



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

HB1989

Introduced 2/26/2007, by Rep. Michael K. Smith

#### SYNOPSIS AS INTRODUCED:

105 ILCS 230/5-5  
105 ILCS 230/5-25  
105 ILCS 230/5-35

Amends the School Construction Law. Defines "school district" to mean a school district, special charter district, or joint agreement. Provides that, for purposes of determining a joint agreement's eligibility for an entity included in a school construction project grant or a school maintenance project grant, a joint agreement shall be deemed eligible if one or more of its member school districts satisfy the grant index criteria. Provides that the amount of a school construction project grant to an eligible joint agreement shall be determined on a case-by-case basis, based on the needs of the joint agreement in its entirety (instead of using the grant index to calculate the amount). Effective immediately.

LRB095 09185 NHT 29378 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning schools.

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

4 Section 5. The School Construction Law is amended by  
5 changing Sections 5-5, 5-25, and 5-35 as follows:

6 (105 ILCS 230/5-5)

7 Sec. 5-5. Definitions. As used in this Article:

8 "Approved school construction bonds" mean bonds that were  
9 approved by referendum after January 1, 1996 but prior to  
10 January 1, 1998 as provided in Sections 19-2 through 19-7 of  
11 the School Code to provide funds for the acquisition,  
12 development, construction, reconstruction, rehabilitation,  
13 improvement, architectural planning, and installation of  
14 capital facilities consisting of buildings, structures,  
15 durable-equipment, and land for educational purposes.

16 "Grant index" means a figure for each school district equal  
17 to one minus the ratio of the district's equalized assessed  
18 valuation per pupil in average daily attendance to the  
19 equalized assessed valuation per pupil in average daily  
20 attendance of the district located at the 90th percentile for  
21 all districts of the same category. For the purpose of  
22 calculating the grant index, school districts are grouped into  
23 2 categories, Category I and Category II. Category I consists

1 of elementary and unit school districts. The equalized assessed  
2 valuation per pupil in average daily attendance of each school  
3 district in Category I shall be computed using its grades  
4 kindergarten through 8 average daily attendance figure. A unit  
5 school district's Category I grant index shall be used for  
6 projects or portions of projects constructed for elementary  
7 school pupils. Category II consists of high school and unit  
8 school districts. The equalized assessed valuation per pupil in  
9 average daily attendance of each school district in Category II  
10 shall be computed using its grades 9 through 12 average daily  
11 attendance figure. A unit school district's Category II grant  
12 index shall be used for projects or portions of projects  
13 constructed for high school pupils. The changes made by this  
14 amendatory Act of the 92nd General Assembly apply to all grants  
15 made on or after the effective date of this amendatory Act,  
16 provided that for grants not yet made on the effective date of  
17 this amendatory Act but made in fiscal year 2001 and for grants  
18 made in fiscal year 2002, the grant index for a school district  
19 shall be the greater of (i) the grant index as calculated under  
20 this Law on or after the effective date of this amendatory Act  
21 or (ii) the grant index as calculated under this Law before the  
22 effective date of this amendatory Act. The grant index shall be  
23 no less than 0.35 and no greater than 0.75 for each district;  
24 provided that the grant index for districts whose equalized  
25 assessed valuation per pupil in average daily attendance is at  
26 the 99th percentile and above for all districts of the same

1 type shall be 0.00.

2 "School construction project" means the acquisition,  
3 development, construction, reconstruction, rehabilitation,  
4 improvement, architectural planning, and installation of  
5 capital facilities consisting of buildings, structures,  
6 durable equipment, and land for educational purposes.

7 "School district" means (i) a school district or special  
8 charter district, as defined in Section 1-3 of the School Code,  
9 or (ii) a joint agreement, including a cooperative, joint  
10 agreement, or vocational education delivery system established  
11 pursuant to Section 10-22.20a of the School Code or an  
12 intergovernmental agreement entered into under Section 10 of  
13 Article VII of the Illinois Constitution and the  
14 Intergovernmental Cooperation Act.

15 "School district" includes a cooperative high school,  
16 which shall be considered a high school district for the  
17 purpose of calculating its grant index.

18 "School maintenance project" means a project, other than a  
19 school construction project, intended to provide for the  
20 maintenance or upkeep of buildings or structures for  
21 educational purposes, but does not include ongoing operational  
22 costs.

23 (Source: P.A. 92-168, eff. 7-26-01; 93-1094, eff. 3-29-05.)

24 (105 ILCS 230/5-25)

25 Sec. 5-25. Eligibility and project standards.

1           (a) The State Board of Education shall establish  
2 eligibility standards for school construction project grants  
3 and debt service grants. These standards shall include minimum  
4 enrollment requirements for eligibility for school  
5 construction project grants of 200 students for elementary  
6 districts, 200 students for high school districts, and 400  
7 students for unit districts. The State Board of Education shall  
8 approve a district's eligibility for a school construction  
9 project grant or a debt service grant pursuant to the  
10 established standards.

11           For purposes of determining a joint agreement's  
12 eligibility for an entity included in a school construction  
13 project grant or a school maintenance project grant, a joint  
14 agreement shall be deemed eligible if one or more of its member  
15 school districts satisfy the grant index criteria set forth in  
16 this Law.

17           (b) The Capital Development Board shall establish project  
18 standards for all school construction project grants provided  
19 pursuant to this Article. These standards shall include space  
20 and capacity standards as well as the determination of  
21 recognized project costs that shall be eligible for State  
22 financial assistance and enrichment costs that shall not be  
23 eligible for State financial assistance.

24           (c) The State Board of Education and the Capital  
25 Development Board shall not establish standards that  
26 disapprove or otherwise establish limitations that restrict

1 the eligibility of a school district with a population  
2 exceeding 500,000 for a school construction project grant based  
3 on the fact that any or all of the school construction project  
4 grant will be used to pay debt service or to make lease  
5 payments, as authorized by subsection (b) of Section 5-35 of  
6 this Law.

7 (Source: P.A. 90-548, eff. 1-1-98; 91-38, eff. 6-15-99.)

8 (105 ILCS 230/5-35)

9 Sec. 5-35. School construction project grant amounts;  
10 permitted use; prohibited use.

11 (a) The product of the district's grant index and the  
12 recognized project cost, as determined by the Capital  
13 Development Board, for an approved school construction project  
14 shall equal the amount of the grant the Capital Development  
15 Board shall provide to the eligible district. The grant index  
16 shall not be used in cases where the General Assembly and the  
17 Governor approve appropriations designated for specifically  
18 identified school district construction projects.

19 The grant index shall not be used to calculate the amount  
20 of a school construction project grant awarded to an eligible  
21 joint agreement. The amount of a school construction project  
22 grant to an eligible joint agreement shall be determined on a  
23 case-by-case basis, based on the needs of the joint agreement  
24 in its entirety.

25 (b) In each fiscal year in which school construction

1 project grants are awarded, 20% of the total amount awarded  
2 statewide shall be awarded to a school district with a  
3 population exceeding 500,000, provided such district complies  
4 with the provisions of this Article.

5 In addition to the uses otherwise authorized by this Law,  
6 any school district with a population exceeding 500,000 is  
7 authorized to use any or all of the school construction project  
8 grants (i) to pay debt service, as defined in the Local  
9 Government Debt Reform Act, on bonds, as defined in the Local  
10 Government Debt Reform Act, issued to finance one or more  
11 school construction projects and (ii) to the extent that any  
12 such bond is a lease or other installment or financing contract  
13 between the school district and a public building commission  
14 that has issued bonds to finance one or more qualifying school  
15 construction projects, to make lease payments under the lease.

16 (c) No portion of a school construction project grant  
17 awarded by the Capital Development Board shall be used by a  
18 school district for any on-going operational costs.

19 (Source: P.A. 90-548, eff. 1-1-98; 91-38, eff. 6-15-99.)

20 Section 99. Effective date. This Act takes effect upon  
21 becoming law.