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AN ACT concerning schools.

Be it enacted by the People of the State of Illinois,represented in the General Assembly:

Section 5. The School Code is amended by changing
Section 18-8.05 as follows:

6 (105 ILCS 5/18-8.05)

Sec. 18-8.05. Basis for apportionment of general State
financial aid and supplemental general State aid to the
common schools for the 1998-1999 and subsequent school years.

10 (A) General Provisions.

11 (1) The provisions of this Section apply to the 1998-1999 and subsequent school years. The system of general 12 State financial aid provided for in this Section is designed 13 to assure that, through a combination of State financial aid 14 and required local resources, the financial support provided 15 16 each pupil in Average Daily Attendance equals or exceeds a prescribed per pupil Foundation Level. This formula approach 17 18 imputes a level of per pupil Available Local Resources and provides for the basis to calculate a per pupil level of 19 general State financial aid that, when added to Available 20 Local Resources, equals or exceeds the Foundation Level. The 21 22 amount of per pupil general State financial aid for school 23 districts, in general, varies in inverse relation to Available Local Resources. Per pupil amounts are based upon 24 25 each school district's Average Daily Attendance as that term is defined in this Section. 26

(2) In addition to general State financial aid, school
districts with specified levels or concentrations of pupils
from low income households are eligible to receive
supplemental general State financial aid grants as provided
pursuant to subsection (H). The supplemental State aid grants

1 provided for school districts under subsection (H) shall be 2 appropriated for distribution to school districts as part of the same line item in which the general State financial aid 3 4 of school districts is appropriated under this Section.

(3) To receive financial assistance under this Section, 5 б school districts are required to file claims with the State 7 Board of Education, subject to the following requirements:

8 (a) Any school district which fails for any given 9 school year to maintain school as required by law, or to maintain a recognized school is not eligible to file for 10 11 such school year any claim upon the Common School Fund. In case of nonrecognition of one or more attendance 12 school district otherwise operating 13 centers in а recognized schools, the claim of the district shall 14 be 15 reduced in the proportion which the Average Daily 16 Attendance in the attendance center or centers bear to the Average Daily Attendance in the school district. A 17 "recognized school" means any public school which meets 18 19 the standards as established for recognition by the State Board of Education. A school district or attendance 20 21 center not having recognition status at the end of a 22 school term is entitled to receive State aid payments due 23 a legal claim which was filed while it was upon 24 recognized.

25 (b) School district claims filed under this Section are subject to Sections 18-9, 18-10, and 18-12, except as 26 otherwise provided in this Section. 27

(c) If a school district operates a full year 28 school under Section 10-19.1, the general State aid to 29 30 the school district shall be determined by the State Board of Education in accordance with this Section as 31 near as may be applicable. 32

(d) (Blank). 33

Except as provided in subsections (H) and (L), (4) 34 the

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board of any district receiving any of the grants provided for in this Section may apply those funds to any fund so received for which that board is authorized to make expenditures by law.

5 School districts are not required to exert a minimum 6 Operating Tax Rate in order to qualify for assistance under 7 this Section.

8 (5) As used in this Section the following terms, when 9 capitalized, shall have the meaning ascribed herein:

10 (a) "Average Daily Attendance": A count of pupil
11 attendance in school, averaged as provided for in
12 subsection (C) and utilized in deriving per pupil
13 financial support levels.

14 (b) "Available Local Resources": A computation of
15 local financial support, calculated on the basis of
16 Average Daily Attendance and derived as provided pursuant
17 to subsection (D).

18 (c) "Corporate Personal Property Replacement
19 Taxes": Funds paid to local school districts pursuant to
20 "An Act in relation to the abolition of ad valorem
21 personal property tax and the replacement of revenues
22 lost thereby, and amending and repealing certain Acts and
23 parts of Acts in connection therewith", certified August
24 14, 1979, as amended (Public Act 81-1st S.S.-1).

25 (d) "Foundation Level": A prescribed level of per
26 pupil financial support as provided for in subsection
27 (B).

(e) "Operating Tax Rate": All school district
 property taxes extended for all purposes, except Bond and
 Interest, Summer School, Rent, Capital Improvement, and
 Vocational Education Building purposes.

32 (B) Foundation Level.

33 (1) The Foundation Level is a figure established by the34 State representing the minimum level of per pupil financial

1 support that should be available to provide for the basic 2 education of each pupil in Average Daily Attendance. As set forth in this Section, each school district is assumed to 3 4 sufficient local taxing effort such that, exert a in 5 combination with the aggregate of general State financial aid 6 provided the district, an aggregate of State and local 7 resources are available to meet the basic education needs of 8 pupils in the district.

9 (2) For the 1998-1999 school year, the Foundation Level 10 of support is \$4,225. For the 1999-2000 school year, the 11 Foundation Level of support is \$4,325. For the 2000-2001 12 school year, the Foundation Level of support is \$4,425.

13 (3) For the 2001-2002 school year and 2002-2003 school
14 year, the Foundation Level of support is \$4,560.

15 (4) For the 2003-2004 school year and each school year 16 thereafter, the Foundation Level of support is \$4,810 or such 17 greater amount as may be established by law by the General 18 Assembly.

19 (C) Average Daily Attendance.

purposes of calculating general State aid 20 (1) For 21 pursuant to subsection (E), an Average Daily Attendance figure shall be utilized. 22 The Average Daily Attendance 23 figure for formula calculation purposes shall be the monthly 24 average of the actual number of pupils in attendance of each school district, as further averaged for the best 3 months of 25 26 pupil attendance for each school district. In compiling the figures for the number of pupils in attendance, school 27 28 districts and the State Board of Education shall, for purposes of general State aid funding, conform attendance 29 30 figures to the requirements of subsection (F).

31 (2) The Average Daily Attendance figures utilized in 32 subsection (E) shall be the requisite attendance data for the 33 school year immediately preceding the school year for which 34 general State aid is being calculated or the average of the 1 attendance data for the 3 preceding school years, whichever 2 is greater. The Average Daily Attendance figures utilized in 3 subsection (H) shall be the requisite attendance data for the 4 school year immediately preceding the school year for which 5 general State aid is being calculated.

6 (D) Available Local Resources.

7 (1) For purposes of calculating general State aid pursuant to subsection (E), a representation of Available 8 Local Resources per pupil, as that term is defined and 9 determined in this subsection, shall be utilized. Available 10 11 Local Resources per pupil shall include a calculated dollar 12 amount representing local school district revenues from local 13 property taxes and from Corporate Personal Property 14 Replacement Taxes, expressed on the basis of pupils in 15 Average Daily Attendance.

In determining a school district's revenue from 16 (2) local property taxes, the State Board of Education shall 17 18 utilize the equalized assessed valuation of all taxable 19 property of each school district as of September 30 of the The equalized assessed valuation utilized 20 previous year. 21 shall be obtained and determined as provided in subsection 22 (G).

23 (3) For school districts maintaining grades kindergarten through 12, local property tax revenues per pupil shall be 24 25 calculated as the product of the applicable equalized assessed valuation for the district multiplied by 3.00%, and 26 divided by the district's Average Daily Attendance figure. 27 28 For school districts maintaining grades kindergarten through 29 8, local property tax revenues per pupil shall be calculated as the product of the applicable equalized assessed valuation 30 for the district multiplied by 2.30%, and divided by the 31 32 district's Average Daily Attendance figure. For school 33 districts maintaining grades 9 through 12, local property tax revenues per pupil shall be the applicable equalized assessed 34

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valuation of the district multiplied by (i) 1.05% through the 2003-2004 school year, (ii) 1.06% for the 2004-2005 school 3 year, (iii) 1.07% for the 2005-2006 school year, (iv) 1.08% 4 for the 2006-2007 school year, (v) 1.09% for the 2007-2008 5 school year, and (vi) 1.10% for the 2008-2009 school year and 6 each school year thereafter, and divided by the district's 7 Average Daily Attendance figure.

The Corporate Personal Property Replacement Taxes 8 (4) 9 paid to each school district during the calendar year 2 years before the calendar year in which a school year begins, 10 11 divided by the Average Daily Attendance figure for that district, shall be added to the local property tax revenues 12 per pupil as derived by the application of the immediately 13 preceding paragraph (3). The sum of these per pupil figures 14 for each school district shall constitute Available Local 15 16 Resources as that term is utilized in subsection (E) in the calculation of general State aid. 17

18 (E) Computation of General State Aid.

19 (1) For each school year, the amount of general State
20 aid allotted to a school district shall be computed by the
21 State Board of Education as provided in this subsection.

(2) For any school district for which Available Local Resources per pupil is less than the product of 0.93 times the Foundation Level, general State aid for that district shall be calculated as an amount equal to the Foundation Level minus Available Local Resources, multiplied by the Average Daily Attendance of the school district.

(3) For any school district for which Available Local Resources per pupil is equal to or greater than the product of 0.93 times the Foundation Level and less than the product of 1.75 times the Foundation Level, the general State aid per pupil shall be a decimal proportion of the Foundation Level derived using a linear algorithm. Under this linear algorithm, the calculated general State aid per pupil shall

1 decline in direct linear fashion from 0.07 times the 2 Foundation Level for a school district with Available Local Resources equal to the product of 0.93 times the Foundation 3 4 Level, to 0.05 times the Foundation Level for a school 5 district with Available Local Resources equal to the product 6 of 1.75 times the Foundation Level. The allocation of general State aid for school districts subject to this 7 8 paragraph 3 shall be the calculated general State aid per pupil figure multiplied by the Average Daily Attendance of 9 the school district. 10

11 (4) For any school district for which Available Local 12 Resources per pupil equals or exceeds the product of 1.75 13 times the Foundation Level, the general State aid for the 14 school district shall be calculated as the product of \$218 15 multiplied by the Average Daily Attendance of the school 16 district.

(5) The amount of general State aid allocated to a 17 school district for the 1999-2000 school year meeting the 18 19 requirements set forth in paragraph (4) of subsection (G) shall be increased by an amount equal to the general State 20 21 aid that would have been received by the district for the 22 1998-1999 school year by utilizing the Extension Limitation 23 Equalized Assessed Valuation as calculated in paragraph (4) of subsection (G) less the general State aid allotted for the 24 25 1998-1999 school year. This amount shall be deemed a one 26 time increase, and shall not affect any future general State aid allocations. 27

## 28 (F) Compilation of Average Daily Attendance.

29 (1) Each school district shall, by July 1 of each year, submit to the State Board of Education, on forms prescribed 30 by the State Board of Education, attendance figures 31 for the 32 school year that began in the preceding calendar year. The 33 attendance information so transmitted shall identify the 34 average daily attendance figures for each month of the school year. Beginning with the general State aid claim form for
 the 2002-2003 school year, districts shall calculate Average
 Daily Attendance as provided in subdivisions (a), (b), and
 (c) of this paragraph (1).

5 (a) In districts that do not hold year-round 6 classes, days of attendance in August shall be added to 7 the month of September and any days of attendance in June 8 shall be added to the month of May.

9 (b) In districts in which all buildings hold 10 year-round classes, days of attendance in July and August 11 shall be added to the month of September and any days of 12 attendance in June shall be added to the month of May.

(c) In districts in which some buildings, but not 13 all, hold year-round classes, for the non-year-round 14 15 buildings, days of attendance in August shall be added to 16 the month of September and any days of attendance in June shall be added to the month of May. The average daily 17 attendance for the year-round buildings shall be computed 18 as provided in subdivision (b) of this paragraph (1). To 19 calculate the Average Daily Attendance for the district, 20 21 the average daily attendance for the year-round buildings 22 shall be multiplied by the days in session for the 23 non-year-round buildings for each month and added to the monthly attendance of the non-year-round buildings. 24

25 Except as otherwise provided in this Section, days of attendance by pupils shall be counted only for sessions of 26 not less than 5 clock hours of school work per day under 27 direct supervision of: (i) teachers, or (ii) non-teaching 28 29 personnel or volunteer personnel when engaging in 30 non-teaching duties and supervising in those instances specified in subsection (a) of Section 10-22.34 and paragraph 31 10 of Section 34-18, with pupils of legal school age and in 32 kindergarten and grades 1 through 12. 33

34 Days of attendance by tuition pupils shall be accredited

only to the districts that pay the tuition to a recognized
 school.

3 (2) Days of attendance by pupils of less than 5 clock
4 hours of school shall be subject to the following provisions
5 in the compilation of Average Daily Attendance.

(a) Pupils regularly enrolled in a public school 6 7 for only a part of the school day may be counted on the 1/6 day for every class hour of instruction of 8 basis of 9 40 minutes or more attended pursuant to such enrollment, unless a pupil is enrolled in a block-schedule format of 10 11 80 minutes or more of instruction, in which case the pupil may be counted on the basis of the proportion of 12 minutes of school work completed each day to the minimum 13 number of minutes that school work is required to be held 14 15 that day.

16 (b) Days of attendance may be less than 5 clock 17 hours on the opening and closing of the school term, and 18 upon the first day of pupil attendance, if preceded by a 19 day or days utilized as an institute or teachers' 20 workshop.

(c) A session of 4 or more clock hours may be
counted as a day of attendance upon certification by the
regional superintendent, and approved by the State
Superintendent of Education to the extent that the
district has been forced to use daily multiple sessions.

(d) A session of 3 or more clock hours may be 26 counted as a day of attendance (1) when the remainder of 27 the school day or at least 2 hours in the evening of that 28 29 day is utilized for an in-service training program for 30 teachers, up to a maximum of 5 days per school year of which a maximum of 4 days of such 5 days may be used for 31 parent-teacher conferences, provided a district conducts 32 an in-service training program for teachers which has 33 been approved by the State Superintendent of Education; 34

1 or, in lieu of 4 such days, 2 full days may be used, in 2 which event each such day may be counted as a day of attendance; and (2) when days in addition to those 3 4 provided in item (1) are scheduled by a school pursuant its school improvement plan adopted under Article 34 5 to or its revised or amended school improvement plan adopted 6 7 under Article 2, provided that (i) such sessions of 3 or 8 more clock hours are scheduled to occur at regular 9 intervals, (ii) the remainder of the school days in which such sessions occur are utilized for in-service training 10 11 programs or other staff development activities for teachers, and (iii) a sufficient number of minutes of 12 school work under the direct supervision of teachers are 13 added to the school days between such regularly scheduled 14 15 sessions to accumulate not less than the number of 16 minutes by which such sessions of 3 or more clock hours fall short of 5 clock hours. Any full days used for 17 the purposes of this paragraph shall not be considered for 18 computing average daily attendance. Days scheduled for 19 20 in-service training programs, staff development 21 activities, or parent-teacher conferences may be 22 scheduled separately for different grade levels and different attendance centers of the district. 23

(e) A session of not less than one clock hour of
teaching hospitalized or homebound pupils on-site or by
telephone to the classroom may be counted as 1/2 day of
attendance, however these pupils must receive 4 or more
clock hours of instruction to be counted for a full day
of attendance.

30 (f) A session of at least 4 clock hours may be 31 counted as a day of attendance for first grade pupils, 32 and pupils in full day kindergartens, and a session of 2 33 or more hours may be counted as 1/2 day of attendance by 34 pupils in kindergartens which provide only 1/2 day of 1 attendance.

(g) For children with disabilities who are below the age of 6 years and who cannot attend 2 or more clock hours because of their disability or immaturity, a session of not less than one clock hour may be counted as 1/2 day of attendance; however for such children whose educational needs so require a session of 4 or more clock hours may be counted as a full day of attendance.

9 (h) A recognized kindergarten which provides for only 1/2 day of attendance by each pupil shall not have 10 11 more than 1/2 day of attendance counted in any one day. However, kindergartens may count 2 1/2 days of attendance 12 in any 5 consecutive school days. When a pupil attends 13 such a kindergarten for 2 half days on any one school 14 day, the pupil shall have the following day as a day 15 16 absent from school, unless the school district obtains permission in writing from the State Superintendent of 17 Education. Attendance at kindergartens which provide for 18 a full day of attendance by each pupil shall be counted 19 the same as attendance by first grade pupils. Only the 20 21 first year of attendance in one kindergarten shall be 22 counted, except in case of children who entered the 23 kindergarten in their fifth year whose educational development requires a second year of kindergarten as 24 25 determined under the rules and regulations of the State Board of Education. 26

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(G) Equalized Assessed Valuation Data.

(1) For purposes of the calculation of Available Local Resources required pursuant to subsection (D), the State Board of Education shall secure from the Department of Revenue the value as equalized or assessed by the Department of Revenue of all taxable property of every school district, together with (i) the applicable tax rate used in extending taxes for the funds of the district as of September 30 of the previous year and (ii) the limiting rate for all school
 districts subject to property tax extension limitations as
 imposed under the Property Tax Extension Limitation Law.

4 This equalized assessed valuation, as adjusted further by 5 the requirements of this subsection, shall be utilized in the 6 calculation of Available Local Resources.

7 (2) The equalized assessed valuation in paragraph (1)
8 shall be adjusted, as applicable, in the following manner:

9 (a) For the purposes of calculating State aid under 10 this Section, with respect to any part of a school 11 district within a redevelopment project area in respect 12 which a municipality has adopted tax increment to 13 allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Sections 11-74.4-1 through 14 15 11-74.4-11 of the Illinois Municipal Code the or 16 Industrial Jobs Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the Illinois Municipal Code, no part of the 17 current equalized assessed valuation of real property 18 located in any such project area which is attributable to 19 an increase above the total initial equalized assessed 20 21 valuation of such property shall be used as part of the equalized assessed valuation of the district, until such 22 23 time as all redevelopment project costs have been paid, as provided in Section 11-74.4-8 of the Tax Increment 24 25 Allocation Redevelopment Act or in Section 11-74.6-35 of the Industrial Jobs Recovery Law. For the purpose of the 26 equalized assessed valuation of the district, the total 27 initial equalized assessed valuation or the current 28 equalized assessed valuation, whichever is 29 lower, shall 30 be used until such time as all redevelopment project costs have been paid. 31

32 (b) The real property equalized assessed valuation 33 for a school district shall be adjusted by subtracting 34 from the real property value as equalized or assessed by

1 the Department of Revenue for the district an amount 2 computed by dividing the amount of any abatement of taxes under Section 18-170 of the Property Tax Code by 3.00% 3 4 a district maintaining grades kindergarten through for by 2.30% for a district 5 12, maintaining grades kindergarten through 8, or by (i) 1.05% through the 6 7 2003-2004 school year, (ii) 1.06% for the 2004-2005 school year, (iii) 1.07% for the 2005-2006 school year, 8 9 (iv) 1.08% for the 2006-2007 school year, (v) 1.09% for the 2007-2008 school year, and (vi) 1.10% for the 10 11 2008-2009 school year and each school year thereafter for a district maintaining grades 9 through 12 and adjusted 12 by an amount computed by dividing the amount of 13 anv abatement of taxes under subsection (a) of Section 18-165 14 of the Property Tax Code by the same percentage rates for 15 16 district type as specified in this subparagraph (b).

17 (3) For the 1999-2000 school year and each school year 18 thereafter, if a school district meets all of the criteria of 19 this subsection (G)(3), the school district's Available Local 20 Resources shall be calculated under subsection (D) using the 21 district's Extension Limitation Equalized Assessed Valuation 22 as calculated under this subsection (G)(3).

For purposes of this subsection (G)(3) the following terms shall have the following meanings:

25 "Budget Year": The school year for which general 26 State aid is calculated and awarded under subsection (E). 27 "Base Tax Year": The property tax levy year used to 28 calculate the Budget Year allocation of general State 29 aid.

30 "Preceding Tax Year": The property tax levy year
31 immediately preceding the Base Tax Year.

32 "Base Tax Year's Tax Extension": The product of the 33 equalized assessed valuation utilized by the County Clerk 34 in the Base Tax Year multiplied by the limiting rate as calculated by the County Clerk and defined in the
 Property Tax Extension Limitation Law.

3 "Preceding Tax Year's Tax Extension": The product of
4 the equalized assessed valuation utilized by the County
5 Clerk in the Preceding Tax Year multiplied by the
6 Operating Tax Rate as defined in subsection (A).

7 "Extension Limitation Ratio": A numerical ratio,
8 certified by the County Clerk, in which the numerator is
9 the Base Tax Year's Tax Extension and the denominator is
10 the Preceding Tax Year's Tax Extension.

11 "Operating Tax Rate": The operating tax rate as12 defined in subsection (A).

If a school district is subject to property tax extension 13 limitations as imposed under the Property Tax Extension 14 Limitation Law, the State Board of Education shall calculate 15 16 the Extension Limitation Equalized Assessed Valuation of that district. For the 1999-2000 school year, the Extension 17 Limitation Equalized Assessed Valuation of a school district 18 19 as calculated by the State Board of Education shall be equal to the product of the district's 1996 Equalized Assessed 20 21 Valuation and the district's Extension Limitation Ratio. For the 2000-2001 school year and each school year thereafter, 22 23 the Extension Limitation Equalized Assessed Valuation of a school district as calculated by the State Board of Education 24 25 shall be equal to the product of the Equalized Assessed Valuation last used in the calculation of general State aid 26 and the district's Extension Limitation Ratio. 27 Τf the Extension Limitation Equalized Assessed Valuation of a school 28 29 district as calculated under this subsection (G)(3) is less 30 than the district's equalized assessed valuation as calculated pursuant to subsections (G)(1) and (G)(2), then 31 32 for purposes of calculating the district's general State aid 33 the Budget Year pursuant to subsection (E), that for 34 Extension Limitation Equalized Assessed Valuation shall be utilized to calculate the district's Available Local
 Resources under subsection (D).

(4) For the purposes of calculating general State aid 3 4 for the 1999-2000 school year only, if a school district 5 experienced a triennial reassessment on equalized the 6 assessed valuation used in calculating its general State 7 financial aid apportionment for the 1998-1999 school year, the State Board of Education shall calculate the Extension 8 9 Limitation Equalized Assessed Valuation that would have been used to calculate the district's 1998-1999 general State aid. 10 11 This amount shall equal the product of the equalized assessed valuation used to calculate general State aid for the 12 1997-1998 school year and the district's Extension Limitation 13 If the Extension Limitation Equalized Assessed 14 Ratio. Valuation of the school district as calculated under this 15 16 paragraph (4) is less than the district's equalized assessed valuation utilized in calculating the district's 1998-1999 17 18 general State aid allocation, then for purposes of 19 calculating the district's general State aid pursuant to paragraph (5) of subsection (E), that Extension Limitation 20 Equalized Assessed Valuation shall be utilized to calculate 21 the district's Available Local Resources. 22

23 For school districts having a majority of their (5)equalized assessed valuation in any county except Cook, 24 25 DuPage, Kane, Lake, McHenry, or Will, if the amount of general State aid allocated to the school district for the 26 1999-2000 school year under the provisions of subsection (E), 27 (H), and (J) of this Section is less than the amount of 28 general State aid allocated to the district for the 1998-1999 29 30 school year under these subsections, then the general State aid of the district for the 1999-2000 school year only shall 31 be increased by the difference between these amounts. 32 The total payments made under this paragraph (5) shall not exceed 33 \$14,000,000. Claims shall be prorated if they exceed 34

1 \$14,000,000.

2 (H) Supplemental General State Aid.

3 (1) In addition to the general State aid a school district is allotted pursuant to subsection (E), qualifying 4 5 school districts shall receive a grant, paid in conjunction a district's payments of general State aid, for 6 with 7 supplemental general State aid based upon the concentration level of children from low-income households within the 8 9 school district. Supplemental State aid grants provided for school districts under this subsection shall be appropriated 10 11 for distribution to school districts as part of the same line 12 item in which the general State financial aid of school appropriated under this Section. 13 districts is Τf the 14 appropriation in any fiscal year for general State aid and supplemental general State aid is insufficient to pay the 15 amounts required under the general State aid and supplemental 16 general State aid calculations, then the State Board of 17 18 Education shall ensure that each school district receives the 19 full amount due for general State aid and the remainder of the appropriation shall be used for supplemental general 20 21 State aid, which the State Board of Education shall calculate and pay to eligible districts on a prorated basis. 22

23 (1.5) This paragraph (1.5) applies only to those school 24 years preceding the 2003-2004 school year. For purposes of this subsection (H), the term "Low-Income Concentration 25 26 Level" shall be the low-income eligible pupil count from the most recently available federal census divided by the Average 27 28 Daily Attendance of the school district. If, however, (i) the percentage decrease from the 2 most recent federal censuses 29 30 in the low-income eligible pupil count of a high school district with fewer than 400 students exceeds by 75% or more 31 32 the percentage change in the total low-income eligible pupil 33 count of contiguous elementary school districts, whose boundaries are coterminous with the high school district, or 34

1 (ii) a high school district within 2 counties and serving 5 2 elementary school districts, whose boundaries are coterminous with the high school district, has a percentage decrease from 3 4 the 2 most recent federal censuses in the low-income eligible 5 pupil count and there is a percentage increase in the total 6 low-income eligible pupil count of a majority of the 7 elementary school districts in excess of 50% from the 2 most 8 recent federal censuses, then the high school district's 9 low-income eligible pupil count from the earlier federal census shall be the number used as the low-income eligible 10 11 pupil count for the high school district, for purposes of this subsection (H). The changes made to this paragraph (1) 12 by Public Act 92-28 shall apply to supplemental general State 13 aid grants for school years preceding the 2003-2004 school 14 year that are paid in fiscal year 1999 or thereafter and to 15 16 any State aid payments made in fiscal year 1994 through fiscal year 1998 pursuant to subsection 1(n) of Section 18-8 17 this Code (which was repealed on July 1, 1998), and any 18 of 19 high school district that is affected by Public Act 92-28 is entitled to a recomputation of its supplemental general State 20 21 aid grant or State aid paid in any of those fiscal years. This recomputation shall not be affected by any other 22 23 funding.

(1.10) This paragraph (1.10) applies to the 2003-2004 24 25 school year and each school year thereafter. For purposes of this subsection (H), the term "Low-Income Concentration 26 Level" shall, for each fiscal year, be the 27 low-income eligible pupil count as of July 1 of the immediately 28 29 preceding fiscal year (as determined by the Department of 30 Human Services based on the number of pupils who are eligible for at least one of the following low income programs: 31 32 Medicaid, KidCare, TANF, or Food Stamps, excluding pupils who are eligible for services provided by the Department of 33 Children and Family Services, averaged over the 2 immediately 34

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preceding fiscal years for fiscal year 2004 and over the 3 immediately preceding fiscal years for each fiscal year thereafter) divided by the Average Daily Attendance of the school district.

5 (2) Supplemental general State aid pursuant to this 6 subsection (H) shall be provided as follows for the 7 1998-1999, 1999-2000, and 2000-2001 school years only:

8 (a) For any school district with a Low Income 9 Concentration Level of at least 20% and less than 35%, 10 the grant for any school year shall be \$800 multiplied by 11 the low income eligible pupil count.

(b) For any school district with a Low Income
Concentration Level of at least 35% and less than 50%,
the grant for the 1998-1999 school year shall be \$1,100
multiplied by the low income eligible pupil count.

16 (c) For any school district with a Low Income
17 Concentration Level of at least 50% and less than 60%,
18 the grant for the 1998-99 school year shall be \$1,500
19 multiplied by the low income eligible pupil count.

20 (d) For any school district with a Low Income
21 Concentration Level of 60% or more, the grant for the
22 1998-99 school year shall be \$1,900 multiplied by the low
23 income eligible pupil count.

(e) For the 1999-2000 school year, the per pupil
amount specified in subparagraphs (b), (c), and (d)
immediately above shall be increased to \$1,243, \$1,600,
and \$2,000, respectively.

(f) For the 2000-2001 school year, the per pupil amounts specified in subparagraphs (b), (c), and (d) immediately above shall be \$1,273, \$1,640, and \$2,050, respectively.

32 (2.5) Supplemental general State aid pursuant to this
33 subsection (H) shall be provided as follows for the 2002-2003
34 school year:

1 (a) For any school district with a Low Income 2 Concentration Level of less than 10%, the grant for each 3 school year shall be \$355 multiplied by the low income 4 eligible pupil count.

5 (b) For any school district with a Low Income 6 Concentration Level of at least 10% and less than 20%, 7 the grant for each school year shall be \$675 multiplied 8 by the low income eligible pupil count.

9 (c) For any school district with a Low Income 10 Concentration Level of at least 20% and less than 35%, 11 the grant for each school year shall be \$1,330 multiplied 12 by the low income eligible pupil count.

13 (d) For any school district with a Low Income
14 Concentration Level of at least 35% and less than 50%,
15 the grant for each school year shall be \$1,362 multiplied
16 by the low income eligible pupil count.

17 (e) For any school district with a Low Income
18 Concentration Level of at least 50% and less than 60%,
19 the grant for each school year shall be \$1,680 multiplied
20 by the low income eligible pupil count.

(f) For any school district with a Low Income
Concentration Level of 60% or more, the grant for each
school year shall be \$2,080 multiplied by the low income
eligible pupil count.

25 (2.10) Except as otherwise provided, supplemental 26 general State aid pursuant to this subsection (H) shall be 27 provided as follows for the 2003-2004 school year and each 28 school year thereafter:

(a) For any school district with a Low Income
Concentration Level of 15% or less, the grant for each
school year shall be \$355 multiplied by the low income
eligible pupil count.

33 (b) For any school district with a Low Income34 Concentration Level greater than 15%, the grant for each

school year shall be \$294.25 added to the product of
 \$2,700 and the square of the Low Income Concentration
 Level, all multiplied by the low income eligible pupil
 count.

5 For the 2003-2004 school year only, the grant shall be no 6 less than the grant for the 2002-2003 school year. For the 7 2004-2005 school year only, the grant shall be no less than 8 the grant for the 2002-2003 school year multiplied by 0.66. 9 For the 2005-2006 school year only, the grant shall be no 10 less than the grant for the 2002-2003 school year multiplied 11 by 0.33.

For the 2003-2004 school year only, the grant shall be no 12 greater than the grant received during the 2002-2003 school 13 added to the product of 0.25 multiplied by 14 year the 15 difference between the grant amount calculated under 16 subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 17 school year. For the 2004-2005 school year only, the grant 18 19 shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.50 multiplied 20 21 by the difference between the grant amount calculated under 22 subsection (a) or (b) of this paragraph (2.10), whichever is 23 applicable, and the grant received during the 2002-2003 school year. For the 2005-2006 school year only, the grant 24 25 shall be no greater than the grant received during the 26 2002-2003 school year added to the product of 0.75 multiplied by the difference between the grant amount calculated under 27 subsection (a) or (b) of this paragraph (2.10), whichever is 28 29 applicable, and the grant received during the 2002-2003 30 school year.

31 (3) School districts with an Average Daily Attendance of 32 more than 1,000 and less than 50,000 that qualify for 33 supplemental general State aid pursuant to this subsection 34 shall submit a plan to the State Board of Education prior to 1 October 30 of each year for the use of the funds resulting 2 from this grant of supplemental general State aid for the 3 improvement of instruction in which priority is given to 4 meeting the education needs of disadvantaged children. Such 5 plan shall be submitted in accordance with rules and 6 regulations promulgated by the State Board of Education.

7 (4) School districts with an Average Daily Attendance of 8 50,000 or more that qualify for supplemental general State 9 aid pursuant to this subsection shall be required to 10 distribute from funds available pursuant to this Section, no 11 less than \$261,000,000 in accordance with the following 12 requirements:

required amounts shall be distributed to 13 (a) The the attendance centers within the district in proportion 14 15 the number of pupils enrolled at each attendance to 16 center who are eligible to receive free or reduced-price lunches or breakfasts under the federal Child Nutrition 17 Act of 1966 and under the National School Lunch Act 18 during the immediately preceding school year. 19

20 (b) The distribution of these portions of 21 supplemental and general State aid among attendance 22 centers according to these requirements shall not be 23 compensated for or contravened by adjustments of the total of other funds appropriated to any attendance 24 25 centers, and the Board of Education shall utilize funding from one or several sources in order to fully implement 26 this provision annually prior to the opening of school. 27

(c) Each attendance center shall be provided by the 28 29 school district a distribution of noncategorical funds 30 and other categorical funds to which an attendance center is entitled under law in order that the general State aid 31 and supplemental State aid provided 32 general by 33 application of this subsection supplements rather than 34 supplants the noncategorical funds and other categorical

funds provided by the school district to the attendance
 centers.

3 (d) Any funds made available under this subsection 4 that by reason of the provisions of this subsection are 5 not required to be allocated and provided to attendance 6 centers may be used and appropriated by the board of the 7 district for any lawful school purpose.

8 (e) Funds received by an attendance center pursuant 9 to this subsection shall be used by the attendance center at the discretion of the principal and local school 10 11 council for programs to improve educational opportunities at qualifying schools through the following programs and 12 services: early childhood education, reduced class size 13 improved adult to student classroom ratio, enrichment 14 or 15 programs, remedial assistance, attendance improvement, 16 and other educationally beneficial expenditures which supplement the regular and basic programs as determined 17 by the State Board of Education. Funds provided shall not 18 be expended for any political or lobbying purposes as 19 defined by board rule. 20

21 (f) Each district subject to the provisions of this 22 subdivision (H)(4) shall submit an acceptable plan to 23 meet the educational needs of disadvantaged children, in compliance with the requirements of this paragraph, to 24 the State Board of Education prior to July 15 of each 25 year. This plan shall be consistent with the decisions of 26 27 local school councils concerning the school expenditure plans developed in accordance with part 4 of Section 28 29 34-2.3. The State Board shall approve or reject the plan within 60 days after its submission. If the plan is 30 rejected, the district shall give written notice of 31 intent to modify the plan within 15 days of 32 the notification of rejection and then submit a modified plan 33 within 30 days after the date of the written notice of 34

intent to modify. Districts may amend approved plans
 pursuant to rules promulgated by the State Board of
 Education.

4 Upon notification by the State Board of Education 5 that the district has not submitted a plan prior to July 6 15 or a modified plan within the time period specified 7 herein, the State aid funds affected by that plan or 8 modified plan shall be withheld by the State Board of 9 Education until a plan or modified plan is submitted.

If the district fails to distribute State aid to 10 11 attendance centers in accordance with an approved plan, 12 the plan for the following year shall allocate funds, in addition to the funds otherwise required 13 by this to those attendance centers which were 14 subsection, 15 underfunded during the previous year in amounts equal to 16 such underfunding.

For purposes of determining compliance with this 17 subsection in relation to the requirements of attendance 18 center funding, each district subject to the provisions 19 of this subsection shall submit as a separate document by 20 21 December 1 of each year a report of expenditure data for 22 the prior year in addition to any modification of its 23 current plan. If it is determined that there has been a failure to comply with the expenditure provisions of this 24 25 subsection regarding contravention or supplanting, the State Superintendent of Education shall, within 60 days 26 of receipt of the report, notify the district and any 27 affected local school council. The district shall within 28 45 days of receipt of that notification inform the State 29 30 Superintendent of Education of the remedial or corrective action to be taken, whether by amendment of the current 31 plan, if feasible, or by adjustment in the plan for the 32 Failure to provide the expenditure following year. 33 report or the notification of remedial or corrective 34

action in a timely manner shall result in a withholding
 of the affected funds.

The State Board of Education shall promulgate rules and regulations to implement the provisions of this subsection. No funds shall be released under this subdivision (H)(4) to any district that has not submitted a plan that has been approved by the State Board of Education.

(I) General State Aid for Newly Configured School Districts. 9 (1) For a new school district formed by combining 10 property included totally within 2 or more previously 11 12 existing school districts, for its first year of existence the general State aid and supplemental general State aid 13 14 calculated under this Section shall be computed for the new district and for the previously existing districts for which 15 property is totally included within the new district. If the 16 computation on the basis of the previously existing districts 17 18 is greater, a supplementary payment equal to the difference 19 shall be made for the first 4 years of existence of the new district. 20

21 (2) For a school district which annexes all of the territory of one or more entire other school districts, for 22 23 the first year during which the change of boundaries attributable to such annexation becomes effective for all 24 25 purposes as determined under Section 7-9 or 7A-8, the general State aid and supplemental general State aid calculated under 26 this Section shall be computed for the annexing district as 27 28 constituted after the annexation and for the annexing and 29 each annexed district as constituted prior to the annexation; and if the computation on the basis of the annexing and 30 annexed districts as constituted prior to the annexation is 31 32 greater, a supplementary payment equal to the difference 33 shall be made for the first 4 years of existence of the annexing school district as constituted upon such annexation. 34

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1 (3) For 2 or more school districts which annex all of 2 the territory of one or more entire other school districts, and for 2 or more community unit districts which result upon 3 4 the division (pursuant to petition under Section 11A-2) of one or more other unit school districts into 2 or more parts 5 6 and which together include all of the parts into which such 7 other unit school district or districts are so divided, for 8 the first year during which the change of boundaries 9 attributable to such annexation or division becomes effective for all purposes as determined under Section 7-9 or 11A-10, 10 11 as the case may be, the general State aid and supplemental general State aid calculated under this Section shall be 12 13 computed for each annexing or resulting district as constituted after the annexation or division and for each 14 annexing and annexed district, or for each resulting and 15 16 divided district, as constituted prior to the annexation or 17 division; and if the aggregate of the general State aid and supplemental general State aid as so computed for 18 the 19 annexing or resulting districts as constituted after the 20 annexation or division is less than the aggregate of the 21 general State aid and supplemental general State aid as so 22 computed for the annexing and annexed districts, or for the 23 resulting and divided districts, as constituted prior to the annexation or division, then a supplementary payment equal to 24 25 the difference shall be made and allocated between or among the annexing or resulting districts, as constituted upon such 26 annexation or division, for the first 4 years of their 27 existence. The total difference payment shall be allocated 28 29 between or among the annexing or resulting districts in the 30 same ratio as the pupil enrollment from that portion of the annexed or divided district or districts which is annexed to 31 32 or included in each such annexing or resulting district bears 33 to the total pupil enrollment from the entire annexed or 34 divided district or districts, as such pupil enrollment is

1 determined for the school year last ending prior to the date 2 when the change of boundaries attributable to the annexation or division becomes effective for all purposes. 3 The amount 4 the total difference payment and the amount thereof to be of 5 allocated to the annexing or resulting districts shall be 6 computed by the State Board of Education on the basis of 7 pupil enrollment and other data which shall be certified to the State Board of Education, on forms which it shall provide 8 9 for that purpose, by the regional superintendent of schools for each educational service region in which the annexing and 10 11 annexed districts, or resulting and divided districts are located. 12

13 (3.5) Claims for financial assistance under this
14 subsection (I) shall not be recomputed except as expressly
15 provided under this Section.

16 (4) Any supplementary payment made under this subsection
17 (I) shall be treated as separate from all other payments made
18 pursuant to this Section.

19 (J) Supplementary Grants in Aid.

provisions of this 20 (1) Notwithstanding any other 21 Section, the amount of the aggregate general State aid in combination with supplemental general State aid under this 22 23 Section for which each school district is eligible shall be 24 no less than the amount of the aggregate general State aid 25 entitlement that was received by the district under Section 18-8 (exclusive of amounts received under subsections 5(p) 26 and 5(p-5) of that Section) for the 1997-98 school year, 27 pursuant to the provisions of that Section as it was then in 28 29 effect. If a school district qualifies to receive а supplementary payment made under this subsection (J), the 30 amount of the aggregate general State aid in combination with 31 32 supplemental general State aid under this Section which that 33 district is eligible to receive for each school year shall be 34 no less than the amount of the aggregate general State aid entitlement that was received by the district under Section 18-8 (exclusive of amounts received under subsections 5(p) and 5(p-5) of that Section) for the 1997-1998 school year, pursuant to the provisions of that Section as it was then in effect.

6 (2) If, as provided in paragraph (1) of this subsection 7 (J), a school district is to receive aggregate general State 8 aid in combination with supplemental general State aid under 9 this Section for the 1998-99 school year and any subsequent school year that in any such school year is less than the 10 11 amount of the aggregate general State aid entitlement that the district received for the 1997-98 school year, the school 12 district shall also receive, from a separate appropriation 13 made for purposes of this subsection (J), a supplementary 14 15 payment that is equal to the amount of the difference in the 16 aggregate State aid figures as described in paragraph (1).

17

(3) (Blank).

18 (K) Grants to Laboratory and Alternative Schools.

In calculating the amount to be paid to the governing board of a public university that operates a laboratory school under this Section or to any alternative school that is operated by a regional superintendent of schools, the State Board of Education shall require by rule such reporting requirements as it deems necessary.

As used in this Section, "laboratory school" means a 25 public school which is created and operated by a public 26 university and approved by the State Board of Education. 27 The 28 governing board of a public university which receives funds 29 from the State Board under this subsection (K) may not increase the number of students enrolled in its laboratory 30 school from a single district, if that district is already 31 sending 50 or more students, except under a mutual agreement 32 33 between the school board of a student's district of residence and the university which operates the laboratory school. A 34

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laboratory school may not have more than 1,000 students,
 excluding students with disabilities in a special education
 program.

4 As used in this Section, "alternative school" means a 5 public school which is created and operated by a Regional 6 Superintendent of Schools and approved by the State Board of 7 Education. Such alternative schools may offer courses of instruction for which credit is given in regular school 8 9 programs, courses to prepare students for the high school equivalency testing program or vocational and occupational 10 11 training. A regional superintendent of schools may contract with a school district or a public community college district 12 to operate an alternative school. An alternative school 13 serving more than one educational service region may be 14 15 established by the regional superintendents of schools of the 16 affected educational service regions. An alternative school serving more than one educational service region may be 17 18 operated under such terms as the regional superintendents of 19 schools of those educational service regions may agree.

20 Each laboratory and alternative school shall file, on 21 forms provided by the State Superintendent of Education, an annual State aid claim which states the Average Daily 22 23 Attendance of the school's students by month. The best 3 months' Average Daily Attendance shall be computed for each 24 25 The general State aid entitlement shall be computed school. by multiplying the applicable Average Daily Attendance by the 26 Foundation Level as determined under this Section. 27

28 (L) Payments, Additional Grants in Aid and Other29 Requirements.

30 (1) For a school district operating under the financial 31 supervision of an Authority created under Article 34A, the 32 general State aid otherwise payable to that district under 33 this Section, but not the supplemental general State aid, 34 shall be reduced by an amount equal to the budget for the 1 operations of the Authority as certified by the Authority to 2 the State Board of Education, and an amount equal to such reduction shall be paid to the Authority created for such 3 4 district for its operating expenses in the manner provided in 5 Section 18-11. The remainder of general State school aid for 6 any such district shall be paid in accordance with Article 7 34A when that Article provides for a disposition other than that provided by this Article. 8

9

(2) (Blank).

10 (3) Summer school. Summer school payments shall be made11 as provided in Section 18-4.3.

12 (M) Education Funding Advisory Board.

The Education Funding Advisory Board, hereinafter in this 13 14 subsection (M) referred to as the "Board", is hereby created. The Board shall consist of 5 members who are appointed by the 15 Governor, by and with the advice and consent of the Senate. 16 members appointed shall include representatives of 17 The 18 education, business, and the general public. One of the 19 members so appointed shall be designated by the Governor at the time the appointment is made as the chairperson of 20 the 21 Board. The initial members of the Board may be appointed any time after the effective date of this amendatory Act of 1997. 22 23 The regular term of each member of the Board shall be for 4 years from the third Monday of January of the year in which 24 25 the term of the member's appointment is to commence, except that of the 5 initial members appointed to serve on the 26 Board, the member who is appointed as the chairperson shall 27 28 serve for a term that commences on the date of his or her appointment and expires on the third Monday of January, 2002, 29 and the remaining 4 members, by lots drawn at the first 30 the Board that is held after all 5 members are 31 meeting of appointed, shall determine 2 of their number to serve 32 for 33 terms that commence on the date of their respective 34 appointments and expire on the third Monday of January, 2001,

1 and 2 of their number to serve for terms that commence on the 2 date of their respective appointments and expire on the third Monday of January, 2000. All members appointed to serve on 3 4 the Board shall serve until their respective successors are 5 appointed and confirmed. Vacancies shall be filled in the 6 same manner as original appointments. If a vacancy in 7 membership occurs at a time when the Senate is not in 8 session, the Governor shall make a temporary appointment 9 until the next meeting of the Senate, when he or she shall appoint, by and with the advice and consent of the Senate, a 10 11 person to fill that membership for the unexpired term. Τf 12 the Senate is not in session when the initial appointments are made, those appointments shall be made as in the case of 13 14 vacancies.

The Education Funding Advisory Board shall be deemed 15 16 established, and the initial members appointed by the Governor to serve as members of the Board shall take office, 17 on the date that the Governor makes his or her appointment of 18 19 the fifth initial member of the Board, whether those initial 20 members then serving pursuant to appointment and are 21 confirmation or pursuant to temporary appointments that are 22 made by the Governor as in the case of vacancies.

The State Board of Education shall provide such staff assistance to the Education Funding Advisory Board as is reasonably required for the proper performance by the Board of its responsibilities.

For school years after the 2000-2001 school year, 27 the Education Funding Advisory Board, in consultation with the 28 29 State Board of Education, shall make recommendations as 30 provided in this subsection (M) to the General Assembly for the foundation level under subdivision (B)(3) of this Section 31 32 and for the supplemental general State aid grant level under subsection (H) of this Section for districts with high 33 34 concentrations of children from poverty. The recommended foundation level shall be determined based on a methodology which incorporates the basic education expenditures of low-spending schools exhibiting high academic performance. The Education Funding Advisory Board shall make such recommendations to the General Assembly on January 1 of odd numbered years, beginning January 1, 2001.

7 (N) (Blank).

8 (O) References.

9 (1) References in other laws to the various subdivisions 10 of Section 18-8 as that Section existed before its repeal and 11 replacement by this Section 18-8.05 shall be deemed to refer 12 to the corresponding provisions of this Section 18-8.05, to 13 the extent that those references remain applicable.

14 (2) References in other laws to State Chapter 1 funds
15 shall be deemed to refer to the supplemental general State
16 aid provided under subsection (H) of this Section.

17 (Source: P.A. 92-16, eff. 6-28-01; 92-28, eff. 7-1-01; 92-29, 18 eff. 7-1-01; 92-269, eff. 8-7-01; 92-604, eff. 7-1-02; 19 92-636, eff. 7-11-02; 92-651, eff. 7-11-02; 93-21, eff. 20 7-1-03.)

21 Section 99. Effective date. This Act takes effect on 22 July 1, 2004.