



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB4759

by Rep. Ronald A. Wait

SYNOPSIS AS INTRODUCED:

New Act

30 ILCS 105/5.708 new

35 ILCS 200/18-45

105 ILCS 5/17-11

105 ILCS 5/18-8.05

from Ch. 122, par. 17-11

Creates the School District Income Tax Act. Allows school districts to tax income after referendum approval of district residents and record owners of property in the district. Provides for additional levies, administration and distribution of the tax, and penalties for violations. Applies only to income earned following 120 days after certification of the results of the referendum. Creates a credit against the tax in an amount not to exceed \$500 equal to 5% of the amounts spent by the taxpayer on monthly rent for the taxpayer's residence. Amends the Property Tax Code to provide for abatement of residential, farm, and small business property. Amends the School Code to require that school districts certify income tax levies and amounts realized for property tax abatement purposes and to coordinate the calculation of school aid with the income tax levies by adjusting the operating tax rate accordingly. Amends the State Finance Act to create the School District Income Tax Fund. Effective immediately.

LRB095 16304 BDD 42328 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning revenue.

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

4 Section 1. Short title. This Act may be cited as the
5 School District Income Tax Act.

6 Section 5. Net income tax; referendum. The school board of
7 any school district may, by proper resolution, cause a
8 proposition to authorize an annual tax, measured as a
9 percentage of net income, on the privilege of earning or
10 receiving income (i) as a resident of the district or (ii) as a
11 record owner of real property in the district to the extent of
12 the income derived from that real property, to be certified to
13 the proper election officials, who shall submit the proposition
14 to the voters in accordance with the general election law;
15 provided that the rate of such tax shall be an even multiple of
16 eighths of a percent. When imposed, this tax shall be levied on
17 every individual subject to taxation under this Act.

18 The election called for this purpose shall be governed by
19 the general election law. If a majority of the votes cast on
20 the proposition is in favor thereof, the school board may
21 thereafter levy the tax as authorized, or at any lesser rate,
22 provided such lesser rate is an even multiple of eighths of a
23 percent. Such tax may be levied only on income earned following

1 120 days after certification of the results of the referendum
2 by the proper election officials.

3 For purposes of this Act, a taxpayer's net income for a
4 taxable year shall be as defined in Section 202 of the Illinois
5 Income Tax Act for such year which is allocable to a district
6 under the provisions of this Act.

7 For purposes of this Act, (i) an individual is a resident
8 of a school district for a taxable year if he or she is a
9 resident of the State, as defined in the Illinois Income Tax
10 Act, and maintains his or her principal place of residence
11 within that school district on the first day of that taxable
12 year and (ii) an individual owns real property in the district
13 if a record owner of the property and liable for the property
14 taxes according to the property tax assessment book or roll.

15 Section 10. Additional levies; Submission to voters. The
16 school board of any school district may, by proper resolution,
17 cause a proposition to increase the annual tax rate for the tax
18 imposed under Section 5 to be submitted to the voters of the
19 district at an election in accordance with the general election
20 law, provided such increase results in a rate that is an even
21 multiple of eighths of a percent. The tax may be levied only on
22 income earned following 120 days after certification of the
23 results of the referendum by the proper election officials.

24 The election called for such purposes shall be governed by
25 the general election law. If a majority of the votes cast on

1 the proposition is in favor thereof, the school board may
2 thereafter, until such authority is revoked in like manner,
3 levy an annual tax as authorized.

4 Section 15. Collection of tax; promulgation of rules and
5 regulations. On or before July 1 of each year, the school board
6 of each district imposing a tax under this Act shall prepare
7 and certify the annual tax rate to the Department of Revenue,
8 hereinafter referred to as the Department, which rate shall be
9 applicable to the taxable year of any taxpayer which includes
10 that July 1. The tax imposed under this Act shall be collected
11 by and paid to the Department at the same time and in the same
12 manner, and subject to the same assessment procedures,
13 penalties, and interests, as the tax imposed by the Illinois
14 Income Tax Act, except that the tax imposed by this Act shall
15 not be subject to any withholding or estimated payment
16 requirements of the Illinois Income Tax Act. The Department
17 shall forthwith pay over to the State Treasurer, ex officio, as
18 trustee, all monies received by it under this Act to be
19 deposited in the School District Income Tax Fund, to be held
20 and disbursed by the Treasurer as provided in Section 20.

21 The Department shall promulgate such rules and regulations
22 as may be necessary to implement the provisions of this Act.

23 Section 20. Distribution of tax revenue. On or before
24 December 1 of each year, or the first following business day if

1 December 1 falls on a Saturday, Sunday, or holiday, the
2 Department shall certify to the Comptroller the disbursement of
3 stated sums of money to named school districts. On any given
4 certification date, the amount to be certified for disbursement
5 to each school district shall be the sum of the following:

6 (a) The amount of tax collected by the Department under
7 this Act from individuals who maintained their principal places
8 of residence or who owned real property within the school
9 district on the first day of their last full taxable year ended
10 prior to the previous January 1, and

11 (b) any amount of tax which would have been certified for
12 disbursement to the school district on a previous certification
13 date under paragraph (a) above except for the fact that it had
14 not been collected by that previous certification date; less
15 the sum of the following:

16 (c) any amount of tax previously certified for disbursement
17 to that school district but since refunded to the taxpayer, and

18 (d) an amount equal to 2% of the sum of amounts computed in
19 paragraphs (a) and (b), which shall be retained by the
20 Treasurer to cover the costs incurred by the Department in
21 administering and enforcing this Act.

22 The Department at the time of each disbursement to a school
23 district shall prepare and certify to the Comptroller the
24 amount so retained by the State Treasurer to be paid into the
25 General Revenue Fund of the State Treasury. Within 10 days
26 after receipt by the Comptroller of the certification of

1 disbursement to the school districts and to the General Revenue
2 Fund given by the Department under this Act, the Comptroller
3 shall cause the warrants to be drawn for the respective amounts
4 in accordance with the directions contained in the
5 certification.

6 The board of any district receiving any of the
7 disbursements provided for in this Section may apply those to
8 any fund from which that board is authorized to make
9 expenditures by law.

10 Section 25. Willful and fraudulent acts. Any person who is
11 subject to the provisions of this Act and who willfully fails
12 to file a return, or who willfully violates any rule or
13 regulation of the Department for the administration or
14 enforcement of this Act, or who willfully attempts in any other
15 manner to evade or defeat any tax imposed by this Act or the
16 payment thereof, shall in addition to other penalties be guilty
17 of a Class B misdemeanor. A prosecution for any violation of
18 this Section may be commenced within 3 years of the commission
19 of that act.

20 Section 30. Corporations. Nothing in this Act authorizes
21 the tax imposed on net income by school districts hereunder to
22 be levied on any corporation except a corporation that elects
23 to be taxed as an individual under the Internal Revenue Code.
24 If, however, the income tax authorized by this Act is imposed

1 by a school district, the rate of ad valorem property taxes
2 levied on the property of corporations within that district,
3 other than corporations electing to be taxed as individuals
4 under the Internal Revenue Code, shall be increased as provided
5 in Section 17-11 of the School Code.

6 Section 35. Property tax abatement.

7 (a) The extension of real property taxes for a school
8 district within which the local income tax for schools
9 authorized by this Act already has been imposed, levied, and
10 collected shall be abated by the county clerk in which the
11 school district is located on residential real property, farm
12 real property defined in Section 1-60 of the Property Tax Code,
13 and real property of a small business as defined in Section
14 1-75 of the Illinois Administrative Procedure Act only in the
15 manner provided by this Section, provided that (i) if any such
16 school district is located in more than one county the amount
17 of real property taxes of the district to be so abated shall be
18 apportioned by the county clerks of those counties based upon
19 the ratio of the aggregate assessed value of the taxable
20 property of the district in each such county and (ii) prior to
21 any abatement under this Section the county clerk shall
22 determine whether the amount of each tax levied by the district
23 for a lawful school purpose and certified for extension is
24 based on a rate at which the district making the certification
25 is authorized by statute or referendum to levy that tax, shall

1 disregard any excess, and shall extend the levy of that tax in
2 accordance with the provisions of Section 18-45 of the Property
3 Tax Code, subject to abatement as provided in this Section.

4 (b) Not later than September 1 of the first calendar year
5 in which the tax authorized by this Act is imposed, levied, and
6 collected within a school district, the Department of Revenue
7 shall certify to the county clerk of each county in which any
8 part of the school district is located the estimated amount of
9 the tax that would have been collected under this Act during
10 the immediately preceding calendar year in that part of the
11 district located in the county had this Act been in effect and
12 had that tax been imposed, levied, and collected within that
13 district during that immediately preceding calendar year at the
14 same annual rate and for the same period of time as that tax is
15 imposed, levied, and collected in the district during the
16 calendar year in which the certification is made.

17 (c) During the calendar year immediately succeeding the
18 calendar year in which the certification under subsection (b)
19 is required to be made, in extending the real property taxes
20 last levied by a school district for educational purposes, the
21 county clerk shall abate that extension of the district's levy
22 for educational purposes on the property described in
23 subsection (a) only by an amount equal to 100% of the estimated
24 amount that was certified to the county clerk by the Department
25 of Revenue under the provisions of subsection (b) during the
26 calendar year immediately preceding the calendar year in which

1 the extension is made. In each subsequent calendar year, in
2 extending the real property taxes levied by the school district
3 for educational purposes during the immediately preceding
4 calendar year, the county clerk shall abate each such extension
5 of the district's levy for educational purposes on the property
6 described in subsection (a) only by an amount equal to 100% of
7 the amount disbursed to the school district under Section 30
8 during June of the calendar year immediately preceding the
9 calendar year in which the extension and abatement are made.

10 Section 40. Residential rent credit. Each individual
11 taxpayer residing within a school district within which the
12 local income tax for schools authorized by this Act has been
13 imposed, levied, and collected is entitled to a credit, not to
14 exceed \$500, against the tax imposed under this Act in the
15 amount of 5% of the annual rent paid by the taxpayer during the
16 taxable year for the residence of the taxpayer. In no event
17 shall a credit under this Section reduce the taxpayer's
18 liability under this Act to less than zero.

19 Section 900. The State Finance Act is amended by adding
20 Section 5.708 as follows:

21 (30 ILCS 105/5.708 new)

22 Sec. 5.708. The School District Income Tax Fund.

1 Section 905. The Property Tax Code is amended by changing
2 Section 18-45 as follows:

3 (35 ILCS 200/18-45)

4 Sec. 18-45. Computation of rates. Except as provided
5 below, each county clerk shall estimate and determine the rate
6 per cent upon the equalized assessed valuation for the levy
7 year of the property in the county's taxing districts and
8 special service areas, as established under Article VII of the
9 Illinois Constitution, so that the rate will produce, within
10 the proper divisions of that county, not less than the net
11 amount that will be required by the county board or certified
12 to the county clerk according to law. Prior to extension, the
13 county clerk shall determine the maximum amount of tax
14 authorized to be levied by any statute. If the amount of any
15 tax certified to the county clerk for extension exceeds the
16 maximum, the clerk shall extend only the maximum allowable
17 levy.

18 The county clerk shall exclude from the total equalized
19 assessed valuation, whenever estimating and determining it
20 under this Section and Sections 18-50 through 18-105, the
21 equalized assessed valuation in the percentage which has been
22 agreed to by each taxing district, of any property or portion
23 thereof within an Enterprise Zone upon which an abatement of
24 taxes was made under Section 18-170. However, if a municipality
25 has adopted tax increment financing under Division 74.4 of

1 Article 11 of the Illinois Municipal Code, the county clerk
2 shall estimate and determine rates in accordance with Sections
3 11-74.4-7 through 11-74.4-9 of that Act. Beginning on January
4 1, 1998 and thereafter, the equalized assessed value of all
5 property for the computation of the amount to be extended
6 within a county with 3,000,000 or more inhabitants shall be the
7 sum of (i) the equalized assessed value of such property for
8 the year immediately preceding the levy year as established by
9 the assessment and equalization process for the year
10 immediately prior to the levy year, (ii) the equalized assessed
11 value of any property that qualifies as new property, as
12 defined in Section 18-185, or annexed property, as defined in
13 Section 18-225, for the current levy year, and (iii) any
14 recovered tax increment value, as defined in Section 18-185,
15 for the current levy year, less the equalized assessed value of
16 any property that qualifies as disconnected property, as
17 defined in Section 18-225, for the current levy year.

18 The provisions of this Section and the authority of the
19 county clerk under this Section are subject to the abatement
20 provisions of Section 35 of the School District Income Tax Act
21 with respect to the extension of taxes levied by a school
22 district on residential property, farm real property as defined
23 in Section 1-60, and real property of a small business as
24 defined in Section 1-75 of the Illinois Administrative
25 Procedure Act.

26 (Source: P.A. 90-320, eff. 1-1-98.)

1 Section 910. The School Code is amended by changing
2 Sections 17-11 and 18-8.05 as follows:

3 (105 ILCS 5/17-11) (from Ch. 122, par. 17-11)

4 Sec. 17-11. Certificate of tax levy. The school board of
5 each district shall ascertain, as near as practicable,
6 annually, how much money must be raised by special tax for
7 transportation purposes if any and for educational and for
8 operations and maintenance purposes for the next ensuing year.
9 In school districts with a population of less than 500,000,
10 these amounts shall be certified and returned to each county
11 clerk on or before the last Tuesday in December, annually. The
12 certificate shall be signed by the president and clerk or
13 secretary, and may be in the following form:

14 CERTIFICATE OF TAX LEVY

15 We hereby certify that we require the sum of
16 dollars, to be levied as a special tax for transportation
17 purposes and the sum of dollars to be levied as a
18 special tax for educational purposes, and the sum
19 dollars to be levied as a special tax for operations and
20 maintenance purposes, and the sum of to be levied as a
21 special tax for a working cash fund, on the equalized assessed
22 value of the taxable property of our district, for the year
23 (insert year).

24 Signed on (insert date).

1 A B, President
 2 C D....., Clerk (Secretary)
 3 Dist. No., County

4 A failure by the school board to file the certificate with
 5 the county clerk in the time required shall not vitiate the
 6 assessment. A district levying a tax under the School District
 7 Income Tax Act enacted by the 95th General Assembly shall,
 8 together with such certificate of tax levy, also certify for
 9 property tax abatement purposes an amount equal to the amount
 10 of revenue realized by the school district's tax on net income
 11 during the previous fiscal year, which amount shall be used by
 12 the county clerk in the manner provided by Section 35 of the
 13 School District Income Tax Act. This provision shall be
 14 effective for a school district beginning in the fiscal year
 15 following the fiscal year it begins levying a net income tax.
 16 (Source: P.A. 91-357, eff. 7-29-99.)

17 (105 ILCS 5/18-8.05)

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

21 (A) General Provisions.

22 (1) The provisions of this Section apply to the 1998-1999
 23 and subsequent school years. The system of general State

1 financial aid provided for in this Section is designed to
2 assure that, through a combination of State financial aid and
3 required local resources, the financial support provided each
4 pupil in Average Daily Attendance equals or exceeds a
5 prescribed per pupil Foundation Level. This formula approach
6 imputes a level of per pupil Available Local Resources and
7 provides for the basis to calculate a per pupil level of
8 general State financial aid that, when added to Available Local
9 Resources, equals or exceeds the Foundation Level. The amount
10 of per pupil general State financial aid for school districts,
11 in general, varies in inverse relation to Available Local
12 Resources. Per pupil amounts are based upon each school
13 district's Average Daily Attendance as that term is defined in
14 this Section.

15 (2) In addition to general State financial aid, school
16 districts with specified levels or concentrations of pupils
17 from low income households are eligible to receive supplemental
18 general State financial aid grants as provided pursuant to
19 subsection (H). The supplemental State aid grants provided for
20 school districts under subsection (H) shall be appropriated for
21 distribution to school districts as part of the same line item
22 in which the general State financial aid of school districts is
23 appropriated under this Section.

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

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

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

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

25 (d) (Blank).

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

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

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

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

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

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

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

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

26 (e) "Operating Tax Rate": All school district property

1 taxes extended for all purposes, except Bond and Interest,
2 Summer School, Rent, Capital Improvement, and Vocational
3 Education Building purposes.

4 (B) Foundation Level.

5 (1) The Foundation Level is a figure established by the
6 State representing the minimum level of per pupil financial
7 support that should be available to provide for the basic
8 education of each pupil in Average Daily Attendance. As set
9 forth in this Section, each school district is assumed to exert
10 a sufficient local taxing effort such that, in combination with
11 the aggregate of general State financial aid provided the
12 district, an aggregate of State and local resources are
13 available to meet the basic education needs of pupils in the
14 district.

15 (2) For the 1998-1999 school year, the Foundation Level of
16 support is \$4,225. For the 1999-2000 school year, the
17 Foundation Level of support is \$4,325. For the 2000-2001 school
18 year, the Foundation Level of support is \$4,425. For the
19 2001-2002 school year and 2002-2003 school year, the Foundation
20 Level of support is \$4,560. For the 2003-2004 school year, the
21 Foundation Level of support is \$4,810. For the 2004-2005 school
22 year, the Foundation Level of support is \$4,964. For the
23 2005-2006 school year, the Foundation Level of support is
24 \$5,164. For the 2006-2007 school year, the Foundation Level of
25 support is \$5,334.

1 (3) For the 2007-2008 school year and each school year
2 thereafter, the Foundation Level of support is \$5,734 or such
3 greater amount as may be established by law by the General
4 Assembly.

5 (C) Average Daily Attendance.

6 (1) For purposes of calculating general State aid pursuant
7 to subsection (E), an Average Daily Attendance figure shall be
8 utilized. The Average Daily Attendance figure for formula
9 calculation purposes shall be the monthly average of the actual
10 number of pupils in attendance of each school district, as
11 further averaged for the best 3 months of pupil attendance for
12 each school district. In compiling the figures for the number
13 of pupils in attendance, school districts and the State Board
14 of Education shall, for purposes of general State aid funding,
15 conform attendance figures to the requirements of subsection
16 (F).

17 (2) The Average Daily Attendance figures utilized in
18 subsection (E) shall be the requisite attendance data for the
19 school year immediately preceding the school year for which
20 general State aid is being calculated or the average of the
21 attendance data for the 3 preceding school years, whichever is
22 greater. The Average Daily Attendance figures utilized in
23 subsection (H) shall be the requisite attendance data for the
24 school year immediately preceding the school year for which
25 general State aid is being calculated.

1 (D) Available Local Resources.

2 (1) For purposes of calculating general State aid pursuant
3 to subsection (E), a representation of Available Local
4 Resources per pupil, as that term is defined and determined in
5 this subsection, shall be utilized. Available Local Resources
6 per pupil shall include a calculated dollar amount representing
7 local school district revenues from local property taxes and
8 from Corporate Personal Property Replacement Taxes, expressed
9 on the basis of pupils in Average Daily Attendance. Calculation
10 of Available Local Resources shall exclude any tax amnesty
11 funds received as a result of Public Act 93-26.

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

18 (3) For school districts maintaining grades kindergarten
19 through 12, local property tax revenues per pupil shall be
20 calculated as the product of the applicable equalized assessed
21 valuation for the district multiplied by 3.00%, and divided by
22 the district's Average Daily Attendance figure. For school
23 districts maintaining grades kindergarten through 8, local
24 property tax revenues per pupil shall be calculated as the
25 product of the applicable equalized assessed valuation for the

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

7 For partial elementary unit districts created pursuant to
8 Article 11E of this Code, local property tax revenues per pupil
9 shall be calculated as the product of the equalized assessed
10 valuation for property within the elementary and high school
11 classification of the partial elementary unit district
12 multiplied by 2.06% and divided by the Average Daily Attendance
13 figure for grades kindergarten through 8, plus the product of
14 the equalized assessed valuation for property within the high
15 school only classification of the partial elementary unit
16 district multiplied by 0.94% and divided by the Average Daily
17 Attendance figure for grades 9 through 12.

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

1 aid.

2 (E) Computation of General State Aid.

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

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

12 (3) For any school district for which Available Local
13 Resources per pupil is equal to or greater than the product of
14 0.93 times the Foundation Level and less than the product of
15 1.75 times the Foundation Level, the general State aid per
16 pupil shall be a decimal proportion of the Foundation Level
17 derived using a linear algorithm. Under this linear algorithm,
18 the calculated general State aid per pupil shall decline in
19 direct linear fashion from 0.07 times the Foundation Level for
20 a school district with Available Local Resources equal to the
21 product of 0.93 times the Foundation Level, to 0.05 times the
22 Foundation Level for a school district with Available Local
23 Resources equal to the product of 1.75 times the Foundation
24 Level. The allocation of general State aid for school districts
25 subject to this paragraph 3 shall be the calculated general

1 State aid per pupil figure multiplied by the Average Daily
2 Attendance of the school district.

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

8 (5) The amount of general State aid allocated to a school
9 district for the 1999-2000 school year meeting the requirements
10 set forth in paragraph (4) of subsection (G) shall be increased
11 by an amount equal to the general State aid that would have
12 been received by the district for the 1998-1999 school year by
13 utilizing the Extension Limitation Equalized Assessed
14 Valuation as calculated in paragraph (4) of subsection (G) less
15 the general State aid allotted for the 1998-1999 school year.
16 This amount shall be deemed a one time increase, and shall not
17 affect any future general State aid allocations.

18 (6) The operating tax rate of a district levying a net
19 income tax under the School District Income Tax Act enacted by
20 the 95th General Assembly shall be increased, for the
21 calculation of aid under this Section, by a rate which when
22 applied to the equalized assessed valuation of the district
23 would yield an amount equal to the revenue received by the
24 district from its income tax during the current fiscal year.

25 (F) Compilation of Average Daily Attendance.

1 (1) Each school district shall, by July 1 of each year,
2 submit to the State Board of Education, on forms prescribed by
3 the State Board of Education, attendance figures for the school
4 year that began in the preceding calendar year. The attendance
5 information so transmitted shall identify the average daily
6 attendance figures for each month of the school year. Beginning
7 with the general State aid claim form for the 2002-2003 school
8 year, districts shall calculate Average Daily Attendance as
9 provided in subdivisions (a), (b), and (c) of this paragraph
10 (1).

11 (a) In districts that do not hold year-round classes,
12 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.

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

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

1 daily attendance for the year-round buildings shall be
2 multiplied by the days in session for the non-year-round
3 buildings for each month and added to the monthly
4 attendance of the non-year-round buildings.

5 Except as otherwise provided in this Section, days of
6 attendance by pupils shall be counted only for sessions of not
7 less than 5 clock hours of school work per day under direct
8 supervision of: (i) teachers, or (ii) non-teaching personnel or
9 volunteer personnel when engaging in non-teaching duties and
10 supervising in those instances specified in subsection (a) of
11 Section 10-22.34 and paragraph 10 of Section 34-18, with pupils
12 of legal school age and in kindergarten and grades 1 through
13 12.

14 Days of attendance by tuition pupils shall be accredited
15 only to the districts that pay the tuition to a recognized
16 school.

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

20 (a) Pupils regularly enrolled in a public school for
21 only a part of the school day may be counted on the basis
22 of 1/6 day for every class hour of instruction of 40
23 minutes or more attended pursuant to such enrollment,
24 unless a pupil is enrolled in a block-schedule format of 80
25 minutes or more of instruction, in which case the pupil may
26 be counted on the basis of the proportion of minutes of

1 school work completed each day to the minimum number of
2 minutes that school work is required to be held that day.

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

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

12 (d) A session of 3 or more clock hours may be counted
13 as a day of attendance (1) when the remainder of the school
14 day or at least 2 hours in the evening of that day is
15 utilized for an in-service training program for teachers,
16 up to a maximum of 5 days per school year of which a
17 maximum of 4 days of such 5 days may be used for
18 parent-teacher conferences, provided a district conducts
19 an in-service training program for teachers which has been
20 approved by the State Superintendent of Education; or, in
21 lieu of 4 such days, 2 full days may be used, in which
22 event each such day may be counted as a day of attendance;
23 and (2) when days in addition to those provided in item (1)
24 are scheduled by a school pursuant to its school
25 improvement plan adopted under Article 34 or its revised or
26 amended school improvement plan adopted under Article 2,

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

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

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

1 kindergartens which provide only 1/2 day of attendance.

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

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

26 (i) On the days when the Prairie State Achievement

1 Examination is administered under subsection (c) of
2 Section 2-3.64 of this Code, the day of attendance for a
3 pupil whose school day must be shortened to accommodate
4 required testing procedures may be less than 5 clock hours
5 and shall be counted towards the 176 days of actual pupil
6 attendance required under Section 10-19 of this Code,
7 provided that a sufficient number of minutes of school work
8 in excess of 5 clock hours are first completed on other
9 school days to compensate for the loss of school work on
10 the examination days.

11 (G) Equalized Assessed Valuation Data.

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

22 The Department of Revenue shall add to the equalized
23 assessed value of all taxable property of each school district
24 situated entirely or partially within a county that is or was
25 subject to the provisions of Section 15-176 or 15-177 of the

1 Property Tax Code (a) an amount equal to the total amount by
2 which the homestead exemption allowed under Section 15-176 or
3 15-177 of the Property Tax Code for real property situated in
4 that school district exceeds the total amount that would have
5 been allowed in that school district if the maximum reduction
6 under Section 15-176 was (i) \$4,500 in Cook County or \$3,500 in
7 all other counties in tax year 2003 or (ii) \$5,000 in all
8 counties in tax year 2004 and thereafter and (b) an amount
9 equal to the aggregate amount for the taxable year of all
10 additional exemptions under Section 15-175 of the Property Tax
11 Code for owners with a household income of \$30,000 or less. The
12 county clerk of any county that is or was subject to the
13 provisions of Section 15-176 or 15-177 of the Property Tax Code
14 shall annually calculate and certify to the Department of
15 Revenue for each school district all homestead exemption
16 amounts under Section 15-176 or 15-177 of the Property Tax Code
17 and all amounts of additional exemptions under Section 15-175
18 of the Property Tax Code for owners with a household income of
19 \$30,000 or less. It is the intent of this paragraph that if the
20 general homestead exemption for a parcel of property is
21 determined under Section 15-176 or 15-177 of the Property Tax
22 Code rather than Section 15-175, then the calculation of
23 Available Local Resources shall not be affected by the
24 difference, if any, between the amount of the general homestead
25 exemption allowed for that parcel of property under Section
26 15-176 or 15-177 of the Property Tax Code and the amount that

1 would have been allowed had the general homestead exemption for
2 that parcel of property been determined under Section 15-175 of
3 the Property Tax Code. It is further the intent of this
4 paragraph that if additional exemptions are allowed under
5 Section 15-175 of the Property Tax Code for owners with a
6 household income of less than \$30,000, then the calculation of
7 Available Local Resources shall not be affected by the
8 difference, if any, because of those additional exemptions.

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

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

14 (a) For the purposes of calculating State aid under
15 this Section, with respect to any part of a school district
16 within a redevelopment project area in respect to which a
17 municipality has adopted tax increment allocation
18 financing pursuant to the Tax Increment Allocation
19 Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11
20 of the Illinois Municipal Code or the Industrial Jobs
21 Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the
22 Illinois Municipal Code, no part of the current equalized
23 assessed valuation of real property located in any such
24 project area which is attributable to an increase above the
25 total initial equalized assessed valuation of such
26 property shall be used as part of the equalized assessed

1 valuation of the district, until such time as all
2 redevelopment project costs have been paid, as provided in
3 Section 11-74.4-8 of the Tax Increment Allocation
4 Redevelopment Act or in Section 11-74.6-35 of the
5 Industrial Jobs Recovery Law. For the purpose of the
6 equalized assessed valuation of the district, the total
7 initial equalized assessed valuation or the current
8 equalized assessed valuation, whichever is lower, shall be
9 used until such time as all redevelopment project costs
10 have been paid.

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

25 (3) For the 1999-2000 school year and each school year
26 thereafter, if a school district meets all of the criteria of

1 this subsection (G) (3), the school district's Available Local
2 Resources shall be calculated under subsection (D) using the
3 district's Extension Limitation Equalized Assessed Valuation
4 as calculated under this subsection (G) (3).

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

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

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

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

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

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

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

26 "Operating Tax Rate": The operating tax rate as defined

1 in subsection (A).

2 If a school district is subject to property tax extension
3 limitations as imposed under the Property Tax Extension
4 Limitation Law, the State Board of Education shall calculate
5 the Extension Limitation Equalized Assessed Valuation of that
6 district. For the 1999-2000 school year, the Extension
7 Limitation Equalized Assessed Valuation of a school district as
8 calculated by the State Board of Education shall be equal to
9 the product of the district's 1996 Equalized Assessed Valuation
10 and the district's Extension Limitation Ratio. For the
11 2000-2001 school year and each school year thereafter, the
12 Extension Limitation Equalized Assessed Valuation of a school
13 district as calculated by the State Board of Education shall be
14 equal to the product of the Equalized Assessed Valuation last
15 used in the calculation of general State aid and the district's
16 Extension Limitation Ratio. If the Extension Limitation
17 Equalized Assessed Valuation of a school district as calculated
18 under this subsection (G)(3) is less than the district's
19 equalized assessed valuation as calculated pursuant to
20 subsections (G)(1) and (G)(2), then for purposes of calculating
21 the district's general State aid for the Budget Year pursuant
22 to subsection (E), that Extension Limitation Equalized
23 Assessed Valuation shall be utilized to calculate the
24 district's Available Local Resources under subsection (D).

25 Partial elementary unit districts created in accordance
26 with Article 11E of this Code shall not be eligible for the

1 adjustment in this subsection (G)(3) until the fifth year
2 following the effective date of the reorganization.

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

23 (5) For school districts having a majority of their
24 equalized assessed valuation in any county except Cook, DuPage,
25 Kane, Lake, McHenry, or Will, if the amount of general State
26 aid allocated to the school district for the 1999-2000 school

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

9 (H) Supplemental General State Aid.

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

1 general State aid and the remainder of the appropriation shall
2 be used for supplemental general State aid, which the State
3 Board of Education shall calculate and pay to eligible
4 districts on a prorated basis.

5 (1.5) This paragraph (1.5) applies only to those school
6 years preceding the 2003-2004 school year. For purposes of this
7 subsection (H), the term "Low-Income Concentration Level"
8 shall be the low-income eligible pupil count from the most
9 recently available federal census divided by the Average Daily
10 Attendance of the school district. If, however, (i) the
11 percentage decrease from the 2 most recent federal censuses in
12 the low-income eligible pupil count of a high school district
13 with fewer than 400 students exceeds by 75% or more the
14 percentage change in the total low-income eligible pupil count
15 of contiguous elementary school districts, whose boundaries
16 are coterminous with the high school district, or (ii) a high
17 school district within 2 counties and serving 5 elementary
18 school districts, whose boundaries are coterminous with the
19 high school district, has a percentage decrease from the 2 most
20 recent federal censuses in the low-income eligible pupil count
21 and there is a percentage increase in the total low-income
22 eligible pupil count of a majority of the elementary school
23 districts in excess of 50% from the 2 most recent federal
24 censuses, then the high school district's low-income eligible
25 pupil count from the earlier federal census shall be the number
26 used as the low-income eligible pupil count for the high school

1 district, for purposes of this subsection (H). The changes made
2 to this paragraph (1) by Public Act 92-28 shall apply to
3 supplemental general State aid grants for school years
4 preceding the 2003-2004 school year that are paid in fiscal
5 year 1999 or thereafter and to any State aid payments made in
6 fiscal year 1994 through fiscal year 1998 pursuant to
7 subsection 1(n) of Section 18-8 of this Code (which was
8 repealed on July 1, 1998), and any high school district that is
9 affected by Public Act 92-28 is entitled to a recomputation of
10 its supplemental general State aid grant or State aid paid in
11 any of those fiscal years. This recomputation shall not be
12 affected by any other funding.

13 (1.10) This paragraph (1.10) applies to the 2003-2004
14 school year and each school year thereafter. For purposes of
15 this subsection (H), the term "Low-Income Concentration Level"
16 shall, for each fiscal year, be the low-income eligible pupil
17 count as of July 1 of the immediately preceding fiscal year (as
18 determined by the Department of Human Services based on the
19 number of pupils who are eligible for at least one of the
20 following low income programs: Medicaid, KidCare, TANF, or Food
21 Stamps, excluding pupils who are eligible for services provided
22 by the Department of Children and Family Services, averaged
23 over the 2 immediately preceding fiscal years for fiscal year
24 2004 and over the 3 immediately preceding fiscal years for each
25 fiscal year thereafter) divided by the Average Daily Attendance
26 of the school district.

1 (2) Supplemental general State aid pursuant to this
2 subsection (H) shall be provided as follows for the 1998-1999,
3 1999-2000, and 2000-2001 school years only:

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

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

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

16 (d) For any school district with a Low Income
17 Concentration Level of 60% or more, the grant for the
18 1998-99 school year shall be \$1,900 multiplied by the low
19 income eligible pupil count.

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

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

1 respectively.

2 (2.5) Supplemental general State aid pursuant to this
3 subsection (H) shall be provided as follows for the 2002-2003
4 school year:

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

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

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

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

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

25 (f) For any school district with a Low Income
26 Concentration Level of 60% or more, the grant for each

1 school year shall be \$2,080 multiplied by the low income
2 eligible pupil count.

3 (2.10) Except as otherwise provided, supplemental general
4 State aid pursuant to this subsection (H) shall be provided as
5 follows for the 2003-2004 school year and each school year
6 thereafter:

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

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

16 For the 2003-2004 school year and each school year through
17 the 2007-2008 school year only, the grant shall be no less than
18 the grant for the 2002-2003 school year. For the 2008-2009
19 school year only, the grant shall be no less than the grant for
20 the 2002-2003 school year multiplied by 0.66. For the 2009-2010
21 school year only, the grant shall be no less than the grant for
22 the 2002-2003 school year multiplied by 0.33. Notwithstanding
23 the provisions of this paragraph to the contrary, if for any
24 school year supplemental general State aid grants are prorated
25 as provided in paragraph (1) of this subsection (H), then the
26 grants under this paragraph shall be prorated.

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

19 (3) School districts with an Average Daily Attendance of
20 more than 1,000 and less than 50,000 that qualify for
21 supplemental general State aid pursuant to this subsection
22 shall submit a plan to the State Board of Education prior to
23 October 30 of each year for the use of the funds resulting from
24 this grant of supplemental general State aid for the
25 improvement of instruction in which priority is given to
26 meeting the education needs of disadvantaged children. Such

1 plan shall be submitted in accordance with rules and
2 regulations promulgated by the State Board of Education.

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

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

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

23 (c) Each attendance center shall be provided by the
24 school district a distribution of noncategorical funds and
25 other categorical funds to which an attendance center is
26 entitled under law in order that the general State aid and

1 supplemental general State aid provided by application of
2 this subsection supplements rather than supplants the
3 noncategorical funds and other categorical funds provided
4 by the school district to the attendance centers.

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

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

23 (f) Each district subject to the provisions of this
24 subdivision (H) (4) shall submit an acceptable plan to meet
25 the educational needs of disadvantaged children, in
26 compliance with the requirements of this paragraph, to the

1 State Board of Education prior to July 15 of each year.
2 This plan shall be consistent with the decisions of local
3 school councils concerning the school expenditure plans
4 developed in accordance with part 4 of Section 34-2.3. The
5 State Board shall approve or reject the plan within 60 days
6 after its submission. If the plan is rejected, the district
7 shall give written notice of intent to modify the plan
8 within 15 days of the notification of rejection and then
9 submit a modified plan within 30 days after the date of the
10 written notice of intent to modify. Districts may amend
11 approved plans pursuant to rules promulgated by the State
12 Board of Education.

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

19 If the district fails to distribute State aid to
20 attendance centers in accordance with an approved plan, the
21 plan for the following year shall allocate funds, in
22 addition to the funds otherwise required by this
23 subsection, to those attendance centers which were
24 underfunded during the previous year in amounts equal to
25 such underfunding.

26 For purposes of determining compliance with this

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

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

1 (I) (Blank).

2 (J) Supplementary Grants in Aid.

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

22 (2) If, as provided in paragraph (1) of this subsection
23 (J), a school district is to receive aggregate general State
24 aid in combination with supplemental general State aid under
25 this Section for the 1998-99 school year and any subsequent

1 school year that in any such school year is less than the
2 amount of the aggregate general State aid entitlement that the
3 district received for the 1997-98 school year, the school
4 district shall also receive, from a separate appropriation made
5 for purposes of this subsection (J), a supplementary payment
6 that is equal to the amount of the difference in the aggregate
7 State aid figures as described in paragraph (1).

8 (3) (Blank).

9 (K) Grants to Laboratory and Alternative Schools.

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

16 As used in this Section, "laboratory school" means a public
17 school which is created and operated by a public university and
18 approved by the State Board of Education. The governing board
19 of a public university which receives funds from the State
20 Board under this subsection (K) may not increase the number of
21 students enrolled in its laboratory school from a single
22 district, if that district is already sending 50 or more
23 students, except under a mutual agreement between the school
24 board of a student's district of residence and the university
25 which operates the laboratory school. A laboratory school may

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

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

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

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
6 reduced by an amount equal to the budget for the operations of
7 the Authority as certified by the Authority to the State Board
8 of Education, and an amount equal to such reduction shall be
9 paid to the Authority created for such district for its
10 operating expenses in the manner provided in Section 18-11. The
11 remainder of general State school aid for any such district
12 shall be paid in accordance with Article 34A when that Article
13 provides for a disposition other than that provided by this
14 Article.

15 (2) (Blank).

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

18 (M) Education Funding Advisory Board.

19 The Education Funding Advisory Board, hereinafter in this
20 subsection (M) referred to as the "Board", is hereby created.
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
23 members appointed shall include representatives of education,
24 business, and the general public. One of the members so

1 appointed shall be designated by the Governor at the time the
2 appointment is made as the chairperson of the Board. The
3 initial members of the Board may be appointed any time after
4 the effective date of this amendatory Act of 1997. The regular
5 term of each member of the Board shall be for 4 years from the
6 third Monday of January of the year in which the term of the
7 member's appointment is to commence, except that of the 5
8 initial members appointed to serve on the Board, the member who
9 is appointed as the chairperson shall serve for a term that
10 commences on the date of his or her appointment and expires on
11 the third Monday of January, 2002, and the remaining 4 members,
12 by lots drawn at the first meeting of the Board that is held
13 after all 5 members are appointed, shall determine 2 of their
14 number to serve for terms that commence on the date of their
15 respective appointments and expire on the third Monday of
16 January, 2001, and 2 of their number to serve for terms that
17 commence on the date of their respective appointments and
18 expire on the third Monday of January, 2000. All members
19 appointed to serve on the Board shall serve until their
20 respective successors are appointed and confirmed. Vacancies
21 shall be filled in the same manner as original appointments. If
22 a vacancy in membership occurs at a time when the Senate is not
23 in session, the Governor shall make a temporary appointment
24 until the next meeting of the Senate, when he or she shall
25 appoint, by and with the advice and consent of the Senate, a
26 person to fill that membership for the unexpired term. If the

1 Senate is not in session when the initial appointments are
2 made, those appointments shall be made as in the case of
3 vacancies.

4 The Education Funding Advisory Board shall be deemed
5 established, and the initial members appointed by the Governor
6 to serve as members of the Board shall take office, on the date
7 that the Governor makes his or her appointment of the fifth
8 initial member of the Board, whether those initial members are
9 then serving pursuant to appointment and confirmation or
10 pursuant to temporary appointments that are made by the
11 Governor as in the case of vacancies.

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

16 For school years after the 2000-2001 school year, the
17 Education Funding Advisory Board, in consultation with the
18 State Board of Education, shall make recommendations as
19 provided in this subsection (M) to the General Assembly for the
20 foundation level under subdivision (B)(3) of this Section and
21 for the supplemental general State aid grant level under
22 subsection (H) of this Section for districts with high
23 concentrations of children from poverty. The recommended
24 foundation level shall be determined based on a methodology
25 which incorporates the basic education expenditures of
26 low-spending schools exhibiting high academic performance. The

1 Education Funding Advisory Board shall make such
2 recommendations to the General Assembly on January 1 of odd
3 numbered years, beginning January 1, 2001.

4 (N) (Blank).

5 (O) References.

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

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

14 (P) Public Act 93-838 and Public Act 93-808 make inconsistent
15 changes to this Section. Under Section 6 of the Statute on
16 Statutes there is an irreconcilable conflict between Public Act
17 93-808 and Public Act 93-838. Public Act 93-838, being the last
18 acted upon, is controlling. The text of Public Act 93-838 is
19 the law regardless of the text of Public Act 93-808.

20 (Source: P.A. 94-69, eff. 7-1-05; 94-438, eff. 8-4-05; 94-835,
21 eff. 6-6-06; 94-1019, eff. 7-10-06; 94-1105, eff. 6-1-07;
22 95-331, eff. 8-21-07; 95-644, eff. 10-12-07; 95-707, eff.
23 1-11-08; revised 1-14-08.)

1 Section 995. No acceleration or delay. Where this Act makes
2 changes in a statute that is represented in this Act by text
3 that is not yet or no longer in effect (for example, a Section
4 represented by multiple versions), the use of that text does
5 not accelerate or delay the taking effect of (i) the changes
6 made by this Act or (ii) provisions derived from any other
7 Public Act.

8 Section 999. Effective date. This Act takes effect upon
9 becoming law.