

TITLE 23: EDUCATION AND CULTURAL RESOURCES  
SUBTITLE A: EDUCATION

CHAPTER I: STATE BOARD OF EDUCATION  
SUBCHAPTER p: GRANTS

PART 705

SCHOOL DISTRICT REORGANIZATION FEASIBILITY STUDY GRANT PROGRAM

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22  
23 AUTHORITY: Implementing and authorized by Section 2-3.206 of the School Code [105 ILCS  
24 5].

25  
26 SOURCE: Adopted at 50 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

27  
28 **Section 705.5 Definitions**

29  
30 "Feasibility Study" or "Study" means an unbiased assessment of two or more  
31 school districts for purposes of reorganization containing the information required  
32 by this Part.

33  
34 "ISC" means an intermediate service center.

35  
36 "Program" means the School District Reorganization Feasibility Study Grant  
37 Program created by this Part.

38  
39 "Principal District" means a school district participating in the feasibility study  
40 that will serve as the responsible party for receiving and administering grant funds  
41 and completing required submissions and reporting under the Program.

42  
43 "ROE" means a regional office of education.

44  
45 "School Code" means 105 ILCS 5.

46  
47 "State Board" means the State Board of Education.

48  
49 "State Superintendent" means the State Superintendent of Education or a  
50 designee.

51  
52 "Third-Party Consultant" means an individual or firm eligible to perform a  
53 feasibility study according to criteria established under Section 705.45.

54  
55 **Section 705.10 Purpose and Applicability**

56  
57 This Part implements the Section 2-3.206 of School Code, which authorizes the State Board to  
58 award grants to school districts for the purpose of incentivizing those districts to conduct  
59 reorganization feasibility studies.

60  
61 **Section 705.15 Eligible Applicants**

62  
63 Entities eligible to apply for a grant under the Program are school districts organized under  
64 Articles 10 and 34 of the School Code. A joint application of two or more school districts may  
65 apply for a grant under this Part to cover all or part of the costs borne by the school districts to  
66 conduct a reorganization feasibility study. Each application must name a principal district  
67 responsible for receiving and administering grant funds, completing required submissions, and  
68 reporting. To be eligible for a grant under the Program, the board of the principal district shall:

- 69  
70 a) *negotiate a proposed agreement to secure the services of a third-party consultant*  
71 *who will conduct the reorganization feasibility study;*  
72  
73 b) *adopt a resolution that is signed by the board president of the district and calls*  
74 *for the initiation of a school district reorganization feasibility study in accordance*  
75 *with the terms of the proposed agreement and this Part; and*  
76  
77 c) *submit the completed agreement form, the signed board resolution under*  
78 *subsection (b), a resolution that is signed by the board president of each district*  
79 *applying for the grant, the application cover page, and any required certifications*  
80 *and assurances to the regional office of education or the executive director of the*  
81 *intermediate service center for the district for approval (Section 2-3.206(b) of the*  
82 *Code).*

83  
84 **Section 705.20 Application Procedure**

- 85  
86 a) Subject to appropriation of funds for the Program, the State Superintendent may

87 award grants to districts for which it receives an approved agreement under  
88 Section 2-3.206(c) of the Code.

89  
90 1) The principal district shall submit the completed application to the ROE or  
91 the executive director of the ISC, as applicable, no later than December 1  
92 of the fiscal year for which the grant is sought. If the reorganization study  
93 involves more than one region, the documents must be submitted to the  
94 ROE or executive director having jurisdiction over the district with the  
95 greatest amount of Equalized Assessed Valuation for approval, with  
96 copies and notice of submission provided simultaneously to other affected  
97 regional offices of education or executive directors.

98  
99 2) The ROE or the executive director, as applicable, shall review and either  
100 approve or disapprove the application according to the criteria established  
101 under this Part. Disapproved applications may be corrected and  
102 resubmitted to the ROE or the executive director by December 15. The  
103 ROE or the executive director must forward approved applications  
104 electronically to the State Superintendent by December 15.

105  
106 b) *To ensure that eligible districts are aware of the grant-funding opportunities, the*  
107 *State Superintendent will annually notify the board and superintendent of each*  
108 *school district in the State of the availability of grant funds* (Section 2-3.206(d) of  
109 the Code).

110  
111 c) The application shall include certifications and assurances that the State  
112 Superintendent will require.

113  
114 d) Each application shall be submitted electronically in a format provided by the  
115 State Superintendent. Each application shall include the following information:

- 116  
117 1) a completed application cover page in a format provided by the State  
118 Superintendent;
- 119  
120 2) a copy of the proposed agreement to secure the services of a third-party  
121 consultant who will conduct the reorganization feasibility study. The  
122 agreement must comply with the requirements of Section 705.50 and must  
123 be entered into during the fiscal year in which the grant is awarded; and  
124
- 125 3) a resolution that is signed by the board president of each district applying  
126 for the grant. The resolution must call for the initiation of a school district  
127 reorganization feasibility study in accordance with the terms of the  
128 proposed agreement and this Part.
- 129

- 130 e) Applications submitted to the State Superintendent by December 15 will be given  
131 priority consideration. Late applications will be accepted on a first-come, first-  
132 serve basis if funding is still available.  
133

134 **Section 705.25 Allocation of Funds**  
135

- 136 a) Subject to appropriation of funds for the Program, grants may be awarded in an  
137 amount up to a per-study maximum published annually by the State Board.  
138 Awards will be distributed based on the priority ranking provided in Section  
139 705.40. No awards will be given for costs in excess of the actual cost to conduct  
140 the feasibility study.  
141

- 142 b) Each school district may receive only one grant per award cycle, and no school  
143 district may be awarded a grant in any two consecutive award cycles.  
144

145 **Section 705.30 Program Specifications**  
146

147 Grant funds may only be used to pay for feasibility studies conducted by third-party consultants.  
148 No grant funds may be used for general administrative expenses, and no indirect costs may be  
149 claimed.  
150

151 **Section 705.35 Criteria and Review of Applications**  
152

153 Applications will be reviewed according to the criteria established under this Part. In awarding  
154 grant funds, the State Superintendent will prioritize applications received by December 15  
155 according to the criteria in Section 705.40. Applicants will be notified of the amount of the grant  
156 award, if any, via email to the superintendent of the principal district. If additional funds are  
157 available after the initial grants are awarded, any applications received within the applicable  
158 fiscal year will be reviewed and considered for an award.  
159

160 **Section 705.40 Priority Ranking**  
161

162 Applications received by December 15 will be ranked from most total points to least total points,  
163 based on the following scoring criteria. Funds will be awarded in order of the ranking. For  
164 applications submitted after December 15, remaining available funds will be awarded, up to the  
165 per-study maximum, on a first-come, first serve basis.  
166

- 167 a) Criteria 1: Contiguous districts  
168  
169 1) Resulting district will form one contiguous district – 10 points  
170  
171 2) Resulting district will not form one contiguous district – 5 points  
172

173 b) Criteria 2: Similar property tax rates  
174 The operating tax rates used in the most recent Evidence-Based Funding  
175 calculation shall be utilized. The percent difference between the lowest and  
176 highest operating tax rates of the participating districts will be calculated. Points  
177 will be awarded to each application as follows:

$$10 \times (1 - \text{percent difference between lowest and highest operating tax rate})$$

181 c) Criteria 3: Districts with similar per-pupil adequacy funding  
182 The final percent of adequacy used in the most recent Evidence-Based Funding  
183 calculation shall be utilized. The percent difference between the lowest and  
184 highest final percent of adequacy of the participating districts will be calculated.  
185 Points will be awarded to each application as follows:

$$10 \times (1 - \text{percent difference between lowest and highest final percent of adequacy})$$

189  
190 **Section 705.45 Criteria for Third-Party Consultants**

191  
192 For a study to be eligible for a grant under the Program, each third-party consultant engaged to  
193 conduct the study must meet the following minimum criteria:

- 194
- 195 a) The consultant may not have recent (within the past year) or ongoing financial  
196 engagements with any of the school districts included in the study.
  - 197
  - 198 b) Retired superintendents may not conduct a study for a district in which they were  
199 employed as a superintendent.
  - 200
  - 201 c) The consultant may not be a resident of any of the districts included in the study.
  - 202
  - 203 d) The consultant may not own real estate within boundaries of any of the districts  
204 included in the study.
  - 205

206 **Section 705.50 Agreement Criteria**

- 207
- 208 a) School districts seeking a grant under the Program *shall negotiate a proposed*  
209 *agreement to secure the services of a third-party consultant to conduct a*  
210 *reorganization feasibility study* (Section 2-3.206(a)(1)). Studies may consider any  
211 type of reorganization, but must consider at least one of the following types:  
212
    - 213 1) Consolidation (Article 11E of the School Code);
    - 214 2) Partial Elementary Unit District Formation (Article 11E of the School
    - 215

- 216 Code);
- 217
- 218 3) Dissolution-Annexation (Article 7 of the School Code);
- 219
- 220 4) Deactivation (Section 10-22.22b of the School Code); or
- 221
- 222 5) Cooperative High School (Article 11E of the School Code).
- 223
- 224 b) The agreement must contain, but is not limited to:
- 225
- 226 1) identification of the school districts participating in the study;
- 227
- 228 2) the consultant name/firm, with name of lead consultant, as applicable;
- 229
- 230 3) a statement confirming the consultant(s) meet the criteria provided in
- 231 Section 705.45;
- 232
- 233 4) the start and end dates of the study;
- 234
- 235 5) the types of reorganization(s) that will be studied; and
- 236
- 237 6) performance items of the study, including, but not limited to:
- 238
- 239 A) current transportation systems, including contract or district-owned
- 240 systems, and equipment of the districts;
- 241
- 242 B) transportation issues in combining systems, including the increase
- 243 or decrease to mileage or routing due to reorganization; increase or
- 244 decrease to transportation costs; and additional equipment needed
- 245 due to reorganization;
- 246
- 247 C) condition, capacity, and usage percentage of current facilities;
- 248
- 249 D) capacity needs at reorganization and through a five-year
- 250 enrollment projection;
- 251
- 252 E) percentage of buildings utilized, any building closures, and
- 253 necessity of new construction;
- 254
- 255 F) health/life safety needs;
- 256
- 257 G) current class/course offerings, strengths or limitations of current
- 258 curriculum, potential enhancements to curriculum after

- 259 reorganization, including advances placement courses and courses  
260 in career and technical education, foreign language, or fine arts;  
261  
262 H) current classroom technology and any needs after reorganization;  
263  
264 I) a five-year financial projection that includes local, State, and  
265 federal revenue sources, reorganization incentives, salaries and  
266 benefits, and fund balances;  
267  
268 J) expected budget savings/economies of scale;  
269  
270 K) current and estimated tax rates, and its effect on each community;  
271  
272 L) equalized assessed valuation trends and projections;  
273  
274 M) current short-term and long-term debt of the districts, combined  
275 short-term and long-term debt, and estimated debt needed after  
276 reorganization;  
277  
278 N) comparison of the Financial Profile for all districts;  
279  
280 O) past enrollment trends, current enrollment, and five-year  
281 enrollment projections;  
282  
283 P) student/teacher ratios, current and minimal projected staff numbers  
284 for administration, teaching, and support staff, and estimated class  
285 sizes after reorganization (elementary, middle school/junior high,  
286 high school);  
287  
288 Q) comparison of testing results per the latest School Report Card;  
289  
290 R) comparisons of racial/ethnic diversity, low-income students,  
291 student mobility, chronic truant students, graduation rates, student  
292 attendance, students with disabilities, and English Learners per the  
293 latest School Report Card;  
294  
295 S) current athletic and non-athletic activities offered by district and  
296 potential enhancements to extracurricular activities due to the  
297 reorganization; and  
298  
299 T) a recommendation on the feasibility of the reorganization of the  
300 districts, including a recommended type of reorganization if

301 recommended or other areas for the districts to consider if not  
302 recommended.  
303

304 **Section 705.55 Final Reports**  
305

- 306 a) At conclusion of the study, but no later than May 15 of the fiscal year, the  
307 principal district shall submit an electronic copy of the final study report to the  
308 ROE or ISC. Submitted reports must contain a signature page, as provided by the  
309 State Board, indicating each school districts' acceptance of the feasibility study  
310 report and requesting disbursement of grant funds.  
311
- 312 b) The ROE or ISC will review and approve or disapprove the final study report.  
313 The ROE or ISC will forward approved reports to the State Board for final review  
314 by May 31. Any report that does not strictly comply with all performance items  
315 outlined in this Part will initially be denied and returned to the principal district  
316 for further work or clarification and resubmission.  
317
- 318 c) If the principal district is unable to provide an acceptable feasibility study report  
319 by June 30 of the fiscal year, the grant award may be revoked.