# 93RD GENERAL ASSEMBLY

#### State of Illinois

# 2003 and 2004

Introduced 02/09/04, by Susana Mendoza

### SYNOPSIS AS INTRODUCED:

105 ILCS 5/18-8.05

Amends the School Code. In the State aid formula provisions, provides that a school district with a high school dropout rate that is at least 2 times the State high school dropout rate shall receive an incentive weighting of 2 times the foundation level of support for each high school dropout who has been reenrolled in a program for dropouts, if the program meets certain standards. Requires the school district to provide the same local and other funding for each reenrolled dropout that is provided for other students already enrolled in the district. Effective July 1, 2004.

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FISCAL NOTE ACT MAY APPLY

A BILL FOR

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AN ACT concerning education.

#### Be it enacted by the People of the State of Illinois, 2 represented in the General Assembly: 3

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

(105 ILCS 5/18-8.05) 6

7 Sec. 18-8.05. Basis for apportionment of general State financial aid and supplemental general State aid to the common 8 schools for the 1998-1999 and subsequent school years. 9

10 (A) General Provisions.

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

27 (2) In addition to general State financial aid, school 28 districts with specified levels or concentrations of pupils 29 from low income households are eligible to receive supplemental general State financial aid grants as provided pursuant to 30 subsection (H). The supplemental State aid grants provided for 31

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

5 (3) To receive financial assistance under this Section, 6 school districts are required to file claims with the State 7 Board of Education, subject to the following requirements:

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

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

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

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(d) (Blank).

33 (4) Except as provided in subsections (H) and (L), the 34 board of any district receiving any of the grants provided for 35 in this Section may apply those funds to any fund so received 36 for which that board is authorized to make expenditures by law. - 3 - LRB093 16548 NHT 47231 b

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

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

6 (a) "Average Daily Attendance": A count of pupil 7 attendance in school, averaged as provided for in 8 subsection (C) and utilized in deriving per pupil financial 9 support levels.

10 (b) "Available Local Resources": A computation of 11 local financial support, calculated on the basis of Average 12 Daily Attendance and derived as provided pursuant to 13 subsection (D).

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

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

27 (B) Foundation Level.

28 (1) The Foundation Level is a figure established by the 29 State representing the minimum level of per pupil financial 30 support that should be available to provide for the basic 31 education of each pupil in Average Daily Attendance. As set forth in this Section, each school district is assumed to exert 32 33 a sufficient local taxing effort such that, in combination with the aggregate of general State financial aid provided the 34 35 district, an aggregate of State and local resources are

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1 available to meet the basic education needs of pupils in the 2 district.

3 (2) For the 1998-1999 school year, the Foundation Level of 4 support is \$4,225. For the 1999-2000 school year, the 5 Foundation Level of support is \$4,325. For the 2000-2001 school 6 year, the Foundation Level of support is \$4,425.

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

9 (4) For the 2003-2004 school year and each school year 10 thereafter, the Foundation Level of support is \$4,810 or such 11 greater amount as may be established by law by the General 12 Assembly.

(5) For the 2004-2005 school year and each school year 13 thereafter, a school district with a high school dropout rate 14 that is at least 2 times the State high school dropout rate 15 16 shall receive an incentive weighting of 2 times the Foundation 17 Level of support for each high school dropout who has been dropped from the school enrollment rolls for at least one month 18 and who has been reenrolled in a program for dropouts. The 19 20 school district shall provide the same local and other funding for each reenrolled dropout that is provided for other students 21 already enrolled in the district. Programs developed and 22 23 operated with this increased incentive foundation funding must be designed using the best program practices for high school 24 dropouts, including small program size, small class size, local 25 program decision making, comprehensive programming, and strong 26 27 staff teamwork. These programs must be held to strict accountable outcomes, including enrollment, attendance, skill 28 gains, credit gains, graduation or promotion to the next grade 29 level, and the transition to college, training, or employment. 30

31 (C) Average Daily Attendance.

(1) For purposes of calculating general State aid pursuant
 to subsection (E), an Average Daily Attendance figure shall be
 utilized. The Average Daily Attendance figure for formula
 calculation purposes shall be the monthly average of the actual

number of pupils in attendance of each school district, as further averaged for the best 3 months of pupil attendance for each school district. In compiling the figures for the number of pupils in attendance, school districts and the State Board of Education shall, for purposes of general State aid funding, conform attendance figures to the requirements of subsection (F).

8 (2) The Average Daily Attendance figures utilized in 9 subsection (E) shall be the requisite attendance data for the 10 school year immediately preceding the school year for which 11 general State aid is being calculated or the average of the 12 attendance data for the 3 preceding school years, whichever is 13 greater. The Average Daily Attendance figures utilized in subsection (H) shall be the requisite attendance data for the 14 15 school year immediately preceding the school year for which 16 general State aid is being calculated.

17 (D) Available Local Resources.

18 (1) For purposes of calculating general State aid pursuant 19 subsection (E), a representation of Available Local to Resources per pupil, as that term is defined and determined in 20 this subsection, shall be utilized. Available Local Resources 21 22 per pupil shall include a calculated dollar amount representing 23 local school district revenues from local property taxes and 24 from Corporate Personal Property Replacement Taxes, expressed 25 on the basis of pupils in Average Daily Attendance.

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

32 (3) For school districts maintaining grades kindergarten 33 through 12, local property tax revenues per pupil shall be 34 calculated as the product of the applicable equalized assessed 35 valuation for the district multiplied by 3.00%, and divided by

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1 the district's Average Daily Attendance figure. For school 2 districts maintaining grades kindergarten through 8, local property tax revenues per pupil shall be calculated as the 3 product of the applicable equalized assessed valuation for the 4 5 district multiplied by 2.30%, and divided by the district's 6 Average Daily Attendance figure. For school districts maintaining grades 9 through 12, local property tax revenues 7 per pupil shall be the applicable equalized assessed valuation 8 9 of the district multiplied by 1.05%, and divided by the district's Average Daily Attendance figure. 10

11 (4) The Corporate Personal Property Replacement Taxes paid 12 to each school district during the calendar year 2 years before the calendar year in which a school year begins, divided by the 13 Average Daily Attendance figure for that district, shall be 14 15 added to the local property tax revenues per pupil as derived 16 by the application of the immediately preceding paragraph (3). 17 The sum of these per pupil figures for each school district shall constitute Available Local Resources as that term is 18 19 utilized in subsection (E) in the calculation of general State 20 aid.

21 (E) Computation of General State Aid.

(1) For each school year, the amount of general State aid
allotted to a school district shall be computed by the 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.

31 (3) For any school district for which Available Local 32 Resources per pupil is equal to or greater than the product of 33 0.93 times the Foundation Level and less than the product of 34 1.75 times the Foundation Level, the general State aid per 35 pupil shall be a decimal proportion of the Foundation Level

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1 derived using a linear algorithm. Under this linear algorithm, 2 the calculated general State aid per pupil shall decline in direct linear fashion from 0.07 times the Foundation Level for 3 a school district with Available Local Resources equal to the 4 5 product of 0.93 times the Foundation Level, to 0.05 times the Foundation Level for a school district with Available Local 6 Resources equal to the product of 1.75 times the Foundation 7 Level. The allocation of general State aid for school districts 8 subject to this paragraph 3 shall be the calculated general 9 10 State aid per pupil figure multiplied by the Average Daily 11 Attendance of the school district.

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

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

27 (F) Compilation of Average Daily Attendance.

(1) Each school district shall, by July 1 of each year, 28 29 submit to the State Board of Education, on forms prescribed by 30 the State Board of Education, attendance figures for the school 31 year that began in the preceding calendar year. The attendance information so transmitted shall identify the average daily 32 attendance figures for each month of the school year. Beginning 33 with the general State aid claim form for the 2002-2003 school 34 year, districts shall calculate Average Daily Attendance as 35

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1 provided in subdivisions (a), (b), and (c) of this paragraph 2 (1).

(a) In districts that do not hold year-round classes, 3 days of attendance in August shall be added to the month of 5 September and any days of attendance in June shall be added 6 to the month of May.

(b) In districts in which all buildings hold year-round 7 classes, days of attendance in July and August shall be 8 9 added to the month of September and any days of attendance 10 in June shall be added to the month of May.

11 (c) In districts in which some buildings, but not all, 12 hold year-round classes, for the non-year-round buildings, days of attendance in August shall be added to the month of 13 September and any days of attendance in June shall be added 14 to the month of May. The average daily attendance for the 15 16 year-round buildings shall be computed as provided in 17 subdivision (b) of this paragraph (1). To calculate the Average Daily Attendance for the district, the average 18 daily attendance for the year-round buildings shall be 19 20 multiplied by the days in session for the non-year-round buildings for each month and added to 21 the monthly attendance of the non-year-round buildings. 22

23 Except as otherwise provided in this Section, days of attendance by pupils shall be counted only for sessions of not 24 less than 5 clock hours of school work per day under direct 25 supervision of: (i) teachers, or (ii) non-teaching personnel or 26 27 volunteer personnel when engaging in non-teaching duties and 28 supervising in those instances specified in subsection (a) of 29 Section 10-22.34 and paragraph 10 of Section 34-18, with pupils 30 of legal school age and in kindergarten and grades 1 through 12. 31

32 Days of attendance by tuition pupils shall be accredited only to the districts that pay the tuition to a recognized 33 34 school.

(2) Days of attendance by pupils of less than 5 clock hours 35 of school shall be subject to the following provisions in the 36

1 compilation of Average Daily Attendance.

2 (a) Pupils regularly enrolled in a public school for only a part of the school day may be counted on the basis 3 of 1/6 day for every class hour of instruction of 40 4 5 minutes or more attended pursuant to such enrollment, unless a pupil is enrolled in a block-schedule format of 80 6 minutes or more of instruction, in which case the pupil may 7 be counted on the basis of the proportion of minutes of 8 9 school work completed each day to the minimum number of 10 minutes that school work is required to be held that day.

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

20 (d) A session of 3 or more clock hours may be counted as a day of attendance (1) when the remainder of the school 21 day or at least 2 hours in the evening of that day is 22 23 utilized for an in-service training program for teachers, up to a maximum of 5 days per school year of which a 24 25 maximum of 4 days of such 5 days may be used for parent-teacher conferences, provided a district conducts 26 27 an in-service training program for teachers which has been 28 approved by the State Superintendent of Education; or, in lieu of 4 such days, 2 full days may be used, in which 29 30 event each such day may be counted as a day of attendance; 31 and (2) when days in addition to those provided in item (1) 32 are scheduled by a school pursuant to its school improvement plan adopted under Article 34 or its revised or 33 amended school improvement plan adopted under Article 2, 34 provided that (i) such sessions of 3 or more clock hours 35 are scheduled to occur at regular intervals, (ii) the 36

1 remainder of the school days in which such sessions occur are utilized for in-service training programs or other 2 3 staff development activities for teachers, and (iii) a sufficient number of minutes of school work under the 4 5 direct supervision of teachers are added to the school days between such regularly scheduled sessions to accumulate 6 not less than the number of minutes by which such sessions 7 of 3 or more clock hours fall short of 5 clock hours. Any 8 9 full days used for the purposes of this paragraph shall not 10 be considered for computing average daily attendance. Days 11 scheduled for in-service training programs, staff development activities, or parent-teacher conferences may 12 be scheduled separately for different grade levels and 13 different attendance centers of the district. 14

(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.

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

(h) A recognized kindergarten which provides for only
1/2 day of attendance by each pupil shall not have more
than 1/2 day of attendance counted in any one day. However,
kindergartens may count 2 1/2 days of attendance in any 5

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1 consecutive school days. When a pupil attends such a 2 kindergarten for 2 half days on any one school day, the pupil shall have the following day as a day absent from 3 school, unless the school district obtains permission in 4 5 writing from the State Superintendent of Education. 6 Attendance at kindergartens which provide for a full day of attendance by each pupil shall be counted the same as 7 attendance by first grade pupils. Only the first year of 8 9 attendance in one kindergarten shall be counted, except in 10 case of children who entered the kindergarten in their 11 fifth year whose educational development requires a second 12 year of kindergarten as determined under the rules and regulations of the State Board of Education. 13

14 (G) Equalized Assessed Valuation Data.

(1) For purposes of the calculation of Available Local 15 16 Resources required pursuant to subsection (D), the State Board of Education shall secure from the Department of Revenue the 17 18 value as equalized or assessed by the Department of Revenue of 19 all taxable property of every school district, together with (i) the applicable tax rate used in extending taxes for the 20 funds of the district as of September 30 of the previous year 21 22 and (ii) the limiting rate for all school districts subject to 23 property tax extension limitations as imposed under the Property Tax Extension Limitation Law. 24

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

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

(a) For the purposes of calculating State aid under 30 31 this Section, with respect to any part of a school district within a redevelopment project area in respect to which a 32 municipality 33 has adopted tax increment allocation financing pursuant to Increment 34 the Tax Allocation Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11 35

1 of the Illinois Municipal Code or the Industrial Jobs 2 Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the 3 Illinois Municipal Code, no part of the current equalized assessed valuation of real property located in any such 4 5 project area which is attributable to an increase above the 6 total initial equalized assessed valuation of such property shall be used as part of the equalized assessed 7 valuation of the district, until such time as 8 all redevelopment project costs have been paid, as provided in 9 10 Section 11-74.4-8 of the Tax Increment Allocation 11 Redevelopment Act or in Section 11-74.6-35 of the 12 Industrial Jobs Recovery Law. For the purpose of the equalized assessed valuation of the district, the total 13 initial equalized assessed valuation or the current 14 equalized assessed valuation, whichever is lower, shall be 15 16 used until such time as all redevelopment project costs 17 have been paid.

(b) The real property equalized assessed valuation for 18 a school district shall be adjusted by subtracting from the 19 20 real property value as equalized or assessed by the Department of Revenue for the district an amount computed 21 by dividing the amount of any abatement of taxes under 22 Section 18-170 of the Property Tax Code by 3.00% for a 23 district maintaining grades kindergarten through 12, by 24 25 2.30% for a district maintaining grades kindergarten through 8, or by 1.05% for a district maintaining grades 9 26 27 through 12 and adjusted by an amount computed by dividing 28 the amount of any abatement of taxes under subsection (a) 29 of Section 18-165 of the Property Tax Code by the same 30 percentage rates for district type as specified in this 31 subparagraph (b).

32 (3) For the 1999-2000 school year and each school year 33 thereafter, if a school district meets all of the criteria of 34 this subsection (G)(3), the school district's Available Local 35 Resources shall be calculated under subsection (D) using the 36 district's Extension Limitation Equalized Assessed Valuation - 13 - LRB093 16548 NHT 47231 b

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1 as calculated under this subsection (G)(3).

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

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"Budget Year": The school year for which general State aid is calculated and awarded under subsection (E).

"Base Tax Year": The property tax levy year used to calculate the Budget Year allocation of general State aid.

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

10 "Base Tax Year's Tax Extension": The product of the 11 equalized assessed valuation utilized by the County Clerk 12 in the Base Tax Year multiplied by the limiting rate as 13 calculated by the County Clerk and defined in the Property 14 Tax Extension Limitation Law.

15 "Preceding Tax Year's Tax Extension": The product of 16 the equalized assessed valuation utilized by the County 17 Clerk in the Preceding Tax Year multiplied by the Operating 18 Tax Rate as defined in subsection (A).

19 "Extension Limitation Ratio": A numerical ratio, 20 certified by the County Clerk, in which the numerator is 21 the Base Tax Year's Tax Extension and the denominator is 22 the Preceding Tax Year's Tax Extension.

23 "Operating Tax Rate": The operating tax rate as defined24 in subsection (A).

If a school district is subject to property tax extension 25 26 limitations as imposed under the Property Tax Extension 27 Limitation Law, the State Board of Education shall calculate 28 the Extension Limitation Equalized Assessed Valuation of that 29 district. For the 1999-2000 school year, the Extension 30 Limitation Equalized Assessed Valuation of a school district as 31 calculated by the State Board of Education shall be equal to 32 the product of the district's 1996 Equalized Assessed Valuation and the district's Extension Limitation Ratio. For the 33 2000-2001 school year and each school year thereafter, the 34 Extension Limitation Equalized Assessed Valuation of a school 35 36 district as calculated by the State Board of Education shall be

1 equal to the product of the Equalized Assessed Valuation last 2 used in the calculation of general State aid and the district's 3 Extension Limitation Ratio. If the Extension Limitation 4 Equalized Assessed Valuation of a school district as calculated 5 under this subsection (G)(3) is less than the district's 6 equalized assessed valuation as calculated pursuant to subsections (G)(1) and (G)(2), then for purposes of calculating 7 8 the district's general State aid for the Budget Year pursuant 9 subsection (E), that Extension Limitation Equalized to Assessed Valuation shall be 10 utilized to calculate the 11 district's Available Local Resources under subsection (D).

12 (4) For the purposes of calculating general State aid for if 13 the 1999-2000 school year only, a school district experienced a triennial reassessment on the equalized assessed 14 15 valuation used in calculating its general State financial aid apportionment for the 1998-1999 school year, the State Board of 16 17 Education shall calculate the Extension Limitation Equalized Assessed Valuation that would have been used to calculate the 18 19 district's 1998-1999 general State aid. This amount shall equal 20 the product of the equalized assessed valuation used to calculate general State aid for the 1997-1998 school year and 21 22 the district's Extension Limitation Ratio. If the Extension 23 Limitation Equalized Assessed Valuation of the school district 24 as calculated under this paragraph (4) is less than the 25 district's equalized assessed valuation utilized in 26 district's 1998-1999 general calculating the State aid 27 allocation, then for purposes of calculating the district's 28 general State aid pursuant to paragraph (5) of subsection (E), 29 that Extension Limitation Equalized Assessed Valuation shall 30 be utilized to calculate the district's Available Local 31 Resources.

32 (5) For school districts having a majority of their 33 equalized assessed valuation in any county except Cook, DuPage, 34 Kane, Lake, McHenry, or Will, if the amount of general State 35 aid allocated to the school district for the 1999-2000 school 36 year under the provisions of subsection (E), (H), and (J) of

this Section is less than the amount of general State aid allocated to the district for the 1998-1999 school year under these subsections, then the general State aid of the district for the 1999-2000 school year only shall be increased by the difference between these amounts. The total payments made under this paragraph (5) shall not exceed \$14,000,000. Claims shall be prorated if they exceed \$14,000,000.

8 (H) Supplemental General State Aid.

9 (1) In addition to the general State aid a school district 10 is allotted pursuant to subsection (E), qualifying school 11 districts shall receive a grant, paid in conjunction with a district's payments of general State aid, for supplemental 12 general State aid based upon the concentration level of 13 14 children from low-income households within the school 15 district. Supplemental State aid grants provided for school districts under this subsection shall be appropriated for 16 distribution to school districts as part of the same line item 17 18 in which the general State financial aid of school districts is 19 appropriated under this Section. If the appropriation in any fiscal year for general State aid and supplemental general 20 State aid is insufficient to pay the amounts required under the 21 22 general State aid and supplemental general State aid 23 calculations, then the State Board of Education shall ensure that each school district receives the full amount due for 24 25 general State aid and the remainder of the appropriation shall 26 be used for supplemental general State aid, which the State 27 Board of Education shall calculate and pay to eligible 28 districts on a prorated basis.

29 (1.5) This paragraph (1.5) applies only to those school 30 years preceding the 2003-2004 school year. For purposes of this 31 subsection (H), the term "Low-Income Concentration Level" shall be the low-income eligible pupil count from the most 32 recently available federal census divided by the Average Daily 33 Attendance of the school district. If, however, 34 (i) the percentage decrease from the 2 most recent federal censuses in 35

1 the low-income eligible pupil count of a high school district 2 with fewer than 400 students exceeds by 75% or more the percentage change in the total low-income eligible pupil count 3 4 of contiguous elementary school districts, whose boundaries 5 are coterminous with the high school district, or (ii) a high 6 school district within 2 counties and serving 5 elementary school districts, whose boundaries are coterminous with the 7 8 high school district, has a percentage decrease from the 2 most 9 recent federal censuses in the low-income eligible pupil count 10 and there is a percentage increase in the total low-income 11 eligible pupil count of a majority of the elementary school 12 districts in excess of 50% from the 2 most recent federal 13 censuses, then the high school district's low-income eligible pupil count from the earlier federal census shall be the number 14 15 used as the low-income eligible pupil count for the high school 16 district, for purposes of this subsection (H). The changes made 17 to this paragraph (1) by Public Act 92-28 shall apply to supplemental general State aid grants for school 18 vears 19 preceding the 2003-2004 school year that are paid in fiscal 20 year 1999 or thereafter and to any State aid payments made in fiscal year 1994 through fiscal year 1998 pursuant 21 to subsection 1(n) of Section 18-8 of this Code (which was 22 23 repealed on July 1, 1998), and any high school district that is 24 affected by Public Act 92-28 is entitled to a recomputation of its supplemental general State aid grant or State aid paid in 25 26 any of those fiscal years. This recomputation shall not be 27 affected by any other funding.

28 (1.10) This paragraph (1.10) applies to the 2003-2004 29 school year and each school year thereafter. For purposes of 30 this subsection (H), the term "Low-Income Concentration Level" 31 shall, for each fiscal year, be the low-income eligible pupil 32 count as of July 1 of the immediately preceding fiscal year (as 33 determined by the Department of Human Services based on the number of pupils who are eligible for at least one of the 34 35 following low income programs: Medicaid, KidCare, TANF, or Food 36 Stamps, excluding pupils who are eligible for services provided

by the Department of Children and Family Services, averaged over the 2 immediately 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.

6 (2) Supplemental general State aid pursuant to this
7 subsection (H) shall be provided as follows for the 1998-1999,
8 1999-2000, and 2000-2001 school years only:

9 (a) For any school district with a Low Income 10 Concentration Level of at least 20% and less than 35%, the 11 grant for any school year shall be \$800 multiplied by the 12 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.

17 (c) For any school district with a Low Income 18 Concentration Level of at least 50% and less than 60%, the 19 grant for the 1998-99 school year shall be \$1,500 20 multiplied by the low income eligible pupil count.

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

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

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(a) For any school district with a Low Income

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1 Concentration Level of less than 10%, the grant for each 2 school year shall be \$355 multiplied by the low income 3 eligible pupil count.

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

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

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

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

20 (f) For any school district with a Low Income 21 Concentration Level of 60% or more, the grant for each 22 school year shall be \$2,080 multiplied by the low income 23 eligible pupil count.

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

32 (b) For any school district with a Low Income 33 Concentration Level greater than 15%, the grant for each 34 school year shall be \$294.25 added to the product of \$2,700 35 and the square of the Low Income Concentration Level, all 36 multiplied by the low income eligible pupil count.

For the 2003-2004 school year only, the grant shall be no less than the grant for the 2002-2003 school year. For the 2004-2005 school year only, the grant shall be no less than the grant for the 2002-2003 school year multiplied by 0.66. For the 2005-2006 school year only, the grant shall be no less than the grant for the 2002-2003 school year multiplied by 0.33.

For the 2003-2004 school year only, the grant shall be no 7 greater than the grant received during the 2002-2003 school 8 year added to the product of 0.25 multiplied by the difference 9 between the grant amount calculated under subsection (a) or (b) 10 11 of this paragraph (2.10), whichever is applicable, and the 12 grant received during the 2002-2003 school year. For the 13 2004-2005 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to 14 15 the product of 0.50 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this 16 17 paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year. For the 2005-2006 18 19 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product 20 of 0.75 multiplied by the difference between the grant amount 21 calculated under subsection (a) or (b) of this paragraph 22 23 (2.10), whichever is applicable, and the grant received during the 2002-2003 school year. 24

(3) School districts with an Average Daily Attendance of 25 26 more than 1,000 and less than 50,000 that qualify for 27 supplemental general State aid pursuant to this subsection 28 shall submit a plan to the State Board of Education prior to 29 October 30 of each year for the use of the funds resulting from 30 this grant of supplemental general State aid for the improvement of instruction in which priority is given to 31 32 meeting the education needs of disadvantaged children. Such shall be submitted in accordance with rules 33 plan and regulations promulgated by the State Board of Education. 34

35 (4) School districts with an Average Daily Attendance of
 36 50,000 or more that qualify for supplemental general State aid

pursuant to this subsection shall be required to distribute from funds available pursuant to this Section, no less than \$261,000,000 in accordance with the following requirements:

4 (a) The required amounts shall be distributed to the 5 attendance centers within the district in proportion to the 6 number of pupils enrolled at each attendance center who are 7 eligible to receive free or reduced-price lunches or 8 breakfasts under the federal Child Nutrition Act of 1966 9 and under the National School Lunch Act during the 10 immediately preceding school year.

11 (b) The distribution of these portions of supplemental 12 and general State aid among attendance centers according to requirements shall not be compensated for or 13 these contravened by adjustments of the total of other funds 14 appropriated to any attendance centers, and the Board of 15 16 Education shall utilize funding from one or several sources 17 in order to fully implement this provision annually prior to the opening of school. 18

(c) Each attendance center shall be provided by the 19 20 school district a distribution of noncategorical funds and other categorical funds to which an attendance center is 21 entitled under law in order that the general State aid and 22 23 supplemental general State aid provided by application of 24 this subsection supplements rather than supplants the 25 noncategorical funds and other categorical funds provided by the school district to the attendance centers. 26

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

32 (e) Funds received by an attendance center pursuant to 33 this subsection shall be used by the attendance center at 34 the discretion of the principal and local school council 35 for programs to improve educational opportunities at 36 qualifying schools through the following programs and

1 services: early childhood education, reduced class size or 2 improved adult to student classroom ratio, enrichment 3 programs, remedial assistance, attendance improvement, and beneficial other educationally expenditures 4 which 5 supplement the regular and basic programs as determined by the State Board of Education. Funds provided shall not be 6 expended for any political or lobbying purposes as defined 7 by board rule. 8

9 (f) Each district subject to the provisions of this 10 subdivision (H)(4) shall submit an acceptable plan to meet 11 the educational needs of disadvantaged children, in 12 compliance with the requirements of this paragraph, to the State Board of Education prior to July 15 of each year. 13 This plan shall be consistent with the decisions of local 14 school councils concerning the school expenditure plans 15 16 developed in accordance with part 4 of Section 34-2.3. The 17 State Board shall approve or reject the plan within 60 days after its submission. If the plan is rejected, the district 18 shall give written notice of intent to modify the plan 19 20 within 15 days of the notification of rejection and then 21 submit a modified plan within 30 days after the date of the written notice of intent to modify. Districts may amend 22 23 approved plans pursuant to rules promulgated by the State Board of Education. 24

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

31 If the district fails to distribute State aid to 32 attendance centers in accordance with an approved plan, the plan for the following year shall allocate funds, 33 in addition to the funds otherwise required by this 34 35 subsection, to those attendance centers which were underfunded during the previous year in amounts equal to 36

1 such underfunding.

2 For purposes of determining compliance with this 3 subsection in relation to the requirements of attendance center funding, each district subject to the provisions of 4 5 this subsection shall submit as a separate document by December 1 of each year a report of expenditure data for 6 the prior year in addition to any modification of its 7 current plan. If it is determined that there has been a 8 9 failure to comply with the expenditure provisions of this 10 subsection regarding contravention or supplanting, the 11 State Superintendent of Education shall, within 60 days of 12 receipt of the report, notify the district and any affected local school council. The district shall within 45 days of 13 receipt of that notification inform the 14 State Superintendent of Education of the remedial or corrective 15 16 action to be taken, whether by amendment of the current 17 plan, if feasible, or by adjustment in the plan for the following year. Failure to provide the expenditure report 18 or the notification of remedial or corrective action in a 19 20 timely manner shall result in a withholding of the affected 21 funds.

The State Board of Education shall promulgate rules and 22 23 regulations to implement the provisions of this funds shall be released under 24 subsection. No this 25 subdivision (H) (4) to any district that has not submitted a 26 plan that has been approved by the State Board of 27 Education.

28

(I) General State Aid for Newly Configured School Districts.

(1) For a new school district formed by combining property included totally within 2 or more previously existing school districts, for its first year of existence the general State aid and supplemental general State aid calculated under this Section shall be computed for the new district and for the previously existing districts for which property is totally included within the new district. If the computation on the - 23 - LRB093 16548 NHT 47231 b

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1 basis of the previously existing districts is greater, a 2 supplementary payment equal to the difference shall be made for 3 the first 4 years of existence of the new district.

(2) For a school district which annexes all of 4 the 5 territory of one or more entire other school districts, for the 6 first year during which the change of boundaries attributable to such annexation becomes effective for all purposes as 7 8 determined under Section 7-9 or 7A-8, the general State aid and supplemental general State aid calculated under this Section 9 10 shall be computed for the annexing district as constituted 11 after the annexation and for the annexing and each annexed 12 district as constituted prior to the annexation; and if the 13 computation on the basis of the annexing and annexed districts 14 constituted prior to the annexation is greater, as а supplementary payment equal to the difference shall be made for 15 16 the first 4 years of existence of the annexing school district 17 as constituted upon such annexation.

(3) For 2 or more school districts which annex all of the 18 19 territory of one or more entire other school districts, and for 20 2 or more community unit districts which result upon the division (pursuant to petition under Section 11A-2) of one or 21 22 more other unit school districts into 2 or more parts and which 23 together include all of the parts into which such other unit 24 school district or districts are so divided, for the first year 25 during which the change of boundaries attributable to such 26 annexation or division becomes effective for all purposes as 27 determined under Section 7-9 or 11A-10, as the case may be, the 28 general State aid and supplemental general State aid calculated 29 under this Section shall be computed for each annexing or 30 resulting district as constituted after the annexation or 31 division and for each annexing and annexed district, or for 32 each resulting and divided district, as constituted prior to the annexation or division; and if the aggregate of the general 33 State aid and supplemental general State aid as so computed for 34 35 the annexing or resulting districts as constituted after the annexation or division is less than the aggregate of the 36

1 general State aid and supplemental general State aid as so 2 computed for the annexing and annexed districts, or for the 3 resulting and divided districts, as constituted prior to the 4 annexation or division, then a supplementary payment equal to 5 the difference shall be made and allocated between or among the annexing or resulting districts, as constituted upon such 6 annexation or division, for the first 4 years of their 7 8 existence. The total difference payment shall be allocated 9 between or among the annexing or resulting districts in the 10 same ratio as the pupil enrollment from that portion of the 11 annexed or divided district or districts which is annexed to or 12 included in each such annexing or resulting district bears to 13 the total pupil enrollment from the entire annexed or divided district or districts, as such pupil enrollment is determined 14 15 for the school year last ending prior to the date when the 16 change of boundaries attributable to the annexation or division 17 becomes effective for all purposes. The amount of the total difference payment and the amount thereof to be allocated to 18 19 the annexing or resulting districts shall be computed by the 20 State Board of Education on the basis of pupil enrollment and other data which shall be certified to the State Board of 21 Education, on forms which it shall provide for that purpose, by 22 23 the regional superintendent of schools for each educational service region in which the annexing and annexed districts, or 24 resulting and divided districts are located. 25

26 (3.5) Claims for financial assistance under this
 27 subsection (I) shall not be recomputed except as expressly
 28 provided under this Section.

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

32 (J) Supplementary Grants in Aid.

(1) Notwithstanding any other provisions of this Section,
 the amount of the aggregate general State aid in combination
 with supplemental general State aid under this Section for

1 which each school district is eligible shall be no less than 2 the amount of the aggregate general State aid entitlement that was received by the district under Section 18-8 (exclusive of 3 4 amounts received under subsections 5(p) and 5(p-5) of that 5 Section) for the 1997-98 school year, pursuant to the 6 provisions of that Section as it was then in effect. If a school district qualifies to receive a supplementary payment 7 8 made under this subsection (J), the amount of the aggregate general State aid in combination with supplemental general 9 State aid under this Section which that district is eligible to 10 11 receive for each school year shall be no less than the amount 12 of the aggregate general State aid entitlement that was received by the district under Section 18-8 (exclusive of 13 amounts received under subsections 5(p) and 5(p-5) of that 14 15 Section) for the 1997-1998 school year, pursuant to the 16 provisions of that Section as it was then in effect.

17 (2) If, as provided in paragraph (1) of this subsection (J), a school district is to receive aggregate general State 18 19 aid in combination with supplemental general State aid under this Section for the 1998-99 school year and any subsequent 20 school year that in any such school year is less than the 21 22 amount of the aggregate general State aid entitlement that the 23 district received for the 1997-98 school year, the school district shall also receive, from a separate appropriation made 24 for purposes of this subsection (J), a supplementary payment 25 26 that is equal to the amount of the difference in the aggregate 27 State aid figures as described in paragraph (1).

28 (3) (Blank).

29 (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.

1 As used in this Section, "laboratory school" means a public 2 school which is created and operated by a public university and approved by the State Board of Education. The governing board 3 4 of a public university which receives funds from the State 5 Board under this subsection (K) may not increase the number of 6 students enrolled in its laboratory school from a single district, if that district is already sending 50 or more 7 8 students, except under a mutual agreement between the school 9 board of a student's district of residence and the university which operates the laboratory school. A laboratory school may 10 11 not have more than 1,000 students, excluding students with 12 disabilities in a special education program.

As used in this Section, "alternative school" means a 13 public school which is created and operated by a Regional 14 15 Superintendent of Schools and approved by the State Board of 16 Education. Such alternative schools may offer courses of 17 instruction for which credit is given in regular school programs, courses to prepare students for the high school 18 19 equivalency testing program or vocational and occupational training. A regional superintendent of schools may contract 20 with a school district or a public community college district 21 22 to operate an alternative school. An alternative school serving 23 more than one educational service region may be established by 24 the regional superintendents of schools of the affected educational service regions. An alternative school serving 25 26 more than one educational service region may be operated under 27 such terms as the regional superintendents of schools of those 28 educational service regions may agree.

29 Each laboratory and alternative school shall file, on forms 30 provided by the State Superintendent of Education, an annual State aid claim which states the Average Daily Attendance of 31 32 the school's students by month. The best 3 months' Average 33 Daily Attendance shall be computed for each school. The general State aid entitlement shall be computed by multiplying the 34 35 applicable Average Daily Attendance by the Foundation Level as determined under this Section. 36

1 (L) Payments, Additional Grants in Aid and Other Requirements.

2 (1) For a school district operating under the financial 3 supervision of an Authority created under Article 34A, the 4 general State aid otherwise payable to that district under this 5 Section, but not the supplemental general State aid, shall be reduced by an amount equal to the budget for the operations of 6 7 the Authority as certified by the Authority to the State Board of Education, and an amount equal to such reduction shall be 8 paid to the Authority created for such district for its 9 10 operating expenses in the manner provided in Section 18-11. The 11 remainder of general State school aid for any such district shall be paid in accordance with Article 34A when that Article 12 provides for a disposition other than that provided by this 13 14 Article.

15

(2) (Blank).

16 (3) Summer school. Summer school payments shall be made as17 provided in Section 18-4.3.

18 (M) Education Funding Advisory Board.

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

1 the third Monday of January, 2002, and the remaining 4 members, 2 by lots drawn at the first meeting of the Board that is held 3 after all 5 members are appointed, shall determine 2 of their 4 number to serve for terms that commence on the date of their 5 respective appointments and expire on the third Monday of January, 2001, and 2 of their number to serve for terms that 6 7 commence on the date of their respective appointments and 8 expire on the third Monday of January, 2000. All members 9 appointed to serve on the Board shall serve until their 10 respective successors are appointed and confirmed. Vacancies 11 shall be filled in the same manner as original appointments. If 12 a vacancy in membership occurs at a time when the Senate is not 13 in session, the Governor shall make a temporary appointment until the next meeting of the Senate, when he or she shall 14 15 appoint, by and with the advice and consent of the Senate, a 16 person to fill that membership for the unexpired term. If the 17 Senate is not in session when the initial appointments are made, those appointments shall be made as in the case of 18 19 vacancies.

The Education Funding Advisory Board shall be deemed 20 established, and the initial members appointed by the Governor 21 to serve as members of the Board shall take office, on the date 22 23 that the Governor makes his or her appointment of the fifth 24 initial member of the Board, whether those initial members are 25 then serving pursuant to appointment and confirmation or 26 pursuant to temporary appointments that are made by the 27 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, the Education Funding Advisory Board, in consultation with the State Board of Education, shall make recommendations as provided in this subsection (M) to the General Assembly for the foundation level under subdivision (B)(3) of this Section and - 29 - LRB093 16548 NHT 47231 b

1 for the supplemental general State aid grant level under 2 subsection (H) of this Section for districts with high 3 concentrations of children from poverty. The recommended 4 foundation level shall be determined based on a methodology 5 which incorporates the basic education expenditures of low-spending schools exhibiting high academic performance. The 6 7 Education Funding Advisory Board shall make such 8 recommendations to the General Assembly on January 1 of odd 9 numbered years, beginning January 1, 2001.

10 (N) (Blank).

11 (O) References.

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

17 (2) References in other laws to State Chapter 1 funds shall
18 be deemed to refer to the supplemental general State aid
19 provided under subsection (H) of this Section.
20 (Source: P.A. 92-16, eff. 6-28-01; 92-28, eff. 7-1-01; 92-29,

21 eff. 7-1-01; 92-269, eff. 8-7-01; 92-604, eff. 7-1-02; 92-636, 22 eff. 7-11-02; 92-651, eff. 7-11-02; 93-21, eff. 7-1-03.)

23 Section 99. Effective date. This Act takes effect July 1, 24 2004.

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