

**ARTICLES OF AGREEMENT  
FOR THE NORTHERN SUBURBAN SPECIAL EDUCATION DISTRICT**

**I. THE ASSOCIATION**

**A. Name**

This organization shall be known as the Northern Suburban Special Education District, (hereinafter referred to as "NSSED"). It shall be organized and operated in accordance with the laws of the State of Illinois.

**B. Purpose**

The purpose of NSSED is to provide Member Districts (as defined in paragraph 1.D below) with the vehicle for cooperative implementation of the special education programs described in the *School Code*.

**C. Programs, Services, and Housing**

NSSED shall operate programs on behalf of Member Districts and provide services to Member Districts to meet the educational needs of students with disabilities identified under Article 14 of the *School Code* and Illinois State Board of Education Regulations.

Services to the Member Districts may be provided, as approved by the Governing Board, directly by NSSED, through membership and participation in a regional organization, such as the Low Incidence Cooperative Agreement (LICA), or by contracting for services with Member or non-Member Districts.

When programs are provided for under these Articles of Agreement, it is the responsibility of the Governing Board to assure that suitable housing, classrooms, and related educational facilities are made available through Member Districts or through the provision of facilities owned or leased directly by NSSED.

**D. Member Districts**

1. Admittance of Member Districts

Illinois public school districts may be admitted to membership ("Member Districts") upon such conditions as recommended by the Executive Committee (as hereinafter defined in Section II) and approved by a majority of the Governing Board (as defined in Section II) of NSSED. Additionally, approval by 2/3 vote of the Member Districts' (as set forth on Exhibit A attached hereto) Boards of Education is required for admittance. The Member Districts of NSSED are identified in attached Exhibit A and organized by NSSED sub-regions. Amendment of Exhibit A to reflect any approved changes to NSSED membership shall not be considered an amendment of these Articles of Agreement within the meaning of Section IX of these Articles of Agreement. Exhibit A may be amended by the Superintendent to conform to the actual membership of NSSED as approved by the Governing Board.

2. Rights and Responsibilities of Member Districts

Member Districts shall have the following rights and responsibilities as members of NSSED.

- a. Member Districts shall be obligated to provide a reasonable amount of classroom space for NSSED services as determined by the Executive Committee.
- b. Member Districts shall promptly timely and fully pay all bills for services submitted by NSSED to them.
- c. Each Member District shall appoint or provide one Governing Board member as that procedure is set forth in paragraph II.A.2.
- d. Each Member District shall authorize and allow for the service of any District employee or board member who is selected for service on the Executive Committee.
- e. Member Districts shall perform and provide such other services as determined by the Governing Board.
- f. Member Districts shall have the right to receive appropriate services, programs and administrative support from NSSED consistent with these Articles of Agreement and as provided for by the Executive Committee and within the budget approved by the Governing Board.

## **II. ORGANIZATION AND FUNCTION**

### **A. Governing Board**

The Governing Board is the policy-making and overall governing body of NSSED. The Governing Board shall ensure that the Superintendent (as hereinafter defined in Section IV) carries out NSSED's policies and performs those functions assigned by the Illinois State Board of Education to the State Approved Director of Special Education.

#### **1. Governing Board Authority**

The Governing Board has the following specific authorities:

- a. The Governing Board is the chief policy making body of NSSED. The Governing Board shall adopt, at a minimum, policies regarding staff organization and duties; staff salaries, contracts and benefits; staff regulations; relations with students and parents; Member District relationships; the operation of NSSED programs within Member Districts; financial matters; and community relations.
- b. The Governing Board shall review and adopt the NSSED Budget annually.
- c. The Governing Board shall ensure that the Superintendent carries out policies and performs those functions assigned by the Illinois State Board of Education to the State Approved Director of Special Education.

- d. The Governing Board shall employ a Superintendent.
  - e. The Governing Board shall define the scope and limit of the Superintendent's duties.
  - f. The Governing Board shall review and approve all multiyear contracts, including transportation contracts and any contracts with labor unions or professional organizations, or amendments thereto.
  - g. The Governing Board shall be responsible for the dismissal of certified and licensed staff members.
  - h. The Governing Board shall elect, through the Nominating Committee (hereinafter defined in Section II.C), the members of the Executive Committee.
  - i. The Governing Board shall be responsible for electing officers of the Governing Board, including a president elected from the members of the Governing Board; a vice president elected from the members of the Governing Board; a secretary elected from the members of the Governing Board; and a treasurer appointed by the Board.
  - j. The Governing Board shall receive, consider and propose amendments to the Articles of Agreement.
  - k. The Governing Board shall have such other powers as permitted under law.
2. Members The Governing Board shall consist of one Board of Education member from each Member District, which shall be selected by each Member District Board of Education.
  3. Alternates In case of an absence of a selected Governing Board member, an alternate or other designee from the Member District's Board of Education shall act as its Governing Board member during such absence.
  4. Meetings The Governing Board shall hold a minimum of two meetings a year, one of which will be an Organizational Meeting (as defined in Section II.A.4.a.) and one of which will be a Budget Meeting (as defined in Section II.A.4.b). A calendar of meetings shall be adopted by the Governing Board at the Organizational Meeting.
    - a. Organizational Meeting The Governing Board shall meet each year after the school board elections, but not later than thirty (30) days after the school board election, at which time it may:
      - 1) receive, consider and propose amendments to the Articles of Agreement;
      - 2) elect members of the Executive Committee as hereinafter provided;

- 3) elect officers of the Governing Board;
  - a) A President and Vice President shall be elected for terms of one year from the members of the Governing Board who are already on the Executive Committee. The President shall serve as Chairperson of the Executive Committee. In the absence of the President, the Vice President shall serve as Chairperson of the Executive Committee.
  - b) A Secretary shall be elected by the Governing Board for a term of one year. The Secretary shall be a member of the Governing Board serving on the Executive Committee. S/he shall ensure that complete minutes of all Governing Board meetings are taken and disseminated to the membership prior to the next meeting. In the absence of the Secretary, a *pro-tem* secretary may be selected by the board members present.
  - c) A Treasurer shall be appointed by the Governing Board as required.
- 4) Conduct other business.
  - b. Budget Meeting The Governing Board shall hold meetings for the purpose of considering the annual budget, setting a date for the annual budget hearing, and adoption of the budget. Approval of the final budget shall be by majority vote of the Governing Board. At least 45 days before the scheduled vote of the Governing Board, the NSSD administration shall provide the budget information to the administration of each Member District for review.
  - c. Other Meetings Other meetings shall be called as necessary and approved by the Governing Board.
5. Quorum and Voting Procedures
  - a. Quorum A quorum shall consist of a majority of the Governing Board.
  - b. Majority Vote An affirmative vote of a majority of the Governing Board present at a duly called meeting at which a quorum has been established shall be required for passage of a proposition unless otherwise specifically stated herein.
  - b. Vote Each member of the Governing Board, or duly appointed alternate, shall have one vote.
6. Delegations With the exception of those matters specifically set forth in this Paragraph 6, the Governing Board may delegate such functions as it

deems appropriate to the Executive Committee. The Governing Board, however, may not delegate authority to:

- a. Dismiss certified staff members and licensed employees; and
- b. Approve all multi-year contracts with labor unions or professional organizations, or amendments thereto; and
- c. Approve the annual budget.

7. Conflict of Interest To assure the objective administration of the Member Districts and programs of NSSD, no person who is employed by NSSD shall be eligible for membership on the Governing Board.

## B. **Executive Committee**

The Executive Committee shall act on behalf of the Governing Board to administer these Articles of Agreement in accordance with its terms. The Executive Committee serves as an advisory body to the Governing Board.

1. Members The Executive Committee shall be elected by the Governing Board annually and shall consist of seven members as follows:
  - a. The Board shall be comprised of either board members of the Member Districts or superintendents of the Member Districts, as selected by the Governing Board. At least a majority of the members of the Executive Committee shall be board members from the Member Districts; however, no Member District may have more than one person on the Executive Committee at the same time.
  - b. One superintendent from each of the three groups of Member Districts (North, Southwest, Southeast) as set forth on Exhibit A, one of whom shall be from a high school district.
  - c. One elementary school board member from each of the three groups of Member Districts (North, Southwest, Southeast).
  - d. One high school board member at large.
  - e. Vacancies on the Executive Committee shall be filled by Executive Committee appointment, maintaining the membership balance as provided above, to hold office until the next meeting of the Governing Board, at which time a replacement shall be elected.
2. Officers The President of the Governing Board shall serve as Chairperson of the Executive Committee. A Secretary shall be elected from among the Executive Committee's membership. The Secretary shall ensure that that complete minutes of all meetings are taken. In the absence of the Secretary, a *pro-tem* secretary may be selected from the committee members present.
3. Meetings The Executive Committee shall meet at such times and places as it shall determine, but not less often than every 60 days. Additional

meetings may be called at the discretion of the Chairman, upon written request of two or more Executive Committee members, or by majority vote of the Executive Committee.

4. Quorum and Voting Procedure A quorum shall consist of a majority of the members of the Executive Committee. Each member shall have one vote. An affirmative vote of a majority of the members present shall be required for passage of any proposition, unless otherwise specifically stated herein.
5. Functions The Executive Committee shall perform the following functions:
  - a. Administration of Contracts and Leases
    - 1) Contract for or secure services from Member Districts and outside agencies subject to parameters of the annual budget as established by the Governing Board and Governing Board policy.
    - 2) Let contracts for new construction or remodeling projects or for purchase of buildings approved by the Governing Board subject, however, to budget limitations established for the project, and to certify to the treasurer all payments to be made therefore, and the treasurer shall honor and rely fully upon such certification in making such payments.
    - 3) To lease buildings for NSSSED programs, not to exceed one year.
    - 4) To oversee the administration of personnel matters consistent with Governing Board policies and collective bargaining agreements established by the Governing Board.
    - 5) To approve applications for state or federal grants or aid (when such approval is required by the grantor) so long as the income and expenditures are made part of the appropriate annual budget approved by the Governing Board. Such action may be taken as part of an annual resolution covering all such grants.
    - 6) To approve the filing of all reports and claims (when such approval is required by the grantor) necessary to meet administrative requirements of federal and state governments. Such action may be taken as part of an annual resolution covering all such grants.
  - b. Budget Administration
    - 1) To authorize payment of accounts payable, approve payroll and imprest checks. Such payments shall be certified to the treasurer and the treasurer shall be entitled to rely fully thereon in making payments specified and is hereby directed to make such payments as so certified.

- 2) To receive and approve monthly financial reports, including the treasurer's report, program balances, investment reports and activity fund reports.
  - 3) To review the annual budget and to make recommendations to the Governing Board regarding guidelines and adoption of such budget.
  - 4) To approve the purchase or lease of supplies and equipment, subject to the constraints of Section II.A.1.f.
- c. Personnel Matters and Employment
- 1) To oversee the administration of personnel matters consistent with the Governing Board policies and collective bargaining agreements.
  - 2) To approve the employment of personnel as authorized by and within the Governing Board budget or contracts with other agencies. However, any full time professional worker who is employed by NSSD and spends over fifty percent (50%) of his or her time in one Member District shall not be required to work a different teaching schedule than other professional workers in that Member District.
  - 3) To discipline employees except that the responsibility for the dismissal of certified and licensed employees shall lie solely with the Governing Board.
- d. Supervise, evaluate and determine annual compensation of the Superintendent.
- e. Such other duties and powers which are permitted by law and not otherwise restricted under these Articles of Agreement.

**C. Nominating Committee.**

A Nominating Committee shall be appointed by the Governing Board preceding each annual school election to perform those duties set forth in Section II.C.1. below.

1. Functions

- a. Propose at least one Executive Committee candidate for each term which will have a vacancy, in keeping with other provisions of the Articles of Agreement.
- b. Consult with each of the NSSD regional superintendents' groups (North, Southwest, Southeast) regarding the choice of superintendent candidates for election to the Executive Committee where a vacancy will occur.

- c. Prepare a report to the Governing Board in sufficient time for any scheduled election. The report shall consist of:
  - 1) Recommended school board member candidates to stand for election for vacant positions on the Executive Committee.
  - 2) Superintendents who shall be appointed to the Executive Committee.
2. Members The Nominating Committee shall consist of the following:
  - a. At least four Governing Board members, two of whom shall be serving on the Executive Committee.
  - b. Each of the three regions of NSSSED (North, Southwest, Southeast) shall be represented and one or two members of the Nominating Committee shall be Governing Board members and one member shall be from a high school district. There shall be two representatives from each region.
3. Officers and Meetings The Nominating Committee shall elect a Chairman and Secretary from among its membership and call such meetings as it deems necessary.
4. Quorum and Voting Procedures A quorum shall consist of a majority of the members of the Nominating Committee. Each member shall have one vote. An affirmative vote of a majority of the members present shall be required for passage of any proposition, unless otherwise specifically stated herein.

### III. FINANCES

#### A. Fiscal Year

The fiscal year of NSSSED shall be from July 1 through June 30.

#### B. Administrative and Program Costs

1. Administrative Costs Each budget approved by the Governing Board shall delineate those Administrative Costs which are to be prorated among the Member Districts. The annual proration shall be determined by dividing the anticipated Administrative Costs by the pupil enrollments of the Member Districts on the fall date designated by the Illinois State Board of Education for determining enrollment.
2. Program Costs Each budget approved by the Governing Board shall delineate Program Costs. Such costs are costs attributable to the establishment and operation of NSSSED special education programs for which tuition is charged and which are financially supported by such tuition.
3. Billing NSSSED shall bill or pre-bill each Member District according to procedures adopted by the Superintendent or his/her designee. Billings for services provided by Member Districts to each other shall conform with

the procedures adopted by the Superintendent or his/her designee, with approval by the Executive Committee.

C. **Financing**

NSSSED may utilize any method of financing permitted by law and approved by the Governing Board.

D. **Facility Project and Financing**

NSSSED has developed a capital project plan (hereinafter referred to as the "Projects") which is more fully described in Exhibit B.

In order to finance the Project, NSSSED has developed a method of allocating project costs proportionately among all Member Districts. The allocation method is based on an average of the following:

1. **A "Two Way Split" between the Member Districts.** The split is based on an even division between each Member District's EAV (as of the most recently available EAV data - Tax Year 2006) and each Member District's student enrollment (as of the Fall 2007 Student Housing Report).
2. **A "Three Way Split" between the Member Districts.** The split is based on a one-third division between each Member District's EAV (as of the most recently available EAV data - Tax Year 2006), each Member District's student enrollment (as of their reported Fall 2007 Student Housing report) and each Member District's five (5) year average enrollment in the NSA (North Shore Academy) program as reported each May 2004 thru 2008.
3. **The results of the average of Paragraph (1) and Paragraph (2) determine the percentage of allocation of project costs for each Member District.** (Exhibit C)

The Governing Board is authorized to issue debt, on behalf of NSSSED, for the purposes of providing funding for the Project pursuant to 105 ILCS 10-22.31(f).

Each Member District will have the option of either paying its proportionate share of the costs of the Project directly to NSSSED, prior to the issuance by NSSSED of any debt obligation for the Project, or to pay its proportionate share of the debt service on any debt obligations issued by NSSSED and authorized by the Governing Board.

NSSSED will notify each Member District of the projected terms of the debt issuance. Any Member District which wishes to participate in the debt issuance must supply written affirmation of its intent to participate within two (2) business days of receipt of the notice in order to participate. If a Member District does not give written notice of its intent to participate in the debt issuance, it shall pay its share in full on August 1, 2009.

NSSSED will bill each Member District that chooses to pay its proportionate share of the debt service on any debt obligations issued by NSSSED beginning July 1, 2009 and on each July 1 thereafter until the NSSSED debt obligation is fully paid.

The bills to the Member Districts under these provisions will be due each August 1 until such NSSSED debt obligation is fully paid.

#### **IV. THE SUPERINTENDENT**

##### **A. Employment**

The Superintendent shall be employed by the Governing Board to run the day-to-day operations of NSSSED and to ensure that the policies and programs of NSSSED are being implemented, all under the supervision of the Executive Committee. The Superintendent shall be hired using a process recommended by the Executive Committee and approved by the Governing Board.

##### **B. Duties**

The scope and limits of the Superintendent's duties, responsibilities and authority with respect to the Member Districts shall be defined by the Governing Board and supervised by the Executive Committee. In carrying out the functions of the State Approved Director of Special Education for each Member District for programs and services not classified as Articles of Agreement responsibilities, s/he shall be responsible to the superintendent of that Member District and shall be assigned functions by that superintendent, recognizing that the Governing Board may limit the scope of the Superintendent's responsibilities within the respective districts but may not prescribe any responsibilities within those districts.

#### **V. ACCOUNTING UPON WITHDRAWAL OR REMOVAL (For Termination Effective Prior to January 1, 2009)**

##### **A. Real Property**

Withdrawn or removed districts shall be entitled to the withdrawn or removed Member District's Proportionate Share (as defined below) of the value of NSSSED's real property as valued at the time of the withdrawal or removal (the "Real Property Payment").

For the Purposes of this Section, Proportionate Share shall be determined as the percentage derived from the total student enrollment of the withdrawn or removed Member District at the time of the withdrawal or removal divided by the collective total student enrollment of all Member Districts in NSSSED at the time of the withdrawal or removal.

At the time of withdrawal or removal, the Member District shall be informed in writing of the value of its Real Property Payment.

##### **B. Fund Balances**

Withdrawn or removed districts shall only be entitled to the withdrawn or removed Member District's Proportionate Share (calculated as under Paragraph A above) of the value of NSSSED's fund balances at the time of the withdrawal or removal (the "Fund Balance Payment"). Said fund balances shall be determined as of the most recent approved audit of NSSSED. At the time of withdrawal or removal, the Member District shall be informed in writing of the value of its Fund Balance Payment.

##### **C. Liabilities**

A withdrawn or removed Member District shall continue to be liable for its proportionate share of the principle and interest on any outstanding and unpaid bonds

or notes issued by NSSD while that school district was a Member District. Furthermore, all payments calculated under this Section V shall reflect the net value thereof after considering any liabilities that may be attributable to said withdrawn or terminated Member District.

**D. Assessing Value of Real Property**

For purposes of determining the value of the NSSD real property at the time of a withdrawal or removal, the Governing Board shall select an Illinois licensed real estate appraiser to prepare a full appraisal of the fair market value of NSSD's real property. The cost of the appraisal shall be borne by the withdrawn or removed Member District and copies thereof shall be distributed to the Governing Board and the withdrawn or removed Member District.

**E. Time of Payments**

Any Real Estate Payment or Fund Balance Payment to be made under these Articles of Agreement to the withdrawn or removed Member District shall be made upon the dissolution of NSSD as set forth in Section XI of these Articles of Agreement. A withdrawn or removed Member District shall only be entitled to its Real Estate Payment or Fund Balance Payment upon the dissolution of NSSD and shall not be entitled to any other consideration or remuneration. If a withdrawn Member District owes any moneys to NSSD after determination of the fund balances and liabilities under this Section V., said moneys shall be paid on or before June 30 of the calendar year in which the withdrawal or termination becomes effective.

**F. Adjustment of Payments**

Upon the dissolution of NSSD, the Real Estate Payment and the Fund Balance Payment shall be recalculated in accordance with paragraphs V.A and V.B as of the date of dissolution utilizing the Member District's proportionate share as of the date of withdrawal or removal and the value of NSSD's real property and fund balances as of the date of dissolution. If the newly calculated Real Estate Payment and/or the Fund Balance Payment are less than the previously calculated payments, the lesser payment shall be paid to the previously withdrawn or removed Member District. If the newly calculated Real Estate Payment and/or Fund Balance Payment are more than the previously calculated payments, the previously determined payment shall be paid to the previously withdrawn or removed Member District.

**G. Successor Districts**

In the event a previously withdrawn or removed Member District dissolves, merges or combines with another school district or otherwise ceases to exist at the time a payment is due and payable to said former withdrawn or removed Member District, the new entity which comprises the former Member District shall be entitled to such payment unless otherwise provided by law.

**VI. VOLUNTARY AND INVOLUNTARY TERMINATION OF MEMBERSHIP (For Termination Effective on or after January 1, 2009 and Prior to Dissolution)**

**A. Voluntary Withdrawal by Member District**

1. Procedures. Voluntary withdrawal of a Member District from NSSD shall comply with the procedures set forth in Section 10-22.31 of the *School Code* (105 ILCS 5/10-22.31) as amended, or any successor legislation and any state rules and regulations governing the same. Such withdrawal shall be effective as provided by said statute and regulations. Consistent with law, a Member

District may seek to withdraw from NSSSED either by filing a Petition for Withdrawal with the appropriate Regional Board(s) of School Trustees (or successor body as provided by law) or by filing a Petition to Withdraw with the other NSSSED Member Districts.

2. Advance Notification. In either event, a Member District seeking to voluntarily withdraw from NSSSED shall have its Board of Education adopt a resolution in support of such voluntary withdrawal and must provide said resolution to the Executive Committee by the January 1st of the year preceding the requested effective date of withdrawal. Said resolution shall state the reasons for the proposed withdrawal as well as the proposed effective date of withdrawal, which in no event shall be less than eighteen (18) months from the date the resolution is submitted to the Executive Committee. The Executive Committee shall provide such resolution to the Regional Superintendent of the appropriate Regional Office(s) of Education (or successor body as provided by law) and to each Member District's Superintendent and President of the Board of Education.
3. Consensual Withdrawal. A Member District may file a Petition for Withdrawal with the other NSSSED Member Districts no less than eighteen (18) months prior to the proposed effective date of withdrawal. Such Petition shall, at a minimum, specify the basis for the proposed withdrawal, the proposed effective date of withdrawal, and such other information as the petitioning Member District wishes to provide. The Member District Boards of Education shall consider said Petition and take such action regarding the Petition as it considers appropriate. Any Board of Education may request additional information from the Member District petitioning for withdrawal (the "Petitioning District"), and the Petitioning District shall comply with all reasonable requests for information and documents. Member Districts' Boards of Education shall consider the Petition and, if they vote to approve the Petition, shall do so by written resolution. Such resolution shall be forwarded to the NSSSED Superintendent and all Member Districts. If a Petition for Withdrawal is approved by all Member Districts, the Petitioning District shall be withdrawn from NSSSED effective the succeeding July 1st. The Petitioning District shall notify the Illinois State Board of Education in writing of the withdrawal upon approval by all Member District Boards of Education.
4. Non-Consensual Withdrawal. A Member District not wishing to utilize the consensual process provided in Section 3 above, or whose Petition under Section 3 was not approved, may adopt a resolution as provided in Section 2 above and file a Petition for Withdrawal with the appropriate Regional Board(s) of School Trustees (or successor body as provided by law). Said Petition shall be simultaneously submitted to NSSSED Superintendent, who shall provide a copy to all Member District Superintendents. The NSSSED Superintendent and Executive Committee shall review said Petition and recommend to the Governing Board the content and manner of response on behalf of NSSSED. The Governing Board shall make final determinations regarding NSSSED's response to a Petition for Withdrawal filed with the Regional Board(s) of School Trustees.

5. Continuing Services Member Districts which voluntarily withdraw from NSSED may request continued participation in selected programs. Such participation may be approved by the Governing Board upon the recommendation of the Executive Committee and as provided below.

The mutually agreed upon terms and conditions of participation shall be set forth in a contract approved by the Governing Board of NSSED and the Board of Education of the withdrawn district.

**B. Removal of Member District**

If any Member District unreasonably refuses to provide classrooms for students with disabilities as specified by the Governing Board, fails to make any payments as and when required, or breaches any other provision of the Articles of Agreement or NSSED policy, such Member District may be removed from membership in NSSED as follows:

1. Notice Upon approval of a majority of the Governing Board, a written notice shall be forwarded to the Board of Education of the Member District in question, specifying in detail the items which the Governing Board deems sufficient cause to justify removal of the Member District from NSSED. The notification shall specify the period of time in which such items are to be corrected or appropriate corrective steps are to be taken.
2. Hearing Should the Member District fail to take the remedial action required in the aforementioned notice to the satisfaction of the Governing Board, the Governing Board shall, upon reasonable written notice, call a special meeting, at which time the matter shall be brought before the Governing Board for hearing and action. At least fifteen (15) days written notice of time and place of such hearing shall be given to the Member District in question by certified mail addressed to the superintendent of said Member District. The Member District in question shall be permitted to appear and to submit reasons why it should not be removed from membership.
3. Action A 2/3 vote of all the Governing Board members shall be required to terminate the membership of a Member District in NSSED. Removal from membership shall not relieve the Member District of the obligations incurred during its membership in NSSED and such termination shall become effective no later than July 1 following the date of action by the Governing Board.

**C. Accounting Upon Withdrawal or Removal**

1. NSSED Net Assets If a Member District seeks to withdraw or is removed from NSSED, the withdrawing or removed Member District shall not be entitled to any share of the NSSED's Net Assets as defined below upon such withdrawal or removal, but shall be entitled to the withdrawing or removed Member District's proportionate share of NSSED Net Assets upon NSSED's dissolution..

For the purposes of these Articles, Net Assets is defined as all NSSSED real property, personal property, and fund balances, less all expenses and NSSSED debt as of the effective date of withdrawal, removal or dissolution, whichever date is applicable.

The withdrawing or removed Member District's proportionate share of NSSSED Net Assets shall be the amount determined as follows:

(a) determine a fraction the numerator of which is the lesser of: i) the total student enrollment of the withdrawing or removed Member District at the effective date of the withdrawal or removal or ii) the total student enrollment of the withdrawing or removed Member District at the effective date of dissolution;

the denominator is the sum of the collective total student enrollment of the remaining Member Districts at the effective date of dissolution plus, for each district that has previously withdrawn or been removed from NSSSED, the greater of each such district's student enrollment at the effective date of that district's withdrawal or removal or the student enrollment of that district at the effective date of dissolution;

(b) multiply the fraction by the lesser of a) the value of the NSSSED Net Assets at effective date of dissolution less any amount paid under Section V and VI to other withdrawn or terminated districts or b) the value of the NSSSED Net Assets at the effective date of withdrawal or removal less any amount to be paid under Section V and VI to other withdrawn or terminated districts.

2. Liabilities A withdrawn or removed Member District shall continue to be liable for its proportionate share of the principle and interest on any outstanding and unpaid bonds or notes issued by NSSSED while that school district was a Member District, as well as all other liabilities incurred by NSSSED while the withdrawn or expelled school district was a Member District, including, but not limited to, costs and attorneys fees incurred as a result of the Member District's withdrawal or expulsion. Proportionate share for purposes of this Paragraph 2 shall be calculated by dividing the total enrollment of the withdrawn or expelled Member District by the combined total enrollment of all Member Districts as of the effective date of the withdrawal or expulsion, whichever is applicable or, in the case of bonds or notes, as otherwise provided for in the resolution authorizing the issuance of the bonds or notes. Furthermore, all payments calculated under this Section VI shall reflect the net value thereof after considering any liabilities that may be attributable to said withdrawn or terminated Member District.
3. Assessing Value of Real Property For purposes of determining the value of the NSSSED real property at the time of a withdrawal or a removal, the Governing Board shall select an Illinois licensed real estate appraiser to prepare a full appraisal of the fair market value of NSSSED's real property. The cost of the appraisal shall be borne by the withdrawing or removed

Member District and copies thereof shall be distributed to the Governing Board and the withdrawing or removed Member District.

4. Time of Payments Payment of a Member District's proportionate share of NSEED Net Assets under these Articles of Agreement to the withdrawn or removed Member District shall only be made upon the dissolution of NSEED as set forth in Section XI of these Articles of Agreement. A withdrawn or removed Member District shall only be entitled to its proportionate share of NSEED Net Assets upon the dissolution of NSEED and shall not be entitled to any other consideration or remuneration. If a withdrawing Member District owes any moneys to NSEED other than its proportionate share of the principal and interest on any outstanding and unpaid bonds or notes issued by NSEED, said moneys shall be paid on or before June 30 of the calendar year in which the withdrawal or termination becomes effective.
5. Successor Districts In the event a previously withdrawn or removed Member District dissolves, merges or combines with another school district or otherwise ceases to exist at the time a payment is due and payable to said former withdrawn or removed Member District, the new entity which comprises the former Member District shall be entitled to such payment unless otherwise provided by law.

## **VII. TRANSPORTATION**

NSEED shall be responsible for securing transportation services to NSEED programs and such other programs as provided for in a student's IEP. The Governing Board may provide such services through a contractual arrangement or through the operation of Member District vehicles. With respect, however, to students receiving NSEED services or NSEED programs on a tuition basis, such transportation services shall be the sole responsibility of the school district in which the student resides. Finally, any Member District may elect to be responsible for the transportation of its own resident students.

## **VIII. NON-RESIDENT STUDENTS**

The Superintendent is authorized to permit students from outside the NSEED area to attend the special education services provided for by these Articles of Agreement when s/he determines that there are sufficient facilities available to handle said outside students without detriment to resident students. Non-resident students shall be charged tuition as determined annually in the NSEED budget.

## **IX. AMENDMENTS**

### **A. Procedure**

1. Amendments shall be submitted in writing to the Governing Board at least sixty (60) days before the next Governing Board meeting.
2. The Governing Board shall establish a process for studying each amendment, resulting in a recommendation regarding the amendment at least 30 days prior to the Governing Board meeting at which the vote will be taken upon the amendment.
3. By approval of the affirmative vote of 2/3 of the Governing Board members, the foregoing procedure on amendments may be waived, but in each such case

at least 14 days must expire between a meeting at which the amendment is proposed and the meeting at which the amendment is adopted.

**B. Vote**

Amendments become effective if approved by a 2/3 majority of the full Governing Board.

**X. ARBITRATION**

**A. Applicability**

1. Any action or dispute arising out of or related to any act taken by NSSSED under Section V or VI of these Articles of Agreement shall be subject to binding arbitration, which shall be the sole remedy for any challenge to such action. With respect to the other sections of these Articles of Agreement, NSSSED and all Member Districts shall have all legal and equitable remedies available to them under the law without restriction.
2. Notwithstanding anything in this Section to the contrary, Member Districts and NSSSED acknowledge that it is usually most desirable for the parties to resolve problems through free and informal communications. Consequently, the parties may first attempt to resolve a dispute through negotiations. If such informal process fails to satisfy the dispute, either party may seek resolution of the dispute in accordance with Section X. B.

**B. Procedures**

1. If a dispute pertaining to the termination or withdrawal of a Member District cannot be resolved between the aggrieved parties, NSSSED or a Member District may submit the dispute to binding arbitration. The arbitration shall be administered by the American Arbitration Association (“AAA”) under its Commercial Arbitration Rules, and judgment on the decision rendered by the arbitrator may be entered in any court having jurisdiction thereof. AAA shall be requested to submit a list of arbitrators from which the parties shall mutually select one (1) arbitrator. In the event there is a conflict between any AAA rule and any term or condition contained herein, the terms and conditions herein shall control.
2. Each party shall bear the full cost for its representation in the arbitration. The cost of the arbitrator, a stenographer and the AAA shall be equally divided between the parties.
3. If a party requests a transcript of the proceedings, that party shall bear full costs for the transcript.
4. It shall be the function of the arbitrator and the arbitrator shall be empowered, except as those powers are limited by law, to make a final decision for alleged violations of Section V or VI of these Articles of Agreement.
5. The arbitrator shall have no power to alter or add to the terms of these Articles of Agreement. The arbitrator’s decision must be based solely and only upon an interpretation of the meaning or application of the express relevant language of these Articles of Agreement.

## **XI. DISSOLUTION**

NSSSED may be dissolved upon the affirmative vote of at least a majority of the entire Governing Board or as otherwise provided in the *School Code*. In the event NSSSED dissolves, its Net Assets will be distributed as follows:

### **A. Real Property**

Any NSSSED buildings or real property will be offered for sale to NSSSED's successor, if any ("Successor"), or NSSSED's current Member District(s), at the average appraised value based on a minimum of two (2) appraisals by Illinois-licensed real estate appraisers. Additional terms and conditions pertaining to such sale shall be in accordance with those promulgated by the Governing Board.

If the Successor or one of the Member Districts does not purchase the building(s), the Governing Board will place the site(s) for sale in accordance with the *School Code*, or upon such terms and conditions as the Governing Board deems appropriate if the *School Code* fails to provide a method for sale.

The net proceeds of such sale will be distributed proportionately to the current Member Districts with each Member District receiving an amount calculated using the following formula:

- (a) Determine a fraction, the numerator of which is the total student enrollment of the Member District at the effective date of dissolution, and the denominator of which is the sum of the collective total student enrollment of the remaining Member Districts at the effective date of dissolution;
- (b) Multiply the fraction by the value of the NSSSED Net Assets, less any deductions required under Subsection F, at the effective date of dissolution.

### **B. Equipment and Materials**

The education equipment and materials assigned to student programs will be transferred to the Successor with the stipulation that it is the Successor's intent to operate these programs for at least two (2) years. If no Successor exists, the equipment and material will be sold separately.

Any equipment and materials not transferred to a Successor will be placed for sale in accordance with the *School Code*, or upon such terms and conditions as the Governing Board deems appropriate if the *School Code* fails to provide a method for sale.

The net proceeds of such sale will be distributed proportionately to the Recipient Districts, using the formula set forth at Subsection A.

**C. Personnel Reimbursements**

State and federal personnel reimbursement generated by NSSSED during the school year prior to dissolution, when forwarded by ISBE to the Regional Office of Education, will flow to the Successor, if any. If no Successor exists, such reimbursements shall flow proportionately to the current Member Districts employing at least one individual in the position for which reimbursement was provided to NSSSED, using the formula set forth at Subsection A. but excluding from the calculation any enrollments of former Member Districts.

**D. Grant Carryover Funds**

NSSSED grant carryover funds will be allocated to current Member Districts as determined by a majority of the Governing Board.

**E. Remaining Fund Balances and/or Deficits**

Any remaining fund balances or deficits will be distributed or charged proportionately to NSSSED's current Member Districts, using the formula set forth at Subsection A., but excluding from the calculation any enrollments of former Member Districts.

**F. Payments to Previously Withdrawn or Removed School Districts**

All payments required to be made to previously withdrawn or removed school districts pursuant to Article Vand VI shall be deducted in determining Net Assets available for distribution to member school districts under this Article.

EXHIBIT A  
MEMBER DISTRICTS

North Districts

- 65 Lake Bluff
- 67 Lake Forest
- 106 Bannockburn
- 109 Deerfield
- 112 North Shore School
- 113 Deerfield/Highland Park High Schools
- 115 Lake Forest High School

Southwest Districts

- 27 Northbrook
- 28 Northbrook
- 30 Northbrook/Glenview
- 31 West Northfield
- 34 Glenview
- 225 Glenbrook High School

Southeast Districts

- 29 Sunset Ridge (Northfield)
- 35 Glencoe
- 36 Winnetka
- 37 Avoca (Withdrawn 2008)
- 38 Kenilworth
- 39 Wilmette (Withdrawn 2005)
- 203 New Trier High School

**EXHIBIT B**  
Description of Project

1. North Shore Academy (NSA)  
Build a new NSA, to be located on the Red Oak Lane property, approximately 52K in size, including two additional classrooms, a gymnasium and a cafeteria.
  
2. Administration/ELS/OT-PT  
Remodel, Repair and Enlarge the existing facility or a portion of the current NSA facility based on the location of the new NSA building.

**EXHIBIT C**  
**Allocation of Project Costs**  
**Based on Average of Two Way Split and Three Way Split**

Northern Suburban Special Education District  
 Project Contribution Based on 2-Way and 3-Way Split

<b>Member Districts</b>		<b>Contribution</b>
<b>Region</b>	<b>Name</b>	<b>%</b>
<b>Northern</b>		
65	Lake Bluff	2.214%
67	Lake Forest	5.745%
106	Bannockburn	0.519%
109	Deerfield	5.886%
112	North Shore	8.993%
113	Deerfield/Highland Park HS	14.681%
115	Lake Forest HS	7.742%
<b>Glenbrook</b>		
27	Northbrook	2.646%
28	Northbrook	3.691%
30	Northbrook/Glenview	2.136%
31	West Northfield	2.212%
34	Glenview	7.265%
225	Glenbrook HS	13.520%
<b>New Trier</b>		
29	Sunset Ridge (Northfield)	1.324%
35	Glencoe	2.662%
36	Winnetka	3.968%
38	Kenilworth	1.061%
203	New Trier HS	13.734%
		<b>100.000%</b>

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