

## 95TH GENERAL ASSEMBLY

## State of Illinois

## 2007 and 2008

#### HB4864

by Rep. Michael K. Smith

### SYNOPSIS AS INTRODUCED:

105 ILCS 5/18-8.05

Amends the School Code. Makes a technical change in a Section concerning the State aid formula.

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A BILL FOR

1 AN ACT concerning education.

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

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

6 (105 ILCS 5/18-8.05)

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

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 assure that, through a combination of State financial aid and 14 15 required local resources, the financial support provided each 16 pupil in Average Daily Attendance equals or exceeds а 17 prescribed per pupil Foundation Level. This formula approach 18 imputes a level of per pupil Available Local Resources and provides for the basis to calculate a per pupil level of 19 20 general State financial aid that, when added to Available Local 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 Resources. Per pupil amounts are based upon each school district's Average Daily Attendance as that term is defined in this Section.

5 (2) In addition to general State financial aid, school 6 districts with specified levels or concentrations of pupils 7 from low income households are eligible to receive supplemental 8 general State financial aid grants as provided pursuant to 9 subsection (H). The supplemental State aid grants provided for 10 school districts under subsection (H) shall be appropriated for 11 distribution to school districts as part of the same line item 12 in which the general State financial aid of school districts is appropriated under this Section. 13

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

17 (a) Any school district which fails for any given school year to maintain school as required by law, or to 18 19 maintain a recognized school is not eligible to file for 20 such school year any claim upon the Common School Fund. In case of nonrecognition of one or more attendance centers in 21 22 a school district otherwise operating recognized schools, 23 claim of the district shall be reduced the in the 24 proportion which the Average Daily Attendance in the 25 attendance center or centers bear to the Average Daily 26 Attendance in the school district. A "recognized school"

1 means any public school which meets the standards as 2 established for recognition by the State Board of 3 Education. A school district or attendance center not 4 having recognition status at the end of a school term is 5 entitled to receive State aid payments due upon a legal 6 claim which was filed while it was recognized.

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

10 (c) If a school district operates a full year school 11 under Section 10-19.1, the general State aid to the school 12 district shall be determined by the State Board of 13 Education in accordance with this Section as near as may be 14 applicable.

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(d) (Blank).

16 (4) Except as provided in subsections (H) and (L), the 17 board of any district receiving any of the grants provided for 18 in this Section may apply those funds to any fund so received 19 for which that board is authorized to make expenditures by law.

20 School districts are not required to exert a minimum 21 Operating Tax Rate in order to qualify for assistance under 22 this Section.

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

(a) "Average Daily Attendance": A count of pupil
 attendance in school, averaged as provided for in

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subsection (C) and utilized in deriving per pupil financial support levels.

3 (b) "Available Local Resources": A computation of 4 local financial support, calculated on the basis of Average 5 Daily Attendance and derived as provided pursuant to 6 subsection (D).

7 (c) "Corporate Personal Property Replacement Taxes": 8 Funds paid to local school districts pursuant to "An Act in 9 relation to the abolition of ad valorem personal property 10 tax and the replacement of revenues lost thereby, and 11 amending and repealing certain Acts and parts of Acts in 12 connection therewith", certified August 14, 1979, as 13 amended (Public Act 81-1st S.S.-1).

14 (d) "Foundation Level": A prescribed level of per pupil15 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.

20 (B) Foundation Level.

(1) The Foundation Level is a figure established by the State representing the minimum level of per pupil financial support that should be available to provide for the basic education of each pupil in Average Daily Attendance. As set forth in this Section, each school district is assumed to exert 1 a sufficient local taxing effort such that, in combination with 2 the aggregate of general State financial aid provided the 3 district, an aggregate of State and local resources are 4 available to meet the basic education needs of pupils in the 5 district.

6 (2) For the 1998-1999 school year, the Foundation Level of support is \$4,225. For the 1999-2000 school year, the 7 8 Foundation Level of support is \$4,325. For the 2000-2001 school 9 year, the Foundation Level of support is \$4,425. For the 10 2001-2002 school year and 2002-2003 school year, the Foundation Level of support is \$4,560. For the 2003-2004 school year, the 11 12 Foundation Level of support is \$4,810. For the 2004-2005 school 13 year, the Foundation Level of support is \$4,964. For the 2005-2006 school year, the Foundation Level of support is 14 15 \$5,164.

16 (3) For the 2006-2007 school year and each school year 17 thereafter, the Foundation Level of support is \$5,334 or such 18 greater amount as may be established by law by the General 19 Assembly.

20 (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).

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

16 (D) Available Local Resources.

(1) For purposes of calculating general State aid pursuant 17 18 subsection (E), a representation of Available Local to Resources per pupil, as that term is defined and determined in 19 20 this subsection, shall be utilized. Available Local Resources 21 per pupil shall include a calculated dollar amount representing 22 local school district revenues from local property taxes and 23 from Corporate Personal Property Replacement Taxes, expressed 24 on the basis of pupils in Average Daily Attendance. Calculation of Available Local Resources shall exclude any tax amnesty 25

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1 funds received as a result of Public Act 93-26.

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2 (2) In determining a school district's revenue from local 3 property taxes, the State Board of Education shall utilize the 4 equalized assessed valuation of all taxable property of each 5 school district as of September 30 of the previous year. The 6 equalized assessed valuation utilized shall be obtained and 7 determined as provided in subsection (G).

8 (3) For school districts maintaining grades kindergarten 9 through 12, local property tax revenues per pupil shall be 10 calculated as the product of the applicable equalized assessed 11 valuation for the district multiplied by 3.00%, and divided by 12 the district's Average Daily Attendance figure. For school 13 districts maintaining grades kindergarten through 8, local 14 property tax revenues per pupil shall be calculated as the 15 product of the applicable equalized assessed valuation for the 16 district multiplied by 2.30%, and divided by the district's 17 Daily Attendance figure. For school Average districts maintaining grades 9 through 12, local property tax revenues 18 per pupil shall be the applicable equalized assessed valuation 19 20 of the district multiplied by 1.05%, and divided by the district's Average Daily Attendance figure. 21

For partial elementary unit districts created pursuant to Article 11E of this Code, local property tax revenues per pupil shall be calculated as the product of the equalized assessed valuation for property within the elementary and high school classification of the partial elementary unit district 1 multiplied by 2.06% and divided by the Average Daily Attendance 2 figure for grades kindergarten through 8, plus the product of 3 the equalized assessed valuation for property within the high 4 school only classification of the partial elementary unit 5 district multiplied by 0.94% and divided by the Average Daily 6 Attendance figure for grades 9 through 12.

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

17 (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

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1 Attendance of the school district.

2 (3) For any school district for which Available Local 3 Resources per pupil is equal to or greater than the product of 0.93 times the Foundation Level and less than the product of 4 5 1.75 times the Foundation Level, the general State aid per pupil shall be a decimal proportion of the Foundation Level 6 7 derived using a linear algorithm. Under this linear algorithm, the calculated general State aid per pupil shall decline in 8 direct linear fashion from 0.07 times the Foundation Level for 9 10 a school district with Available Local Resources equal to the 11 product of 0.93 times the Foundation Level, to 0.05 times the 12 Foundation Level for a school district with Available Local 13 Resources equal to the product of 1.75 times the Foundation Level. The allocation of general State aid for school districts 14 15 subject to this paragraph 3 shall be the calculated general 16 State aid per pupil figure multiplied by the Average Daily 17 Attendance of the school district.

18 (4) For any school district for which Available Local 19 Resources per pupil equals or exceeds the product of 1.75 times 20 the Foundation Level, the general State aid for the school 21 district shall be calculated as the product of \$218 multiplied 22 by the Average Daily Attendance of the school district.

(5) The amount of general State aid allocated to a school district for the 1999-2000 school year meeting the requirements set forth in paragraph (4) of subsection (G) shall be increased by an amount equal to the general State aid that would have

been received by the district for the 1998-1999 school year by utilizing the Extension Limitation Equalized Assessed Valuation as calculated in paragraph (4) of subsection (G) less the general State aid allotted for the 1998-1999 school year. This amount shall be deemed a one time increase, and shall not affect any future general State aid allocations.

7 (F) Compilation of Average Daily Attendance.

8 (1) Each school district shall, by July 1 of each year, 9 submit to the State Board of Education, on forms prescribed by 10 the State Board of Education, attendance figures for the school 11 year that began in the preceding calendar year. The attendance 12 information so transmitted shall identify the average daily 13 attendance figures for each month of the school year. Beginning 14 with the general State aid claim form for the 2002-2003 school 15 year, districts shall calculate Average Daily Attendance as 16 provided in subdivisions (a), (b), and (c) of this paragraph 17 (1).

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

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

(c) In districts in which some buildings, but not all, 1 2 hold year-round classes, for the non-year-round buildings, days of attendance in August shall be added to the month of 3 September and any days of attendance in June shall be added 4 5 to the month of May. The average daily attendance for the year-round buildings shall be computed as provided in 6 subdivision (b) of this paragraph (1). To calculate the 7 8 Average Daily Attendance for the district, the average 9 daily attendance for the year-round buildings shall be 10 multiplied by the days in session for the non-year-round 11 buildings for each month and added to the monthly 12 attendance of the non-year-round buildings.

13 Except as otherwise provided in this Section, days of 14 attendance by pupils shall be counted only for sessions of not 15 less than 5 clock hours of school work per day under direct 16 supervision of: (i) teachers, or (ii) non-teaching personnel or 17 volunteer personnel when engaging in non-teaching duties and supervising in those instances specified in subsection (a) of 18 19 Section 10-22.34 and paragraph 10 of Section 34-18, with pupils 20 of legal school age and in kindergarten and grades 1 through 12. 21

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

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

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1 compilation of Average Daily Attendance.

(a) Pupils regularly enrolled in a public school for 2 3 only a part of the school day may be counted on the basis 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 8 be counted on the basis of the proportion of minutes of 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.

(d) A session of 3 or more clock hours may be counted
as a day of attendance (1) when the remainder of the school
day or at least 2 hours in the evening of that day is
utilized for an in-service training program for teachers,
up to a maximum of 5 days per school year of which a
maximum of 4 days of such 5 days may be used for
parent-teacher conferences, provided a district conducts

an in-service training program for teachers which has been 1 2 approved by the State Superintendent of Education; or, in 3 lieu of 4 such days, 2 full days may be used, in which event each such day may be counted as a day of attendance; 4 5 and (2) when days in addition to those provided in item (1) 6 are scheduled by а school pursuant to its school 7 improvement plan adopted under Article 34 or its revised or 8 amended school improvement plan adopted under Article 2, 9 provided that (i) such sessions of 3 or more clock hours 10 are scheduled to occur at regular intervals, (ii) the 11 remainder of the school days in which such sessions occur 12 are utilized for in-service training programs or other staff development activities for teachers, and (iii) a 13 14 sufficient number of minutes of school work under the 15 direct supervision of teachers are added to the school days 16 between such regularly scheduled sessions to accumulate 17 not less than the number of minutes by which such sessions of 3 or more clock hours fall short of 5 clock hours. Any 18 19 full days used for the purposes of this paragraph shall not 20 be considered for computing average daily attendance. Days 21 scheduled for in-service training programs, staff 22 development activities, or parent-teacher conferences may 23 be scheduled separately for different grade levels and 24 different attendance centers of the district.

(e) A session of not less than one clock hour of
 teaching hospitalized or homebound pupils on-site or by

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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.

10 (g) For children with disabilities who are below the 11 age of 6 years and who cannot attend 2 or more clock hours 12 because of their disability or immaturity, a session of not 13 less than one clock hour may be counted as 1/2 day of 14 attendance; however for such children whose educational 15 needs so require a session of 4 or more clock hours may be 16 counted as a full day of attendance.

17 (h) A recognized kindergarten which provides for only 1/2 day of attendance by each pupil shall not have more 18 19 than 1/2 day of attendance counted in any one day. However, 20 kindergartens may count 2 1/2 days of attendance in any 5 21 consecutive school days. When a pupil attends such a 22 kindergarten for 2 half days on any one school day, the 23 pupil shall have the following day as a day absent from school, unless the school district obtains permission in 24 25 writing from the State Superintendent of Education. 26 Attendance at kindergartens which provide for a full day of

1 attendance by each pupil shall be counted the same as 2 attendance by first grade pupils. Only the first year of 3 attendance in one kindergarten shall be counted, except in 4 case of children who entered the kindergarten in their 5 fifth year whose educational development requires a second 6 year of kindergarten as determined under the rules and

regulations of the State Board of Education.

8 (i) On the days when the Prairie State Achievement 9 Examination is administered under subsection (c) of 10 Section 2-3.64 of this Code, the day of attendance for a 11 pupil whose school day must be shortened to accommodate 12 required testing procedures may be less than 5 clock hours 13 and shall be counted towards the 176 days of actual pupil 14 attendance required under Section 10-19 of this Code, 15 provided that a sufficient number of minutes of school work 16 in excess of 5 clock hours are first completed on other 17 school days to compensate for the loss of school work on 18 the examination days.

19 (G) Equalized Assessed Valuation Data.

(1) For purposes of the calculation of Available Local Resources required pursuant to subsection (D), the State Board of Education shall secure from the Department of Revenue the value as equalized or assessed by the Department of Revenue of all taxable property of every school district, together with (i) the applicable tax rate used in extending taxes for the

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1 funds of the district as of September 30 of the previous year 2 and (ii) the limiting rate for all school districts subject to 3 property tax extension limitations as imposed under the 4 Property Tax Extension Limitation Law.

5 The Department of Revenue shall add to the equalized 6 assessed value of all taxable property of each school district situated entirely or partially within a county that is or was 7 subject to the provisions of Section 15-176 or 15-177 of the 8 9 Property Tax Code (a) an amount equal to the total amount by 10 which the homestead exemption allowed under Section 15-176 or 11 15-177 of the Property Tax Code for real property situated in 12 that school district exceeds the total amount that would have 13 been allowed in that school district if the maximum reduction under Section 15-176 was (i) \$4,500 in Cook County or \$3,500 in 14 15 all other counties in tax year 2003 or (ii) \$5,000 in all 16 counties in tax year 2004 and thereafter and (b) an amount 17 equal to the aggregate amount for the taxable year of all additional exemptions under Section 15-175 of the Property Tax 18 19 Code for owners with a household income of \$30,000 or less. The 20 county clerk of any county that is or was subject to the provisions of Section 15-176 or 15-177 of the Property Tax Code 21 22 shall annually calculate and certify to the Department of 23 Revenue for each school district all homestead exemption amounts under Section 15-176 or 15-177 of the Property Tax Code 24 25 and all amounts of additional exemptions under Section 15-175 26 of the Property Tax Code for owners with a household income of

\$30,000 or less. It is the intent of this paragraph that if the 1 2 general homestead exemption for a parcel of property is determined under Section 15-176 or 15-177 of the Property Tax 3 Code rather than Section 15-175, then the calculation of 4 5 Available Local Resources shall not be affected by the 6 difference, if any, between the amount of the general homestead 7 exemption allowed for that parcel of property under Section 8 15-176 or 15-177 of the Property Tax Code and the amount that 9 would have been allowed had the general homestead exemption for 10 that parcel of property been determined under Section 15-175 of the Property Tax Code. It is further the intent of this 11 12 paragraph that if additional exemptions are allowed under 13 Section 15-175 of the Property Tax Code for owners with a 14 household income of less than \$30,000, then the calculation of 15 Available Local Resources shall not be affected by the 16 difference, if any, because of those additional exemptions.

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:

22 (a) For the purposes of calculating State aid under 23 this Section, with respect to any part of a school district within a redevelopment project area in respect to which a 24 25 municipality has adopted tax increment allocation 26 financing pursuant to the Tax Increment Allocation

Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11 1 2 of the Illinois Municipal Code or the Industrial Jobs Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the 3 Illinois Municipal Code, no part of the current equalized 4 5 assessed valuation of real property located in any such project area which is attributable to an increase above the 6 equalized assessed valuation of 7 initial such total 8 property shall be used as part of the equalized assessed 9 valuation of the district, until such time as all 10 redevelopment project costs have been paid, as provided in 11 Section 11-74.4-8 of the Tax Increment Allocation 12 Redevelopment Act in Section 11-74.6-35 of or the 13 Industrial Jobs Recovery Law. For the purpose of the 14 equalized assessed valuation of the district, the total 15 initial equalized assessed valuation or the current 16 equalized assessed valuation, whichever is lower, shall be 17 used until such time as all redevelopment project costs 18 have been paid.

19 (b) The real property equalized assessed valuation for 20 a school district shall be adjusted by subtracting from the 21 real property value as equalized or assessed by the 22 Department of Revenue for the district an amount computed 23 by dividing the amount of any abatement of taxes under 24 Section 18-170 of the Property Tax Code by 3.00% for a 25 district maintaining grades kindergarten through 12, by 26 2.30% for a district maintaining grades kindergarten

through 8, or by 1.05% for a district maintaining grades 9 through 12 and adjusted by an amount computed by dividing the amount of any abatement of taxes under subsection (a) of Section 18-165 of the Property Tax Code by the same percentage rates for district type as specified in this subparagraph (b).

7 (3) For the 1999-2000 school year and each school year 8 thereafter, if a school district meets all of the criteria of 9 this subsection (G)(3), the school district's Available Local 10 Resources shall be calculated under subsection (D) using the 11 district's Extension Limitation Equalized Assessed Valuation 12 as calculated under this subsection (G)(3).

13 For purposes of this subsection (G)(3) the following terms 14 shall have the following meanings:

15 "Budget Year": The school year for which general State16 aid is calculated and awarded under subsection (E).

17 "Base Tax Year": The property tax levy year used to18 calculate the Budget Year allocation of general State aid.

19 "Preceding Tax Year": The property tax levy year20 immediately preceding the Base Tax Year.

21 "Base Tax Year's Tax Extension": The product of the 22 equalized assessed valuation utilized by the County Clerk 23 in the Base Tax Year multiplied by the limiting rate as 24 calculated by the County Clerk and defined in the Property 25 Tax Extension Limitation Law.

"Preceding Tax Year's Tax Extension": The product of

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the equalized assessed valuation utilized by the County
 Clerk in the Preceding Tax Year multiplied by the Operating
 Tax Rate as defined in subsection (A).

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

8 "Operating Tax Rate": The operating tax rate as defined 9 in subsection (A).

10 If a school district is subject to property tax extension 11 limitations as imposed under the Property Tax Extension 12 Limitation Law, the State Board of Education shall calculate the Extension Limitation Equalized Assessed Valuation of that 13 14 district. For the 1999-2000 school year, the Extension 15 Limitation Equalized Assessed Valuation of a school district as 16 calculated by the State Board of Education shall be equal to 17 the product of the district's 1996 Equalized Assessed Valuation district's Extension Limitation Ratio. 18 and the For the 19 2000-2001 school year and each school year thereafter, the 20 Extension Limitation Equalized Assessed Valuation of a school 21 district as calculated by the State Board of Education shall be 22 equal to the product of the Equalized Assessed Valuation last 23 used in the calculation of general State aid and the district's Extension Limitation Ratio. If the Extension Limitation 24 25 Equalized Assessed Valuation of a school district as calculated 26 under this subsection (G)(3) is less than the district's

assessed valuation as calculated pursuant 1 equalized to 2 subsections (G)(1) and (G)(2), then for purposes of calculating the district's general State aid for the Budget Year pursuant 3 subsection (E), that Extension Limitation Equalized 4 to 5 Assessed Valuation shall be utilized to calculate the district's Available Local Resources under subsection (D). 6

7 Partial elementary unit districts created in accordance 8 with Article 11E of this Code shall not be eligible for the 9 adjustment in this subsection (G)(3) until the fifth year 10 following the effective date of the reorganization.

11 (4) For the purposes of calculating general State aid for 12 1999-2000 school year only, if a school district the 13 experienced a triennial reassessment on the equalized assessed 14 valuation used in calculating its general State financial aid 15 apportionment for the 1998-1999 school year, the State Board of 16 Education shall calculate the Extension Limitation Equalized 17 Assessed Valuation that would have been used to calculate the district's 1998-1999 general State aid. This amount shall equal 18 19 the product of the equalized assessed valuation used to 20 calculate general State aid for the 1997-1998 school year and 21 the district's Extension Limitation Ratio. If the Extension 22 Limitation Equalized Assessed Valuation of the school district 23 as calculated under this paragraph (4) is less than the 24 district's equalized assessed valuation utilized in 25 calculating the district's 1998-1999 general State aid 26 allocation, then for purposes of calculating the district's 1 general State aid pursuant to paragraph (5) of subsection (E), 2 that Extension Limitation Equalized Assessed Valuation shall 3 be utilized to calculate the district's Available Local 4 Resources.

5 (5) For school districts having a majority of their equalized assessed valuation in any county except Cook, DuPage, 6 7 Kane, Lake, McHenry, or Will, if the amount of general State aid allocated to the school district for the 1999-2000 school 8 9 year under the provisions of subsection (E), (H), and (J) of 10 this Section is less than the amount of general State aid 11 allocated to the district for the 1998-1999 school year under 12 these subsections, then the general State aid of the district 13 for the 1999-2000 school year only shall be increased by the 14 difference between these amounts. The total payments made under 15 this paragraph (5) shall not exceed \$14,000,000. Claims shall 16 be prorated if they exceed \$14,000,000.

17 (H) Supplemental General State Aid.

18 (1) In addition to the general State aid a school district 19 is allotted pursuant to subsection (E), qualifying school districts shall receive a grant, paid in conjunction with a 20 21 district's payments of general State aid, for supplemental 22 general State aid based upon the concentration level of low-income households 23 children from within the school 24 district. Supplemental State aid grants provided for school 25 districts under this subsection shall be appropriated for

distribution to school districts as part of the same line item 1 2 in which the general State financial aid of school districts is 3 appropriated under this Section. If the appropriation in any fiscal year for general State aid and supplemental general 4 5 State aid is insufficient to pay the amounts required under the 6 general State aid and supplemental general State aid calculations, then the State Board of Education shall ensure 7 that each school district receives the full amount due for 8 9 general State aid and the remainder of the appropriation shall 10 be used for supplemental general State aid, which the State Board of Education shall calculate and pay to eligible 11 12 districts on a prorated basis.

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

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

(1.10) This paragraph (1.10) applies to the 2003-2004 school year and each school year thereafter. For purposes of this subsection (H), the term "Low-Income Concentration Level" shall, for each fiscal year, be the low-income eligible pupil count as of July 1 of the immediately preceding fiscal year (as determined by the Department of Human Services based on the

number of pupils who are eligible for at least one of the 1 2 following low income programs: Medicaid, KidCare, TANF, or Food 3 Stamps, excluding pupils who are eligible for services provided by the Department of Children and Family Services, averaged 4 5 over the 2 immediately preceding fiscal years for fiscal year 2004 and over the 3 immediately preceding fiscal years for each 6 fiscal year thereafter) divided by the Average Daily Attendance 7 8 of the school district.

9 (2) Supplemental general State aid pursuant to this 10 subsection (H) shall be provided as follows for the 1998-1999, 11 1999-2000, and 2000-2001 school years only:

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

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

(c) For any school district with a Low Income
Concentration Level of at least 50% and less than 60%, the
grant for the 1998-99 school year shall be \$1,500
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.

2 (e) For the 1999-2000 school year, the per pupil amount 3 specified in subparagraphs (b), (c), and (d) immediately 4 above shall be increased to \$1,243, \$1,600, and \$2,000, 5 respectively.

6 (f) For the 2000-2001 school year, the per pupil 7 amounts specified in subparagraphs (b), (c), and (d) 8 immediately above shall be \$1,273, \$1,640, and \$2,050, 9 respectively.

10 (2.5) Supplemental general State aid pursuant to this 11 subsection (H) shall be provided as follows for the 2002-2003 12 school year:

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

17 (b) For any school district with a Low Income 18 Concentration Level of at least 10% and less than 20%, the 19 grant for each school year shall be \$675 multiplied by the 20 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.

(d) For any school district with a Low Income
Concentration Level of at least 35% and less than 50%, the

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1 2 grant for each school year shall be \$1,362 multiplied by the low income eligible pupil count.

3 (e) For any school district with a Low Income 4 Concentration Level of at least 50% and less than 60%, the 5 grant for each school year shall be \$1,680 multiplied by 6 the low income eligible pupil count.

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

11 (2.10) Except as otherwise provided, supplemental general 12 State aid pursuant to this subsection (H) shall be provided as 13 follows for the 2003-2004 school year and each school year 14 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.

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

For the 2003-2004 school year, 2004-2005 school year, 25 2005-2006 school year, and 2006-2007 school year only, the 26 grant shall be no less than the grant for the 2002-2003 school

year. For the 2007-2008 school year only, the grant shall be no 1 2 less than the grant for the 2002-2003 school year multiplied by 0.66. For the 2008-2009 school year only, the grant shall be no 3 less than the grant for the 2002-2003 school year multiplied by 4 5 0.33. Notwithstanding the provisions of this paragraph to the 6 contrary, if for any school year supplemental general State aid grants are prorated as provided in paragraph (1) of this 7 8 subsection (H), then the grants under this paragraph shall be 9 prorated.

10 For the 2003-2004 school year only, the grant shall be no 11 greater than the grant received during the 2002-2003 school 12 year added to the product of 0.25 multiplied by the difference between the grant amount calculated under subsection (a) or (b) 13 of this paragraph (2.10), whichever is applicable, and the 14 grant received during the 2002-2003 school year. For the 15 16 2004-2005 school year only, the grant shall be no greater than 17 the grant received during the 2002-2003 school year added to the product of 0.50 multiplied by the difference between the 18 grant amount calculated under subsection (a) or (b) of this 19 20 paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year. For the 2005-2006 21 22 school year only, the grant shall be no greater than the grant 23 received during the 2002-2003 school year added to the product of 0.75 multiplied by the difference between the grant amount 24 25 calculated under subsection (a) or (b) of this paragraph 26 (2.10), whichever is applicable, and the grant received during

1 the 2002-2003 school year.

2 (3) School districts with an Average Daily Attendance of 3 more than 1,000 and less than 50,000 that qualify for supplemental general State aid pursuant to this subsection 4 5 shall submit a plan to the State Board of Education prior to 6 October 30 of each year for the use of the funds resulting from 7 grant of supplemental general State aid for the this 8 improvement of instruction in which priority is given to 9 meeting the education needs of disadvantaged children. Such 10 plan shall be submitted in accordance with rules and 11 regulations promulgated by the State Board of Education.

(4) School districts with an Average Daily Attendance of 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:

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

(b) The distribution of these portions of supplemental
 and general State aid among attendance centers according to
 these requirements shall not be compensated for or

contravened by adjustments of the total of other funds 1 2 appropriated to any attendance centers, and the Board of 3 Education shall utilize funding from one or several sources in order to fully implement this provision annually prior 4 5 to the opening of school.

6 (c) Each attendance center shall be provided by the 7 school district a distribution of noncategorical funds and 8 other categorical funds to which an attendance center is 9 entitled under law in order that the general State aid and 10 supplemental general State aid provided by application of 11 this subsection supplements rather than supplants the 12 noncategorical funds and other categorical funds provided 13 by the school district to the attendance centers.

(d) Any funds made available under this subsection that 14 15 by reason of the provisions of this subsection are not 16 required to be allocated and provided to attendance centers 17 may be used and appropriated by the board of the district for any lawful school purpose. 18

19 (e) Funds received by an attendance center pursuant to 20 this subsection shall be used by the attendance center at 21 the discretion of the principal and local school council 22 for programs to improve educational opportunities at 23 qualifying schools through the following programs and 24 services: early childhood education, reduced class size or 25 improved adult to student classroom ratio, enrichment 26 programs, remedial assistance, attendance improvement, and

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other educationally beneficial expenditures which supplement the regular and basic programs as determined by the State Board of Education. Funds provided shall not be expended for any political or lobbying purposes as defined by board rule.

6 (f) Each district subject to the provisions of this 7 subdivision (H)(4) shall submit an acceptable plan to meet 8 educational needs of disadvantaged children, the in 9 compliance with the requirements of this paragraph, to the 10 State Board of Education prior to July 15 of each year. 11 This plan shall be consistent with the decisions of local 12 school councils concerning the school expenditure plans developed in accordance with part 4 of Section 34-2.3. The 13 14 State Board shall approve or reject the plan within 60 days 15 after its submission. If the plan is rejected, the district 16 shall give written notice of intent to modify the plan 17 within 15 days of the notification of rejection and then submit a modified plan within 30 days after the date of the 18 19 written notice of intent to modify. Districts may amend 20 approved plans pursuant to rules promulgated by the State Board of Education. 21

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 - 32 - LRB095 18488 NHT 44574 b

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plan or modified plan is submitted.

2 If the district fails to distribute State aid to 3 attendance centers in accordance with an approved plan, the plan for the following year shall allocate funds, in 4 5 addition to the funds otherwise required by this 6 subsection, to those attendance centers which were 7 underfunded during the previous year in amounts equal to 8 such underfunding.

9 For purposes of determining compliance with this subsection in relation to the requirements of attendance 10 11 center funding, each district subject to the provisions of 12 this subsection shall submit as a separate document by 13 December 1 of each year a report of expenditure data for 14 the prior year in addition to any modification of its 15 current plan. If it is determined that there has been a 16 failure to comply with the expenditure provisions of this 17 subsection regarding contravention or supplanting, the State Superintendent of Education shall, within 60 days of 18 19 receipt of the report, notify the district and any affected 20 local school council. The district shall within 45 days of inform 21 receipt of that notification the State 22 Superintendent of Education of the remedial or corrective action to be taken, whether by amendment of the current 23 24 plan, if feasible, or by adjustment in the plan for the 25 following year. Failure to provide the expenditure report or the notification of remedial or corrective action in a 26

1 timely manner shall result in a withholding of the affected 2 funds.

3 The State Board of Education shall promulgate rules and implement the provisions this 4 regulations to of 5 subsection. No funds shall be released under this subdivision (H) (4) to any district that has not submitted a 6 plan that has been approved by the State Board of 7 8 Education.

9 (I) (Blank).

10 (J) Supplementary Grants in Aid.

11 (1) Notwithstanding any other provisions of this Section, 12 the amount of the aggregate general State aid in combination 13 with supplemental general State aid under this Section for 14 which each school district is eligible shall be no less than 15 the amount of the aggregate general State aid entitlement that was received by the district under Section 18-8 (exclusive of 16 amounts received under subsections 5(p) and 5(p-5) of that 17 school year, pursuant to the 18 Section) for the 1997-98 provisions of that Section as it was then in effect. If a 19 20 school district qualifies to receive a supplementary payment 21 made under this subsection (J), the amount of the aggregate general State aid in combination with supplemental general 22 23 State aid under this Section which that district is eligible to 24 receive for each school year shall be no less than the amount of the aggregate general State aid entitlement that was received by the district under Section 18-8 (exclusive of amounts received under subsections 5(p) and 5(p-5) of that Section) for the 1997-1998 school year, pursuant to the provisions of that Section as it was then in effect.

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

17 (3) (Blank).

18 (K) Grants to Laboratory and Alternative Schools.

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

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As used in this Section, "laboratory school" means a public

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

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

1 educational service regions may agree.

2 Each laboratory and alternative school shall file, on forms 3 provided by the State Superintendent of Education, an annual State aid claim which states the Average Daily Attendance of 4 5 the school's students by month. The best 3 months' Average Daily Attendance shall be computed for each school. The general 6 7 State aid entitlement shall be computed by multiplying the applicable Average Daily Attendance by the Foundation Level as 8 9 determined under this Section.

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

11 (1) For a school district operating under the financial 12 supervision of an Authority created under Article 34A, the 13 general State aid otherwise payable to that district under this 14 Section, but not the supplemental general State aid, shall be 15 reduced by an amount equal to the budget for the operations of 16 the Authority as certified by the Authority to the State Board of Education, and an amount equal to such reduction shall be 17 paid to the Authority created for such district for its 18 19 operating expenses in the manner provided in Section 18-11. The remainder of general State school aid for any such district 20 21 shall be paid in accordance with Article 34A when that Article 22 provides for a disposition other than that provided by this Article. 23

24 (2) (Blank).

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(3) Summer school. Summer school payments shall be made as

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1 provided in Section 18-4.3.

2 (M) Education Funding Advisory Board.

3 The Education Funding Advisory Board, hereinafter in this 4 subsection (M) referred to as the "Board", is hereby created. 5 The Board shall consist of 5 members who are appointed by the Governor, by and with the advice and consent of the Senate. The 6 7 members appointed shall include representatives of education, 8 business, and the general public. One of the members so 9 appointed shall be designated by the Governor at the time the 10 appointment is made as the chairperson of the Board. The 11 initial members of the Board may be appointed any time after 12 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 13 14 third Monday of January of the year in which the term of the 15 member's appointment is to commence, except that of the 5 16 initial members appointed to serve on the Board, the member who is appointed as the chairperson shall serve for a term that 17 18 commences on the date of his or her appointment and expires on the third Monday of January, 2002, and the remaining 4 members, 19 by lots drawn at the first meeting of the Board that is held 20 21 after all 5 members are appointed, shall determine 2 of their 22 number to serve for terms that commence on the date of their 23 respective appointments and expire on the third Monday of January, 2001, and 2 of their number to serve for terms that 24 25 commence on the date of their respective appointments and - 38 - LRB095 18488 NHT 44574 b

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

13 The Education Funding Advisory Board shall be deemed 14 established, and the initial members appointed by the Governor 15 to serve as members of the Board shall take office, on the date 16 that the Governor makes his or her appointment of the fifth 17 initial member of the Board, whether those initial members are then serving pursuant to appointment and confirmation or 18 19 pursuant to temporary appointments that are made by the 20 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 1 as 2 provided in this subsection (M) to the General Assembly for the foundation level under subdivision (B)(3) of this Section and 3 for the supplemental general State aid grant level under 4 5 subsection (H) of this Section for districts with high 6 concentrations of children from poverty. The recommended 7 foundation level shall be determined based on a methodology 8 which incorporates the basic education expenditures of 9 low-spending schools exhibiting high academic performance. The Education 10 Funding Advisory Board shall make such 11 recommendations to the General Assembly on January 1 of odd 12 numbered years, beginning January 1, 2001.

13 (N) (Blank).

14 (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.

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

23 (P) Public Act 93-838 and Public Act 93-808 make inconsistent

changes to this Section. Under Section 6 of the Statute on Statutes there is an irreconcilable conflict between Public Act 93-808 and Public Act 93-838. Public Act 93-838, being the last acted upon, is controlling. The text of Public Act 93-838 is the law regardless of the text of Public Act 93-808.

6 (Source: P.A. 94-69, eff. 7-1-05; 94-438, eff. 8-4-05; 94-835,
7 eff. 6-6-06; 94-1019, eff. 7-10-06; 94-1105, eff. 6-1-07;
8 95-331, eff. 8-21-07; 95-644, eff. 10-12-07.)