



O'Fallon Township
High School



JOSEPH ARTHUR
MIDDLE SCHOOL

Central District 104



REORGANIZATION FEASIBILITY STUDY

Prepared for
The O'Fallon-Shiloh Chamber of Commerce

Authorized By

Illinois State Board of Education

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O'Fallon-Shiloh Chamber of Commerce Introductory Statement

The following is a study covering areas of concern regarding the issue of school district consolidation in O'Fallon and Shiloh Illinois. It was engaged by the O'Fallon-Shiloh Chamber of Commerce and was funded by the City of O'Fallon, the Village of Shiloh and the Chamber. The topic of school district consolidation is not new to our community. Studies have been completed in the past but did not provide clear recommendations. Therefore, no action was taken.

The involvement of the O'Fallon-Shiloh Chamber of Commerce regarding this issue is to seek an analytical approach to three areas of concern:

- cost efficiencies to be obtained through a consolidation,
- enhancement of the academic needs of students,
- cost efficiencies in planning for growth and capital improvement needs of the school system in coming years.

The Chamber facilitated this study as an unbiased party on the issue of school consolidation and will not have a role in taking the recommendations to the ballot. However, the Chamber and its members recognize that a thriving, well-regarded school system plays an important role in a successful business community. In addition, the Chamber is an advocate of spending tax dollars efficiently.

The goal of this study is to highlight the monetary and scholastic benefits of a school district consolidation and to weigh those benefits against the costs. This will allow key decision makers the opportunity to make educated choices on whether a school district consolidation is appropriate and beneficial for the residents of O'Fallon and Shiloh.

The four school districts involved in this study are O'Fallon Township High School District #203, Shiloh Village School District #85, Central School District #104 and O'Fallon School District #90. The study could not have been attempted without the full consent and cooperation of the school

boards and superintendents in each district. We thank you for your efforts. The Chamber would also like to thank the following individuals for serving on the Chamber ad hoc committee charged with commissioning this study: Greg Cundiff, Doug Distler, Dr. Cynthia Doil, Martha Eggers, David Hopkins, Al Keeler, Kent Lannert, Richard Lunan, Francine Nicholson, John Rosenbaum, Tony Smallmon, Jean Thouvenot, and Dr. Julie Tonsing-Meyer.

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 the case of the four school districts involved in the O’Fallon – Shiloh study, the four school districts impacted are supported and funded by the O’Fallon Chamber of Commerce. 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. The compelling question to pursue is simply this... “Will it Be Good for Kids?”

We would like to commend the Boards of Education for O’Fallon Township High School District #203, O’Fallon CCSD #90, Central School District #104, and Shiloh Village School district #85 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. We also think the O’Fallon - Shiloh Chamber of Commerce for bringing this long-discussed topic to the forefront. The process of establishing a reorganization feasibility study and rendering recommendations regarding possible re-organization options does not occur without the assistance of several individuals. The leadership of the district superintendents, Dr. Darcy Benway, Ms. Carrie Hruby, Mr. Dale Sauer, and Ms. Dawn Elser and their staffs along with Mr. David Hopkins and the Chamber Committee have been essential to the successful pursuit of this study. And finally, we would like to acknowledge the role of the Regional Superintendent of Schools, Ms. Susan Sarfaty, and her staff who have served as major contributors to this study. The Regional Offices of Education play 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 O'Fallon and Shiloh 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 building 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 18th 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 19th 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 but adequate 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 EBFM reporting memorandum to Superintendents on September 4th, 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 12th 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 30th, 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 30th, 2018). This new formula caused more involvement between ISBE and the local districts.

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 several 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 several elementary districts to feed into a single high school district. This is the case regarding the four public school districts in the O'Fallon area.

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 is generally the example locally in Madison County i.e. Edwardsville, Granite City, Collinsville, Triad, and Alton. 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 O'FALLON/SHILOH AREA SCHOOLS

Though Native American settlement dates back centuries, O'Fallon's first modern-day settlement was made in 1802 by Revolutionary War veteran Capt. Joseph Ogle. Others soon followed, lured by rich land well suited to agriculture. It was here that John Mason Peck founded Rock Spring Seminary in 1827, the first college in Illinois. Within 25 years, coal mining had begun, and the Ohio and Mississippi Railroad was built. The town began as O'Fallon Station, a depot of the O & M Railroad, named for the railroad president Col. John O'Fallon of St. Louis, a nephew of George Rogers Clark and William Clark. The first lots were sold at public auction on May 13, 1854. The first public school was built in 1861. O'Fallon was incorporated as a village in 1874 and converted to city government in 1905. The Community Park was established in 1924 and a public library in 1930. Scott Air Force Base, founded in 1917, contributed to much of O'Fallon's growth and I-64 fueled its rise as a commercial center. O'Fallon is the birthplace of actor William Holden and illustrator Bernie Fuchs. Today, at over 25,000, O'Fallon is one of the fastest growing cities in the St. Louis area.

O'Fallon Township High School #203

The first high school was founded in 1901 as a two-year school by William R. Dorris, who became the first principal, according to Brian Keller of the O'Fallon Historical Society. In 1900, the city had built a new building to serve as the elementary school. Room 10 was set aside for the high school studies. The first graduating class in 1903 had only five members.

In 1920, O’Fallon’s high school officially became OTHS of District 203, and the original school song, “Blue and Old Gold”, was first sung at graduation in 1925. The school’s mascot is the Panther, for which the 1934 basketball team takes credit for choosing. The basketball team visited a sports store in 1934 and was impressed by the large picture of a panther in the store’s display window, according to Mr. George Bender, class of 1937. The team, not having a mascot of their own yet, liked the idea of using the panther. By November 1934, the team was nicknamed the Panthers, a name which would eventually represent the entire school. As stated in the 1962 edition of *The Panther*, the crest of O’Fallon Township High School reflects the town’s history of farming, industry, and coal mining through the symbology on the shield. The crest can be found on the bronze plaque placed in the 600 hallway by the Class of 1961 as well as on students’ diplomas.

The current main campus (Smiley), which houses grades 10-12 (sophomores, juniors, and seniors), was built and opened in 1958. Through the years, the campus has experienced 10 expansion projects with the most recent one occurring in 2009. The 2009 expansion included the creations of the 1000 hallway along Smiley Street, adding 9 new classrooms including new science labs. The Smiley Campus now has a capacity of 2,100 students.

The district completed construction of the Freshman Academy (Milburn) in the summer of 2009. The Milburn Campus has a capacity of 850 students and was designed to be expanded to hold 2,000 students (potentially freshman and sophomore students) should future growth in the community warrant such expansion. The two campuses are about 10–15 minutes apart. The first class to attend the Milburn campus was the class of 2013.

The first school building in O’Fallon was erected in 1861 on the site of the old Post Office. In 1901, the first building was constructed on what is now the site of the Marie Schaefer School complex. In 1911, another building was added which housed both the

elementary grades and the high school. In 1920, the O'Fallon Township High School was formed, and from then on, there were two school districts with separate Boards of Education. In 1925, a new high school was built on the same site, and in 1938, the gymnasium was added. The cafeteria was built on the same site in 1953. In 1957, enrollments had so increased that the O'Fallon Township High School District decided to erect a new building on South Smiley Street and sell the old buildings to the Elementary School District. In 1962, the practice of having one Superintendent over both the elementary and high school districts were discontinued.

O'Fallon Community Consolidated Elementary District #90

The O'Fallon Community Consolidated Elementary School District No. 90, O'Fallon, St. Clair County, Illinois, was legally established on April 9, 1949. It roughly encompasses the northeast quarter of Caseyville Township and all of O'Fallon Township, except that portion lying east of Silver Creek.

In 1965, the Estelle Kampmeyer Elementary School was opened; in 1972, the J.E. Hinchcliffe, Sr. Elementary School was opened; and in 1974, the LaVerna Evans Elementary School was opened. A 12-classroom addition to the Estelle Kampmeyer School was completed and opened in August 1988; the old South and East buildings of the Marie Schaefer complex were razed in 1992, and a new complex of classrooms, library, and offices were opened that same year. A nine- classroom addition to J.E. Hinchcliffe School was opened in August 1993. Edward A. Fulton Junior High was built in 1998 and opened in the spring of 1999. Delores Moye Elementary School was opened in 2003. Amelia V. Carriel Junior High was opened in 2009.

Central School District #104

Central School District #104 was formed via the consolidation of Franklin School District (Booster) and Carbon School District (Ridge Prairie) in 1927. The original 2-story red brick building no longer fully exists, but remnants of some walls and roof are contained in the current building. The original structure was still being partially used in the early 1980's.

In 1957, the original gymnasium and a wing of four classrooms were erected. Two of these classrooms are still used today, the other two were removed in 1994. This is the oldest part of the building. Currently, the district houses 2 special education classes in these two classrooms and the gym, which has doubled as a cafeteria over the years, is now home to the indoor playground. In 1967, another section of classrooms was added to the old red brick building. Today, these classrooms house 2nd grade and are used to house the administrative offices.

As the population in O'Fallon grew, the needs of district 104 grew in the early 1990's. Three additions were made in 1994 that added eight classrooms. Today, one of these areas serves 1st grade. The other was remodeled in 2011. The original 2-story red brick schoolhouse was demolished in 1996 to make way for more additions, which became the Kindergarten wing and library. The District office was housed in the library from 1996 to 2011. The "new" gym was also built and is attached to the 1957 classroom wing as well as the 1994 addition.

As more students flocked to District 104, the elementary school could no longer house all students. A middle school was built in 2008 and named after long time school superintendent Joe Arthur. The building was originally built to house 6 through 8 students. However, grade 5 moved to JAMS in 2009 due to space issues at the elementary school. In

its first year, the new school housed approximately 140 students. Today, Joseph Arthur Middle School (JAMS) houses 260 students. JAMS was funded through a voter-approved referendum in 2006 (\$4,500,000).

Following the construction of JAMS, Central Elementary was given a facelift in 2011. The current cafeteria was added, and the classrooms were remodeled throughout the building. Central's remodel was funded through two separate Qualified Zone Academy Bond issues, \$3,000,000 in 2009 and \$2,200,000 in 2010. Both school offices were remodeled in 2014 to provide greater staff and student security. Office remodels were funded through Life Safety bonds in 2014 for \$268,000. Four modular classrooms were added to Central School in 2015 to accommodate further growth in the district. These modular classrooms house the 4th grade classes at Central School.

Shiloh Village School District #85

Originally part of Cherry Grove School district, townspeople requested that Shilo (original spelling) be made a separate school district because of an ever-increasing population. On March 23, 1850 a new school board was formed, and Shiloh School District 85 was established. Shiloh Village School District #85 encompasses the boundaries of the village of Shiloh, Illinois. It operates Shiloh Elementary School for grades pre-K through 3, and Shiloh Middle School for grades 4-8. Shiloh Elementary School was built in 1956. Shiloh Middle School opened in January 2005. Also, in 2005, the Shiloh Village School was renamed Shiloh Elementary School. Additions included the cafeteria in 1962, three classrooms in 1966, three additional classrooms along with offices, workroom, and storage in 1970, a gymnasium in 1981, eight classrooms in 1988, the purchase of eight portable classrooms from 1993 – 1995, and the construction of eight classrooms, a library, and

administrative offices in 1998. This constant growth lead to the need of the new Shiloh Middle School in 2005.

School History Recommendation:

Whether the consolidation moves forth or not, the consultants recommend forming a joint study of the history of the four school districts for individuals moving into the O’Fallon/Shiloh area. The study should be done in conjunction with the O’Fallon Chamber of Commerce with a brochure developed for both military and other citizens moving into the area. The brochure should include positive components from each school district.

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. Luckily, we are not dealing with this problem concerning the O'Fallon – Shiloh districts.

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 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 ISBE Waiver Process. The Waiver Process has been established by ISBE to allow school districts desiring to reorganize to bypass the legislative statutes. For example: In this study all four of the 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.

Just as an example, Central #104, O'Fallon #90, and O'Fallon #203 would each have to complete the waiver process and file the same waiver. If approved, it would allow them to pursue a referendum question with just the three of them, without Shiloh being represented

on the petition or at the referendum vote. This is only an example. Any combination of the four districts can be used.

ISBE 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. At this point, the districts have not carried forward with an actual petition, but they still have their approved waivers for approximately another year and a half.

The application deadline for the Fall 2019 Waiver Report is August 2019. 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

Financial incentives are available for reorganization options except for detachment and annexation and high school 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.

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
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)

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

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

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. Except for high school

deactivation and cooperative high school formation, all other types of reorganization may qualify for these incentives.

Michelle Heninger with the Illinois State Board of Education stated interest in reorganization seems to be increasing. She indicated “we’ve gotten a lot more 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.

Currently, 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 subject to change. The new EBF state aid funding results were distributed to the school districts in early April 2018. Currently, ISBE provides four major incentives to school districts that agree to consolidate:

- **General State Aid Difference:** paid if the General State Aid Entitlement (GSA) for the newly reorganized district(s) for the first year of existence is less than the GSA would have been that same year based on 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 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

- A petition is filed with the appropriate regional office of education
- The regional office publishes notice of a hearing
- A hearing is held to consider the petition
- The regional superintendent decides to approve or deny the petition
- The State Superintendent reviews the information from the local hearing and decides to approve or deny the petition
- If approved, the regional superintendent certifies the public question for the ballot
- Citizens vote

It goes to the Regional Office with the largest representation of the total enrollment of the districts.

- After the ROE signs off, the Committee of 10 then begins to work together to investigate and make recommendations about the actual consolidation process.

The petitions go to the ROE and once approved by the ROE then 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 determine the date of the referendum.

The petition submitted can include the listing of the Committee of Ten. If it appears that consolidation is the desire of the districts, it would be wise to have the Committee of Ten selected and engaged as soon as possible.

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.

- There is not referendum vote or community vote until approval has been granted.

Vote on the referendum only occurs when approval has been granted and once the date for the referendum has been confirmed by the districts. You are not forced to conduct a referendum. You are simply given the permission to do so if that is the wish of the districts.

- What actually is voted on is the referendum to approve the consolidation - as it is then presented after Committee of 10 work?

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.

- Do both boards again have to vote to approve placing the consolidation on the agenda?

There must be an agreement. Each Board will have to pass a resolution setting up the referendum. The Board's will follow the code process for referendum. If all Boards do not commit to Referendum Resolution, the issue cannot move forward.

So potential / practically timeline could be:

The referendum most likely would occur no earlier than the first election after a one-year process at 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.

What would be the expectation to be functioning as a 'unit district' following a successful referendum?

August of the following academic year if there is a November election.

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:

- A. The maximum rates for both K-8 and 9-12 educational, operations and maintenance, and special education purposes.
- B. The maximum rate for pupil transportation purposes; and
- C. 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 doesn't 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.

SOME SPECIFICS ABOUT THE COMMITTEE OF 10.

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 6%.

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) • 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 modifications 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 attendance areas and the particular school boundaries for 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 attendance 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 in 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

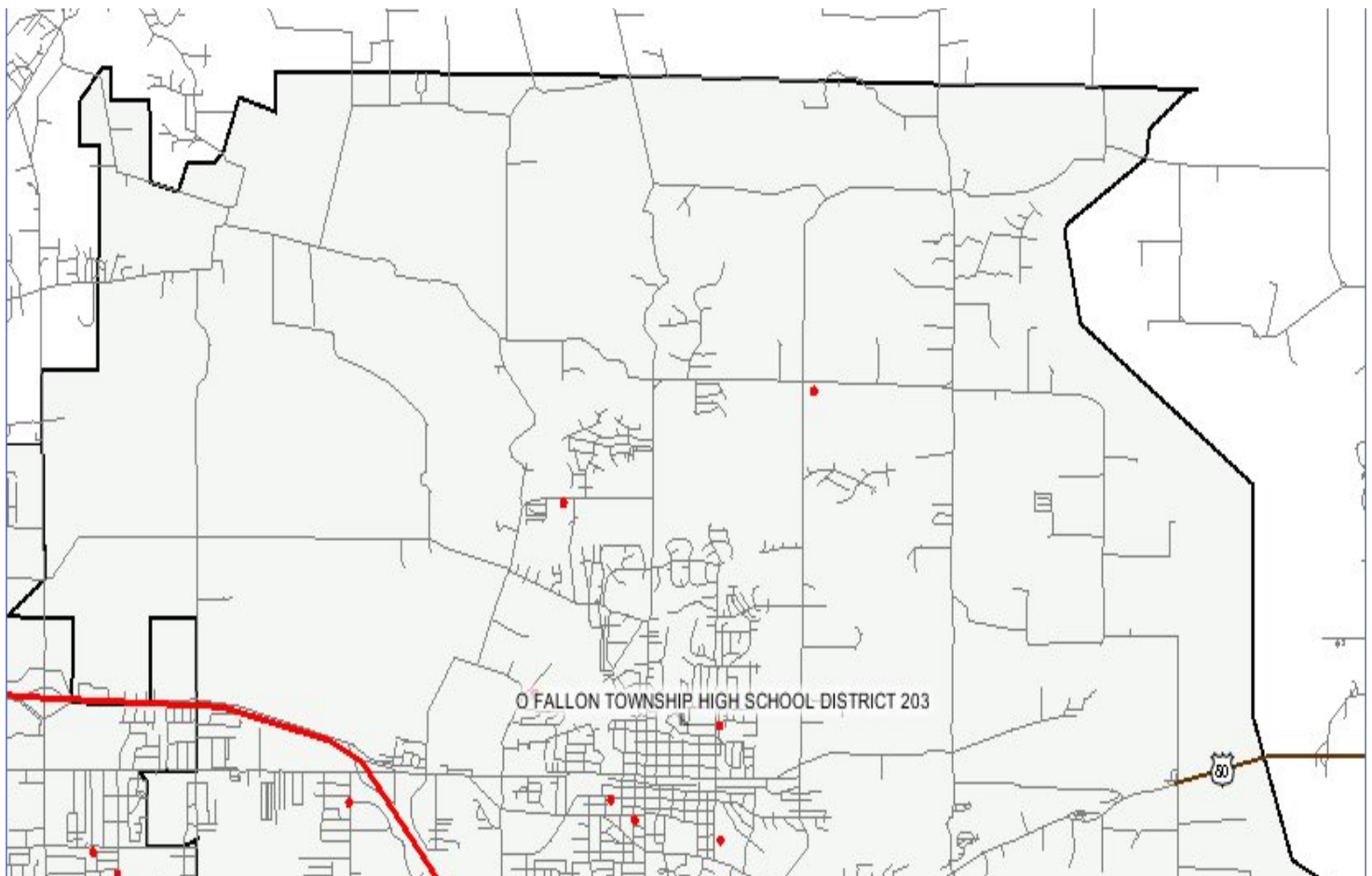
transportation such as the time on the bus, the length of the routes, and the number of students needing and qualifying for transportation must be identified and examined.

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 four school districts engaged in the study.

School districts must file annual Transportation Claim forms with the Illinois State Board of Education. The forms require specific data regarding the transportation of Regular students, Special Education students, Vocational Students and Non-Reimbursable travel for extracurricular activities. The report must show the cost per mile and cost per student for the categories of regular and for special education students. (See Table 1 and 2).



The four school districts, O’Fallon High School 203, O’Fallon Elementary 90, Central Elementary 104 and Shiloh Elementary 85 contract bus Transportation with Illinois Central School Bus Transportation Company and presently have no district transportation inventory or staff.

The four school districts collectively transport a total of 5,551 students daily on the combined regular and special education routes. The students are being transported at an annual total cost of \$4,607,612.

The yearly total transportation cost per regular student range from a high of \$664 to a low \$487. The districts’ cost per mile for regular transportation ranges from Central’s high of \$6.55 to O’Fallon High School’s low of \$4.13. The total FY 20 expenditures for regular transportation for the four school districts was \$2,305,921.

TABLE 1 DISTRICT REGULAR TRANSPORTATION SUMMARY FY20					
DISTRICT	TOTAL # TRANSPORT	REGULAR MILES	TOTAL COST	TOTAL COST PER STUDENT	TOTAL COST PER MILE
O’FALLON 203	2097	151666	\$627,048	\$299	\$4.13

CENTRAL 104	394	39967	\$261,610	\$664	\$6.55
O'FALLON 90	2326	201815	\$1,131,959	\$487	\$5.61
SHILOH 85	495	46512	\$285,304	\$576	\$6.13
TOTAL/AVG	5312	439960	\$2,305,921	\$507	\$5.61

Special education cost per student ranges from a high of \$11,505 for O'Fallon High School to a low of \$5,494 for O'Fallon 90. Costs per mile in special education ranges from a high of \$8.24 for O'Fallon High School to a low of \$3.93. The total FY 20 expenditures for special education transportation for the four districts was \$1,925,258.

TABLE 2 DISTRICT SPECIAL TRANSPORTATION SUMMARY FY 20					
DISTRICT	TOTAL # TRANSPORT	SPECIAL ED MILES	TOTAL COST	TOTAL COST PER STUDENT	TOTAL COST PER MILE
O'FALLON 203	74	103383	\$851,369	\$11,505	\$8.24
CENTRAL 104	24	29803	\$175,158	\$7,298	\$5.88
O'FALLON 90	133	185890	\$730,707	\$5,494	\$3.93
SHILOH 85	22	41576	\$168,024	\$7,637	\$4.04
TOTAL/AVG	253	360652	\$1,925,258	\$7,984	\$5.52

The total transportation cost for both regular and special education students for the four school districts was \$4,231,179. The overall transportation costs for the school districts are shown in Table 3. The total cost ranges from a high of \$1,951,576 to a low of \$442,306. The total cost per student ranges from a low of \$794 to a high \$1,012. The total overall cost for the transportation of all four districts is \$4,607,612.

TABLE 3 DISTRICT TRANSPORTATION SUMMARY FOR ALL CATEGORIES FY2019

DISTRICT	TOTAL PK12 ENROLLED TO BE TRANSPORTED	TOTAL COST	TOTAL COST PER STUDENT
O'FALLON 203	2171	\$1,747,062	\$805
CENTRAL 104	437	\$442,306	\$1,012
O'FALLON 90	2459	\$1,951,576	\$794
SHILOH 85	517	\$466,668	\$903
TOTAL/AVG	5584	\$4,607,612	\$878

District Transportation Budget

A review of FY 20 estimated transportation budget (Table 4) shows projected revenue for the districts as follow: O'Fallon 90 \$2,246,706, O'Fallon Central 104 \$381,525, Shiloh 85 \$449,100 and O'Fallon 203 \$1,659,000.

The projected expenditures for FY 20 are \$441,334 for Central School District No. 104, \$1,842,685 for O'Fallon District No. 90, \$469,900 for Shiloh District No. 85, and \$1,926,000 for O'Fallon High School District No. 203.

TABLE 4 TRANSPORTATION BUDGET 2020 SUMMARY

District	Transportation Square Miles	FY 20 TRANSPORTATION REVENUE	FY 20 TRANSPORTATION EXPENDITURES	FY Projected Fund Balance 6/30/20
Shiloh Village SD 85	5.58	\$449,100	\$469,900	\$142,235

O Fallon CCSD 90	37.74	\$2,246,706	\$1,842,685	\$410,463
Central SD 104	4.88	\$381,525	\$441,334	\$60,716
O Fallon HSD 203	48.71	\$1,659,000	\$1,926,000	\$1,320,000

Transportation Management

Each of the four school districts contract their transportation services with the Illinois Central School Bus. The districts have established a cooperative approach to the transportation of their students and enter into negotiations collectively with the contractor.

The districts share a bus lot and building that is owned by Central District 104. Central 104 recently completed \$623,000 worth of renovations to the facility including the creation of a new office space for Illinois Central School Bus. Each district pays Central 104 \$2,300 per month rent for use of the bus lot and building. The contractor pays all utilities costs. This cooperative engagement of the subject districts is commendable and is an example of how through cooperative efforts efficiency of operation of transportation.

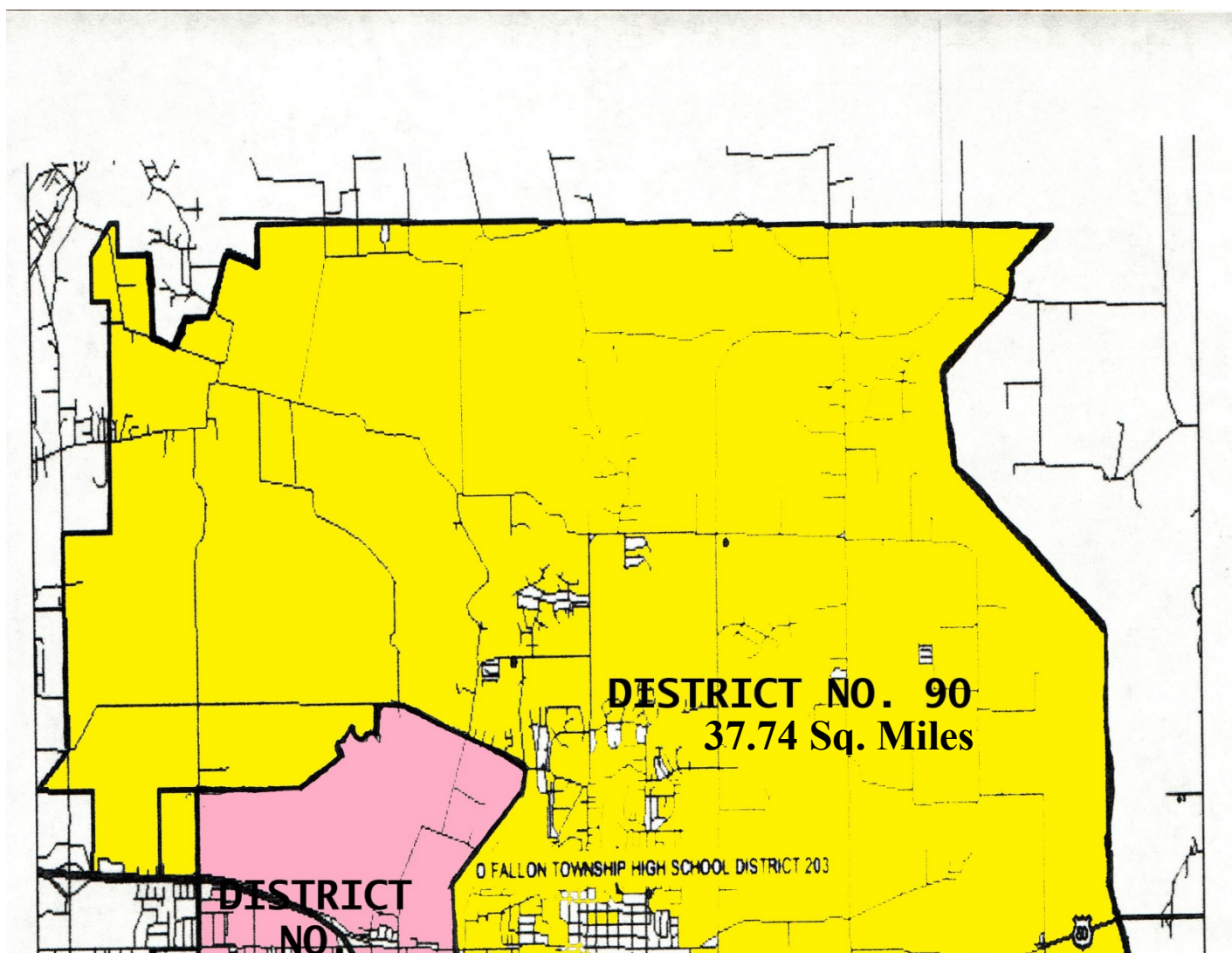
Travel Time

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 concern that 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 and others may be considered: age of the pupil, distance between home and school, safety, efficiency, cost, available buses, the

number of schools on a particular 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 the trip 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 and therefore extending the time spent on the bus.

The size of the school district obviously can impact the time and distance, the total square miles of the existing school districts located in St. Clair County include O'Fallon High 203 at 48.71, O'Fallon Elementary 90 at 37.74, Shiloh Elementary 85 at 5.58 and Central Elementary 104 at 4.48. The total square miles for the four school districts are 48.71. This is considered a smaller geographical plat for transportation especially when compared to the 462 square miles that make up the transportation program for the Jasper County Schools in Illinois



4.48 Sq. Miles

5.58 Sq. Miles

The impact of reorganization on the transportation of students would be dependent on any future educational design changes for a new organized school district. If the present school arrangement remains as presently exists in the established districts, we would anticipate very little change on the impacts of transportation for students.

However, if a new reorganized district includes the movement to more centrally established grade level attendance centers the impact of time and distance for some students would possibly be increased. However, given the geographical boundaries of the present school districts it is anticipated any increase in time or distance would be minimal and in some instances the time and distant quotient for some students would be reduced.

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 combined square miles for the school districts are approximately 48 miles. This is considered a small geographical transport area for

transportation of students. The streets and format of the routes do not present any encumbrances that would affect the travel times.

If the reorganization of school districts requires an increase in the number of miles traveled by a district's busses, the cost of these additional miles could use up any potential financial benefits that could be found through a consolidation. In addition, if the reorganization causes the students, especially elementary students increased time on school busses to and from their schools, parents may object to the extended transportation time imposed on their children due to the reorganization.

The Illinois State Board of Education offers the following comments to provide a broad discussion of options for Transportation. Comments for effective transportation management and efficient operation, according to *Essentials of Illinois Finance* by James B. Fritts include:

On average, transportation costs for Illinois Districts consume four to five percent of the total operating budgets (IASB, 2015).

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 \$70,000. 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 designation as hazardous for walkers to school. Two of the three districts in this study are elementary districts and one is a high school. The districts provide transportation to students, pre- k- 8th and 9-12th grades. This formula may change due to proposed funding change legislation.

The *Classrooms first Commission* (2012) has proposed an "incentive" for Transportation that 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).

Transportation Summary

There exists a small square mile frame for transportation within the subject districts. The 48 square miles shared by the four school districts creates an overlap of routes for each of the districts within the 48-mile frame for regular transportation. The transportation costs for special programs tend to be higher especially when busses are being dispatched by each of the school districts with very few students.

The subject districts have been attempting to cooperate on the transportation of regular transportation. However, as a result of this study it appears that there remain many additional opportunities to secure transportation savings through more aggressive efforts to leverage transportation costs through combining routes and students in both regular and special program categories.

Even with the current cooperative system of transportation used by the subject districts, a reorganization that converted the districts into one operational unit would provide an even greater opportunity to capture savings in the costs and programs for student transportation.

Oftentimes, the research* suggests, increased transportation costs are negative factors in a more traditional consolidation which tend to merge separate school districts into one, requiring many or most students to travel increased distances to school. However, this is not a factor given the review of transportation for this study. In fact, the opposite would be likely in a reorganization merger.

The design and development of a single transportation program should establish a system with greater efficiencies in time and money and fewer redundancies in routing.

*" Rural School Busing." Aimee Howley, ERIC Clearinghouse on Rural Education and Small Schools (2001).

Transportation Conclusion

Based on the present transportation systems and patterns, it is projected that the reorganization of the subject district into a new organized district would have minimal impact on the transportation of students due to the geographic dimensions of the current school districts. The districts could cooperatively structure some additional mergers of the routes especially related to the transportation of special education students. Strategic design and scheduling could gain a better economy of scale resulting in a more efficient operational frame. Again, the districts are to be commended for their cooperative efforts in meeting the transportation needs of their students. It is recommended that the districts continue to pursue other cooperative options including the joint routing of students collectively when possible.

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. 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 in order 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 thirteen school facilities.

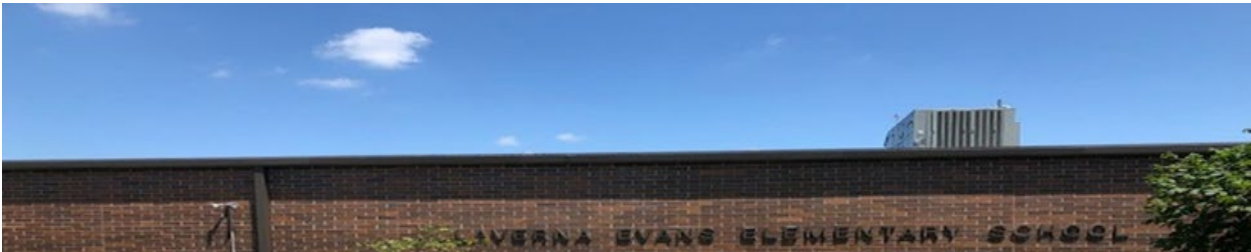
O’Fallon Elementary District No. 90 is the largest district in the study and has the largest number of facilities. The District 90 facilities consist of five elementary buildings and two junior high school. Central Elementary District No. 104 facilities consist of one elementary building and one middle school. Shiloh Elementary District No.85 facilities consist of one elementary building and one middle school. O’Fallon High School facilities consist of two campuses the Milburn Freshman Campus and the Smiley 10-12 campus.

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 determine other specifics regarding the present facilities of the school districts engaged in this study.

O’Fallon Elementary School District No. 90 facilities consist of two junior high school buildings and five elementary schools:



CARRIEL JUNIOR HIGH



EVANS ELEMENTARY

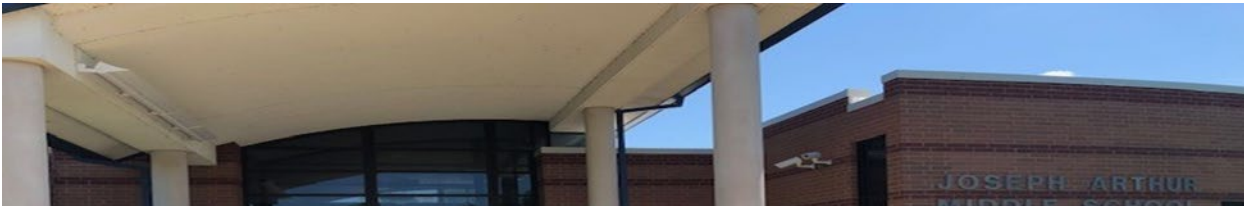


SCHAEFER ELEMENTARY



HINCHCLIFFE ELEMENTARY

Central Elementary School District No. 104 facilities consist of one middle school building and one elementary school:



JOSEPH ARTHUR MIDDLE SCHOOL



CENTRAL ELEMENTARY SCHOOL

building and one elementary school:



SHILOH MIDDLE SCHOOL



O'Fallon High School District No. 203 facilities consist of one freshman campus and a 10-11-12 school campus:





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 four 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.

In order 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 at both the Regional Office of Education and 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.

Most of the subject school facilities are relatively new in comparison to the age of schools within Illinois. The facilities range in age from 1927 to 2009 with most of the buildings constructed after 1965. Tables 1, 2, 3, and 4 includes data related to each building’s age, construction history and their present status regarding compliance with the state’s Health and Life Safety Regulations.

FACILITY OVERVIEW				
TABLE 1 O'FALLON 90				
School	Year Built	Structure	Ten Year Health Life Safety Report	Compliance

Hinchcliffe	1971 additions: 1993	K-5	On File-Roe	In Compliance
Marie Schaefer	1953 additions: 1992	PK-5	On File-Roe	In Compliance
Laverna Evans	1974	K-5	On File-Roe	In Compliance
Carriel Jr. High	2009	6-8	On File-Roe	In Compliance
EK School	1965 additions: 1988	PK-5	On File-Roe	In Compliance
Delores Moye	2003	PK-5	On File-Roe	In Compliance
Fulton Jr. High	1999	6-8	On File-Roe	In Compliance

Table 2 Central 104				
School	Year Built	Structure	Ten Year Health Life Safety Report	Compliance
Central Elementary	1927 additions: 2011	PK-4	On File-Roe	In Compliance
Joseph Middle	2008	5-8	On File-Roe	In Compliance

Table 3 Shiloh 85				
School	Year Built	Structure	Ten Year Health Life Safety Report	Compliance

Shiloh Elementary	1956 additions: 1962, 1966, 1970, 1981, 1988, 1998 (4 portables in 1993 & 1995)	PK-3	On File-Roe	In Compliance
Shiloh Middle	1956 additions: 1962, 1966, 1970, 1981, 1988, 1993, 1995, and 2005	4-8	On File-Roe	In Compliance

Table 4 O'Fallon High School 203				
School	Year Built	Structure	Ten Year Health Life Safety Report	Compliance
Smiley Campus	1958 additions: 1966, 1969, 1973, 1974, 1979, 1994, 1997, 1998, 2000, & 2007	10-12	On File-Roe	In Compliance
Milburn Campus	2009	9th	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 suggested operational levels 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. Tables 5, 6, 7, and 8 indicate the number of classrooms that exist within each of the buildings of the subject school districts. This included a review of each of the elementary, junior high school, middle school and high school for each district. To determine the level of capacity for the district's buildings the reviewer utilized a student to classroom ratio for calculation purposes. The ratio of students to classrooms

utilized at the Junior/Middle School and Senior High School level was 24 to 1, with a ratio of 20 to 1 for the elementary schools.

The data listed in tables 5-7 shows the calculated total capacity for O’Fallon District 90 at 3964 with the present enrollment of 3694. The capacity status for Central 104 is estimated to be 720 with a present enrollment of 599. The estimated calculated capacity for Shiloh 85 is 908 with a present enrollment of 593. The estimated calculated enrollment capacity for all elementary schools is 5,592 with a total present elementary enrollment of 4,886. The calculations show an additional capacity for elementary enrollment of 756 for the combined enrollment of all elementary schools within the subject districts.

Utilizing the class size ratio of 24 to 1 the calculated total enrollment capacity for O’Fallon High School is 2,760 the present enrollment for the school is 2,443. This gives the High School an available capacity for an additional enrollment of 317.

In table 5 O’Fallon 90 shows a plus capacity status of 280 for all schools combined. The district has the least available additional capacity within the elementary grades than any of the other subject school districts. Fulton Junior High Schools is the only school in the district that indicates a deficit status for the number of classrooms and the capacity to meet the needs of existing enrollment.

Table 5 O'Fallon 90 Classroom Capacity								
School	Classrooms Presently Being Utilized	Enrollment Capacity	Enrollment	Actual Classrooms Needed	Excess Classrooms	Plus/Minus Capacity	Labs	Extra-Curricular
Hinchcliffe	23	460	416	21	2	40	Computer	Music Art Library
Marie Schaefer	30	600	585	29	1	20	Computer	Media Music

Laverna Evans	17	340	349	17	0	0	2 Computer	Media Music
Carriel Jr. High	31	744	701	29	2	48	3 Tech Lab 3 Sci Lab	Library Chorus Band
EK School	26	520	395	20	6	120	Computer	Library Music
Delores Moye	41	820	610	31	11	220	Computer 2 Art/Sci	Music Library
Fulton Jr. High	20	480	638	27	-7	-168	3 Computer 3 Sci Lab	Media Chorus Band Art Room
Totals	188	3964	3694	174	15	280		

In the review of the capacity in table 6 for Central 104 the reviewers identified an additional enrollment capacity for Central Elementary of 164 with an available additional capacity of 8 classrooms.

Table 6 Central 104 Classroom Capacity								
School	Classrooms Presently Being Utilized	Enrollment Capacity	Presently Enrollment	Actual Classroom Need	Excess Classes	Plus/Minus Capacity	Labs	Extra-Curricular
Central Elementary	25	500	360	18	7	140		Music Art Reading Rm Indoor play
Joseph Middle	11	264	239	10	1	24	1 Sci Lab 1 Computer Lab	Art Rm Band Rm Library
Totals	36	720	599	28	8	164		

The capacity review for Shiloh 85 in table 7 shows an additional enrollment capacity of 227 with 12 additional classrooms for the expansion of future enrollments.

Table 7 Shiloh 85 Classroom Capacity								
School	Classrooms Presently Being Utilized	Enrollment Capacity	Presently Enrollment	Actual Classroom Need	Excess Classrooms	Plus/Minus Capacity	Labs	Extra-Curricular
Shiloh Elementary	19	380	267	13	6	120	Sci Lab Computer Lab	Art Rm Library Music
Shiloh Middle	22	528	326	14	8	192	3 Computer labs 2 Sci labs	Art Fitness Library
Totals	41	908	593	27	14	312		

As shown in table 8 O’Fallon High school has an enrollment capacity of 2,760 given the 115 classrooms that exist in the district. Utilizing the calculated ratio of 24 to 1 this gives the district an excess of 13 classrooms for future enrollment growth.

Table 8 O’Fallon HSD 203 Classroom Capacity								
School	Classrooms Presently Being Utilized	Enrollment Capacity 24 per classroom	Present Enrollment	Actual Classroom Need	Excess Classes	Approx. Plus/Minus Capacity	Labs	Extra-Curricular

O'Fallon TWHP HS (includes the 9th Grade Milburn Campus in parenthesis)	81 + (34) = 115	2760	2443	102	13	317	9 Sci labs + (10) = 19 7 Computer labs + (1) = 8 1 Industrial lab (1) Audio Lab = 2	Media + (1) +Multipurpose Weight room Wrestling North & South gym Panther Gym Robotics IT room ROTC Shop/Wood Welding Drafting Art + (1) Culinary Special Needs Auditorium Chorus + (1) Band + (1)
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Table 9 Total Capacity for Reorganization Study Districts

School	Classrooms Presently Being Utilized	Enrollment Capacity	Present Enrollment	Present Classrooms Needed	Excess Classrooms	Plus, Minus Capacity
O'Fallon 90	188	3964	3694	174	15	280
Central 104	36	720	599	28	8	164
Shiloh 85	41	908	593	27	14	312
O'Fallon 203	115	2760	2443	102	13	317
Totals	380	8352	7329	331	50	1073

FACILITIES CONCLUSION

It is noted that the present facilities are adequately meeting the educational needs of the subject school districts given their present organizational design and current enrollments. The schools are structurally sound and have been well maintained. Given the projected enrollment patterns the present facilities can provide the necessary capacity for the projected growth in enrollment. Due to the number of the regular classroom inventory the districts have the capacity to meet the needs of any future reorganization plan.

It is noted that Central District No. 104 is presently utilizing portable facilities that have been in existence for number of years. Those portables have been included in the calculations for the capacity review.

Decisions regarding the best appropriate use of each building must be determined if a reorganization effort is pursued. At this time no new facilities would be necessary to accommodate a consolidation of the four districts.

SCHOOL ENROLLMENT HISTORY AND PROJECTIONS

School enrollment history and a forecast for the future 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 district’s enrollment and demographic data are shown in Table 1.

Table 1 DISTRICT ENROLLMENT/ DEMOGRAPHY PROFILE														
DISTRICT INFORMATION			PROGRAM TOTALS			GENDER TOTALS		RACE ETHNICITY TOTALS						
DISTRICT NAME	KG 12	PK 12	LOW INC	HOME LESS	ENG LEARN	FEMALE	MALE	HISP	AM. IND	ASIAN	BLACK	PAC ISL	WHITE	TWO OR MORE RACES
SHILOH 85	593	557	207	31	3	272	285	20	1	25	115	1	374	21
O'FALLON 90	3631	3728	873	51	12	1782	1958	187	11	79	636	6	2541	280
CENTRAL 104	532	602	330	71	14	277	325	51	2	16	211	0	255	67
O'FALLON HIGH 203	2402	2402	566	16	11	1152	1250	135	3	47	464	3	1556	194
TOTALS	7106	7289	1976	169	40	3483	3818	393	17	167	1426	10	4726	562

Factors such as enrollment trends, historical birth data, population demographics, and housing turnover were just some of the data points that were used to conduct the study to predict the projections for future enrollments.

TABLE 2 REORGANIZATION REVIEW 2018 - GENERAL ENROLLMENT DATA																
School Name	School Type	Student Enroll Total	Total # of School Days	Student Attend Rate	Student Mobility Rate	Avg Class Size - K	Avg Class Size - 1	Avg Class Size - 2	Avg Class Size - 3	Avg Class Size - 4	Avg Class Size - 5	Avg Class Size - 6	Avg Class Size - 7	Avg Class Size - 8	Avg Class Size - HS	Avg Class Size
Shiloh 85		593	174	95.1	10.7	22	20	24	22	21	28	23	30	21		23
Shiloh Middle	M	323	174	95.3	10.2					21	28	23	30	21		24
Shiloh Elementary	E	268	174	95	11.6	22	20	24	22							22
O'Fallon 90		3717	174	95.6	6.6	23	23	28	26	28	27	26	32	27		27
Fulton Jr High School	M	638	174	96.1	5.2							30	31	30		30
Amelia V Carriel Jr High	M	701	174	95.4	8.3							24	37	25		26
Estelle Kampmeyer Elem School	E	395	174	95.7	9.1	22	22	28	22	30	26					25
J Emmett Hinchcliffe Sr Elem Sch	E	416	174	95.3	6.1	22	25	27	27	30	31					27
Laverna Evans Elem School	E	349	174	95.7	9.8	23	26	28	28	27	25					26
Marie Schaefer Elem School	E	585	174	96	3.9	25	23	28	26	27	30					26
Delores Moye Elem School	E	610	174	95.4	7.2	20	21	30	28	30	27					25
Central 104		598	174	98.6	13.5	21	20	20	22	17	18	18	19	18		19
Joseph Arthur Middle School	M	231	174	99.3	13.3						18	18	19	18		18
Central Elem School	E	358	174	93.6	13.3	21	20	20	22	17						20
O'Fallon High 203						Avg. Class Size 9	Avg. Class Size 10	Avg. Class Size 11	Avg. Class Size 12	Avg. Class Size HS						
O'Fallon High 203		2443	176	93.8	5.1										20	20
O Fallon High School	HS	2409	176	93.8	5.1										20	20

To initiate the analysis of enrollment data, we conducted a five-year historical review of the enrollment patterns for the four school districts beginning in the 2013-14 school year. As shown in Table 3 the enrollment for the subject school districts has been statistically stable over the past five years.

TABLE 3 FIVE YEAR HISTORICAL REVIEW OF ENROLLMENT DATA 2013-2018

O'FALLON 90	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
2013-2014	99	344	362	350	383	395	362	383	383	431					3492
2014-2015	94	321	356	370	380	373	404	394	409	391					3492
2015-2016	95	328	342	350	368	389	395	415	405	396					3483
2016-2017	131	367	367	354	367	388	410	427	436	410					3657
2017-2018	105	387	358	367	374	392	391	431	461	450					3716
Avg	105	349	357	358	374	387	392	410	419	416					3568
CENTRAL 104	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
2013-2014	39	65	80	48	70	58	50	61	57	58					586
2014-2015	36	54	72	73	42	71	58	57	65	64					592
2015-2016	43	54	73	72	78	45	63	57	59	63					607
2016-2017	59	60	60	63	69	73	53	69	59	54					619
2017-2018	46	64	63	56	68	63	70	54	58	57					599
Avg	45	59	70	62	65	62	59	60	60	59					601
SHILOH 85	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
2013-2014	23	68	63	55	58	65	66	77	57	76					608
2014-2015	22	54	64	64	57	57	66	62	74	60					580
2015-2016	21	50	66	60	68	64	58	61	72	78					598
2016-2017	30	60	52	68	62	56	71	49	63	67					578
2017-2018	28	64	63	47	65	70	67	69	57	63					593
Avg	25	59	62	59	62	62	66	64	65	69					591
O'Fallon High	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
2013-2014											578	615	659	632	2484
2014-2015											636	578	618	677	2509
2015-2016											569	638	570	608	2385
2016-2017											623	593	597	594	2407
2017-2018											611	620	577	635	2443
Avg											603	609	604	629	2446

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.

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” is developed to track how this group of students grew or shrunk in number as they moved through the grade levels. By developing survival ratios for each grade transition over a five-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 to develop a projection for next year’s 9th grade. This methodology can be carried through to develop five years of projection figures.

Application of the Baseline Cohort Survival Statistic identifies a ‘percentage of survival’ ratio that describes the relationship of a grade level enrollment each year compared to the grade enrollment in the next lower grade from the previous year. If a ratio falls below 1.0, the ratio signifies that the enrollment of students in a grade level decreased or did not ‘survive’ enrollment into the next grade level of the next year. If a ratio rises above 1.0, the ratio then signifies new enrollment has moved to the district or a significant change in grade-to-grade promotion policy.

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.

As shown in Tables 7, 8, 9 and 10 the future enrollment projections indicate the subject districts will remain somewhat stable over the next five years. O'Fallon District No. 90 is projected to experience the largest increase enrollment over the next ten years. Shiloh District No.85 has survival index that projects a small decline in enrollment over the projected time frame. The following growth index calculations have been determined based on the past five-year trending data: O'Fallon District No. 90 1.016, Central District No. 104 1.006; Shiloh District No.85 .994, and O'Fallon High School District 203 .996. The calculated projections indicate a continued composite growth for the O'Fallon District No. 90 and Central District No. 104. Both Shiloh District No. 85 and O'Fallon High School District No. 203 have growth index numbers slightly below 1.0 indicating a very small projected decline.

Table 7 O'FALLON 90 PROJECTED ENROLLMENT 2020-2030

	K	1	2	3	4	5	6	7	8	TOTAL
2019-2020	387	358	367	374	392	391	431	461	450	3611
2020-2021	393	363	373	380	398	397	437	468	457	3665
2021-2022	399	369	378	385	404	403	444	475	464	3720
2022-2023	405	374	384	391	410	409	451	482	471	3776
2023-2024	411	380	390	397	416	415	457	489	478	3833
2024-2025	417	386	395	403	422	421	464	497	485	3890
2025-2026	423	391	401	409	429	428	471	504	492	3948
2026-2027	430	397	407	415	435	434	478	512	499	4008
2027-2028	436	403	413	421	442	440	486	519	507	4068
2028-2029	442	409	420	428	448	447	493	527	515	4129
2029-2030	449	415	426	434	455	454	500	535	522	4191

Table 8 CENTRAL 104 PROJECTED ENROLLMENT 2020-2030

	K	1	2	3	4	5	6	7	8	TOTAL
2019-2020	64	63	56	68	63	70	54	58	57	553
2020-2021	64	63	56	68	63	70	54	58	57	556
2021-2022	65	64	57	69	64	71	55	59	58	560
2022-2023	65	64	57	69	64	71	55	59	58	563
2023-2024	66	65	57	70	65	72	55	59	58	566
2024-2025	66	65	58	70	65	72	56	60	59	570
2025-2026	66	65	58	70	65	73	56	60	59	573
2026-2027	67	66	58	71	66	73	56	60	59	577
2027-2028	67	66	59	71	66	73	57	61	60	580
2028-2029	68	66	59	72	66	74	57	61	60	584
2029-2030	68	67	59	72	67	74	57	62	61	587

Table 9 SHILOH 85 PROJECTED ENROLLMENT 2020-2030

	K	1	2	3	4	5	6	7	8	TOTAL
2019-2020	64	63	47	65	70	67	69	57	63	565
2020-2021	64	63	47	65	70	67	69	57	63	562
2021-2022	63	62	47	64	69	66	68	56	62	559
2022-2023	63	62	46	64	69	66	68	56	62	557
2023-2024	63	62	46	64	69	66	68	56	62	554
2024-2025	62	61	46	63	68	65	67	56	61	551
2025-2026	62	61	46	63	68	65	67	55	61	548
2026-2027	62	61	45	63	68	65	67	55	61	546
2027-2028	61	61	45	62	67	64	66	55	61	543
2028-2029	61	60	45	62	67	64	66	54	60	540
2029-2030	61	60	45	62	67	64	66	54	60	537

Table 10 O'FALLON HIGH 203 PROJECTED ENROLLMENT 2020-2030

	1	2	3	4	5	6	7	8	9	10	11	12	TOTALS
2019-2020									611	620	577	635	2443
2020-2021									609	618	575	632	2433
2021-2022									606	615	572	630	2423
2022-2023									604	613	570	627	2414
2023-2024									601	610	568	625	2404
2024-2025									599	608	566	622	2395
2025-2026									596	605	563	620	2385
2026-2027									594	603	561	617	2375
2027-2028									592	600	559	615	2366
2028-2029									589	598	557	613	2356
2029-2030									587	596	554	610	2347

Enrollment Conclusions

The enrollments of the four school districts have been stable over the past 10 years. The communities involved in the study have experienced an increase in overall population due to the positive economy and the available inventory of housing units within their respective communities.

It is projected that the composite enrollment for the four districts will continue to show a small increase over the next ten years. O'Fallon District No. 90 is projected to experience the largest percentage increase of the four school districts. Both O'Fallon High School District No.203 and Shiloh District No.85 are projected to experience a small decline in enrollment. But given the cohort survival ratio index for the two districts the decline will be insignificant. Their enrollment has been stable.

The general population of St. Clair County has been declining in population over the past five years and is projected to continue declining into the future. However, the calculations are for the entire county and does not take into consideration the growth of various communities represented in our study. It is anticipated that the O'Fallon and Shiloh area where the subject school districts are located will not be impacted by the population decline but instead the south and south east portions of the county will be most impacted by the projected loss of population.

If reorganization is pursued by the districts, enrollment will not be an area of concern. Given the present school facilities and their available capacity any increase in enrollments could be absorbed into existing schools. This assumes that the configuration of the educational delivery system will remain the same. Future design changes such as the establishment of attendance centers can be accommodated and most likely would present a more efficient way to distribute students resulting in a more efficient teacher/student ratio. The projected enrollment figures are dependent on many variables and presented as estimates given the present data and trend history.

Curriculum Analysis, Assessment Results, & Staffing

Curricular Configuration Overview

In terms of their respective curricular configurations, the Shiloh #85, Central #104, and O’Fallon #90 school districts are quite similar. All three districts have excellent and caring staffs that challenge students to excel. All three elementary districts attempt to implement a rigorous academic curriculum aligned with state and national standards. In addition, O’Fallon #203 High School curricular program is comprehensive in that it addresses 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. All four districts have made a solid commitment to incorporating instructional technology initiatives into their programs.

All four districts’ academic efforts are reflected in their student achievement scores on the PARCC and ACT/SAT State tests. All three elementary districts belong to the Belleville Area Special Services Cooperative (BASSC) which provides a variety of special education services. O’Fallon High School now runs its own special education program. O’Fallon High School District #203 has dual credit courses in conjunction Southwest Illinois Community College (SWIC). A closer look at these opportunities follows in the discussion of O’Fallon High School’s curriculum. The building configurations of the elementary districts are different as described below. A side by side graph of the k-8 curricular overview is provided at the end of this discussion with positive take backs along with possible curricular improvements resulting after consolidation.

Shiloh Village School District 85 – Shiloh students scored in the top10% of area schools while keeping instructional spending at \$4,902 compared to the state average of \$7, 094 per pupil. In partnership with the home and community, its mission is to provide an extraordinary education to stimulate everyone’s adventure of learning, growth, and success.

Shiloh Elementary School – The creative Learning Program is a great place for parents to provide before and after school care. The program offers a variety of learning opportunities and activities in addition to a safe environment.

Shiloh Middle School – The middle school offers a variety of extra, after-school programming for students whose interests lie outside of team sports such as ping pong, golf, ultimate frisbee, French, scrapbooking, electronic gaming, chess, and scholar bowl.

O’Fallon 90 – The mission of O’Fallon School District No. 90 is to provide the highest quality educational program in a safe and positive learning environment through which all children become responsible, productive citizens and lifelong learners equipped to make intelligent choices.

Central #104 – The mission of Central No. 104 is to help students Imagine, Inspire and Achieve

Along with the mission, Central has both belief statements and goal strategies.

Belief Statements

1. Central #104 believes in a healthy, safe and positive environment (physically, socially and emotionally) [facilities]
2. They believe all individuals and groups achieve their greatest potential when they are motivated and actively engaged [learning]
3. They believe resources are necessary for achievement [finance]
4. They believe all individuals should be treated respectfully in a nurturing environment [learning]
5. They believe in setting high expectations and recognizing the achievement of all [learning]

6. They believe effective education requires open communication among family, school and community [communication]
7. They believe in the value of good character [learning]
8. They believe in a well-rounded curriculum rich in experiences [learning]
9. They believe children should be inspired to learn, to act responsibly and think independently [learning]
10. They believe that diversity should be valued and celebrated [learning]
11. They believe in fiscal responsibility [finance]

Goal Strategies

District #104 will...

1. Provide the resources, professional development and technology (sustain, expand and use to fullest potential) needed to achieve our mission [finance]
2. Nurture and support a proactive district-wide communication system that encourages parent involvement and community partnerships [communication]
3. Provide an environment that is safe, healthy, and conducive to learning [facilities]
4. Provide an environment and resources that embraces and promotes all aspects of diversity [facilities]

Special Education and Title Services

Special education services for the elementary districts are coordinated with the Belleville Area Special Services Cooperative (BASSC) and provided for students with disabilities ages 3-21. The O'Fallon High School District #203 independently provides its own special education services and is no longer a member of the BASSC cooperative. 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. BASSC is a cooperative association of 23 school districts in the Belleville, IL area which offers special class placement and other services for various types of handicaps. 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. Policies and procedures as established by BASSC are considered a part of the Board's policies and procedures. These established procedures make it easier for schools to consolidate. All three elementary districts also provide a school wide Title plan and offers services for all children. The 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.

O'Fallon High School #203 recently made the decision to leave the BASSC cooperative and provide its own special education services. This decision was made to save costs in the special education area. Districts throughout the state of Illinois are making effort to save money in serving students with special needs as most are not receiving adequate funding in their special education programs.

If consolidation takes place, the newly formed district will have to decide on whether special education services will be assisted by the BASSC cooperative or not. Status quo if no consolidation takes place with individual district decisions taking place.

O'Fallon High School Curriculum Incentives

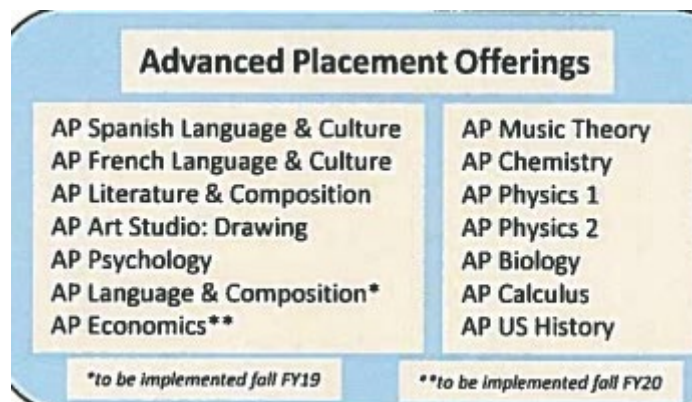
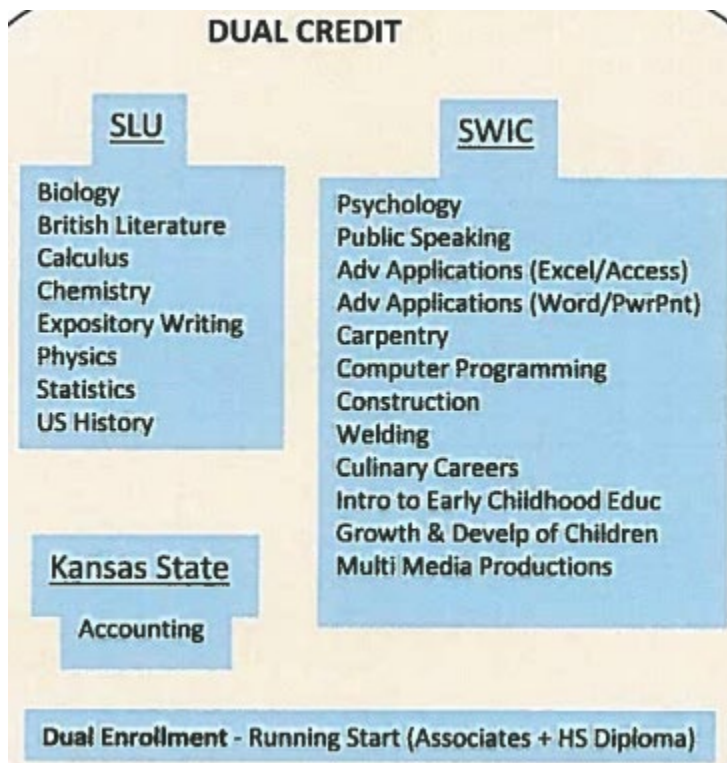
As stated below, O'Fallon High School District #203 offers a wide range of college preparatory courses.

Courses for College Credit – O'Fallon High School offers courses that students may take for college credit. Currently O'Fallon High School offers three types of opportunities for college credit. They are as follows:

Dual Credit Courses: OTHS Offers 22 dual credit classes, meaning a student takes a high school class in which they also receive college credit. The dual credit classes are offered in Science, Mathematics, English, Social Studies, and Career and Technical Education. The high school also has a partnership where up to 20 students a year participate in a program where they simultaneously earn an Associate Degree and a High School Diploma. OTHS has over 400 students a year earn dual credit, many earning 24 or more college credits. Several OTHS graduates enter college with a full year of college credit (32 credits) already completed. Students have this opportunity to earn dual credit in a variety of courses at OTHS through St. Louis University 1818 ACC Program and Southwestern Illinois College.

Requirements to earn dual credit with SLU are: Students must be a junior or senior, carry a cumulative GPA of 3.0, have written endorsement from the principal or a counselor, and have teacher approval for each course. Southwestern Illinois College Dual Credit requirements are: Students must be 16 years or older before the end of the semester in which they are enrolled or a junior/senior at OTHS. Students must meet SWIC assessment prerequisites to be eligible to earn dual credit.

ADVANCED PLACEMENT® (AP®) INFORMATION: Students can potentially earn college credit by enrolling in the Advanced Placement® (AP®) Courses offered at OTHS. Students must meet academic criteria to enroll and are responsible for any fees associated with the class and exam. Earning college credit is contingent upon a student’s score earned on the optional AP® Exam and the credit the higher education institution awards for the scores earned. Colleges and Universities have varying practices for the awarding of credit for AP® Coursework.



Academic Achievement Overview

All three elementary districts 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) achievement data outlined in the following charts illustrates the state of student achievement in these districts as measured by these tests. This test is an internationally benchmarked assessment of applied knowledge designed to measure Illinois learning standards. All three elementary districts are to be commended for their efforts especially in the face of ever-increasing academic achievement requirements. The citizens, teachers and students of all districts involved in this study should be very proud of these

	Shiloh 85	O'Fallon 90	Central 104
Alignment Efforts with the Standards	<p>Curriculum Guides exist for each content area and at each grade level.</p> <p>School Improvement is focused on curriculum alignment, vertically and horizontal articulation, and assessment updates. Grade level /content areas utilize teaming days and professional development days to align curriculum to standards. Math and Language Arts meet regularly as teams to further develop and enrich curriculum. ELA, Math, Science, Social Studies, Art PE and Music are aligned, but the process is continual. Science curriculum has been aligned to NGSS.</p>	<p>Added a full-time Curriculum Coordinator position last year.</p> <p>The Coordinator works with teams of teachers, throughout the year (on early release days/inset/direct/grade level meetings), to align and update curriculum and resources.</p> <p>The District also employs one literacy instructional coach and one math instructional coach, to provide guidance and ongoing professional development to staff. These are grant funded positions.</p> <p>The District was awarded a DoDEA grant of \$750,000 over 5 years to improve alignment, resources and professional development in the area of math instruction and curriculum.</p>	<p>Pre-K program follows Age-Appropriate curriculum and is involved with the ILAYCE, Kindergarten through 2nd grade uses standards-based report-card and assessments that drive standards-based instruction, teachers submit lesson plans that are aligned to the Illinois State Standards, teachers work across grade levels to design curriculum aligned to standards, Quarterly MTSS Meetings, Quarterly Data Meetings</p> <p>Content Focused PLCs have been established to review the scope and sequence for ELA and Writing. Content team has reviewed the High School ELA unit maps to evaluate 8th grade curriculum needs. Science curriculum has been aligned to NGSS</p>

commitment of the local communities and the support they provide to their schools. Below are some key components of the three elementary districts.

Each district has made efforts to align their curriculum with Illinois State standards.

Consolidation could bring consistency to this alignment process and assist the high school district with knowing the background knowledge each student was given at the elementary level.

	Shiloh 85	O'Fallon 90	Central 104
Universal Screener	AIMSweb (switching to MAP)	NWEA MAP	Aimsweb Plus

Shiloh currently using AIMS web and is switching to NWEA map. O'Fallon 90 uses NWEA Map. Central 104 is using AIMS web. This universal screener process can be targeted for consistency with or without consolidation.

	Shiloh 85	O'Fallon 90	Central 104
Literacy Instruction	Aligned to the Illinois Learning Standards. We utilize a Houghton Mifflin text series and many supplemental materials including Novels, Reading A to Z, Excel , Newsela, Teachers Pay Teachers, etc...	Aligned to standards. Using mentor texts. In May, 2019 the Board approved the purchase of Fountas and Pinnell research-based materials for K-2 implementation for 2019-20. Grades 3-5 will adopt F&P in 2020-21. Full-time Literacy Instructional Coach provides professional development and support to teachers.	Reading Wonders Wonderworks Guided Reading Newsela - supplemental differentiated informational text articles

Articulation for consistency should be implemented with or without consolidation.

	Shiloh 85	O'Fallon 90	Central 104
Math Instruction	EnVision Math (2020 at K-2) and other online programs and interventions. Text is typically used as a supplemental, not a guide.	My Math purchased within the last two years and used K-8. Full-time Math Instructional Coach provides professional development and support to teachers.	My Math purchased 4 years ago - elementary Glencoe Math - MS

O’Fallon 90 and Central 104 use the MyMath program. Shiloh 85 uses the SES and the SMS programs. Articulation between the districts needs to take place. This can be accomplished with or without consolidation.

	Shiloh 85	O’Fallon 90	Central 104
RTI	One certified reading specialist math Interventionist at K-3. One RTI interventionist at 4-8. Aimsweb Plus and NWEA MAP guide as benchmark assessments that take place in the Fall/Winter/Spring. All students received tiered layers of support based on their level	RTI teachers and aides in all schools (ratio depends on Title I status and/or building enrollment). Tiered interventions are provided based on individual student need, as determined by NWEA MAP screeners.	2 full time <u>RTI</u> at Elementary and 1 full time <u>RTI</u> at Middle School -Benchmark assessments are administered at least three times a year and data is used to provide tiered interventions and supports focused on ELA. -STAR reading assessment administered once a month -Tier I students receive supplemental support daily for 30

All districts use RTI, so an easy transition could take place during consolidation. If no consolidation takes place, elementary districts can work together to further fine-tune the program.

	Shiloh 85	O’Fallon 90	Central 104
JH Honors Classes	Honors: ELA and Math for 7th and 8th grade.	Honors Lit/Skills--6-8th Honors Math--6-8th Honors Science--8th only	8th grade algebra

All districts offer an honors program and 8th grade algebra. The consultants would recommend further studies in the honors program to see if a more consistent program can be established with or without consolidation.

	Shiloh 85	O’Fallon 90	Central 104
Elementary Specials (offered during the school day)	Art- 1 hour/week PE- 30 min/day Music- 30 min/week	Music--45 min/week PE--45 min/week Library (parent volunteers) Art (parent volunteers)	Music- every other day Art - every other day PE - every other day Computers - every other day Library - 1 x a week

Consolidation could greatly help with consistency of instruction in art, music, P.E., computers and library. With that said, this consistency could be established by an articulation effort using the current district format.

	Shiloh 85	O'Fallon 90	Central 104
Junior High Electives (offered during the school day)	Band, Choir, Study Hall, Art Club, Podcast, Fitness Lab Art, PE/Health, Music, Industrial Tech., Keyboarding	Band Choir Art Study Hall (non-cert. staff) PE/Health taught daily	Health Study Hall ELP - Enhanced Learning Period

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.

	Shiloh 85	O'Fallon 90	Central 104
Extracurriculars	<u>Academic:</u> Student Council, HOPE club, Chess, Scholar Bowl, Art Club, Newspaper, Yearbook, Band/Chorus, Pump It Up, Drama, Jazz Band <u>Athletics:</u> <u>Fall Season</u> – girls’ softball, boys’ baseball, and coed soccer <u>Winter Season</u> – boys’ basketball, girls’ volleyball, girls’ basketball, boys’ volleyball and cheerleading <u>Spring Season</u> – girls’ track and boys’ track	5th Grade band (before school) Symphonic winds--6-8th grades Honor choir Showchoir Jazz band Boys basketball--JV/Varsity Girls basketball--JV/Varsity Cross country--JV/Varsity Track--JV/Varsity Volleyball Cheerleading Dance Baseball--JV/Varsity Softball--JV/Varsity Soccer	5th-8th band before and after school Baseball Softball Co-ed soccer Boys and girls basketball Boys and girls volleyball Boys and girls track Cheerleading Scholar Bowl Chess Boys and girls bowling Media Club
	<u>Intramurals/Camps</u> - French Club, Kickball, Club Coding - Ever changing with student interest Girls on the Run 3-5	Student council Scholar bowl Drama club Art club Robotics NJHS Yearbook Bowling GOTR--grades 3-5	

There is a disparity of co-curricular opportunities in the elementary districts that could be rectified through consolidation, and also, conducting articulation studies within the current districts.

	Shiloh 85	O'Fallon 90	Central 104
Class Trips	2 field trips per grade per year. 8th grade to local selected location.	Elementary field trips based on curriculum connections. First grade trip to sing at Busch stadium. 6th grade Nature Camp. 8th grade DC trip.	8th grade DC trip

None of the elementary districts have 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.

	Shiloh 85	O'Fallon 90	Central 104
Special Strengths	School environment and culture. Team teaching at middle school. Engaged staff supported by a very involved PTO/parents. School Improvement Leadership Team representing all grade levels and content areas. Preschool programming. Exceptional art program. Tight-knit, supportive community volunteer network. Newly created education foundation.	Band--over 500 students enrolled in grades 5-8. Birth-3 Program (added 2018-19). Preschool programs awarded the gold standard from ISBE. PBIS programs at each school.	1-1 Program at Middle School PBIS as a school-wide behavior system. Co-Taught Classrooms After School Study Tables for ELA and Math Instruction

With or without consolidation each district should list its special strengths and develop a brochure for incoming students and especially military parents coming from across the nation and the world.

	Shiloh 85	O'Fallon 90	Central 104
Areas Being addressed in the Next Year	Continued influx of technology tools. Updating Curriculum by continuously finding new additional resources. Analyzing our local assessments	D90 is considering adding technology as Jr. High elective, and increasing PE days at elementary	

	Shiloh 85	O'Fallon 90	Central 104
Resources Available	8 Chromebook Carts and 1 iPad Cart serving 590 students 5 desktops in each classroom 3 teachers have 10 iPads each 1 Elementary and 2 Middle School Computer Labs Media Center/Libraries	Labs and Chromebook carts available. Classroom computers, iPads at Elem level (5 per class), Chromebooks at grades 3-8 (not 1:1) One full-time nurse at each school. Libraries at each school, one full-time librarian for the district.	Chromebook carts for every grade level K-4th iPads in kdg and 1st grade 1-1 at Middle School

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

As a recipient of the three elementary district's students, O'Fallon Township High School is recognized as a premier academic institution and is recognized locally, regionally, and at the state and national level. As reported by the District some of the highlights are below: Academy Appointments: Many high schools celebrate receiving just one military academy appointment and are thrilled to receive one over the span of several years. In the last three graduating classes (2016-2018), O'Fallon Township High School has received 12 Academy Appointments. The current Superintendent of the USAFA, Lt Gen Jay B. Silveria, during summer of 2018, informed the school that OTHS have more cadets at the US Air Force Academy than any non-prep school in the country. He commended OTHS for the excellent academic preparedness of its students compared to other cadets. Considering the USAFA accepts only elite students from across the United States, this speaks volumes about the educational programs at OTHS. College Preparedness: OTHS has 84% to 89% of their students attend college. Due to the college plans of OTHS students, a keen eye on preparing student is a major focus at OTHS. To meet this need, OTHS sends teams of teachers out to the colleges and universities in which OTHS students attend in greatest frequency. There our staff meets with professors, attend classes in their content area, review assignments and tests

the students are expected to take, and then backward design the information collected into our academic programs. In addition, OTHS sends guidance counselors (academic advisors) to meet with college admissions departments and to visit the colleges students attend in greatest frequency. In doing so, the goal is to learn the ever-changing trends and expectations of colleges/universities in hopes of giving our students the leading edge with regard to college applications, college acceptance, and scholarships. As a result, OTHS graduating classes have received upwards of \$23 million a year in scholarship offers for several consecutive years. If averaging that out per student that attends college, that is an average greater than \$40,000 per student. To compete with schools across the United States, OTHS offers courses to give our students a competitive edge both in the application process (transcript review) and upon arrival at his/her chosen university. To support this need and the diverse population of OTHS, the school offers: • 217 different courses • 32 AP and Honors Classes • 36 Career and Technical Education Courses. (Taken from O'Fallon Handbook)

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 this reason, the consultants have focused their assessment data analysis on the 2017 and 2018 academic years.

As of January 2018, school districts finally got the results of the state mandated science test students took two years ago. While one could question the validity and reliability of results that are two years old, the good thing is that the consistency of test results was maintained in each elementary district. Tables 1 through 13 below contain test data related to the Illinois Elementary PARCC Test and the High School SAT Tests from 2017 and 2018. As this data establishes, three of the four districts in the study are achieving results higher

than the state averages. Tables 9 and 10 show specific district and state comparisons. The data does show that even though two of the three elementary districts scored above the state average on assessment results, there are some significant differences in the results that should be discussed in determining if efforts of consolidation should be explored. See next page for Table 1.

Central School District #104

Table 1

Percentage of Students Meeting or Exceeding Expectations in English Language Arts on PARCC Exam

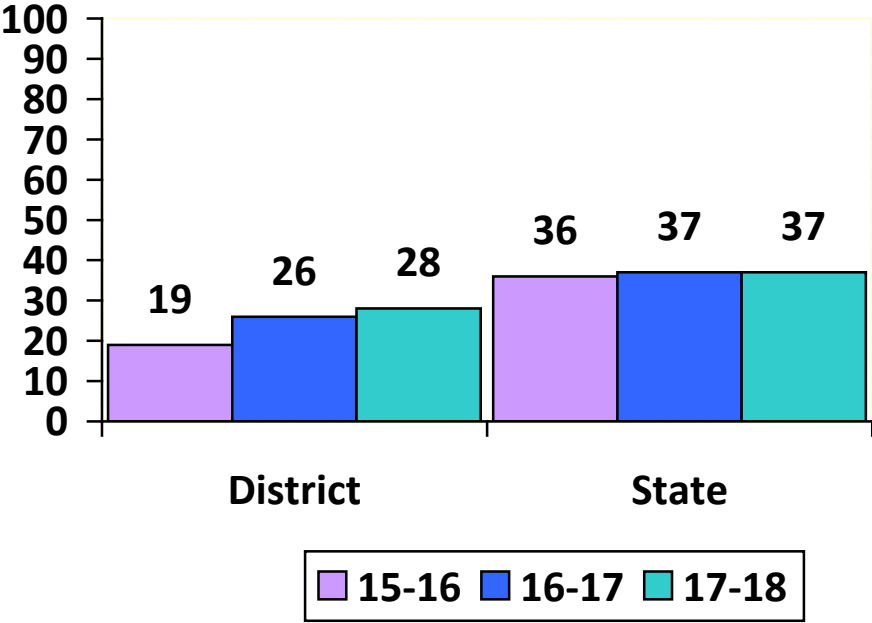
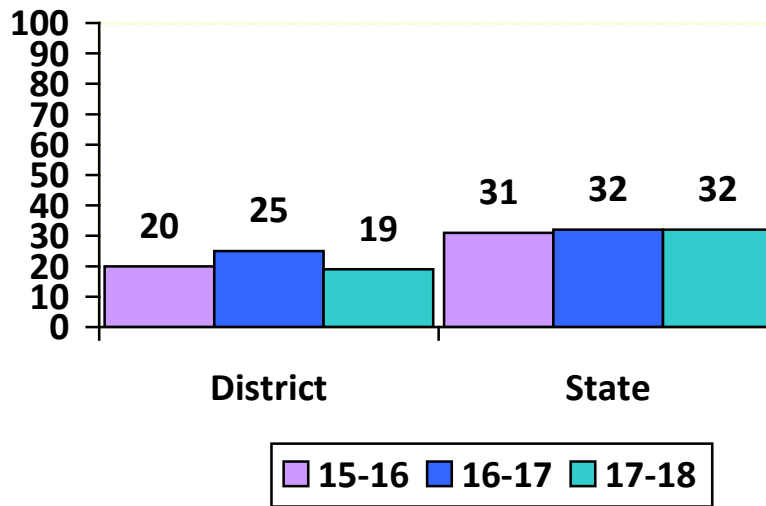


Table 2

Percentage of Students Meeting or Exceeding Expectations in Mathematics on PARCC Exam



2017 - 11% lower than state score in ELA and 7% lower in mathematics.

2018 - 9% lower than state score in ELA and 13% lower in mathematics.

This is a data concern for Central 104 compared to the other elementary districts in the study.

O'Fallon CCSD #90

Table 3

Percentage of Students Meeting or Exceeding Expectations in English Language Arts on PARCC Exam

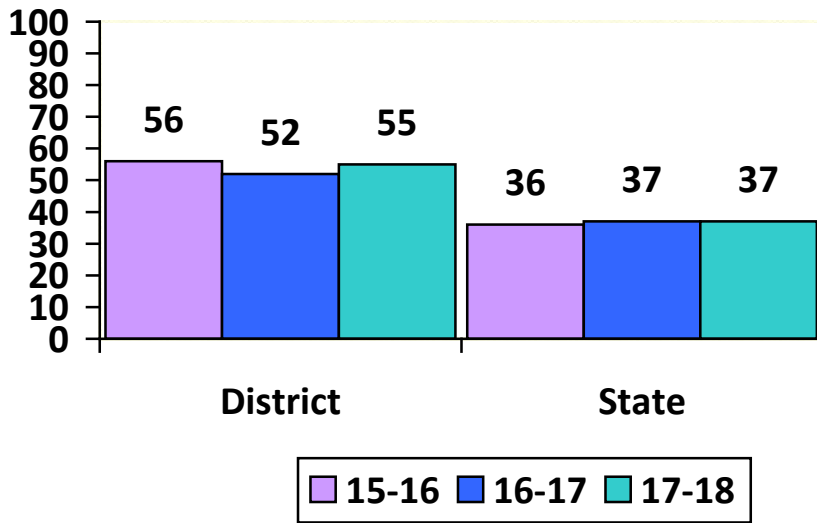
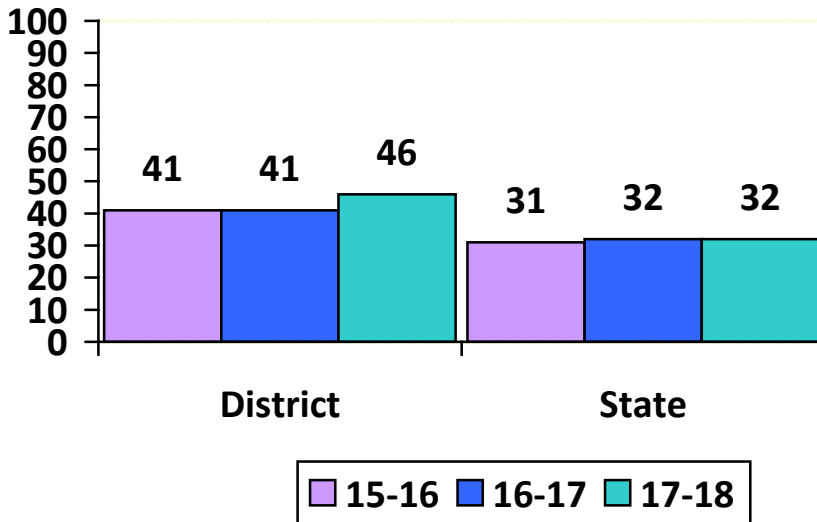


Table 4

Percentage of Students Meeting or Exceeding Expectations in Mathematics on PARCC Exam



2017 - 15% higher than state score in ELA and 9% higher in mathematics.

2018 - 18% higher than state score in ELA and 14% higher in mathematics.

Shiloh Village School District #85

Table 5

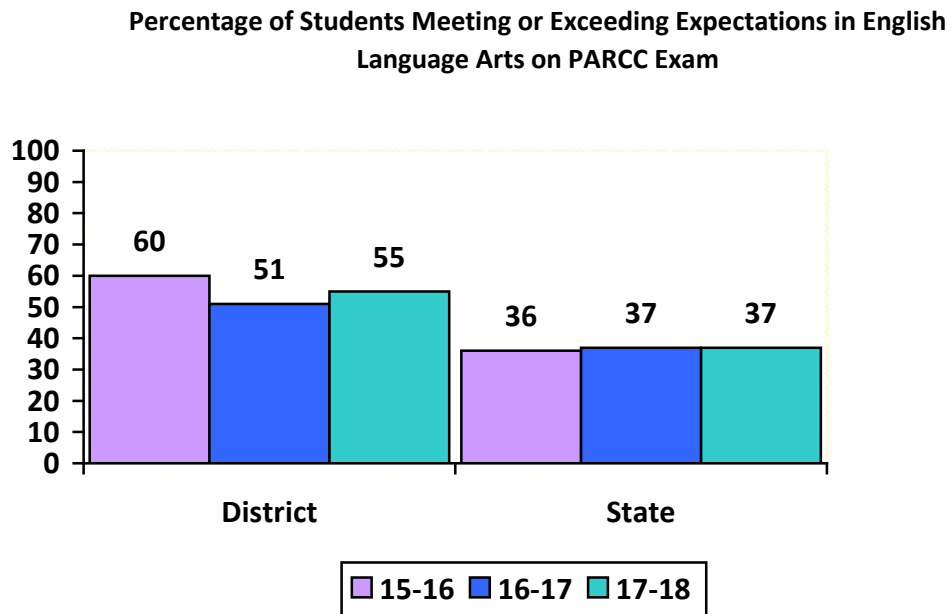
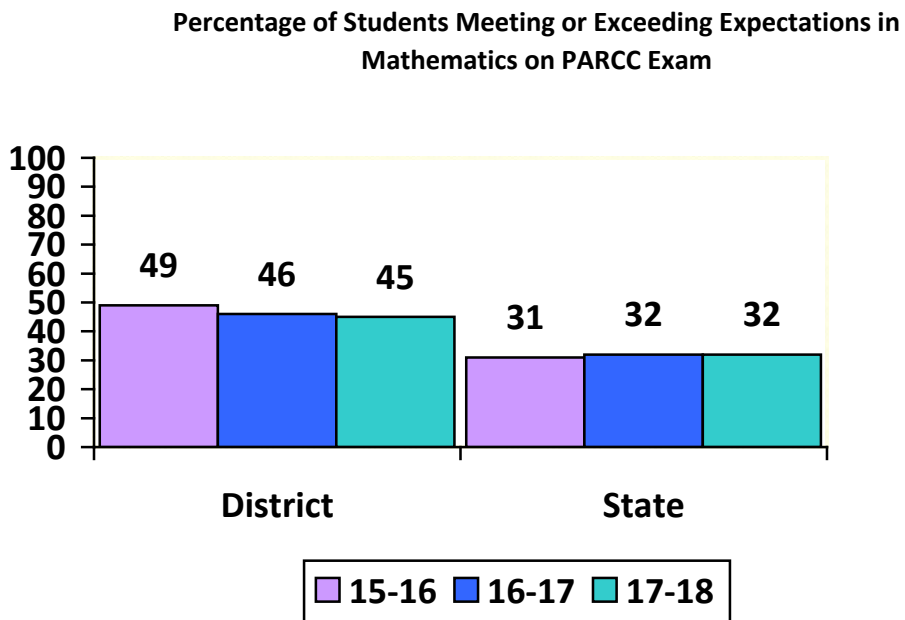


Table 6



2017 - 14% higher than state score in ELA and 14% higher in mathematics.

2018 - 18% higher than state score in ELA and 13% higher in mathematics.

O'Fallon Township High School #203

Table 7

Percentage of Students Meeting or Exceeding Expectations in English Language Arts on SAT Exam

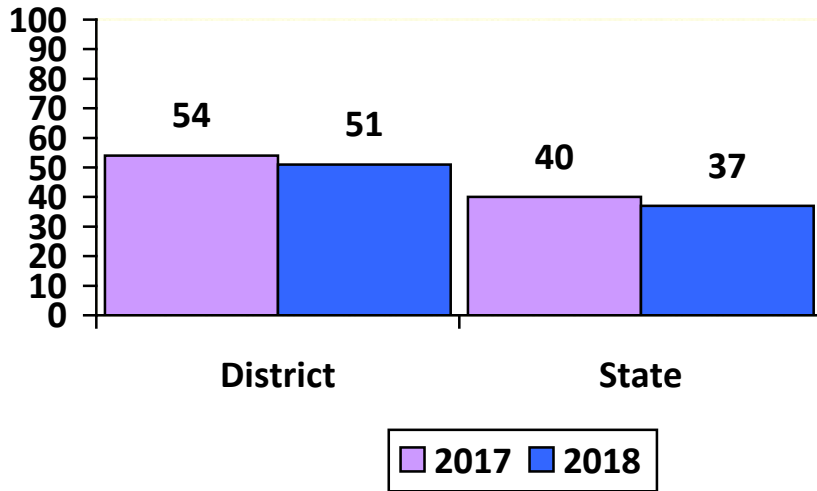
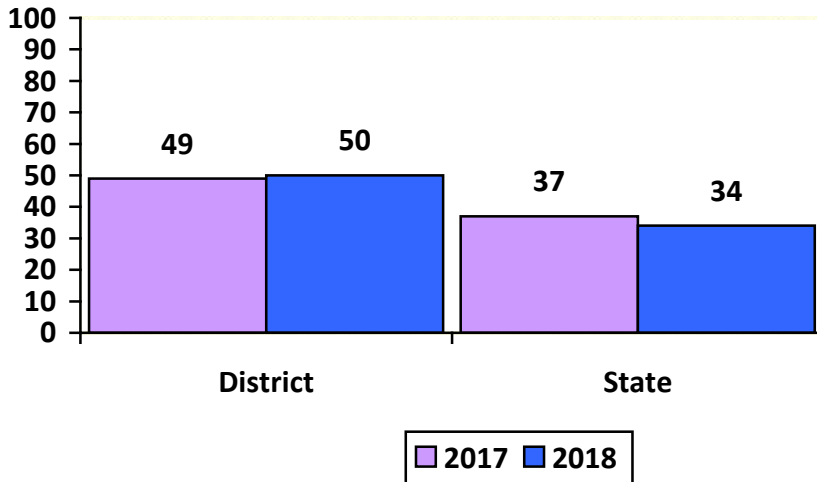


Table 8

Percentage of Students Meeting or Exceeding Expectations in Mathematics on SAT Exam



2017 - 14% higher than state score in ELA and 12% higher in mathematics.

2018 - 14% higher than state score in ELA and 16% higher in mathematics.

**Percentage of Students Meeting or Exceeding Expectations in
English Language Arts on PARCC Exam**

Table 9

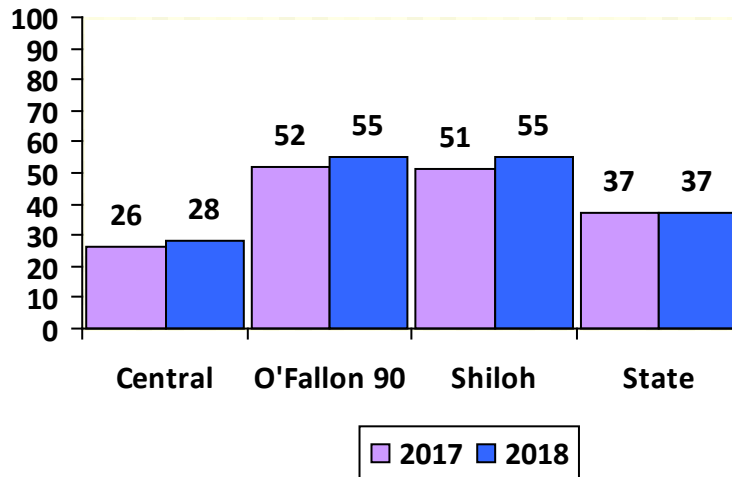


Table 9 clearly points out the significant difference between the scores of Central 104 vs. O’Fallon 90 and Shiloh 85. O’Fallon 90 and Shiloh 85 scores show no significant difference. Central has a much higher free/reduced lunch count.

**Percentage of Students Meeting or Exceeding Expectations in
Mathematics on PARCC Exam**

Table 10

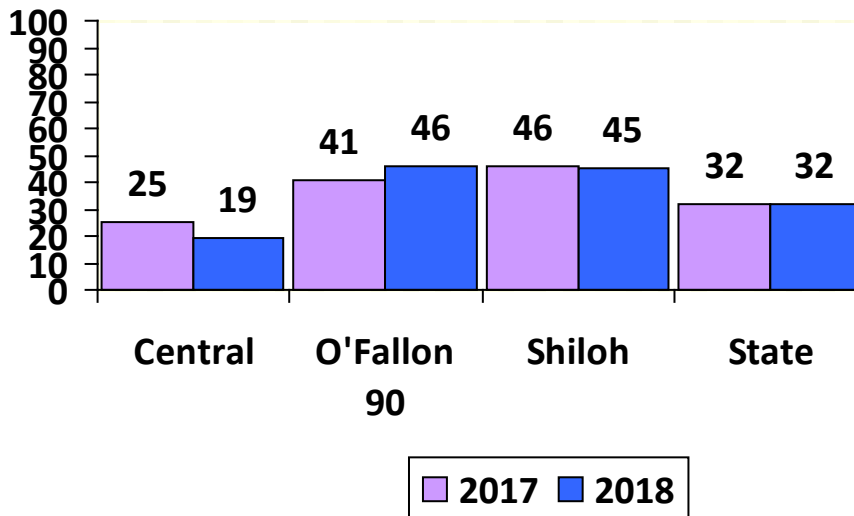


Table 10 clearly points out the significant difference between the scores of Central 104 vs. O’Fallon 90 and Shiloh 85. O’Fallon 90 and Shiloh 85 scores show no significant difference.

O'Fallon Township High School #203

Table 11

ACT Assessment: Graduating Class of 2017

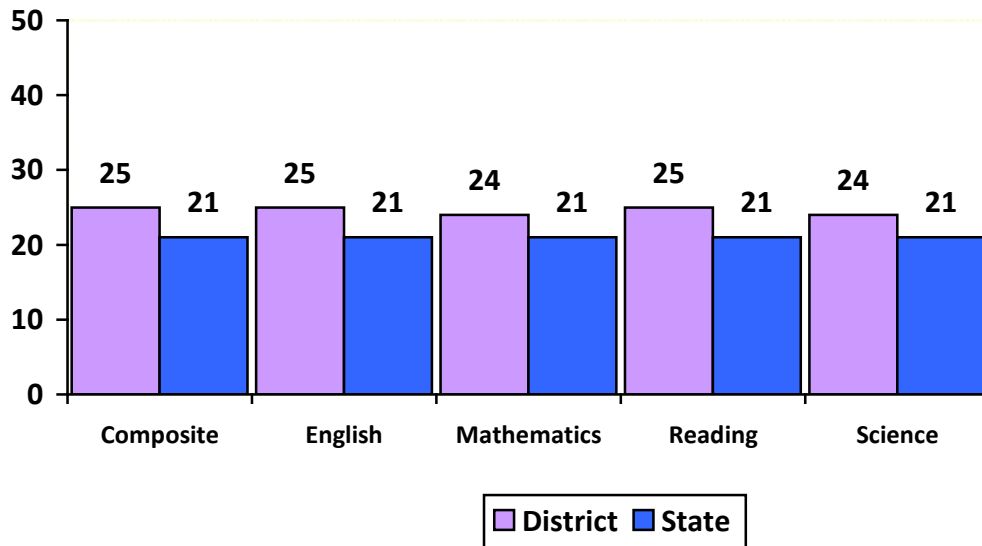


Table 12

Early College Course Work	
District	45
State	37

Table 13

CTE Enrollment	
District	
State	

Table 14

Freshman on Track	
District	92.3
State	86.6

Table 15

Percent of Students Met ACT Benchmark (2017)					
	English	Math	Reading	Science	All 4 Subjects
District					
State	83.5	60.3	69.4	56.2	42.1

Table 16

Advanced Course Work (AP/IB/DUAL Credit)			
	Grade 10	Grade 11	Grade 12
District	73	237	515
State			

Table 17

College Enrollment		
	12 Months	16 Months
District	87	87
State	75	76

Though O'Fallon High School #203 would not have curriculum impact via consolidation, it would gain the benefits of an articulated curriculum from the three elementary districts. O'Fallon 203 needs to be commended for their high-test scores.

O'Fallon High School #203 scores above the state average in all academic categories. This data supports that O'Fallon High School #203 has a strong academic regimen along with a dedicated staff. The curriculum includes courses for college credit along with dual enrollment classes. The district needs to be commended for its wide variety of curricular offerings for both college-bound and vocational track students.

Full-Time Equivalent

This portion of the report identifies the number of full-time equivalents (FTE) currently employed by the three elementary districts involved in the study to go along with a separate FTE for the high school district. This is separated out by the grade and/or subject that teacher 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).

As has been detailed elsewhere in this study, Central #104 consists of: Central Elementary School Pre-K through 4, and Joseph Arthur Middle School for grades 5-8. O'Fallon #90 consists of 5 elementary schools Pre-K through 5: LaVerna Evans, J.E. Hincliffe, Estelle Kampmeyer, Delores Moye, and Marie Schaefer. In addition, O'Fallon 90 has two middle schools, grades 6-8: Carriel Jr. High and Fulton Jr. High. In addition, O'Fallon 90 has a Pre-K Early Learning Center located at 505 S. Cherry. Shiloh #85 consists of Shiloh Elementary School which is Pre-K-3 and Shiloh Middle School for grades 4-8.

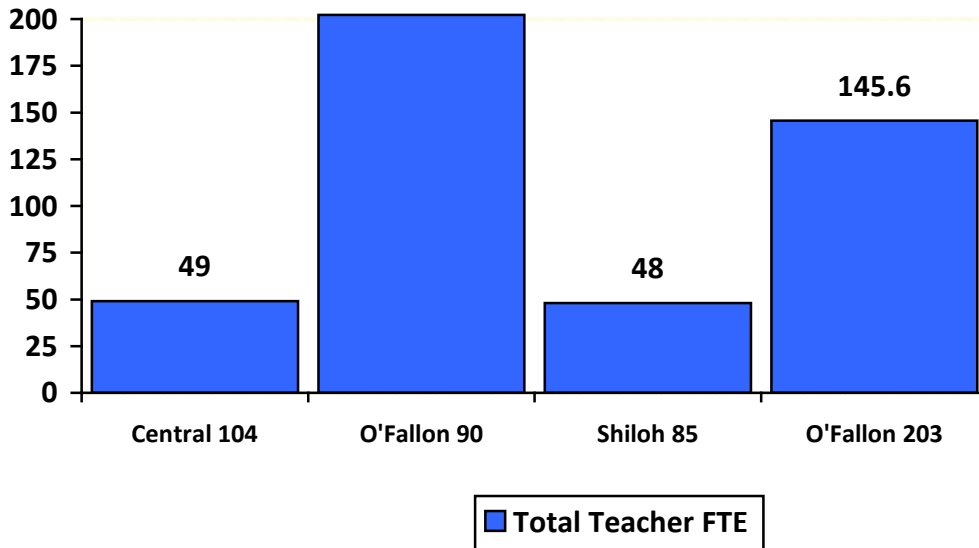
Table 1**2017-2018 Full Time Equivalents (FTE)**

Grade	Central #104 PK-8	Shiloh #85 PK-8	O'Fallon #90 PK-8	Total # of teachers
PK	2	2	2	7
K	3	3	15	20
1	4	3	15	22
2	4	3	13	20
3	3	2	14	19
4	4	3	13	20
5	4	3	15	22
6	4	3	13	20
7	3.5	3	13	19.5
8	3.5	3	13	19.5
Band/Music	2	1	6	9
Title I/RTI	2	1	2	5
Art	2	1	1	5
Librarian	0	0	1	1
Nurse	1	1	7	9
Guidance/social worker	1	1	5	7
Health and P.E.	1	2	10	13
Speech	1	3	10	14
School Psychologist	BASSC	.2	1.5	3.5 + BASSC
Special Education	3 + BASSC	5 + BASSC	36	44 + BASSC
Technology	1	2	0	3
Interventionist	0	0	6	6
Totals	49	47	211.5	308.5

Table 2**2017-2018 Full Time Equivalents (FTE) O'Fallon High School #203**

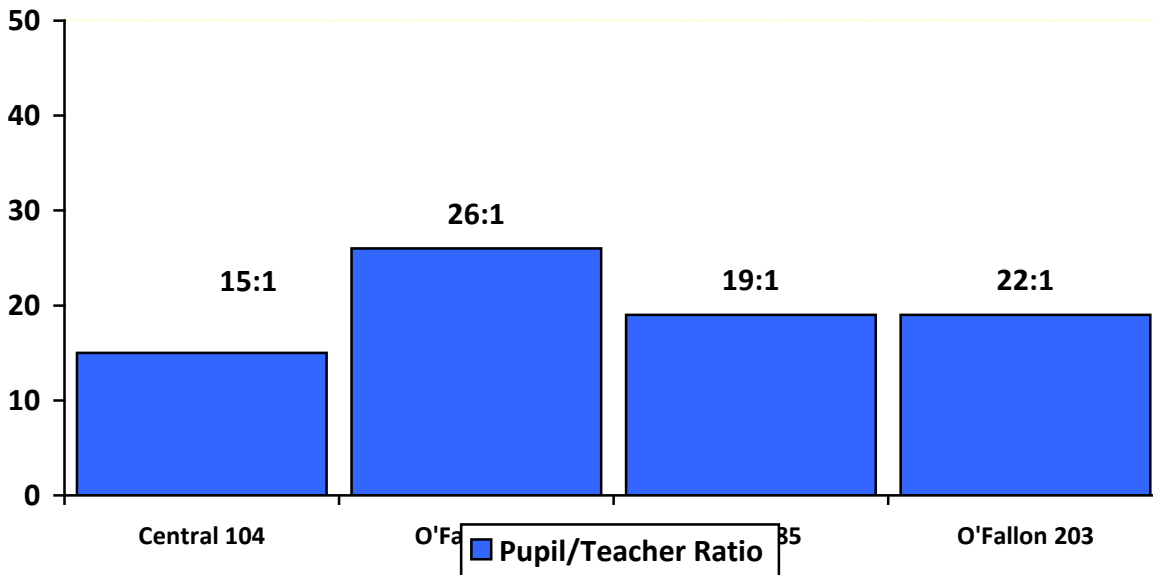
Subject	O'Fallon 9-12
Science	17
English	21.5
Math	18.2
World Language	10
Social Studies	16.5
P.E./Health/Drivers ED	9
Art	3
Music	3
EXS/ACC	3.2
IMC	2
Consumer/Tech Education	12
ACR	2
Junior ROTC	2
Special Education Program	25.8
Guidance Counselor	6
Social Worker	6
Totals	145.6

Total Teacher FTE

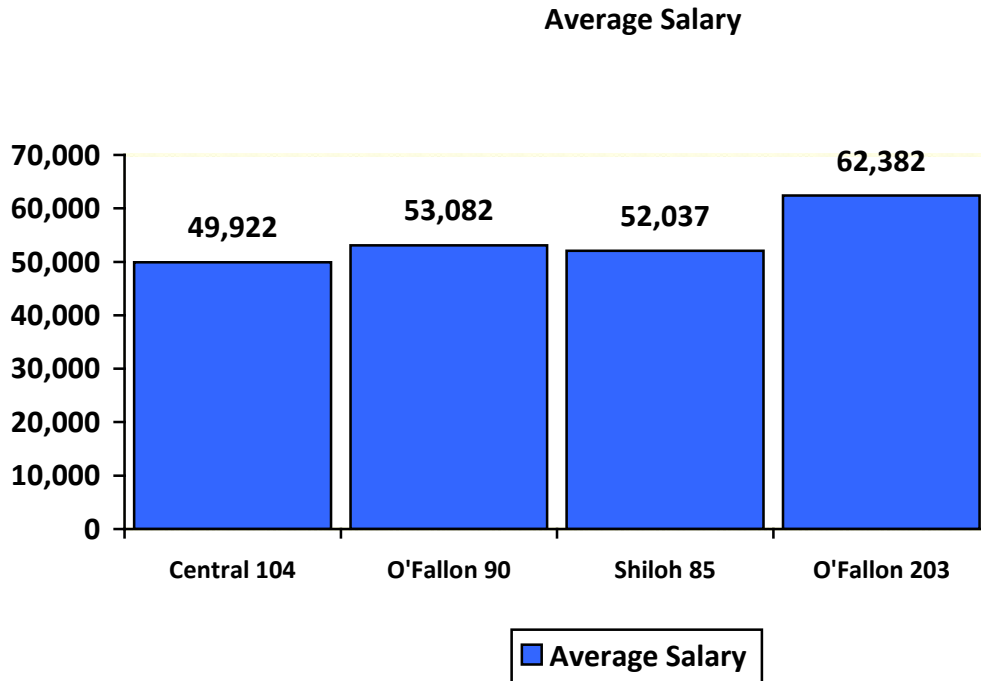


Consolidation on one hand can lessen the total teachers and administrators, but on the other hand create more positions if the curriculum expands. Please note: State data may be different than the consultants' data due to using different baselines.

Pupil/Teacher Ratio

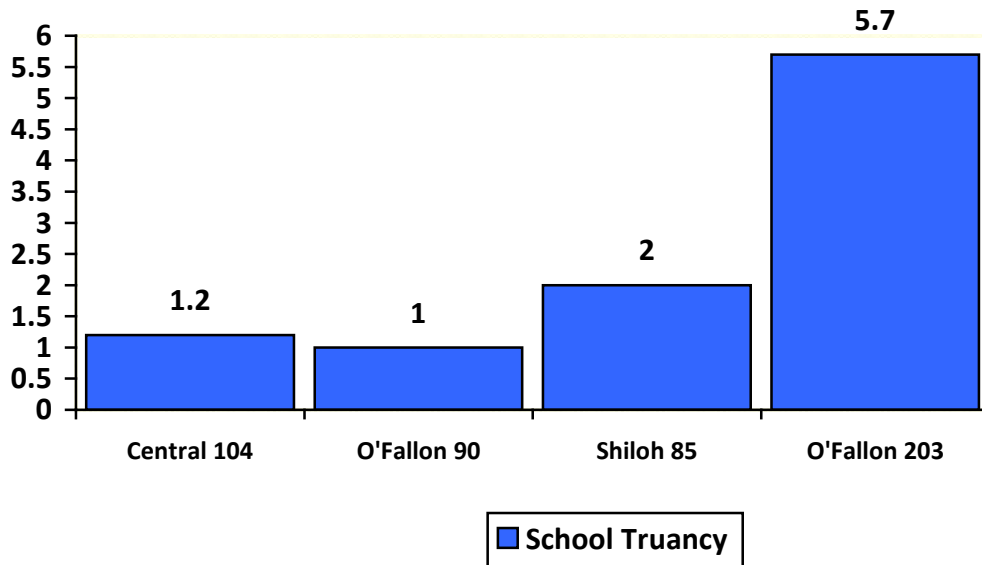


Central 104 has an excellent pupil/teacher ratio. Class sizes are significantly higher at O'Fallon 90 elementary district.

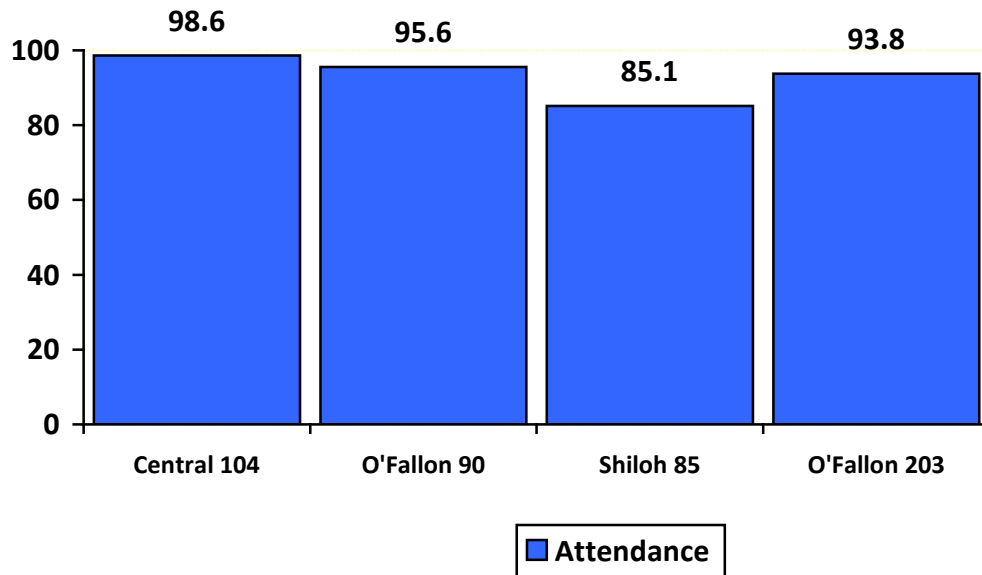


The salaries of the three elementary districts are similar and would not be hard to adjust in consolidation. There is a significant difference between the salaries of the high school district teachers and the three elementary districts. This could potentially be a major problem if the consolidation effort lead to a formation of a new unit district.

School Truancy

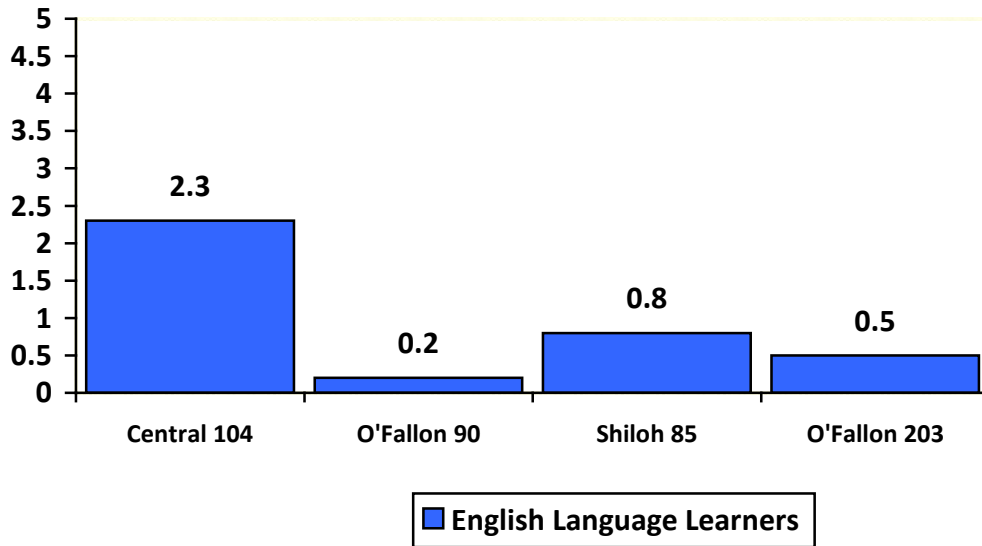


Attendance



The attendance rate for all four districts is outstanding. Please note: The data above is from the state. Shiloh reports that their attendance is 95%.

English Language Learners



The demographics of all four districts are similar which minimized population conflicts if the districts decide to merge. The one exception to this would be that Central 104's low income level is significantly higher than the other two elementary districts. Consolidation could lead to a lowering of Title I funds for Central students. Table 16 contains enrollments, low income percentages and mobility rates as expressed in the School Report Cards for each district. This chart further emphasizes that district demographics will be of minimal impact on consolidation efforts.

Table 16 Total Enrollment from 2014-2018

District	Enrollment
Central #104	3,020
O'Fallon #90	17,884
Shiloh #85	2,957
O'Fallon #203	12,286
State	10,172,902

Table 17 District Demographics

District	Enrollment	% Low Income	% Mobility
Central #104	598	51.8	14
O'Fallon #90	3,717	22.9	7
Shiloh #85	593	38.1	11
O'Fallon #203	2,443	21.5	5
State	2,001,548	49.4	7

Summary for Curriculum and Assessment

Curricular Positives

1. 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.
2. Textbooks have been adopted that are consistent with the state standards.
3. All four districts have made a solid commitment to incorporating instructional technology initiatives into their program.
4. All four districts' academic efforts are reflected in their student achievement scores on the PARCC and ACT/SAT State tests.
5. The three elementary districts belong to the Belleville Area Special Services Cooperative (BASSC) which provides a variety of special education services and consistency of programs.
6. Articulation refers to the process of linking two or more grade levels or the linking of educational systems. Pertaining to educational systems, O'Fallon High School #203 has provided for the linkage of its high school courses with community college, vocational, and university courses. This component of articulation is outstanding.
7. Currently, all three elementary districts offer an early childhood program.
8. All three elementary districts have invested in Chrome Books which is an excellent addition to an articulated curriculum.

Curricular Negatives

1. Just as the articulation of educational systems at the high school level fits into the outstanding category, the articulation between the three elementary districts currently is a weakness. Likewise, except for the work with Algebra at the 8th grade level, the articulation between each of the three elementary districts and the high school needs

improvement. 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 four 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 three elementary districts with each other and with the high school would be beneficial for academic improvement.

2. While there is some consistency between the elementary school districts regarding curricular offerings, efforts need to be made to provide even more consistency between the districts. Consolidation can guarantee that curricular programs are similar in all three elementary districts and state mandated programs are followed. Outside of consolidation, efforts should be made at the elementary level to formulate a consistent curricular offering so that all students entering the high school have a consistent curricular background.
3. Even though two of the three elementary districts score higher than the state average in their state assessments, there is a significant difference in test results between the Central 104 district and the other two elementary districts. The consultants feel that consolidation could lessen this differential in test results. Articulation between the current district format 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 three elementary districts have made a commitment to provide a rich extracurricular program for their students. OTHS has over 60 athletic teams in grades 9-12, not counting intramurals, and 67 extracurricular clubs, to meet the diverse range of interests to encourage participation for all students.

With this said, the three elementary districts and the high school district provide thirty-seven activities at the elementary districts and sixty-seven formally organized extracurricular activities at the high school district. At the PK-8 levels, the three elementary districts offer thirty-seven sports opportunities, though not duplicated in all three districts. At the high school level OTHS offers twenty-six athletic extracurricular activities. If we combine all athletic and non-athletic activities within the four school districts, we will have ninety-two opportunities with some duplication (Please see Tables 1, 2, and 3.)

If one looks at the total scope of the co-curricular activities offered within the four school districts there are definitely some highlights. O'Fallon High School #203 has a broad range of both activities and sports that compare with any school district their size throughout southern Illinois. At the elementary level, there are quite a few activities that are not

consistently offered in all three districts. Some examples include chess teams, media clubs, yearbook volunteers, National Junior Honor Societies, robotic teams, art clubs, student councils, drama clubs, weight training clubs, newspaper clubs, and expanded band opportunities. With consolidation, all of these activities could be coordinated to have consistency throughout the district.

Table 1 Extra-Curricular Athletics Presently Being Offered

Co-Curricular Athletics:

Elementary Districts

Shiloh Village School District #85

- Boys Baseball (fall)
- Girls Softball (fall)
- Co-ed Soccer (fall)
- Boys and Girls Basketball (winter)
- Girls Cheerleading (winter)
- Boys and Girls Volleyball (winter)
- Boys and Girls Track (spring)

Total - 10

O'Fallon CCSD #90

- Boys Baseball
- Girls Softball
- Boys and Girls Cross Country
- Soccer
- Boys and Girls Basketball
- Wrestling
- Girls Cheerleading
- Girls Dance
- Volleyball
- Boys and Girls Bowling
- Boys and Girls Track and Field

Total - 15

Central School District #104

- Baseball
- Softball
- Co-ed Soccer
- Boys and Girls Basketball
- Boys and Girls Volleyball
- Boys and Girls Track
- Girls Cheerleading
- Boys and Girls Bowling

Total - 12

High School District

O'Fallon Township High School District #203

- Boys Baseball
- Girls Softball
- Boys and Girls Basketball
- Boys and Girls Track and Field
- Co-ed Cheerleading
- Dance
- Boys and Girls Volleyball
- Boys and Girls Soccer
- Boys and Girls Swimming
- Boys and Girls Tennis
- Boys and Girls Golf
- Boys Football
- Boys and Girls Cross Country
- Boys and Girls Bowling
- Boys Wrestling
- Boys and Girls Lacrosse

Total - 26

37 total sports at Elementary Level

26 total sports at High School Level

Table 2 Extra-Curricular Activities Presently Being Offered

Co-Curricular Activities:

Elementary Districts

Shiloh Village School District #85

- Band
- Choir
- Art Club
- Student Council
- HOPE Club
- Chess Team
- Scholar Bowl
- Newspaper
- Yearbook, Media Club
- Pump It Up
- Drama Club

Total - 11

O'Fallon CCSD #90

- 5th Grade Band
- Symphonic Winds (6th – 8th)
- Honor Choir/Showchoir
- Jazz Band (6th – 8th)
- Student Council
- Scholar Bowl
- Drama Club
- Art Club
- Robotics
- National Junior Honor Society
- Yearbook
- Girls on the Run (3rd – 5th)

Total - 12

Central School District #104

- Band (5th – 8th)
- Scholar Bowl
- Chess Team
- Media Club

Total – 4

High School District

O'Fallon Township High School District #203

- ACTION
- Academic Challenge Team
- Animal Rescue Club
- Archery
- Art Club
- Athletic Leadership Council
- Band and Colorguard
- Bass Fishing Club
- Blizzard
- Camera Club
- Chemistry Club
- Choir
- Class of '19, '20, '21, and '22
- Co-Op
- Culture Mix
- Digital Journalism
- Endeavors
- Fall Play
- February Frolics
- Fellowship of Christian Athletes (FCA)
- First Priority
- French Club
- Friends of Rachel (FOR)
- Future Business Leaders of America (FBLA)
- Future Educators Association (FEA)
- Future Science Professionals
- Gay Straight Alliance (GSA)
- German Club
- Gold Rush Club
- Health Occupations Students of America (HOSA)
- Helping and Nurturing Diversity in Students (HANDS)
- Helping Open People's Eyes (HOPE)
- High School Democrats of America
- History Club
- Hockey Fan Club
- Interact Club
- Intramural
- Japanese Culture Club
- KEY Club
- MLK Legacy Team
- Math Team
- Mock Trial Team
- Model UN
- National Honor Society
- Outdoors Club
- Panther Beat Broadcast
- Philosophy Club
- Physics Team
- Prom Committee
- Quilting and Sewing
- Robotics Team
- SADD
- Scholar Boal Show Choir
- SkillsUSA
- Spanish Club
- Speech and Acting
- Sports Medicine Club
- Sports Psychology Club
- Spring Musical
- Student Council
- Student Leadership Team
- Thespan Society
- Ultimate Frisbee Club
- Wellness Club
- Yearbook
- Young Conservatives

Total - 67

27 total activities at the Elementary Level

67 total activities at the High School Level

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

Activity	Shiloh #85	O'Fallon #90	Central #104
Boys Baseball	Yes	Yes	Yes
Boys Basketball	Yes	Yes	Yes
Girls Basketball	Yes	Yes	Yes
Girls Volleyball	Yes	Yes	Yes
Boys Volleyball	Yes	Yes	Yes
Girls Softball	Yes	Yes	Yes
Boys Track and Field	Yes	Yes	Yes
Girls Track and Field	Yes	Yes	Yes
Dance	No	Yes	No
Intramurals	Yes	No	No
Cheerleading	Yes	Yes	Yes
Boys' Cross-Country	No	Yes	No
Girls' Cross-Country	No	Yes	No
Boys Bowling	No	Yes	Yes
Girls Bowling	No	Yes	Yes
Soccer	Yes	Yes	Yes
Wrestling	No	Yes	No
Totals	10	16	12
Academic Fair	No	Yes	No
Art Club	Yes	Yes	No
Band	Yes + Jazz Band	Yes + Jazz Band, Symphonic Winds	Yes + Beginning Band
Beginning Band	Yes	Yes	No
Character Education/Council	Yes	Yes	No
Chess Club	Yes	Yes	Yes
Chorus	Yes	Yes (Honor, Show, Regular)	No
Computer Science Club	No	No	Yes
Drama Club	Yes	Yes	No
French Club	Yes	No	No
Dance	No	Yes	No
Girls on the Run	Yes	Yes	No
Media Club	Yes	Yes	Yes
Newspaper/Yearbook	Yes	Yes	No
Keyboarding	Yes	No	Yes
Scholar Bowl	Yes	Yes	Yes
Student Council	Yes	Yes	Yes
Talent Show	Yes	Yes	No
Tech Club/Robotics	Yes	Yes	No
Totals	15	15	6

As one can see from Table 4 above, there is a significant difference in co-curricular offerings at the elementary level.

Please note, high school activities are listed in tables 1, 2, and 3. There is no need to differentiate as we are dealing with one high school. This is a good situation regarding co-

curricular activities, especially as we look at the emotional level surrounding the school mascot at the high school level.

The high school's mascot is the Panther, for which the 1934 basketball team takes credit for choosing. The basketball team visited a sports store in 1934 and was impressed by the large picture of a panther in the store's display window, according to Mr. George Bender, class of 1937. The team, not having a mascot of their own yet, liked the idea of using the panther. By November 1934, the team was nicknamed the Panthers, a name which would eventually represent the entire school. As stated in the 1962 edition of *The Panther*, the crest of O'Fallon Township High School reflects the town's history of farming, industry, and coal mining through the symbology on the shield. The crest can be found on the bronze plaque placed in the 600 hallway by the Class of 1961 as well as on students' diplomas.

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 not see consolidation leading to more activities at the high school level. We would suggest even without an effort towards consolidation that opportunities be afforded to the students by developing a mutual agreement between the three elementary districts for extra-curricular activities. Currently, Shiloh 85 and Central 104 belong to a different sports conference than O'Fallon 90. Consolidation does not necessarily have to dictate a change in this procedure. It does open an easier procedure for discussion of expanded opportunities. The data shows that Central 104 would gain the most from this discussion as there is a significant difference in the co-curricular activities at Shiloh and O'Fallon 90 compared to

Central 104. The size of O'Fallon 90 provides more opportunities to have enough participants to support the number requirement in each activity. Some thoughts:

1. In considering extracurricular activities provided by the schools, is it better to have a large 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 number of students currently participating in the offered sports could well go down unless the structure of middle schools remained the same. 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.
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. Shiloh and Central#104 schools are members of the same athletic conference. O'Fallon #90 is not part of the same conference. This would have to be a discussion for the new consolidated school.

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 FINANCIAL OVERVIEW

The baseline fiscal review of the four 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 four 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 St. Clair County Tax Computation Reports for the years 2015 through 2018. The Total Equalized Assessed Valuations ranged from a high \$1,020,146,672.00 for O'Fallon High School District No. 203 to a low of \$94,960,368.00 for Shiloh School District No. 85. The subject school districts are each experiencing an increase in their individual EAV as the result of both commercial and residential property expansion. Please also note that the EAV for O'Fallon District No. 203 includes a small section of Pontiac/William Holiday School District. No. 105. Therefore, the total EAV for O'Fallon High School is slightly higher than the combined total EAV for the three elementary districts. However, for purposes of calculating the growth projections the Rate Setting EAV has been utilized and is shown in tables 18 and 19.

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. The tax rates for the three fund accounts ranged from a high of 2.32 to a low of 1.29.

TABLE 1 FINANCIAL COMPARISON

Equalized Assessed Valuations				
SCHOOL DISTRICT	2018	2017	2016	2015
O'Fallon 90	\$710,045,897.00	\$671,491,704.00	\$650,192,551.00	\$635,359,030.00
O'Fallon Central 104	\$163,518,779.00	\$159,846,507.00	\$154,172,743.00	\$147,318,495.00
O'Fallon HS 203	\$1,020,146,672.00	\$966,432,223.00	\$938,500,314.00	\$917,407,436.00
Shiloh 85	\$94,960,368.00	\$92,270,572.00	\$90,776,621.00	\$91,203,151.00
Profile Rankings by ISBE				
SCHOOL DISTRICT	FY	Score	Rating	
O'Fallon 90	2018	3.25	Review	
O'Fallon Central 104	2018	3.7	Recognition	
O'Fallon HS 203	2018	3.8	Recognition	
Shiloh 85	2018	3.35	Review	
PROPERTY TAX EXTENSIONS/TAX RATES				
2018 Tax Rates				
SCHOOL DISTRICT	Ed.	O&M	Trans.	Total
O'Fallon 90	1.4	0.4	0.12	1.92
O'Fallon Central 104	1.7	0.5	0.12	2.32
O'Fallon HS 203	0.92	0.25	0.12	1.29
Shiloh 85	1.58	0.55	0.12	2.25
2018 Tax Extensions				
SCHOOL DISTRICT	Ed.	O&M	Trans.	Total
O'Fallon 90	\$9,912,950.76	\$2,832,373.08	\$849,924.94	\$21,731,664.70
O'Fallon Central 104	\$3,104,672.76	\$913,247.57	\$219,179.42	\$5,894,966.97
O'Fallon HS 203	\$9,385,349.38	\$2,550,366.68	\$1,224,176.01	\$21,751,407.31
Shiloh 85	\$1,500,373.81	\$522,282.02	\$113,952.44	\$3,491,312.86
Total	\$23,903,346.71	\$6,818,269.35	\$2,407,232.81	\$52,869,351.84

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.

The financial review consists of an analysis of the following critical financial health indicators:

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.

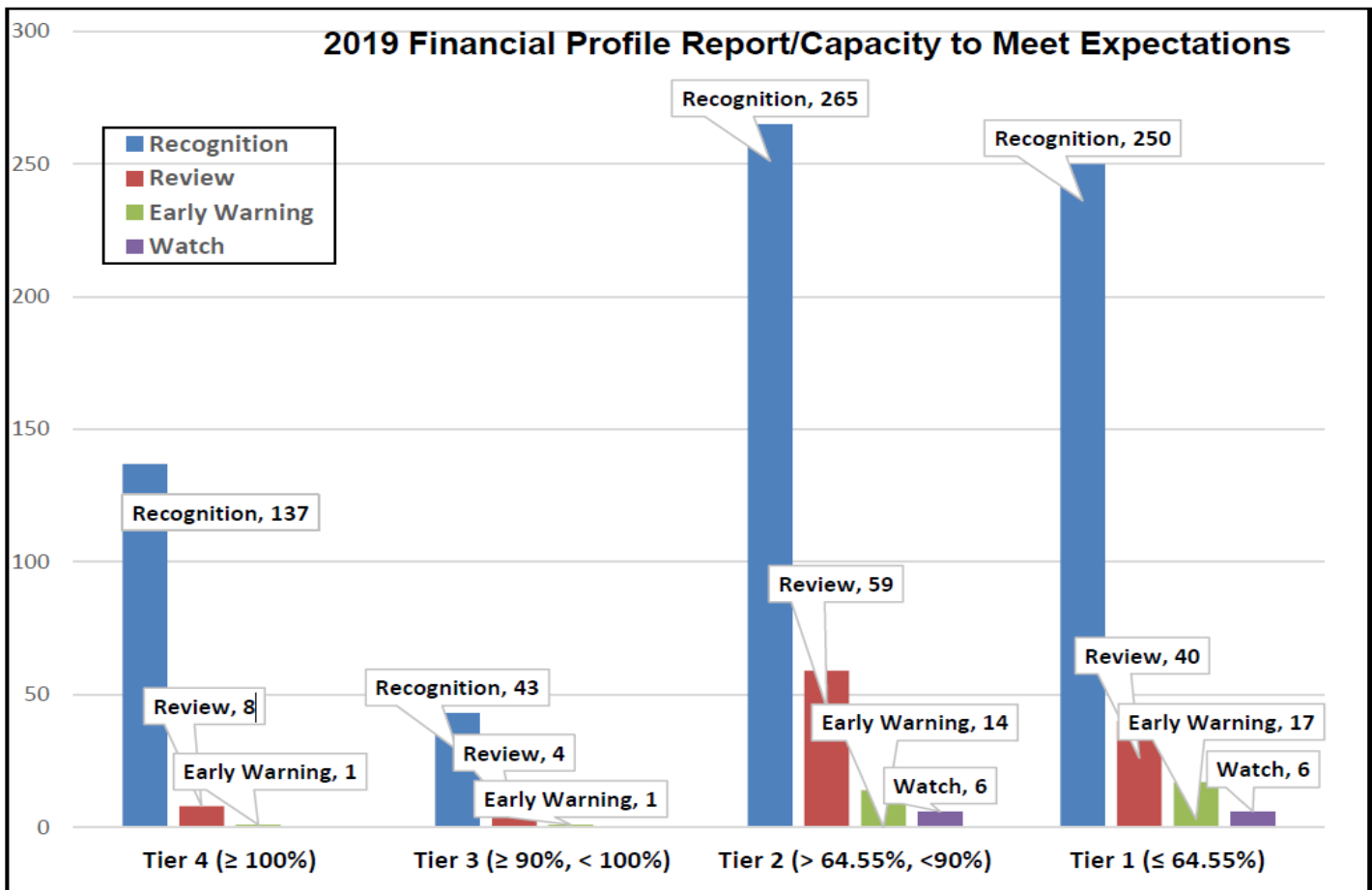
5. Percent of Long-Term Debt Margin Remaining – A district often incurs long-term debt for major expenditures such as buildings and equipment. This total is derived by the product of the district's EAV multiplied by its maximum general obligation debt limitation, reduced by any outstanding long-term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

Each of the subject schools have received good financial profile rankings over the past five years receiving many scores that have exceeded 3.0. Table 2 shows the actual calculations for each of the fiscal auditing areas for the subject school districts for FY 2018 and FY 2017. The Fund Balance/Revenue Ratio has ranged from 1.05-1.40. The Expenditure/Revenue Ratio has ranged from 1.04-1.40. The Days Cash on Hand has ranged from .40-.20. The Short-Term Debt has ranged from .40-.40. The Long-Term Debt has ranged from .20-.40.

TABLE 2 FINANCIAL PROFILE SCORES FOR SUBJECT DISTRICTS								
SCHOOL DISTRICT	FY	FBRR	ERP	DCOLL	STB	LTD	TOTAL	RANK
CENTRAL 104	2018	1.40	1.40	0.30	0.40	0.20	3.70	RECOGNITION
	2017	1.05	1.05	0.20	0.40	0.20	2.90	EARLY WARN
O'FALLON 90	2018	1.05	1.04	0.20	0.40	0.20	3.25	REVIEW
	2017	1.05	1.40	0.20	0.40	0.20	3.15	REVIEW
SHILOH 85	2018	1.05	1.40	0.20	0.40	0.30	3.35	REVIEW
	2017	1.05	1.40	0.20	0.40	0.20	3.25	REVIEW
O'FALLON HS 203	2018	1.40	1.40	0.40	0.40	0.40	3.80	RECOGNITION
	2017	1.4	1.05	0.4	0.4	0.2	3.45	REVIEW

As one can see from the data in Table 2 all four districts are in the top 2 categories regarding their current financial status with both Central District No. 104 and O’Fallon High School District No.203 are both in the top category for state recognition.

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



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 four 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. As noted in Table 3 the 2020

Final Percent of Adequacy for the districts in this study range from a low of 64% for O’Fallon District 90 and O’Fallon High School 203 and a high of 83 % for Central 104 with Shiloh 85 having a score of 66%.

The adequacy percentages shown in the ISBE report for all four 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. 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 indicate an increase in both the Total Net State Funding and the assigned adequacy level for each of the school districts.

EVIDENCE BASED FUNDING MODEL CALCULATIONS FOR 2020.

TABLE 3 ISBE EVIDENCE BASED FUNDING 2020						
District Name	Final Percent (%) of Adequacy	Tier Assign	Final Tier Funding (New \$)	Base Funding Minimum (Hold Harmless)	Total Gross FY 20 State Contribution	Total NET FY 20 State Contribution (Fund Code 3001)
SHILOH ELEM DIST 85	66%	1	\$ 70,444.85	\$ 1,899,753.68	\$ 1,970,198.53	\$ 1,970,198.53
O FALLON ELEM DIST 90	64%	1	\$ 660,438.56	\$ 8,070,526.75	\$ 8,730,965.31	\$ 8,730,965.31
CENTRAL ELEM DIST 104	83%	2	\$ 20,253.69	\$ 735,173.71	\$ 755,427.40	\$ 755,427.40
O FALLON HS DIST 203	64%	1	\$ 510,953.10	\$ 6,610,906.72	\$ 7,121,859.82	\$ 7,121,859.82

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 2015, 2016, 2017 and 2018. 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 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 four districts have a wide range of revenue amounts and expenditure patterns. Variances occur as the result of the size of the school districts and not necessarily a difference of fiscal practices. Shiloh No.85 and Central 104 are the two smaller units of the four subject school districts. As an example, the revenue generated in 2018 between the districts ranged from a low of \$4,110,280 for Shiloh No. 85 and a high of \$24,678, 550.for O’Fallon High School District No. 203.

The historical review shows minimal 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. The relationship of the revenue generated, and the program expenditure patterns of the school districts indicate good fiscal practices. Tables 4 and 5 show the four-year trends of the revenue generated and the expenditure records of the subject school districts based on their individual Annual Financial Reports filed with the Illinois State Board of Education. Table 6 provides a direct comparison of the revenue to the expenditures for fiscal years 2015, 2016, 2017 and 2018. Table 6 provides an aligned comparison of expenditures and revenues for the subject districts. The highlighted cells show an indication of deficit spending where the expenditures exceeded the revenue generated for the fiscal period.. 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.

TABLE 4 HISTORICAL REVENUE REVIEW

O'FALLON CUSD NO. 90

FY	ED FUND	O/M FUND	DEBT	TRANS	IMRF	CAP PROJ	WRK CASH	TORT	FIRE
2015	\$21,095,095	\$3,208,186	\$3,898,882	\$1,499,029	\$1,032,156	\$0	\$338,964	\$2,222,509	\$339,052
2016	\$21,192,056	\$3,526,689	\$3,520,006	\$1,631,089	\$991,580	\$1,379,523	\$300,402	\$1,960,421	\$301,500
2017	\$21,966,777	\$3,241,051	\$3,542,040	\$1,382,800	\$1,051,433	\$6	\$325,150	\$2,105,005	\$325,532
2018	\$24,559,298	\$3,409,361	\$4,002,650	\$1,926,035	\$1,195,170	\$14	\$377,027	\$2,585,284	\$371,436

CENTRAL CUSD NO. 104

FY	ED FUND	O/M FUND	DEBT	TRANS	IMRF	CAP PROJ	WRK CASH	TORT	FIRE
2015	\$4,444,488	\$919,538	\$924,198	\$317,260	\$112,542	\$105	\$88,451	\$290,444	\$85,914
2016	\$3,932,367	\$776,567	\$745,691	\$347,778	\$97,957	\$478	\$71,339	\$220,634	\$68,522
2017	\$4,442,482	\$951,774	\$843,199	\$299,731	\$179,443	\$89	\$82,742	\$258,776	\$82,269
2018	\$4,903,116	\$1,056,344	\$925,610	\$445,728	\$171,291	\$1	\$92,506	\$342,881	\$93,787

SHILOH CUSD NO. 85

FY	ED FUND	O/M FUND	DEBT	TRANS	IMRF	CAP PROJ	WRK CASH	TORT	FIRE
2015	\$3,625,070	\$430,431	\$481,140	\$237,583	\$200,368	\$1,429	\$40,101	\$172,782	\$370
2016	\$3,769,830	\$448,150	\$555,686	\$313,800	\$206,550	\$1,500	\$41,400	\$177,950	\$375
2017	\$3,915,876	\$473,687	\$540,511	\$319,198	\$219,610	\$1,145	\$45,466	\$226,819	\$6,591
2018	\$4,381,964	\$529,777	\$707,292	\$619,707	\$262,064	\$30,731	\$48,748	\$255,890	\$48,633

O'FALLON HIGH SCHOOL 203

FY	ED FUND	O/M FUND	DEBT	TRANS	IMRF	CAP PROJ	WRK CASH	TORT	FIRE
2015	\$17,050,455	\$2,688,702	\$4,779,542	\$1,401,466	\$643,828	\$468	\$436,306	\$1,009,287	\$433,708
2016	\$17,390,452	\$2,741,379	\$5,037,253	\$1,547,944	\$656,336	\$433	\$442,419	\$1,020,974	\$439,194
2017	\$17,750,564	\$2,847,625	\$4,361,669	\$1,409,059	\$1,163,480	\$184	\$449,301	\$1,345,708	\$443,182
2018	\$18,962,370	\$2,733,101	\$5,060,931	\$1,693,115	\$1,179,818	\$221	\$472,522	\$1,464,079	\$462,422

TABLE 5 HISTORICAL EXPENDITURE REVIEW

O'FALLON CUSD NO. 90

FY	ED FUND	O/M FUND	DEBT	TRANS	IMRF	CAP PROJ	WRK CASH	TORT	FIRE
2015	\$20,599,414	\$2,938,790	\$3,462,870	\$1,763,009	\$939,923	\$0	\$0	\$1,926,077	\$505,003
2016	\$20,808,843	\$3,637,955	\$3,659,273	\$1,657,686	\$961,881	\$1,377,852	\$0	\$1,920,486	\$826,148
2017	\$21,474,859	\$2,856,658	\$3,271,477	\$1,643,435	\$1,000,865	\$0	\$0	\$2,010,782	\$4,631,138
2018	\$22,148,709	\$2,903,323	\$3,496,441	\$1,847,973	\$1,035,758	\$0	\$0	\$2,140,392	\$153,884

CENTRAL CUSD NO. 104

FY	ED FUND	O/M FUND	DEBT	TRANS	IMRF	CAP PROJ	WRK CASH	TORT	FIRE
2015	\$4,213,794	\$505,137	\$783,387	\$328,462	\$130,938	\$297,063	\$0	\$247,116	\$218,824
2016	\$4,645,917	\$588,956	\$2,560,718	\$362,412	\$131,054	\$225,518	\$0	\$248,597	\$33,528
2017	\$4,576,199	\$615,665	\$776,176	\$413,189	\$121,387	\$937,300	\$0	\$281,395	\$487,260
2018	\$4,340,661	\$470,863	\$780,085	\$354,095	\$112,837	\$0	\$0	\$274,754	\$0

SHILOH CUSD NO. 85

FY	ED FUND	O/M FUND	DEBT	TRANS	IMRF	CAP PROJ	WRK CASH	TORT	FIRE
2015	\$4,095,201	\$485,340	\$508,515	\$388,409	\$169,955	\$186,418	\$0	\$176,625	\$0
2016	\$4,039,519	\$495,170	\$539,675	\$427,046	\$151,574	\$92,885	\$0	\$150,502	\$0
2017	\$3,816,298	\$409,036	\$1,085,584	\$475,319	\$133,943	\$16,506	\$0	\$207,801	\$16,964
2018	\$4,318,059	\$430,574	\$1,111,228	\$464,471	\$149,497	\$57,298	\$0	\$197,212	\$5,863

O'FALLON HIGH SCHOOL 203

FY	ED FUND	O/M FUND	DEBT	TRANS	IMRF	CAP PROJ	WRK CASH	TORT	FIRE
2015	\$18,527,757	\$2,305,659	\$4,769,025	\$1,346,032	\$700,664	\$297,063	\$0	\$708,465	\$47,741
2016	\$19,000,260	\$2,412,666	\$4,847,316	\$1,421,536	\$714,630	\$225,518	\$0	\$992,954	\$1,382
2017	\$19,084,937	\$2,205,699	\$4,221,022	\$1,488,833	\$798,163	\$937,300	\$0	\$1,295,038	\$811
2018	\$18,498,599	\$1,973,411	\$4,856,520	\$1,507,450	\$734,593	\$0	\$0	\$1,274,647	\$42,007

TABLE 6 HISTORICAL REVENUE AND EXPENDITURE REVIEW

O'FALLON CUSD NO. 90

FY	ED FUND		O/M FUND		DEBT		TRANS	
	REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND
2015	\$21,095,095	\$20,599,414	\$3,208,186	\$2,938,790	\$3,898,882	\$3,462,870	\$1,499,029	\$1,763,009
2016	\$21,192,056	\$20,808,843	\$3,526,689	\$3,637,955	\$3,520,006	\$3,659,273	\$1,631,089	\$1,657,686
2017	\$21,966,777	\$21,474,859	\$3,241,051	\$2,856,658	\$3,542,040	\$3,271,477	\$1,382,800	\$1,643,435
2018	\$24,559,298	\$22,148,709	\$3,409,361	\$2,903,323	\$4,002,650	\$3,496,441	\$1,926,035	\$1,847,973

CENTRAL CUSD NO. 104

FY	ED FUND		O/M FUND		DEBT		TRANS	
	REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND
2015	\$4,444,488	\$4,213,794	\$919,538	\$505,137	\$924,198	\$783,387	\$317,260	\$328,462
2016	\$3,932,367	\$4,645,917	\$776,567	\$588,956	\$745,691	\$2,560,718	\$347,778	\$362,412
2017	\$4,442,482	\$4,576,199	\$951,774	\$615,665	\$843,199	\$776,176	\$299,731	\$413,189
2018	\$4,903,116	\$4,340,661	\$1,056,344	\$470,863	\$925,610	\$780,085	\$445,728	\$354,095

SHILOH CUSD NO. 185

FY	ED FUND		O/M FUND		DEBT		TRANS	
	REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND
2015	\$3,625,070	\$4,095,201	\$430,431	\$485,340	\$481,140	\$508,515	\$237,583	\$388,409
2016	\$3,769,830	\$4,039,519	\$448,150	\$495,170	\$555,686	\$539,675	\$313,800	\$427,046
2017	\$3,915,876	\$3,816,298	\$473,687	\$409,036	\$540,511	\$1,085,584	\$319,198	\$475,319
2018	\$4,381,964	\$4,318,059	\$529,777	\$430,574	\$707,292	\$1,111,228	\$619,707	\$464,471

O'FALLON HIGH SCHOOL 203

FY	ED FUND		O/M FUND		DEBT		TRANS	
	REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND
2015	\$17,050,455	\$18,527,757	\$2,688,702	\$2,305,659	\$4,779,542	\$4,769,025	\$1,401,466	\$1,346,032
2016	\$17,390,452	\$19,000,260	\$2,741,379	\$2,412,666	\$5,037,253	\$4,847,316	\$1,547,944	\$1,421,536
2017	\$17,750,564	\$19,084,937	\$2,847,625	\$2,205,699	\$4,361,669	\$4,221,022	\$1,409,059	\$1,488,833
2018	\$18,962,370	\$18,498,599	\$2,733,101	\$1,973,411	\$5,060,931	\$4,856,520	\$1,693,115	\$1,507,450

TAX RATES AND LEVY EXTENSIONS

As shown in table 7 the tax rates for the subject school districts of the study range from a low of 2.24 to a high of 3.68. In comparison to other St. Clair County school districts the subject districts in this study have maintained some of the lowest tax rates in the county. The range of all school districts in St. Clair County is from a low of 2.517 at Belleville High School District 201 to a high of 5.3265 at Belle Valley School District 119.

TABLE 7 ST. CLAIR COUNTY TAX RATES					
	7/1/2015	7/1/2016	6/29/2017	7/1/2018	6/21/2019
BELLEVILLE					
Belle Valley #119	5.0317	5.2512	5.3498	5.2831	5.3265
Belleville #118	3.5678	3.6412	3.9323	3.7809	3.8026
Grant #110	4.002	4.528	4.5428	4.2752	4.2961
High Mount #116	4.1832	4.5897	4.6041	4.5294	4.5499
Milstadt #160	2.9933	3.1229	3.3181	3.301	3.3203
Pontiac #105	2.4898	2.8551	2.8764	2.8556	2.8594
Signal Hill #181	4.2792	4.3254	4.449	4.4802	4.4389
Whiteside #115	2.7613	2.794	2.7661	2.7708	2.5428
Wolf Branch #113	3.7238	3.8536	3.8636	3.8733	3.872
Harmony-Enge #175	4.0418	4.6842	4.7623	4.5571	4.5268
Belleville #201	2.0352	2.155	2.1554	2.1516	2.1517
FREEBURG					
Freeburg #70	2.761	2.8407	2.8278	2.892	2.9747
St. Libory #30	3.4242	3.4213	3.513	3.5854	3.6641
Smithton #130	3.1605	3.2528	3.2625	3.2881	3.2732
Freeburg #77	2.057	2.3045	2.4158	2.408	2.3859
O'FALLON					
Central #104	3.25	3.25	3.25	3.2473	3.1952
O'Fallon #90	3.1694	3.1352	3.1668	3.1649	3.0606
Shiloh #85	3.4719	3.4896	3.6886	3.6716	3.6766
O'Fallon #203	2.2271	2.2424	2.3108	2.2787	2.2437
UNIT DISTRICTS					
Cahokia #187	11.0434	11.0485	13.0828	12.7604	12.6724
Dupo #196	5.42	5.4216	5.2971	5.3635	5.372
East St. Louis #189	10.8384	10.8383	10.8384	10.8327	10.8327
Lebanon #9	6.2167	6.5187	6.526	6.4646	6.4331
Lovejoy #188	8.4756	7.5627	8.5827	10.918	10.5458
Marrisa #40	6.0161	6.2117	6.5231	6.5736	6.4621
Mascoutah #19	4.6597	4.9338	5.1763	5.0964	4.8824
New Athens #60	5.1055	5.2541	5.2968	5.3698	5.2889

To gain an understanding of the impact of the tax rate on the community you must combine the rate for the elementary school districts with that of the high school. The combined rates for the subject school districts are shown in table 18.

The total combined 2019 tax rate for the three elementary districts of the study coupled with the total tax rate for O'Fallon High School 203 continues to stay under 6.00. The average rate for taxpayers in the O'Fallon/Shiloh area as shown in table 7 is \$5.55. The range for the total combined tax rate for other schools in the county range from a low of \$4.69 to a high of \$12.67 (see Table 7).

A property tax levy is the amount of property tax dollars a school district requests in order to operate the district for the upcoming school year. Property taxes are one of the primary funding sources for school districts along with the state revenue generated utilizing the new Evidence Based Funding Model (EBF). Each year the subject requests a tax levy extension, or increase, in order to match the expenditure increases for cost of living increases, service and material increases, and other expenditure increases. A district relies on a property tax levy extension to match revenues with expenditures, and the amount of the tax levy increase is determined by a formula established by Illinois School Code.

The tax levy formula is established by Illinois School Code, and it is created by a calculation that considers the previous year's tax rate, the current Consumer Price Index, the equalized assessed value (EAV) of the properties within the district's boundaries, and anticipated new growth of properties within the district's boundaries.

The tax levy the board of education approves is not a final figure. It is a request based on estimations of the items in the tax levy calculation above. Since the final figures for equalized assessed value of properties and new growth are not known until the spring of the year following the board approved tax levy, a school district must estimate what they believe the final figures will be.

A school district can only receive a tax levy based on the final figures released by the county. If the school district establishes a levy that is higher than the final figures, the district will only receive what is allowable by law, which is the final calculation based on the actual numbers as established by the county. For example, if a district sets a

tax levy at 5% increase, but the county numbers that are released the following spring equate to a levy rate increase of 4%, the district will only receive a 4% levy increase.

If a district establishes a levy that is lower than the final figures released by the county, the district does not have a way of adjusting the levy to receive the additional dollars due to the district. Once a levy is filed, it cannot be increased. For example, if a district filed a levy for 3%, but the figures released the following summer by the county could have resulted in a 4% levy, the district cannot go back and change the levy to access the additional 1%. The revenue lost from the lower request would be permanently lost and has a compounding effect on all future levies.

A district will request a rate higher than what might be anticipated in order to ensure they can receive all the money allowable by the law. As stated above, a district cannot receive more than what the law allows by the property tax levy calculation, so even if the requested levy is higher than the results of the final levy figures, the district will only receive what is established by the final EAV and new growth figures. Tables 8-14 reflect the data retrieved from the St. Clair County Tax Computation Reports for 2017 and 2018. These reports represent the levy requests for each of the subject districts and provides the total extension of tax dollars received by each of the districts in the study upon review and analysis by St. Clair County.

LEVY/RATES AND EXTENSIONS 2017

O FALLON HS #203		TABLE 8 TAX COMPUTATION REPORT 2017							
Property Type	Total EAV								
Farm	\$42,152,899								
Residential	\$711,018,866								
Commercial	\$210,755,543								
Industrial	\$2,176,324								
Mineral	\$17,662								
State Railroad	\$309,087								
Local Railroad	\$1,842								
County Total	\$966,432,223								
Total Rate Setting EAV	\$924,755,592								
Fund/Name	Levy Request	Max Rate	Cal Rate	Actual Rate	Certified Rate	Total Extension	Total Extension After TIF & EZ	Total Extension w/Overlaps	%
002 EDUCATION	\$8,689,000	0.92	0.9396	0.92	0.92	\$8,891,176	\$8,507,751	\$8,507,751	40
003 BONDS/INTEREST	\$4,899,200	0	0.529783	0.5298	0.5298	\$5,120,158	\$4,899,355	\$4,899,355	23
004 BUILDING	\$2,361,000	0.25	0.255311	0.25	0.25	\$2,416,081	\$2,311,889	\$2,311,889	11
005 I.M.R. F	\$670,000	0	0.072452	0.0725	0.0725	\$700,663	\$670,448	\$670,448	3
030 TRANSPORTATION	\$1,133,000	0.12	0.122519	0.12	0.12	\$1,159,719	\$1,109,707	\$1,109,707	5
031 WORKING CASH	\$472,000	0.05	0.051041	0.05	0.05	\$483,216	\$462,378	\$462,378	2
032 FIRE/SAFETY	\$472,000	0.05	0.051041	0.05	0.05	\$483,216	\$462,378	\$462,378	2
033 SPECIAL ED	\$189,000	0.02	0.020438	0.02	0.02	\$193,286	\$184,951	\$184,951	1
035 LIABILITY INS	\$1,500,000	0	0.162205	0.1623	0.1623	\$1,568,520	\$1,500,878	\$1,500,878	7
047 SOCIAL SECURITY	\$500,000	0	0.054068	0.0541	0.0541	\$522,840	\$500,293	\$500,293	2
057 LEASE	\$472,000	0.05	0.051041	0.05	0.05	\$483,216	\$462,378	\$462,378	2
Totals	\$21,357,200		2.309499	2.2787	2.2787	\$22,022,091	\$21,072,406	\$21,072,406	100

LEVY/RATES AND EXTENSIONS 2017

CENTRAL DIST #104 TABLE 9 TAX COMPUTATION REPORT 2017									
Property Type	Total EAV								
Farm	\$1,405,901								
Residential	\$58,672,096								
Commercial	\$111,801,482								
Industrial	\$525,231								
Mineral	\$0								
State Railroad	\$78,183								
Local Railroad	\$0								
County Total	\$172,482,893								
Total Rate Setting EAV	\$163,518,779								
Fund/Name	Levy Request	Maximum Rate	Cal Rate	Actual Rate	Certified Rate	Total Extension	Total Extension After TIF & EZ	Total Extension w/Overlaps	%
002 EDUCATION	\$2,850,900	1.7	1.74347	1.7	1.7	\$2,932,209	\$2,779,819	\$2,779,819	52
003 BONDS/ INTEREST	\$765,076	0	0.467883	0.4679	0.4679	\$807,047	\$765,104	\$765,104	14
004 BUILDING	\$838,500	0.5	0.512785	0.5	0.5	\$862,414	\$817,594	\$817,594	15
005 I.M.R. F	\$33,540	0	0.020511	0.0206	0.0206	\$35,531	\$33,685	\$33,685	1
030 TRANSPORTATION	\$201,240	0.12	0.123068	0.12	0.12	\$206,979	\$196,223	\$196,223	4
031 WORKING CASH	\$83,850	0.05	0.051279	0.05	0.05	\$86,241	\$81,759	\$81,759	2
032 FIRE/SAFETY	\$83,850	0.05	0.051279	0.05	0.05	\$86,241	\$81,759	\$81,759	2
033 SPECIAL ED	\$33,540	0.02	0.020511	0.02	0.02	\$34,497	\$32,704	\$32,704	1
035 LIABILITY INS	\$355,524	0	0.217421	0.2175	0.2175	\$375,150	\$355,653	\$355,653	7
047 SOCIAL SECURITY	\$83,850	0	0.051279	0.0513	0.0513	\$88,484	\$83,885	\$83,885	2
057 LEASE	\$83,850	0.05	0.051279	0.05	0.05	\$86,241	\$81,759	\$81,759	2
Totals	\$5,413,720		3.310765	3.2473	3.2473	\$5,601,037	\$5,309,945	\$5,309,945	100

LEVY/RATES AND EXTENSIONS 2017

O FALLON DIST #90									
TABLE 10 TAX COMPUTATION REPORT 2017									
Property Type	TOTAL EAV								
Farm	\$39,653,000								
Residential	\$553,805,988								
Commercial	\$76,320,104								
Industrial	\$1,462,874								
Mineral	\$16,992								
State Railroad	\$230,904								
Local Railroad	\$1,842								
County Total	\$671,491,704								
Total Rate Setting EAV	\$645,847,682								
Fund/Name	Levy Request	Max Rate	Cal Rate	Actual Rate	Certified Rate	Total Extension	Total Extension After TIF & EZ	Total Extension w/Overlaps	%
002 EDUCATION	\$9,213,713	1.4	1.426608	1.4	1.4	\$9,400,884	\$9,041,868	\$9,041,868	44
003 BONDS/INTEREST	\$3,518,474	0	0.544784	0.5448	0.5448	\$3,658,287	\$3,518,578	\$3,518,578	17
004 BUILDING	\$2,632,489	0.4	0.407602	0.4	0.4	\$2,685,967	\$2,583,391	\$2,583,391	13
005 I.M.R. F	\$481,155	0	0.0745	0.0745	0.0745	\$500,261	\$481,157	\$481,157	2
030 TRANSPORTATION	\$789,747	0.12	0.122281	0.12	0.12	\$805,790	\$775,017	\$775,017	4
031 WORKING CASH	\$329,061	0.05	0.05095	0.05	0.05	\$335,746	\$322,924	\$322,924	2
032 FIRE/SAFETY	\$329,061	0.05	0.05095	0.05	0.05	\$335,746	\$322,924	\$322,924	2
033 SPECIAL ED	\$131,624	0.02	0.02038	0.02	0.02	\$134,298	\$129,170	\$129,170	1
035 LIABILITY INS	\$2,371,637	0	0.367213	0.3673	0.3673	\$2,466,389	\$2,372,199	\$2,372,199	12
047 SOCIAL SECURITY	\$570,008	0	0.088257	0.0883	0.0883	\$592,927	\$570,284	\$570,284	3
057 LEASE	\$329,061	0.05	0.05095	0.05	0.05	\$335,746	\$322,924	\$322,924	2
Totals	\$20,696,030		3.204475	3.1649	3.1649	\$21,252,041	\$20,440,433	\$20,440,433	100

LEVY/RATES AND EXTENSIONS 2017

SHILOH DIST. #85 TABLE 11 TAX COMPUTATION REPORT 2017									
Property Type	Total EAV								
Farm	\$1,071,429								
Residential	\$79,532,593								
Commercial	\$11,477,661								
Industrial	\$188,219								
Mineral	\$670								
State Railroad	\$0								
Local Railroad	\$0								
County Total	\$92,270,572								
Total Rate Setting EAV	\$85,202,077								
Fund/Name	Levy Request	Max Rate	Cal Rate	Actual Rate	Certified Rate	Total Extension	Total Extension After TIF & EZ	Total Extension w/Overlaps	%
002 EDUCATION	\$1,390,100	1.58	1.631533	1.58	1.58	\$1,457,875	\$1,346,193	\$1,346,193	43
003 BONDS/INTEREST	\$626,100	0	0.734841	0.7349	0.7349	\$678,096	\$626,150	\$626,150	20
004 BUILDING	\$483,900	0.55	0.567944	0.55	0.55	\$507,488	\$468,611	\$468,611	15
005 I.M.R. F	\$110,000	0	0.129105	0.1292	0.1292	\$119,214	\$110,081	\$110,081	4
030 TRANSPORTATION	\$105,600	0.12	0.123941	0.12	0.12	\$110,725	\$102,242	\$102,242	3
031 WORKING CASH	\$44,000	0.05	0.051642	0.05	0.05	\$46,135	\$42,601	\$42,601	1
032 FIRE/SAFETY	\$44,000	0.05	0.051642	0.05	0.05	\$46,135	\$42,601	\$42,601	1
033 SPECIAL ED	\$17,600	0.02	0.020657	0.02	0.02	\$18,454	\$17,040	\$17,040	1
035 LIABILITY INS	\$220,000	0	0.25821	0.2583	0.2583	\$238,335	\$220,077	\$220,077	7
047 SOCIAL SECURITY	\$110,000	0	0.129105	0.1292	0.1292	\$119,214	\$110,081	\$110,081	4
057 LEASE	\$44,000	0.05	0.051642	0.05	0.05	\$46,135	\$42,601	\$42,601	1
Totals	\$3,195,300		3.750262	3.6716	3.6716	\$3,387,806	\$3,128,279	\$3,128,279	100

LEVY/RATES AND EXTENSIONS 2018

CENTRAL DIST #104 TABLE 12 TAX COMPUTATION REPORT 2018									
Property Type	Total EAV								
Farm	\$1,442,448								
Residential	\$62,140,505								
Commercial	\$120,288,202								
Industrial	\$540,043								
Mineral	\$0								
State Railroad	\$83,261								
Local Railroad	\$0								
County Total	\$184,494,459								
Total Rate Setting EAV	\$171,236,973								
Fund/Name	Levy Request	Max Rate	Cal Rate	Actual Rate	Certified Rate	Total Extension	Total Extension After TIF & EZ	Total Extension w/Overlaps	%
002 EDUCATION	\$2,881,500	1.7	1.682756	1.6828	1.6828	\$3,104,673	\$2,881,576	\$2,881,576	53
003 BONDS/INTEREST	\$702,826	0	0.410441	0.4105	0.4105	\$757,350	\$702,928	\$702,928	13
004 BUILDING	\$847,500	0.5	0.494928	0.495	0.495	\$913,248	\$847,623	\$847,623	15
005 I.M.R. F	\$51,867	0	0.03029	0.0303	0.0303	\$55,902	\$51,885	\$51,885	1
030 TRANSPORTATION	\$203,400	0.12	0.118783	0.1188	0.1188	\$219,179	\$203,430	\$203,430	4
031 WORKING CASH	\$84,750	0.05	0.049493	0.0495	0.0495	\$91,325	\$84,762	\$84,762	2
032 FIRE/SAFETY	\$84,750	0.05	0.049493	0.0495	0.0495	\$91,325	\$84,762	\$84,762	2
033 SPECIAL ED	\$33,900	0.02	0.019797	0.0198	0.0198	\$36,530	\$33,905	\$33,905	1
035 LIABILITY INS	\$391,715	0	0.228756	0.2288	0.2288	\$422,123	\$391,790	\$391,790	7
047 SOCIAL SECURITY	\$103,904	0	0.060679	0.0607	0.0607	\$111,988	\$103,941	\$103,941	2
057 LEASE	\$84,750	0.05	0.049493	0.0495	0.0495	\$91,325	\$84,762	\$84,762	2
Totals	\$5,470,862		3.194909	3.1952	3.1952	\$5,894,967	\$5,471,364	\$5,471,364	100

LEVY/RATES AND EXTENSIONS 2018

O' FALLON DIST #90									
TABLE 13 TAX COMPUTATION REPORT 2018									
Property Type	Total EAV								
Farm	\$44,086,637								
Residential	\$575,821,848								
Commercial	\$88,041,159								
Industrial	\$1,831,885								
Mineral	\$16,756								
State Railroad	\$245,874								
Local Railroad	\$1,738								
County Total	\$710,045,897								
Total Rate Setting EAV	\$680,080,815								
Fund/Name	Levy Request	Max Rate	Cal Rate	Actual Rate	Certified Rate	Total Extension	Total Extension After TIF & EZ	Total Extension w/Overlaps	%
002 EDUCATION	\$9,494,270	1.4	1.39605	1.3961	1.3961	\$9,912,951	\$9,494,608	\$9,494,608	46
003 BONDS/ INTEREST	\$3,313,486	0	0.487219	0.4873	0.4873	\$3,460,054	\$3,314,034	\$3,314,034	16
004 BUILDING	\$2,712,648	0.4	0.398871	0.3989	0.3989	\$2,832,373	\$2,712,842	\$2,712,842	13
005 I.M.R. F	\$450,457	0	0.066236	0.0663	0.0663	\$470,760	\$450,894	\$450,894	2
030 TRANSPORTATION	\$813,794	0.12	0.119661	0.1197	0.1197	\$849,925	\$814,057	\$814,057	4
031 WORKING CASH	\$339,081	0.05	0.049859	0.0499	0.0499	\$354,313	\$339,360	\$339,360	2
032 FIRE/SAFETY	\$339,081	0.05	0.049859	0.0499	0.0499	\$354,313	\$339,360	\$339,360	2
033 SPECIAL ED	\$135,632	0.02	0.019944	0.02	0.02	\$142,009	\$136,016	\$136,016	1
035 LIABILITY INS	\$2,371,855	0	0.348761	0.3488	0.3488	\$2,476,640	\$2,372,122	\$2,372,122	11
047 SOCIAL SECURITY	\$501,871	0	0.073796	0.0738	0.0738	\$524,014	\$501,900	\$501,900	2
057 LEASE	\$339,081	0.05	0.049859	0.0499	0.0499	\$354,313	\$339,360	\$339,360	2
Totals	\$20,811,256		3.060115	3.0606	3.0606	\$21,731,665	\$20,814,553	\$20,814,553	100

LEVY/RATES AND EXTENSIONS 2018

SHILOH DIST #85		TABLE 14 TAX COMPUTATION REPORT 2018							
Property Type	TOTAL EAV								
Farm	\$1,076,273								
Residential	\$81,956,640								
Commercial	\$11,733,108								
Industrial	\$193,677								
Mineral	\$670								
State Railroad	\$0								
Local Railroad	\$0								
County Total	\$94,960,368								
Total Rate Setting EAV	\$87,479,920								
Fund/Name	Levy Request	Max Rate	Calc'ed Rate	Actual Rate	Certified Rate	Total Extension	Total Extension After TIF & EZ	Total Extension w/Overlaps	%
002 EDUCATION	\$1,412,800	1.58	1.614999	1.58	1.58	1,500,374	1,382,183	1,382,183	43
003 BONDS/INTEREST	\$659,050	0	0.753373	0.7534	0.7534	715,431	659,074	659,074	20
004 BUILDING	\$491,800	0.55	0.562186	0.55	0.55	522,282	481,140	481,140	15
005 I.M.R. F	\$105,000	0	0.120028	0.1201	0.1201	114,047	105,063	105,063	3
030 TRANSPORTATION	\$107,300	0.12	0.122657	0.12	0.12	113,952	104,976	104,976	3
031 WORKING CASH	\$44,700	0.05	0.051097	0.05	0.05	47,480	43,740	43,740	1
032 FIRE /SAFETY	\$44,700	0.05	0.051097	0.05	0.05	47,480	43,740	43,740	1
033 SPECIAL ED	\$17,900	0.02	0.020462	0.02	0.02	18,992	17,496	17,496	1
035 LIABILITY INS	\$230,000	0	0.262918	0.263	0.263	249,746	230,072	230,072	7
047 SOCIAL SECURITY	\$105,000	0	0.120028	0.1201	0.1201	114,047	105,063	105,063	3
057 LEASE	\$44,700	0.05	0.051097	0.05	0.05	47,480	43,740	43,740	1
Totals	\$3,262,950		3.729942	3.6766	3.6766	3,491,313	3,216,287	3,216,287	100

PROJECTED FISCAL GROWTH FOR SUBJECT DISTRICTS OF THE STUDY

The review of the projected fiscal future of the districts is a component of this study. The projections are based upon the future estimations of growth in equalized assessed valuation, revenue from both state and local sources and a projection of expenditure activity. The growth of state aid is somewhat difficult to determine because of the dependence on the actions of the legislature in providing the funds for the new Evidence Based Funding Model. As shown in table 15 each of the districts in the study are presently rated as Tier 1 or Tier 2 districts based on the EBF funding criteria. The adequacy levels range from a high of 83% to a low of 64% indicating that each district would be receiving additional funding until they reach their full adequacy of funding. The percentages of growth utilized for making the projections are based on the development of a percentage index taken from the growth history over the past five years.

**TABLE 15 RATE SETTING EQUALIZED VALUATION GROWTH HISTORY
2015-2018**

EAV YEAR	O'FALLON HS #203	% + -	SHILOH NO. 85	% + -	O'FALLON NO. 90	% + -	CENTRAL NO. 104	% + -
2015	\$880,593,700.00		\$84,282,518.00		\$612,827,837.00		\$154,172,743.00	
2016	\$900,290,335.00	102.24%	\$83,833,227.00	99.47%	\$626,842,874.00	102.29%	\$159,846,507.00	103.68%
2017	\$924,755,592.00	102.72%	\$85,202,077.00	101.63%	\$645,847,682.00	103.03%	\$163,518,779.00	102.30%
2018	\$969,443,656.00	104.83%	\$87,479,920.00	102.67%	\$680,080,815.00	105.30%	\$171,236,973.00	104.72%

The growth of the rate setting equalized assessed valuation between 2015 and 2018 is shown in Table 15. The recent growth in EAV ranged from a negative 99.47% to a positive of 1.053%. Many variables have an impact on the growth of the regional property values within a specific geographical region. Based on a review of the various data documents it is projected that the EAV will continue to grow in the region represented by the subject school districts (See Table 16). Our review of recent housing data provided by the O'Fallon/Shiloh Chamber of Commerce supports the projection for EAV growth. In addition, the projected growth in population and enrollment as previously shown in this report contribute to our projections for the growth in the EAV. A conservative estimate of 1.03 percent growth has been used in the projections.

TABLE 16 TOTAL RATE SETTING EQUALIZED ASSESSED VALUATION GROWTH PROJECTIONS 2020-2024								
EAV YEAR	O'FALLON HS #203	% + -	SHILOH NO. 85	% + -	O'FALLON NO. 90	% + -	CENTRAL NO. 104	% + -
2017	\$924,755,592.00	1.03%	\$85,202,077.00	1.02%	\$645,847,682.00	1.03%	\$163,518,779.00	1.03%
2018	\$969,443,656.00	1.06%	\$87,479,920.00	1.03%	\$680,080,815.00	1.06%	\$171,236,973.00	1.07%
2019	\$998,526,965.68	1.03%	\$90,104,317.60	1.03%	\$700,483,239.45	1.03%	\$176,374,082.19	1.03%
2020	\$1,028,482,774.65	1.03%	\$92,807,447.13	1.03%	\$721,497,736.63	1.03%	\$181,665,304.66	1.03%
2021	\$1,059,337,257.89	1.03%	\$95,591,670.54	1.03%	\$743,142,668.73	1.03%	\$187,115,263.80	1.03%
2022	\$1,091,117,375.63	1.03%	\$98,459,420.66	1.03%	\$765,436,948.79	1.03%	\$192,728,721.71	1.03%
2023	\$1,123,850,896.90	1.03%	\$101,413,203.28	1.03%	\$788,400,057.26	1.03%	\$198,510,583.36	1.03%
2024	\$1,157,566,423.80	1.03%	\$104,455,599.38	1.03%	\$812,052,058.98	1.03%	\$204,465,900.86	1.03%

BUDGET PROJECTIONS FOR THE INDIVIDUAL DISTRICTS

Attempting to predict the future budget activities for any organization is extremely difficult due to the variety of variables known and unknown that can have an impact on the estimation of future numbers. However, given the recent trend data extracted from the review of the district's previous budgets and their annual financial reports some assumptions can be captured to provide a projective budget presentation related to revenue generated and incurred expenditures. In review of the historical budget data it was shown that the school district budgets have been showing growth over the past five years. Given the new state aid formula and the projected growth in the rate setting equalized assessed valuation a budgetary growth index of 1.25 has been selected as a conservative estimation of growth in the education, operations/maintenance and transportation funds. The three funds have been selected to represent the potential growth in total revenue for the subject districts. The projection for expenditure growth has also utilized an index of 1.25 to represent the potential growth in expenditures driven by the consumer price index formula aligned with potential inflationary aspects of vendor distributions. All projections as shown in table 17 are very much dependent on the multitude of variables that play into the final analysis including the needs of the districts, the results of collective bargaining and the pursuit of projects that focus on improving the overall educational programs. The data used in table 17 represent a general revenue and expenditure trend as found in budgetary calculations including the annual financial reports.

TABLE 17 BUDGET PROJECTIONS FOR INDIVIDUAL DISTRICTS**O'FALLON CUSD NO. 90**

FY	ED FUND		O/M FUND		TRANS	
	REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND
6/30/1919	\$23,862,860	\$23,523,139	\$3,143,292	\$3,385,387	\$1,729,048	\$1,954,443
20	\$24,459,432	\$24,111,217	\$3,221,874	\$3,470,022	\$1,772,274	\$2,003,304
21	\$25,070,917	\$24,713,998	\$3,302,421	\$3,556,772	\$1,816,581	\$2,053,387
22	\$25,697,690	\$25,331,848	\$3,384,982	\$3,645,692	\$1,861,996	\$2,104,721
23	\$26,340,132	\$25,965,144	\$3,469,606	\$3,736,834	\$1,908,545	\$2,157,339
24	\$26,998,636	\$26,614,273	\$3,556,346	\$3,830,255	\$1,956,259	\$2,211,273
25	\$27,673,602	\$27,279,629	\$3,645,255	\$3,926,011	\$2,005,166	\$2,266,555

CENTRAL CUSD NO. 104

FY	ED FUND		O/M FUND		TRANS	
	REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND
6/30/1919	\$4,522,936	\$4,692,656	\$929,443	\$518,957	\$382,326	\$451,267
20	\$4,636,009	\$4,809,972	\$952,679	\$531,931	\$391,884	\$462,549
21	\$4,751,910	\$4,930,222	\$976,496	\$545,229	\$401,681	\$474,112
22	\$4,870,707	\$5,053,477	\$1,000,908	\$558,860	\$411,723	\$485,965
23	\$4,992,475	\$5,179,814	\$1,025,931	\$572,831	\$422,016	\$498,114
24	\$5,117,287	\$5,309,310	\$1,051,579	\$587,152	\$432,567	\$510,567
25	\$5,245,219	\$5,442,042	\$1,077,869	\$601,831	\$443,381	\$523,331

SHILOH CUSD NO. 85

FY	ED FUND		O/M FUND		TRANS	
	REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND
6/30/2019	\$4,286,257	\$4,268,919	\$480,016	\$471,711	\$398,347	\$466,511
20	\$4,393,413	\$4,375,642	\$492,016	\$483,504	\$408,306	\$478,174
21	\$4,503,249	\$4,485,033	\$504,317	\$495,591	\$418,513	\$490,128
22	\$4,615,830	\$4,597,159	\$516,925	\$507,981	\$428,976	\$502,381
23	\$4,731,226	\$4,712,088	\$529,848	\$520,681	\$439,701	\$514,941
24	\$4,849,506	\$4,829,890	\$543,094	\$533,698	\$450,693	\$527,814
25	\$4,970,744	\$4,950,637	\$556,671	\$547,040	\$461,960	\$541,010

O'FALLON HIGH SCHOOL 203

FY	ED FUND		O/M FUND		TRANS	
	REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND
6/30/2019	\$19,436,246	\$19,481,430	\$2,859,764	\$3,685,886	\$1,639,428	\$1,187,642
20	\$19,922,152	\$19,968,466	\$2,931,258	\$3,778,033	\$1,680,414	\$1,217,333
21	\$20,420,206	\$20,467,677	\$3,004,540	\$3,872,484	\$1,722,424	\$1,247,766
22	\$20,930,711	\$20,979,369	\$3,079,653	\$3,969,296	\$1,765,485	\$1,278,961
23	\$21,453,979	\$21,503,854	\$3,156,644	\$4,068,528	\$1,809,622	\$1,310,935
24	\$21,990,328	\$22,041,450	\$3,235,560	\$4,170,242	\$1,854,862	\$1,343,708
25	\$22,540,087	\$22,592,486	\$3,316,449	\$4,274,498	\$1,901,234	\$1,377,301

PROJECTED FISCAL GROWTH FOR THE PK-12 UNIT DISTRICT

For the purpose of the study we must provide a projection of the fiscal status for the proposed consolidation of the four individual districts into a single unit operation. 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.

The review of the tax rates and levy extensions are shown in table 18. Many variables can and will impact the future projections. The projections for growth are shown through 2026. Any projections beyond that point become less reliable and more subject to speculations.

To determine the possible tax rate needed for the new district required a review and analysis of the present individual district rates and amounts of their levy extensions. As shown in table 18, the present tax rates range from a low of 3.19 to a high of 3.67 for the subject elementary school districts. However, please note that the 3.67 rate for Shiloh 85 is the result of a capital project referenda rate that will expire in 2021 and at that time the rate will become \$2.92*. The high school rate is presently 2.24. The combined rates for the districts range from 5.30 to 5.91. It is projected that the new district would need to have a combined tax rate of 5.5709 to generate a combined levy extension of \$54,006,976 which is the present combined amount for the individual school districts. This is based on a combined rate setting EAV of \$969,443,656.00.

It is important to point out that the tax rate of the new unit district will be impacted by the school district tax rate limitations. In review of the present limitations on tax rates for school districts we find the rates in some funds are less for unit districts than the combined rates for the separate elementary and high school districts. For example, the combined rate for the elementary and high school districts for some funds are .10 percent however the unit districts are limited to .05. This would result in the reduction in the unit district's levy ability due to the unequal difference in the fund rate limitations. This is an issue that ISBE should investigate and pursue either an adjustment in the limitation or include it in the incentive calculations. Therefore, it could also impact the overall total tax rate for the new unit district.

TABLE 18 TAX RATE PROJECTIONS FOR A REORGANIZED DISTRICT				
DISTRICT	TAX LEVY EXTENSION	TAX BASE EAV	DISTRICT RATE	COMBINED RATE
O'FALLON 90	\$21,731,665.00	\$680,080,815.00	3.06	5.30
CENTRAL 104	\$5,894,967.00	\$171,236,973.00	3.19	5.43
SHILOH 85	\$3,491,313.00	\$87,479,920.00	*3.67	5.91
O'FALLON HIGH 203	\$22,889,031.00	\$969,443,656.00	2.24	
TOTAL PRESENT COMBINED	\$54,006,976.00	\$969,443,656.00		5.5709
TOTAL RATE NECESSARY TO GENERATE THE PRESENT TOTAL LEVY EXTENSION FOR THE NEW DISTRICT				5.5709

BUDGET PROJECTIONS FOR A PK-12 UNIT DISTRICT

The following budgetary projections for a new unit school district is 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.

The incentive calculations are included as additional revenue to the education fund during years 2022, 2023, 2024 and 2025. As shown in the summary chart for the incentive calculations payment of incentive dollars would be set up 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 20, 2019 Annual Financial Reports. The data is shown in Table 19. The budget projections for a new PK-12 school district is shown in Table 20 utilizing a conservative index of 1.025 for the predictive revenue growth and an index of 1.025 for the projective estimate of expenditure activity for the new district.

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 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 would end. It is critical for the new district to actively pursue and to capture the efficiencies of the new reorganization during that time frame. The projections assume that 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 efficiency options to reduce the operational costs of the new district. These options are listed in the recommendation section of this report. They consist of reductions in personnel, changes in schedules and even restructuring the delivery system. It is estimated that without these efforts the new district beginning in 2026 will be confronted with over a two-million-dollar deficit in the education fund alone. In addition to the pursuing possible efficiencies of operation to resolve the projected short fall the move to restructure debt, bond schedules and even an increase in the tax rate through referenda would be other possible options.

Table 19 REVENUE/EXPENDITURES ANNUAL FINANCIAL REPORT 6/20/19								
YEAR	ED FUND		O/M FUND		TRANS		WORKING CASH	
AFR 6/30/19	REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND
203	\$19,436,246	\$19,481,430	\$2,859,764	\$3,685,886	\$1,639,428	\$1,187,642	\$538,017	\$0
104	\$4,522,936	\$4,692,656	\$929,433	\$518,957	\$383,326	\$451,267	\$92,655	\$0
90	\$23,862,860	\$23,523,139	\$3,143,292	\$3,385,387	\$1,729,048	\$1,954,443	\$359,669	\$0
85	\$4,286,257	\$4,268,919	\$480,016	\$471,711	\$398,347	\$466,511	\$44,803	\$0
Total	\$52,108,299	\$51,966,144	\$7,412,505	\$8,061,941	\$4,150,149	\$4,059,863	\$1,035,144	\$0

Table 20 REVENUE AND EXPENDITURE PROJECTIONS FOR NEW UNIT DISTRICT

YEAR	ED FUND				O/M FUND		TRANS	
	REVENUE	INCENTIVE\$	TOTAL REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND
2019	\$52,108,299	\$0	\$52,108,299	\$51,966,144	\$7,412,505	\$8,061,941	\$4,150,149	\$4,059,863
2020	\$53,411,006	\$0	\$53,411,006	\$53,265,298	\$7,597,818	\$8,263,490	\$4,253,903	\$4,161,360
2021	\$54,366,282	\$0	\$54,366,282	\$54,596,930	\$7,787,763	\$8,470,077	\$4,360,250	\$4,265,394
2022	\$55,345,439	\$2,273,167	\$57,618,606	\$56,098,346	\$7,982,457	\$8,681,829	\$4,469,257	\$4,372,028
2023	\$56,349,075	\$4,121,167	\$60,470,242	\$57,641,050	\$8,182,019	\$8,898,874	\$4,580,988	\$4,481,329
2024	\$57,757,802	\$4,121,167	\$61,878,969	\$59,226,179	\$8,386,569	\$9,121,346	\$4,695,513	\$4,593,362
2025	\$59,201,747	\$2,273,167	\$61,474,914	\$60,854,899	\$8,596,233	\$9,349,380	\$4,812,900	\$4,708,196
2026	\$60,301,790	\$0	\$60,301,790	\$62,528,409	\$8,811,139	\$9,583,114	\$4,933,223	\$4,825,901

OTHER FINANCIAL CONSIDERATIONS

The goals of any school district reorganization process should be the pursuit of an improved educational delivery system with expanded opportunities for all students aligned with a focus on capturing the economy efficiencies that can occur within a reorganized system.

Economies of operation tend to happen when the per student cost of education decreases. The decreases of the per student cost of education occur when the overall enrollments grow larger. However, the theory of the Economy of Scale is not always linear and must be carefully considered against the specific needs and variables of the subject school districts. Many studies have shown that the capturing of an operational efficiency in one area can result in an increase in the operational cost in another area of the educational system. However, economies of size continue to an expected result of school district consolidation. The much-

anticipated sources of economies of size in school district operations include improved utilization of administration, teachers, and school facilities. The most common operational efficiencies occur with the reduction in personnel and the number of school facilities utilized to deliver the educational program. Most school districts operate with a calculated number of central administrative staff, teachers, and school buildings. Using the same quantity of inputs to educate twice as many students is an example of economies of size. Not all types of school district expenditures are expected to result in economies of size. Transportation is a category that may have diseconomies in the context of consolidation, as the closure of school buildings could lead to increased busing distances.

It is important to utilize careful planning in determining the operational format for the newly formed school district and how the operation procedures will be funded. It is true that changes made in the day to day processes can result in considerable savings for the new school district. These savings can come from a variety of operational changes including the reduction of personnel and the utilization of school plants. It is important to utilize quality time to carefully consider these changes and to engage key personnel in making decisions that will impact the operational frame for the new school district. Capturing the efficiencies from the reduction in personnel is best accomplished over time utilizing the process of attrition. As positions are vacated through resignation and or retirement the vacated position should be carefully reviewed to determine the actual need for the position. It is important to consider all personnel adjustments needed to manage the new district in comparison to the number of staff presently involved in the operations of the current separate districts. Central office staff and ancillary central office staff are normally the areas where such efficiencies are considered, however in this particular consolidation study it appears significant savings could be realized due to a reduction in the number of teaching staff that would be needed in a consolidated district. Of course due to the fact that the Board of Education of the newly formed district will determine which nonunion administrative and support staff are retained in the new district, the reduction of such positions does not mean that administrative and other central office personnel from one district or another would be assured of a position in the new district.

Within any school district reorganization effort there are financial related issues that may be difficult to quantify but which still must be considered. This will become an important responsibility of the Committee of Ten. The unknown variables such as those related to decisions by the new administration and Board of Education and agreements reached in negotiations with the unions are difficult to predict.

When a consolidation of two or more school districts take place, all collective bargaining agreements become null and void requiring the new board of education to negotiate new collective bargaining contracts for both certified and support staff. Current statutes for all reorganizations require that all multi-year agreements that are currently in force by any of the reorganizing districts are obligated to renegotiate all such contracts. In the case of certified and non-certified union agreements, the collective bargaining agreement in place in all districts would be abolished and the teachers that are employed by the original districts on the last day of said district will be placed upon an appropriate salary schedule position as part of the newly negotiated salary schedule or if either certified or support staff employees of the new district should choose not to be represented by a union, the new district board of education would need to establish salary levels for these positions.

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. The estimate is based on the number of full-time teachers and the average paid salary taken from the 2009 Illinois District Report Card Data. 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 two districts involved. Estimated incentives are based on average salaries. 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 2019 (\$ 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 four separate districts would have received individually. The Evidence Based Funding (EBF) Difference Incentive is payable for 4 years.

The estimate calculated by ISBE is based on the EBF that is payable in fiscal year 2020 and is based on the 2018-19 school year Fall Enrollment Counts. The EBF is calculated for the first year of the newly formed school district that would be the result of the consolidation of the four subject school districts. The Evidence Based Funding is also calculated for each of the original districts prior to the consolidated reorganization of the subject districts. The calculations run by the ISBE staff is to determine if the sum of the EBF payments for the individual districts prior to the consolidation is greater than the EBF payment for the newly combined school district. If it is greater

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 would be \$0. The estimated EBF for O'Fallon High School and the Elementary Districts as a Unit District after reorganization = \$18,197,980.97. The sum of EBF for Central 104, O'Fallon 90, Shiloh Village 85 and O'Fallon HSD 203 as individual districts is \$18,578,451.06. Therefore, the reorganized district would be receiving \$380,470.09 less EBF than as individual districts **The EBF Incentive Difference Payment is calculated to be \$380,470 payable to the newly formed school district over a four-year period.**

ESTIMATED Evidence-Based Funding Difference Incentive

Central SD 104 / O'Fallon CCSD 90 / Shiloh Village SD 85 / O'Fallon Twp HSD 203

Consolidation into Unit District

Prepared by Staff of ISBE, School Business Services Division, December 2019

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
Central SD 104	602	50-082-1040-02		
O'Fallon CCSD 90	3,728	50-082-0900-04		
Shiloh Village SD 85	557	50-082-0850-02		
O'Fallon Twp HSD 203	2,402	50-082-2030-17		
	<u>7,289</u>		<u>\$380,470</u> ^a	<u>\$1,521,880</u>

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

Estimate is based on the EBF payable in fiscal year 2020.

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.

^a Estimated EBF for O'Fallon Twp HSD and Elementary Districts as a Unit District AFTER reorganization = \$18,197,980.97

Sum of EBF for Central 104, O'Fallon 90, Shiloh Village 85, and O'Fallon HSD 203 as INDIVIDUAL districts = \$18,578,451.06

Reorganized district estimated to receive \$380,470.09 LESS EBF than as individual districts: EBF Difference Payment = \$380,470 than the combined EBF the districts would have received prior to reorganization, the incentive is \$0.

ESTIMATED Evidence-Based Funding Difference Incentive Calculation

Central SD 104 / O'Fallon CCSD 90 / Shiloh Village SD 85 / O'Fallon Twp HSD 203

Consolidation into Unit District

Prepared by Staff of ISBE, School Business Services Division, December 2019

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	Org Type	Final Percent (%) of Adequacy	Tier Assign	Final Tier Funding (New Money)	Base Funding Minimum (Hold Harmless)	Total Gross FY 20 State Contribution
Estimated Consolidated EBF		O'Fallon Twp HSD and EL Feeders into Unit	ST CLAIR	Unit	66%	1	\$ 881,620.11	\$ 17,316,360.86	\$ 18,197,980.97
Original EBF	5008210400200	CENTRAL SCHOOL DIST 104	ST CLAIR	Elementary	83%	2	\$ 20,253.69	\$ 735,173.71	\$ 755,427.40
Original EBF	5008209000400	O FALLON C C SCHOOL DIST 90	ST CLAIR	Elementary	64%	1	\$ 660,438.56	\$ 8,070,526.75	\$ 8,730,965.31
Original EBF	5008208500200	SHILOH VILLAGE SCHOOL DIST 85	ST CLAIR	Elementary	66%	1	\$ 70,444.85	\$ 1,899,753.68	\$ 1,970,198.53
Original EBF	5008220301700	O FALLON TWP HIGH SCH DIST 203	ST CLAIR	High School	64%	1	\$ 510,953.10	\$ 6,610,906.72	\$ 7,121,859.82
								TOTAL	\$ 18,578,451.06
								Difference	\$ (380,470.09)

NOTE: Estimated EBF after consolidation calculated with additional computer/technology allotment due to all districts designated as Tier 1 or Tier 2 in prior year and with the assumption that the new district would have been Tier 1 or Tier 2 in prior year. If calculated without additional computer/technology allotment with the assumption that as a new district there would not have been a prior year Tier, the new district would be estimated to receive \$801,217.20 less EBF than original districts.

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.

Estimate is based on the Annual Financial Report (AFR) for the year ending 6/30/18. The 3-year average calculation is based on the AFR for the years ending 6/30/17, 6/30/16, and 6/30/15. 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. Shiloh Village, O'Fallon 90, Central 104, and O'Fallon HSD 203 each had positive combined Fund Balance for the year ending June 30, 2018. **Therefore, the Deficit Fund Balance Incentive is \$0.**

ESTIMATED Deficit Fund Balance Incentive

Central SD 104 / O'Fallon CCSD 90 / Shiloh Village SD 85 / O'Fallon Twp HSD 203

Consolidation into Unit District

Prepared by Staff of ISBE, School Business Services Division, December 2019

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

				Deficit	Grand
				Fund	Total
District	Enrollment*	RCDT Code		Balance	
Central SD 104	602	50-082-1040-02		\$0	
O'Fallon CCSD 90	3,728	50-082-0900-04		\$0	
Shiloh Village SD 85	557	50-082-0850-02		\$0	
O'Fallon Twp HSD 203	2,402	50-082-2030-17		\$0	
	<u>7,289</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 6/30/18. The 3-year average calculation is based on the AFR for the years ending 6/30/17, 6/30/16, and 6/30/15.

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. **Shiloh Village, O'Fallon EL, Central, and O'Fallon HSD 203 each had positive combined Fund Balance for the year ending June 30, 2018.** *Total number of students - based on 2018-19 school year Fall Enrollment Counts

Total Fund Balance - FY 2018 Annual Financial Report							
Central SD 104 / O'Fallon CCSD 90 / Shiloh Village SD 85 / O'Fallon Twp HSD 203							
Consolidation into Unit District							
Prepared by Staff of ISBE, School Business Services Division, December 2019							
The below are estimates only. Final incentives will change based on the applicable Annual Financial Reports used at the time of the reorganization.							
County/District	Cash or Accrual	Educational Fund	O & M Fund	Transportation Fund	Working Cash Fund	Total	Grand Total
St Clair County							
Central SD 104	Cash	1,194,302	381,460	189,434	175,248	1,940,444	
Less 2017 taxes rec'd prior to 6-30-18		1,194,889	351,438	84,346	35,143	1,665,816	
Less Early Taxes: Spec Ed						14,058	
Adj. Fund Balance		(587)	30,022	105,088	140,105		260,570
O'Fallon CCSD 90	Cash	4,525,252	1,026,075	451,837	736,939	6,740,103	
Less 2017 taxes rec'd prior to 6-30-18		0	0	0	0	0	
Less Early Taxes: Spec Ed						0	
Adj. Fund Balance		4,525,252	1,026,075	451,837	736,939		6,740,103
Shiloh Village SD 85	Cash	414,054	352,940	227,036	285,233	1,279,263	
Less 2017 taxes rec'd prior to 6-30-18		387,393	134,851	29,422	12,259	563,925	
Less Early Taxes: Spec Ed						4,904	
Adj. Fund Balance		26,661	218,089	197,614	272,974		710,434
O'Fallon Twp HSD 203	Cash	595,293	4,899,992	1,748,442	5,413,440	12,657,167	
Less 2017 taxes rec'd prior to 6-30-18		0	0	0	0	0	
Less Early Taxes: Spec Ed						0	
Adj. Fund Balance		595,293	4,899,992	1,748,442	5,413,440		12,657,167
Total Fund Balance from Page 8 of the 2018 AFR; Early Taxes from Page 23 of the 2018 AFR							

Unreserved Fund Balance - FY 2018 Annual Financial Report						
Central SD 104 / O'Fallon CCSD 90 / Shiloh Village SD 85 / O'Fallon Twp HSD 203						
Consolidation into Unit District						
Prepared by Staff of ISBE, School Business Services Division, December 2019						
The below are estimates only. Final incentives will change based on the applicable Annual Financial Reports used at the time of the reorganization.						
	Cash				Working	
	or	Educational	O & M	Transportation	Cash	
County/District	Accrual	Fund	Fund	Fund	Fund	Total
St Clair County						
Central SD 104	Cash	1,194,302	381,460	189,434	175,248	1,940,444
Less 2017 taxes rec'd prior to 6-30-18		1,194,889	351,438	84,346	35,143	1,665,816
Adj. Fund Balance		(587)	30,022	105,088	140,105	274,628
O'Fallon CCSD 90	Cash	4,525,252	1,026,075	0	736,939	6,288,266
Less 2017 taxes rec'd prior to 6-30-18		0	0	0	0	0
Adj. Fund Balance		4,525,252	1,026,075	0	736,939	6,288,266
Shiloh Village SD 85	Cash	236,442	352,940	227,036	285,233	1,101,651
Less 2017 taxes rec'd prior to 6-30-18		387,393	134,851	29,422	12,259	563,925
Adj. Fund Balance		(150,951)	218,089	197,614	272,974	537,726
O'Fallon Twp HSD 203	Cash	595,293	4,899,992	0	5,413,440	10,908,725
Less 2017 taxes rec'd prior to 6-30-18		0	0	0	0	0
Adj. Fund Balance		595,293	4,899,992	0	5,413,440	10,908,725
Unreserved Fund Balance from Page 5 of the 2018 AFR; Early Taxes from Page 23 of the 2018 AFR						

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 four districts including the identification of each teachers 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 as a result of the final consolidation effort. The total salary calculation for the Home Salary was **\$27,245,839.52** the salary amount for all teachers placed on the Highest Salary Schedule would be **\$29,138,536.97**

Based on the ISBE calculations the following salary differences are shown both as they would be if they continued their home salary schedule and the salary if they were placed on the highest salary schedule. The highest salary schedule was determined to be O'Fallon HS 203.

<u>District</u>	<u>Home Salary</u>	<u>Highest Salary</u>	<u>Difference</u>
Central 104	\$2,502,567.96	\$2,990,388.45	\$487,820.49
O'Fallon 90	\$12,354,384.83	\$13,279,430.04	\$925,045.21
Shiloh Village 85	\$2,291,623.11	\$2,650,493.82	\$358,870.71
O'Fallon HS 203	\$10,097,263.62	\$10,218,224.66	\$120,961.04

The total incentive based on the difference between the Home Salary and the Highest Salary is

\$7,570,788.

The incentive payment will be paid over four years at an annual payment of **\$1,892,697.45.**

Again, please note that this incentive amount will only be payable over a four-year period. It is expected that the newly formed district would pursue the personnel efficiencies during that time frame to reduce the overall personnel cost to the school district.

ESTIMATED Salary Difference Incentive						
Central SD 104 / O'Fallon CCSD 90 / Shiloh Village SD 85 / O'Fallon Twp HSD 203						
Consolidation into Unit District						
Prepared by Staff of ISBE, School Business Services Division, December 2019						
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
Central SD 104		602	50-082-1040-02	49		
O'Fallon CCSD 90		3,728	50-082-0900-04	209		
Shiloh Village SD 85		557	50-082-0850-02	36		
O'Fallon Twp HSD 203		2,402	50-082-2030-17	135		
		<u>7,289</u>		<u>429</u>	<u>\$1,892,697</u>	<u>\$7,570,788</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 place 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						
^a Based on salary information provided by Central SD 104, O'Fallon CCSD 90, Shiloh Village SD 75, and O'Fallon Twp HSD 203 for the 2018-19 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						

ESTIMATED Salary Difference Incentive			
Central SD 104 / O'Fallon CCSD 90 / Shiloh Village SD 85 / O'Fallon Twp HSD 203			
Consolidation into Unit District			
Prepared by Staff of ISBE, School Business Services Division, December 2019			
The below are estimates only. Final incentives will change based on the salary schedule differences at the time of the reorganization.			
Below figures taken from individual district pages			
		2018-19 Home	2018-19 Highest
Employee Name		Salary	Salary
			Difference
Central 104 Staff		\$2,502,567.96	\$2,990,388.45
O'Fallon 90 Staff		\$12,354,384.83	\$13,279,430.04
Shiloh Village 85 Staff		\$2,291,623.11	\$2,650,493.82
O'Fallon HS 203 Staff		\$10,097,263.62	\$10,218,224.66
Estimated Total Home		\$27,245,839.52	
Estimated Total on Highest			\$29,138,536.97
Estimated Salary Difference Incentive			\$1,892,697.45
			\$1,892,697.45

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.

The calculated estimate for the total certified staff of the newly reorganized school district is 462. The incentive payment will be based on the number of calculated staff multiplied times \$4,000.

The estimated incentive for this study is \$3,696,000.00 and based on the rank in EAV/Pupil and ADA the new district would receive an annual payment of **\$1,848,000.00 for two years.**

ESTIMATED \$4,000 per Certified Staff Incentive

Central SD 104 / O'Fallon CCSD 90 / Shiloh Village SD 85 / O'Fallon Twp HSD 203

Consolidation into Unit District

Prepared by Staff of ISBE, School Business Services Division, December 2019

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

					# Certified Staff	Certified Staff			Grand Total
	District	Enrollment*	RCDT Code						
	Central SD 104	602	50-082-1040-02		53				
	O'Fallon CCSD 90	3,728	50-082-0900-04		224				
	Shiloh Village SD 85	557	50-082-0850-02		39				
	O'Fallon Twp HSD 203	2,402	50-082-2030-17		146				
		7,289			462	\$1,848,000 ^a			\$3,696,000

\$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 2017-18 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

^aBased on estimated rank in EAV/Pupil and ADA, this reorganization estimated to receive incentive payment(s) for 2 years.

462 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
Central SD 104 / O'Fallon CCSD 90 / Shiloh Village SD 85 / O'Fallon Twp HSD 203

Consolidation into Unit District

Prepared by Staff of ISBE, School Business Services Division, December 2019

The below are estimates only. Final incentive will change based on applicable data for computing quartile ranks used at the time of reorganization.

2016 EAV from FY 2019 EBF and 2017-18 Best 3 Months ADA

EAV per Pupil = $\$897,558,072 / 6,835.98 = \$131,299 = 3\text{rd Quintile}$

3-Month ADA = 6,835.98 = 1st Quintile

Unit School Districts						
Quintile	EAV / Pupil			Best 3 Months ADA		
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		
Reorganized District's Rank in EAV / Pupil by Quintile				Reorganized District's Rank in Best 3 Months ADA by Quintile		
				1st Quintile	2nd Quintile	3rd/4th/5th Quintile
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

Incentive ***estimated*** payable for 2 Years.

CALCULATED INCENTIVE SUMMARY

The total calculated incentive amount for this study is \$12,788,688.00.

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. The estimations provided by the Illinois State Board of Education is for the reorganization of the four districts into a single new school district. The incentive estimations for the other options in this study are estimations based on the process of extracting and calculating data for each option from the K-12 incentive estimations calculated by ISBE. A request was submitted to the state to provide calculations for the other options. However, those calculations have not been received.

ESTIMATED Summary of Incentive Payments								
Central SD 104 / O'Fallon CCSD 90 / Shiloh Village SD 85 / O'Fallon Twp HSD 203								
Consolidation into Unit District								
The below are estimates only. Final incentives will change based on the actual information at the time of final calculation.								
Central SD 104								
O'Fallon CCSD 90								
Shiloh Village SD 85								
O'Fallon Twp HSD 203								
							4 Year	
			Year 1	Year 2	Year 3	Year 4	Total	
EBF Difference Incentive			\$380,470	\$380,470	\$380,470	\$380,470	\$1,521,880	
Deficit Fund Balance Incentive			\$0	\$0	\$0	\$0	\$0	
Salary Difference Incentive			\$1,892,697	\$1,892,697	\$1,892,697	\$1,892,697	\$7,570,788	
\$4,000 per Certified Staff Incentive			\$0	\$1,848,000	\$1,848,000	\$0	\$3,696,000	
Total			\$2,273,167	\$4,121,167	\$4,121,167	\$2,273,167	\$12,788,668	

NOTE: All payments of Reorganization Incentives subject to yearly adequate appropriations by the General Assembly -- less than full appropriations would result in proration of incentive payments

Financial Summary

The subject school districts show evidence of quality fiscal operations now and also in the past. The districts have been good stewards of both local and state revenues. They have employed quality fiscal practices including strategic planning sessions focused on the pursuit initiatives that will assist them in meeting the educational needs of the districts.

The state revenue in recent years has shown some increase due to the establishment of the new Evidence Based Funding Model. The local levy generated revenue has also shown growth due to the increase in the rate setting equalized assessed valuation of the district's property wealth. The available data indicators provide an expectation of continued growth in both state and local receipts for the individual school districts. Each of the districts have maintained quality fund balances through sound financial planning. These fund balances have assisted them with their fiscal strategies.

In looking at the fiscal environment for a new merged school district we have reviewed the budget trends of the individual districts including all revenue and expenditure activities. This review was coupled with an analysis of the levy history and the total tax rate evolution.

As districts consider reorganization the one topic that comes into play by the community is the tax rate and how will it impact the constituents. The tax rate structure for the subject school districts have been reviewed along with the history of the local revenue extensions. The subject school districts have maintained rates that are not excessive and have provided the extension of local revenue necessary to support the present operational parameters for each of the districts.

In the pursuit of a new school district a combined tax rate must be established to generate the same or comparable revenue extension presently being received by the individual school districts. Rate setting would be one of the tasks assigned to the Committee of Ten. However, given our review and discussion with the leadership of the districts it was determined that the reorganization into a new unit

district would not have an impact on the local tax rate structure. It would basically remain the same and would not afford any significant increase or decrease in the individual tax obligations of the local taxpayers.

The budgetary projections for a new unit district are shown in table 20. The summary projections include the incentive payments determined by the Illinois State Board of Education. The total calculated incentive amount for this study is \$12,788,688.00.

Please note that all payments of Reorganization Incentives are subject to the yearly 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.

It is important to note that the budgetary projections for the new unit district have revealed at least a two-million-dollar short fall beginning with year 2026. This assumes the establishment of a new district beginning in 2022 and the inclusion of four years of incentive distributions between 2022-2026. The incentive payments provide a four-year period of budgetary balance and is intended to provide the new district time in order to capture the necessary efficiencies and changes in operation to bring the revenue and expenditures into balanced alignment. The incentive contributions will end in 2026 as shown in table 20. It is important to note that if the district does not accomplish the capturing of the efficiencies and the changes in fiscal operation the two million plus short fall will greatly impact the operational parameters along with damaging the fiscal integrity of the newly established school district.

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.

PUBLIC RELATIONS

Whether the consolidation moves forth or not, the consultants recommend forming a joint study of the history of the four school districts for individuals moving into the O'Fallon/Shiloh area. The study should be done in conjunction with the O'Fallon Chamber of Commerce with a brochure developed for both military and other citizens moving into the area. The brochure should include positive components from each school district.

TRANSPORTATION

Even with the current cooperative system of transportation used by the subject districts, a reorganization that converted the districts into one operational unit would provide an even greater opportunity to capture savings in the costs and programs for student transportation.

Oftentimes, the research suggests, increased transportation costs are negative factors in a more traditional consolidation which tend to merge separate school districts into one, requiring many or most students to travel increased distances to school. However, this is not a factor given the review of transportation for this study. In fact, the opposite would be likely in a reorganization merger.

The design and development of a single transportation program should establish a system with greater efficiencies in time and money and fewer redundancies in routing.

Based on the present transportation systems and patterns, it is projected that the reorganization of the subject district into a new organized district would have minimal impact on the transportation of students due to the geography of the current school districts. Also, a reorganization of the routes, as well as savings for the economies of scale could be financially efficient and beneficial.

FACILITIES/BUILDINGS AND GROUNDS

It is noted that the present facilities are meeting the educational needs of the subject school districts as they presently exist. Given the projected enrollment patterns, the present facilities can provide the necessary capacity to meet the needs of any future reorganization plan.

Decisions regarding the best appropriate use of each building must be determined if a reorganization effort is pursued. At this time, no new facilities would be necessary to accommodate a consolidation of the four districts. To reinforce the statements above, based on the evaluation of the current facilities, we do NOT see the need for additional capital improvements (new buildings) due to consolidation. There may be some need for some boundary changes. In addition, there may be unforeseen building needs in the future due to population growth.

PROJECTED ENROLLMENT

It is projected that the composite enrollment for the four districts will continue to show a small increase over the next five years. O'Fallon District No. 90 is projected to experience the largest percentage increase of the four school districts. Both O'Fallon High School District No.203 and Shiloh District No.85 are projected to experience a small decline in enrollment. But given the cohort survival ratio index for the two districts the decline will be insignificant.

If reorganization is pursued by the districts, enrollment will not be an area of concern. Given the present school facilities and their available capacity, any increase in enrollments could be absorbed into existing schools depending on the type of reorganization configuration considered for a newly organized school district.

SPECIAL EDUCATION

If consolidation takes place, the newly formed district will have to make a decision on whether special education services will be assisted by the BASSC cooperative or not. Status quo if no

consolidation takes place with individual district decisions taking place. Currently, the High School does not use the cooperative for special education services while the three elementary districts do.

CURRICULUM

Consolidation could greatly help with consistency of instruction in art, music, P.E., computers and library. With that said, this consistency could be established by an articulation effort using the current district format.

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.

None of the elementary districts have 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.

Table 9 on page 86 clearly points out the significant difference between the student achievement scores of Central 104 vs. O'Fallon 90 and Shiloh 85. O'Fallon 90 and Shiloh 85 scores show no significant difference. It should be pointed out that Central 104 has a significantly higher free/reduced lunch count.

Though O'Fallon High School #203 would not have curriculum impact via consolidation, it would gain the benefits of an articulated curriculum from the three elementary districts. O'Fallon 203 needs to be commended for their high-test scores. The consultants would recommend that efforts be made between the four districts for a greater emphasis on curricular articulation whether or not 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 three elementary districts with each other and with the high school would be beneficial for academic improvement.

O'Fallon High School #203 scores above the state average in all academic categories. This data supports that O'Fallon High School #203 has a strong academic regimen along with a dedicated staff. The curriculum includes courses for college credit along with dual enrollment classes. The district needs to be commended for its wide variety of curricular offerings for both college-bound and vocational track students. These opportunities should be clearly stated to the elementary districts so the elementary districts can do curricular studies to make sure their students are prepared for high school opportunities.

CO-CURRICULAR OPPORTUNITIES

There is a disparity of co-curricular opportunities in the elementary districts that could be rectified through consolidation, and also, conducting articulation studies within the current districts.

As one can see from Table 4 on page 100, there is a significant difference in co-curricular offerings at the elementary level.

1. In considering extracurricular activities provided by the schools, is it better to have a large 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 unless the current structure of middle schools remained the same. 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. This is a decision the newly formed district would have to make.

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.

FINANCIAL

EBF for O'Fallon High School and the Elementary Districts as a Unit District after reorganization = \$18,197,980.97. The sum of EBF for Central 104, O'Fallon 90, Shiloh Village 85 and O'Fallon HSD 203 as individual districts is \$18,578,451.06. Therefore, the reorganized district would be receiving \$380,470.09 less EBF than as individual districts. The EBF Incentive Difference Payment is calculated to be \$380,470 payable to the newly formed school district over a four-year period.

Shiloh Village, O'Fallon 90, Central 104, and O'Fallon HSD 203 each had positive combined Fund Balance for the year ending June 30, 2018. Therefore, the Deficit Fund Balance Incentive is \$0.

The salaries of the three elementary districts are similar and would not be hard to adjust in consolidation. There is a significant difference between the salaries of the high school district teachers and the three elementary districts. This could potentially be a major problem AFTER 4 YEARS if the consolidation effort led to a formation of a new unit district. Efforts would have to be made to reduce spending in other areas over the first 4 years of the newly formed district.

The total incentive based on the difference between the Home Salary and the Highest Salary is \$5,678,092.35. The incentive payment will be paid over four years at an annual payment of

\$1,892,697.45. Again, please note that this incentive amount will only be payable over a four-year period. It is expected that the newly formed district would pursue the personnel efficiencies during that time frame to reduce the overall personnel cost to the school district.

The calculated estimate for the total certified staff of the newly reorganized school district is 462. The incentive payment will be based on the number of calculated staff multiplied times \$4,000. The estimated incentive for this study is \$3,696,000.00 and based on the rank in EAV/Pupil and ADA the new district would receive an annual payment of \$1,848,000.00 for two years.

The total calculated incentive amount for this study is \$12,788,688.00.

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 is 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.

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 as a result of the final consolidation effort. The total salary calculation for the Home Salary was \$27,245,839.52 the salary amount for all teachers placed on the Highest Salary Schedule would be \$29,138,536.97.

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.

It was determined that the reorganization of the districts into a new unit district would not have an impact on the local tax rate structure. The present tax rates range from a low of 3.19 to a high of

3.67 for the subject elementary school districts. However, please note that the 3.67 rate for Shiloh 85 is the result of a capital project referenda rate that will expire in 2022. The high school rate is presently 2.24. The combined rates for the districts range from 5.30 to 5.91. It is projected that the new district would need to have a combined tax rate of 5.58 to generate a combined levy extension of \$54,006,976 which is the present combined amount of the individual school districts. This is based on a combined EAV of \$969,443,656.00. Based on the tax research, we do NOT see a significant difference in property tax savings once consolidation takes place. It would basically remain the same and would not afford any increase or decrease in the individual tax obligations of the local taxpayers. However, please note the pursuit of a future tax referenda is one of the possible fiscal strategies that could be explored to overcome the projective revenue shortfall for the new school district after the 2026 fiscal year.

It is important to note that the budgetary projections for the new unit district reveal at least a two-million-dollar short fall beginning with year 2026. This assumes the establishment of a new district beginning in 2022 and the inclusion of four years of incentive distributions between 2022-2026. The incentive payments provide a four-year period of budgetary balance and are intended to provide the new district time to capture the necessary efficiencies and changes in operation to bring the revenue and expenditures into balanced alignment.

The incentive contributions will end in 2026 as shown in table 20. It is important to note that, if the new district does not accomplish the capture of efficiencies along with the changes in fiscal operation, the two million plus short fall will greatly impact the operational parameters of the new district along with jeopardizing its fiscal integrity.

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 four 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. Special thanks are extended to the Boards of Education, the Administration, the staff of the schools involved in the study, the Illinois State Board of Education, and the Regional Office of Education.

It should be noted that the establishment of a new school district is an option that can be pursued by the local Boards of Education. The Boards must first approve a petition asking permission to pursue the reorganization of the school districts. Approval of the petitions must be received from the Regional Office of Education and ultimately the State Superintendent of Schools. Once the petitions have been approved the Boards of Education can then appoint a “Committee of Ten” who will carefully review the study and establish the public referendum question seeking approval from the registered voters of the districts to establish the reorganized option.

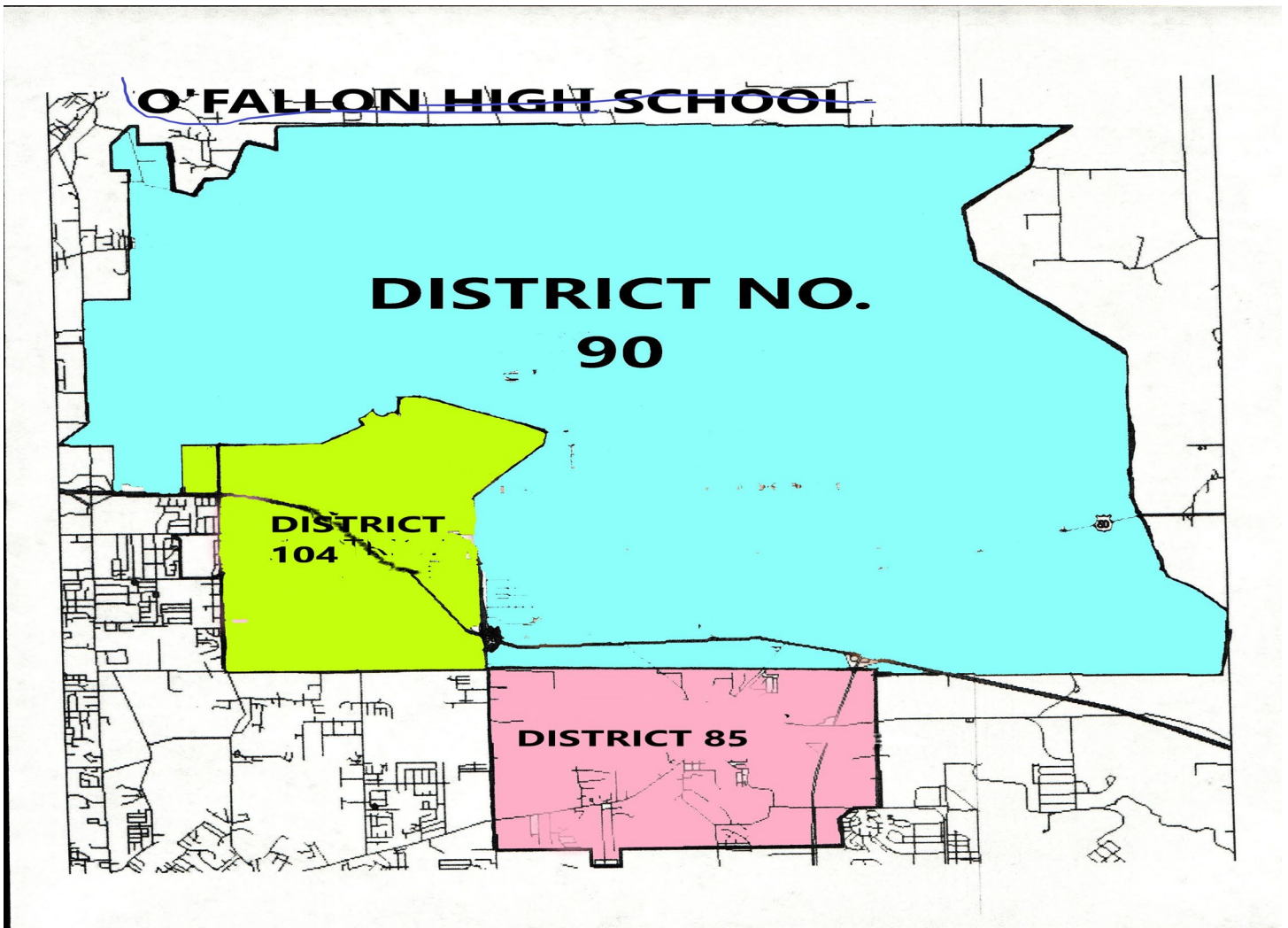
The investigators feel very strongly that all four boards of education should engage in a serious review of this feasibility study and if necessary, investigate further to gain a clear perspective on the possibilities that reorganization might provide to the districts. It is recommended that the stakeholders of the districts be actively invited to participate in the review and decision-making process of this pursuit.

The consideration for reorganization is prompted by a variety of conditions and issues that affect the school districts and their communities. In this study an effort was made to examine each of the issues and to identify the compelling reasons to investigate the possibility of school district reorganization. The following options are presented for review and consideration:

Option 1: Please note, options are listed in rank order as prioritized by the consultants.

All four districts remain as they presently exist maintaining their individual autonomy as a school district and continue to pursue cooperative programs and efforts with the other districts to gain maximum efficiency of operation and maximum opportunities for all students.

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.



Administrative Staffing Recommendation:

With this option the present administrative alignment would continue as presently exists. However, it is the recommendation of the reviewers that an enhanced level of collaborative and cooperative approaches be pursued for the benefit of all districts.

Recommendations moving forward:

1. Formulate a joint study of the four districts in conjunction with the O'Fallon/Shiloh Chamber of Commerce to establish a public relations brochure discussing positive attributes of both the four school districts and the community.

2. Establish a four-district articulation study that concentrates on the scope and sequence of instruction at each grade level that includes both regular and special needs instruction. Include field trips to support instruction. Align the curriculum with state academic goals. Fine tune the technology curriculum to enhance academic goals.

BUDGET PROJECTIONS FOR INDIVIDUAL DISTRICTS						
O'FALLON CUSD NO. 90						
FY	ED FUND		O/M FUND		TRANS	
	REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND
6/30/1919	\$23,862,860	\$23,523,139	\$3,143,292	\$3,385,387	\$1,729,048	\$1,954,443
20	\$24,459,432	\$24,111,217	\$3,221,874	\$3,470,022	\$1,772,274	\$2,003,304
21	\$25,070,917	\$24,713,998	\$3,302,421	\$3,556,772	\$1,816,581	\$2,053,387
22	\$25,697,690	\$25,331,848	\$3,384,982	\$3,645,692	\$1,861,996	\$2,104,721
23	\$26,340,132	\$25,965,144	\$3,469,606	\$3,736,834	\$1,908,545	\$2,157,339
24	\$26,998,636	\$26,614,273	\$3,556,346	\$3,830,255	\$1,956,259	\$2,211,273
25	\$27,673,602	\$27,279,629	\$3,645,255	\$3,926,011	\$2,005,166	\$2,266,555
CENTRAL CUSD NO. 104						
FY	ED FUND		O/M FUND		TRANS	
	REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND
6/30/1919	\$4,522,936	\$4,692,656	\$929,443	\$518,957	\$382,326	\$451,267

20	\$4,636,009	\$4,809,972	\$952,679	\$531,931	\$391,884	\$462,549
21	\$4,751,910	\$4,930,222	\$976,496	\$545,229	\$401,681	\$474,112
22	\$4,870,707	\$5,053,477	\$1,000,908	\$558,860	\$411,723	\$485,965
23	\$4,992,475	\$5,179,814	\$1,025,931	\$572,831	\$422,016	\$498,114
24	\$5,117,287	\$5,309,310	\$1,051,579	\$587,152	\$432,567	\$510,567
25	\$5,245,219	\$5,442,042	\$1,077,869	\$601,831	\$443,381	\$523,331

SHILOH CUSD NO. 85

FY	ED FUND		O/M FUND		TRANS	
	REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND
6/30/2019	\$4,286,257	\$4,268,919	\$480,016	\$471,711	\$398,347	\$466,511
20	\$4,393,413	\$4,375,642	\$492,016	\$483,504	\$408,306	\$478,174
21	\$4,503,249	\$4,485,033	\$504,317	\$495,591	\$418,513	\$490,128
22	\$4,615,830	\$4,597,159	\$516,925	\$507,981	\$428,976	\$502,381
23	\$4,731,226	\$4,712,088	\$529,848	\$520,681	\$439,701	\$514,941
24	\$4,849,506	\$4,829,890	\$543,094	\$533,698	\$450,693	\$527,814
25	\$4,970,744	\$4,950,637	\$556,671	\$547,040	\$461,960	\$541,010

O'FALLON HIGH SCHOOL 203

FY	ED FUND		O/M FUND		TRANS	
	REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND
6/30/2019	\$19,436,246	\$19,481,430	\$2,859,764	\$3,685,886	\$1,639,428	\$1,187,642
20	\$19,922,152	\$19,968,466	\$2,931,258	\$3,778,033	\$1,680,414	\$1,217,333
21	\$20,420,206	\$20,467,677	\$3,004,540	\$3,872,484	\$1,722,424	\$1,247,766
22	\$20,930,711	\$20,979,369	\$3,079,653	\$3,969,296	\$1,765,485	\$1,278,961
23	\$21,453,979	\$21,503,854	\$3,156,644	\$4,068,528	\$1,809,622	\$1,310,935
24	\$21,990,328	\$22,041,450	\$3,235,560	\$4,170,242	\$1,854,862	\$1,343,708
25	\$22,540,087	\$22,592,486	\$3,316,449	\$4,274,498	\$1,901,234	\$1,377,301

GENERAL REORGANIZATION IMPACTS OPTION 1 REMAIN DUAL DISTRICT

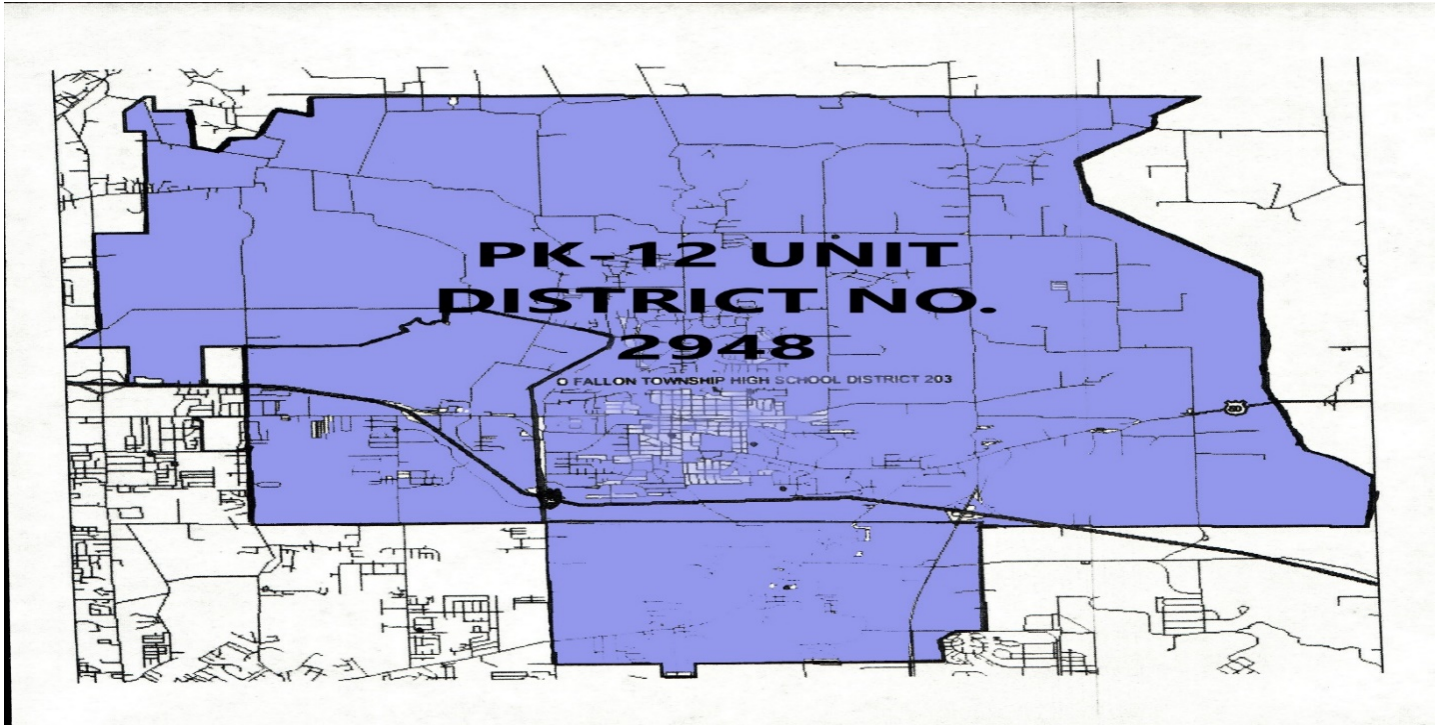
TRANSPORTATION	Based on the review of the present system and future projections. Transportation costs could be reduced by structuring more cooperative scheduling of students. The districts are commended for their efforts in establishing some cooperative efforts to capture better efficiencies in transportation. However, it is noted that additional opportunities exist for further cooperative arrangements that would result in additional savings.
ENROLLMENT	A review of the historical trends of enrollment it was determined enrollment will continue to grow at a minimal rate. The present facility inventory would present the capacity needed to absorb projected growth in enrollment.

FACILITIES	The physical integrity of the present schools offers the necessary capacity to accommodate growth while still providing a quality learning environment. It is important to point out that the present use of portable structures in Central 104 should be addressed in the future
CURRICULUM	The individual schools should pursue cooperative opportunities for the improved alignment of the curriculum between each of the elementary schools and between the elementary districts and the high school. The pursuit should include an effort to balance the curricular offerings for all the students.
EXTRACURRICULAR	Through better cooperative efforts of the individual schools expanded offerings could be made available. The individual districts are encouraged to actively investigate possible ways to establish joint opportunities where feasible.
FINANCIAL	The balancing of the salary schedules and moving each teacher to the highest salary schedule proved to be a fiscal challenge for the other options.
INCENTIVES	No incentive dollars. However, opportunities for consolidated and collaborative efforts in academic and operational components could result in savings to each of the individual districts.
TAX RATE	The rate would basically remain the same.
CONSTITUENT BENEFITS	The operational efficiency of a single governmental structure; one board, common policies, improved and enhance operational efficiencies. Expanded Curricular and Extra-Curricular opportunities for all students.

Option 2:

All four districts form into a new PK-12 Unit District under the administrative authority of one newly elected school board. All existing middle and elementary schools will be reviewed to determine the best organization pattern for the delivery of education in the new consolidated school district.

New PK-8 boundaries would be established in order to maximize the efficient distribution of students. Student assignments to the elementary and junior high/middle schools would be based on the relationship of the student’s resident address and the location of the school. All students will continue to attend O’Fallon High School No. 203.



Administrative Staffing Recommendation:

We recommend the appointment of one District Superintendent with the establishment of Assistant Superintendents for Curriculum, Personnel, and Finance along with Directors of Operations and Special Education. Appoint building principals and assistant principals at the high school, all middle schools and elementary schools.

Potential Positive Results:

An articulated curriculum would give all students from the three elementary districts the same course background going to the high school.

1. Articulated field trips would assist both academically and financially while insuring there was no duplicity in grade level trips.
2. Consolidation would take care of the current disparity in the instruction of art, music, band, physical education, computers, and library.

3. Consolidation would take care of the current disparity of electives offered in the middle schools.
4. Consolidation of all four districts would provide a consistent special education program P-12.
5. Consolidation would end the current disparity in co-curricular opportunities and provide potential advantages in areas like officiating, coaching, facilities, and purchasing.
6. A Unit (P-12) district would be established which seems to be the trend of both the Legislature and the Illinois State Board of Education.

Potential Negative Results:

1. Based upon our financial analysis and the financial analysis provided of the Illinois State Board of Education, this consolidation effort will provide no significant relief regarding local property taxes. In fact, there is a distinct possibility that after the state incentives end four years after the formation of the new district, a tax referendum could become necessary to keep the new district solvent.
2. As an option to the tax referendum, the new district will have the option of exploring staff cuts, attrition, boundary changes, and the formation of district wide grade level attendance centers to save money to balance the budget.

INCENTIVE CALCULATIONS FOR OPTION NO.2 PK-12 DISTRICT					
INCENTIVE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	4 YEAR TOTAL
EBF DIFFERENCE	\$380,470	\$380,470	\$380,470	\$380,470	\$1,521,880
DEFICIT FUND BALANCE	\$0	\$0	\$0	\$0	\$0
SALARY DIFFERENCE	\$1,892,697	\$1,892,697	\$1,892,697	\$1,892,697	\$7,570,788

4,000 PER CERTIFIED STAFF		\$1,848,000	\$1,848,000		\$3,696,000
TOTALS	\$2,273,167	\$4,121,167	\$4,121,167	\$2,273,167	\$12,788,668

REVENUE AND EXPENDITURE PROJECTIONS FOR OPTION 2 PK-12 DISTRICT

YEAR	ED FUND				O/M FUND		TRANS	
	REVENUE	INCENTIVES\$	TOTAL REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND
2019	\$52,108,299	\$0	\$52,108,299	\$51,966,144	\$7,412,505	\$8,061,941	\$4,150,149	\$4,059,863
2020	\$53,411,006	\$0	\$53,411,006	\$53,265,298	\$7,597,818	\$8,263,490	\$4,253,903	\$4,161,360
2021	\$54,366,282	\$0	\$54,366,282	\$54,596,930	\$7,787,763	\$8,470,077	\$4,360,250	\$4,265,394
2022	\$55,345,439	\$2,273,167	\$57,618,606	\$56,098,346	\$7,982,457	\$8,681,829	\$4,469,257	\$4,372,028
2023	\$56,349,075	\$4,121,167	\$60,470,242	\$57,641,050	\$8,182,019	\$8,898,874	\$4,580,988	\$4,481,329
2024	\$57,757,802	\$4,121,167	\$61,878,969	\$59,226,179	\$8,386,569	\$9,121,346	\$4,695,513	\$4,593,362
2025	\$59,201,747	\$2,273,167	\$61,474,914	\$60,854,899	\$8,596,233	\$9,349,380	\$4,812,900	\$4,708,196
2026	\$60,301,790	\$0	\$60,301,790	\$62,528,409	\$8,811,139	\$9,583,114	\$4,933,223	\$4,825,901

GENERAL REORGANIZATION IMPACTS FOR OPTION NO. 2

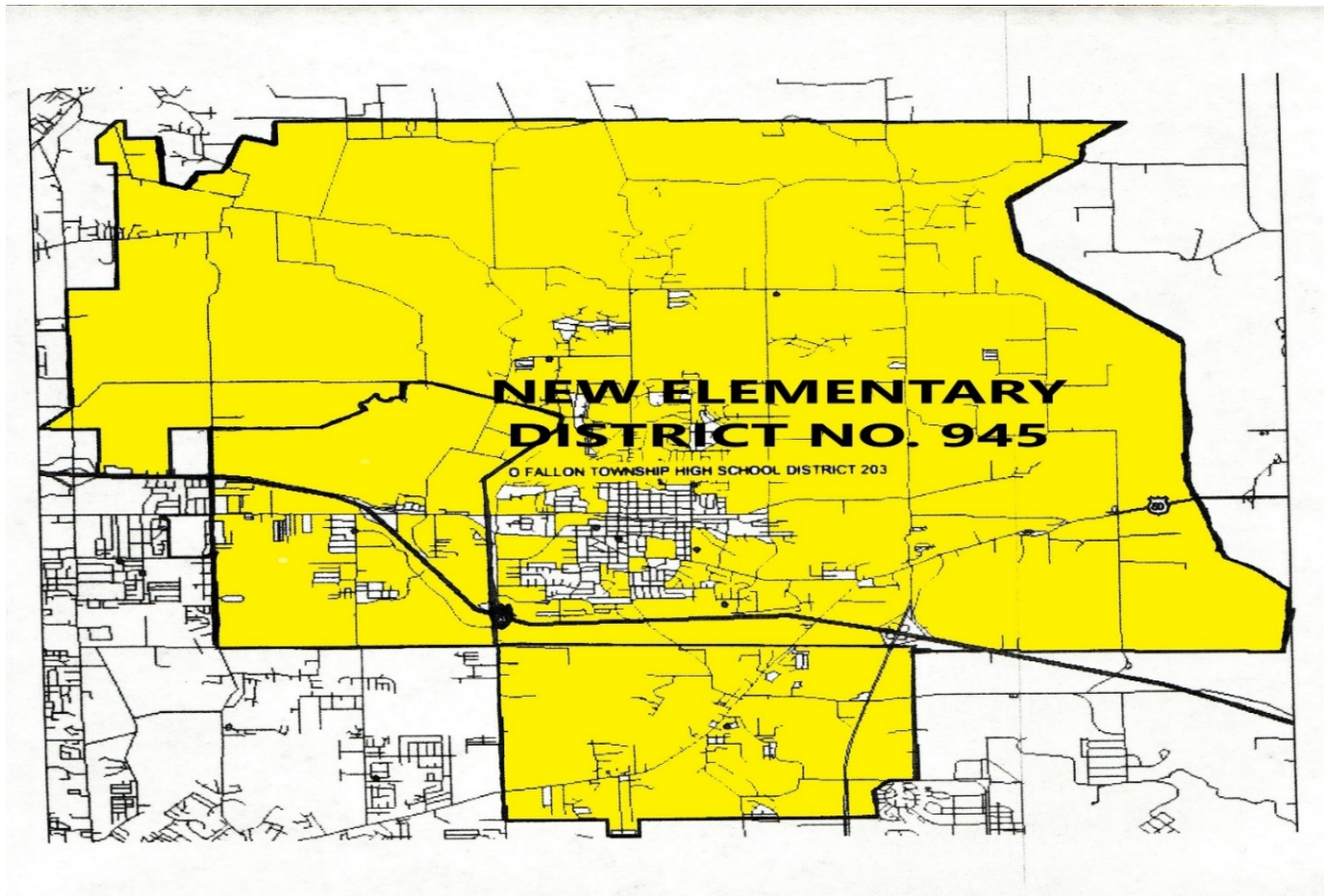
TRANSPORTATION	Based on the review of the present system and future projections transportation would have a minimal impact on PK-12 reorganization. Operational costs could be reduced through designing alternate scheduling formats especially the transport of special education students.
ENROLLMENT	A review of the historical trends of enrollment has shown stability in enrollment for the districts. It was determined enrollment will continue to grow at a minimal rate but have no major impact on the reorganization options.

FACILITIES	Facilities offer little impact on the proposed reorganization. The physical integrity of the present schools offers significant capacity to accommodate growth and provide a quality learning environment. The portable structures at 104 should be reviewed for future action. No new facilities are recommended at this time.
CURRICULUM	Through reorganization of the schools enhanced opportunities for curricular alignment and consistency of curricular offerings can be established for the students.
EXTRACURRICULAR	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.
FINANCIAL	The balancing of the salary schedules and moving each teacher to the highest salary schedule establishes a fiscal challenge for the new district. After the expiration of the incentive revenue the new district could be facing a 2 million dollar plus problem in the education fund alone.
INCENTIVES	The state of Illinois has tentatively indicated that the reorganization of the districts would bring an incentive package of nearly 13 million dollars. However, this will be distributed over a four-year period and estimated to end in 2026. Please note that the true incentive gain amount for the PK-12 Option is approximately 4 million. 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.
TAX RATE	Very minimal impact as the result of reorganization. The rate would basically remain the same. No significant increase or decrease in the tax liability for the taxpayers.
CONSTITUENT BENEFITS	The operational efficiency of a single governmental structure; one board, common policies, improved and enhance curricular and extracurricular opportunities and multiple operational efficiencies.

Option 3:

A new elementary school district is formed from the merger of O’Fallon No. 90, Central No. 104 and Shiloh No. 85. Elementary and Middle School boundaries must be redrawn to gain the maximum efficiency of the existing facilities, transportation system and the existing staff. The merger will also allow for the establishment of a more consistent curriculum with a focus on the alignment of the skill sets with those of the

O'Fallon High School. The new elementary school district students will continue to attend O'Fallon High No.203.



Administrative Staffing Recommendation:

We recommend the appointment of one District Superintendent with the establishment of Assistant Superintendents for Curriculum, Personnel, and Finance along with Directors of Operations and Special Education. Appoint all middle, and elementary building principals.

Potential Positive Results:

1. An articulated curriculum would give all students from the three elementary districts the same course background going to the high school.
2. Articulated field trips would assist both academically and financially while insuring there was no duplicity in grade level trips.

3. Consolidation would take care of the current disparity in the instruction of art, music, band, physical education, computers, and library.
4. Consolidation would take care of the current disparity of electives offered in the middle schools.
5. Consolidation of all three districts would provide a consistent special education program P-12.
6. Consolidation would end the current disparity in co-curricular opportunities and provide potential advantages in areas like officiating, coaching, facilities, and purchasing.

Potential Negative Results:

1. Based upon our financial analysis and the financial analysis provided of the Illinois State Board of Education, this consolidation effort will provide no significant relief regarding local property taxes. In fact, there is a distinct possibility that after the state incentives end four years after the formation of the new district, a tax referendum will be necessary to keep the new district solvent.
2. As an option to the tax referendum, the new district will have the option of exploring staff cuts, attrition, boundary changes, and the formation of district wide grade level attendance centers to save money to balance the budget.
3. It is noted that the salary adjustments for this option are less impacting than what is found in Option 1.
4. A Unit (P-12) district would NOT be established which seems to be the trend of both the Legislature and the Illinois State Board of Education. If rules change regarding Unit districts in the future, a new re-organizational effort may be required in the O’Fallon area

INCENTIVE CALCULATIONS FOR OPTION 3 ONE ELEM DISTRICT					
INCENTIVE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	4 YEAR TOTAL
EBF DIFFERENCE	\$229,132	\$229,132	\$229,132	\$229,132	\$916,528

DEFICIT FUND BALANCE	\$0	\$0	\$0	\$0	\$0
SALARY DIFFERENCE	\$653,014	\$653,014	\$653,014	\$653,014	\$2,612,056
4,000 PER CERTIFIED STAFF		\$1,264,000	\$1,264,000		\$2,528,000
TOTALS	\$882,146	\$2,146,146	\$2,146,146	\$882,146	\$6,056,584

REVENUE AND EXPENDITURE PROJECTIONS FOR OPTION 3 ONE ELEM DISTRICT								
YEAR	ED FUND				O/M FUND		TRANS	
	REVENUE	INCENTIVES\$	TOTAL REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND
2019	\$32,672,053	\$0	\$32,672,053	\$32,484,714	\$4,552,741	\$4,376,055	\$2,510,721	\$2,872,221
2020	\$33,488,854	\$0	\$33,488,854	\$33,296,832	\$4,666,560	\$4,485,456	\$2,573,489	\$2,944,027
2021	\$34,326,076	\$0	\$34,326,076	\$34,129,253	\$4,783,224	\$4,597,593	\$2,637,826	\$3,017,627
2022	\$34,954,228	\$882,146	\$35,836,374	\$34,982,484	\$4,902,804	\$4,712,533	\$2,703,772	\$3,093,068
2023	\$35,598,083	\$2,146,146	\$37,744,229	\$35,944,502	\$5,025,374	\$4,830,346	\$2,771,366	\$3,170,395
2024	\$36,258,035	\$2,146,146	\$38,404,181	\$36,932,976	\$5,151,009	\$4,951,105	\$2,840,650	\$3,249,654
2025	\$37,164,486	\$882,146	\$38,046,632	\$37,948,633	\$5,279,784	\$5,074,882	\$2,911,667	\$3,330,896
2026	\$38,093,598	\$0	\$38,997,798	\$38,897,349	\$5,411,778	\$5,201,754	\$2,984,458	\$3,414,168

GENERAL REORGANIZATION IMPACTS OPTION 3 ONE ELEM DISTRICT	
TRANSPORTATION	Based on the review of the present system and future projections. Transportation costs could be reduced by structuring more cooperative scheduling of students.

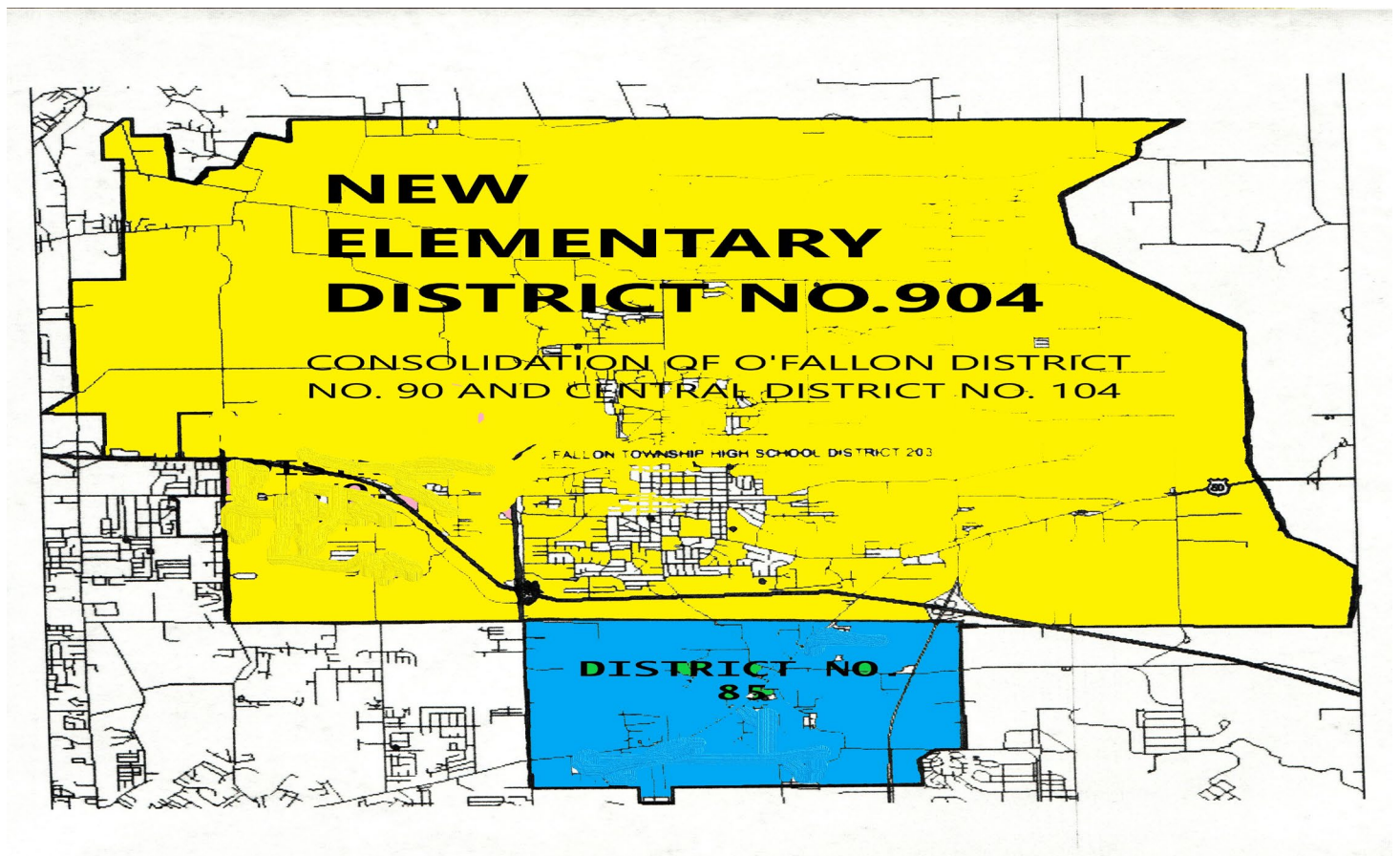
ENROLLMENT	A review of the historical trends of enrollment it was determined enrollment will continue to grow at a minimal rate and have no impact on the reorganization options.
FACILITIES	Facilities offer little impact on the proposed reorganization. The physical integrity of the present schools offers significant capacity to accommodate growth and provide a quality learning environment
CURRICULUM	Through reorganization of the schools enhanced opportunities for curricular alignment and consistency of curricular offerings can be established for the students.
EXTRACURRICULAR	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.
FINANCIAL	The balancing of the salary schedules and moving each teacher to the highest salary schedule establishes a fiscal challenge for the new district. The impact of the salary difference for this option is less impacting than we found in Option 1. However, the reformulation of the delivery system should allow the new district to reduce overall salary cost through reduction in staff as the result of balanced distribution of enrollment.
INCENTIVES	The state of Illinois has tentatively indicated that the reorganization of the districts would bring an incentive package of over 6 million dollars. However, this will be distributed over a four-year period and will end in 2026. Please note that the true incentive amount is \$2,528,000 the other payments from ISBE is to offset the expenses or loss incurred as the result of the reorganization. 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. The estimations provided by the Illinois State Board of Education is for the reorganization of the four districts into a single new school district. The incentive estimations for the other options in this study are estimations based on the process of extracting and calculating data for each option from the K-12 incentive estimations calculated by ISBE. A request was submitted to the state to provide calculations for the other options. However, those calculations have not been received.
TAX RATE	Very minimal impact as the result of reorganization. The rate would basically remain the same. The rate limitation impact as presented in Option 1 would not impact the rate in this option.
CONSTITUENT BENEFITS	The operational efficiency of a single governmental structure; one board, common policies, improved and enhance operational efficiencies.

Option 4:

This option would consist of O’Fallon 90 and Central 104 combining to form a new elementary school district. New elementary district boundaries would be established, and student assignments to the elementary

schools would be based on the relationship of the student’s resident address and the location of the elementary school. An examination of the existing facilities would be conducted to determine the best organizational patterns. It is suggested all middle schools continue to exist but with new boundaries being adjusted in order to capture the efficiencies of the new merger. All elementary district students will continue to attend O’Fallon High School No. 203.

All elementary school boundaries would also be adjusted to maximize the distribution of students to maximize the utilization of the current facilities, transportation system and personnel.



Administrative Staffing Recommendation:

We recommend the appointment of one District Superintendent with the establishment of an Assistant Superintendent for Curriculum, a Chief School Business Official, and Directors of Special Education and Maintenance. Appoint building principals at each of the middle and elementary schools.

Potential Positive Results:

1. An articulated curriculum would give all students from O'Fallon District No. 90 and Central District No. 104 the same course background going into the high school.
2. Articulated field trips would assist both academically and financially while insuring there was no duplicity in grade level trips.
3. Consolidation would take care of the current disparity in the instruction of art, music, band, physical education, computers, and library.
4. Consolidation would take care of the current disparity of electives offered in the middle schools.
5. Consolidation of the two districts would provide a consistent special education program Pk-12.
6. Consolidation would end the current disparity in co-curricular opportunities and provide potential advantages in areas like officiating, coaching, facilities, and purchasing.
7. This reorganization effort would provide relief to those individuals in the O'Fallon community that have felt that the school boundaries should correlate with the O'Fallon city boundaries.

Potential Negative Results:

Based upon our financial analysis and the financial analysis provided of the Illinois State Board of Education, this consolidation effort will provide no significant relief regarding local property taxes. In fact, there is a distinct possibility that after the state incentives end four years after the formation of the new district, a tax referendum will be necessary to keep the new district solvent.

1. As an option to the tax referendum, the new district will have the option of exploring staff cuts, attrition, boundary changes, and the formation of district wide grade level attendance centers to save money to balance the budget.
2. A Unit (P-12) district would NOT be established which seems to be the trend of both the Legislature and the Illinois State Board of Education. If rules change regarding Unit districts in the future, a new re-organizational effort may be required in the O'Fallon area.

INCENTIVE CALCULATIONS FOR OPTION 4 ELEM DISTRICT*					
INCENTIVE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	4 YEAR TOTAL
EBF DIFFERENCE	\$189,728	\$189,728	\$189,728	\$189,728	\$758,912
DEFICIT FUND BALANCE	\$0	\$0	\$0	\$0	\$0
SALARY DIFFERENCE	\$423,852	\$423,852	\$423,852	\$423,852	\$1,695,408
4,000 PER CERTIFIED STAFF		\$1,108,000	\$1,108,000		\$2,216,000
TOTALS	\$613,580	\$1,721,580	\$1,721,580	\$613,580	\$4,670,320

*these are estimates based on the initial data received from ISBE

REVENUE AND EXPENDITURE PROJECTIONS FOR OPTION 3 ELEM DISTRICT								
YEAR	ED FUND				O/M FUND		TRANS	
	REVENUE	INCENTIVE\$	TOTAL REVENUE	EXPEND	REVENUE	EXPEND	REVENUE	EXPEND
2019	\$28,385,796	\$0	\$28,385,796	\$28,215,795	\$4,072,725	\$3,904,344	\$2,112,374	\$2,405,710
2020	\$29,095,441	\$0	\$29,095,441	\$28,921,190	\$4,174,543	\$4,001,953	\$2,165,183	\$2,465,853
2021	\$29,822,827	\$0	\$29,822,827	\$29,644,220	\$4,278,907	\$4,102,001	\$2,219,313	\$2,527,499
2022	\$30,338,398	\$613,580	\$30,951,978	\$30,385,325	\$4,385,879	\$4,204,551	\$2,274,796	\$2,590,687
2023	\$30,866,858	\$1,721,580	\$32,588,438	\$31,220,922	\$4,495,526	\$4,309,665	\$2,331,666	\$2,655,454
2024	\$31,408,529	\$1,721,580	\$33,130,109	\$32,079,497	\$4,607,915	\$4,417,407	\$2,389,957	\$2,721,840
2025	\$32,193,742	\$613,580	\$32,807,322	\$32,961,683	\$4,723,112	\$4,527,842	\$2,449,706	\$2,789,886
2026	\$32,998,586	\$0	\$33,627,505	\$33,785,725	\$4,841,190	\$4,641,038	\$2,510,949	\$2,859,633

GENERAL REORGANIZATION IMPACTS OPTION 4 ELEMENTARY DISTRICT

TRANSPORTATION	Based on the review of the present system and future projections. Transportation costs could be reduced by structuring more cooperative scheduling of students. This option would present less complications in the adjustments of transportation to capture efficiencies due to the coterminous relation of the two districts and the fact that only two districts are being merged.
ENROLLMENT	A review of the historical trends of enrollment it was determined enrollment will continue to grow at a minimal rate and have no impact on the reorganization this reorganization option. The present facility inventory would present the capacity needed to absorb projected growth in enrollment.
FACILITIES	Facilities offer little impact on the proposed reorganization. The physical integrity of the present schools offers significant capacity to accommodate growth and provide a quality learning environment. It is important to point out that the present use of portable structures in Central 104 should be addressed in the future. It is also possible that due to the distribution of students as a result of this merger the need for the portables could be minimized and maybe eliminated.
CURRICULUM	Through reorganization of the schools enhanced opportunities for curricular alignment and a balanced consistency of curricular offerings can be established for all the students.
EXTRACURRICULAR	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.
FINANCIAL	The balancing of the salary schedules and moving each teacher to the highest salary schedule establishes a fiscal challenge for the new district. However, this restructuring option should allow the new district to reduce overall salary cost through reduction in staff as the result of balanced distribution of enrollment and a better utilization of the available FTE teachers.
INCENTIVES	The state of Illinois has tentatively indicated that the reorganization of the districts for option 4 would bring an incentive package of over 4.6 million dollars. However, this will be distributed over a four-year period estimated to end in 2026. Please note that the true incentive amount is \$2,216,000 the other payments from ISBE is to offset the expenses or loss incurred as the result of the reorganization. Please note that this Incentive calculation has not been confirmed by ISBE. The estimates provided for this option is based on the K-12 option 2 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 elementary districts. The estimations provided by the Illinois State Board of Education is for the reorganization of the four districts into a single new school district. The incentive estimations for the other options in this study are estimations based on the process of extracting and calculating data for each option from the K-12 incentive estimations calculated by ISBE. A request was submitted to the state to provide calculations for the other options. However, those calculations have not been received.
TAX RATE	Very minimal impact as the result of reorganization. The rate would basically remain the same. The rate limitation impact as presented in Option 1 would not impact the rate in this option.
CONSTITUENT BENEFITS	The operational efficiency of a single governmental structure; one board, common policies, improved and enhance operational efficiencies. Expanded Curricular and Extra-Curricular opportunities for all students.

Option 5:

The present rules for reorganization of school districts tend to limit the number of options that can be considered by school districts and communities. However, most recently, the state has granted legislative waivers to allow districts to consider a number of other alternative mergers. School districts working with their legislative representatives have been able to secure waivers that have allowed them to pursue reorganization without direct compliance to Article 11E of the school code.

It now appears that given the increase interest in the pursuit of consolidation, the state legislature has become more receptive to allowing the waiver process to be utilized in support of reducing the number of schools in Illinois. This process could occur in the O'Fallon/Shiloh area if all four districts are not interested at the same time in consolidation, but some of the districts express interest in the process.

REORGANIZATION RECOMMENDATION SUMMARY:

After much consideration and review, the investigators of this study recommend that all four districts remain as they presently exist maintaining their individual autonomy as a school district and continue to pursue cooperative programs and efforts with the other districts to gain maximum efficiency of operation and maximum opportunities for all students.

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.

The investigators recommend that each school district after examining the information provided in this study pursue the establishment of an internal investigative committee focused on the identification of all areas within their district where efficiency efforts should be examined. Once the internal investigation is complete the four districts should engage in a combined task force focused on the development of a list of all possible

collaborative efforts that would benefit each of the districts through improved organization structure and capturing the benefits of the economy of scale.

FIRST STEPS AND 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 in order 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

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