
<b>0-4</b>	<b>17,618</b>	<b>ENTRY LEVEL</b>	<b>17,181</b>	<b>-437</b>
<b>5-9</b>	<b>17,746</b>	<b>PRIMARY LEVEL</b>	<b>17,675</b>	<b>-71</b>
<b>10-14</b>	<b>18,064</b>	<b>MIDDLE LEVEL</b>	<b>17,585</b>	<b>-479</b>
<b>15-19</b>	<b>17,480</b>	<b>HIGH SCHOOL</b>	<b>17,432</b>	<b>-48</b>

As previously presented the cohort survival methodology can be carried through to develop five years of projection figures as shown in Tables 9 and 10. The data presented shows the individual school district's projected enrollment patterns. Leland District No. 1 is projected to continue to experience a decline in enrollment. It is projected to have an enrollment of 228.69 in 2030. Somonauk No. 32 is projected to continue to show stability with minimal growth in enrollment with a projected enrollment of 885.77 in 2030.

Table 9 ENROLLMENT PROJECTIONS 2020-2030 LELAND 1																Growth Index
	PK	K	1	2	3	4	5	6	7	8	9	10	11	12		
	1	22	20	27	27	15	16	22	22	28	19	14	28	15	276	0
15	1	22	20	27	27	15	16	22	22	28	19	14	28	15	276	0
16	0	18	23	16	23	28	13	12	22	26	24	20	15	25	265	0.96014493
17	1	19	21	23	18	24	24	13	15	21	27	22	17	12	257	0.96981132
18	0	20	21	21	24	21	22	23	12	14	23	21	22	17	261	1.0155642
19	0	16	19	22	23	27	21	22	23	10	13	25	24	21	266	1.01915709
20	1	27	16	19	24	24	27	19	19	25	9	13	21	22	266	1
21	0.99	26.6	26.8	15.9	18.9	23.8	23.8	26.8	18.9	18.9	24.8	8.9	12.9	20.9	262	0.984962
22	0.97	26.2	26.4	26.6	15.8	18.7	23.7	23.7	26.6	18.7	18.7	24.6	8.9	12.8	258.1	0.985115
23	0.96	25.8	26	26.2	26.4	15.7	18.6	23.5	23.5	26.4	18.6	18.6	24.5	8.8	254.2	0.984890
24	0.94	25.4	25.6	25.8	26	26.2	15.6	18.5	23.3	23.3	26.2	18.5	18.5	24.3	250.4	0.985051
25	0.93	25	25.2	25.4	25.6	25.9	26.1	15.4	18.3	23.2	23.2	26.1	18.3	18.3	246.6	0.984824
26	0.91	24.7	24.9	25.1	25.3	25.5	25.7	25.9	15.3	18.2	23	23	25.9	18.2	242.9	0.984996
27	0.9	24.3	24.5	24.7	24.9	25.1	25.3	25.5	25.7	15.2	18.1	22.8	22.8	25.7	239.3	0.985179
28	0.89	23.9	24.1	24.3	24.5	24.7	24.9	25.1	25.3	25.5	15.1	18	22.7	22.7	235.7	0.984956
29	0.87	23.6	23.8	23.9	24.1	24.3	24.5	24.7	24.9	25.1	25.3	15	17.8	22.5	232.2	0.985151
30	0.86	23.2	23.4	23.6	23.8	24	24.2	24.4	24.6	24.8	25	25.2	14.9	17.7	228.7	0.984927

Table 10 ENROLLMENT PROJECTIONS 2020-2030 SOMONAUK 432																Growth Index
	PK	K	1	2	3	4	5	6	7	8	9	10	11	12		
15	10	44	48	53	62	54	66	57	72	59	64	75	64	67	795	
16	11	50	48	48	54	62	56	69	62	74	62	67	74	65	802	1.00880503
17	10	60	51	52	56	57	62	54	69	63	78	63	65	71	811	1.01122195
18	18	51	64	47	53	55	65	63	55	71	69	76	63	65	815	1.00493218
19	23	50	51	70	55	49	61	68	63	57	74	69	73	64	827	1.01472393
20	24	58	51	59	68	54	49	54	60	66	63	73	68	75	822	0.99395405
21	24.2	58.4	51.4	59.4	68.5	54.4	49.4	54.4	60.5	66.5	63.5	73.6	68.5	75.6	828.2	1.00750608
22	24.4	58.9	58.8	51.7	59.9	69.0	54.8	49.7	54.8	60.9	67.0	63.9	74.1	69.0	834.4	1.00749846
23	24.5	59.3	52.2	59.3	52.1	60.3	69.5	55.2	50.1	55.2	61.3	67.4	64.4	74.6	840.6	1.00749059
24	24.7	59.8	52.6	52.5	59.7	52.5	60.7	70.0	55.6	50.4	55.6	61.7	67.9	64.8	846.9	1.00750628
25	24.9	60.2	52.9	52.9	52.9	60.1	52.8	61.1	70.4	55.9	50.8	55.9	62.2	68.4	853.3	1.00749758
26	25.1	60.7	53.3	53.3	53.3	53.3	60.5	53.2	61.5	70.9	56.3	51.1	56.3	62.6	859.7	1.00750038
27	25.3	61.1	53.7	53.7	53.7	53.7	53.6	60.9	53.6	62.0	71.4	56.7	51.5	56.7	866.1	1.0075027
28	25.5	61.6	54.1	54.1	54.1	54.1	54.0	54.0	61.4	54.0	62.4	71.9	57.1	51.8	872.6	1.00749301
29	25.7	62.0	54.6	54.5	54.5	54.5	54.4	54.4	54.4	61.8	54.3	62.9	72.4	57.5	879.2	1.00750604
30	25.9	62.5	55.0	54.9	54.9	54.9	54.8	54.8	54.8	54.8	62.2	54.7	63.3	72.9	885.8	1.00749562

**Table 11 COMBINED DISTRICT PROJECTED ENROLLMENT 2020-2030**

2020	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	
SOMONAUK	24	58	51	59	68	54	49	54	60	66	63	73	68	75	822
LELAND	1	27	16	19	24	24	27	19	19	25	9	13	21	22	266
<b>TOTAL</b>	25	85	67	78	92	78	76	73	79	91	72	86	89	97	1088
2030	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	
SOMONAUK	25.86	62.5	54.96	63.58	73.28	58.19	52.8	58.19	64.65	71.12	67.89	78.66	73.28	80.82	885.77
LELAND	0.86	23.21	13.76	16.33	20.63	20.63	23.21	16.33	16.33	21.49	7.74	11.18	18.05	18.91	228.69
<b>TOTAL</b>	26.72	85.71	68.71	79.91	93.91	78.82	76.01	74.52	80.99	92.61	75.63	89.84	91.33	99.73	1114.46

The projected combined enrollment of the districts is shown in Table 11. It is projected that if the two districts were to consolidate the total enrollment for the new district would be 1114.46 in 2030. This is compared to a total combined enrollment of 1088 in 2020.

The data from Tables 1-11 has been reviewed and utilized in supporting recommendations for reorganization of the subject school districts. It is also recommended that the school district’s administration, boards of education and the Committee of Ten carefully review the data in this report and utilize the information to assist in informing their decision related to the possible reorganization of the school districts. The goal is to establish the best organizational structure for the delivery of education for the Leland and Somonauk students and communities.

As with any study dealing with variable data projections it is important to discuss the limiting factors of the study. The future enrollments predicted using the cohort survival statistic should be adjusted if there is evidence that one or more of the study assumptions have changed. An understanding

that projections for the immediate future are more reliable than those for years further in the future. Enrollment projection totals for K-6 and for 7-12 are more reliable than are those for specific grade levels in specific years. Focus should be given to estimates five years into the future for grades K-6; eight years into the future for grades 7 and 8, and ten years into the future for grades 9-12. • The cohort survival statistic is a linear calculation. As such, sporadic fluctuations of historical enrollment data from year-to-year could affect the estimated projections of future enrollments.

### Class Size Impact for Leland/Somonauk

Both school districts have enjoyed low class size averages. As shown in Table 12 the average class size for the Somonauk District is 20.6 and 15.8 for the Leland District. The projected class size average for the post reorganization structure as shown in Table 13 will continue to be below the state average for class sizes.

TABLE 12 CLASS SIZE AVERAGES											
	K	1	2	3	4	5	6	7	8	9 12	OVERALL
SOMONAUK	16.7	17	23.5	27.5	24	19.1	21.6	21.2	19.2	21	20.6
LELAND	16	20.8	22	23	21	20	23	21	11.5	11.5	15.8

TABLE 13 CLASS SIZE AVERAGES POST REORGANIZATION					
POST REORGANIZATION K-4					
GRADES	K	1	2	3	4
SOMONAUK	17	17	24	27	24
LELAND	16	21	22	23	21
POST REORGANIZATION 5-8					
GRADES	5	6	7	8	
SOMONAUK	23	26	27	24	
POST REORGANIZATION 9-12					
GRADES	9	10	11	12	
SOMONAUK	23	24	25	24	

## **Enrollment Conclusions for Leland/Somonauk**

The enrollment for both Leland District No 1 and Somonauk District No. 432 has been stable over the past six years. The districts have been able to maintain low class sizes for the past ten years. It is anticipated that the enrollment will continue to be stable with a small projected growth index. The existing enrollment and the projected enrollment for the districts does not present an impact on the schools districts ability to house the existing enrollment and will not have an impact on the ability of a consolidated district to house the proposed future enrollment patterns.



# **Curriculum and Assessment Comparison**

## **Curricular Configuration Overview**

In terms of their respective curricular configurations, the Leland and Somonauk school districts are quite similar. Both districts have excellent and caring staffs that challenge students to excel. Both districts attempt to implement a rigorous academic curriculum aligned with state and national standards. In addition, the high schools in both districts' curricular programs are comprehensive in that they address many of the needs of vocational and college-bound students.

Each district has aligned its curriculum with the State of Illinois Learning Standards and has implemented annual data-driven District Improvement Plans to address ongoing curricular and pedagogical concerns. Textbooks have been adopted that are consistent with the state standards. Both districts have made a solid commitment to incorporating instructional technology initiatives into their programs.

Both districts' academic efforts are reflected in their student achievement scores on the PARCC, IRA, and ACT/SAT State tests. Each district has a mission statement.

## **Leland Mission Statement**

Leland School will educate students in a safe environment to be lifelong learners who are productive, responsible citizens.

### **Leland Guiding Principles:**

- Children are why we are here, and their education, safety and well-being must always come first
- There is no replacement for high expectations, and we must expect our students to achieve to the best of their individual ability.
- All children can learn – even if not at the same pace or in the same way – and they must show constant growth and improvement.
- Reading and literacy are the foundations of learning, academic excellence, and accessibility to a world class education.
- Effective education is a partnership among schools, parents, families, and our local community.
- Fiscal responsibility is critical to ensuring that we continue to provide our students with the highest quality educational programs and instruction.

- We are accountable to our parents, community, and taxpayers to provide our students with an excellent education.

### **Somonauk Mission Statement**

A school community that *will* work together to ensure all children reach success in learning and life.

### **Somonauk Vision:**

Challenge, Connect, Next Level Ready

### **Somonauk Guiding Principles:**

- Committed to continuous improvement and growth
- Provide a safe, respectful, and inclusive school-community environment
- Challenging, relevant curriculum
- Continuous, professional enrichment
- Purposeful integration of technology
- Promote productivity, caring and citizenship in our students
- Promote innovation
- Strong home and community partnerships
- Engaged learning
- Fiscal responsibility
- Communicate effectively

### **Special Education and Title Services**

If a student is found eligible for special education services, an Individualized Education Program (IEP) is formulated to identify one of the following conditions: learning disability, behavioral disorders, speech therapy, early childhood education, hearing impaired, vision impaired, and other different categories of the intellectually disabled. Whenever possible, itinerant services are provided to the student so that he/she will be able to participate in as much of the regular school program as possible. If such an arrangement does not sufficiently meet the student's needs, he/she is placed in a special education class on a full-time basis. Operated under the provisions of the Illinois School Code (Section 14) and the regulations of the Illinois State Board of Education, program costs are shared by the local districts and the state. The programs, including transportation, identification, evaluation, placement, and delivery of services to students eligible for services under IDEA, follow procedure provided in the

Illinois State Board of Education's Rules and Regulations to Govern the Administration of Special Education. These established procedures make it easier for schools to consolidate. Both districts also provide a school wide Title plan and offer services for all children. Title I is a federal program that provides financial assistance to schools to help ensure that all children meet challenging state academic standards. Title teachers work with students in each grade to ensure they have a positive understanding and comprehension of the subject content in reading and math.

Consolidation between Somonauk and Leland is a win for special education students and taxpayers as per Somonauk administrators. They feel the addition of students would allow both districts to expand programming for students with disabilities. On many occasions, Somonauk administrators report that the district has some students with significant needs at certain grade levels which having more students could possibly allow increased special education programming which would decrease outplacements. Currently, Somonauk is not in a Special Education COOP, but does employ a State Approved Director. Somonauk feels this has the potential to provide a seamless transition to the new consolidated district without the need for a coop. Somonauk uses NIA to provide low incidence services and would be able to use NIA to provide these services to Leland students and not need the services of LEASE. On the other hand, Leland currently uses a special education coop through LaSalle County. Leland is happy with working through the cooperative to provide special education services and support. This is an issue that will have to be resolved by the Committee of 10 if consolidation takes place. One issue that has already been resolved is that both districts have full inclusion of learning disabled and behavior disabled students in the regular classroom.

If consolidation takes place, the newly formed district will have to make a decision on HOW special education services will be offered. Status quo if no consolidation takes place with individual district decisions taking place. A current per pupil cost analysis of both districts seems to be

in order if consolidation is pursued. The seamless transition to the in-district servicing of special education certainly seems worth exploring given that Somonauk currently has a State Approved Director.

As stated below, Leland and Somonauk work together to offer a wide range of college preparatory courses along with the regular courses required to graduate from Illinois Public High Schools.

**Courses for College Credit** – Somonauk offers courses that students may take for college credit. Currently Somonauk and Leland High School work together to offer courses for college credit. The location of these courses is at Somonauk High School.

**Dual Credit/AP courses – Co-op between Somonauk and Leland.**

Courses taken for both college and high school credit are called dual credit courses. These courses may be taken through local community colleges with the prior approval of the school counselor and high school principal. Somonauk and Leland work directly together on these courses. These courses include:

1. Literature and Composition
2. Calculus
3. Statistics
4. U.S. History
5. College Prep Mathematics

Courses taken during the school year used to replace Somonauk High School courses cannot be courses offered at SHS that the student has not previously taken through SHS. Dual credit courses can be used for enrichment or toward specific graduation requirements. College credits earned without prior approval from the school counselor and principal will not be used as dual credit courses. Dual credit courses will be shown on the high school transcript and will affect the student.

Somonauk School Board Policy #6:310 - Students may earn no more than 6 units of credit from Correspondence Courses, Distance Learning Courses, including Virtual or Online Courses, College

Courses, Summer School and Independent Study Courses that can be counted toward the requirements for a student's high school graduation.

Correspondence Courses and Distance Learning Courses including Virtual or Online Courses - A student enrolled in a correspondence course, distance learning course, including a virtual or online course, may receive high school credit for work completed, provided:

1. The course is offered by an institution approved by the Superintendent or designee.
2. The course is not offered at the student's high school.
3. The student assumes responsibility for all fees (including tuition and textbooks).
4. The Building Principal approves the course in advance.

### College Courses

At Somonauk, a student who successfully completes community college courses may receive high school credit, provided:

1. The student is a junior or senior in good academic standing.
2. The course is not offered in the high school curriculum.
3. The course is approved in advance by the student's guidance counselor and the High School Principal
4. The student assumes responsibility for the course.

At Leland, students are supported in taking courses through Waubensee Community College junior and senior year. Leland District pays half of the tuition and counts a passing grade for dual credit. To minimize student avoidance of taking a college course due to increased rigor, the student can elect to include the grade on GPA or have it reflected as pass/credit on their high school transcript. Staff support in the subject area is made available.

## **Illinois Virtual School (IVS)**

Illinois Virtual School (IVS) is an online academic opportunity for seniors to enrich their coursework. Courses are available in a variety of subjects, including AP courses. Classes are offered per semester and must be set up with the school counselor during scheduling the year prior. IVS courses are reported on the transcript and reflected in the student's GPA.

### **Academic Achievement Overview**

Each district has made efforts to align their curriculum with Illinois State standards. Consolidation could bring consistency to this alignment process and assist the newly formed high school with knowing the background knowledge each student was given at the elementary level. Overall, the data on the following pages will show that Somonauk's state test data is higher than Leland's state test data. The data will also show that Leland's poverty level is higher than Somonauk's poverty level which research shows that poverty levels have a direct impact on test results. The consultants feel that consolidation can help merge the test results without having a significant impact on Somonauk's current test successes.

### **K-8 READING INSTRUCTION**

Leland currently is using AIMS web plus as a universal screen for K-1 students as a universal screen and NWEA Map Testing for grades K-8. Somonauk uses STAR testing for a universal screener in grades K-9. Teachers feel that this test is best aligned with state standards. Somonauk conducts 5 Universal Screens throughout the year and progress monitor students below the 25% percentile every two weeks. STAR data is used at the elementary level much like the middle school - - reading and math interventions, placement, and teacher evaluations. This universal screener process should be targeted for consistency with consolidation. For reading K-8, Leland utilizes Houghton Mifflin's "Journey's and Collection Series" along with many individual supplementary materials as defined by

individual student strengths and weaknesses. Somonauk uses many different reading sources aligned around the Illinois Learning Standards and the common core. Articulation for consistency should be implemented with consolidation.

### MATH INSTRUCTION

Leland uses Houghton Mifflin's "Go Math" for their K-8 instruction. Somonauk uses a similar technique in Math as they do in reading in that they use many different Math sources aligned around the Illinois Learning Standards and the common core. Articulation between the districts needs to take place. This can be accomplished with consolidation.

### RTI

Somonauk has a reading specialist at the elementary school who provides interventions for identified students. Somonauk also has designated periods of time throughout the day for interventions at all three building. Leland currently does not have a reading specialist. Leland currently supports RTI students by having a team of teachers review student testing data and provide those students in need of intervention in a resource room to provide support in the specific area the students struggle. This area should be an easy adjustment for the newly consolidated district.

### JH HONORS CLASSES

Somonauk offers an honors program at the 8<sup>th</sup> grade in algebra. Leland currently has no honors classes at the middle school level but do allow high achieving math students to take algebra with the grade 9 algebra class. The consultants would recommend further studies in the honors program to see if a more consistent program can be established with consolidation.

### ELEMENTARY SPECIALS

Consolidation could greatly help with consistency of instruction in art, music, P.E., computers, and library. Somonauk currently does not have art at the elementary level. Leland does. This is the same for technology. Consolidation should help Somonauk and Leland to offer an upgraded art and technology program for all students involved.

## JUNIOR HIGH ELECTIVES (OFFERED DURING THE SCHOOL DAY)

Consolidation could greatly assist in the disparity of electives offered in the Jr. High. While somewhat more difficult because of the size of the elementary schools and the difference in the number of support staff, this disparity could be greatly lessened by discussions within the current elementary structure. Some possibilities include home economics (family living), industrial technology (modern manufacturing and woodworking), music, band, art, stem, and Spanish.

## EXTRACURRICULARS

Administrators in both districts believe the sports co-op has gone well and do not see any reason why it could not be expanded down the road when the current two-year agreements are over. Overall, the districts co-op Boys Soccer, Boys Golf, Girls Golf, Girls Basketball, Dance, Boys Track, Girls Track, and Wrestling. There is still some disparity of co-curricular opportunities in the districts that could be rectified through consolidation, and also, conducting articulation studies within the current districts even before consolidation. What a great start to consolidation that has already taken place.

## CLASS TRIPS

Field trips are allowed for each teacher. Both districts allow 1 class trip per year. Exceptions can be made with administrative approval. Currently, neither district has an articulated plan for class field trips. This articulated plan could greatly help both academically and financially along with making sure there is no duplicity in grade level trips.

## **SPECIAL STRENGTHS OF BOTH DISTRICTS**

1. Full curriculum
2. Great buildings
3. Strong staff



4. Supportive community
5. Financially Stable
6. Supportive Boards of Education

With consolidation the newly formed district should list its special strengths and develop a brochure for incoming students. Both districts are proud of their facilities, their staff, the support of their communities, their student/staff ratios, and their successful graduates including doctors, lawyers, educators, business leaders, police/fire officials, tradesmen, and the many who have served their country in the armed forces.

#### RESOURCES AVAILABLE

Both districts have chrome books which are a great enhancement in curricular and student academic development.

#### Academic Achievement Overview – State Testing

Both Somonauk and Leland Elementary Schools are doing very well at addressing the basic educational needs of its students as measured by the mandatory standardized testing program prescribed by the State of Illinois. The statewide PARCC (Partnership for Assessment of Readiness for College and Careers) **and** IAR assessments in English Language Arts and Mathematics are administered to all students in grades 3-8. The achievement data outlined in the following charts illustrates the state of student achievement in these districts as measured by these tests. These tests are an internationally benchmarked assessment of applied knowledge designed to measure Illinois learning standards. Both elementary schools are to be commended for their efforts especially in the face of ever-increasing academic achievement requirements. The citizens, teachers and students of both districts involved in this study should be very proud of these successes. In addition to outstanding leadership, teacher, staff, and student efforts, it demonstrates the commitment of the local communities and the support they provide to both elementary schools. The statewide PARCC (Partnership for Assessment of Readiness

for College and Careers) achievement data outlined in the following charts illustrates the state of student achievement in these districts as measured by these tests.

The Illinois Report Card is an annual report released by the Illinois State Board of Education that shows how the state, and each school and district, are progressing on a wide range of educational goals. The Report Card offers a complete picture of student and school performance in order to inform and empower families and communities as they support their local schools. To view an interactive display of Report Card data, visit [www.IllinoisReportCard.com](http://www.IllinoisReportCard.com).

It should be pointed out that as of February 2018, the Illinois State Board of Education (ISBE) announced that they are again changing the state test (PARCC) to a computer adaptive format. The constant change creates challenges for school districts to accurately analyze assessment results for academic improvement. For the test year 2019, Illinois again changed the test to an IAR format. It is described below.

# ILLINOIS ASSESSMENT OF READINESS (IAR)



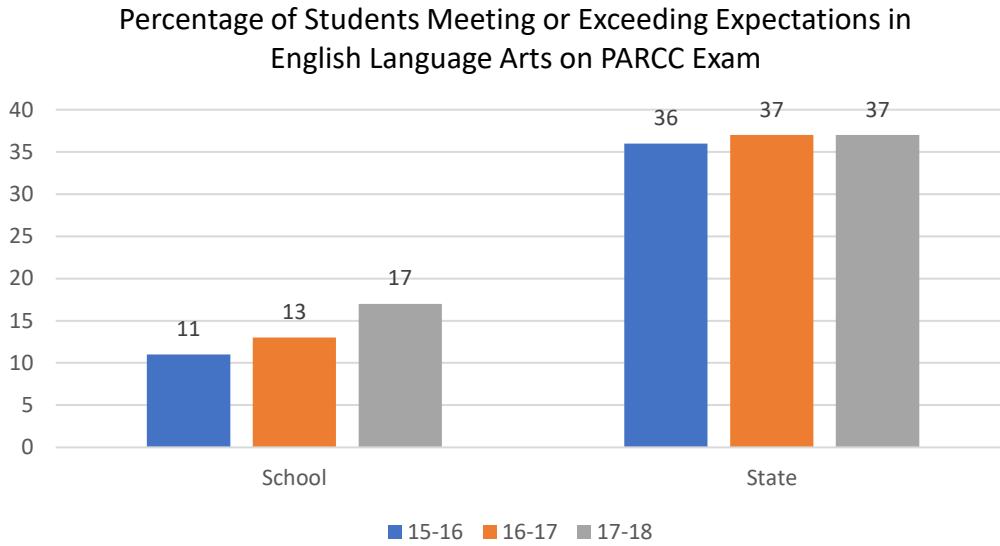
The Illinois Assessment of Readiness (IAR) is the state assessment and accountability measure for Illinois students enrolled in a public-school district. IAR assesses the New Illinois Learning Standards Incorporating the Common Core and will be administered in English Language Arts and Mathematics.

IAR assessments in English Language Arts and Mathematics will be administered to all students in grades 3-8.

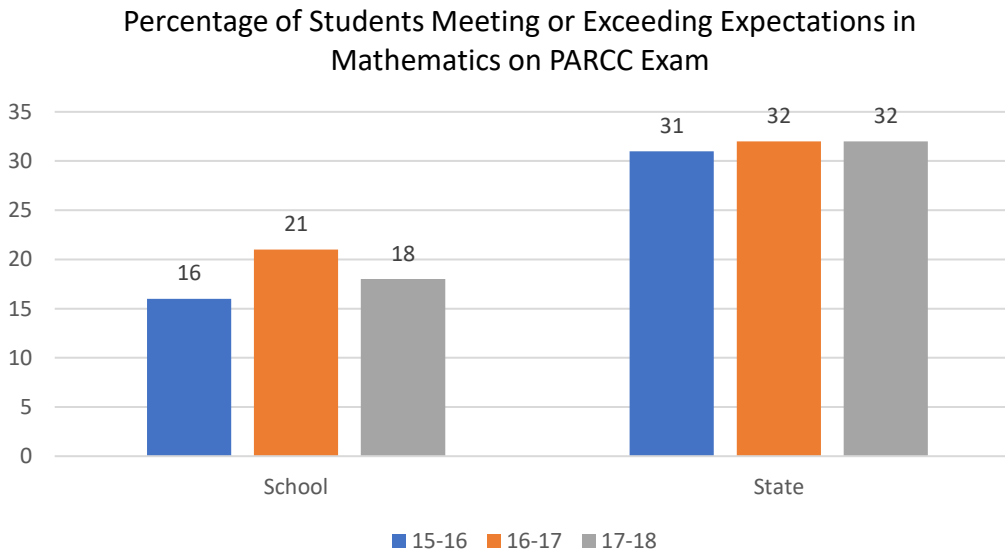
The tables below contain test data related to the Illinois Elementary PARCC Test, the Illinois IAR Test, and the High School SAT Tests from 2017, 2018, and 2019. A Tables 9 and 10 show specific district and state comparisons. The data does show that there are some significant differences in the results that should be discussed indeterminacy if efforts of consolidation should be explored. It should be pointed out that the consultants feel the discrepancy of these test results can be rectified through consolidation and a school improvement effort to include articulation in subjects taught and alignment of instruction at each grade level

## Leland K-8

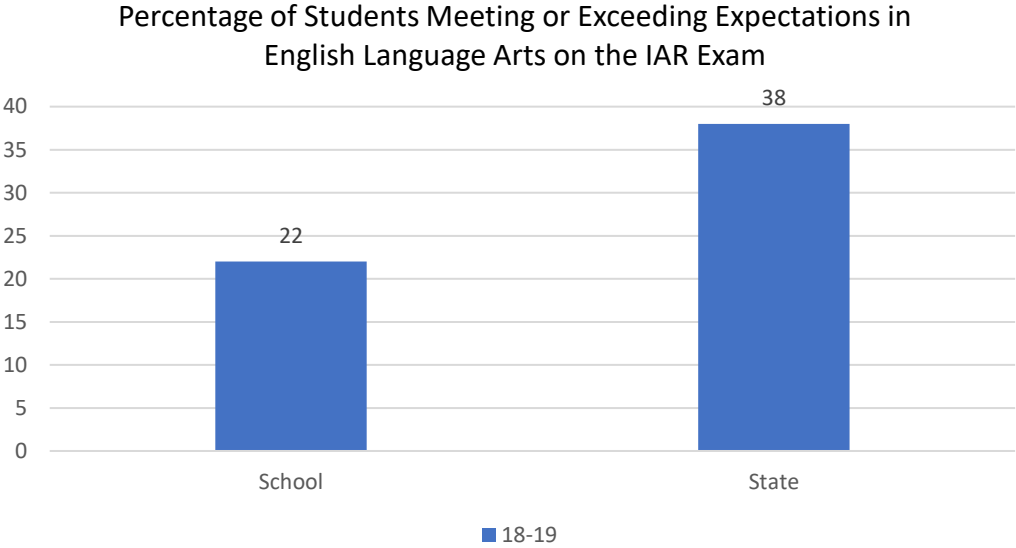
**Table 1 Leland K – 8. While Leland has shown improvement each of the last 3 years, students were approximately 20 percentage points behind the State average in English Language Arts on the State PARCC exam from 2016 – 2018.**



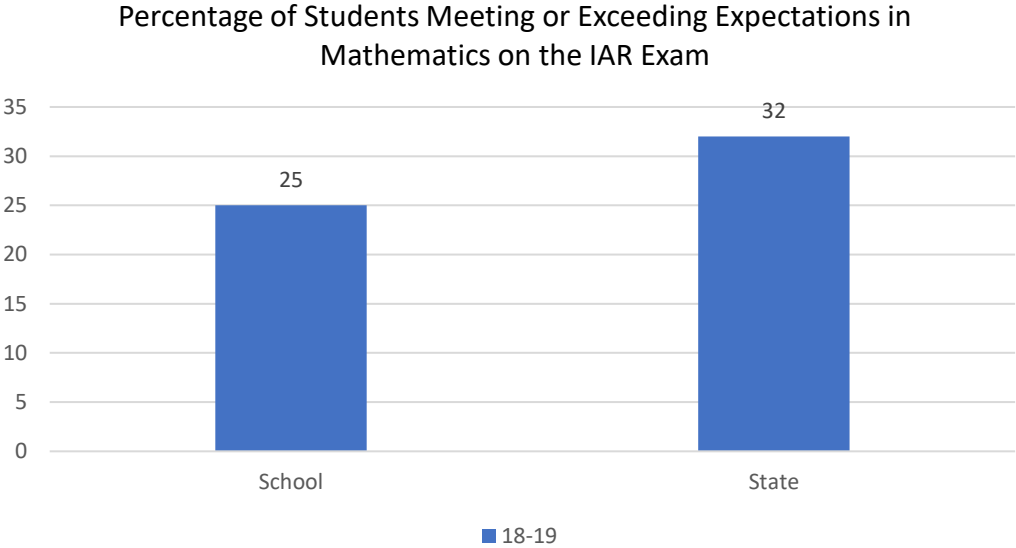
**Table 2 Leland K – 8. On average 15 percentage points lower than State average.**



**Table 3 Leland K – 8. Closer to State average than the PARCC. 15% Lower than State Average.**

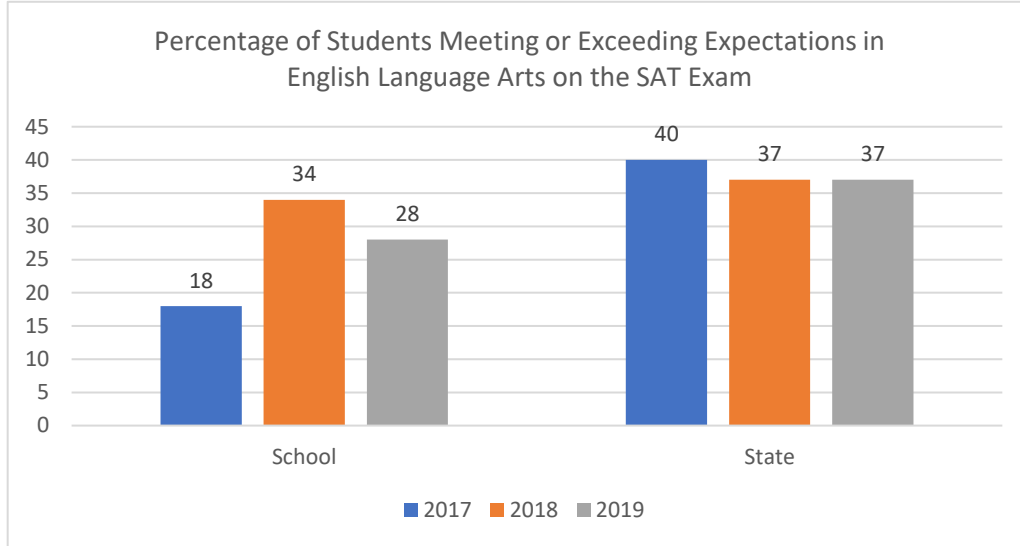


**Table 4 Leland K – 8. Continued improvement from the PARCC. Seven % behind State average.**

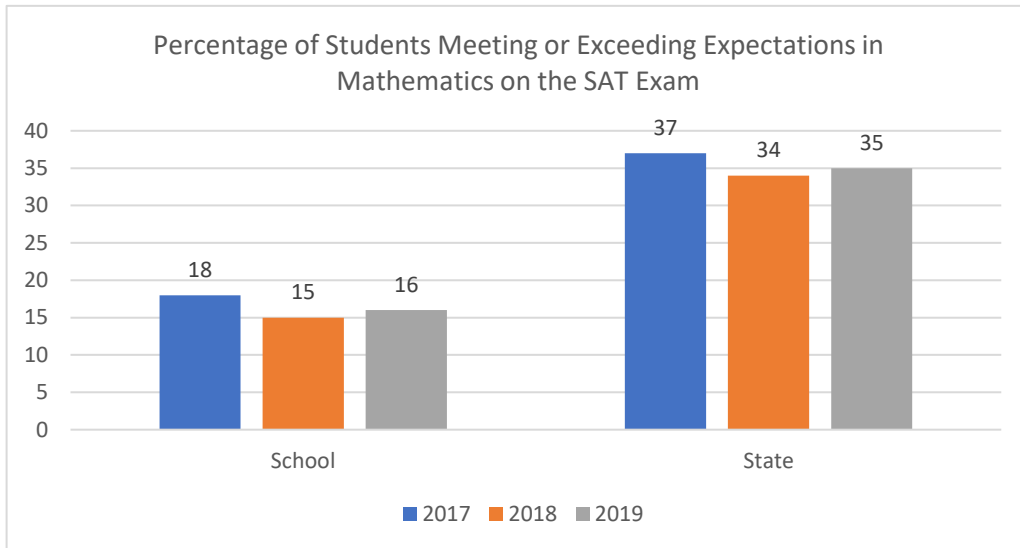


## Leland High School

**Table 5 – Nearly achieved State average on the SAT in 2018. Currently 9% below State average.**

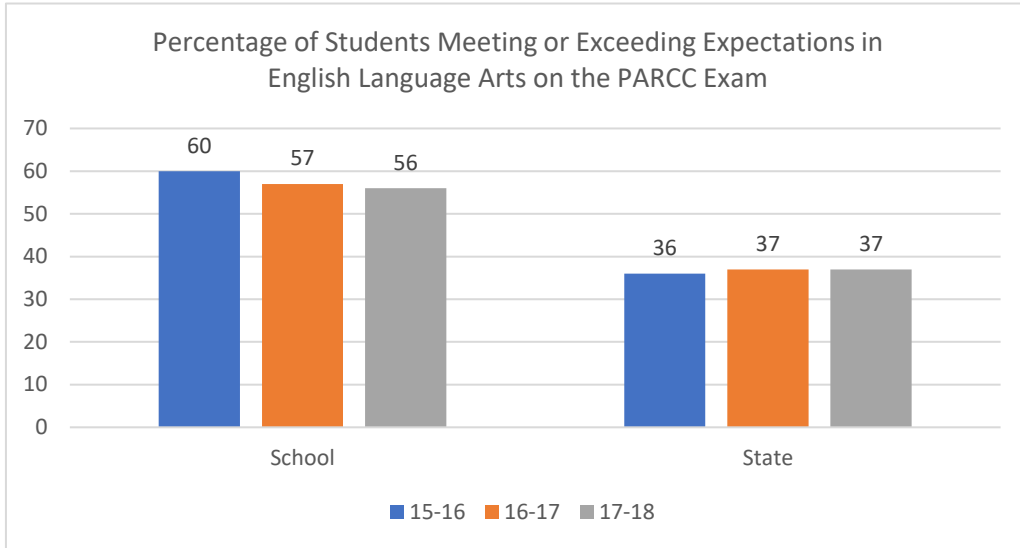


**Table 6 Leland High School. On average, nearly 20% below the State average on the SAT**

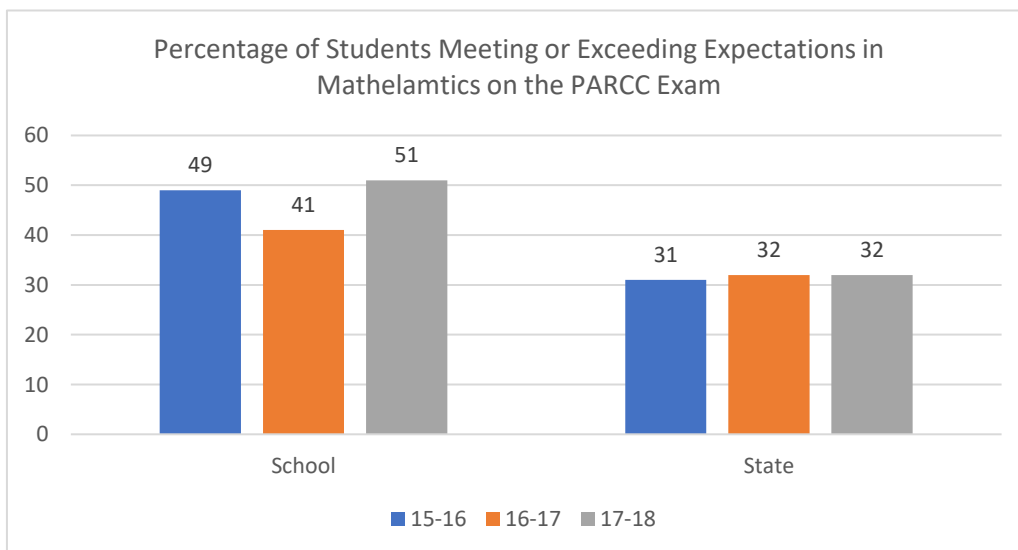


## Somonauk K-8

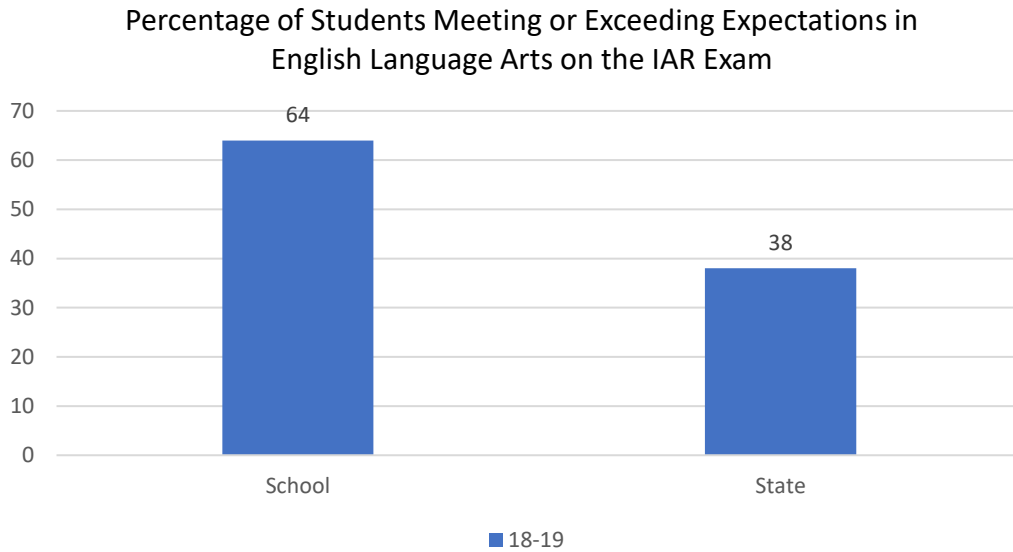
**Table 7 Somonauk K – 8. Nearly 20% higher than State average all three years of PARCC on ELA.**



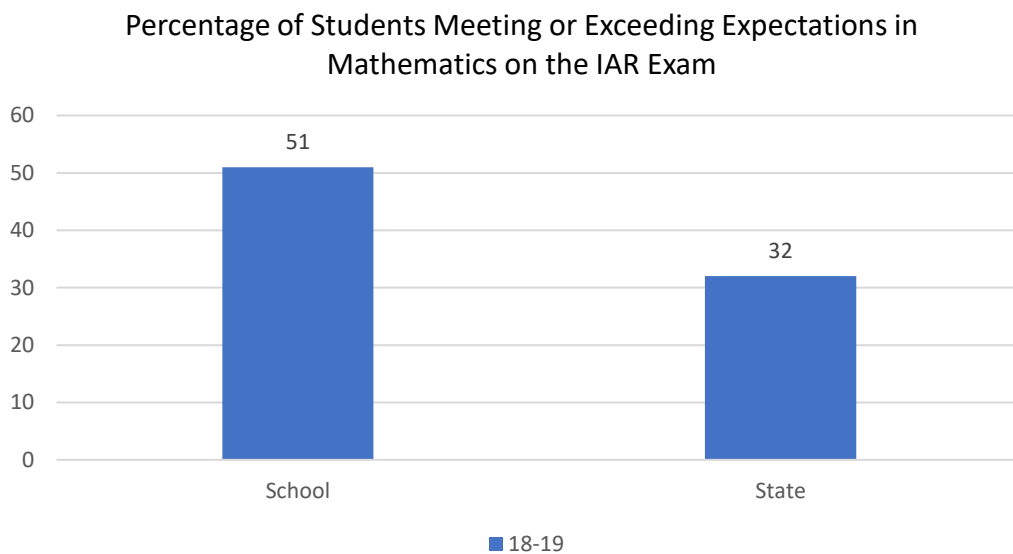
**Table 8 Somonauk K – 8. Generally, nearly 20% higher than the State average on PARCC math.**



**Table 9 Somonauk K – 8. Excellent score. 23% higher than the State in English/Language Arts.**



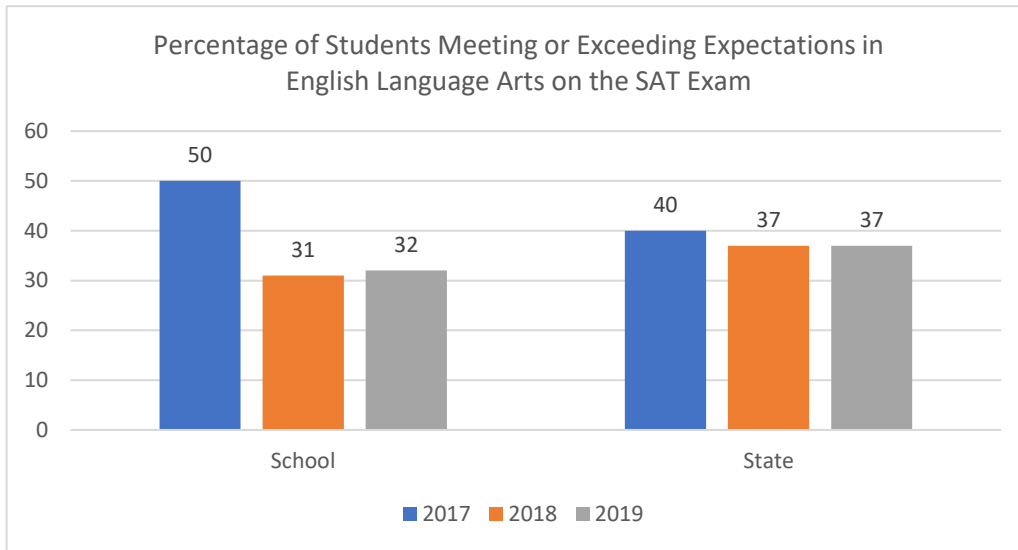
**Table 10 Somonauk K – 8. Excellent score. 19% higher than the State average on the IAR math.**



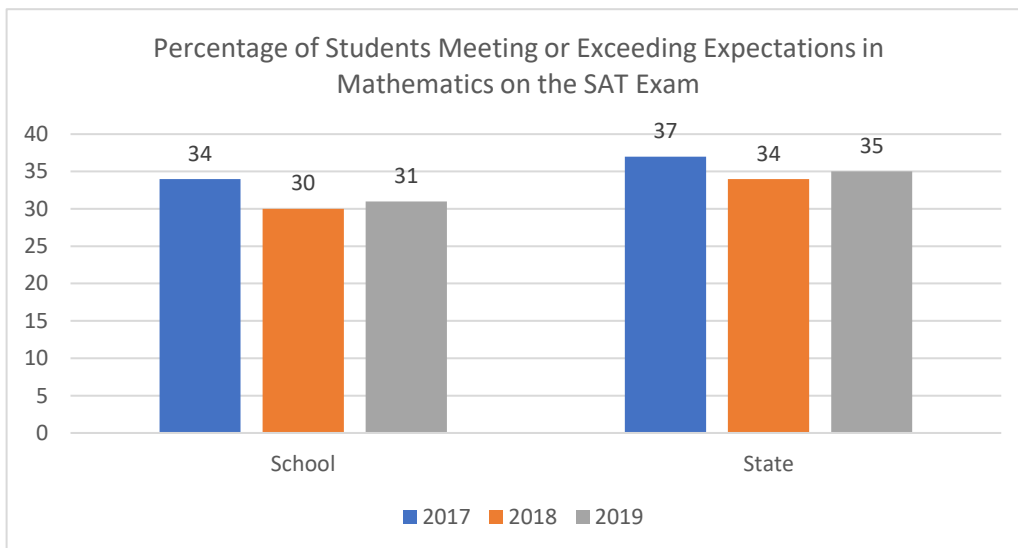


## Somonauk High School

**Table 11 Somonauk High School. Currently, the high school is slightly below State average ELA.**



**Table 12 Somonauk High School. Likewise, the math SAT scores are slightly below State average.**



There is a significant difference between the scores of Leland and Somonauk schools.

Some of this can be attributed to the fact that Leland has a much higher free/reduced lunch

count. Consolidation should help to merge the scores in such a way that Somonauk's current scores should not go significantly down. In fact, with more potential course offerings and curriculum articulation, the scores should go up.

The districts need to be commended for its wide variety of curricular offerings for both college-bound and vocational track students. They are competitive with any other small school districts in the State of Illinois.

### **Full-Time Equivalents**

This portion of the report identifies the number of full-time equivalents (FTE) currently employed by the two districts that teachers currently instruct. FTE does not include administrators, teachers' aides, cooks, custodians, or support staff. It only includes individuals who are employed in a position that requires that they hold an Illinois Professional Educator License (PEL). The data will be sorted out by:

1. Elementary teachers
2. Middle Schools Teachers
3. High School Teachers.
4. Special Area Teachers
5. Special Education Teachers

### **2019-2020 Full Time Equivalents (FTE)**

#### **Elementary Teachers**

##### Leland Elementary

Kindergarten – 2 teachers  
1<sup>st</sup> – 1 teacher  
2<sup>nd</sup> – 1 teacher  
3<sup>rd</sup> – 1 teacher  
4<sup>th</sup> – 2 teachers  
6<sup>th</sup> – 1 teacher

Total: 8 teachers

##### James R. Wood Elementary

Pre-K – 4 teachers  
1<sup>st</sup> – 3 teachers  
2<sup>nd</sup> – 3 teachers  
3<sup>rd</sup> – 3 teachers  
4<sup>th</sup> – 2 teachers  
Music & Chorus - .5 teacher  
Speech – 1 teacher  
Physical Ed. – 1 teacher

Total: 17.5 teachers

## **Middle School Teachers**

### **Leland Middle School**

7<sup>th</sup> & 8<sup>th</sup> Math, Science, Social Studies - 1 teacher  
Language Arts - .5 teacher  
Business/Tech - .5 teacher  
Spanish – .5 teacher

Total: 2.5 teachers

### **Somonauk Middle School**

Physical Ed. – 2 teachers  
ELA – 3 teachers  
Math – 2.5 teacher  
Science - 1 teacher  
7<sup>th</sup> & 8<sup>th</sup> Social Studies – 1.5 teacher  
Music & Chorus - .5 teacher  
Stem - 1.5 teacher

## **High School Teachers**

### **Leland High School**

Math – 1 teacher  
Science – 1 teacher  
English – 1 teacher  
Social Studies – 1 teacher  
7-12 Physical Ed, Health, Driver Ed – 1 teacher  
Ag - .5 teacher  
Business/Tech - .5 teacher  
Spanish – .5 teacher

Total: 6.5 teachers

### **Somonauk High School**

Science – 2 teachers  
Math – 3 teachers  
Social Studies – 2 teachers  
English – 2 teachers  
Physical Education – 1 teacher  
Physical Ed, Health, Driver Ed – 1 teacher  
Ag. - 1.5 teacher  
Business Law/Accounting/Marketing/ Computer  
Science/ Web Design – 1 teacher  
Spanish & Comp App – 1 teacher

## **Special Area Teachers**

### **Leland School District**

K-12 Music – .5 teacher  
K-6 Physical Education – 1 teacher  
Media Specialist – 1 teacher  
K-12 Art - .5 teacher

Total: 3 teachers

### **Somonauk School District**

High School Film & Video Pro - .5 Teacher  
MS Gifted Student Education – 1 teacher  
MS & HS Band – 1 teacher  
Elementary Instructional Coach – 1 teacher  
MS & HS Art – 1 teacher  
Elementary Reading Specialist – 1 teacher

Total: 5.5 teachers

## **Special Education Teachers**

### **Leland School District**

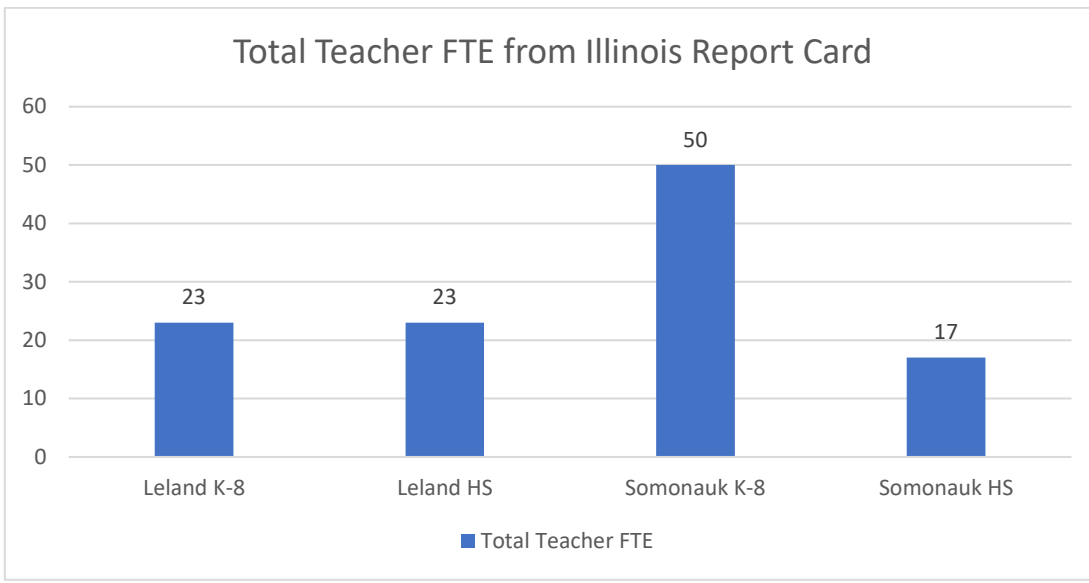
K-5 Special Ed Resource – 1 teacher  
6-12 – 1 teacher  
K-5 Autism Program – 1 teacher  
7-12 Special Ed Resource – 1 teacher

Total: 4 teachers

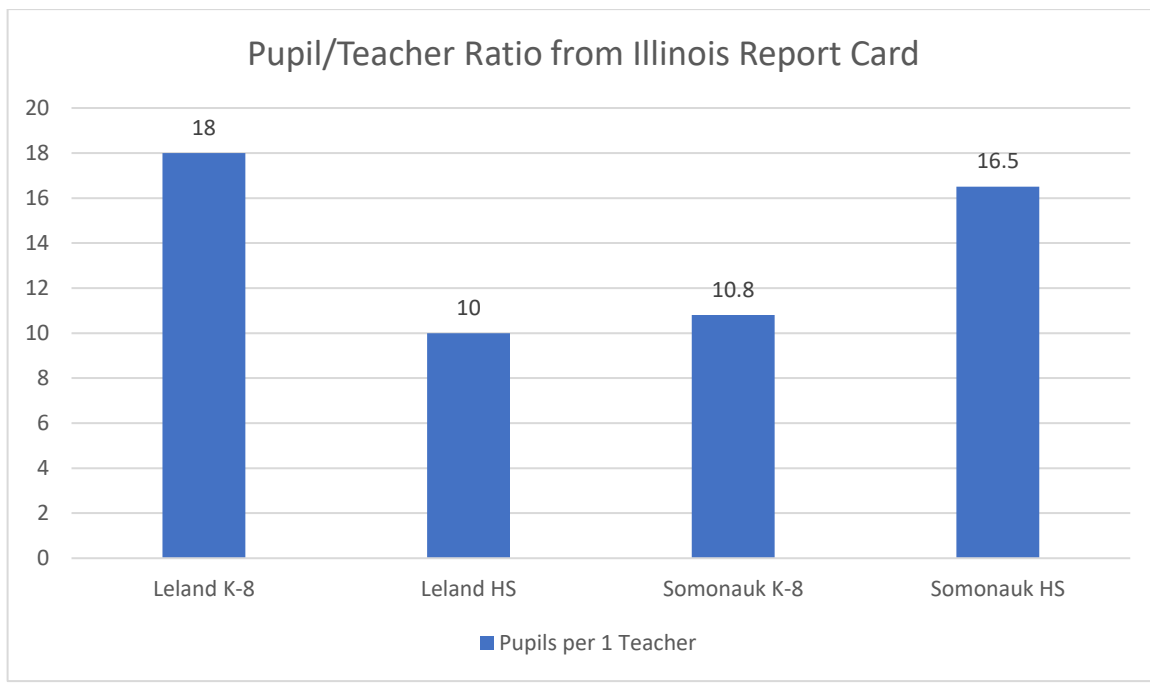
### **Somonauk School District**

Special Ed Elementary Level – 3 teachers  
Special Ed Middle School Level – 4 teachers  
Special Ed High School Level – 2 teachers

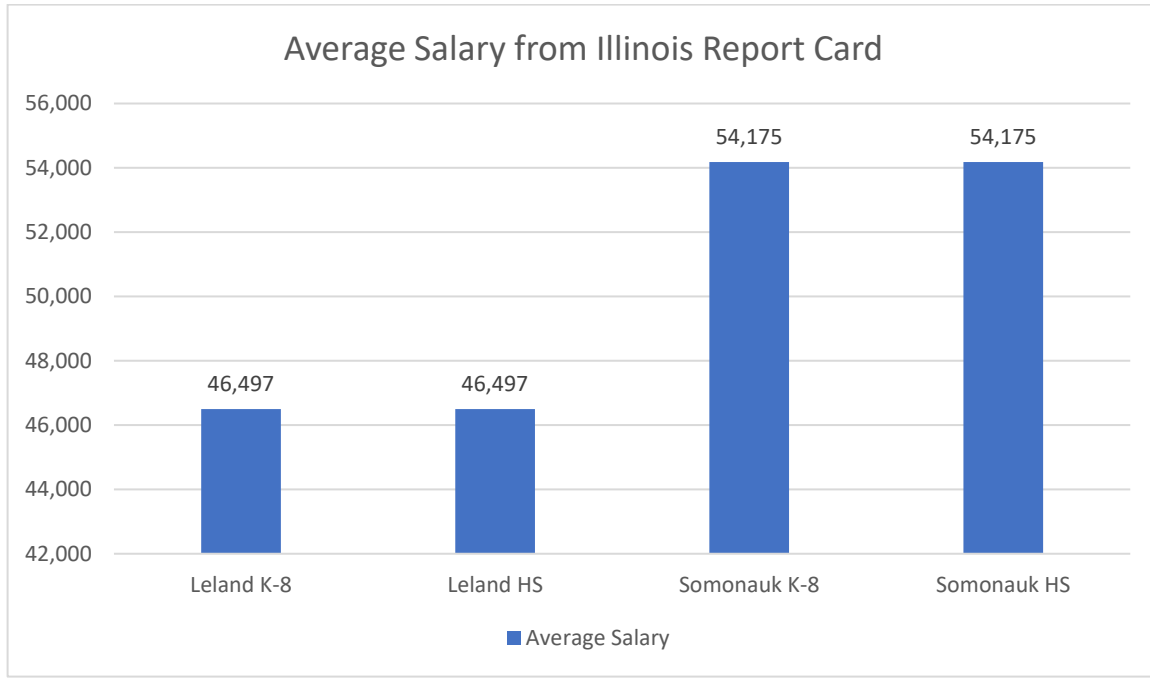
Total: 9 teachers



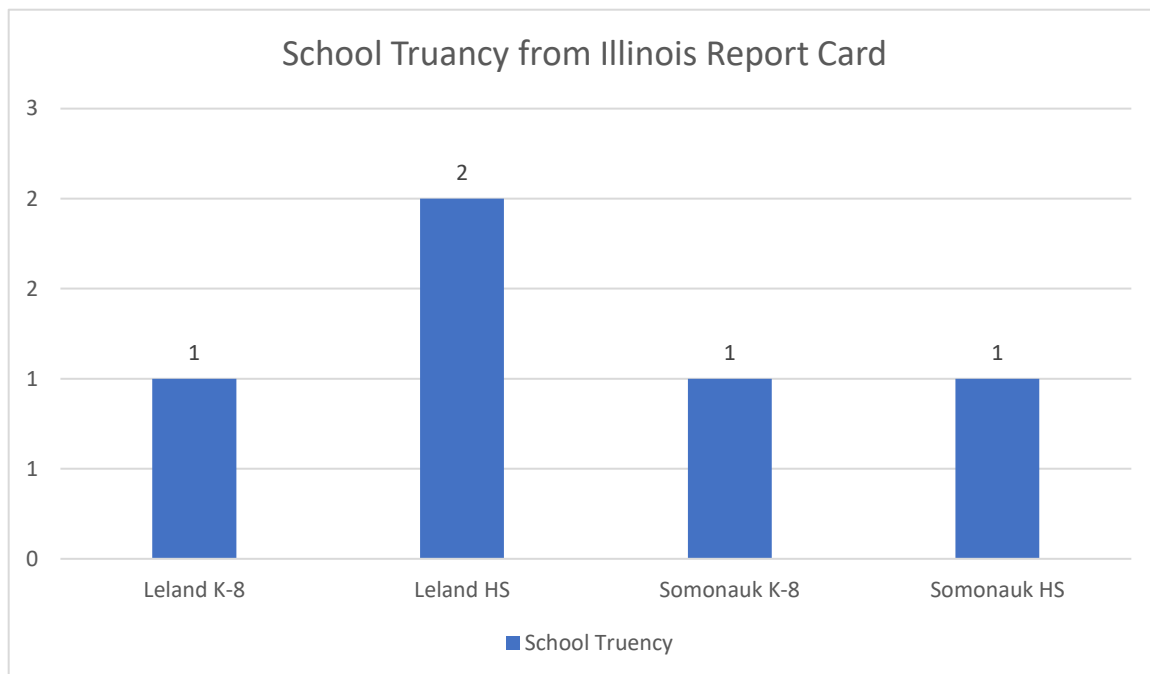
Consolidation on one hand can lessen the total teachers and administrators, but on the other hand create more positions if the curriculum expands. Please note state data may be different than the consultants' data due to using different baselines and data collection dates.



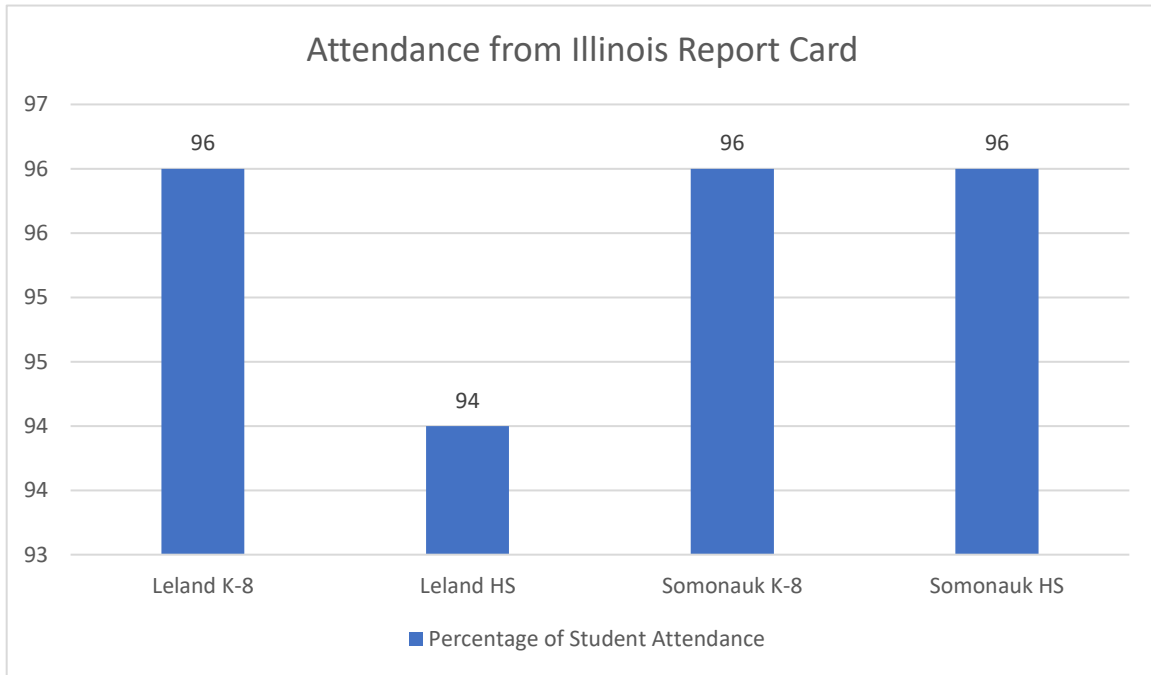
Both Districts have an excellent pupil/teacher ratio, although the Leland High School pupil teacher ratio clearly points to the need for consolidation as the class size is actually too low to sustain long term financial success in the district.



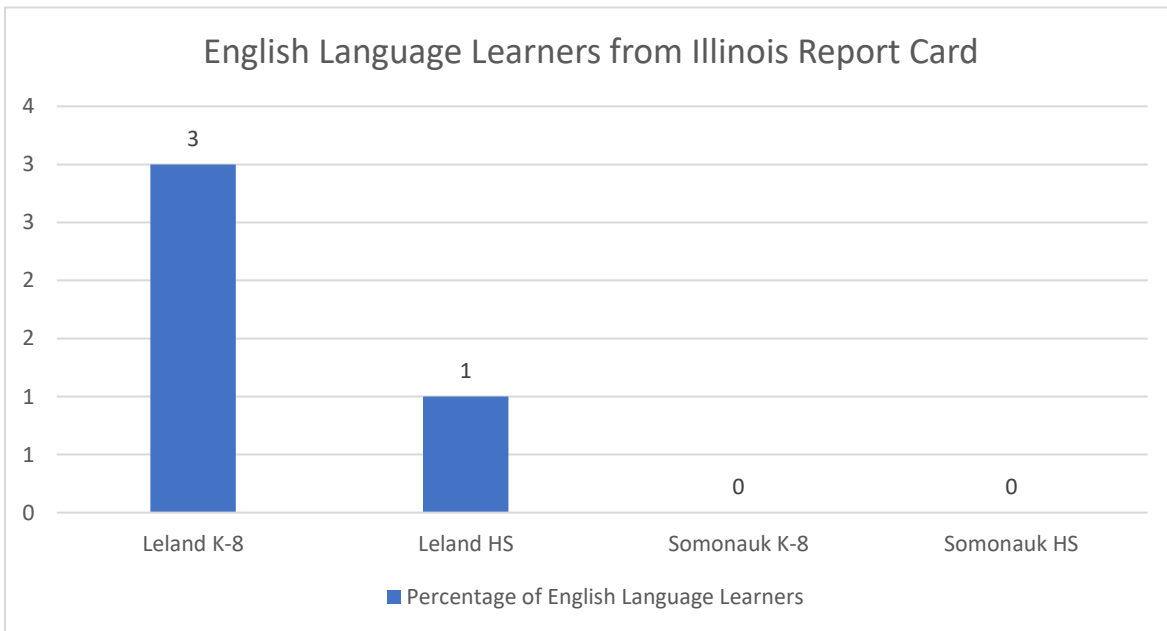
**There is a significant difference between the salaries of Leland and Somonauk teachers. This could potentially be a problem if the consolidation effort lead to a formation of a new unit district although since there is a relative small number of teachers at Leland, the state's four year incentive should be able to overcome the difference.**



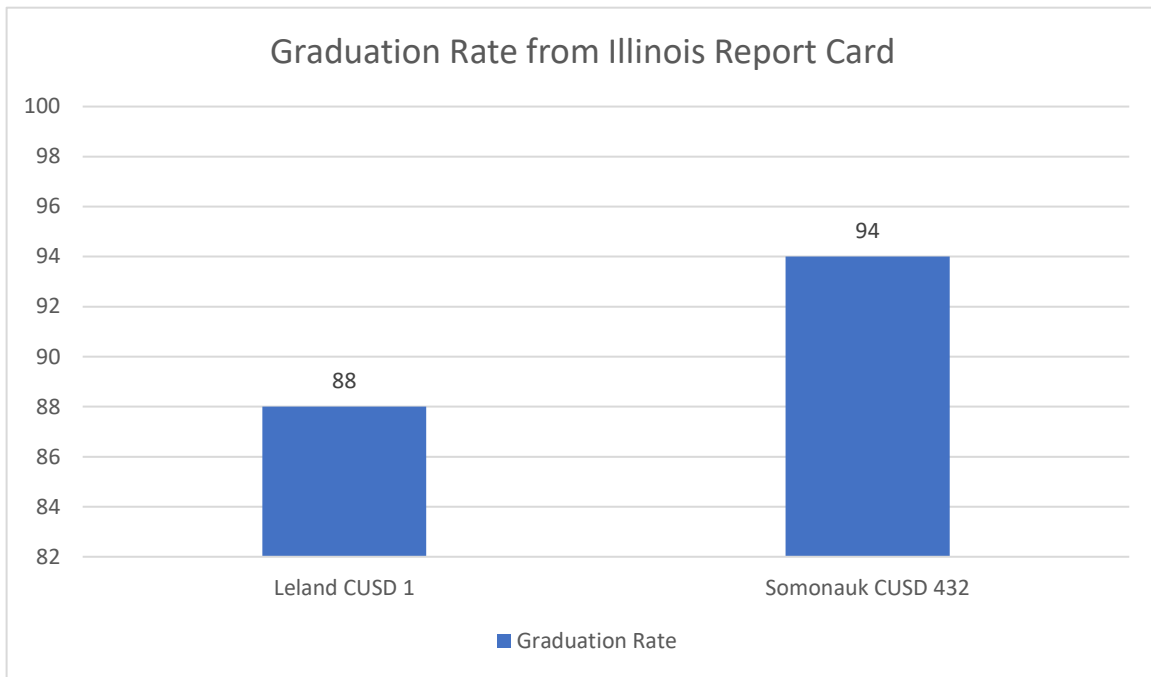
Excellent numbers by both school districts.



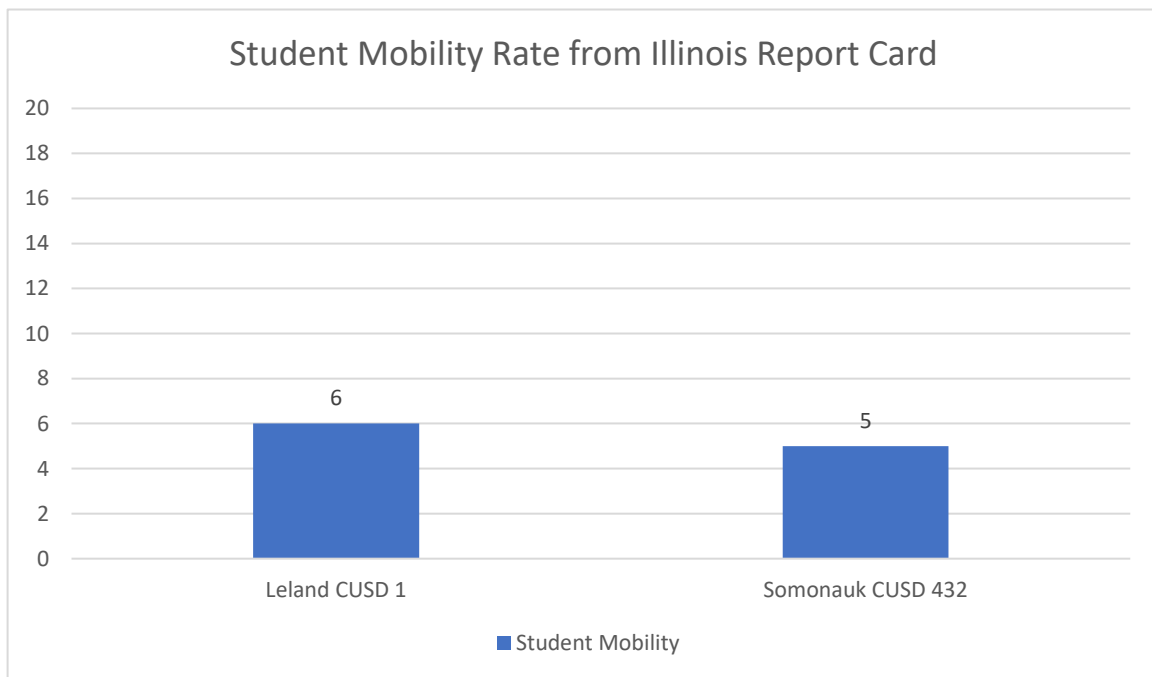
The attendance rate for both districts is outstanding.



The demographics of both districts point to the fact that ELL learning numbers present no significance in this study. Likewise, there are less than 5 Private/ Parochial students living in the study area which poses no variation in the student demographic study.

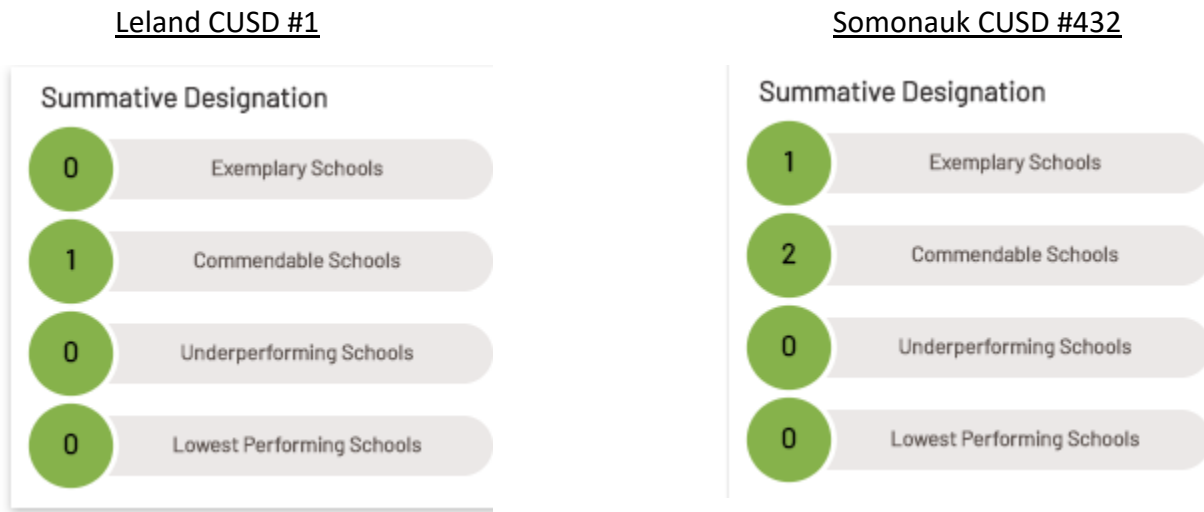


Excellent graduation rates for both Leland and Somonauk High Schools.



There is not a great deal of mobility of students in either Leland or Somonauk High Schools.

**Both districts being marked as commendable according to the Illinois Report Card**



**Summary for Curriculum and Assessment –**

**Curricular Positives**

1. Textbooks and curricular resource materials have been adopted that are consistent with the state standards,
2. Both districts have made a solid commitment to incorporating instructional technology initiatives into their district. They have aligned their curriculum with the State of Illinois Learning Standards.
3. Each district has an annual data-driven District Improvement Plans to address ongoing curricular and pedagogical concerns.
4. Consolidation between Somonauk and Leland is a win for special education for students and taxpayers as per Somonauk administrators. They feel the addition of students would allow both districts to expand programming for students with disabilities. On many occasions, Somonauk administrators report that the district has some students with significant needs at certain grade levels which having more students could possibly allow



increased special education programming which would decrease outplacements.

Currently, Somonauk is not in a Special Education COOP, but does employ a State Approved Director. Somonauk feels this has the potential to provide a seamless transition to the new consolidated district without the need for a coop. Somonauk uses NIA to provide low incidence services and would be able to use NIA to provide these services to Leland students and not need the services of LEASE. On the other hand, Leland currently uses a special education coop through LaSalle County. Leland is happy with working through the cooperative to provide special education services and support. This is an issue that will have to be resolved by the Committee of 10 if consolidation takes place.

**If consolidation takes place, the newly formed district will have to make a decision on HOW special education services will be offered. Status quo if no consolidation takes place with individual district decisions taking place. A current per pupil cost analysis of both districts seems to be in order if consolidation is pursued. The seamless transition to the in-district servicing of special education certainly seems worth exploring given that Somonauk currently has a State Approved Director.**

5. Articulation refers to the process of linking two or more grade levels or the linking of educational systems. Pertaining to educational systems, both districts are working together to provide for the linkage of its high school courses with Waubensee Community College and the Indian Valley Vocational Center. This component of articulation between the two districts is outstanding. Articulation and cooperation have already started which will be a big boost for the “Committee of 10” if voters approve the consolidation effort.
6. Both districts upon consolidation will have the ability to offer an early childhood program.
7. Both districts have invested in Chrome Books which is an excellent addition to an articulated curriculum.

## **Curricular Challenges**

1. Just as the articulation of educational systems at the high school level fits into the outstanding category, the articulation between the two elementary districts currently is a weakness. If the districts want to keep from having upper grade teachers unnecessarily repeat much of what has been taught in the lower grades, a greater effort of articulation must take place. The consultants would recommend that efforts be made between the two districts for a greater emphasis on curricular articulation whether the districts proceed ahead regarding their efforts for consolidation. The bottom line is we feel with an effective articulation program, overall test scores will go up and there will be a consistency of curricular offerings, honor rolls, report cards, grading scales, to go along with the overall improvement of communication to parents and community. It would seem to the consultants that an implementation of an overall program evaluation and alignment to assessment practices between the districts would be beneficial for academic improvement.
2. While there is some consistency between the districts regarding curricular offerings, efforts need to be made to provide even more consistency between the districts. Consolidation can guarantee that curricular programs are consistent for all students in both districts and state mandated programs are followed. Outside of consolidation, efforts should be made to formulate a consistent curricular offering so that all students entering the high schools have a consistent curricular background.
3. Both districts' academic efforts are reflected in their student achievement scores on the PARCC, IAR, and ACT/SAT State tests. Even though Somonauk district generally scored higher than the state average in their state assessments and Leland generally scored lower than the state average in their state assessments, the consultants feel that consolidation could lessen this differential in test results and generally raise test results

for students currently residing in both districts. Articulation between the current districts could also help lessen this difference.

## EXTRA CURRICULAR OPPORTUNITIES

A rich public-school experience includes many opportunities for students to pursue various avenues of interest. Although academics are the primary reason for the existence of our public schools in Illinois, many students can benefit from a wider range of educational opportunities than is provided through the regular instructional environment of the classroom. Research has shown through repeated studies that when students find an area of interest external to the classroom their academic performance is enhanced. This important link between extracurricular and academic success dictates that our schools provide learning experiences for students outside the classroom. The data collected in this regard, demonstrates that all both districts have made a commitment to provide a rich extracurricular program for their students. Between the two districts, over 26 athletic teams in grades 9-12, not counting intramurals, and 29 extracurricular clubs, to meet the diverse range of interests to encourage participation for all students. Six of these programs have already been further developed in a cooperative basis. This is another great boost for future consolidation.

If one looks at the total scope of the co-curricular activities offered within the two school districts there are some highlights. The consultants feel the two districts are offering a broad range of both activities and sports that compare with any school district their size throughout Illinois. There are quite a few activities that could be placed under consideration in addition to the listing on the next page with the combination of the two districts. Some examples include chess teams, media clubs, National Junior Honor Societies, robotic teams, art clubs, weight training clubs, newspaper clubs, and expanded band opportunities. With consolidation, all of these activities could be coordinated to have consistency for students throughout the district.

Table 1 Extra-Curricular Athletics Presently Being Offered

## Co-Curricular Athletics:

### Leland CUSD #1

Soccer- Coed  
 Volleyball- Girls  
 Basketball- Boys  
 Cheer- Girls  
 Basketball- Girls  
 Track- Coed  
 Baseball - Boys

Total - 9

### Somonauk CUSD #432

Volleyball- Girls  
 Basketball -Boys and Girls  
 Dance- Coed  
 Cheer- Coed  
 Track- Boys and Girls  
 Softball- Girls  
 Wrestling- Boys and Girls  
 Golf- Boys and Girls  
 Soccer- Boys  
 Baseball- Boys

Total - 14

**10 total sports at Leland CUSD #1**

**14 total sports at Somonauk CUSD #432**

## Leland CUSD #1 List of Cooperative Extracurricular Offerings Between Districts

### High School Sports with Somonauk

Soccer-Boys  
 Golf- Coed  
 Basketball- Girls  
 Dance- Girls  
 Wrestling- Coed  
 Track- Coed

### High School Sports with Earlville

Softball- Girls

Table 2 Extra-Curricular Activities Presently Being Offered

## Co-Curricular Activities:

### Leland CUSD #1

Anime Club  
 Green Club  
 Game Club  
 Play  
 Trap Shooting Team  
 Envirothon/WYSE  
 Academic Bowl  
 Student Council  
 Stranger Things Club  
 Prom Committee  
 National Honor Society  
 Yearbook Committee

Total - 18

### Somonauk CUSD #432

FFA  
 HS-Student Council  
 National Honor Society  
 Yearbook Club  
 Fall Play  
 Drama Club  
 Marching Band  
 Choir  
 Fine Arts Club  
 Robotics Club  
 Mentors  
 Student Leadership  
 Visual Arts Club  
 Geography Bee  
 Our American Voice  
 Civics Club

Leadership Club  
 GSA (Gay Strait Alliance)  
 Scholastic Bowl  
 Spanish Club  
 Future Teachers  
 Blue Room Club  
 STEM Club  
 Poetry Club  
 Junior Council  
 Spelling Bee  
 Dungeons and Dragons Club

Total - 28

Table 4 Co-Curricular Activities Presently Being Offered at All Districts

Activity	Leland CUSD #1	Somonauk CUSD #432
Boys Baseball	Yes	Yes
Boys Basketball	Yes	Yes
Girls Basketball	Yes	Yes
Girls Volleyball	Yes	Yes
Girls Softball	Yes	Yes
Boys Track and Field	Yes	Yes
Girls Track and Field	Yes	Yes
Dance	Yes	Yes
Boys Golf	Yes	Yes
Girls Golf	Yes	Yes
Cheerleading	Yes	Yes
Boys Soccer	Yes	Yes
Girls Soccer	Yes	No
Boys Wrestling	Yes	Yes
Girls Wrestling	Yes	Yes
Totals	15	14
Anime Club	Yes	No
Green Club	Yes	No
Band	No	Yes
Fine Arts Club	No	Yes
Game Club	Yes	No
Drama Club	No	Yes
Robotics Club	No	Yes
Leadership Club	No	Yes
Spanish Club	No	Yes
Play	Yes	Yes
Choir	No	Yes
Gay Strait Alliance	No	Yes
Trap Shooting Team	Yes	No
Envirothon/WYSE	Yes	No
County Spelling Bee	Yes	No
Young Authors Competition	Yes	No
Science Fair Competition	Yes	No
Scholar Bowl	No	Yes
Academic Bowl	Yes	No
Mentors	No	Yes
Stranger Things Club	Yes	No
Prom Committee	Yes	No
National Honor Society	Yes	Yes
Yearbook Committee	Yes	Yes
Student Council	Yes	Yes
Dungeons and Dragons Club	No	Yes
Our American Voice Civics Club	No	Yes
Geography Bee	No	Yes
Spelling Bee	No	Yes
Visual Arts Club	No	Yes
Student Leadership	No	Yes
Student Ambassador	No	Yes
Junior Council	No	Yes
Poetry Club	No	Yes
STEM Club	No	Yes
FFA	No	Yes

Future Teachers	No	Yes
Blue Room Club	No	Yes
Totals	15	28

Leland’s high school’s mascot is the Panther, Somonauk’s high school’s mascot is the Bobcat. Both mascots have a long history in each district. In times of school consolidation, one of the greatest emotional challenges has been what to do about the new team’s mascot. Despite the variety, mascots represent all that is brave, strong, daring, fearless, enduring, powerful, courageous, and unique about a community and its team. When 2 communities are melded together for a school’s consolidation, there is much to take into consideration. After all, mascots have powers with which even superheroes and the big screen cannot compete! There are even songs about school mascots.

The devotion of a community to a mascot and all the mascot represents is something with which many citizens have had personal experience. In the long run does it make a community more brave, strong, daring, fearless, enduring, powerful, courageous, and unique? Dr. Rosborg lived the emotion of the mascot as he grew up in Hoopeston, IL – the home of the Cornjerkers. His children went to school in Freeburg, IL – the home of the Midgets. Hoopeston has even patented the mascot name. It is emotional and the consultants feel this will be a challenge for the consolidation effort. With this said, the consultants feel that what matters most is the sense of community that these mascots stir within us remembering their history, and the exciting times they reflected for each school district. Consolidation is also an exciting time to forge a new sense of community surrounding the new school district. Some newly consolidated Districts compromise and involve both mascots in the newly formed districts. Some come up with a new mascot that was not associated with the former districts. (April 9, 2015 By [Cyndi Young](#) Filed Under: [AgriNews Column](#), [Two Cents](#))



## Summary for Extra-Curricular Activities

Much of the details regarding the positives and negative for extra-curricular activities has been previously discussed. The key component from the consultants' viewpoint is that consolidation would bring more consistency and opportunities to extra-curricular activities. We do see consolidation leading to more activities at the high school level which generally serves for more opportunities at the elementary and middle school levels. Consolidation does not necessarily have to dictate a change in this procedure. It does open an easier procedure for discussion of expanded opportunities. Some thoughts:

1. In considering extracurricular activities provided by the schools, is it better to have a larger school with more activities or small schools that give more students the ability to participate. There is a need to balance the value of comprehensive programming gained in larger schools against the levels of participation among all students. The current number of students currently participating in the currently offered sports could well go down. Students in smaller schools participate in a greater number and variety of extracurricular activities than students in larger schools even though larger school students are provided more activities. The great

thing about Leland/Somonauk is that the two districts have already formed co-op sports which will greatly minimize this potential problem.

2. A consolidated school district would require athletic policy and procedural guidelines for in-district student transfer, student eligibility, academic class enrollment, and athletic membership. Individual differences between current programs would need to be addressed to respond to differences in fields and facilities, sport options, as well as current administrative support.
3. Consolidation leads to a potential for greater advantages in areas like transportation, officiating, coaching, facilities, and purchasing.
4. Consolidation might provide greater leverage to access and share athletic facilities.
5. The determination of what athletic conference the new school district would join would have to take place. This would have to be a discussion for the new consolidated school.
6. Needless to say, the school mascot issue, as discussed in the previous page, will have to be resolved. This can become a bone of contention that the Committee of 10 needs to address. Some newly consolidated Districts compromise and involve both mascots in the newly formed districts, for example keeping one mascot and school colors for the high school and the other mascot and colors for the elementary/junior high. Some come up with a new mascot that was not associated with the former districts. The bottom line is that newly formed districts figure it out and move on with pride. Thus, our recommendation is that the community determine the name of the new mascot if consolidation between Somonauk and Leland takes place.



## **FINANCIAL CONSIDERATIONS AND DISTRICT COMPARISONS**

In this section of the report, the consultants have attempted to provide the readers with the pertinent data necessary to make judgments about the feasibility of reorganization considerations for the subject school districts. This section of the report will include several tables showing comparative fiscal data. The information has been extracted from fiscal documents and information received from each of the school districts, ISBE documents, Evidence Based Funding Calculations, Annual Financial Reports, School Report Cards, and County Tax Computation Reports.

### **GENERAL FISCAL OVERVIEW**

The baseline fiscal review of the two districts consisted of a comparison of the equalized assessed valuations, the ISBE fiscal rankings, property tax rates and extensions from 2015 through 2018. This data is shown in Table 1. An attempt has been made to draw analogous data between the school districts which might become issues for discussion by the respective Boards of Education, and/or citizens of the communities involved in the study.

Please note in Table 1 the data relative to the Equalized Assessed Valuations (EAV) for the subject districts are based on the information retrieved from the Annual Statement of Affairs, Annual Financial Report and Tax Computation Reports for the years 2015 through 2018.

In the review of the Tax Rates and the Levy Extensions we focused on the Education, Operations/Maintenance and Transportation fund accounts. The selection of three fund accounts are being utilized to provide a comparative analysis of the local revenue efforts being pursued by each of the subject school districts in this study.

**TABLE 1 FINANCIAL COMPARISON**

<b>Equalized Assessed Valuations</b>				
<b>SCHOOL DISTRICT</b>	<b>6/30/18</b>	<b>6/30/17</b>	<b>6/30/16</b>	<b>6/30/15</b>
<b>LELAND NO 1</b>	<b>\$50,391,782</b>	<b>\$48,793,017</b>	<b>45,943,980</b>	<b>\$45,401,578</b>
<b>SOMONAUK NO 432</b>	<b>\$127,417,249</b>	<b>\$121,993,938</b>	<b>123,477,363</b>	<b>\$125,867,625</b>
<b>Profile Rankings by ISBE</b>				
<b>SCHOOL DISTRICT</b>	<b>FY</b>	<b>Score</b>	<b>Rating</b>	
<b>LELAND NO 1</b>	<b>2019</b>	<b>4.00</b>	<b>RECOGNITION</b>	
<b>SOMONAUK NO 432</b>	<b>2019</b>	<b>3.90</b>	<b>RECOGNITION</b>	
<b>PROPERTY TAX EXTENSIONS/TAX RATES</b>				
<b>2019 Tax Rates</b>				
<b>SCHOOL DISTRICT</b>	<b>Ed.</b>	<b>O&amp;M</b>	<b>Trans.</b>	<b>Total</b>
<b>LELAND NO 1</b>	<b>4.186</b>	<b>0.422</b>	<b>0.200</b>	<b>4.807</b>
<b>SOMONAUK NO 432</b>	<b>4.174</b>	<b>0.391</b>	<b>0.209</b>	<b>4.774</b>
<b>2019 Tax Extensions</b>				
<b>SCHOOL DISTRICT</b>	<b>Ed.</b>	<b>O&amp;M</b>	<b>Trans.</b>	<b>Total</b>
<b>LELAND NO 1</b>	<b>\$457,199</b>	<b>\$57,149</b>	<b>\$22,859</b>	<b>\$537,207</b>
<b>SOMONAUK NO 432</b>	<b>\$2,122,789</b>	<b>\$199,011</b>	<b>\$106,139</b>	<b>\$2,427,939</b>
<b>Total</b>	<b>\$2,579,988</b>	<b>\$256,160</b>	<b>\$128,998</b>	<b>\$2,965,146</b>

The School District Financial Profile has been developed to determine a district's financial strengths or weaknesses. Based on a review of the financial documents and processes the state will assign one of the following four applicable designations, Financial Recognition, Financial Review, Financial Early Warning, and Financial Watch. Financial Profile Indicators:

The highest score a district may receive is a 4.00 and the lowest score is 1.00. If a district receives a score of 3.54 - 4.00, they are in the highest category of financial strength - Financial Recognition. These districts require little or no review or involvement by ISBE unless requested by the district.

If a district receives a score of 3.08 - 3.53, they are in the next highest financial health category of Financial Review. Districts in this category will be given a limited review by ISBE, but they will be monitored for potential downward trends. Staff will be assessing the next year's school budget for negative trends.

If a district receives a score of 2.62 - 3.07, they are placed in the category of Financial Early Warning. ISBE will be monitoring these districts closely and offering proactive technical assistance (e.g., financial projections and cash flow analysis, etc.) These districts will also be reviewed to determine whether they meet the criteria set forth in Article 1A-8 of the School Code to be certified in financial difficulty and possibly qualify for a Financial Oversight Panel.

If a district receives a score of 1.00 - 2.61, they are in the highest risk category of Financial Watch. ISBE will be monitoring these districts very closely and offering them technical assistance including, but not limited to, financial projections, cash flow analysis, budgeting, personnel inventories, and enrollment projections. These districts will also be reviewed to determine whether

they meet criteria set forth in Article 1A-8 of the School Code to be certified in financial difficulty and qualify for a Financial Oversight Panel.

**1. Fund Balance to Revenue Ratio** – This indicator reflects the overall financial strength of the district.

It is the result of dividing the ending fund balances by the revenues for the four operating and negative IMRF/SS funds. Operating Funds are the Educational, Operations and Maintenance, Transportation and Working Cash Funds.

**2. Expenditure to Revenue Ratio** – This indicator identifies how much is expended for each dollar

received. It is computed by dividing total expenditures for the Educational, Operations and Maintenance, and Transportation Funds by the revenues for those same funds plus Working Cash.

**3. Days Cash on Hand** – This indicator provides a projected estimate of the number of days a district could meet operating expenditures provided no additional revenues were received

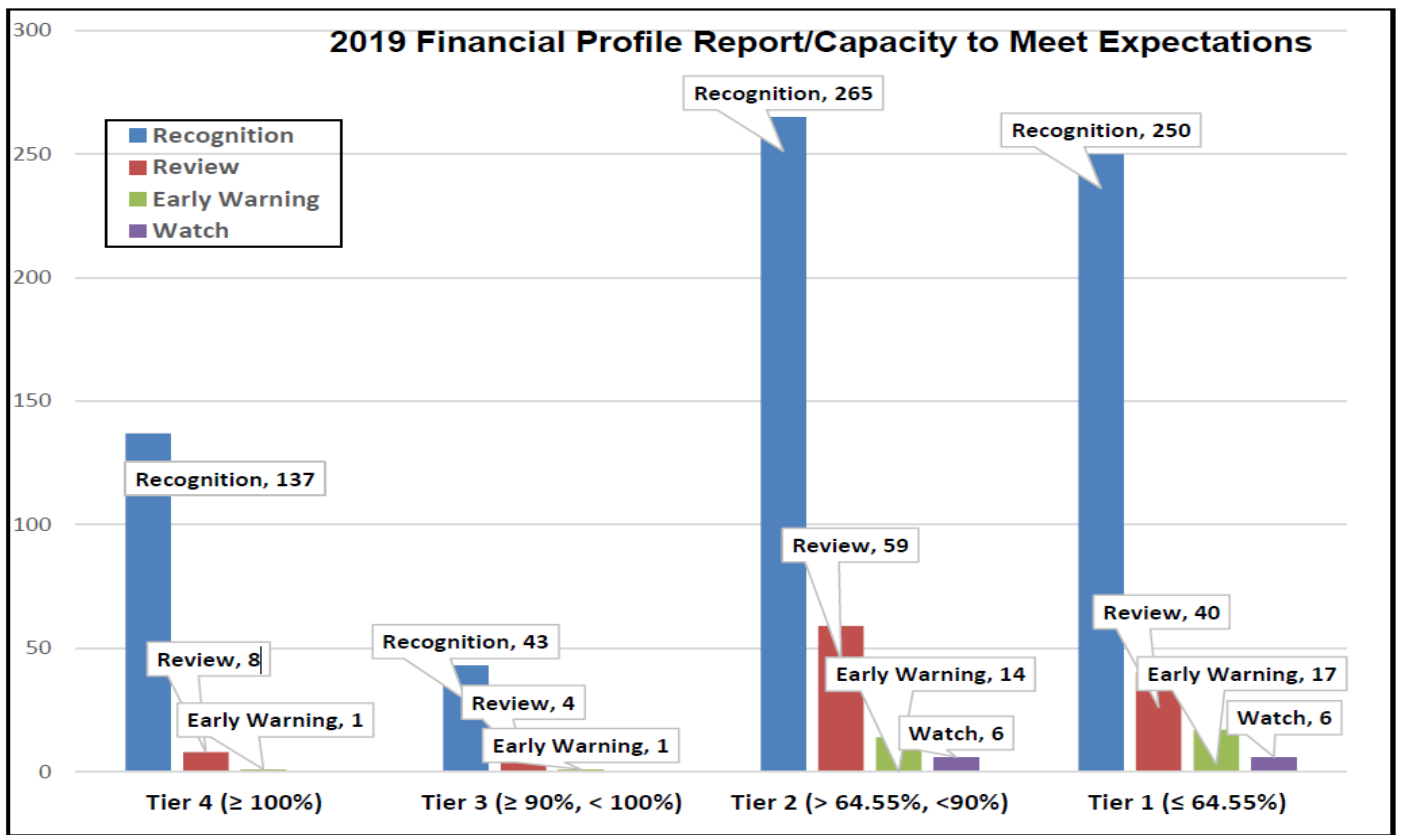
**4. Percent of Short-Term Borrowing Ability Remaining** – Districts often incur short-term debt due to several factors (i.e., delays in receipt of local revenues, etc.). For this indicator, the sum of unpaid Tax Anticipation Warrants is divided by 85% of the Equalized Assessed Valuation (EAV) Page 2 multiplied by the sum of the tax rates for the Educational, Operations and Maintenance, and Transportation Funds.

**5. Percent of Long-Term Debt Margin Remaining** – A district often incurs long-term debt for major expenditures such as buildings and equipment. This total is derived by the product of the district's EAV multiplied by its maximum general obligation debt limitation, reduced by any outstanding long-term debt.

Each of the subject schools have received excellent financial profile rankings over the past two years receiving a designation of Recognition having earned scores of 4.0 for Leland and 3.9 for Somonauk. Table 2 shows the actual calculations for each of the fiscal auditing areas for the subject school districts for FY 2019. The Fund Balance/Revenue Ratio scores have maintained a score of 1.40. The Expenditure/Revenue Ratio has also maintained the high score 1.40 for each district.. The Days Cash on Hand has scores have continued to be .40. The Short-Term Debt has ranged from .40-.40. The Long-Term Debt has ranged from .30-.40.

<b>TABLE 2 FINANCIAL PROFILE SCORES FOR SUBJECT DISTRICTS</b>								
<b>SCHOOL DISTRICT</b>	<b>FY</b>	<b>FBRR</b>	<b>ERP</b>	<b>DCOH</b>	<b>STB</b>	<b>LTD</b>	<b>TOTAL</b>	<b>RANK</b>
<b>SOMONAUK NO. 432</b>	<b>2019</b>	<b>1.40</b>	<b>1.40</b>	<b>0.40</b>	<b>0.40</b>	<b>0.30</b>	<b>3.90</b>	<b>RECOGNITION</b>
<b>SOMONAUK NO. 432</b>	<b>2018</b>	<b>1.40</b>	<b>1.40</b>	<b>0.40</b>	<b>0.40</b>	<b>0.30</b>	<b>3.90</b>	<b>RECOGNITION</b>
<b>LELAND NO. 1</b>	<b>2019</b>	<b>1.40</b>	<b>1.40</b>	<b>0.40</b>	<b>0.40</b>	<b>0.40</b>	<b>4.00</b>	<b>RECOGNITION</b>
<b>LELAND NO. 1</b>	<b>2019</b>	<b>1.40</b>	<b>1.40</b>	<b>0.40</b>	<b>0.40</b>	<b>0.40</b>	<b>4.00</b>	<b>RECOGNITION</b>

The following chart provides a view of the range of rankings received by school districts in the state of Illinois along with their EBF Tier Funding Level.



## HISTORICAL REVIEW OF REVENUE/EXPENDITURES

Reviewing the fiscal health of a school district requires an examination of the historical data related to financial practices. The following information provides a review of the subject school's fiscal data from years 2016, 2017, 2018 and 2019. The review of the data allows the reviewers to acquire a picture of both the revenue and expenditure experience over a four-year period.

The review and analysis of the data regarding the revenue and expenditure of the school districts in tables 3-12 indicate a consistent pattern on the part of each school district to pursue a budgeted fiscal balance. The historical trend provides a view of consistent fiscal practices in management between revenue and expenditures with an occasional informed decision to move into deficit spending when necessary to maintain the operation of the school district.

## Table 3 FINANCIAL REVIEW 2019 LELAND NO. 1

Description 2019 LELAND	-10	-20	-30	-40	-50	-60	-70	-80	-90
	Educational	O&M	Debt Services	TRANSPORT	IMRG	Capital Projects	Working Cash	Tort	FIRE
<b>RECEIPTS AND REVENJUE</b>									
<b>LOCAL SOURCES</b>	2,320,768	299,167	268,805	106,571	119,721	0	38,457	253,652	25,440
<b>STATE SOURCES</b>	\$388,697	\$0	\$0	\$131,696	\$0	\$0	\$0	\$0	\$0
<b>FEDERAL SOURCES</b>	\$131,893	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Revenues</b>	\$2,841,358	\$299,167	\$268,805	\$238,267	\$119,721	\$0	\$38,457	\$253,652	\$25,440
<i>On Behalf</i>	\$1,022,148								
<b>Total Revenues</b>	\$3,863,506	\$299,167	\$268,805	\$238,267	\$119,721	\$0	\$38,457	\$253,652	\$25,440
<b>DISBURSEMENTS/EXPENDITURES</b>									
<b>Instruction</b>	\$1,691,673				\$36,981				
<b>Support Services</b>	\$770,586	\$225,855		\$185,078	\$61,843	\$315,181		\$281,715	\$69,757
<b>Community Services</b>	\$0	\$0		\$0	\$0				
<b>Payments to Others</b>	\$204,849	\$0	\$0	\$0	\$0	\$0		\$0	\$0
<b>Debt Service</b>	\$0	\$0	\$275,135	\$0	\$0			\$0	\$0
<b>Total Expenditures</b>	\$2,667,108	\$225,855	\$275,135	\$185,078	\$98,824	\$315,181		\$281,715	\$69,757
<i>On Behalf</i>	\$1,022,148	\$0	\$0	\$0	\$0	\$0		\$0	\$0
<b>Total Expenditures</b>	\$3,689,256	\$225,855	\$275,135	\$185,078	\$98,824	\$315,181		\$281,715	\$69,757
<b>Excess Rev/Expend</b>	\$174,250	\$73,312	(\$6,330)	\$53,189	\$20,897	(\$315,181)	\$38,457	(\$28,063)	(\$44,317)

## Table 4 FINANCIAL REVIEW 2018 LELAND NO. 1

Description 2018 LELAND		(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
<b>RECEIPTS/REVENUES</b>									
LOCAL SOURCES	2,202,730	258,677	269,406	102,144	154,855	0	34,043	209,618	24,528
STATE SOURCES	409,473	0	0	107,646	0	0	0	0	0
FEDERAL SOURCES	221,030	0	0	0	0	0	0	0	0
<b>Total Revenues</b>	<b>2,833,233</b>	<b>258,677</b>	<b>269,406</b>	<b>209,790</b>	<b>154,855</b>	<b>0</b>	<b>34,043</b>	<b>209,618</b>	<b>24,528</b>
<i>On Behalf</i>	1,089,844								
<b>Total Revenues</b>	<b>3,923,077</b>	<b>258,677</b>	<b>269,406</b>	<b>209,790</b>	<b>154,855</b>	<b>0</b>	<b>34,043</b>	<b>209,618</b>	<b>24,528</b>
<b>DISBURSEMENTS/EXPENDITURES</b>									
Instruction	\$1,718,214				\$35,372				
Support Services	\$681,761	\$268,596		\$193,582	\$63,429	\$0		\$246,979	\$38,925
Community Services	\$0	\$0		\$0	\$0				
Payments to Others	\$212,106	\$0	\$0	\$0	\$0	\$0		\$0	\$0
Debt Service	\$0	\$0	\$265,670	\$0	\$0			\$0	\$0
<b>Total Expenditures</b>	<b>\$2,612,081</b>	<b>\$268,596</b>	<b>\$265,670</b>	<b>\$193,582</b>	<b>\$98,801</b>	<b>\$0</b>		<b>\$246,979</b>	<b>\$38,925</b>
<i>On Behalf</i>	\$1,089,844	\$0	\$0	\$0	\$0	\$0		\$0	\$0
<b>Total Expenditures</b>	<b>\$3,701,925</b>	<b>\$268,596</b>	<b>\$265,670</b>	<b>\$193,582</b>	<b>\$98,801</b>	<b>\$0</b>		<b>\$246,979</b>	<b>\$38,925</b>
Excess Rev/Expend	\$221,152	-\$9,919	\$3,736	\$16,208	\$56,054	\$0	\$34,043	-\$37,361	-\$14,397



## Table 5 FINANCIAL REVIEW 2017 LELAND NO. 1

Description 2017 LELAND	(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
<b>RECEIPTS/REVENUES</b>									
<b>LOCAL SOURCES</b>	\$2,108,688	\$235,017	\$268,179	\$93,996	\$161,213	\$0	\$27,392	\$145,908	\$23,359
<b>STATE SOURCES</b>	\$317,241	\$0	\$0	\$69,643	\$0	\$0	\$0	\$0	\$0
<b>FEDERAL SOURCES</b>	\$207,086	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Revenues</b>	\$2,633,015	\$235,017	\$268,179	\$163,639	\$161,213	\$0	\$27,392	\$145,908	\$23,359
<i>On Behalf</i>	\$1,139,279								
<b>Total Revenues</b>	\$3,772,294	\$235,017	\$268,179	\$163,639	\$161,213	\$0	\$27,392	\$145,908	\$23,359
<b>DISBURSEMENTS/EXPENDITURES</b>									
<b>Instruction</b>	\$1,551,215				\$34,628				
<b>Support Services</b>	\$702,628	\$261,439		\$203,365	\$64,315	\$0		\$168,957	\$14,321
<b>Community Services</b>	\$0	\$0		\$0	\$0				
<b>Payments to Others</b>	\$160,497	\$0	\$0	\$0	\$0	\$0			\$0
<b>Debt Service</b>	\$0	\$0	\$267,057	\$0	\$0			\$0	\$0
<b>Total Expenditures</b>	\$2,414,340	\$261,439	\$267,057	\$203,365	\$98,943	\$0		\$168,957	\$14,321
<i>On Behalf</i>	\$1,139,279	\$0	\$0	\$0	\$0	\$0		\$0	\$0
<b>Total Expenditures</b>	\$3,553,619	\$261,439	\$267,057	\$203,365	\$98,943	\$0		\$168,957	\$14,321
<b>Excess Rev/Expend</b>	\$218,675	-\$26,422	\$1,122	-\$39,726	\$62,270	\$0	\$27,392	-\$23,049	\$9,038

## Table 6 FINANCIAL REVIEW 2016 LELAND NO. 1

Description 2016 LELAND	(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
<b>RECEIPTS/REVENUES</b>									
<b>LOCAL SOURCES</b>	\$2,131,245	\$229,695	\$230,184	\$93,082	\$134,905	\$0	\$26,033	\$70,578	\$22,910
<b>STATE SOURCES</b>	\$352,392	\$0	\$0	\$79,213	\$0	\$0	\$0	\$0	\$0
<b>FEDERAL SOURCES</b>	\$128,154	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Revenues</b>	\$2,611,791	\$229,695	\$230,184	\$172,295	\$134,905	\$0	\$26,033	\$70,578	\$22,910
<i>On Behalf</i>	\$534,505								
<b>Total Revenues</b>	\$3,146,296	\$229,695	\$230,184	\$172,295	\$134,905	\$0	\$26,033	\$70,578	\$22,910
<b>DISBURSEMENTS/EXPENDITURES</b>									
<b>Instruction</b>	\$1,518,614				\$36,179				
<b>Support Services</b>	\$737,236	\$271,388		\$209,119	\$68,606	\$0		\$168,449	\$580
<b>Community Services</b>	\$0	\$0		\$0	\$0				
<b>Payments to Others</b>	\$158,112	\$0	\$0	\$0	\$0	\$0			\$6,231
<b>Debt Service</b>	\$0	\$0	\$248,972	\$0	\$0			\$0	\$0
<b>Total Expenditures</b>	\$2,413,962	\$271,388	\$248,972	\$209,119	\$104,785	\$0		\$168,449	\$6,811
<i>On Behalf</i>	\$534,505	\$0	\$0	\$0	\$0	\$0		\$0	\$0
<b>Total Expenditures</b>	\$2,948,467	\$271,388	\$248,972	\$209,119	\$104,785	\$0		\$168,449	\$6,811
<b>Excess Rev/Expend</b>	\$197,829	-\$41,693	-\$18,788	-\$36,824	\$30,120	\$0	\$26,033	-\$97,871	\$16,099

## Table 7 FINANCIAL REVIEW 2019 SOMONAUK NO. 432

Description 2019 SOMONAUK		(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
<b>RECEIPTS/REVENUES</b>									
<b>LOCAL SOURCES</b>	\$5,809,662	\$502,741	\$886,446	\$265,098	\$257,931	\$3,095	\$124,131	\$504,043	\$69,589
<b>STATE SOURCES</b>	\$1,865,283	\$0	\$0	\$373,202	\$0	\$0	\$0	\$0	\$0
<b>FEDERAL SOURCES</b>	\$402,764	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Revenues</b>	\$8,077,709	\$502,741	\$886,446	\$638,300	\$257,931	\$3,095	\$124,131	\$504,043	\$69,589
<i>On Behalf</i>	\$3,008,567								
<b>Total Revenues</b>	\$11,086,276	\$502,741	\$886,446	\$638,300	\$257,931	\$3,095	\$124,131	\$504,043	\$69,589
<b>DISBURSEMENTS/EXPENDITURES</b>									
<b>Instruction</b>	\$4,751,337				\$87,272				
<b>Support Services</b>	\$2,321,191	\$504,378		\$495,042	\$139,088	\$228,019		\$433,160	\$0
<b>Community Services</b>	\$2,000	\$0		\$0	\$0				
<b>Payments to Others</b>	\$312,306	\$0	\$0	\$0	\$0	\$0		\$0	\$0
<b>Debt Service</b>	\$0	\$0	\$3,692,652	\$0	\$0			\$0	\$0
<b>Total Expenditures</b>	\$7,386,834	\$504,378	\$3,692,652	\$495,042	\$226,360	\$228,019		\$433,160	\$0
<i>On Behalf</i>	\$3,008,567	\$0	\$0	\$0	\$0	\$0		\$0	\$0
<b>Total Expenditures</b>	\$10,395,401	\$504,378	\$3,692,652	\$495,042	\$226,360	\$228,019		\$433,160	\$0
<b>Excess Rev/Expend</b>	\$690,875	(\$1,637)	(\$2,806,206)	\$143,258	\$31,571	(\$224,924)	\$124,131	\$70,883	\$69,589

## Table 8 FINANCIAL REVIEW 2018 SOMONAUK NO. 432

Description 2018 SOMONAUK		(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
	Educational	Operat & Maint	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
<b>RECEIPTS/REVENUES</b>									
LOCAL SOURCES	\$5,600,982	\$484,432	\$889,637	\$250,102	\$259,928	\$2,890	\$89,756	\$515,262	\$63,988
STATE SOURCES	\$1,967,525	\$0	\$0	\$368,606	\$0	\$0	\$0	\$0	\$0
FEDERAL SOURCES	\$488,045	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Revenues</b>	\$8,056,552	\$484,432	\$889,637	\$618,708	\$259,928	\$2,890	\$89,756	\$515,262	\$63,988
<i>On Behalf</i>	\$2,940,043								
<b>Total Revenues</b>	\$10,996,595	\$484,432	\$889,637	\$618,708	\$259,928	\$2,890	\$89,756	\$515,262	\$63,988
<b>DISBURSEMENTS/EXPENDITURES</b>									
Instruction	\$4,554,119				\$85,410				
Support Services	\$2,320,369	\$626,759		\$465,727	\$136,396	\$349,148		\$420,577	\$1,206
Community Services	\$2,545	\$0		\$0	\$0				
Payments to Others	\$237,194	\$0	\$0	\$0	\$0	\$0		\$0	\$0
Debt Service	\$0	\$0	\$945,591	\$0	\$0			\$0	\$0
<b>Total Expenditures</b>	\$7,114,227	\$626,759	\$945,591	\$465,727	\$221,806	\$349,148		\$420,577	\$1,206
<i>On Behalf</i>	\$2,940,043	\$0	\$0	\$0	\$0	\$0		\$0	\$0
<b>Total Expenditures</b>	\$10,054,270	\$626,759	\$945,591	\$465,727	\$221,806	\$349,148		\$420,577	\$1,206
<b>Excess Rev/Expend</b>	\$942,325	\$142,327	-\$55,954	\$152,981	\$38,122	\$346,258	\$89,756	\$94,685	\$62,782

## Table 9 FINANCIAL REVIEW 2017 SOMONAUK NO. 432

Description 2017 SOMONAUK	(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
<b>RECEIPTS/REVENUES</b>									
LOCAL SOURCES	\$5,359,155	\$485,278	\$887,649	\$241,593	\$258,395	\$3,717	\$73,160	\$516,968	\$59,439
STATE SOURCES	\$1,629,312	\$0	\$0	\$158,815	\$0	\$0	\$0	\$0	\$0
FEDERAL SOURCES	\$296,269	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Revenues</b>	\$7,285,636	\$485,278	\$887,649	\$400,408	\$258,395	\$3,717	\$73,160	\$516,968	\$59,439
<i>On Behalf</i>	\$1,619,668								
<b>Total Revenues</b>	\$8,905,304	\$485,278	\$887,649	\$400,408	\$258,395	\$3,717	\$73,160	\$516,968	\$59,439
<b>DISBURSEMENTS/EXPENDITURES</b>									
Instruction	\$4,374,459				\$89,111				
Support Services	\$2,136,001	\$567,067		\$427,175	\$157,983	\$378,717		\$416,941	\$47,368
Community Services	\$1,071	\$0		\$0	\$0				
Payments to Others	\$140,305	\$0	\$0	\$0	\$0	\$0			\$0
Debt Service	\$0	\$0	\$958,234	\$22,353	\$0			\$0	\$0
<b>Total Expenditures</b>	\$6,651,836	\$567,067	\$958,234	\$449,528	\$247,094	\$378,717		\$416,941	\$47,368
<i>On Behalf</i>	\$1,619,668	\$0	\$0	\$0	\$0	\$0		\$0	\$0
<b>Total Expenditures</b>	\$8,271,504	\$567,067	\$958,234	\$449,528	\$247,094	\$378,717		\$416,941	\$47,368
Excess Rev/Expend	\$633,800	-\$81,789	-\$70,585	-\$49,120	\$11,301	\$375,000	\$73,160	\$100,027	\$12,071

## Table 10 FINANCIAL REVIEW 2016 SOMONAUK NO. 432

Description 2016 SOMONAUK	(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
	Educational	Operat & Maint	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
<b>RECEIPTS/REVENUES</b>									
LOCAL SOURCES	\$5,141,663	\$472,958	\$878,663	\$229,755	\$231,821	\$2,911	\$61,584	\$499,731	\$56,995
STATE SOURCES	\$1,741,611	\$0	\$0	\$222,558	\$0	\$0	\$0	\$0	\$0
FEDERAL SOURCES	\$401,186	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Revenues</b>	\$7,284,460	\$472,958	\$878,663	\$452,313	\$231,821	\$2,911	\$61,584	\$499,731	\$56,995
<i>On Behalf</i>	\$1,515,911								
<b>Total Revenues</b>	\$8,800,371	\$472,958	\$878,663	\$452,313	\$231,821	\$2,911	\$61,584	\$499,731	\$56,995
<b>DISBURSEMENTS/EXPENDITURES</b>									
Instruction	\$4,342,722				\$99,387				
Support Services	\$2,331,162	\$431,850		\$284,448	\$151,828	\$60,759		\$411,526	\$14,583
Community Services	\$0	\$0		\$0	\$0				
Payments to Others	\$161,343	\$0	\$0	\$0	\$0	\$0			\$0
Debt Service	\$0	\$0	\$959,034	\$139,813	\$0			\$0	\$0
<b>Total Expenditures</b>	\$6,835,227	\$431,850	\$959,034	\$424,261	\$251,215	\$60,759		\$411,526	\$14,583
<i>On Behalf</i>	\$1,515,911	\$0	\$0	\$0	\$0	\$0		\$0	\$0
<b>Total Expenditures</b>	\$8,351,138	\$431,850	\$959,034	\$424,261	\$251,215	\$60,759		\$411,526	\$14,583
<b>Excess Rev/Expend</b>	\$449,233	\$41,108	-\$80,371	\$28,052	-\$19,394	\$57,848	\$61,584	\$88,205	\$42,412

## Table 11 SOMONAUK FINANCIAL REVIEW 2019

SOMONAUK 2019	Educational	Operations & Maintenance	Debt Services	Transport	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
Revenue	\$11,086,276	\$502,741	\$886,446	\$638,300	\$257,931	\$3,095	\$124,131	\$504,043	\$69,589
Expend	\$10,395,401	\$504,378	\$3,692,652	\$495,042	\$226,360	\$228,019		\$433,160	\$0
<b>EXCESS PLUS/MIN</b>	\$690,875	<b>(\$1,637)</b>	<b>(\$2,806,206)</b>	\$143,258	\$31,571	<b>(\$224,924)</b>	\$124,131	\$70,883	\$69,589

## Table 12 LELAND FINANCIAL REVIEW 2019

LELAND 2019	Educational	Operations & Maintenance	Debt Services	Transport	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
Revenue	\$3,863,506	\$299,167	\$268,805	\$238,267	\$119,721	\$0	\$38,457	\$253,652	\$25,440
Expend	\$3,689,256	\$225,855	\$275,135	\$185,078	\$98,824	\$315,181		\$281,715	\$69,757
<b>EXCESS PLUS/MIN</b>	\$174,250	\$73,312	<b>(\$6,330)</b>	\$53,189	\$20,897	<b>(\$315,181)</b>	\$38,457	<b>(\$28,063)</b>	<b>(\$44,317)</b>

## STATE FUNDING MODEL FOR ILLINOIS SCHOOLS

Revenue funding for Illinois has now been changed from the State Aid Model to the Evidence Based Funding Model. This process of funding is still being processed at the state level and the school districts are struggling to understand how this new model will impact their revenue stream of state dollars. Currently all indicators predict increased revenue for the school districts in this study.

### **There are four major components to the EBF model:**

1. First, the model calculates how much a district needs to provide a high-quality education to its students, called the district's Adequacy Target. A unique Adequacy Target that reflects student needs is calculated for each school district. · This is based on the actual per-pupil cost of providing a set of research-based interventions, or Essential Elements, proven to impact student learning. · The Adequacy Target is adjusted to account for regional differences in wages.
2. Second, EBF calculates each district's Local Capacity Target, or the amount each district can contribute toward its Adequacy Target from local resources. · To determine this, EBF looks at what the district should be contributing, based on its property wealth and its individual Adequacy Target, and adjusts that based on what the district is collecting in taxes, called "real receipts." · This gives the most accurate view of how well a district can support itself.
3. Third, the model determines how well-funded a district currently is, or the Percent of Adequacy that is currently funded, considering the district's local capacity and its current state funding.
4. Finally, the distribution method directs new state dollars to those districts that have the lowest Percent of Adequacy. The following calculations were presented to the Illinois School Districts by the Illinois State Board of Education. The following data represents the EBF calculations for the school



districts. The concept of the model is based on adequacy and the calculations made by the state is to determine the percentage of adequacy that exists within each district in the state of Illinois

The adequacy percentages as shown in table 13 the subject districts indicate that new dollars are needed in the years ahead to move each of the districts closer to their full status of adequacy. It is anticipated that each district will be receiving increased state funding each year until they reach the 100% of their targeted adequacy level. Leland being a Tier 3 school will receive less consideration for future funding due to their 96% of adequacy status. However, please note the increased funding for the districts will only occur if the State approves additional funding for the EBF Model during the legislative budgeting process.

The State has recently provided the calculations for the 2020 Evidence Based Funding for the subject school districts. The data provided in table 13 indicates an increase in both the Total Net State Funding and the assigned adequacy level for each of the school districts.

<b>TABLE 13 ISBE EVIDENCE BASED FUNDING 2020</b>								
<b>District Name</b>	<b>AVG STUDENT ATTENDANCE</b>	<b>ADQ. TARGET</b>	<b>FINAL RESOURCES</b>	<b>% ADQ</b>	<b>TIER</b>	<b>TIER FUNDING</b>	<b>FY19 BASE FUNDING</b>	<b>GROSS STATE FUNDS</b>
<b>SOMONAUK</b>	<b>806</b>	<b>\$10,341,462</b>	<b>\$7,512,954</b>	<b>73</b>	<b>2</b>	<b>\$42,364</b>	<b>\$1,618,812</b>	<b>\$1,661,176</b>
<b>LELAND</b>	<b>267</b>	<b>\$3,048,889</b>	<b>\$2,918,897</b>	<b>96</b>	<b>3</b>	<b>\$6,935</b>	<b>\$338,375</b>	<b>\$345,310</b>

## **HISTORICAL REVIEW OF REVENUE AND EXPENDITURES AND FUND BALANCES**

Reviewing the fiscal health of a school district requires an examination of the historical data related to financial practices. The following information provides a review of the subject school's fiscal data from years 2016, 2017, 2018 and 2019. The review of the data allows the reviewers to acquire a picture of both the revenue and expenditure experience over a four-year period.

The review and analysis of the data regarding the revenue and expenditure of the school districts as shown in tables 14-15 indicate a consistent pattern on the part of each school district to pursue a budgeted fiscal balance. The historical trend provides a view of consistent fiscal practices in management between revenue and expenditures with an occasional informed decision to move into deficit spending when necessary to maintain the operation of the school district.

Increasing efficiency in school spending begins by identifying ambitious district goals and designing a budget to include all elements in support of those goals. Doing so allows school and district leaders to analyze the budget to identify whether resource allocations support or hinder reaching those goals, and then take steps to reallocate accordingly. However, while identifying and developing a strategy for reallocating resources around collective goals is essential to good budgeting and may sound logical, unfortunately it is not always a common practice.

The relationship of the revenue generated, and the program expenditure patterns of the school districts indicate good fiscal practices. Please note that during any given fiscal year a school district may consciously choose to enter into deficit spending in order to meet the needs of the school district and or expand the educational opportunities for the students being served by the district. Fiscal integrity and good management of the budget can and often does include more expenditures being pursued than the revenue generated during the budget cycle. This is and should be a

component of good fiscal operational planning. The episodes of deficit spending in the subject school districts have been minimal and were anchored with healthy surplus fund balances.

<b>TABLE 14 HISTORICAL REVENUE REVIEW</b>									
<b>SOMONAUK DISTRICT NO. 432</b>									
<b>FY</b>	<b>ED FUND</b>	<b>O/M FUND</b>	<b>DEBT</b>	<b>TRANS</b>	<b>IMRF</b>	<b>CAP PROJ</b>	<b>WRK CASH</b>	<b>TORT</b>	<b>FIRE</b>
6/30/2016	\$7,284,460	472,958	878,663	452,313	231,821	2,911	61,584	499,731	56,995
6/30/2017	\$8,905,304	485,278	887,649	400,408	258,395	3,717	73,160	516,968	59,439
6/30/2018	\$10,996,595	484,432	889,637	618,708	259,928	2,890	89,756	515,262	63,988
6/30/2019	\$11,086,276	\$502,741	\$886,446	\$638,300	\$257,931	\$3,095	\$124,131	\$504,043	\$69,589
<b>LELAND DISTRICT NO. 1</b>									
<b>FY</b>	<b>ED FUND</b>	<b>O/M FUND</b>	<b>DEBT</b>	<b>TRANS</b>	<b>IMRF</b>	<b>CAP PROJ</b>	<b>WRK CASH</b>	<b>TORT</b>	<b>FIRE</b>
2016	\$3,146,296	229,695	230,184	172,295	134,905	0	26,033	70,578	22,910
2017	\$3,772,294	235,017	268,179	163,639	161,213	0	27,392	145,908	23,359
2018	\$3,863,506	258,677	269,406	209,790	154,855	0	34,043	209,618	24,528
2019	\$3,863,506	\$299,167	\$268,805	\$238,267	\$119,721	\$0	\$38,457	\$253,652	\$25,440

The historical review shows annual increases in revenue for the subject districts. This increase is due in part to the new Evidence Based Funding Model and by a consistent increase in the overall equalized assessed valuation.

## TABLE 15 HISTORICAL EXPENDITURE REVIEW

### SOMONAUK DISTRICT NO. 432

FY	ED FUND	O/M FUND	DEBT	TRANS	IMRF	CAP PROJ	WRK CASH	TORT	FIRE
2016	8,351,138	431,850	959,034	424,261	251,215	60,759		411,526	14,583
2017	8,271,504	567,067	958,234	449,528	247,094	378,717		416,941	47,368
2018	10,054,270	626,759	945,591	465,727	221,806	349,148		420,577	1,206
2019	10,395,401	504,378	3,692,652	495,042	226,360	228,019		433,160	0

### LELAND DISTRICT NO. 1

FY	ED FUND	O/M FUND	DEBT	TRANS	IMRF	CAP PROJ	WRK CASH	TORT	FIRE
2016	2,948,467	271,388	248,972	209,119	104,785	0		168,449	6,811
2017	2,414,340	261,439	267,057	203,365	98,943	0		168,957	14,321
2018	3,701,925	268,596	265,670	193,582	98,801	0		246,979	38,925
2019	3,689,256	225,855	275,135	185,078	98,824	315,181		281,715	69,757

### SCHOOL DISTRICT FUND BALANCES 2014-19

A review of the Annual Financial Reports for the years 2014 through 2019 reflect a composite growth pattern in the fiscal year fund balances for both school districts. Surpluses in education as compared to businesses are not necessarily a good thing. The expectation is that money received each

year must be spent within that year. The money a school district, or program receives is often impacted by multiple formulas. These formulas include factors such as enrollment, grade levels, and student needs, which all change every year. A third grade English Language Learner student will have different needs and costs than a fourth grader with a more advanced understanding of the English language. The Illinois Evidence Based Funding Model utilizes calculations that are related to the many variances of needs that exist within our schools. As previously indicated there are times when deficit spending can and should reduce the fund balances as operation needs are identified during certain fiscal periods. Some questions to ask as we conduct an analysis of a district's revenue positions include:

- ✓ Is a decrease in revenue attributable to a decrease in the number of students enrolled?
- ✓ Is a decrease in revenue attributable to a reduction in the state per student funding formula base?
- ✓ Is a decrease in revenue attributable to significant change within the makeup of the student body, such as reduction in the number of special education students?
- ✓ Is a decrease in revenue due to lower amounts of funds raised locally, such as through property taxes etc.?
- ✓ Is a decrease in revenue attributable to the reduction or expiration of non-local grants?
- ✓ How does the district compare to others in the state in terms of per-pupil funding by source (state v. local)?
- ✓ Do districts with similar student populations and property wealth receive similar state and local support?

Please note that the historical review of the fund balances is conducted to determine varied trend evidences related to the generation of revenues and the expenditures which has a direct impact on the resulting fund balances. The projections made for this section consists of the analysis of the fund balances by fund account from 2013-14 to 2018-19. The percentage of increase or decrease for the five years was calculated to provide a percentage base on which to make five-year projections.

Projecting revenue and expenditures in Illinois is a very difficult if not impossible task due to the many uncertainties that exist with our state legislature and local fiscal authorities.

## TABLE 16 HISTORICAL REVIEW OF FUND BALANCES

### LELAND NO. 1

Fund Balances	Educational	Oper & Maint	Debt Services	Transport	IMRF SS	Capital Projects	Working Cash	Tort	Fire Prevention & Safety	TOTAL
JUNE 30 2014	\$294,297	\$704,055	\$7,259	\$609,312	\$0	\$0	\$819,959	\$130,348	\$103,801	\$2,669,031
JUNE 30 2015	\$347,441	\$664,738	\$48,345	\$605,937	\$40,064	\$0	\$846,380	\$243,128	\$45,846	\$2,841,879
JUNE 30 2016	\$545,270	\$623,045	\$85,557	\$569,113	\$70,184	\$0	\$816,413	\$145,257	\$61,945	\$2,916,784
JUNE 30 2017	\$763,945	\$596,623	\$86,679	\$529,387	\$132,454	\$0	\$843,805	\$122,208	\$70,983	\$3,146,084
JUNE 30 2018	\$985,097	\$586,704	\$90,415	\$545,595	\$188,508	\$0	\$877,848	\$84,847	\$56,586	\$3,415,600
JUNE 30 2019	\$1,001,627	\$597,662	\$84,085	\$598,784	\$209,405	\$51,609	\$769,589	\$56,784	\$12,269	\$3,381,814

## TABLE 17 HISTORICAL REVIEW OF FUND BALANCES

### SOMONAUK NO. 432

Fund Balances	Educational	Oper & Maint	Debt Services	Transport	IMRF SS	Capital Projects	Working Cash	Tort	Fire Prevention & Safety	TOTAL
JUNE 30 2014	-\$493,251	\$418,371	\$201,770	\$748,100	\$420,630	\$0	\$2,450,552	\$236,020	\$110,626	\$4,092,818
JUNE 30 2015	\$1,257	\$551,811	\$212,970	\$719,611	\$341,225	\$1,001,100	\$2,510,566	\$298,205	\$121,978	\$5,758,723
JUNE 30 2016	\$1,002,912	\$596,119	\$212,731	\$347,663	\$321,831	\$943,252	\$2,572,150	\$386,410	\$164,390	\$6,547,458
JUNE 30 2017	\$1,534,767	\$515,039	\$244,091	\$298,543	\$333,132	\$568,252	\$2,645,310	\$486,437	\$176,461	\$6,802,032
JUNE 30 2018	\$2,410,977	\$374,899	\$254,768	\$451,524	\$371,254	\$221,994	\$2,735,066	\$581,122	\$239,243	\$7,640,847
JUNE 30 2019	\$3,104,710	\$373,262	\$262,975	\$594,782	\$402,825	\$1,000,520	\$2,859,197	\$652,005	\$308,832	\$9,559,108

## **BUDGET PROJECTIONS**

The following budgetary projections for the existing subject school districts and for the new unit school district are based on the historical review of the fiscal growth and expenditure activity of the individual school districts in this study. The projections are presented for the education, operations, and the transportation funds to gain an understanding of the potential revenue and expenditure frame for a newly reorganized district.

Budget projections were generated for each individual school district to determine the future fiscal status of the districts if they were to remain as independent operating units. Tables 18 and 19 show the projected growth in both revenue and expenditures for the two districts from 2019 to 2025. Again, it is important to provide a caveat of caution regarding the projections provided in the study. The calculations are based on a review of the trending data both in local and state revenue as experienced by the subject school districts and the fiscal attitude and activity of the state. An index of 1.025 was utilized to forecast the projections for each of the districts. The budget projections for the individual districts are shown in Tables 18 and 19. The projections indicate an expected positive balance in the education fund in year 2025.

**Table 18 LELAND FIVE YEAR BUDGET PROJECTIONS**

FY	ED FUND		O/M FUND		DEBT		TRANS	
	REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND
2019	\$3,863,506	3,689,256	\$299,167	225,855	\$268,805	275,135	\$238,267	185,078
2020	\$3,960,094	\$3,781,487	\$306,646	\$231,501	\$275,525	\$282,013	\$244,224	\$189,705
2021	\$4,059,096	\$3,876,025	\$314,312	\$237,289	\$282,413	\$289,064	\$250,329	\$194,448
2022	\$4,160,573	\$3,972,925	\$322,170	\$243,221	\$289,474	\$296,290	\$256,587	\$199,309
2023	\$4,264,588	\$4,072,248	\$330,224	\$249,302	\$296,710	\$303,698	\$263,002	\$204,291
2024	\$4,371,202	\$4,174,055	\$338,480	\$255,534	\$304,128	\$311,290	\$269,577	\$209,399
2025	\$4,480,482	\$4,278,406	\$346,942	\$261,923	\$311,731	\$319,072	\$276,317	\$214,634

**Table 19 SOMONAUK FIVE YEAR BUDGET PROJECTIONS**

FY	ED FUND		O/M FUND		DEBT		TRANS	
	REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND
2019	\$11,086,276	10,395,401	\$502,741	504,378	\$886,446	3,692,652	\$638,300	495,042
2020	\$11,363,433	\$10,655,286	\$515,310	\$516,987	\$908,607	\$3,784,968	\$654,258	\$507,418
2021	\$11,647,519	\$10,921,668	\$528,192	\$529,912	\$931,322	\$3,879,593	\$670,614	\$520,104
2022	\$11,938,707	\$11,194,710	\$541,397	\$543,160	\$954,605	\$3,976,582	\$687,379	\$533,106
2023	\$12,237,174	\$11,474,578	\$554,932	\$556,739	\$978,471	\$4,075,997	\$704,564	\$546,434
2024	\$12,543,104	\$11,761,442	\$568,805	\$570,657	\$1,002,932	\$4,177,897	\$722,178	\$560,095
2025	\$12,856,681	\$12,055,478	\$583,025	\$584,924	\$1,028,006	\$4,282,344	\$740,232	\$574,097

The process of establishing the calculations of the projected budget for the new district includes the addition of the incentive payments as additional revenue for 2022-2026 and also applies the reduction in state aid and the addition of the salary difference expenditure as a result of the reorganization. As shown in Table 20 the incentive calculations payments are scheduled for a four-year distribution based on the incentive calculations developed by the Illinois State Board of Education. The baseline data was established utilizing the data from June 30, 2019 Annual Financial



Reports. The budget projections for a new PK-12 school district as shown in Table 20 utilizes a conservative growth index of 1.025 for revenue and an index of 1.025 for the projective estimate of expenditure activity for the new district.

In Table 20 the future projections utilized in this study assume that a newly reorganized school district would be a Pre-K-12 Unit District composed of the former Leland CUSD No.1 School District and Somonauk CUSD No. 432 school district. It assumes that the new unit school district would come into existence beginning with the 2022-2023 school year.

<b>TABLE 20 REVENUE AND EXPENDITURE PROJECTIONS FOR L/S PK-12 DISTRICT</b>										
<b>YEAR</b>	<b>ED FUND</b>				<b>O/M FUND</b>		<b>TRANS</b>		<b>WRKNG CASH</b>	
	REVENUE	INCENTIVE PAYMENTS	TOTAL REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND
2019	\$14,949,782	\$0	\$14,949,782	\$14,084,657	\$801,908	\$729,233	\$876,567	\$680,120	\$162,588	\$0
2020	\$15,323,527	\$0	\$15,323,527	\$14,436,773	\$821,956	\$747,464	\$898,481	\$697,123	\$166,653	\$0
2021	\$15,706,615		\$15,706,615	\$14,653,677	\$834,305	\$758,694	\$911,980	\$707,597	\$169,157	\$0
2022	\$16,099,280	\$84,795	\$16,099,280	\$15,020,019	\$855,163	\$777,661	\$934,780	\$725,287	\$173,386	\$0
2023	\$16,501,762	\$452,795	\$16,501,762	\$15,395,519	\$876,542	\$797,103	\$958,149	\$743,419	\$177,721	\$0
2024	\$16,914,306	\$452,795	\$16,914,306	\$15,780,407	\$898,455	\$817,030	\$982,103	\$762,005	\$182,164	\$0
2025	\$17,337,164	\$84,795	\$17,337,164	\$16,174,918	\$920,917	\$837,456	\$1,006,655	\$781,055	\$186,718	\$0
2026	\$17,770,593		\$17,770,593	\$16,579,291	\$943,940	\$858,393	\$1,031,822	\$800,581	\$191,386	\$0

Please note the incentive dollars provide a significant boost in revenue only for the years 2022-2025. However, beginning in 2026 the incentive contributions end. The incentives for this study are established as a result of the minimal loss of state funding and the increase in salary cost due to the shift of all certified staff to the highest existing salary schedule.

The budget projections shown in Table 20 reflect a positive balance in 2026 for the education fund with the revenue exceeding the expenditures by approximately 1.100,000.

It is critical for the new district to actively identify, pursue and capture the efficiencies afforded the new school district because of the reorganization process. The reduction in operational costs should be established during the first four years of the new district’s existence and prior to the receipt of the last incentive payment in 2025. The options that can impact reductions in operational costs are listed in the recommendation section of this report. They consist of reductions in personnel, changes in the utilization and operation of facilities, consolidation of transportation routes and schedules and even the restructuring of the educational delivery system. Due to the minimal increase in cost to establish the reorganized district and the ability to capture savings and reduce costs for the new system the budget projections shown in for the new district are positive even without any significant reductions.

### **SCHOOL DISTRICT TAX RATES AND EAV**

The historical review of the equalized assessed evaluation along with the projection of growth in EAV using an index of 1.02 is shown in Table 21. The EAV for both districts has grown by a small percentage over the past five years. It is anticipated that the growth will continue through 2025.

<b>Table 21 EAV HISTORY AND PROJECTIONS 2019-2025</b>		
	<b>LELAND</b>	<b>SOMONAUK</b>
<b>6/30/2015</b>	<b>\$45,401,578</b>	<b>\$125,867,625</b>
<b>6/30/2016</b>	<b>45,943,980</b>	<b>123,477,363</b>
<b>6/30/2017</b>	<b>\$48,793,017</b>	<b>\$121,993,938</b>
<b>6/30/2018</b>	<b>\$50,391,782</b>	<b>\$127,417,249</b>
<b>6/30/2019</b>	<b>\$51,399,618</b>	<b>\$129,965,594</b>
<b>6/30/2020</b>	<b>\$52,427,610</b>	<b>\$132,564,906</b>
<b>6/30/2021</b>	<b>\$53,476,162</b>	<b>\$135,216,204</b>
<b>6/30/2022</b>	<b>\$54,545,685</b>	<b>\$137,920,528</b>
<b>6/30/2023</b>	<b>\$55,636,599</b>	<b>\$140,678,939</b>
<b>6/30/2024</b>	<b>\$56,749,331</b>	<b>\$143,492,517</b>
<b>6/30/2025</b>	<b>\$57,884,318</b>	<b>\$146,362,368</b>

The tax rate patterns were reviewed for years 2017-2018 and 2018-2019 and are shown in tables 22-25. The total rates for each district was maintained from a low of 6.02 to a high of 6.16 over the two-year review period. It is important to note that the portion of the tax rate related to established debt by former districts will initially result in the new district having different rates for different communities. The state presently requires that all individual district debt will remain with the district that previously established the debt. The Bond and Interest rate for Somonauk is presently set at .72 and the rate for Leland is presently set at .55. However, the new district could decide to roll all the debt into a single tax rate structure and eliminate the differentiation of the rate structure. It is recommended that the new district engage in an annual review of the operational needs of the district coupled with an analysis of the revenue and expenditure trends and determine the actual tax rate that is needed by the new district. The practice of regular Tax Rate/Need Analysis should be a component of all school district's fiscal processes.

<b>TABLE 22 SOMONAUK #432 6/30/2018 TAX RATES</b>	
TAX RATE BY FUND (IN %)	
EDUCATIONAL	3.9948
OPERATIONS & MAINTENANCE	0.3745
BOND & INTEREST	0.7196
TRANSPORTATION	0.1997
MUNICIPAL RETIREMENT	0.123
SOCIAL SECURITY	0.082
WORKING CASH	0.0499
FIRE PREVENTION & SAFETY	0.0499
TORT IMMUNITY	0.414
CAPITAL PROJECTS	
SPECIAL EDUCATION	0.04
LEASING	0.0499
<b>TOTAL TAX</b>	<b>6.0973</b>
DISTRICT EQUALIZED ASSESSED VALUATION (EAV)	121,993,938
EQUALIZED ASSESSED VALUATION PER ADA PUPIL	156,978
TOTAL LONG-TERM DEBT ALLOWED	16,835,163
TOTAL LONG-TERM DEBT OUTSTANDING AS OF June 30, 2017	6,834,180
PERCENT OF LONG-TERM DEBT OBLIGATED CURRENTLY	40.59%

**TABLE 23 SOMONAUK #432 6/30/2019 TAX RATES**

TAX RATE BY FUND (IN %)	
EDUCATIONAL	4
OPERATIONS & MAINTENANCE	0.38
BOND & INTEREST	0.69
TRANSPORTATION	0.21
MUNICIPAL RETIREMENT	0.12
SOCIAL SECURITY	0.08
WORKING CASH	0.05
FIRE PREVENTION & SAFETY	0.05
TORT IMMUNITY	0.4
CAPITAL PROJECTS	
SPECIAL EDUCATION	0.04
LEASING	0.05
<b>TOTAL TAX RATE</b>	<b>6.06</b>
DISTRICT EQUALIZED ASSESSED VALUATION (EAV)	127,417,249
EQUALIZED ASSESSED VALUATION PER ADA PUPIL	167,502
TOTAL LONG-TERM DEBT ALLOWED	17,583,580
TOTAL LONG-TERM DEBT OUTSTANDING AS OF June 30, 2018	6,464,243
PERCENT OF LONG-TERM DEBT OBLIGATED CURRENTLY	36.76%

**TABLE 24 LELAND #1 6/30/2018 TAX RATES**

TAX RATE BY FUND (IN %)	
EDUCATIONAL	4
OPERATIONS & MAINTENANCE	0.5
BOND & INTEREST	0.5488
TRANSPORTATION	0.2
MUNICIPAL RETIREMENT	0.0873
SOCIAL SECURITY	0.131
WORKING CASH	0.05
FIRE PREVENTION & SAFETY	0.05
TORT IMMUNITY	0.506
CAPITAL PROJECTS	0
SPECIAL EDUCATION	0.04
LEASING	0.05
<b>TOTAL TAX RATE</b>	<b>6.1631</b>
DISTRICT EQUALIZED ASSESSED VALUATION (EAV)	50,391,782
EQUALIZED ASSESSED VALUATION PER ADA PUPIL	199,177
TOTAL LONG-TERM DEBT ALLOWED	6,954,066
TOTAL LONG-TERM DEBT OUTSTANDING AS OF June 30, 2018	1,990,000
PERCENT OF LONG-TERM DEBT OBLIGATED CURRENTLY	28.62%

**TABLE 25 LELAND #1 6/30/2019 TAX RATES**

TAX RATE BY FUND (IN %)	
EDUCATIONAL	4
OPERATIONS & MAINTENANCE	0.5
BOND & INTEREST	0.4324
TRANSPORTATION	0.2
MUNICIPAL RETIREMENT	0.0854
SOCIAL SECURITY	0.1253
WORKING CASH	0.05
FIRE PREVENTION & SAFETY	0.05
TORT IMMUNITY	0.4839
CAPITAL PROJECTS	0
SPECIAL EDUCATION	0.04
LEASING	0.05
<b>TOTAL TAX RATE</b>	<b>6.02</b>
DISTRICT EQUALIZED ASSESSED VALUATION (EAV)	52,694,034
EQUALIZED ASSESSED VALUATION PER ADA PUPIL	206,643
TOTAL LONG-TERM DEBT ALLOWED	7,271,777
TOTAL LONG-TERM DEBT OUTSTANDING AS OF June 30, 2019	1,760,000
PERCENT OF LONG-TERM DEBT OBLIGATED CURRENTLY	24.20%

It is noted that without any significant changes in the fiscal frame for the new district such as reductions in operational costs and increases in revenue above the projected growth minimal changes in the total tax rate for the new district would be expected and would remain similar to the present rate structure.

As shown in table 26 the present tax rate ranges from 6.06 for Somonauk #432 and 6.02 for Leland #1. The total extension of local dollars for the two districts is presently \$10,829,461. It is projected the tax rate needed by the new district to generate the same extension of local dollars would be 5.95. The projected rate would result in a small decrease for both districts. However, again it is important to note that with an active pursuit of cost saving strategies by the new district the overall operational costs could be reduced and consideration could be given to the reduction of the total tax rate in the future.

**TABLE 26 TAX RATE AND EXTENSION 6/30/2019**

DISTRICT	TAX LEVY EXTENSION	TAX BASE EAV	DISTRICT RATE
SOMONAUK 432	\$7,734,924	\$129,965,594	6.06
LELAND 1	\$3,094,537	\$51,399,618	6.02
TOTAL	\$10,829,461	\$181,365,212	PROJECTED NEW DISTRICT RATE
			5.95

**SHORT TERM AND LONG-TERM DEBT**

In Table 20 the long-term debt for each district is shown with the total debt allowed, total debt outstanding and the % of the debt obligated. As of June 30,2019 Somonauk, No. 432 has the largest outstanding debt of \$6,464,243 which is 36.76% of their debt allowance.

The districts have no short-term debt.

**TABLE 27 LONG TERM DEBT INDIVIDUAL DISTRICTS 6/30/2019**

DISTRICT	EAV	% DEBT LIMIT	TOTAL LTD ALLOWED	TOTAL LTD OUTSTANDING	% OF LTD OBLIGATED
LELAND NO.1	52,694,034	13.80%	7,271,777	1,760,000	24.20%
SOMONAUK NO.432	127,417,249	13.80%	\$17,583,580	\$6,464,243	36.76%
COMBINED TOTAL	\$180,111,283	13.80%	\$24,855,357	\$8,224,243	33.09%

It is projected that no additional debt will be necessary as the result of the reorganization options listed in this study.

## **FINANCIAL SUMMARY**

The data from Tables 1-26 has been reviewed and utilized in supporting recommendations for reorganization of the subject school districts. It is also recommended that the school district's administration, boards of education and the Committee of Ten carefully review the data in this report and utilize the information to assist in informing their decision related to the possible reorganization of the school districts. The goal is to establish the best organizational structure for the delivery of education for the Leland and Somonauk students and communities.

The consultants have attempted to provide data necessary to make judgments about the feasibility of a consolidation of the two districts involved in this study. This section of the report has included multiple tables showing comparative financial data between the two districts. An attempt has been made to draw analogous data between the two school districts which might become issues for discussion by the respective Boards of Education, and/or citizens of the communities involved in the study.

Both school districts have maintained quality fiscal practices that have resulted in accomplishment of significant fund balances in the educational fund. The tax rate structure of each of the subject school districts were reviewed and compared. The subject school districts have maintained rates that are not excessive and provides the local revenue extension necessary to support the present operational parameters of each of the districts.

Budget projections were generated for each individual school district to determine the future fiscal status of the districts if they were to remain as independent operating units. An index of 1.025 was utilized to forecast the projections for each of the districts.

Again, it is important to provide a caveat of caution regarding the projections provided in the study. The calculations are based on a review of the trending data both in local and state revenue as experienced by the subject school districts and the fiscal attitude and activity of the state

The projections utilized in this study assume that the newly reorganized school district would be a Pre-K-12 Unit District composed of the former Leland CUSD No.1 School District and Somonauk CUSD No. 432 school district. It assumes that the new unit school district would come into existence beginning with the 2022-2023 school year

## **CONSIDERATION OF STATE INCENTIVE CALCULATIONS**

A key factor to consider in any proposed consolidation is the estimated incentive financial package available from the Illinois State Board of Education (ISBE). This source of funds is figured on the following four areas.

A consolidated district may be eligible for the following incentive payments:

- ✓ Evidence-Based Funding Difference
- ✓ Deficit Fund Balance
- ✓ Teacher Salary Difference
- ✓ \$4,000 per Full-Time Certified Staff

The second part of the incentive package is the deficit fund balance incentive. This is designed to cover negative or deficit ending funds balances. Fortunately, each of the subject school



districts have positive overall fund balances. Therefore, no state funds would be issued as an incentive calculation for deficit fund balances.

The third portion of the state’s incentive package is the salary difference incentive payment, which is paid for four years. Estimated salary incentive is calculated based on a review of salary schedules and teacher lists provided by the subject districts. The calculation is equal to the difference of the sum to the salaries earned by each teacher in their original district and the sum of the salaries they would have been paid if placed on the highest salary schedule of the three districts involved. Actual incentives will be calculated by placing each teacher on the highest salary schedule based on education and years of experience. This will become the calculated salary difference amount, which would be paid each of the first four years of the new district. Please remember these estimates assume staffing levels of the new district to be the same as the combined staffing levels of the original districts. They do not consider potential increases or decreases of staff levels due to the consolidation.

The fourth portion of the incentive package is the \$4,000 per certified staff incentive payment, which is paid for 1, 2, or 3 years based on the new district’s rank in EAV/Pupil and ADA.

A major initiative for school district reorganization began when the General Assembly established financial incentives for newly consolidated districts. Since that time, these same incentives have been authorized for other types of reorganizations. Except for most detachment/annexation, all other types of reorganization may qualify for some or all these incentives. The following incentives have been processed since 1986:

**Consolidation Reorganization Incentives FY 1986 – FY 2020 (\$ in millions):**

GSA/EBF Difference.....	\$13.5
Salary Difference.....	\$33.4

Deficit Fund Balance.....\$29.6  
\$4,000 per Certified..... \$102.1  
Total Paid.....\$178.6

**INCENTIVE CALCULATIONS FOR THE SUBJECT SCHOOL DISTRICTS**

**EVIDENCE-BASED FUNDING DIFFERENCE:** This incentive is paid if the Evidence-Based Funding (EBF) for the newly reorganized district(s) for the first year of existence is less than the EBF would have been that same year based on the previously existing districts. The first is the general analysis of the state funding as established by the new Evidence Based Funding Model. This is to make up the difference in the general state aid paid to the newly formed district if that amount is less than the separate districts would have received individually. The Evidence Based Funding (EBF) Difference Incentive is payable for 4 years.

**DEFICIT FUND BALANCE:** This incentive calculates each previously existing district’s fund balances by combining the Education, Operations and Maintenance, Transportation, and Working Cash funds. If any previously existing district has a combined deficit fund balance, the incentive pays the difference between the lowest deficit and the other deficits, with a positive combined fund balance being considered a deficit of \$0. For districts with a deficit, an additional calculation compares current year expenditures to prior 3- year average expenditures, with the incentive being reduced by the excess if the current year expenditures are greater than the prior 3-year average.

**SALARY DIFFERENCE:** Based on teachers employed in a newly reorganized district who were also employed in one of the previously existing districts, this incentive calculates the difference between what those teachers were paid in their original district for the last year of existence and what they would have been paid if placed on the highest salary schedule of the subject districts for the last year

of existence of the districts. To determine what the new salary would be we first conducted an examination of the salary schedules of all districts including the identification of each teacher's present placement on their specific salary schedule listing the actual step and the salary amount. The calculations by ISBE are utilized to determine the difference of the sum of salaries earned by each teacher in their original districts and the sum of the salaries they would have been paid if placed on the highest salary schedule of the subject districts involved in the study. The estimate is based on the most current staff listings and salary scheduled as provided by the subject school districts. Please note the actual salary incentive will be calculated based on staff employed by one of the original districts in the year prior to the consolidation who will also be employed by the newly formed consolidated school district and the salary schedules in effect the year prior to the actual consolidation. The Salary Difference Incentive is payable for 4 years. The estimates assume staffing levels of the new district to be the same as the combined staffing levels of the original districts. The estimates do not take into consideration any increase or decrease of the staffing levels because of the final consolidation effort.

**CERTIFIED STAFF:** This element of the incentive calculations will pay \$4,000 multiplied by the headcount of the full-time, certified staff members employed by each reorganized district. The \$4,000 per Certified Staff Incentive is payable over 1, 2, or 3 years based on the reorganized district's rank in EAV/Pupil and ADA. The actual payment(s) start after the first complete year of reorganization and are flexible from year to year depending on the number of qualified staff employed. The calculated incentive is based on the number of full-time, certified (licensed) staff employed in the reorganized district.

The incentive estimate is determined by the number of full-time teachers from information submitted by districts for the Salary Incentive estimates and the number of full-time administrators from ISBE's Employment Information System (EIS) for the 2017-18 school year.

## **CALCULATED INCENTIVE SUMMARY**

Please note that all payments of Reorganization Incentives are subject to the yearly adequate appropriations by the General Assembly. If the appropriations are less than the expected full appropriations the incentive payments would result in a proration of the payments. The estimates provided in this study are based on the data received from the Illinois State Board of Education and are estimates only. The final incentive calculations will change based on the actual information available at the time of the reorganization of the subject districts

<b>ESTIMATED Evidence-Based Funding Difference Incentive</b>				
<b>Leland CUSD 1 / Somonauk CUSD 432</b>				
<b>Consolidation</b>				

The below are estimates only. Final incentives will change based on the Evidence-Based Funding factors at the time of the reorganization.

District	Enrollment*	RCDT Code	Evidence-Based Funding	4 Year Total
Leland CUSD 1	255	35-050-0010-26		
Somonauk CUSD 432	820	16-019-4320-26		
	<u>1,075</u>		<u>\$4,072</u> <sup>a</sup>	<u>\$16,288</u>

Evidence-Based Funding (EBF) Difference Incentive is payable for 4 years.

Estimate is based on the EBF payable in fiscal year 2019-20.

Evidence-Based Funding is calculated for the combined district for the first year during which the reorganization becomes effective.

Evidence-Based Funding is also calculated for the original districts prior to the reorganization.

If the sum of the EBF for the individual districts prior to the reorganization is greater than the EBF for the combined district, a supplementary state aid payment equal to the difference will be made. If the amount of EBF after reorganization is greater than the combined EBF the districts would have received prior to reorganization, the incentive is \$0.

than the combined EBF the districts would have received prior to reorganization, the incentive is \$0.

<sup>a</sup>Estimated EBF for Leland / Somonauk AFTER reorganization = \$2,002,414.86

Sum of EBF for Leland CUSD 1 and Somonauk CUSD 432 as INDIVIDUAL districts = \$2,006,486.90

Reorganized district estimated to receive \$4,072.04 LESS EBF than as individual districts: EBF Difference Payment = \$4,072

\*Total number of students - based on 2018-19 school year Fall Enrollment Counts

<b>ESTIMATED Evidence-Based Funding Difference Incentive Calculation</b>		
<b>Leland CUSD 1 / Somonauk CUSD 432</b>		
<b>Consolidation</b>		
<b>The below are estimates only. Final incentives will change based on the Evidence-Based Funding factors at the time of the reorganization.</b>		
Estimated Evidence-Based Funding - after Reorganization (Base Funding Minimum + Tier Funding)		\$2,002,414.86
Evidence-Based Funding - before Reorganization (Base Funding Minimum + Tier Funding):		
Leland CUSD 1	\$345,310.74	
Somonauk CUSD 432	\$1,661,176.16	
Total Evidence-Based Funding - before Reorganization		\$2,006,486.90
Gain (Loss) Loss = Incentive		(\$4,072.04)

ESTIMATED Evidence-Based Funding Difference Incentive Calculation									
Leland CUSD 1 / Somonauk CUSD 432									
Consolidation									
The below are estimates only. Final incentives will change based on the Evidence-Based Funding factors at the time of the reorganization.									
	District ID	District Name	County	Organization Type	Final (%) of Adequacy	Tier	Final Tier Funding (New Money)	Base Funding Minimum (Hold Harmless)	Total Gross FY 20 State Contribution
Estimated Consolidated EBF		Somonauk-Leland - Consolidation	DEKALB	Unit	75%	2	\$ 45,227.03	\$ 1,957,187.83	\$ 2,002,414.86
Original EBF	3505000102600	LELAND COMM UNIT SCH DIST 1	LASALLE	Unit	96%	3	\$ 6,935.05	\$ 338,375.69	\$ 345,310.74
Original EBF	1601943202600	SOMONAUK C U SCHOOL DIST 432	DEKALB	Unit	73%	2	\$ 42,364.02	\$ 1,618,812.14	\$ 1,661,176.16
								TOTAL	\$ 2,006,486.90
								Difference	\$ (4,072.04)

**NOTE:** Estimated EBF after consolidation calculated with additional computer/technology allotment due to new district estimated to be in Tier 2. Although not all districts designated as Tier 1 or Tier 2 in prior year, there is a possibility that the district as consolidated would have been a Tier 1 or Tier 2 district in prior year. If calculated without additional computer/technology allotment with the assumption that as a new district there would not have had a prior year Tier, the new district would be estimated to receive \$11,070.37 less EBF than original districts, for an estimated EBF Difference Incentive of \$11,070, equaling \$44,280 over the 4-year incentive period.

<b>ESTIMATED Deficit Fund Balance Incentive</b>							
<b>Leland CUSD 1 / Somonauk CUSD 432</b>							
<b>Consolidation</b>							

The below are estimates only. Final incentives will change based on the applicable Annual Financial Reports used at the time of the reorganization.

						<b>Deficit</b>	<b>Grand</b>
	<b>District</b>	<b>Enrollment*</b>	<b>RCDT Code</b>			<b>Fund Balance</b>	<b>Total</b>
	Leland CUSD 1	255	35-050-0010-26			\$0	
	Somonauk CUSD 432	820	16-019-4320-26			\$0	
						\$0	
						\$0	
		<u>1,075</u>				<u>\$0</u>	<u>\$0</u>

Deficit Fund Balance Incentive is payable for 1 year.

Estimate is based on the Annual Financial Report (AFR) for the year ending 6/30/2019. The 3-year average calculation is based on the AFR for the years ending 6/30/2018, 6/30/2017, and 6/30/2016.

Deficit Fund Balance Incentive is calculated by summing the fund balances of the Educational, O & M, Transportation, and Working Cash funds.

An additional calculation is made for Purchased Services, Supplies, and Capital Outlay of the same funds. If the current year's expenditures are greater than the three prior years' average expenditures, the Deficit Fund Balance Incentive will be reduced by that amount.

Leland CUSD 1 and Somonauk CUSD 432 each had positive combined Fund Balances for the year ending June 30, 2019.

*Total number of students - based on 2018-19 school year Fall Enrollment Counts							



<b>Total Fund Balance - FY 2019 Annual Financial Report</b>							
<b>Leland CUSD 1 / Somonauk CUSD 432</b>							
<b>Consolidation</b>							
<b>Calculations provided by staff at ISBE.</b>							
<b>The below are estimates only. Final incentives will change based on the applicable Annual Financial Reports used at the time of the reorganization.</b>							
	Cash				Working		
	or	Educational	O & M	ransportatio	Cash		Grand
County/District	Accrual	Fund	Fund	Fund	Fund	Total	Total
LaSalle County:							
Leland CUSD 1	Cash	1,001,627	597,662	598,784	769,589	2,967,662	
Less 2018 taxes rec'd							
prior to 6-30-19		270,978	33,872	13,549	3,387	321,786	
Less Early Taxes: Spec Ed						2,710	
Adj. Fund Balance		730,649	563,790	585,235	766,202		2,643,166
DeKalb County:							
Somonauk CUSD 432	Cash	3,104,710	373,262	594,782	2,859,197	6,931,951	
Less 2018 taxes rec'd							
prior to 6-30-19		1,106,741	104,651	49,805	11,067	1,272,264	
Less Early Taxes: Spec Ed						11,067	
Adj. Fund Balance		1,997,969	268,611	544,977	2,848,130		5,648,620
<b>Total Fund Balance from Page 8 of the 2019 AFR; Early Taxes from Page 23 of the 2019 AFR</b>							

Unreserved Fund Balance - FY 2019 Annual Financial Report						
Leland CUSD 1 / Somonauk CUSD 432						
Consolidation						
<b>The below are estimates only. Final incentives will change based on the applicable Annual Financial Reports used at the time of the reorganization.</b>						
	Cash				Working	
	or	Educational	O & M	Transportation	Cash	
County/District	Accrual	Fund	Fund	Fund	Fund	Total
LaSalle County:						
Leland CUSD 1	Cash	975,906	597,662	598,784	769,589	2,941,941
Less 2018 taxes rec'd						
prior to 6-30-19		270,978	33,872	13,549	3,387	321,786
Adj. Fund Balance		704,928	563,790	585,235	766,202	2,620,155
DeKalb County:						
Somonauk CUSD 432	Cash	3,104,710	373,262	594,782	2,859,197	6,931,951
Less 2018 taxes rec'd						
prior to 6-30-19		1,106,741	104,651	49,805	11,067	1,272,264
Adj. Fund Balance		1,997,969	268,611	544,977	2,848,130	5,659,687
<b>Unreserved Fund Balance from Page 5 of the 2019 AFR; Early Taxes from Page 23 of the 2019 AFR</b>						

<b>ESTIMATED Salary Difference Incentive</b>									
<b>Leland CUSD 1 / Somonauk CUSD 432</b>									
<b>Consolidation</b>									
<b>Prepared by ISBE Staff</b>									

The below are estimates only. Final incentives will change based on the salary schedule differences at the time of the reorganization.

				# Full Time		4 Year
	District	Enrollment*	RCDT Code	Teachers	Salary	Total
	Leland CUSD 1	255	35-050-0010-26	25		
	Somonauk CUSD 432	820	16-019-4320-26	60		
				0		
				0		
		<u>1,075</u>		<u>85</u>	<u>\$80,723</u> <sup>a</sup>	<u>\$322,892</u>

Salary Difference Incentive is payable for 4 years.

Calculation is equal to the difference of the sum of the salaries earned by each teacher in their original district and the sum of the salaries they would have been paid if placed on the highest salary schedule of the districts involved.

Estimate is based on the most current staff listings and salary schedules as provided by the districts.

Actual incentive will be calculated based on staff employed by one of the original districts in the year prior to the consolidation/annexation who will also be employed by the consolidated/annexing district and the salary schedules in effect the year prior to the consolidation/annexation

<sup>a</sup> Based on salary information provided by Leland CUSD 1 and Somonauk CUSD 432 for the 2019-20 school year

NOTE: Above estimates assume staffing levels of new district to be the same as the combined staffing levels of the original districts. The estimates do not take into account potential increase or decrease of staff levels due to the reorganization.

\*Total number of students - based on 2018-19 school year Fall Enrollment Counts

<b>ESTIMATED Salary Difference Incentive</b>			
<b>Leland CUSD 1 / Somonauk CUSD 432</b>			
<b>Consolidation</b>			
<b>Prepared by ISBE Staff</b>			
<b>The below are estimates only. Final incentives will change based on the salary schedule differences at the time of the reorganization.</b>			
Below figures taken from individual district pages			
	2019-20 Home	2019-20 Highest	
Employee Name	Salary	Salary	Difference
Leland CUSD 1	\$1,344,064.29	\$1,424,787.78	\$80,723.49
Somonauk CUSD 432	\$3,615,509.08	\$3,615,509.10	\$0.02
			\$0.00
			\$0.00
Estimated Total Home	<u>\$4,959,573.37</u>		
Estimated Total on Highest		<u>\$5,040,296.88</u>	
Estimated Salary Difference Incentive			<u>\$80,723.51</u>
			\$80,723.51

ESTIMATED Salary Difference Incentive								
Leland CUSD 1 / Somonauk CUSD 432								
Consolidation								
#REF!								
The below are estimates only. Final incentives could change based on the salary schedule differences at the time of the reorganization.								
Leland: School Board pays TRS on top of salary schedule amount as creditable earnings								
Somonauk: School Board pays TRS on top of salary schedule amount as creditable earnings								
Both salary schedules start with Step 0								
Name	2019-20 Leland Ed/Years	2019-20 Leland Step	2019-20 Leland Salary	2019-20 Somonauk Step	2019-20 Somonauk Salary	Highest Salary	Highest District	Individual Difference
<b>Leland Staff:</b>								
Beltran	B / 1	B / 1	\$38,481.07	B / 1	\$40,522.57	\$40,522.57	S	\$2,041.50
Bland (4/8 = 50%)	B / 1	B / 1	\$19,240.53	B / 1	\$20,261.29	\$20,261.29	S	\$1,020.76
Flewellyn	B / 2	B / 2	\$39,356.51	B / 2	\$46,630.20	\$46,630.20	S	\$7,273.69
Barnes	B / 4	B / 4	\$41,137.42	B / 4	\$42,153.29	\$42,153.29	S	\$1,015.87
Rissman	B / 6	B / 6	\$42,956.87	B / 6	\$44,792.48	\$44,792.48	S	\$1,835.61
Wick (5/8 = 62.5%)	B+6 / 7	B / 7	\$27,425.27	B / 7	\$28,025.07	\$28,025.07	S	\$599.80
Stegman	B / 8	B / 8	\$44,812.90	B / 8	\$45,735.72	\$45,735.72	S	\$922.82
Godmunson	B+18 / 14	B+12 / 14	\$51,842.45	B+16 / 14	\$54,396.92	\$54,396.92	S	\$2,554.47
Haag	B+12 / 15	B+12 / 14	\$51,842.45	B+8 / 15	\$53,451.85	\$53,451.85	S	\$1,609.40
Martinson	B+24 / 3	B+24 / 3	\$42,238.03	B / 3	\$42,210.83	\$42,238.03	L	\$0.00
Hochstatter	B+24 / 5	B+24 / 5	\$44,127.75	B / 5	\$45,265.73	\$45,265.73	S	\$1,137.98
Blindt	B+24 / 15	B+24 / 15	\$54,121.86	B+24 / 15	\$56,315.71	\$56,315.71	S	\$2,193.85
Dailey	B+24 / 18	B+24 / 18	\$57,265.79	B+24 / 15	\$57,776.28	\$57,776.28	S	\$510.49
Hawk	M / 1	M / 1	\$41,318.70	M / 1	\$44,669.79	\$44,669.79	S	\$3,351.09
Dean	M / 8	M / 8	\$48,117.43	M / 8	\$52,023.40	\$52,023.40	S	\$3,905.97
Brown	M / 9	M / 9	\$49,127.90	M / 9	\$52,919.00	\$52,919.00	S	\$3,791.10
Epperson (+10 addl days)	M / 9	M / 9	\$51,857.23	M / 9	\$62,624.74	\$62,624.74	S	\$10,767.51
Grzanich	M / 9	M / 9	\$49,127.90	M / 9	\$52,919.00	\$52,919.00	S	\$3,791.10
Bickhaus	M+1 / 10	M / 10	\$50,147.30	M / 10	\$53,814.61	\$53,814.61	S	\$3,667.31
Scheller	M+9 / 9	M+9 / 9	\$50,208.71	M / 9	\$52,919.00	\$52,919.00	S	\$2,710.29
Jansen	M+22 / 17	M+18 / 17	\$60,003.96	M+16 / 17	\$64,325.16	\$64,325.16	S	\$4,321.21
Green	M+24 / 24	M+18 / 24	\$67,985.13	M+24 / 22	\$70,800.10	\$70,800.10	S	\$2,814.97
Spring	M+24 / 25	M+18 / 25	\$69,140.88	M+24 / 22	\$71,286.96	\$71,286.96	S	\$2,146.08
Cameron	M+24 / 25	M+18 / 25	\$69,140.88	M+24 / 22	\$71,286.96	\$71,286.96	S	\$2,146.08
Smith	M+24 / 39	M+18 / 25	\$69,140.88	M+24 / 22	\$71,773.82	\$71,773.82	S	\$2,632.94
Featherston	M+30 / 8	M+30 / 8	\$51,363.51	M / 8	\$58,511.20	\$58,511.20	S	\$7,147.69
Harris	M+30 / 18	M+30 / 18	\$62,534.99	M+24 / 18	\$67,348.90	\$67,348.90	S	\$4,813.91
Estimated Total on Home Salary System			\$1,344,064.29					
Estimated Total on Highest Salary System						\$1,424,787.78		
Estimated Salary Difference Incentive								\$80,723.49
							Check	\$80,723.49
Leland total teaching staff		27						
Less part-time		-2						
Leland full-time teaching staff		25						
Estimated Full-Time Administration		2						
Estimated total Full-Time Certified Staff		27						

ESTIMATED Salary Difference Incentive								
Leland CUSD 1 / Somonauk CUSD 432								
Consolidation								
The below are estimates only. Final incentives could change based on the salary schedule differences at the time of the reorganization.								
Leland: School Board pays TRS on top of salary schedule amount as creditable earnings								
Somonauk: School Board pays TRS on top of salary schedule amount as creditable earnings								
Both salary schedules start with Step 0								
Name	2019-20 Somonauk Ed/Years	2019-20 Somonauk Step	2019-20 Somonauk Salary	2019-20 Leland Step	2019-20 Leland Salary	Highest Salary	Highest District	Individual Difference
<b>Somonauk Staff:</b>								
Alsvig, M	M / 9	M / 9	\$54,553.41	M / 9	\$49,127.90	\$54,553.41	S	\$0.00
Alsvig, C	B+16 / 12	B+16 / 12	\$54,758.33	B+12 / 12	\$49,841.56	\$54,758.33	S	\$0.00
Anderson, M	B / 17	B / 17	\$53,813.30	B / 10	\$46,703.36	\$53,813.30	S	\$0.00
Anderson, D	B / 0	B / 0	\$52,494.40	B / 0	\$37,615.90	\$52,494.40	S	\$0.00
Brown, H	2ndM / 12	2ndM / 12	\$64,426.63	M+30 / 12	\$55,733.90	\$64,426.63	S	\$0.00
Brubaker, J	B / 1	B / 1	\$45,812.70	B / 1	\$38,481.07	\$45,812.70	S	\$0.00
Chandler, C	B+16 / 39	Retirement	\$74,895.19	B+12 / 14	\$51,842.45	\$74,895.19	S	\$0.00
Dimitri, K	B / 10	B / 10	\$49,568.84	B / 10	\$46,703.36	\$49,568.84	S	\$0.00
Dolce, E	B / 8	B / 8	\$47,992.70	B / 8	\$44,812.90	\$47,992.70	S	\$0.00
Duffield, K	B / 9	B / 9	\$52,352.70	B / 9	\$45,753.97	\$52,352.70	S	\$0.00
Felton, T	B / 12	B / 12	\$51,620.22	B / 10	\$46,703.36	\$51,620.22	S	\$0.00
Gonzalez, R	M / 7	M / 7	\$54,882.59	M / 7	\$47,116.21	\$54,882.59	S	\$0.00
Hames, R	B / 0	B / 0	\$44,995.20	B / 0	\$37,615.90	\$44,995.20	S	\$0.00
Hammett, A	M+8 / 7	M+8 / 7	\$53,849.27	M / 7	\$47,116.21	\$53,849.27	S	\$0.00
Harmon, J	B+24 / 10	B+24 / 10	\$62,689.17	B+24 / 10	\$49,019.85	\$62,689.17	S	\$0.00
Harner, B	B / 0	B / 0	\$45,812.70	B / 0	\$37,615.90	\$45,812.70	S	\$0.00
Humes, K	M+8 / 30	Retirement	\$84,122.16	M / 22	\$62,947.02	\$84,122.16	S	\$0.00
Hunt, R	M / 26	Retirement	\$72,515.25	M / 22	\$62,947.02	\$72,515.25	S	\$0.00
Kenyon, F	M / 13	M / 13	\$60,366.38	M / 13	\$53,255.85	\$60,366.38	S	\$0.00
Kenyon, J	B / 4	B / 4	\$46,357.70	B / 4	\$41,137.42	\$46,357.70	S	\$0.00
Koontz, A	M+8 / 13	M+8 / 13	\$69,143.54	M / 13	\$53,255.85	\$69,143.54	S	\$0.00
Krause, S	M+8 / 28	Off Schedule	\$84,400.88	M / 22	\$62,947.02	\$84,400.88	S	\$0.00
Kulton, J	M+8 / 3	M+8 / 3	\$52,995.80	M / 3	\$43,209.51	\$52,995.80	S	\$0.00
Lambert, N	B / 1	B / 1	\$51,753.03	B / 1	\$38,481.07	\$51,753.03	S	\$0.00
Langhoff, B	M / 10	M / 10	\$58,374.95	M / 10	\$50,147.30	\$58,374.95	S	\$0.00
Lawlor, MJ	M / 13	M / 13	\$60,456.85	M / 13	\$53,255.85	\$60,456.85	S	\$0.00
Liechty, J	M / 10	M / 10	\$54,962.16	M / 10	\$50,147.30	\$54,962.16	S	\$0.00
Loux, J	M+16 / 33	Retirement	\$90,941.63	M+9 / 25	\$67,718.78	\$90,941.63	S	\$0.00
Mathis, K	B / 1	B / 1	\$44,359.73	B / 1	\$38,481.07	\$44,359.73	S	\$0.00
McHugh, A	B / 1	B / 1	\$45,812.70	B / 1	\$38,481.07	\$45,812.70	S	\$0.00
McMahan, B	B+24 / 8	B+24 / 8	\$53,570.23	B+24 / 8	\$47,035.61	\$53,570.23	S	\$0.00
Merkel, W	M+16 / 25	Off Schedule	\$79,733.50	M / 22	\$62,947.02	\$79,733.50	S	\$0.00
Miller, D	2ndM / 23	Off Schedule	\$80,404.94	M+30 / 23	\$68,369.41	\$80,404.94	S	\$0.00
Moris, W	2ndM / 24	Off Schedule	\$83,272.73	M+30 / 24	\$69,548.79	\$83,272.73	S	\$0.00
Nelson, R	M / 27	Off Schedule	\$76,865.71	M / 22	\$62,947.02	\$76,865.71	S	\$0.00
Ozarka, K	M / 1	M / 1	\$51,337.91	M / 1	\$41,318.70	\$51,337.91	S	\$0.00
Passero, T	B / 3	B / 3	\$47,447.70	B / 3	\$40,242.03	\$47,447.70	S	\$0.00
Paul, K	B / 1	B / 1	\$44,359.73	B / 1	\$38,481.07	\$44,359.73	S	\$0.00
Pevonka, N	M+16 / 31	Retirement	\$94,579.30	M+9 / 25	\$67,718.78	\$94,579.30	S	\$0.00
Pfortmiller, C	2ndM / 27	Off Schedule	\$87,576.05	M+30 / 25	\$70,731.11	\$87,576.05	S	\$0.00
Plante, J	B / 5	B / 5	\$46,766.45	B / 5	\$42,042.44	\$46,766.45	S	\$0.00
Raupp, R	M / 31	Off Schedule	\$77,846.34	M / 22	\$62,947.02	\$77,846.34	S	\$0.00
Reader, C	M+8 / 15	Retirement	\$65,246.63	M / 15	\$55,366.66	\$65,246.63	S	\$0.00
Reid, S	M / 2	M / 2	\$45,540.20	M / 2	\$42,258.69	\$45,540.20	S	\$0.00
Roberts, E	M / 20	M / 20	\$68,494.51	M / 20	\$60,755.60	\$68,494.51	S	\$0.00
Scalf, G	B / 11	B / 11	\$50,803.81	B / 10	\$46,703.36	\$50,803.81	S	\$0.00
Schwerdtfeger, M	M / 4	M / 4	\$47,610.11	M / 4	\$44,170.92	\$47,610.11	S	\$0.00
Simmons, A	B / 5	B / 5	\$46,766.45	B / 5	\$42,042.44	\$46,766.45	S	\$0.00
Skelton, C	M / 8	M / 8	\$55,291.34	M / 8	\$48,117.43	\$55,291.34	S	\$0.00
Taxis, A	M / 21	M / 21	\$75,929.40	M / 21	\$61,849.19	\$75,929.40	S	\$0.00
Teegardin, V	B / 11	B / 11	\$50,803.81	B / 10	\$46,703.36	\$50,803.81	S	\$0.00
Tjelle, K	M / 10	M / 10	\$56,108.84	M / 10	\$50,147.30	\$56,108.84	S	\$0.00
Underhill, D	B+16 / 18	Off Schedule	\$61,653.67	B+12 / 14	\$51,842.45	\$61,653.67	S	\$0.00
Vidmar, S	M / 0	M / 0	\$51,971.20	M / 0	\$40,389.73	\$51,971.20	S	\$0.00
Vonbergen-Tarnoki, C	M+16 / 18	M+16 / 18	\$68,252.53	M+9 / 18	\$59,871.72	\$68,252.53	S	\$0.00
Weeks, K	M / 11	M / 11	\$57,449.54	M / 11	\$51,175.33	\$57,449.54	S	\$0.00
Weeks, T	M+8 / 25	Off Schedule	\$76,278.20	M / 22	\$62,947.02	\$76,278.20	S	\$0.00
Wimber, C	B+24 / 11	B+24 / 11	\$55,564.93	B+24 / 11	\$50,024.75	\$55,564.93	S	\$0.00
Wold, J	M / 2	M / 2	\$62,540.57	M / 2	\$42,258.69	\$62,540.57	S	\$0.00
Zaleski, J	B / 18	B / 15	\$54,362.66	B / 10	\$46,703.36	\$54,362.66	S	\$0.00
Estimated Total on Home Salary System			\$3,615,509.08					
Estimated Total on Highest Salary System						\$3,615,509.10		
Estimated Salary Difference Incentive								\$0.02
								Check
								\$0.02
								(Rounding)
Somonauk SD total teaching staff		60						
Less part-time		0						
Somonauk SD full-time teaching staff		60						
Estimated Full-Time Administration		5						
Estimated total Full-Time Certified Staff		65						

<b>ESTIMATED Salary Difference Incentive</b>									
<b>Leland CUSD 1 / Somonauk CUSD 432</b>									
<b>Consolidation</b>									
<b>#REF!</b>									
<b>The below are estimates only. Final incentives could change based on the salary schedule differences at the time of the reorganization.</b>									
Somonauk didn't have salary schedule for many years prior to current contract. Current contract provides for using teacher's 2017-18 step, moving step forward to 2021-22, computing difference, and parceling difference over four years between 2017-18 and 2021-22. Teachers first employed in 2018-19 have difference spread over the three years between 2018-19 and 2021-22. Teachers first employed in 2019-20 school year are placed on the 2021-22 schedule based on their 2019-20 step. Below are the calculations of base salaries moving the Leland staff onto the Somonauk schedule. Only Bachelors and Masters column applicable to teachers starting in 2018-19 school year and after.									
Name	2017-18 Leland Ed/Years	2017-18 Leland Step	2017-18 Leland Salary	2021-22 Somonauk Step	2021-22 Somonauk Salary	Diff 2021-22 S to 2017-18 L	1/4 of Difference	Resulting 2018-19 on S Salary System	Resulting 2019-20 on S Salary System
<b>Leland Staff:</b>									
<b>Employed during 2017-18 school year</b>									
Barnes	B / 2	B / 2	\$31,565.48	B / 6	\$45,780.00	\$14,214.52	\$3,553.63	\$35,119.11	\$38,672.74
Wick	B / 5	B / 5	\$34,245.43	B / 9	\$48,030.00	\$13,784.57	\$3,446.14	\$37,691.57	\$41,137.72
Stegman	B / 6	B / 6	\$35,138.75	B / 10	\$48,780.00	\$13,641.25	\$3,410.31	\$38,549.06	\$41,959.38
Gudmunson	B+18 / 12	B+18 / 12	\$43,580.86	B+16 / 15	\$56,230.00	\$12,649.14	\$3,162.29	\$46,743.15	\$49,905.43
Haag	B+12 / 13	B+12 / 13	\$43,446.77	B+8 / 15	\$54,630.00	\$11,183.23	\$2,795.81	\$46,242.58	\$49,038.39
Blindt	B+24 / 13	B+24 / 13	\$45,501.58	B+24 / 15	\$57,830.00	\$12,328.42	\$3,082.11	\$48,583.69	\$51,665.79
Dailey	B+24 / 16	B+24 / 16	\$48,181.52	B+24 / 15	\$57,830.00	\$9,648.48	\$2,412.12	\$50,593.64	\$53,005.76
Dean	M / 6	M / 6	\$40,275.77	M / 10	\$55,180.00	\$14,904.23	\$3,726.06	\$44,001.83	\$47,727.89
Brown	M / 7	M / 7	\$41,169.08	M / 11	\$55,930.00	\$14,760.92	\$3,690.23	\$44,859.31	\$48,549.54
Grzanich	M / 7	M / 7	\$41,169.08	M / 11	\$55,930.00	\$14,760.92	\$3,690.23	\$44,859.31	\$48,549.54
Bickhaus	M / 8	M / 8	\$42,062.40	M / 12	\$56,680.00	\$14,617.60	\$3,654.40	\$45,716.80	\$49,371.20
Scheller	M / 7	M / 7	\$41,169.08	M / 11	\$55,930.00	\$14,760.92	\$3,690.23	\$44,859.31	\$48,549.54
Jansen	M+22 / 15	M+18 / 15	\$51,397.82	M+16 / 19	\$66,630.00	\$15,232.18	\$3,808.05	\$55,205.87	\$59,013.91
Green	M+24 / 22	M+24 / 22	\$58,678.44	M+24 / 22	\$71,230.00	\$12,551.56	\$3,137.89	\$61,816.33	\$64,954.22
Spring	M+24 / 23	M+24 / 23	\$59,571.76	M+24 / 22	\$71,230.00	\$11,658.24	\$2,914.56	\$62,486.32	\$65,400.88
Cameron	M+24 / 23	M+24 / 23	\$59,571.76	M+24 / 22	\$71,230.00	\$11,658.24	\$2,914.56	\$62,486.32	\$65,400.88
Smith	M+24 / 37	M+24 / 24	\$60,465.07	M+24 / 22	\$71,230.00	\$10,764.93	\$2,691.23	\$63,156.30	\$65,847.54
Harris	M+30 / 16	M+30 / 16	\$54,345.95	M+24 / 20	\$69,230.00	\$14,884.05	\$3,721.01	\$58,066.96	\$61,787.98
Name	2018-19 Leland Ed/Years	2018-19 Leland Step	2018-19 Leland Salary	2021-22 Somonauk Step	2021-22 Somonauk Salary	Diff 2021-22 S to 2018-19 L	1/3 of Difference		Resulting 2019-20 on S Salary System
<b>First Employed 2018-19 school year</b>									
Beltran	B / 0	B / 0	\$34,000.00	B / 3	\$43,530.00	\$9,530.00	\$3,176.67		\$37,176.67
Bland	B / 0	B / 0	\$34,000.00	B / 3	\$43,530.00	\$9,530.00	\$3,176.67		\$37,176.67
Rissman	B / 5	B / 5	\$38,001.03	B / 8	\$47,280.00	\$9,278.97	\$3,092.99		\$41,094.02
Martinson	B / 2	B / 2	\$35,573.29	B / 5	\$45,030.00	\$9,456.71	\$3,152.24		\$38,725.53
Hochstatter	B+24 / 4	B+24 / 4	\$39,027.28	B / 7	\$46,530.00	\$7,502.72	\$2,500.91		\$41,528.19
Hawk	M / 0	M / 0	\$36,507.19	M / 3	\$49,930.00	\$13,422.81	\$4,474.27		\$40,981.46
Name	2019-20 Leland Ed/Years	2019-20 Leland Step	2019-20 Leland Salary	2021-22 Somonauk Step	2021-22 Somonauk Salary				Resulting 2019-20 on S Salary System
<b>First Employed 2019-20 school year</b>									
Flewellyn	B / 2	B / 2	\$36,106.89	B / 2	\$42,780.00				\$42,780.00
Epperson	M / 9	M / 9	\$45,071.47	M / 9	\$54,430.00				\$54,430.00
Featherston	M+30 / 8	M+30 / 8	\$47,122.49	M / 8	\$53,680.00				\$53,680.00

<b>ESTIMATED \$4,000 per Certified Staff Incentive</b>						
<b>Leland CUSD 1 / Somonauk CUSD 432</b>						
<b>Consolidation</b>						
<b>ISBE STAFF</b>						

The below are estimates only. Final incentives will change based on the number of qualified staff employed by the reorganized district.

District	Enrollment*	RCDT Code	# Certified Staff	Certified Staff	Grand Total
Leland CUSD 1	255	35-050-0010-26	27		
Somonauk CUSD 432	820	16-019-4320-26	65		
	<u>1,075</u>		<u>92</u>	<u>\$368,000</u> <sup>a</sup>	<u>\$736,000</u>

\$4,000 per Certified Staff Incentive is payable 1, 2, or 3 years based on the reorganized district's rank in EAV/Pupil and ADA.

Payment(s) start after the first complete year of reorganization and are flexible from year to year depending on the number of qualified staff employed.

Actual incentive is based on the number of full-time, certified (licensed) staff employed in the reorganized district.

Estimate is the number of full-time teachers from information submitted by districts for the Salary Incentive estimates and the number of full-time administrators from ISBE's Employment Information System (EIS) for the 2018-19 school year.

No annexing or resulting district shall be entitled to this payment unless such district acquires at least 30% of the ADA of the district being annexed

<sup>a</sup>Based on estimated rank in EAV/Pupil and ADA, this reorganization estimated to receive incentive payment(s) for 2 years.

92 x \$4,000

NOTE: Above estimates assume staffing levels of new district to be the same as the combined staffing levels of the original districts.

The estimates do not take into account potential increase or decrease of staff levels due to the reorganization.

\*Total number of students - based on 2018-19 school year Fall Enrollment Counts



ESTIMATED Quintile Ranks for \$4,000 per Certified Staff Incentive						
Leland CUSD 1 / Somonauk CUSD 432						
Consolidation						
#REF!						
The below are estimates only. Final incentive will change based on the applicable data for computing quartile ranks used at the time of the reorganization.						
2016 EAV from FY 2019 EBF and 2017-18 Best 3 Months ADA						
EAV per Pupil = \$170,786,955 / 994.97 = \$171,650 = 2nd Quintile						
ADA = 994.97 = 3rd Quintile						
<u>Unit School Districts</u>						
<u>Quintile</u>	<u>EAV / Pupil</u>			<u>Best 3 Months ADA</u>		
1st	\$176,894 and above			2,187.65 and above		
2nd	\$139,264 to \$175,779			1,021.92 to 2,148.98		
3rd	\$110,717 to \$139,108			621.32 to 1,021.87		
4th	\$87,294 to \$110,581			391.03 to 616.93		
5th	\$87,247 and below			390.85 and below		
<u>Reorganized District's Rank in EAV / Pupil by Quintile</u>				<u>Reorganized District's Rank in Best 3 Months ADA by Quintile</u>		
				<u>1st Quintile</u>	<u>2nd Quintile</u>	<u>3rd/4th/5th Quintile</u>
1st Quintile				1 Year	1 Year	1 Year
2nd Quintile				1 Year	2 Years	2 Years
3rd Quintile				2 Years	3 Years	3 Years
4th Quintile				2 Years	3 Years	3 Years
5th Quintile				2 Years	3 Years	3 Years
<b>Incentive <i>estimated</i> payable for 2 Years.</b>						



## **Report Summary Statements**

Below is a highlighted summary of the major sections of this report. This summary does not cover all researched components discovered by the consultants. Along with factual inputs from each district, these identified highlights do play an important part of the options that are forthcoming.

### **TRANSPORTATION**

Based on the analysis of the present transportation systems and patterns, it is projected that the reorganization of the subject districts into a new unit district would have minimal fiscal and time impacts on the transportation of students. The relatively small geographical range of the current school districts minimizes the total miles to transport students. It is anticipated in a newly organized district the overall costs of transportation would not present a financial impact. A new system should result in a more efficient utilization of the existing inventory, better scheduling logistics and the ability to maintain the amount of time on the bus within acceptable time frames as is presently experienced by both districts. Again, the districts are to be commended for their efforts in meeting the transportation needs of their students.

### **FACILITIES**

It is noted that the present facilities are meeting the educational needs of the subject school districts as they presently exist. Both districts are to be commended on the quality and condition of their facilities. Special recognition is given to the maintenance and custodial staff for their efforts in maintaining the school plants. The schools are all presently in compliance with the Health Life Safety rules being monitored and supervised by the local Regional Office of Education.

The assumption with the study is that Leland and Somonauk school districts will pursue consolidation. The proposed organizational structure of a new district will include one High /Middle School located at Somonauk with each community retaining their elementary schools as PK-4 Schools. It is anticipated that all special education students will be housed at Somonauk. The facilities at both Somonauk and Leland will be shared for sports activities, fine arts engagements and various organizational groups and multiple school activities.

The new organizational structure can be accomplished due to the available capacity at Somonauk High and Middle School. Table 4 indicates that Somonauk High and Middle School have the classrooms to accommodate the 45 7<sup>th</sup> and 8<sup>th</sup> grade students and the 65 high school students from Leland. No new school facilities would be necessary to accommodate the proposed reorganization.

## **ENROLLMENT**

The enrollment for both Leland District No 1 and Somonauk District No. 432 has been stable over the past six years. It is anticipated that the enrollment will continue to be stable with a small projected growth index. The existing enrollment and the projected enrollment for the districts does not present an impact on the schools districts ability to house the existing enrollment and will not have an impact on the ability of a consolidated district to house the future enrollment patterns.

## **CURRICULUM**

The subject school districts have provided a quality curricular structure for the students of their schools districts. The merger of the two districts will provide an enhanced opportunity for all students to pursue an even wider array of quality course offerings.

## **CO-CURRICULAR OPPORTUNITIES**

The key component from the consultants' viewpoint is that consolidation would bring more consistency and opportunities to extra-curricular activities. We do see consolidation leading to more activities at the high school level which generally serves for more opportunities at the elementary and middle school levels. Consolidation does not necessarily have to dictate a change in this procedure. It does open an easier procedure for discussion of expanded opportunities

## **FINANCIAL**

The consultants have attempted to provide data necessary to make judgments about the feasibility of a consolidation of the two districts involved in this study. This section of the report has included multiple tables showing comparative financial data between the two districts. An attempt has been made to draw analogous data between the two school districts which might become issues for discussion by the respective Boards of Education, and/or citizens of the communities involved in the study.

Both school districts have maintained quality fiscal practices that have resulted in the accomplishment of significant fund balances in the educational fund. The tax rate structure of each of the subject school districts were reviewed and compared. The subject school districts have maintained rates that are not excessive and provides the local revenue extension necessary to support the present operational parameters of each of the districts.

Budget projections were generated for each individual school district to determine the future fiscal status of the districts if they were to remain as independent operating units. An index of 1.025 was utilized to forecast the fiscal projections for each of the districts.

Again, it is important to provide a caveat of caution regarding the projections provided in the study. The calculations are based on a review of the trending data both in local and state revenue as experienced by the subject school districts and the fiscal attitude and activity of the state

The projections utilized in this study assume that the newly reorganized school district would be a Pre-K-12 Unit District composed of the former Leland CUSD No.1 School District and Somonauk CUSD No. 432 school district. It assumes that the new unit school district would come into existence beginning with the 2022-2023 school year

## **REORGANIZATION RECOMMENDATIONS**

The process of reviewing school districts for potential reorganization and consolidation can be a challenging as well as an emotional pursuit. The review of the possible merger of the two school districts into a single unit district was the direction given for this study. Information to support this study was solicited and gleaned from each of the districts involved, as well as from the Regional Office of Education and the Illinois State Board of Education.

The study has focused on the consolidation of Leland No. 1 and Somonauk No. 432 to form a new unit school district. The option has been reviewed with incentive calculations provided by Ms. Michelle Henninger with the Illinois State Board of Education.

It should be noted that the establishment of reorganization options can only be pursued by the representative Boards of Education or a collective agency of citizens. The Boards must first approve a petition asking permission to pursue a referendum regarding the selected reorganization option. The Petition must include the listing of the appointed Committee of Ten.

Approval of the petitions must be submitted to the representative Regional Office of Education and ultimately to the State Superintendent of Schools. Once the petition has been approved the Boards of Education, School Administration and the Committee of Ten will carefully review the study and establish the next steps regarding the reorganized option referendum. Please note that the pursuit of a new unit district can also be initiated by a group of individuals who come together as a community based "Committee of Ten" desiring to reorganize the existing school districts. We highly prefer that reorganization efforts be under the authority of the local school boards.

The investigators feel very strongly that both boards of education should engage in a serious review of this feasibility study and if necessary, investigate further to gain a clear perspective on the

possibilities that reorganization might provide to the districts. It is recommended that the stakeholders of the districts be actively invited to participate in the review and decision-making process of this pursuit.

## **CONSULTANT RECOMMENDATIONS**

The recommendations for reorganization are presented in priority order as follows:

1. **CONSOLIDATION OF BOTH DISTRICTS INTO A SINGLE UNIT SCHOOL DISTRICT – OPTION #1.**
  
2. **REMAIN AS INDIVIDUAL DISTRICTS. HOWEVER, PURSUE COOPERATIVE EFFORTS TO GENERATE GREATER OPPORTUNITIES FOR STUDENTS AND GREATER EFFICIENCIES IN OPERATIONAL COSTS.**
  
3. **DISSOLUTION OF LELAND SCHOOL DISTRICT WITH A STIPULATED ANNEXATION INTO THE SOMONAUK DISTRICT.**



## **CONSOLIDATION OF BOTH PK-12 UNIT DISTRICTS INTO A SINGLE PK-12 UNIT SCHOOL DISTRICT-**

**Assumption:** Assumes the consolidation of Leland No. 1 and Somonauk No. 432 through referenda. Incentives will be provided by the Illinois State Board of Education. The two districts will form into a new PK-12 Unit District under the administrative authority of one newly elected school board.

### **New District Organizational Structure:**

All students will attend high school and middle school at the Somonauk 6-12 campus. The elementary schools will continue to operate in both Somonauk and Leland. The Leland Elementary school will change to a K-5 campus. New PK-5 boundaries should be established in-order to maximize the efficient distribution of the elementary students. Student assignments to the elementary schools would be based on the relationship of the student's residence and the location of the school. Special education students will continue to receive services both at Leland and Somonauk.

### **Administrative Staffing Recommendation:**

We recommend the appointment of one superintendent, one assistant superintendent, one high school principal, one middle school principal, and two elementary principals. It is recommended that the district reduce the administration to one superintendent beginning with the 2024-2025 school year.

## Potential Reorganization Benefits:

The merger of the two districts would establish a single PK-12 Unit District of 1,045 students. The consolidation of the two districts would allow for greater articulation of the educational programming and maximize the economy and efficiency of the total district operations.

1. An articulated curriculum would give all students an aligned curricular and instructional background focused on the positive preparation of their entry into the Somonauk High School.
2. Enhanced opportunities both in curriculum and instruction assuring all students an equitable access to the highest quality education both regular and special education in preparation prior to their entry into High School.
3. Consolidation could offer the elementary student's early entry into some of the extracurricular programs such as art, music, band, physical education, computers, and others offered by the middle and high school programs.
4. Redesign of the PK-5 school boundaries can maximize the efficient distribution of students resulting in the future reduction of FTE's needed by the district and the reduction in total miles of student transportation.
5. Consolidation of the two school districts would provide an opportunity to focus on unified logistics for transportation. This would allow for a more strategic scheduling structure and will bring higher levels of efficiency to the system. The total cost of transportation will be reduced because of capturing savings in total transportation cost through more strategic engagement of scheduling, routing, and utilization of fleet inventory.
6. Initially as a result of the merger there would be no significant increase or reduction in the tax rate. However, the rate could be lowered through the reduction in personnel expenses and elimination of facilities.
7. The merger would result in the reduction in the total FTE to operate the educational program. Through the merger a total of 7 FTE's could be reduced through the elimination of positions. It is recommended that the savings be captured through the retirement and attrition of existing staff. All future position vacancies should be carefully reviewed for continuation. The reduction of personnel costs is the main source of cost savings for a new district. See Table 5 regarding potential savings.
8. As shown in Table 1 the new district would receive a total of \$1,075,180 in incentive payments from the state to assist with the reorganization. Please note the state has estimated \$322,892 is needed to offset the costs related to the merger of the districts. In addition, the new district will receive non-offset payments totaling \$736,000.
9. A Unit (P-12) district would be established which seems to be the trend preferred by both the Legislature and the Illinois State Board of Education.

## Potential Reorganization Challenges:

As with many reorganization initiatives the new district is sometimes faced with certain expected challenges.

1. Based upon our financial analysis and the financial analysis provided of the Illinois State Board of Education, this consolidation effort will result in a minimal impact on operational revenue and expenditures.  
The merger will result in a reduction of \$4,072 in state funding as compared to what is presently being received by the separate districts. However, the new district will receive payments of \$4,072 per year for four years to offset this loss in revenue. The projected increases in revenue and the reduction in overall operational costs the small loss of state funding should not be perceived as an impact or concern.
2. The merger will require an increase in the total cost of salaries for the new district. This comes as the result of the requirement to move all certified staff to the highest existing salary schedule. In this study the highest salary schedule exists at Somonauk #432. As shown in Table 1 the movement of all Leland staff to the Somonauk schedule will result in an annual increase in the total salary cost of \$80,723 for the new district. However, the state incentive payment will offset this additional expense for four years during which time the new district should be able to reduce the total personnel cost through retirements, attrition, and the elimination of positions. The new district should actively work on reducing the overall personnel cost prior to the final payment of incentive dollars from the state 2025. It is also noted that Leland presently has nine teachers that are below the \$40,000 base. As a result of the new minimum salary law Leland would have to move those staff members to the minimum base no later than the 2024 school year. Therefore, an additional salary expense would have to be incurred anyway by the district because of the new salary base law.
3. It is expected there would be no immediate significant impact on the local property taxes. It is anticipated that the new district should be able to capture various efficiencies over the first four years of the new district's existence and therefore reduce total operational costs. It is also anticipated that both local and state revenue will continue to grow because of the state's EBF projections and the increase in the local EAV for the new district. It is recommended that the district evaluate their fiscal condition each year to determine the possibility of reducing the overall tax rate. See Table 3.
4. The new district will be faced with the decision regarding the utilization of the high school facilities at Leland. The building could provide beneficial use either for the new school district and or the community. However, as we move forward with a new and somewhat constraining approach to the delivery of education school districts may need to retain all their available square footage of operational space.

<b>TABLE 1 INCENTIVE CALCULATIONS FOR PK-12 DISTRICT OPTION NO.2</b>					
<b>INCENTIVE</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>4 YEAR TOTAL</b>
<b>EBF DIFFERENCE</b>	<b>\$4,072</b>	<b>\$4,072</b>	<b>\$4,072</b>	<b>\$4,072</b>	<b>\$16,288</b>
<b>DEFICIT FUND BALANCE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>SALARY DIFFERENCE</b>	<b>\$80,723</b>	<b>\$80,723</b>	<b>\$80,723</b>	<b>\$80,723</b>	<b>\$322,892</b>
<b>4,000 PER CERTIFIED STAFF</b>	<b>\$0</b>	<b>\$368,000</b>	<b>\$368,000</b>	<b>\$0</b>	<b>\$736,000</b>
<b>TOTALS</b>	<b>\$84,795</b>	<b>\$452,795</b>	<b>\$452,795</b>	<b>\$84,795</b>	<b>\$1,075,180</b>

The following budgetary projections shown in Table #2 for a new unit school district are based on the historical review of the fiscal growth and expenditure activity of the individual school districts in this study. The projections are presented for the education, operations, transportation and working cash funds to gain an understanding of the potential revenue and expenditure frame for a newly reorganized district.

The incentive calculations as shown in Table 1 are included as additional revenue to the education fund during years 2022, 2023, 2024 and 2025. It is noted that the payments of incentive dollars are scheduled for a four-year distribution based on the calculations developed by the Illinois State Board of Education.

The baseline data was established utilizing the data from June 20, 2019 Annual Financial Reports. The budget projections for the proposed PK-12 school district as shown in table 2 utilized a conservative index of 1.02 for the predictive revenue growth and an index of 1.02 for the projective estimate of expenditure activity for the new district.

Please note that the data shows the relationship of revenue and expenditures projected for the new district with the proposed new organizational structure. The estimated annual additional salary cost of \$80,723 is added in the expenditure projections and the reduction of state aid of \$34,691 is subtracted from the projected revenue estimates. As shown in Table 5 the new district could over time realize an annual savings of over \$600,000 as the result of the reorganization of the two districts. The projected savings are not factored into the budget projections. The projections are based on the anticipated flow of revenue and the expenditure activities of the new district. The estimated savings in Table 5 are highly dependent on the activities of the new district and the State.

Again, it is important to provide a caveat of caution regarding the projections provided in the study. The calculations are based on a review of the trending growth data both in local and state revenue as experienced by the subject school districts and the fiscal attitude and activity the school district and of the state.

Please note the incentive dollars provide a significant boost in revenue for the years 2022-2025. However, beginning in 2026 the incentive contributions will end. It is critical for the new district to actively pursue and to capture the efficiencies resulting from the reorganization during that time frame. The projections assume the newly reorganized school district would be a Pre-K-12 Unit District. It assumes that the new unit school district would come into existence beginning with the 2022-2023 school year. It is important to note that the new school district must identify and actively pursue efficiency opportunities to reduce operational costs

The opportunities for cost reductions are listed in the recommendation section of this report. They consist of reductions in personnel, organizations functions, changes in schedules and even restructuring the educational delivery system.

It is estimated that even if the new district fails to reduce the operational costs and the operational activity of the district remains status quo the new district beginning in 2026 could expect to have a balanced budget with revenue exceeding expenditures by over \$900,000 in the education fund. However, the aggressive pursuit of the proposed cost savings shown in table 5 could result in a significant reduction in the overall operational costs for the district. It is also important to note that the indexed calculations used to estimate the budgetary activity for the district are very conservative. The growth index used for both the revenue and expenditures were set at 1.025

It is hard to predict the future of funding for schools in Illinois. The present economic challenges confronting Illinois bring into questions the stability of the funding formula for our schools. If the state can establish an effective recovery from our present economic crisis we believe the potential growth for the district could exceed the estimated index used for the projections in Table 2. However, for the purpose of this study we believe it is better to project in a conservative frame. As I have shared many times with other districts the one element of your fiscal environment that you can somewhat control is your operational costs.

Again, we need to emphasize the new district will need to pursue and capture the efficiencies of operation to resolve the increase in personnel salary costs. In addition, to conducting an efficiency audit to identify the potential cost savings the new district should also consider restructuring the combined district debt presently owned by the subject districts.

This should include consideration of refunding bonds to capture lower rates and adjustments to the bond schedule to capture cost savings.

Once again, please note all estimates and projections are based on the review of the trends of revenue and expenditures of the two districts over a five year look back period. The baseline data for this review comes from the analysis of each district's annual financial reports, annual statement of affairs and a review of their budgets. However, many variables can and will impact any and all projections.

The data from this study is provided to the school district to assist them with the many decisions related to the process of bringing districts together to form a new PK-12 unit. As previously stated the Committee of Ten will be faced with many questions and will be charged with making critical decisions that will impact and determine the level of success the new school district will experience.

It is recommended that the Committee of Ten carefully review the data and recommendations from this study and to also conduct additional fact finding efforts to expand their understanding of all the related parameters of the reorganization before making their final decision regarding the future status of the delivery of education for the students of the two school districts.

<b>TABLE 2 REVENUE AND EXPENDITURE PROJECTIONS FOR L/S PK-12 DISTRICT</b>										
<b>YEAR</b>	<b>ED FUND</b>				<b>O/M FUND</b>		<b>TRANS</b>		<b>WRKNG CASH</b>	
	REVENUE	INCENTIVE PAYMENTS	TOTAL REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND
2019	\$14,949,782	\$0	\$14,949,782	\$14,084,657	\$801,908	\$729,233	\$876,567	\$680,120	\$162,588	\$0
2020	\$15,323,527	\$0	\$15,323,527	\$14,436,773	\$821,956	\$747,464	\$898,481	\$697,123	\$166,653	\$0
2021	\$15,706,615		\$15,706,615	\$14,653,677	\$834,305	\$758,694	\$911,980	\$707,597	\$169,157	\$0
2022	\$16,099,280	\$84,795	\$16,099,280	\$15,020,019	\$855,163	\$777,661	\$934,780	\$725,287	\$173,386	\$0
2023	\$16,501,762	\$452,795	\$16,501,762	\$15,395,519	\$876,542	\$797,103	\$958,149	\$743,419	\$177,721	\$0
2024	\$16,914,306	\$452,795	\$16,914,306	\$15,780,407	\$898,455	\$817,030	\$982,103	\$762,005	\$182,164	\$0
2025	\$17,337,164	\$84,795	\$17,337,164	\$16,174,918	\$920,917	\$837,456	\$1,006,655	\$781,055	\$186,718	\$0
2026	\$17,770,593		\$17,770,593	\$16,579,291	\$943,940	\$858,393	\$1,031,822	\$800,581	\$191,386	\$0

It is noted that without any significant changes in the fiscal frame for the new district such as reductions in operational costs and increases in revenue above the projected growth estimates minimal changes in the total tax rate for the new district would be expected.

As shown in table 3 the present combined tax rate ranges from 6.06 for Somonauk #432 and 6.02 for Leland #1. The total extension of local dollars for the two districts is presently \$10,829,461. It is projected the tax rate needed by the new district to generate the same extension of local dollars would be 5.95.

The projected rate would result in a small decrease for both districts. However, with an active pursuit of cost saving strategies by the new district the overall operational costs could be reduced and consideration could be given to the reduction of the total rate in the future.

It is important to note that the portion of the tax rate related to established debt by former districts will initially result in the new district having different rates for different communities. The state presently requires that all individual district debt will remain with the district that previously established the debt. However, the new district can decide to roll all the debt into a single tax rate



structure and eliminate the differentiation of the rate structure. This will become a decision that must be considered by the Committee of Ten.

It is recommended that the new district engage in an annual review of the operational needs of the district coupled with an analysis of the revenue and expenditure trends and determine the actual tax rate that is needed by the new district. The practice of regular Tax Rate/Need Analysis should be a component of all school district’s fiscal processes.

<b>TABLE 3 TAX RATE AND EXTENSION 6/30/2019</b>			
<b>DISTRICT</b>	<b>TAX LEVY EXTENSION</b>	<b>TAX BASE EAV</b>	<b>DISTRICT RATE</b>
<b>SOMONAUK 432</b>	<b>\$7,734,924</b>	<b>\$129,965,594</b>	<b>6.06</b>
<b>LELAND 1</b>	<b>\$3,094,537</b>	<b>\$51,399,618</b>	<b>6.02</b>
<b>TOTAL</b>	<b>\$10,829,461</b>	<b>\$181,365,212</b>	<b>PROJECTED NEW DISTRICT RATE</b>
			<b>5.95</b>

**TABLE 4 GENERAL REORGANIZATION IMPACTS AS PRESENTED IN THE STUDY**

<b>TRANSPORTATION</b>	Consolidation of the two school districts would provide an opportunity to focus on unified logistics for transportation. This would allow for a more strategic scheduling structure and will bring higher levels of efficiency to the system. The total cost of transportation will be reduced because of capturing savings in total transportation cost through more strategic engagement of scheduling, routing, and utilization of fleet inventory.
<b>ENROLLMENT</b>	A review of the historical trends of enrollment has shown relative stability in enrollment for the two districts. It was determined enrollment for the new district will remain stable with a minimal growth in enrollment over the next ten years.
<b>FACILITIES</b>	The physical integrity of the present schools offers significant capacity to accommodate growth and provide a quality learning environment for the proposed design of the new district. The utilization/disposition of the Leland High School facility will have to be decided. The building could provide beneficial utilization for the school district, other educational agencies and or the community.
<b>CURRICULUM</b>	Through merger of the two school districts enhanced opportunities for curricular alignment and consistency of curricular offerings can be established for all students as they prepare for entry into Somonauk High School.
<b>EXTRACURRICULAR</b>	Through reorganization of the schools expanded offerings can be made available. However, the increase in numbers may reduce the opportunity for individual participation in selected offerings.
<b>FINANCIAL</b>	It is assumed that revenue for the new district will grow at the index rate of 1.025 per year. It is also assumed that the EAV will increase annually at the index rate of 1.025. This coupled with the projected savings as shown in Table 2 the new district's fund balances should show increases going forward.
<b>INCENTIVES</b>	The state of Illinois has estimated that the new district will receive a total of \$1,075,180. \$736,000 is actual new revenue and \$322,892 is provided to offset the cost of the reorganization.
<b>TAX RATE</b>	The rate would basically remain the same. No significant increase or decrease in the tax liability for the taxpayers. However, it is anticipated that because of the reduction of total operational costs the new district should review the rate structure annually to determine the relationship of the Rate/EAV/NEEDS for the new district.
<b>CONSTITUENT BENEFITS</b>	The operational efficiency of a single PK-12 Unit School District. Capturing the efficiencies of operation resulting in reduced costs to the taxpayer. The expanded opportunities for students in curricular and extra-curricular programs.

**Table 5 POTENTIAL REORGANIZATION COST SAVINGS**

OPERATIONAL COMPONENT	OPERATIONAL COMPONENT SAVINGS DESCRIPTION	ESTIMATED SAVINGS
<b>ORGANIZATIONAL FUNCTIONS</b>	CONSOLIDATION OF FUNCTIONS SUCH AS ANNUAL AUDITS, BUDGETS, ATHLETICS,	\$50,000
<b>CERTIFIED PERSONNEL</b>	Eliminate 7.0 full time teaching positions including benefits	\$280,000.00
<b>CLASSIFIED PERSONNEL</b>	Eliminate 1 custodian, 1 cook, 2 program aides, 1 secretary including benefits	\$110,000
<b>ADMINISTRATION</b>	Eliminate 1.0 Superintendent including benefits	\$130,000.00
<b>TRANSPORTATION</b>	The unified operation of the transportation system should result in cost reductions in the transportation of regular, special, and extracurricular students.	\$75,000.00
<b>TOTAL POTENTIAL SAVINGS</b>		<b>\$645,000.00</b>

**OPTION #2. REMAIN AS SEPARATE DISTRICTS-**

**Assumption: Continue as independent school districts but actively pursue and establish significant cooperative initiatives in curriculum, instruction, operations, transportation, and extra-curricular activities for the benefit of all students and districts. No Incentives.**

The Boards of Education and Administration should review the present needs that exist for each school district and seek improvement opportunities through cooperative ventures to meet the identified needs of the districts. This should consist of curricular, extracurricular areas, support functions such as transportation, food service and professional development opportunities for all staff members.

School Public Relations Recommendation:

As the consolidation effort move forward, the consultants recommend forming a joint study of the history of the two school districts for individuals moving into the Leland/Somonauk area. The study should be done in conjunction with local business, community, and farming officials with a brochure developed for citizens into the area. The brochure should include positive components of each district's past and the positive components to look forward to as the two districts merge together.

### **OPTION #3. DISSOLUTION/ANNEXATION**

School districts with community populations of less than 7,500 and enrollment of 750 or less may also use Section 7-2a(b) and Section 7-11 of the School Code to dissolve.

The petition may be filed by the board of education of the district to be dissolved or by a majority of voters in the district to be dissolved.

Petitioners must hold a public informational meeting before the petition process starts, giving at least 10 days' notice of the meeting published in a newspaper of general circulation. No Referendum required the decision is made by the Regional Board of Trustees.

**Assumption: Leland passes a resolution to dissolve their district and prepare and forward a Stipulated Petition via the Regional Superintendent of Schools to the Regional Board of Trustees requesting permission to annex with Somonauk.**

The petition is filed with and decided solely by the Regional Board of School Trustees whose Regional Superintendent has supervision of the school district to be dissolved

The Regional Board of School Trustees shall hold a hearing not less than 50 days nor more than 70 days after a petition is filed and shall publish a notice of the hearing once each week for two weeks in a newspaper of general circulation

At the conclusion of the hearing, the Regional Board will deliberate and decide whether to grant or deny the petition by a simple majority vote.

Within 30 days of the vote, the Regional Superintendent shall enter the order of the Regional Board of School Trustees either granting or denying the petition.

The incentive calculations must be processed by ISBE. Dissolution/Annexation can qualify for the reorganization incentives.

## **FURTHER QUESTIONS**

### **1. If a school board is interested in exploring reorganization options, what are the first steps?**

The following are suggestions only. Since each school district is unique, how it first explores reorganization options will vary. A school board should first assess its own district's situation to discover which option or options would most benefit the district's students, parents, and taxpayers. Inquiry letters could then be sent out to neighboring districts to gauge interest in reorganization. Interested districts can discuss reorganization options during board meetings, joint board meetings, community meetings, and/or small group meetings. Interested districts may also apply for Reorganization Feasibility Study funding to hire a consultant to report on their specific situation. It is best for a school board exploring reorganization options to continually communicate with its public. A referendum is more likely to be successful with community buy-in. A board should keep its local regional superintendent informed of its discussions and progress.

### **2. If a citizen is interested in exploring reorganization options, what are the first steps?**

The following are suggestions only. Since each school district is unique, how citizens first explore reorganization options will vary. A citizen should assess his own district's situation to discover which option or options would most benefit the district's students, parents, and taxpayers. This could be done by gathering information about curriculum, finances, school buildings, student transportation, extracurricular activities, and the community's' feelings regarding reorganization. Inquiry letters could even be sent out to neighboring

districts to gauge interest in reorganization. Citizens may present the information gathered to the local school board. If the citizen drive leads to the filing of a petition for school district reorganization, all requirements of Article 11E must be met, just as if a school board submitted the petition.

### **3. Who can I contact for further information?**

ISBE provides technical assistance for districts or citizens investigating reorganization options. ISBE can also send staff members to interested communities to discuss these options. Questions on School District Reorganization options and process can be addressed to: Michelle Heninger School Business and Support Services Division Illinois State Board of Education 217/785-8779 [mheninge@isbe.net](mailto:mheninge@isbe.net)

## **NEXT STEPS REGARDING POSSIBLE CONSOLIDATION**

**In general, the process for undertaking a school district reorganization begins with a feasibility study conducted to assess options, review data gathered for the school boards or interested citizens.** If the findings of the study indicate the boards should consider consolidation and the boards both agree to proceed then petitions will be approved by all boards involved and forwarded to the Regional Office with the greatest EAV of the proposed new district. It appears that would be Lasalle in the case of this study. The petition process consists of specific procedures.

- The Committee of Ten must be named in the petition.
- The proposed date for the referendum must be included in the petition.
- The Regional Superintendent approves or denies the petition.
- The petition submitted must include the listing of the Committee of Ten. If it appears that consolidation is the desire of both districts it would be wise to have the Committee of Ten selected and engaged as soon as possible.
- The Committee of 10 is by appointment. It does not require a community vote. A great deal of preparatory work should be done by the committee prior to the actual consolidation community vote.
- Once the petition is approved by the ROE, it is forwarded to the State Superintendent seeking approval to conduct a referendum.
- The State Superintendent will respond with an answer via the ROE.
- Once authority has been granted to conduct the election the School Boards, Superintendents and the Committee of Ten will pursue the election.



- Having the Committee of Ten selected and engaged allows them to serve a major role in the promotion of the referendum. Educating the public is the major task in a reorganization referendum. The public will have multiple questions and they must be addressed.
- The referendum is simply asking the voters of the districts to approve the consolidation. In some referendum questions, they have included the Board Candidates for the new district. This is not required, but it does eliminate the need for another election process.
- The referendum must pass by majority in all districts. If it fails in one, the issue is dead. The districts would have to wait two years to conduct another referendum unless the referendum question is changed to another option.
- The referendum most likely would occur no earlier than the first election after a one-year review process after completion of the study. There are lots of items that must be dealt with prior to conducting the referendum including the job of educating the public.

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