



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB5089

by Rep. Michael K. Smith

SYNOPSIS AS INTRODUCED:

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

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

LRB095 15207 NHT 41187 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning schools.

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

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

6 (105 ILCS 230/5-5)

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

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

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

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

1 type shall be 0.00.

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

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

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

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

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

24 (105 ILCS 230/5-25)

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

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

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

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

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

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

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

8 (105 ILCS 230/5-35)

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

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

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

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

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

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

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

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

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