



Sen. James T. Meeks

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1 AMENDMENT TO HOUSE BILL 174

2 AMENDMENT NO. _____. Amend House Bill 174 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Budget Law of the Civil
5 Administrative Code of Illinois is amended by changing Section
6 50-20 as follows:

7 (15 ILCS 20/50-20) (was 15 ILCS 20/38.3)

8 Sec. 50-20. Responsible Education Funding Law.

9 (a) The Governor shall submit to the General Assembly a
10 proposed budget for elementary and secondary education in which
11 total General Revenue Fund appropriations are no less than the
12 total General Revenue Fund appropriations of the previous
13 fiscal year. In addition, the Governor shall specify the total
14 amount of funds to be transferred from the General Revenue Fund
15 to the Common School Fund during the budget year, which shall
16 be no less than the total amount transferred during the

1 previous fiscal year. The Governor may submit a proposed budget
2 in which the total appropriated and transferred amounts are
3 less than the previous fiscal year if the Governor declares in
4 writing to the General Assembly the reason for the lesser
5 amounts.

6 (b) The General Assembly shall appropriate amounts for
7 elementary and secondary education from the General Revenue
8 Fund for each fiscal year so that the total General Revenue
9 Fund appropriation is no less than the total General Revenue
10 Fund appropriation for elementary and secondary education for
11 the previous fiscal year. In addition, the General Assembly
12 shall legislatively transfer from the General Revenue Fund to
13 the Common School Fund for the fiscal year a total amount that
14 is no less than the total amount transferred for the previous
15 fiscal year. The General Assembly may appropriate or transfer
16 lesser amounts if it declares by Joint Resolution the reason
17 for the lesser amounts.

18 (b-5) In fiscal year 2010, no appropriation made from
19 General funds to the State Board of Education, the Board of
20 Higher Education, the Community College Board, the Student
21 Assistance Commission, or any public university may be
22 decreased from its fiscal year 2009 general appropriation
23 level. An exception may be made only if a program's
24 appropriation is based on actual cost and that cost has been
25 determined by the Board or university to require a lesser
26 appropriation; however, the aggregate appropriation to those

1 Boards or universities for fiscal year 2010 shall not under any
2 circumstances represent a decrease from the fiscal year 2009
3 aggregate general fund appropriation level for that Board or
4 university.

5 (b-10) Beginning in fiscal year 2011 and in each fiscal
6 year thereafter, in addition to the amounts required to be
7 transferred under subsection (b), an amount equal to the first
8 33 1/3% of the amount of additional revenue generated through
9 the taxes imposed by this amendatory Act of the 96th General
10 Assembly in that fiscal year shall be transferred from the
11 General Revenue Fund to the Common School Fund. In addition,
12 beginning in fiscal year 2011 and in each fiscal year
13 thereafter, an amount equal to the next 16 2/3% of the amount
14 of additional revenue generated through those taxes shall be
15 transferred from the General Revenue Fund to the Higher
16 Education Fund.

17 (b-15) The Higher Education Fund is created as a special
18 fund in the State treasury. Moneys in this Fund may be used
19 only for purposes related to higher education. The Higher
20 Education Fund is not subject to administrative charges that
21 would in any way transfer any funds from the Higher Education
22 Fund into any other fund of the State.

23 (c) This Section may be cited as the Responsible Education
24 Funding Law.

25 (Source: P.A. 91-239, eff. 1-1-00.)

1 Section 10. The State Finance Act is amended by adding
2 Sections 5.719, 5.720, 5.721, and 5.723 as follows:

3 (30 ILCS 105/5.719 new)

4 Sec. 5.719. The Education Financial Award System Fund.

5 (30 ILCS 105/5.720 new)

6 Sec. 5.720. The Digital Learning Technology Grant Fund.

7 (30 ILCS 105/5.721 new)

8 Sec. 5.721. The STEM Education Center Grant Fund.

9 (30 ILCS 105/5.723 new)

10 Sec. 5.723. The Higher Education Fund.

11 Section 15. The Illinois Income Tax Act is amended by
12 changing Sections 201, 204, 208, 212, 804, and 901 and by
13 adding Sections 202.5 and 218 as follows:

14 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

15 Sec. 201. Tax Imposed.

16 (a) In general. A tax measured by net income is hereby
17 imposed on every individual, corporation, trust and estate for
18 each taxable year ending after July 31, 1969 on the privilege
19 of earning or receiving income in or as a resident of this
20 State. Such tax shall be in addition to all other occupation or

1 privilege taxes imposed by this State or by any municipal
2 corporation or political subdivision thereof.

3 (b) Rates. The tax imposed by subsection (a) of this
4 Section shall be determined as follows, except as adjusted by
5 subsection (d-1):

6 (1) In the case of an individual, trust or estate, for
7 taxable years ending prior to July 1, 1989, an amount equal
8 to 2 1/2% of the taxpayer's net income for the taxable
9 year.

10 (2) In the case of an individual, trust or estate, for
11 taxable years beginning prior to July 1, 1989 and ending
12 after June 30, 1989, an amount equal to the sum of (i) 2
13 1/2% of the taxpayer's net income for the period prior to
14 July 1, 1989, as calculated under Section 202.3, and (ii)
15 3% of the taxpayer's net income for the period after June
16 30, 1989, as calculated under Section 202.3.

17 (3) In the case of an individual, trust or estate, for
18 taxable years beginning after June 30, 1989 and ending
19 before July 1, 2009, an amount equal to 3% of the
20 taxpayer's net income for the taxable year.

21 (4) In the case of an individual, trust, or estate, for
22 taxable years beginning prior to July 1, 2009 and ending
23 after June 30, 2009, an amount equal to the sum of (i) 3%
24 of the taxpayer's net income for the period prior to July
25 1, 2009, as calculated under Section 202.5, and (ii) 5% of
26 the taxpayer's net income for the period after June 30,

1 2009, as calculated under Section 202.5. (Blank).

2 (5) In the case of an individual, trust, or estate, for
3 taxable years beginning on or after July 1, 2009, an amount
4 equal to 5% of the taxpayer's net income for the taxable
5 year. (Blank).

6 (6) In the case of a corporation, for taxable years
7 ending prior to July 1, 1989, an amount equal to 4% of the
8 taxpayer's net income for the taxable year.

9 (7) In the case of a corporation, for taxable years
10 beginning prior to July 1, 1989 and ending after June 30,
11 1989, an amount equal to the sum of (i) 4% of the
12 taxpayer's net income for the period prior to July 1, 1989,
13 as calculated under Section 202.3, and (ii) 4.8% of the
14 taxpayer's net income for the period after June 30, 1989,
15 as calculated under Section 202.3.

16 (8) In the case of a corporation, for taxable years
17 beginning after June 30, 1989, and ending prior to July 1,
18 2009 an amount equal to 4.8% of the taxpayer's net income
19 for the taxable year.

20 (9) In the case of a corporation, for taxable years
21 beginning prior to July 1, 2009 and ending after June 30,
22 2009, an amount equal to the sum of (i) 4.8% of the
23 taxpayer's net income for the period prior to July 1, 2009,
24 as calculated under Section 202.5, and (ii) 7.2% of the
25 taxpayer's net income for the period after June 30, 2009,
26 as calculated under Section 202.5.

1 (10) In the case of a corporation, for taxable years
2 beginning after June 30, 2009, an amount equal to 7.2% of
3 the taxpayer's net income for the taxable year.

4 (c) Personal Property Tax Replacement Income Tax.
5 Beginning on July 1, 1979 and thereafter, in addition to such
6 income tax, there is also hereby imposed the Personal Property
7 Tax Replacement Income Tax measured by net income on every
8 corporation (including Subchapter S corporations), partnership
9 and trust, for each taxable year ending after June 30, 1979.
10 Such taxes are imposed on the privilege of earning or receiving
11 income in or as a resident of this State. The Personal Property
12 Tax Replacement Income Tax shall be in addition to the income
13 tax imposed by subsections (a) and (b) of this Section and in
14 addition to all other occupation or privilege taxes imposed by
15 this State or by any municipal corporation or political
16 subdivision thereof.

17 (d) Additional Personal Property Tax Replacement Income
18 Tax Rates. The personal property tax replacement income tax
19 imposed by this subsection and subsection (c) of this Section
20 in the case of a corporation, other than a Subchapter S
21 corporation and except as adjusted by subsection (d-1), shall
22 be an additional amount equal to 2.85% of such taxpayer's net
23 income for the taxable year, except that beginning on January
24 1, 1981, and thereafter, the rate of 2.85% specified in this
25 subsection shall be reduced to 2.5%, and in the case of a
26 partnership, trust or a Subchapter S corporation shall be an

1 additional amount equal to 1.5% of such taxpayer's net income
2 for the taxable year.

3 (d-1) Rate reduction for certain foreign insurers. In the
4 case of a foreign insurer, as defined by Section 35A-5 of the
5 Illinois Insurance Code, whose state or country of domicile
6 imposes on insurers domiciled in Illinois a retaliatory tax
7 (excluding any insurer whose premiums from reinsurance assumed
8 are 50% or more of its total insurance premiums as determined
9 under paragraph (2) of subsection (b) of Section 304, except
10 that for purposes of this determination premiums from
11 reinsurance do not include premiums from inter-affiliate
12 reinsurance arrangements), beginning with taxable years ending
13 on or after December 31, 1999, the sum of the rates of tax
14 imposed by subsections (b) and (d) shall be reduced (but not
15 increased) to the rate at which the total amount of tax imposed
16 under this Act, net of all credits allowed under this Act,
17 shall equal (i) the total amount of tax that would be imposed
18 on the foreign insurer's net income allocable to Illinois for
19 the taxable year by such foreign insurer's state or country of
20 domicile if that net income were subject to all income taxes
21 and taxes measured by net income imposed by such foreign
22 insurer's state or country of domicile, net of all credits
23 allowed or (ii) a rate of zero if no such tax is imposed on such
24 income by the foreign insurer's state of domicile. For the
25 purposes of this subsection (d-1), an inter-affiliate includes
26 a mutual insurer under common management.

1 (1) For the purposes of subsection (d-1), in no event
2 shall the sum of the rates of tax imposed by subsections
3 (b) and (d) be reduced below the rate at which the sum of:

4 (A) the total amount of tax imposed on such foreign
5 insurer under this Act for a taxable year, net of all
6 credits allowed under this Act, plus

7 (B) the privilege tax imposed by Section 409 of the
8 Illinois Insurance Code, the fire insurance company
9 tax imposed by Section 12 of the Fire Investigation
10 Act, and the fire department taxes imposed under
11 Section 11-10-1 of the Illinois Municipal Code,
12 equals 1.25% for taxable years ending prior to December 31,
13 2003, or 1.75% for taxable years ending on or after
14 December 31, 2003, of the net taxable premiums written for
15 the taxable year, as described by subsection (1) of Section
16 409 of the Illinois Insurance Code. This paragraph will in
17 no event increase the rates imposed under subsections (b)
18 and (d).

19 (2) Any reduction in the rates of tax imposed by this
20 subsection shall be applied first against the rates imposed
21 by subsection (b) and only after the tax imposed by
22 subsection (a) net of all credits allowed under this
23 Section other than the credit allowed under subsection (i)
24 has been reduced to zero, against the rates imposed by
25 subsection (d).

26 This subsection (d-1) is exempt from the provisions of

1 Section 250.

2 (e) Investment credit. A taxpayer shall be allowed a credit
3 against the Personal Property Tax Replacement Income Tax for
4 investment in qualified property.

5 (1) A taxpayer shall be allowed a credit equal to .5%
6 of the basis of qualified property placed in service during
7 the taxable year, provided such property is placed in
8 service on or after July 1, 1984. There shall be allowed an
9 additional credit equal to .5% of the basis of qualified
10 property placed in service during the taxable year,
11 provided such property is placed in service on or after
12 July 1, 1986, and the taxpayer's base employment within
13 Illinois has increased by 1% or more over the preceding
14 year as determined by the taxpayer's employment records
15 filed with the Illinois Department of Employment Security.
16 Taxpayers who are new to Illinois shall be deemed to have
17 met the 1% growth in base employment for the first year in
18 which they file employment records with the Illinois
19 Department of Employment Security. The provisions added to
20 this Section by Public Act 85-1200 (and restored by Public
21 Act 87-895) shall be construed as declaratory of existing
22 law and not as a new enactment. If, in any year, the
23 increase in base employment within Illinois over the
24 preceding year is less than 1%, the additional credit shall
25 be limited to that percentage times a fraction, the
26 numerator of which is .5% and the denominator of which is

1 1%, but shall not exceed .5%. The investment credit shall
2 not be allowed to the extent that it would reduce a
3 taxpayer's liability in any tax year below zero, nor may
4 any credit for qualified property be allowed for any year
5 other than the year in which the property was placed in
6 service in Illinois. For tax years ending on or after
7 December 31, 1987, and on or before December 31, 1988, the
8 credit shall be allowed for the tax year in which the
9 property is placed in service, or, if the amount of the
10 credit exceeds the tax liability for that year, whether it
11 exceeds the original liability or the liability as later
12 amended, such excess may be carried forward and applied to
13 the tax liability of the 5 taxable years following the
14 excess credit years if the taxpayer (i) makes investments
15 which cause the creation of a minimum of 2,000 full-time
16 equivalent jobs in Illinois, (ii) is located in an
17 enterprise zone established pursuant to the Illinois
18 Enterprise Zone Act and (iii) is certified by the
19 Department of Commerce and Community Affairs (now
20 Department of Commerce and Economic Opportunity) as
21 complying with the requirements specified in clause (i) and
22 (ii) by July 1, 1986. The Department of Commerce and
23 Community Affairs (now Department of Commerce and Economic
24 Opportunity) shall notify the Department of Revenue of all
25 such certifications immediately. For tax years ending
26 after December 31, 1988, the credit shall be allowed for

1 the tax year in which the property is placed in service,
2 or, if the amount of the credit exceeds the tax liability
3 for that year, whether it exceeds the original liability or
4 the liability as later amended, such excess may be carried
5 forward and applied to the tax liability of the 5 taxable
6 years following the excess credit years. The credit shall
7 be applied to the earliest year for which there is a
8 liability. If there is credit from more than one tax year
9 that is available to offset a liability, earlier credit
10 shall be applied first.

11 (2) The term "qualified property" means property
12 which:

13 (A) is tangible, whether new or used, including
14 buildings and structural components of buildings and
15 signs that are real property, but not including land or
16 improvements to real property that are not a structural
17 component of a building such as landscaping, sewer
18 lines, local access roads, fencing, parking lots, and
19 other appurtenances;

20 (B) is depreciable pursuant to Section 167 of the
21 Internal Revenue Code, except that "3-year property"
22 as defined in Section 168(c)(2)(A) of that Code is not
23 eligible for the credit provided by this subsection
24 (e);

25 (C) is acquired by purchase as defined in Section
26 179(d) of the Internal Revenue Code;

1 (D) is used in Illinois by a taxpayer who is
2 primarily engaged in manufacturing, or in mining coal
3 or fluorite, or in retailing, or was placed in service
4 on or after July 1, 2006 in a River Edge Redevelopment
5 Zone established pursuant to the River Edge
6 Redevelopment Zone Act; and

7 (E) has not previously been used in Illinois in
8 such a manner and by such a person as would qualify for
9 the credit provided by this subsection (e) or
10 subsection (f).

11 (3) For purposes of this subsection (e),
12 "manufacturing" means the material staging and production
13 of tangible personal property by procedures commonly
14 regarded as manufacturing, processing, fabrication, or
15 assembling which changes some existing material into new
16 shapes, new qualities, or new combinations. For purposes of
17 this subsection (e) the term "mining" shall have the same
18 meaning as the term "mining" in Section 613(c) of the
19 Internal Revenue Code. For purposes of this subsection (e),
20 the term "retailing" means the sale of tangible personal
21 property or services rendered in conjunction with the sale
22 of tangible consumer goods or commodities.

23 (4) The basis of qualified property shall be the basis
24 used to compute the depreciation deduction for federal
25 income tax purposes.

26 (5) If the basis of the property for federal income tax

1 depreciation purposes is increased after it has been placed
2 in service in Illinois by the taxpayer, the amount of such
3 increase shall be deemed property placed in service on the
4 date of such increase in basis.

5 (6) The term "placed in service" shall have the same
6 meaning as under Section 46 of the Internal Revenue Code.

7 (7) If during any taxable year, any property ceases to
8 be qualified property in the hands of the taxpayer within
9 48 months after being placed in service, or the situs of
10 any qualified property is moved outside Illinois within 48
11 months after being placed in service, the Personal Property
12 Tax Replacement Income Tax for such taxable year shall be
13 increased. Such increase shall be determined by (i)
14 recomputing the investment credit which would have been
15 allowed for the year in which credit for such property was
16 originally allowed by eliminating such property from such
17 computation and, (ii) subtracting such recomputed credit
18 from the amount of credit previously allowed. For the
19 purposes of this paragraph (7), a reduction of the basis of
20 qualified property resulting from a redetermination of the
21 purchase price shall be deemed a disposition of qualified
22 property to the extent of such reduction.

23 (8) Unless the investment credit is extended by law,
24 the basis of qualified property shall not include costs
25 incurred after December 31, 2008, except for costs incurred
26 pursuant to a binding contract entered into on or before

1 December 31, 2008.

2 (9) Each taxable year ending before December 31, 2000,
3 a partnership may elect to pass through to its partners the
4 credits to which the partnership is entitled under this
5 subsection (e) for the taxable year. A partner may use the
6 credit allocated to him or her under this paragraph only
7 against the tax imposed in subsections (c) and (d) of this
8 Section. If the partnership makes that election, those
9 credits shall be allocated among the partners in the
10 partnership in accordance with the rules set forth in
11 Section 704(b) of the Internal Revenue Code, and the rules
12 promulgated under that Section, and the allocated amount of
13 the credits shall be allowed to the partners for that
14 taxable year. The partnership shall make this election on
15 its Personal Property Tax Replacement Income Tax return for
16 that taxable year. The election to pass through the credits
17 shall be irrevocable.

18 For taxable years ending on or after December 31, 2000,
19 a partner that qualifies its partnership for a subtraction
20 under subparagraph (I) of paragraph (2) of subsection (d)
21 of Section 203 or a shareholder that qualifies a Subchapter
22 S corporation for a subtraction under subparagraph (S) of
23 paragraph (2) of subsection (b) of Section 203 shall be
24 allowed a credit under this subsection (e) equal to its
25 share of the credit earned under this subsection (e) during
26 the taxable year by the partnership or Subchapter S

1 corporation, determined in accordance with the
2 determination of income and distributive share of income
3 under Sections 702 and 704 and Subchapter S of the Internal
4 Revenue Code. This paragraph is exempt from the provisions
5 of Section 250.

6 (f) Investment credit; Enterprise Zone; River Edge
7 Redevelopment Zone.

8 (1) A taxpayer shall be allowed a credit against the
9 tax imposed by subsections (a) and (b) of this Section for
10 investment in qualified property which is placed in service
11 in an Enterprise Zone created pursuant to the Illinois
12 Enterprise Zone Act or, for property placed in service on
13 or after July 1, 2006, a River Edge Redevelopment Zone
14 established pursuant to the River Edge Redevelopment Zone
15 Act. For partners, shareholders of Subchapter S
16 corporations, and owners of limited liability companies,
17 if the liability company is treated as a partnership for
18 purposes of federal and State income taxation, there shall
19 be allowed a credit under this subsection (f) to be
20 determined in accordance with the determination of income
21 and distributive share of income under Sections 702 and 704
22 and Subchapter S of the Internal Revenue Code. The credit
23 shall be .5% of the basis for such property. The credit
24 shall be available only in the taxable year in which the
25 property is placed in service in the Enterprise Zone or
26 River Edge Redevelopment Zone and shall not be allowed to

1 the extent that it would reduce a taxpayer's liability for
2 the tax imposed by subsections (a) and (b) of this Section
3 to below zero. For tax years ending on or after December
4 31, 1985, the credit shall be allowed for the tax year in
5 which the property is placed in service, or, if the amount
6 of the credit exceeds the tax liability for that year,
7 whether it exceeds the original liability or the liability
8 as later amended, such excess may be carried forward and
9 applied to the tax liability of the 5 taxable years
10 following the excess credit year. The credit shall be
11 applied to the earliest year for which there is a
12 liability. If there is credit from more than one tax year
13 that is available to offset a liability, the credit
14 accruing first in time shall be applied first.

15 (2) The term qualified property means property which:

16 (A) is tangible, whether new or used, including
17 buildings and structural components of buildings;

18 (B) is depreciable pursuant to Section 167 of the
19 Internal Revenue Code, except that "3-year property"
20 as defined in Section 168(c)(2)(A) of that Code is not
21 eligible for the credit provided by this subsection
22 (f);

23 (C) is acquired by purchase as defined in Section
24 179(d) of the Internal Revenue Code;

25 (D) is used in the Enterprise Zone or River Edge
26 Redevelopment Zone by the taxpayer; and

1 (E) has not been previously used in Illinois in
2 such a manner and by such a person as would qualify for
3 the credit provided by this subsection (f) or
4 subsection (e).

5 (3) The basis of qualified property shall be the basis
6 used to compute the depreciation deduction for federal
7 income tax purposes.

8 (4) If the basis of the property for federal income tax
9 depreciation purposes is increased after it has been placed
10 in service in the Enterprise Zone or River Edge
11 Redevelopment Zone by the taxpayer, the amount of such
12 increase shall be deemed property placed in service on the
13 date of such increase in basis.

14 (5) The term "placed in service" shall have the same
15 meaning as under Section 46 of the Internal Revenue Code.

16 (6) If during any taxable year, any property ceases to
17 be qualified property in the hands of the taxpayer within
18 48 months after being placed in service, or the situs of
19 any qualified property is moved outside the Enterprise Zone
20 or River Edge Redevelopment Zone within 48 months after
21 being placed in service, the tax imposed under subsections
22 (a) and (b) of this Section for such taxable year shall be
23 increased. Such increase shall be determined by (i)
24 recomputing the investment credit which would have been
25 allowed for the year in which credit for such property was
26 originally allowed by eliminating such property from such

1 computation, and (ii) subtracting such recomputed credit
2 from the amount of credit previously allowed. For the
3 purposes of this paragraph (6), a reduction of the basis of
4 qualified property resulting from a redetermination of the
5 purchase price shall be deemed a disposition of qualified
6 property to the extent of such reduction.

7 (7) There shall be allowed an additional credit equal
8 to 0.5% of the basis of qualified property placed in
9 service during the taxable year in a River Edge
10 Redevelopment Zone, provided such property is placed in
11 service on or after July 1, 2006, and the taxpayer's base
12 employment within Illinois has increased by 1% or more over
13 the preceding year as determined by the taxpayer's
14 employment records filed with the Illinois Department of
15 Employment Security. Taxpayers who are new to Illinois
16 shall be deemed to have met the 1% growth in base
17 employment for the first year in which they file employment
18 records with the Illinois Department of Employment
19 Security. If, in any year, the increase in base employment
20 within Illinois over the preceding year is less than 1%,
21 the additional credit shall be limited to that percentage
22 times a fraction, the numerator of which is 0.5% and the
23 denominator of which is 1%, but shall not exceed 0.5%.

24 (g) Jobs Tax Credit; Enterprise Zone, River Edge
25 Redevelopment Zone, and Foreign Trade Zone or Sub-Zone.

26 (1) A taxpayer conducting a trade or business in an

1 enterprise zone or a High Impact Business designated by the
2 Department of Commerce and Economic Opportunity or for
3 taxable years ending on or after December 31, 2006, in a
4 River Edge Redevelopment Zone conducting a trade or
5 business in a federally designated Foreign Trade Zone or
6 Sub-Zone shall be allowed a credit against the tax imposed
7 by subsections (a) and (b) of this Section in the amount of
8 \$500 per eligible employee hired to work in the zone during
9 the taxable year.

10 (2) To qualify for the credit:

11 (A) the taxpayer must hire 5 or more eligible
12 employees to work in an enterprise zone, River Edge
13 Redevelopment Zone, or federally designated Foreign
14 Trade Zone or Sub-Zone during the taxable year;

15 (B) the taxpayer's total employment within the
16 enterprise zone, River Edge Redevelopment Zone, or
17 federally designated Foreign Trade Zone or Sub-Zone
18 must increase by 5 or more full-time employees beyond
19 the total employed in that zone at the end of the
20 previous tax year for which a jobs tax credit under
21 this Section was taken, or beyond the total employed by
22 the taxpayer as of December 31, 1985, whichever is
23 later; and

24 (C) the eligible employees must be employed 180
25 consecutive days in order to be deemed hired for
26 purposes of this subsection.

1 (3) An "eligible employee" means an employee who is:

2 (A) Certified by the Department of Commerce and
3 Economic Opportunity as "eligible for services"
4 pursuant to regulations promulgated in accordance with
5 Title II of the Job Training Partnership Act, Training
6 Services for the Disadvantaged or Title III of the Job
7 Training Partnership Act, Employment and Training
8 Assistance for Dislocated Workers Program.

9 (B) Hired after the enterprise zone, River Edge
10 Redevelopment Zone, or federally designated Foreign
11 Trade Zone or Sub-Zone was designated or the trade or
12 business was located in that zone, whichever is later.

13 (C) Employed in the enterprise zone, River Edge
14 Redevelopment Zone, or Foreign Trade Zone or Sub-Zone.
15 An employee is employed in an enterprise zone or
16 federally designated Foreign Trade Zone or Sub-Zone if
17 his services are rendered there or it is the base of
18 operations for the services performed.

19 (D) A full-time employee working 30 or more hours
20 per week.

21 (4) For tax years ending on or after December 31, 1985
22 and prior to December 31, 1988, the credit shall be allowed
23 for the tax year in which the eligible employees are hired.
24 For tax years ending on or after December 31, 1988, the
25 credit shall be allowed for the tax year immediately
26 following the tax year in which the eligible employees are

1 hired. If the amount of the credit exceeds the tax
2 liability for that year, whether it exceeds the original
3 liability or the liability as later amended, such excess
4 may be carried forward and applied to the tax liability of
5 the 5 taxable years following the excess credit year. The
6 credit shall be applied to the earliest year for which
7 there is a liability. If there is credit from more than one
8 tax year that is available to offset a liability, earlier
9 credit shall be applied first.

10 (5) The Department of Revenue shall promulgate such
11 rules and regulations as may be deemed necessary to carry
12 out the purposes of this subsection (g).

13 (6) The credit shall be available for eligible
14 employees hired on or after January 1, 1986.

15 (h) Investment credit; High Impact Business.

16 (1) Subject to subsections (b) and (b-5) of Section 5.5
17 of the Illinois Enterprise Zone Act, a taxpayer shall be
18 allowed a credit against the tax imposed by subsections (a)
19 and (b) of this Section for investment in qualified
20 property which is placed in service by a Department of
21 Commerce and Economic Opportunity designated High Impact
22 Business. The credit shall be .5% of the basis for such
23 property. The credit shall not be available (i) until the
24 minimum investments in qualified property set forth in
25 subdivision (a)(3)(A) of Section 5.5 of the Illinois
26 Enterprise Zone Act have been satisfied or (ii) until the

1 time authorized in subsection (b-5) of the Illinois
2 Enterprise Zone Act for entities designated as High Impact
3 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
4 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
5 Act, and shall not be allowed to the extent that it would
6 reduce a taxpayer's liability for the tax imposed by
7 subsections (a) and (b) of this Section to below zero. The
8 credit applicable to such investments shall be taken in the
9 taxable year in which such investments have been completed.
10 The credit for additional investments beyond the minimum
11 investment by a designated high impact business authorized
12 under subdivision (a)(3)(A) of Section 5.5 of the Illinois
13 Enterprise Zone Act shall be available only in the taxable
14 year in which the property is placed in service and shall
15 not be allowed to the extent that it would reduce a
16 taxpayer's liability for the tax imposed by subsections (a)
17 and (b) of this Section to below zero. For tax years ending
18 on or after December 31, 1987, the credit shall be allowed
19 for the tax year in which the property is placed in
20 service, or, if the amount of the credit exceeds the tax
21 liability for that year, whether it exceeds the original
22 liability or the liability as later amended, such excess
23 may be carried forward and applied to the tax liability of
24 the 5 taxable years following the excess credit year. The
25 credit shall be applied to the earliest year for which
26 there is a liability. If there is credit from more than one

1 tax year that is available to offset a liability, the
2 credit accruing first in time shall be applied first.

3 Changes made in this subdivision (h) (1) by Public Act
4 88-670 restore changes made by Public Act 85-1182 and
5 reflect existing law.

6 (2) The term qualified property means property which:

7 (A) is tangible, whether new or used, including
8 buildings and structural components of buildings;

9 (B) is depreciable pursuant to Section 167 of the
10 Internal Revenue Code, except that "3-year property"
11 as defined in Section 168(c) (2) (A) of that Code is not
12 eligible for the credit provided by this subsection
13 (h);

14 (C) is acquired by purchase as defined in Section
15 179(d) of the Internal Revenue Code; and

16 (D) is not eligible for the Enterprise Zone
17 Investment Credit provided by subsection (f) of this
18 Section.

19 (3) The basis of qualified property shall be the basis
20 used to compute the depreciation deduction for federal
21 income tax purposes.

22 (4) If the basis of the property for federal income tax
23 depreciation purposes is increased after it has been placed
24 in service in a federally designated Foreign Trade Zone or
25 Sub-Zone located in Illinois by the taxpayer, the amount of
26 such increase shall be deemed property placed in service on

1 the date of such increase in basis.

2 (5) The term "placed in service" shall have the same
3 meaning as under Section 46 of the Internal Revenue Code.

4 (6) If during any taxable year ending on or before
5 December 31, 1996, any property ceases to be qualified
6 property in the hands of the taxpayer within 48 months
7 after being placed in service, or the situs of any
8 qualified property is moved outside Illinois within 48
9 months after being placed in service, the tax imposed under
10 subsections (a) and (b) of this Section for such taxable
11 year shall be increased. Such increase shall be determined
12 by (i) recomputing the investment credit which would have
13 been allowed for the year in which credit for such property
14 was originally allowed by eliminating such property from
15 such computation, and (ii) subtracting such recomputed
16 credit from the amount of credit previously allowed. For
17 the purposes of this paragraph (6), a reduction of the
18 basis of qualified property resulting from a
19 redetermination of the purchase price shall be deemed a
20 disposition of qualified property to the extent of such
21 reduction.

22 (7) Beginning with tax years ending after December 31,
23 1996, if a taxpayer qualifies for the credit under this
24 subsection (h) and thereby is granted a tax abatement and
25 the taxpayer relocates its entire facility in violation of
26 the explicit terms and length of the contract under Section

1 18-183 of the Property Tax Code, the tax imposed under
2 subsections (a) and (b) of this Section shall be increased
3 for the taxable year in which the taxpayer relocated its
4 facility by an amount equal to the amount of credit
5 received by the taxpayer under this subsection (h).

6 (i) Credit for Personal Property Tax Replacement Income
7 Tax. For tax years ending prior to December 31, 2003, a credit
8 shall be allowed against the tax imposed by subsections (a) and
9 (b) of this Section for the tax imposed by subsections (c) and
10 (d) of this Section. This credit shall be computed by
11 multiplying the tax imposed by subsections (c) and (d) of this
12 Section by a fraction, the numerator of which is base income
13 allocable to Illinois and the denominator of which is Illinois
14 base income, and further multiplying the product by the tax
15 rate imposed by subsections (a) and (b) of this Section.

16 Any credit earned on or after December 31, 1986 under this
17 subsection which is unused in the year the credit is computed
18 because it exceeds the tax liability imposed by subsections (a)
19 and (b) for that year (whether it exceeds the original
20 liability or the liability as later amended) may be carried
21 forward and applied to the tax liability imposed by subsections
22 (a) and (b) of the 5 taxable years following the excess credit
23 year, provided that no credit may be carried forward to any
24 year ending on or after December 31, 2003. This credit shall be
25 applied first to the earliest year for which there is a
26 liability. If there is a credit under this subsection from more

1 than one tax year that is available to offset a liability the
2 earliest credit arising under this subsection shall be applied
3 first.

4 If, during any taxable year ending on or after December 31,
5 1986, the tax imposed by subsections (c) and (d) of this
6 Section for which a taxpayer has claimed a credit under this
7 subsection (i) is reduced, the amount of credit for such tax
8 shall also be reduced. Such reduction shall be determined by
9 recomputing the credit to take into account the reduced tax
10 imposed by subsections (c) and (d). If any portion of the
11 reduced amount of credit has been carried to a different
12 taxable year, an amended return shall be filed for such taxable
13 year to reduce the amount of credit claimed.

14 (j) Training expense credit. Beginning with tax years
15 ending on or after December 31, 1986 and prior to December 31,
16 2003, a taxpayer shall be allowed a credit against the tax
17 imposed by subsections (a) and (b) under this Section for all
18 amounts paid or accrued, on behalf of all persons employed by
19 the taxpayer in Illinois or Illinois residents employed outside
20 of Illinois by a taxpayer, for educational or vocational
21 training in semi-technical or technical fields or semi-skilled
22 or skilled fields, which were deducted from gross income in the
23 computation of taxable income. The credit against the tax
24 imposed by subsections (a) and (b) shall be 1.6% of such
25 training expenses. For partners, shareholders of subchapter S
26 corporations, and owners of limited liability companies, if the

1 liability company is treated as a partnership for purposes of
2 federal and State income taxation, there shall be allowed a
3 credit under this subsection (j) to be determined in accordance
4 with the determination of income and distributive share of
5 income under Sections 702 and 704 and subchapter S of the
6 Internal Revenue Code.

7 Any credit allowed under this subsection which is unused in
8 the year the credit is earned may be carried forward to each of
9 the 5 taxable years following the year for which the credit is
10 first computed until it is used. This credit shall be applied
11 first to the earliest year for which there is a liability. If
12 there is a credit under this subsection from more than one tax
13 year that is available to offset a liability the earliest
14 credit arising under this subsection shall be applied first. No
15 carryforward credit may be claimed in any tax year ending on or
16 after December 31, 2003.

17 (k) Research and development credit.

18 For tax years ending after July 1, 1990 and prior to
19 December 31, 2003, and beginning again for tax years ending on
20 or after December 31, 2004, a taxpayer shall be allowed a
21 credit against the tax imposed by subsections (a) and (b) of
22 this Section for increasing research activities in this State.
23 The credit allowed against the tax imposed by subsections (a)
24 and (b) shall be equal to 6 1/2% of the qualifying expenditures
25 for increasing research activities in this State. For partners,
26 shareholders of subchapter S corporations, and owners of

1 limited liability companies, if the liability company is
2 treated as a partnership for purposes of federal and State
3 income taxation, there shall be allowed a credit under this
4 subsection to be determined in accordance with the
5 determination of income and distributive share of income under
6 Sections 702 and 704 and subchapter S of the Internal Revenue
7 Code.

8 For purposes of this subsection, "qualifying expenditures"
9 means the qualifying expenditures as defined for the federal
10 credit for increasing research activities which would be
11 allowable under Section 41 of the Internal Revenue Code and
12 which are conducted in this State, "qualifying expenditures for
13 increasing research activities in this State" means the excess
14 of qualifying expenditures for the taxable year in which
15 incurred over qualifying expenditures for the base period,
16 "qualifying expenditures for the base period" means the average
17 of the qualifying expenditures for each year in the base
18 period, and "base period" means the 3 taxable years immediately
19 preceding the taxable year for which the determination is being
20 made.

21 Any credit in excess of the tax liability for the taxable
22 year may be carried forward. A taxpayer may elect to have the
23 unused credit shown on its final completed return carried over
24 as a credit against the tax liability for the following 5
25 taxable years or until it has been fully used, whichever occurs
26 first; provided that no credit earned in a tax year ending

1 prior to December 31, 2003 may be carried forward to any year
2 ending on or after December 31, 2003.

3 If an unused credit is carried forward to a given year from
4 2 or more earlier years, that credit arising in the earliest
5 year will be applied first against the tax liability for the
6 given year. If a tax liability for the given year still
7 remains, the credit from the next earliest year will then be
8 applied, and so on, until all credits have been used or no tax
9 liability for the given year remains. Any remaining unused
10 credit or credits then will be carried forward to the next
11 following year in which a tax liability is incurred, except
12 that no credit can be carried forward to a year which is more
13 than 5 years after the year in which the expense for which the
14 credit is given was incurred.

15 No inference shall be drawn from this amendatory Act of the
16 91st General Assembly in construing this Section for taxable
17 years beginning before January 1, 1999.

18 (1) Environmental Remediation Tax Credit.

19 (i) For tax years ending after December 31, 1997 and on
20 or before December 31, 2001, a taxpayer shall be allowed a
21 credit against the tax imposed by subsections (a) and (b)
22 of this Section for certain amounts paid for unreimbursed
23 eligible remediation costs, as specified in this
24 subsection. For purposes of this Section, "unreimbursed
25 eligible remediation costs" means costs approved by the
26 Illinois Environmental Protection Agency ("Agency") under

1 Section 58.14 of the Environmental Protection Act that were
2 paid in performing environmental remediation at a site for
3 which a No Further Remediation Letter was issued by the
4 Agency and recorded under Section 58.10 of the
5 Environmental Protection Act. The credit must be claimed
6 for the taxable year in which Agency approval of the
7 eligible remediation costs is granted. The credit is not
8 available to any taxpayer if the taxpayer or any related
9 party caused or contributed to, in any material respect, a
10 release of regulated substances on, in, or under the site
11 that was identified and addressed by the remedial action
12 pursuant to the Site Remediation Program of the
13 Environmental Protection Act. After the Pollution Control
14 Board rules are adopted pursuant to the Illinois
15 Administrative Procedure Act for the administration and
16 enforcement of Section 58.9 of the Environmental
17 Protection Act, determinations as to credit availability
18 for purposes of this Section shall be made consistent with
19 those rules. For purposes of this Section, "taxpayer"
20 includes a person whose tax attributes the taxpayer has
21 succeeded to under Section 381 of the Internal Revenue Code
22 and "related party" includes the persons disallowed a
23 deduction for losses by paragraphs (b), (c), and (f)(1) of
24 Section 267 of the Internal Revenue Code by virtue of being
25 a related taxpayer, as well as any of its partners. The
26 credit allowed against the tax imposed by subsections (a)

1 and (b) shall be equal to 25% of the unreimbursed eligible
2 remediation costs in excess of \$100,000 per site, except
3 that the \$100,000 threshold shall not apply to any site
4 contained in an enterprise zone as determined by the
5 Department of Commerce and Community Affairs (now
6 Department of Commerce and Economic Opportunity). The
7 total credit allowed shall not exceed \$40,000 per year with
8 a maximum total of \$150,000 per site. For partners and
9 shareholders of subchapter S corporations, there shall be
10 allowed a credit under this subsection to be determined in
11 accordance with the determination of income and
12 distributive share of income under Sections 702 and 704 and
13 subchapter S of the Internal Revenue Code.

14 (ii) A credit allowed under this subsection that is
15 unused in the year the credit is earned may be carried
16 forward to each of the 5 taxable years following the year
17 for which the credit is first earned until it is used. The
18 term "unused credit" does not include any amounts of
19 unreimbursed eligible remediation costs in excess of the
20 maximum credit per site authorized under paragraph (i).
21 This credit shall be applied first to the earliest year for
22 which there is a liability. If there is a credit under this
23 subsection from more than one tax year that is available to
24 offset a liability, the earliest credit arising under this
25 subsection shall be applied first. A credit allowed under
26 this subsection may be sold to a buyer as part of a sale of

1 all or part of the remediation site for which the credit
2 was granted. The purchaser of a remediation site and the
3 tax credit shall succeed to the unused credit and remaining
4 carry-forward period of the seller. To perfect the
5 transfer, the assignor shall record the transfer in the
6 chain of title for the site and provide written notice to
7 the Director of the Illinois Department of Revenue of the
8 assignor's intent to sell the remediation site and the
9 amount of the tax credit to be transferred as a portion of
10 the sale. In no event may a credit be transferred to any
11 taxpayer if the taxpayer or a related party would not be
12 eligible under the provisions of subsection (i).

13 (iii) For purposes of this Section, the term "site"
14 shall have the same meaning as under Section 58.2 of the
15 Environmental Protection Act.

16 (m) Education expense credit. Beginning with tax years
17 ending after December 31, 1999, a taxpayer who is the custodian
18 of one or more qualifying pupils shall be allowed a credit
19 against the tax imposed by subsections (a) and (b) of this
20 Section for qualified education expenses incurred on behalf of
21 the qualifying pupils. The credit shall be equal to 25% of
22 qualified education expenses, but in no event may the total
23 credit under this subsection claimed by a family that is the
24 custodian of qualifying pupils exceed \$500 for taxable years
25 ending on or before December 31, 2009 and \$1,000 for taxable
26 years ending on or after January 1, 2010. In no event shall a

1 credit under this subsection reduce the taxpayer's liability
2 under this Act to less than zero. This subsection is exempt
3 from the provisions of Section 250 of this Act.

4 For purposes of this subsection:

5 "Qualifying pupils" means individuals who (i) are
6 residents of the State of Illinois, (ii) are under the age of
7 21 at the close of the school year for which a credit is
8 sought, and (iii) during the school year for which a credit is
9 sought were full-time pupils enrolled in a kindergarten through
10 twelfth grade education program at any school, as defined in
11 this subsection.

12 "Qualified education expense" means the amount incurred on
13 behalf of a qualifying pupil in excess of \$250 for tuition,
14 book fees, and lab fees at the school in which the pupil is
15 enrolled during the regular school year.

16 "School" means any public or nonpublic elementary or
17 secondary school in Illinois that is in compliance with Title
18 VI of the Civil Rights Act of 1964 and attendance at which
19 satisfies the requirements of Section 26-1 of the School Code,
20 except that nothing shall be construed to require a child to
21 attend any particular public or nonpublic school to qualify for
22 the credit under this Section.

23 "Custodian" means, with respect to qualifying pupils, an
24 Illinois resident who is a parent, the parents, a legal
25 guardian, or the legal guardians of the qualifying pupils.

26 (n) River Edge Redevelopment Zone site remediation tax

1 credit.

2 (i) For tax years ending on or after December 31, 2006,
3 a taxpayer shall be allowed a credit against the tax
4 imposed by subsections (a) and (b) of this Section for
5 certain amounts paid for unreimbursed eligible remediation
6 costs, as specified in this subsection. For purposes of
7 this Section, "unreimbursed eligible remediation costs"
8 means costs approved by the Illinois Environmental
9 Protection Agency ("Agency") under Section 58.14a of the
10 Environmental Protection Act that were paid in performing
11 environmental remediation at a site within a River Edge
12 Redevelopment Zone for which a No Further Remediation
13 Letter was issued by the Agency and recorded under Section
14 58.10 of the Environmental Protection Act. The credit must
15 be claimed for the taxable year in which Agency approval of
16 the eligible remediation costs is granted. The credit is
17 not available to any taxpayer if the taxpayer or any
18 related party caused or contributed to, in any material
19 respect, a release of regulated substances on, in, or under
20 the site that was identified and addressed by the remedial
21 action pursuant to the Site Remediation Program of the
22 Environmental Protection Act. Determinations as to credit
23 availability for purposes of this Section shall be made
24 consistent with rules adopted by the Pollution Control
25 Board pursuant to the Illinois Administrative Procedure
26 Act for the administration and enforcement of Section 58.9

1 of the Environmental Protection Act. For purposes of this
2 Section, "taxpayer" includes a person whose tax attributes
3 the taxpayer has succeeded to under Section 381 of the
4 Internal Revenue Code and "related party" includes the
5 persons disallowed a deduction for losses by paragraphs
6 (b), (c), and (f) (1) of Section 267 of the Internal Revenue
7 Code by virtue of being a related taxpayer, as well as any
8 of its partners. The credit allowed against the tax imposed
9 by subsections (a) and (b) shall be equal to 25% of the
10 unreimbursed eligible remediation costs in excess of
11 \$100,000 per site.

12 (ii) A credit allowed under this subsection that is
13 unused in the year the credit is earned may be carried
14 forward to each of the 5 taxable years following the year
15 for which the credit is first earned until it is used. This
16 credit shall be applied first to the earliest year for
17 which there is a liability. If there is a credit under this
18 subsection from more than one tax year that is available to
19 offset a liability, the earliest credit arising under this
20 subsection shall be applied first. A credit allowed under
21 this subsection may be sold to a buyer as part of a sale of
22 all or part of the remediation site for which the credit
23 was granted. The purchaser of a remediation site and the
24 tax credit shall succeed to the unused credit and remaining
25 carry-forward period of the seller. To perfect the
26 transfer, the assignor shall record the transfer in the

1 chain of title for the site and provide written notice to
2 the Director of the Illinois Department of Revenue of the
3 assignor's intent to sell the remediation site and the
4 amount of the tax credit to be transferred as a portion of
5 the sale. In no event may a credit be transferred to any
6 taxpayer if the taxpayer or a related party would not be
7 eligible under the provisions of subsection (i).

8 (iii) For purposes of this Section, the term "site"
9 shall have the same meaning as under Section 58.2 of the
10 Environmental Protection Act.

11 (iv) This subsection is exempt from the provisions of
12 Section 250.

13 (Source: P.A. 94-1021, eff. 7-12-06; 95-454, eff. 8-27-07.)

14 (35 ILCS 5/202.5 new)

15 Sec. 202.5. Net income attributable to the period prior to
16 July 1, 2009 and net income attributable to the period after
17 June 30, 2009.

18 (a) In general. With respect to the taxable year of a
19 taxpayer beginning prior to July 1, 2009, and ending after June
20 30, 2009, net income for the period after June 30, 2009, is
21 that amount that bears the same ratio to the taxpayer's net
22 income for the entire taxable year as the number of days in
23 that year after June 30, 2009, bears to the total number of
24 days in that year, and the net income for the period prior to
25 July 1, 2009 is that amount that bears the same ratio to the

1 taxpayer's net income for the entire taxable year as the number
2 of days in that year prior to July 1, 2009, bears to the total
3 number of days in that year.

4 (b) Election to attribute income and deduction items
5 specifically to the respective portions of a taxable year prior
6 to July 1, 2009, and after June 30, 2009. In the case of a
7 taxpayer with a taxable year beginning prior to July 1, 2009,
8 and ending after June 30, 2009, the taxpayer may elect, instead
9 of the procedure established in subsection (a) of this Section,
10 to determine net income on a specific accounting basis for the
11 2 portions of his or her taxable year:

12 (i) from the beginning of the taxable year through June
13 30, 2009; and

14 (ii) from July 1, 2009 through the end of the taxable
15 year.

16 The election provided by this subsection (b) must be made
17 in the form and manner that the Department requires by rule,
18 and must be made no later than the due date (including any
19 extensions thereof) for the filing of the return for the
20 taxable year, and is irrevocable.

21 (c) If the taxpayer elects specific accounting under
22 subsection (b):

23 (1) there shall be taken into account in computing base
24 income for each of the 2 portions of the taxable year only
25 those items earned, received, paid, incurred or accrued in
26 each such period;

1 (2) for purposes of apportioning business income of the
2 taxpayer, the provisions in Article 3 shall be applied on
3 the basis of the taxpayer's full taxable year, without
4 regard to this Section;

5 (3) the net loss carryforward deduction for the taxable
6 year under Section 207 may not exceed combined net income
7 of both portions of the taxable year, and shall be used
8 against the income of the portion of the taxable year from
9 the beginning of the taxable year through June 30, 2009,
10 before any remaining amount is used against the income of
11 the latter portion of the year; and

12 (d) Under subsection (a) or (b):

13 (1) the exemptions and credits allowed under Sections
14 204, 208, and 212, respectively, for the period prior to
15 July 1, 2009, shall be equal to the total exemptions or
16 credits, as applicable, that would be allowed for the
17 taxable year under Sections 204, 208, and 212,
18 respectively, as in effect before the effective date of
19 this amendatory Act of 2009, multiplied by the number of
20 months in the portion of the taxable year ending on or
21 before June 30, 2009 and divided by 12; and

22 (2) the exemptions and credits allowed under Sections
23 204, 208, and 212, respectively, for the period after June
24 30, 2009, through the end of the taxable year shall equal
25 to the total exemptions or credits, as applicable, allowed
26 under Sections 204, 208, or 212, as applicable, for the

1 taxable year, multiplied by the number of months in the
2 taxable year for the period beginning on July 1, 2009 and
3 divided by 12.

4 (35 ILCS 5/204) (from Ch. 120, par. 2-204)
5 Sec. 204. Standard Exemption.

6 (a) Allowance of exemption. In computing net income under
7 this Act, there shall be allowed as an exemption the sum of the
8 amounts determined under subsections (b), (c) and (d),
9 multiplied by a fraction the numerator of which is the amount
10 of the taxpayer's base income allocable to this State for the
11 taxable year and the denominator of which is the taxpayer's
12 total base income for the taxable year.

13 (b) Basic amount. For the purpose of subsection (a) of this
14 Section, except as provided by subsection (a) of Section 205
15 and in this subsection, each taxpayer shall be allowed a basic
16 amount of \$1000, except that for corporations the basic amount
17 shall be zero for tax years ending on or after December 31,
18 2003, and for individuals the basic amount shall be:

19 (1) for taxable years ending on or after December 31,
20 1998 and prior to December 31, 1999, \$1,300;

21 (2) for taxable years ending on or after December 31,
22 1999 and prior to December 31, 2000, \$1,650;

23 (3) for taxable years ending on or after December 31,
24 2000 and prior to July 1, 2009, \$2,000;

25 (4) for taxable years ending after June 30, 2009 and

1 prior to December 31, 2010, \$3,000, except that, for
2 taxable years beginning before July 1, 2009, and ending
3 after June 30, 2009, the exemption for the taxable year
4 shall be determined under Section 202.5(d); and

5 (5) for taxable years ending on or after December 31,
6 2010, \$3,000.

7 For taxable years ending on or after December 31, 1992, a
8 taxpayer whose Illinois base income exceeds the basic amount
9 and who is claimed as a dependent on another person's tax
10 return under the Internal Revenue Code of 1986 shall not be
11 allowed any basic amount under this subsection.

12 (c) Additional amount for individuals. In the case of an
13 individual taxpayer, there shall be allowed for the purpose of
14 subsection (a), in addition to the basic amount provided by
15 subsection (b), an additional exemption equal to the basic
16 amount for each exemption in excess of one allowable to such
17 individual taxpayer for the taxable year under Section 151 of
18 the Internal Revenue Code.

19 (d) Additional exemptions for an individual taxpayer and
20 his or her spouse. In the case of an individual taxpayer and
21 his or her spouse, he or she shall each be allowed additional
22 exemptions as follows:

23 (1) Additional exemption for taxpayer or spouse 65
24 years of age or older.

25 (A) For taxpayer. An additional exemption of
26 \$1,000 for the taxpayer if he or she has attained the

1 age of 65 before the end of the taxable year.

2 (B) For spouse when a joint return is not filed. An
3 additional exemption of \$1,000 for the spouse of the
4 taxpayer if a joint return is not made by the taxpayer
5 and his spouse, and if the spouse has attained the age
6 of 65 before the end of such taxable year, and, for the
7 calendar year in which the taxable year of the taxpayer
8 begins, has no gross income and is not the dependent of
9 another taxpayer.

10 (2) Additional exemption for blindness of taxpayer or
11 spouse.

12 (A) For taxpayer. An additional exemption of
13 \$1,000 for the taxpayer if he or she is blind at the
14 end of the taxable year.

15 (B) For spouse when a joint return is not filed. An
16 additional exemption of \$1,000 for the spouse of the
17 taxpayer if a separate return is made by the taxpayer,
18 and if the spouse is blind and, for the calendar year
19 in which the taxable year of the taxpayer begins, has
20 no gross income and is not the dependent of another
21 taxpayer. For purposes of this paragraph, the
22 determination of whether the spouse is blind shall be
23 made as of the end of the taxable year of the taxpayer;
24 except that if the spouse dies during such taxable year
25 such determination shall be made as of the time of such
26 death.

1 (C) Blindness defined. For purposes of this
2 subsection, an individual is blind only if his or her
3 central visual acuity does not exceed 20/200 in the
4 better eye with correcting lenses, or if his or her
5 visual acuity is greater than 20/200 but is accompanied
6 by a limitation in the fields of vision such that the
7 widest diameter of the visual fields subtends an angle
8 no greater than 20 degrees.

9 (e) Cross reference. See Article 3 for the manner of
10 determining base income allocable to this State.

11 (f) Application of Section 250. Section 250 does not apply
12 to ~~the amendments to this Section made by Public Act 90-613.~~

13 (Source: P.A. 93-29, eff. 6-20-03.)

14 (35 ILCS 5/208) (from Ch. 120, par. 2-208)

15 Sec. 208. Tax credit for residential real property taxes.
16 Beginning with tax years ending on or after December 31, 1991
17 and prior to July 1, 2009, every individual taxpayer shall be
18 entitled to a tax credit equal to 5% of real property taxes
19 paid by such taxpayer during the taxable year on the principal
20 residence of the taxpayer. In the case of multi-unit or
21 multi-use structures and farm dwellings, the taxes on the
22 taxpayer's principal residence shall be that portion of the
23 total taxes which is attributable to such principal residence.

24 For tax years ending after June 30, 2009 and prior to
25 December 31, 2010, every individual taxpayer shall be entitled

1 to a tax credit equal to 10% of real property taxes paid by the
2 taxpayer during the taxable year on the principal residence of
3 the taxpayer; except that, for taxable years beginning before
4 July 1, 2009, and ending after June 30, 2009, the credit for
5 the taxable year shall be determined under Section 202.5(d). In
6 the case of multi-unit or multi-use structures, the taxes on
7 the taxpayer's principal residence shall be that portion of the
8 total taxes that is attributable to the principal residence.

9 For tax years ending on or after December 31, 2010, every
10 individual taxpayer shall be entitled to a tax credit equal to
11 10% of real property taxes paid by the taxpayer during the
12 taxable year on the principal residence of the taxpayer. In the
13 case of multi-unit or multi-use structures, the taxes on the
14 taxpayer's principal residence shall be that portion of the
15 total taxes that is attributable to the principal residence.

16 For tax years ending after June 30, 2009, the credit under
17 this Section shall not exceed \$1,500. For tax years thereafter,
18 the \$1,500 cap shall be increased by a percentage increase
19 equal to the percentage increase, if any, in the Consumer Price
20 Index for all Urban Consumers for the then most recently
21 compiled calendar year.

22 For each taxable year ending on or after December 31, 2009,
23 if the amount of the credit exceeds the income tax liability
24 for the applicable tax year, then the excess credit shall be
25 refunded to the taxpayer. The amount of a refund shall not be
26 included in the taxpayer's income or resources for the purposes

1 of determining eligibility or benefit level in any means-tested
2 benefit program administered by a governmental entity unless
3 required by federal law.

4 (Source: P.A. 87-17.)

5 (35 ILCS 5/212)

6 Sec. 212. Earned income tax credit.

7 (a) With respect to the federal earned income tax credit
8 allowed for the taxable year under Section 32 of the federal
9 Internal Revenue Code, 26 U.S.C. 32, each individual taxpayer
10 is entitled to a credit against the tax imposed by subsections
11 (a) and (b) of Section 201 in an amount equal to the following:

12 (1) for each taxable year beginning on or after January
13 1, 2000 and ending before or during calendar year 2008, the
14 amount of the credit is 5% of the federal tax credit;

15 (2) for each taxable year ending during calendar year
16 2009 and thereafter, the amount of the credit is 15% of the
17 federal tax credit. ~~5% of the federal tax credit for each~~
18 ~~taxable year beginning on or after January 1, 2000.~~

19 For a non-resident or part-year resident, the amount of the
20 credit under this Section shall be in proportion to the amount
21 of income attributable to this State.

22 (b) For taxable years beginning before January 1, 2003, in
23 no event shall a credit under this Section reduce the
24 taxpayer's liability to less than zero. For each taxable year
25 beginning on or after January 1, 2003, if the amount of the

1 credit exceeds the income tax liability for the applicable tax
2 year, then the excess credit shall be refunded to the taxpayer.
3 The amount of a refund shall not be included in the taxpayer's
4 income or resources for the purposes of determining eligibility
5 or benefit level in any means-tested benefit program
6 administered by a governmental entity unless required by
7 federal law.

8 (c) This Section is exempt from the provisions of Section
9 250.

10 (Source: P.A. 95-333, eff. 8-21-07.)

11 (35 ILCS 5/804) (from Ch. 120, par. 8-804)

12 Sec. 804. Failure to Pay Estimated Tax.

13 (a) In general. In case of any underpayment of estimated
14 tax by a taxpayer, except as provided in subsection (d) or (e),
15 the taxpayer shall be liable to a penalty in an amount
16 determined at the rate prescribed by Section 3-3 of the Uniform
17 Penalty and Interest Act upon the amount of the underpayment
18 (determined under subsection (b)) for each required
19 installment.

20 (b) Amount of underpayment. For purposes of subsection (a),
21 the amount of the underpayment shall be the excess of:

22 (1) the amount of the installment which would be
23 required to be paid under subsection (c), over

24 (2) the amount, if any, of the installment paid on or
25 before the last date prescribed for payment.

1 (c) Amount of Required Installments.

2 (1) Amount.

3 (A) In General. Except as provided in paragraph
4 (2), the amount of any required installment shall be
5 25% of the required annual payment.

6 (B) Required Annual Payment. For purposes of
7 subparagraph (A), the term "required annual payment"
8 means the lesser of

9 (i) 90% of the tax shown on the return for the
10 taxable year, or if no return is filed, 90% of the
11 tax for such year, ~~or~~

12 (ii) for installments due prior to April 1,
13 2010, and installments due after April 1, 2011,
14 100% of the tax shown on the return of the taxpayer
15 for the preceding taxable year if a return showing
16 a liability for tax was filed by the taxpayer for
17 the preceding taxable year and such preceding year
18 was a taxable year of 12 months; or -

19 (iii) for installments due after April 1, 2010
20 and prior to April 1, 2011, 120% of the tax shown
21 on the return of the taxpayer for the preceding
22 taxable year if a return showing a liability for
23 tax was filed by the taxpayer for the preceding
24 taxable year and that preceding year was a taxable
25 year of 12 months; except that the amount due for
26 the first installment due after April 1, 2010,

1 shall equal the amount that, when added to the
2 total of all prior installments paid for that
3 taxable year, equals the total of the installments
4 that would be due if this item (iii) had applied to
5 all installments due for that taxable year.

6 (2) Lower Required Installment where Annualized Income
7 Installment is Less Than Amount Determined Under Paragraph
8 (1).

9 (A) In General. In the case of any required
10 installment if a taxpayer establishes that the
11 annualized income installment is less than the amount
12 determined under paragraph (1),

13 (i) the amount of such required installment
14 shall be the annualized income installment, and

15 (ii) any reduction in a required installment
16 resulting from the application of this
17 subparagraph shall be recaptured by increasing the
18 amount of the next required installment determined
19 under paragraph (1) by the amount of such
20 reduction, and by increasing subsequent required
21 installments to the extent that the reduction has
22 not previously been recaptured under this clause.

23 (B) Determination of Annualized Income
24 Installment. In the case of any required installment,
25 the annualized income installment is the excess, if
26 any, of

1 (i) an amount equal to the applicable
 2 percentage of the tax for the taxable year computed
 3 by placing on an annualized basis the net income
 4 for months in the taxable year ending before the
 5 due date for the installment, over

6 (ii) the aggregate amount of any prior
 7 required installments for the taxable year.

8 (C) Applicable Percentage.

9 10 11 12 13 14	In the case of the following required installments: 1st..... 2nd..... 3rd..... 4th.....	The applicable percentage is: 22.5% 45% 67.5% 90%
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15 (D) Annualized Net Income; Individuals. For
 16 individuals, net income shall be placed on an
 17 annualized basis by:

18 (i) multiplying by 12, or in the case of a
 19 taxable year of less than 12 months, by the number
 20 of months in the taxable year, the net income
 21 computed without regard to the standard exemption
 22 for the months in the taxable year ending before
 23 the month in which the installment is required to
 24 be paid;

25 (ii) dividing the resulting amount by the
 26 number of months in the taxable year ending before

1 the month in which such installment date falls; and

2 (iii) deducting from such amount the standard
3 exemption allowable for the taxable year, such
4 standard exemption being determined as of the last
5 date prescribed for payment of the installment.

6 (E) Annualized Net Income; Corporations. For
7 corporations, net income shall be placed on an
8 annualized basis by multiplying by 12 the taxable
9 income

10 (i) for the first 3 months of the taxable year,
11 in the case of the installment required to be paid
12 in the 4th month,

13 (ii) for the first 3 months or for the first 5
14 months of the taxable year, in the case of the
15 installment required to be paid in the 6th month,

16 (iii) for the first 6 months or for the first 8
17 months of the taxable year, in the case of the
18 installment required to be paid in the 9th month,
19 and

20 (iv) for the first 9 months or for the first 11
21 months of the taxable year, in the case of the
22 installment required to be paid in the 12th month
23 of the taxable year,

24 then dividing the resulting amount by the number of
25 months in the taxable year (3, 5, 6, 8, 9, or 11 as the
26 case may be).

1 (d) Exceptions. Notwithstanding the provisions of the
2 preceding subsections, the penalty imposed by subsection (a)
3 shall not be imposed if the taxpayer was not required to file
4 an Illinois income tax return for the preceding taxable year,
5 or, for individuals, if the taxpayer had no tax liability for
6 the preceding taxable year and such year was a taxable year of
7 12 months. The penalty imposed by subsection (a) shall also not
8 be imposed on any underpayments of estimated tax due before the
9 effective date of this amendatory Act of 1998 which
10 underpayments are solely attributable to the change in
11 apportionment from subsection (a) to subsection (h) of Section
12 304. The provisions of this amendatory Act of 1998 apply to tax
13 years ending on or after December 31, 1998.

14 (e) The penalty imposed for underpayment of estimated tax
15 by subsection (a) of this Section shall not be imposed to the
16 extent that the Director or his or her designate determines,
17 pursuant to Section 3-8 of the Uniform Penalty and Interest Act
18 that the penalty should not be imposed.

19 (f) Definition of tax. For purposes of subsections (b) and
20 (c), the term "tax" means the excess of the tax imposed under
21 Article 2 of this Act, over the amounts credited against such
22 tax under Sections 601(b) (3) and (4).

23 (g) Application of Section in case of tax withheld under
24 Article 7. For purposes of applying this Section:

25 (1) in the case of an individual, tax withheld from
26 compensation for the taxable year shall be deemed a payment

1 of estimated tax, and an equal part of such amount shall be
2 deemed paid on each installment date for such taxable year,
3 unless the taxpayer establishes the dates on which all
4 amounts were actually withheld, in which case the amounts
5 so withheld shall be deemed payments of estimated tax on
6 the dates on which such amounts were actually withheld;

7 (2) amounts timely paid by a partnership, Subchapter S
8 corporation, or trust on behalf of a partner, shareholder,
9 or beneficiary pursuant to subsection (f) of Section 502 or
10 Section 709.5 and claimed as a payment of estimated tax
11 shall be deemed a payment of estimated tax made on the last
12 day of the taxable year of the partnership, Subchapter S
13 corporation, or trust for which the income from the
14 withholding is made was computed; and

15 (3) all other amounts pursuant to Article 7 shall be
16 deemed a payment of estimated tax on the date the payment
17 is made to the taxpayer of the amount from which the tax is
18 withheld.

19 (g-5) Amounts withheld under the State Salary and Annuity
20 Withholding Act. An individual who has amounts withheld under
21 paragraph (10) of Section 4 of the State Salary and Annuity
22 Withholding Act may elect to have those amounts treated as
23 payments of estimated tax made on the dates on which those
24 amounts are actually withheld.

25 (i) Short taxable year. The application of this Section to
26 taxable years of less than 12 months shall be in accordance

1 with regulations prescribed by the Department.

2 The changes in this Section made by Public Act 84-127 shall
3 apply to taxable years ending on or after January 1, 1986.

4 (Source: P.A. 95-233, eff. 8-16-07.)

5 (35 ILCS 5/901) (from Ch. 120, par. 9-901)

6 Sec. 901. Collection Authority.

7 (a) In general.

8 The Department shall collect the taxes imposed by this Act.

9 The Department shall collect certified past due child support
10 amounts under Section 2505-650 of the Department of Revenue Law
11 (20 ILCS 2505/2505-650). Except as provided in subsections (c)
12 and (e) of this Section, money collected pursuant to
13 subsections (a) and (b) of Section 201 of this Act shall be
14 paid into the General Revenue Fund in the State treasury; money
15 collected pursuant to subsections (c) and (d) of Section 201 of
16 this Act shall be paid into the Personal Property Tax
17 Replacement Fund, a special fund in the State Treasury; and
18 money collected under Section 2505-650 of the Department of
19 Revenue Law (20 ILCS 2505/2505-650) shall be paid into the
20 Child Support Enforcement Trust Fund, a special fund outside
21 the State Treasury, or to the State Disbursement Unit
22 established under Section 10-26 of the Illinois Public Aid
23 Code, as directed by the Department of Healthcare and Family
24 Services.

25 (b) Local Government ~~Governmental~~ Distributive Fund.

1 Beginning August 1, 1969, and continuing through June 30,
2 1994, the Treasurer shall transfer each month from the General
3 Revenue Fund to a special fund in the State treasury, to be
4 known as the "Local Government Distributive Fund", an amount
5 equal to 1/12 of the net revenue realized from the tax imposed
6 by subsections (a) and (b) of Section 201 of this Act during
7 the preceding month. Beginning July 1, 1994, and continuing
8 through June 30, 1995, the Treasurer shall transfer each month
9 from the General Revenue Fund to the Local Government
10 Distributive Fund an amount equal to 1/11 of the net revenue
11 realized from the tax imposed by subsections (a) and (b) of
12 Section 201 of this Act during the preceding month. Beginning
13 July 1, 1995, the Treasurer shall transfer each month from the
14 General Revenue Fund to the Local Government Distributive Fund
15 an amount equal to the net of (i) 1/10 of the net revenue
16 realized from the tax imposed by subsections (a) and (b) of
17 Section 201 of the Illinois Income Tax Act during the preceding
18 month (ii) minus the following amounts: beginning July 1, 2003
19 and ending June 30, 2004, \$6,666,666;~~and~~ beginning July 1,
20 2004 and through July 1, 2009, zero; beginning August 1, 2009
21 and through July 1, 2009, \$20,800,000, which shall be
22 transferred to the Common School Fund; and beginning August 1,
23 2010, zero. Net revenue realized for a month shall be defined
24 as the revenue from the tax imposed by subsections (a) and (b)
25 of Section 201 of this Act which is deposited in the General
26 Revenue Fund, the Educational Assistance Fund and the Income

1 Tax Surcharge Local Government Distributive Fund during the
2 month minus the amount paid out of the General Revenue Fund in
3 State warrants during that same month as refunds to taxpayers
4 for overpayment of liability under the tax imposed by
5 subsections (a) and (b) of Section 201 of this Act.

6 (c) Deposits Into Income Tax Refund Fund.

7 (1) Beginning on January 1, 1989 and thereafter, the
8 Department shall deposit a percentage of the amounts
9 collected pursuant to subsections (a) and (b) (1), (2), and
10 (3), of Section 201 of this Act into a fund in the State
11 treasury known as the Income Tax Refund Fund. The
12 Department shall deposit 6% of such amounts during the
13 period beginning January 1, 1989 and ending on June 30,
14 1989. Beginning with State fiscal year 1990 and for each
15 fiscal year thereafter, the percentage deposited into the
16 Income Tax Refund Fund during a fiscal year shall be the
17 Annual Percentage. For fiscal years 1999 through 2001, the
18 Annual Percentage shall be 7.1%. For fiscal year 2003, the
19 Annual Percentage shall be 8%. For fiscal year 2004, the
20 Annual Percentage shall be 11.7%. Upon the effective date
21 of this amendatory Act of the 93rd General Assembly, the
22 Annual Percentage shall be 10% for fiscal year 2005. For
23 fiscal year 2006, the Annual Percentage shall be 9.75%. For
24 fiscal year 2007, the Annual Percentage shall be 9.75%. For
25 fiscal year 2008, the Annual Percentage shall be 7.75%. For
26 fiscal year 2009, the Annual Percentage shall be 9.75%. For

1 all other fiscal years, the Annual Percentage shall be
2 calculated as a fraction, the numerator of which shall be
3 the amount of refunds approved for payment by the
4 Department during the preceding fiscal year as a result of
5 overpayment of tax liability under subsections (a) and
6 (b) (1), (2), and (3) of Section 201 of this Act plus the
7 amount of such refunds remaining approved but unpaid at the
8 end of the preceding fiscal year, minus the amounts
9 transferred into the Income Tax Refund Fund from the
10 Tobacco Settlement Recovery Fund, and the denominator of
11 which shall be the amounts which will be collected pursuant
12 to subsections (a) and (b) (1), (2), and (3) of Section 201
13 of this Act during the preceding fiscal year; except that
14 in State fiscal year 2002, the Annual Percentage shall in
15 no event exceed 7.6%. The Director of Revenue shall certify
16 the Annual Percentage to the Comptroller on the last
17 business day of the fiscal year immediately preceding the
18 fiscal year for which it is to be effective.

19 (2) Beginning on January 1, 1989 and thereafter, the
20 Department shall deposit a percentage of the amounts
21 collected pursuant to subsections (a) and (b) (6), (7), and
22 (8), (c) and (d) of Section 201 of this Act into a fund in
23 the State treasury known as the Income Tax Refund Fund. The
24 Department shall deposit 18% of such amounts during the
25 period beginning January 1, 1989 and ending on June 30,
26 1989. Beginning with State fiscal year 1990 and for each

1 fiscal year thereafter, the percentage deposited into the
2 Income Tax Refund Fund during a fiscal year shall be the
3 Annual Percentage. For fiscal years 1999, 2000, and 2001,
4 the Annual Percentage shall be 19%. For fiscal year 2003,
5 the Annual Percentage shall be 27%. For fiscal year 2004,
6 the Annual Percentage shall be 32%. Upon the effective date
7 of this amendatory Act of the 93rd General Assembly, the
8 Annual Percentage shall be 24% for fiscal year 2005. For
9 fiscal year 2006, the Annual Percentage shall be 20%. For
10 fiscal year 2007, the Annual Percentage shall be 17.5%. For
11 fiscal year 2008, the Annual Percentage shall be 15.5%. For
12 fiscal year 2009, the Annual Percentage shall be 17.5%. For
13 all other fiscal years, the Annual Percentage shall be
14 calculated as a fraction, the numerator of which shall be
15 the amount of refunds approved for payment by the
16 Department during the preceding fiscal year as a result of
17 overpayment of tax liability under subsections (a) and
18 (b) (6), (7), and (8), (c) and (d) of Section 201 of this
19 Act plus the amount of such refunds remaining approved but
20 unpaid at the end of the preceding fiscal year, and the
21 denominator of which shall be the amounts which will be
22 collected pursuant to subsections (a) and (b) (6), (7), and
23 (8), (c) and (d) of Section 201 of this Act during the
24 preceding fiscal year; except that in State fiscal year
25 2002, the Annual Percentage shall in no event exceed 23%.
26 The Director of Revenue shall certify the Annual Percentage

1 to the Comptroller on the last business day of the fiscal
2 year immediately preceding the fiscal year for which it is
3 to be effective.

4 (3) The Comptroller shall order transferred and the
5 Treasurer shall transfer from the Tobacco Settlement
6 Recovery Fund to the Income Tax Refund Fund (i) \$35,000,000
7 in January, 2001, (ii) \$35,000,000 in January, 2002, and
8 (iii) \$35,000,000 in January, 2003.

9 (d) Expenditures from Income Tax Refund Fund.

10 (1) Beginning January 1, 1989, money in the Income Tax
11 Refund Fund shall be expended exclusively for the purpose
12 of paying refunds resulting from overpayment of tax
13 liability under Section 201 of this Act, for paying rebates
14 under Section 208.1 in the event that the amounts in the
15 Homeowners' Tax Relief Fund are insufficient for that
16 purpose, and for making transfers pursuant to this
17 subsection (d).

18 (2) The Director shall order payment of refunds
19 resulting from overpayment of tax liability under Section
20 201 of this Act from the Income Tax Refund Fund only to the
21 extent that amounts collected pursuant to Section 201 of
22 this Act and transfers pursuant to this subsection (d) and
23 item (3) of subsection (c) have been deposited and retained
24 in the Fund.

25 (3) As soon as possible after the end of each fiscal
26 year, the Director shall order transferred and the State

1 Treasurer and State Comptroller shall transfer from the
2 Income Tax Refund Fund to the Personal Property Tax
3 Replacement Fund an amount, certified by the Director to
4 the Comptroller, equal to the excess of the amount
5 collected pursuant to subsections (c) and (d) of Section
6 201 of this Act deposited into the Income Tax Refund Fund
7 during the fiscal year over the amount of refunds resulting
8 from overpayment of tax liability under subsections (c) and
9 (d) of Section 201 of this Act paid from the Income Tax
10 Refund Fund during the fiscal year.

11 (4) As soon as possible after the end of each fiscal
12 year, the Director shall order transferred and the State
13 Treasurer and State Comptroller shall transfer from the
14 Personal Property Tax Replacement Fund to the Income Tax
15 Refund Fund an amount, certified by the Director to the
16 Comptroller, equal to the excess of the amount of refunds
17 resulting from overpayment of tax liability under
18 subsections (c) and (d) of Section 201 of this Act paid
19 from the Income Tax Refund Fund during the fiscal year over
20 the amount collected pursuant to subsections (c) and (d) of
21 Section 201 of this Act deposited into the Income Tax
22 Refund Fund during the fiscal year.

23 (4.5) As soon as possible after the end of fiscal year
24 1999 and of each fiscal year thereafter, the Director shall
25 order transferred and the State Treasurer and State
26 Comptroller shall transfer from the Income Tax Refund Fund

1 to the General Revenue Fund any surplus remaining in the
2 Income Tax Refund Fund as of the end of such fiscal year;
3 excluding for fiscal years 2000, 2001, and 2002 amounts
4 attributable to transfers under item (3) of subsection (c)
5 less refunds resulting from the earned income tax credit.

6 (5) This Act shall constitute an irrevocable and
7 continuing appropriation from the Income Tax Refund Fund
8 for the purpose of paying refunds upon the order of the
9 Director in accordance with the provisions of this Section.

10 (e) Deposits into the Education Assistance Fund and the
11 Income Tax Surcharge Local Government Distributive Fund.

12 On July 1, 1991, and thereafter, of the amounts collected
13 pursuant to subsections (a) and (b) of Section 201 of this Act,
14 minus deposits into the Income Tax Refund Fund, the Department
15 shall deposit 7.3% into the Education Assistance Fund in the
16 State Treasury. Beginning July 1, 1991, and continuing through
17 January 31, 1993, of the amounts collected pursuant to
18 subsections (a) and (b) of Section 201 of the Illinois Income
19 Tax Act, minus deposits into the Income Tax Refund Fund, the
20 Department shall deposit 3.0% into the Income Tax Surcharge
21 Local Government Distributive Fund in the State Treasury.
22 Beginning February 1, 1993 and continuing through June 30,
23 1993, of the amounts collected pursuant to subsections (a) and
24 (b) of Section 201 of the Illinois Income Tax Act, minus
25 deposits into the Income Tax Refund Fund, the Department shall
26 deposit 4.4% into the Income Tax Surcharge Local Government

1 Distributive Fund in the State Treasury. Beginning July 1,
2 1993, and continuing through June 30, 1994, of the amounts
3 collected under subsections (a) and (b) of Section 201 of this
4 Act, minus deposits into the Income Tax Refund Fund, the
5 Department shall deposit 1.475% into the Income Tax Surcharge
6 Local Government Distributive Fund in the State Treasury.

7 (Source: P.A. 94-91, eff. 7-1-05; 94-839, eff. 6-6-06; 95-707,
8 eff. 1-11-08; 95-744, eff. 7-18-08; revised 10-23-08.)

9 Section 20. The Retailers' Occupation Tax Act is amended by
10 changing Sections 1 and 2 as follows:

11 (35 ILCS 120/1) (from Ch. 120, par. 440)

12 Sec. 1. Definitions. "Sale at retail" means any transfer of
13 the ownership of or title to tangible personal property to a
14 purchaser, for the purpose of use or consumption, and not for
15 the purpose of resale in any form as tangible personal property
16 to the extent not first subjected to a use for which it was
17 purchased, for a valuable consideration: Provided that the
18 property purchased is deemed to be purchased for the purpose of
19 resale, despite first being used, to the extent to which it is
20 resold as an ingredient of an intentionally produced product or
21 byproduct of manufacturing. For this purpose, slag produced as
22 an incident to manufacturing pig iron or steel and sold is
23 considered to be an intentionally produced byproduct of
24 manufacturing. Transactions whereby the possession of the

1 property is transferred but the seller retains the title as
2 security for payment of the selling price shall be deemed to be
3 sales.

4 "Sale at retail" shall be construed to include any transfer
5 of the ownership of or title to tangible personal property to a
6 purchaser, for use or consumption by any other person to whom
7 such purchaser may transfer the tangible personal property
8 without a valuable consideration, and to include any transfer,
9 whether made for or without a valuable consideration, for
10 resale in any form as tangible personal property unless made in
11 compliance with Section 2c of this Act.

12 Sales of tangible personal property, which property, to the
13 extent not first subjected to a use for which it was purchased,
14 as an ingredient or constituent, goes into and forms a part of
15 tangible personal property subsequently the subject of a "Sale
16 at retail", are not sales at retail as defined in this Act:
17 Provided that the property purchased is deemed to be purchased
18 for the purpose of resale, despite first being used, to the
19 extent to which it is resold as an ingredient of an
20 intentionally produced product or byproduct of manufacturing.

21 "Sale at retail" includes all of the following services, as
22 enumerated in the North American Industry Classification
23 System Manual (NAICS), 1997, prepared by the United States
24 Office of Management and Budget:

25 (1) Other warehousing and storage (household and
26 specialty goods) (49319).

- 1 (2) Travel agent services (56151).
- 2 (3) Carpet and upholstery cleaning services (56174).
- 3 (4) Dating services (8129902).
- 4 (5) Dry cleaning and laundry, except coin-operated
5 (81232).
- 6 (6) Consumer goods rental (5322).
- 7 (7) Health clubs, tanning parlors, reducing salons
8 (81219).
- 9 (8) Linen supply (812331).
- 10 (9) Interior design services (54141).
- 11 (10) Other business services, including copy shops
12 (561439).
- 13 (11) Bowling Centers (71395).
- 14 (12) Coin operated video games and pinball machines
15 (71312).
- 16 (13) Membership fees in private clubs (71391).
- 17 (14) Admission to spectator sports (excluding horse
18 tracks) (7112).
- 19 (15) Admission to cultural events (711).
- 20 (16) Billiard Parlors (71399).
- 21 (17) Scenic and sightseeing transportation (487).
- 22 (18) Taxi and Limousine services (4853).
- 23 (19) Unscheduled chartered passenger air
24 transportation (481211).
- 25 (20) Motion picture theaters, except drive-in theaters
26 (512131).

- 1 (21) Pet grooming (81291).
- 2 (22) Landscaping services (including lawn care)
3 (56173).
- 4 (23) Income from intrastate transportation of persons
5 (485).
- 6 (24) Mini-storage (53113).
- 7 (25) Household goods storage (49311).
- 8 (26) Cold storage (49312).
- 9 (27) Marina Service (docking, storage, cleaning,
10 repair) (71393).
- 11 (28) Marine towing service (including tugboats)
12 (48833).
- 13 (29) Gift and package wrapping service (5619).
- 14 (30) Laundry and dry cleaning services, coin-operated
15 (81231).
- 16 (31) Other services to buildings and dwellings
17 (56179).
- 18 (32) Water softening and conditioning (5619902).
- 19 (33) Internet Service Providers (518111).
- 20 (34) Short term auto rental (532111).
- 21 (35) Information Services (519190).
- 22 (36) Amusement park admission and rides (71311).
- 23 (37) Circuses and fairs -- admission and games (7113).
- 24 (38) Cable and other program distribution (5175).
- 25 (39) Rental of video tapes for home viewing (53223).

26 "Sale at retail" shall be construed to include any Illinois

1 florist's sales transaction in which the purchase order is
2 received in Illinois by a florist and the sale is for use or
3 consumption, but the Illinois florist has a florist in another
4 state deliver the property to the purchaser or the purchaser's
5 donee in such other state.

6 Nonreusable tangible personal property that is used by
7 persons engaged in the business of operating a restaurant,
8 cafeteria, or drive-in is a sale for resale when it is
9 transferred to customers in the ordinary course of business as
10 part of the sale of food or beverages and is used to deliver,
11 package, or consume food or beverages, regardless of where
12 consumption of the food or beverages occurs. Examples of those
13 items include, but are not limited to nonreusable, paper and
14 plastic cups, plates, baskets, boxes, sleeves, buckets or other
15 containers, utensils, straws, placemats, napkins, doggie bags,
16 and wrapping or packaging materials that are transferred to
17 customers as part of the sale of food or beverages in the
18 ordinary course of business.

19 The purchase, employment and transfer of such tangible
20 personal property as newsprint and ink for the primary purpose
21 of conveying news (with or without other information) is not a
22 purchase, use or sale of tangible personal property.

23 A person whose activities are organized and conducted
24 primarily as a not-for-profit service enterprise, and who
25 engages in selling tangible personal property at retail
26 (whether to the public or merely to members and their guests)

1 is engaged in the business of selling tangible personal
2 property at retail with respect to such transactions, excepting
3 only a person organized and operated exclusively for
4 charitable, religious or educational purposes either (1), to
5 the extent of sales by such person to its members, students,
6 patients or inmates of tangible personal property to be used
7 primarily for the purposes of such person, or (2), to the
8 extent of sales by such person of tangible personal property
9 which is not sold or offered for sale by persons organized for
10 profit. The selling of school books and school supplies by
11 schools at retail to students is not "primarily for the
12 purposes of" the school which does such selling. The provisions
13 of this paragraph shall not apply to nor subject to taxation
14 occasional dinners, socials or similar activities of a person
15 organized and operated exclusively for charitable, religious
16 or educational purposes, whether or not such activities are
17 open to the public.

18 A person who is the recipient of a grant or contract under
19 Title VII of the Older Americans Act of 1965 (P.L. 92-258) and
20 serves meals to participants in the federal Nutrition Program
21 for the Elderly in return for contributions established in
22 amount by the individual participant pursuant to a schedule of
23 suggested fees as provided for in the federal Act is not
24 engaged in the business of selling tangible personal property
25 at retail with respect to such transactions.

26 "Purchaser" means anyone who, through a sale at retail,

1 acquires the ownership of or title to tangible personal
2 property for a valuable consideration.

3 "Reseller of motor fuel" means any person engaged in the
4 business of selling or delivering or transferring title of
5 motor fuel to another person other than for use or consumption.
6 No person shall act as a reseller of motor fuel within this
7 State without first being registered as a reseller pursuant to
8 Section 2c or a retailer pursuant to Section 2a.

9 "Selling price" or the "amount of sale" means the
10 consideration for a sale valued in money whether received in
11 money or otherwise, including cash, credits, property, other
12 than as hereinafter provided, and services, but not including
13 the value of or credit given for traded-in tangible personal
14 property where the item that is traded-in is of like kind and
15 character as that which is being sold, and shall be determined
16 without any deduction on account of the cost of the property
17 sold, the cost of materials used, labor or service cost or any
18 other expense whatsoever, but does not include charges that are
19 added to prices by sellers on account of the seller's tax
20 liability under this Act, or on account of the seller's duty to
21 collect, from the purchaser, the tax that is imposed by the Use
22 Tax Act, or, except as otherwise provided with respect to any
23 cigarette tax imposed by a home rule unit, on account of the
24 seller's tax liability under any local occupation tax
25 administered by the Department, or, except as otherwise
26 provided with respect to any cigarette tax imposed by a home

1 rule unit on account of the seller's duty to collect, from the
2 purchasers, the tax that is imposed under any local use tax
3 administered by the Department. Effective December 1, 1985,
4 "selling price" shall include charges that are added to prices
5 by sellers on account of the seller's tax liability under the
6 Cigarette Tax Act, on account of the sellers' duty to collect,
7 from the purchaser, the tax imposed under the Cigarette Use Tax
8 Act, and on account of the seller's duty to collect, from the
9 purchaser, any cigarette tax imposed by a home rule unit.

10 The phrase "like kind and character" shall be liberally
11 construed (including but not limited to any form of motor
12 vehicle for any form of motor vehicle, or any kind of farm or
13 agricultural implement for any other kind of farm or
14 agricultural implement), while not including a kind of item
15 which, if sold at retail by that retailer, would be exempt from
16 retailers' occupation tax and use tax as an isolated or
17 occasional sale.

18 "Gross receipts" from the sales of tangible personal
19 property at retail means the total selling price or the amount
20 of such sales, as hereinbefore defined. In the case of charge
21 and time sales, the amount thereof shall be included only as
22 and when payments are received by the seller. Receipts or other
23 consideration derived by a seller from the sale, transfer or
24 assignment of accounts receivable to a wholly owned subsidiary
25 will not be deemed payments prior to the time the purchaser
26 makes payment on such accounts.

1 "Department" means the Department of Revenue.

2 "Person" means any natural individual, firm, partnership,
3 association, joint stock company, joint adventure, public or
4 private corporation, limited liability company, or a receiver,
5 executor, trustee, guardian or other representative appointed
6 by order of any court.

7 The isolated or occasional sale of tangible personal
8 property at retail by a person who does not hold himself out as
9 being engaged (or who does not habitually engage) in selling
10 such tangible personal property at retail, or a sale through a
11 bulk vending machine, does not constitute engaging in a
12 business of selling such tangible personal property at retail
13 within the meaning of this Act; provided that any person who is
14 engaged in a business which is not subject to the tax imposed
15 by this Act because of involving the sale of or a contract to
16 sell real estate or a construction contract to improve real
17 estate or a construction contract to engineer, install, and
18 maintain an integrated system of products, but who, in the
19 course of conducting such business, transfers tangible
20 personal property to users or consumers in the finished form in
21 which it was purchased, and which does not become real estate
22 or was not engineered and installed, under any provision of a
23 construction contract or real estate sale or real estate sales
24 agreement entered into with some other person arising out of or
25 because of such nontaxable business, is engaged in the business
26 of selling tangible personal property at retail to the extent

1 of the value of the tangible personal property so transferred.
2 If, in such a transaction, a separate charge is made for the
3 tangible personal property so transferred, the value of such
4 property, for the purpose of this Act, shall be the amount so
5 separately charged, but not less than the cost of such property
6 to the transferor; if no separate charge is made, the value of
7 such property, for the purposes of this Act, is the cost to the
8 transferor of such tangible personal property. Construction
9 contracts for the improvement of real estate consisting of
10 engineering, installation, and maintenance of voice, data,
11 video, security, and all telecommunication systems do not
12 constitute engaging in a business of selling tangible personal
13 property at retail within the meaning of this Act if they are
14 sold at one specified contract price.

15 A person who holds himself or herself out as being engaged
16 (or who habitually engages) in selling tangible personal
17 property at retail is a person engaged in the business of
18 selling tangible personal property at retail hereunder with
19 respect to such sales (and not primarily in a service
20 occupation) notwithstanding the fact that such person designs
21 and produces such tangible personal property on special order
22 for the purchaser and in such a way as to render the property
23 of value only to such purchaser, if such tangible personal
24 property so produced on special order serves substantially the
25 same function as stock or standard items of tangible personal
26 property that are sold at retail.

1 Persons who engage in the business of transferring tangible
2 personal property upon the redemption of trading stamps are
3 engaged in the business of selling such property at retail and
4 shall be liable for and shall pay the tax imposed by this Act
5 on the basis of the retail value of the property transferred
6 upon redemption of such stamps.

7 "Bulk vending machine" means a vending machine, containing
8 unsorted confections, nuts, toys, or other items designed
9 primarily to be used or played with by children which, when a
10 coin or coins of a denomination not larger than \$0.50 are
11 inserted, are dispensed in equal portions, at random and
12 without selection by the customer.

13 (Source: P.A. 95-723, eff. 6-23-08.)

14 (35 ILCS 120/2) (from Ch. 120, par. 441)

15 Sec. 2. Tax imposed. A tax is imposed upon persons engaged
16 in the business of selling at retail tangible personal
17 property, including computer software, and including
18 photographs, negatives, and positives that are the product of
19 photoprocessing, but not including products of photoprocessing
20 produced for use in motion pictures for public commercial
21 exhibition, or engaged in the business of providing services as
22 set forth in in Section 1 of this Act. Beginning January 1,
23 2001, prepaid telephone calling arrangements shall be
24 considered tangible personal property subject to the tax
25 imposed under this Act regardless of the form in which those

1 arrangements may be embodied, transmitted, or fixed by any
2 method now known or hereafter developed.

3 (Source: P.A. 91-51, eff. 6-30-99; 91-870, eff. 6-22-00.)

4 Section 25. The School Code is amended by changing Sections
5 1C-2, 2-3.25c, 2-3.25d, 3-7, 10-17a, 10-20.20, 10-22.45,
6 18-8.05, 19-3, 21A-5, 21A-10, 21A-15, 21A-20, 21A-25, 21A-30,
7 23-3, 23-6, and 29-5 and by adding Sections 2-3.25d-5, 2-3.148,
8 2-3.149, 2-3.150, 2-3.151, 2-3.152, 10-16.10, 10-17b, 10-17c,
9 10-17d, 10-20.46, 17-2.11c, 21A-3, and 23-5.5 as follows:

10 (105 ILCS 5/1C-2)

11 Sec. 1C-2. Block grants.

12 (a) For fiscal year 1999, and each fiscal year thereafter,
13 the State Board of Education shall award to school districts
14 block grants as described in subsection (c). The State Board of
15 Education may adopt rules and regulations necessary to
16 implement this Section. In accordance with Section 2-3.32, all
17 state block grants are subject to an audit. Therefore, block
18 grant receipts and block grant expenditures shall be recorded
19 to the appropriate fund code.

20 (b) (Blank).

21 (c) An Early Childhood Education Block Grant shall be
22 created by combining the following programs: Preschool
23 Education, Parental Training and Prevention Initiative. These
24 funds shall be distributed to school districts and other

1 entities on a competitive basis. Eleven percent of this grant
2 shall be used to fund programs for children ages 0-3.

3 (d) For fiscal year 2010, the General Assembly shall
4 appropriate no less than \$380,261,400 to the Early Childhood
5 Education Block Grant for the programs specified in subsection
6 (c) of this Section.

7 (Source: P.A. 95-793, eff. 1-1-09.)

8 (105 ILCS 5/2-3.25c) (from Ch. 122, par. 2-3.25c)

9 Sec. 2-3.25c. Financial and other awards ~~Rewards and~~
10 ~~acknowledgements.~~

11 (a) The State Board of Education shall implement a system
12 of rewards for school districts, and the schools themselves,
13 whose students and schools consistently meet adequate yearly
14 progress criteria for 2 or more consecutive years and a system
15 to acknowledge schools and districts that meet adequate yearly
16 progress criteria in a given year as specified in Section
17 2-3.25d of this Code.

18 (b) Financial awards shall be provided to the schools that
19 the State Superintendent of Education determines have
20 demonstrated the greatest improvement in achieving the
21 education goals of improved student achievement and improved
22 school completion, subject to appropriation by the General
23 Assembly and any limitation set by the State Superintendent on
24 the total amount that may be awarded to a school or school
25 district; provided that such financial awards must not be used

1 to enhance the compensation of staff in school districts having
2 a population not exceeding 500,000.

3 (c) The State Superintendent of Education may present
4 proclamations or certificates to schools and school systems
5 determined to have met or exceeded the State's education goals
6 under Section 2-3.64 of this Code.

7 (d) The Education Financial Award System Fund is created as
8 a special fund in the State treasury. All money in the Fund
9 shall be used, subject to appropriation, by the State Board of
10 Education for the purpose of funding financial awards under
11 this Section. The Fund shall consist of all moneys appropriated
12 to the fund by the General Assembly and any gifts, grants,
13 donations, and other moneys received by the State Board of
14 Education for implementation of the awards system.

15 Any unexpended or unencumbered moneys remaining in the
16 Education Financial Award System Fund at the end of a fiscal
17 year shall remain in the Fund and shall not revert or be
18 credited or transferred to the General Revenue Fund nor be
19 transferred to any other fund. Any interest derived from the
20 deposit and investment of moneys in the Education Financial
21 Award System Fund shall remain in the Fund and shall not be
22 credited to the General Revenue Fund. The Education Financial
23 Award System Fund must be appropriated and expended only for
24 the awards system. The awards are subject to audit requirements
25 established by the State Board of Education.

26 (e) If a school or school district meets adequate yearly

1 progress criteria for 2 consecutive school years, that school
2 or district shall be exempt from review and approval of its
3 improvement plan for the next 2 succeeding school years.

4 (Source: P.A. 93-470, eff. 8-8-03.)

5 (105 ILCS 5/2-3.25d) (from Ch. 122, par. 2-3.25d)

6 Sec. 2-3.25d. Academic early warning and watch status.

7 (a) Beginning with the 2005-2006 school year, unless the
8 federal government formally disapproves of such policy through
9 the submission and review process for the Illinois
10 Accountability Workbook, those schools that do not meet
11 adequate yearly progress criteria for 2 consecutive annual
12 calculations in the same subgroup and in the same subject or in
13 their participation rate, attendance rate, or graduation rate
14 shall be placed on academic early warning status for the next
15 school year. Schools on academic early warning status that do
16 not meet adequate yearly progress criteria for a third annual
17 calculation in the same subgroup and in the same subject or in
18 their participation rate, attendance rate, or graduation rate
19 shall remain on academic early warning status. Schools on
20 academic early warning status that do not meet adequate yearly
21 progress criteria for a fourth annual calculation in the same
22 subgroup and in the same subject or in their participation
23 rate, attendance rate, or graduation rate shall be placed on
24 initial academic watch status. Schools on academic watch status
25 that do not meet adequate yearly progress criteria for a fifth

1 or subsequent annual calculation in the same subgroup and in
2 the same subject or in their participation rate, attendance
3 rate, or graduation rate shall remain on academic watch status.
4 Schools on academic early warning or academic watch status that
5 meet adequate yearly progress criteria for one annual
6 calculation shall be considered as having met expectations and
7 shall be removed from any status designation.

8 The school district of a school placed on either academic
9 early warning status or academic watch status may appeal the
10 status to the State Board of Education in accordance with
11 Section 2-3.25m of this Code.

12 A school district that has one or more schools on academic
13 early warning or academic watch status shall prepare a revised
14 School Improvement Plan or amendments thereto setting forth the
15 district's expectations for removing each school from academic
16 early warning or academic watch status and for improving
17 student performance in the affected school or schools.
18 Districts operating under Article 34 of this Code may prepare
19 the School Improvement Plan required under Section 34-2.4 of
20 this Code.

21 The revised School Improvement Plan for a school that is
22 initially placed on academic early warning status or that
23 remains on academic early warning status after a third annual
24 calculation must be approved by the school board (and by the
25 school's local school council in a district operating under
26 Article 34 of this Code, unless the school is on probation

1 pursuant to subsection (c) of Section 34-8.3 of this Code).

2 The revised School Improvement Plan for a school that is
3 initially placed on academic watch status after a fourth annual
4 calculation must be approved by the school board (and by the
5 school's local school council in a district operating under
6 Article 34 of this Code, unless the school is on probation
7 pursuant to subsection (c) of Section 34-8.3 of this Code).

8 The revised School Improvement Plan for a school that
9 remains on academic watch status after a fifth annual
10 calculation must be approved by the school board (and by the
11 school's local school council in a district operating under
12 Article 34 of this Code, unless the school is on probation
13 pursuant to subsection (c) of Section 34-8.3 of this Code). In
14 addition, the district must develop a school restructuring plan
15 for the school that must be approved by the school board (and
16 by the school's local school council in a district operating
17 under Article 34 of this Code).

18 A school on academic watch status that does not meet
19 adequate yearly progress criteria for a sixth annual
20 calculation shall implement its approved school restructuring
21 plan beginning with the next school year, subject to the State
22 interventions specified in Section 2-3.25f of this Code.

23 (b) Beginning with the 2005-2006 school year, unless the
24 federal government formally disapproves of such policy through
25 the submission and review process for the Illinois
26 Accountability Workbook, those school districts that do not

1 meet adequate yearly progress criteria for 2 consecutive annual
2 calculations in the same subgroup and in the same subject or in
3 their participation rate, attendance rate, or graduation rate
4 shall be placed on academic early warning status for the next
5 school year. Districts on academic early warning status that do
6 not meet adequate yearly progress criteria for a third annual
7 calculation in the same subgroup and in the same subject or in
8 their participation rate, attendance rate, or graduation rate
9 shall remain on academic early warning status. Districts on
10 academic early warning status that do not meet adequate yearly
11 progress criteria for a fourth annual calculation in the same
12 subgroup and in the same subject or in their participation
13 rate, attendance rate, or graduation rate shall be placed on
14 initial academic watch status. Districts on academic watch
15 status that do not meet adequate yearly progress criteria for a
16 fifth or subsequent annual calculation in the same subgroup and
17 in the same subject or in their participation rate, attendance
18 rate, or graduation rate shall remain on academic watch status.
19 Districts on academic early warning or academic watch status
20 that meet adequate yearly progress criteria for one annual
21 calculation shall be considered as having met expectations and
22 shall be removed from any status designation.

23 A district placed on either academic early warning status
24 or academic watch status may appeal the status to the State
25 Board of Education in accordance with Section 2-3.25m of this
26 Code.

1 Districts on academic early warning or academic watch
2 status shall prepare a District Improvement Plan or amendments
3 thereto setting forth the district's expectations for removing
4 the district from academic early warning or academic watch
5 status and for improving student performance in the district.

6 All District Improvement Plans must be approved by the
7 school board.

8 (c) All new and revised School and District Improvement
9 Plans shall be developed in collaboration with parents, staff
10 in the affected school or school district, and outside experts.
11 All revised School and District Improvement Plans shall be
12 developed, submitted, and monitored pursuant to rules adopted
13 by the State Board of Education. The ~~revised~~ Improvement Plan
14 shall address measurable outcomes for improving student
15 performance so that such performance meets adequate yearly
16 progress criteria as specified by the State Board of Education
17 and shall include a staff professional development plan
18 developed in cooperation with staff. All school districts
19 required to revise a School Improvement Plan in accordance with
20 this Section shall establish a peer review process for the
21 evaluation of School Improvement Plans.

22 (d) All federal requirements apply to schools and school
23 districts utilizing federal funds under Title I, Part A of the
24 federal Elementary and Secondary Education Act of 1965.

25 (e) The State Board of Education, from any moneys it may
26 have available for this purpose, must implement and administer

1 a grant program that provides 2-year grants to school districts
2 on the academic watch list and other school districts that have
3 the lowest achieving students, as determined by the State Board
4 of Education, to be used to improve student achievement. In
5 order to receive a grant under this program, a school district
6 must establish an accountability program. The accountability
7 program must involve the use of statewide testing standards and
8 local evaluation measures. A grant shall be automatically
9 renewed when achievement goals are met. The Board may adopt any
10 rules necessary to implement and administer this grant program.

11 (f) In addition to any moneys available under subsection
12 (e) of this Section, a school district required to maintain
13 School and District Improvement Plans under this Section,
14 including a school district organized under Article 34 of this
15 Code, shall annually receive from the State, subject to
16 appropriation, an amount equal to \$150 times the number of
17 full-time certified teachers and administrators it employs for
18 developing and implementing its mandatory School and District
19 Improvement Plans, including its staff professional
20 development plan.

21 (Source: P.A. 93-470, eff. 8-8-03; 93-890, eff. 8-9-04; 94-666,
22 eff. 8-23-05; 94-875, eff. 7-1-06.)

23 (105 ILCS 5/2-3.25d-5 new)

24 Sec. 2-3.25d-5. Educational improvement plan.

25 (a) Except for school districts required to develop School

1 and District Improvement Plans under Section 2-3.25d of this
2 Code, each school district shall develop, in compliance with
3 rules promulgated by the State Board of Education, an
4 educational improvement plan that must include (i) measures for
5 improving school district, school building, and individual
6 student performance and (ii) a staff professional development
7 plan developed at least in cooperation with staff or, if
8 applicable, the exclusive bargaining representatives of the
9 staff. The district shall develop the educational improvement
10 plan in collaboration with parents, staff, and the staff's
11 exclusive bargaining representatives, if any.

12 (105 ILCS 5/2-3.148 new)

13 Sec. 2-3.148. The Digital Learning Technology Grant
14 Program.

15 (a) As used in this Section, unless the context otherwise
16 requires, "information technology education" means education
17 in the development, design, use, maintenance, repair, and
18 application of information technology systems or equipment,
19 including, but not limited to, computers, the Internet,
20 telecommunications devices and networks, and multi-media
21 techniques.

22 (b) There is created the Digital Learning Technology Grant
23 Program to provide money to school districts and charter
24 schools to use in integrating information technology and
25 scientific equipment as tools to measurably improve teaching

1 and learning in grades 9 through 12 in this State's public
2 schools. The State Board of Education shall administer the
3 grant program through the acceptance, review, and
4 recommendation of applications submitted pursuant to this
5 Section.

6 (c) Grants awarded through the grant program created under
7 this Section shall continue for 4 fiscal years and may be
8 renewed as provided by rule of the State Board of Education.
9 Grants awarded through the program shall be paid out of any
10 money appropriated or credited to the Digital Learning
11 Technology Grant Fund. A school district or charter school
12 shall use any moneys obtained through the grant program to
13 integrate information technology education into the 9th grade
14 through 12th grade curriculum. In the case of a school
15 district, such integration shall be accomplished in one or more
16 public schools in the district. The school district or charter
17 school may contract with one or more private entities for
18 assistance in integrating information technology education
19 into the curriculum. In addition, school districts and charter
20 schools are encouraged to partner with businesses for
21 assistance in integrating information technology education
22 into the curriculum.

23 (d) The State Board of Education shall adopt rules for the
24 administration and implementation of the grant program created
25 under this Section. Subject to appropriation, the grants shall
26 be awarded through the program for the 2010-2011 school year

1 and annually thereafter.

2 (e) Any school district or charter school that seeks to
3 participate in the grant program created under this Section
4 shall submit an application to the State Board of Education in
5 the form and according to the deadlines established by rule of
6 the State Board of Education. The application shall include the
7 following information:

8 (1) if the applicant is a school district, the names of
9 the schools that will receive the benefits of the grant;

10 (2) the current level of information technology
11 education integration at the recipient schools;

12 (3) the school district's or charter school's plan for
13 integrating information technology education into the 9th
14 grade through 12th grade curriculum, including any
15 specific method or program to be used, and any entities
16 with whom the school district or charter school plans to
17 contract or cooperate in achieving the integration;

18 (4) the specific, measurable goals to be achieved and
19 the actual deliverables to be produced through the
20 integration of information technology education into the
21 curriculum, a deadline for achieving those goals, and a
22 proposed method of measuring whether the goals were
23 achieved;

24 (5) any businesses with which the school district or
25 charter school has partnered to improve the availability
26 and integration of information technology education within

1 the curriculum; and

2 (6) any other information that may be specified by rule
3 of the State Board of Education.

4 (f) In recommending and awarding grants through the
5 program, the State Board of Education shall consider the
6 following criteria:

7 (1) the degree to which information technology
8 education is already integrated into the curriculum of the
9 applying school district or charter school to ensure that
10 those school districts and charter schools with the least
11 degree of integration receive the grants first;

12 (2) the degree to which the applicant's proposed plan
13 for using the grant moneys will result in integration of
14 information technology tools and scientific equipment in a
15 manner that measurably improves teaching and learning;

16 (3) the validity, clarity, and measurability of the
17 goals established by the applicant and the validity of the
18 proposed methods for measuring achievement of the goals;

19 (4) the accountability system of specific measures and
20 deliverables to determine a baseline and annually assess
21 improvements in teaching and learning;

22 (5) any other financial resources available to the
23 applicant for integrating information technology education
24 into the curriculum;

25 (6) the degree to which the applicant is cooperating or
26 partnering with businesses to improve the availability and

1 integration of information technology education in the
2 curriculum; the State Board of Education shall apply this
3 criteria with the goal of encouraging such partnerships;

4 (7) the strength and capacity of the applicant to
5 collaborate with the science, technology, engineering and
6 mathematics education center network under Section 4.5 of
7 the Illinois Mathematics and Science Academy Law and to
8 provide open source networking with other public schools in
9 this State; and

10 (8) any other criteria established by rule of the State
11 Board of Education to ensure that grants are awarded to
12 school districts and charter schools that demonstrate the
13 greatest need and the most valid, effective plan for
14 integrating information technology education into the
15 curriculum.

16 (g) In awarding grants through the grant program, the State
17 Board of Education shall ensure, to the extent possible, that
18 the grants are awarded to school districts and charter schools
19 in all areas of this State.

20 (h) Nothing in this Section shall be construed to limit or
21 otherwise affect any school district's ability to enter into an
22 agreement with or receive funds from any private entity.

23 (i) Each school district and charter school that receives a
24 grant through the grant program created under this Section
25 shall, by August 1 of the school year for which the grant was
26 awarded, submit to the State Board of Education a report

1 specifying the following information:

2 (1) the manner in which the grant moneys were used;

3 (2) the progress made toward achieving the goals
4 specified in the grant recipient's application;

5 (3) any additional entities and businesses with whom
6 the grant recipient has contracted or partnered with the
7 goal of achieving greater integration of information
8 technology education in the 9th grade through 12th grade
9 curriculum;

10 (4) the recipient school district's and charter
11 school's plan for continuing the integration of
12 information technology education into the curriculum,
13 regardless of whether the grant is renewed; and

14 (5) any other information specified by rule of the
15 State Board of Education.

16 (j) Notwithstanding subsection (i) of this Section, a
17 recipient school need not submit a report for any academic year
18 in which no grants are made through the grant program.

19 (k) The Digital Learning Technology Grant Fund is created
20 as a special fund in the State treasury. All money in the Fund
21 shall be used, subject to appropriation, by the State Board of
22 Education for the purpose of funding grants under this Section.

23 (l) The State Board of Education may solicit and accept
24 money in the form of gifts, contributions, and grants to be
25 deposited into the Digital Learning Technology Grant Fund. The
26 acceptance of federal grants for purposes of this Section does

1 not commit State funds nor place an obligation upon the General
2 Assembly to continue the purposes for which the federal funds
3 are made available.

4 (105 ILCS 5/2-3.149 new)

5 Sec. 2-3.149. Best practices clearinghouse.

6 (a) Beginning July 1, 2010 and subject to appropriation,
7 the State Board of Education shall establish an online
8 clearinghouse of information relating to best practices of
9 campuses and school districts regarding instruction, public
10 school finance, resource allocation, and business practices.
11 To the extent practicable, the State Board of Education shall
12 ensure that information provided through the online
13 clearinghouse is specific, actionable information relating to
14 the best practices of high-performing and highly efficient
15 school districts rather than general guidelines relating to
16 school district operation. The information must be accessible
17 by school districts and interested members of the public.

18 (b) The State Board of Education shall solicit and collect
19 from exemplary or recognized school districts, charter
20 schools, and other institutions determined by the State Board
21 of Education examples of best practices relating to
22 instruction, public school finance, resource allocation, and
23 business practices, including best practices relating to
24 curriculum, scope and sequence, compensation and incentive
25 systems, bilingual education and special language programs,

1 compensatory education programs, and the effective use of
2 instructional technology, including online courses.

3 (c) The State Board of Education may contract for the
4 services of one or more third-party contractors to develop,
5 implement, and maintain a system of collecting and evaluating
6 the best practices of campuses and school districts as provided
7 by this Section. In addition to any other considerations
8 required by law, the State Board of Education must consider an
9 applicant's demonstrated competence and qualifications in
10 analyzing school district practices in awarding a contract
11 under this subsection (c).

12 (d) The State Board of Education may purchase from
13 available funds curriculum and other instructional tools
14 identified under this Section to provide for use by school
15 districts.

16 (105 ILCS 5/2-3.150 new)

17 Sec. 2-3.150. The Science, Technology, Engineering, and
18 Mathematics Education Center Grant Program.

19 (a) As used in this Section, unless the context otherwise
20 requires:

21 "Grant program" means the science, technology,
22 engineering, and mathematics education center grant program
23 created in this Section.

24 "Science, technology, engineering, and mathematics
25 education" or "STEM" means learning experiences that integrate

1 innovative curricular, instructional, and assessment
2 strategies and materials, laboratory and mentorship
3 experiences, and authentic inquiry-based and problem centered
4 instruction to stimulate learning in the areas of science,
5 technology, engineering, and mathematics.

6 "Science, technology, engineering, and mathematics
7 education innovation center" means a center operated by a
8 school district, a charter school, the Illinois Mathematics and
9 Science Academy, or a joint collaborative partnership that
10 provides STEM teaching and learning experiences, materials,
11 laboratory and mentorship experiences, and educational
12 seminars, institutes or workshops for students and teachers.

13 (b) Subject to appropriation, the Illinois Mathematics and
14 Science Academy, in consultation and partnership with the State
15 Board of Education, the Board of Higher Education, the business
16 community, the entrepreneurial technology community, and
17 professionals, including teachers, in the field of science,
18 technology, engineering, and mathematics shall create a
19 strategic plan for developing a whole systems approach to
20 redesigning prekindergarten through grade 12 STEM education in
21 this State, including, but not limited to, designing and
22 creating integrative teaching and learning networks among
23 science, technology, engineering, and mathematics innovation
24 education centers, university and corporate research
25 facilities, and established STEM laboratories, businesses, and
26 the Illinois Mathematics and Science Academy.

1 (c) At a minimum, the plan shall provide direction for
2 program design and development, including the following:

3 (1) continuous generation and sharing of curricular,
4 instructional, assessment, and program development
5 materials and information about STEM teaching and learning
6 throughout the network;

7 (2) identification of curricular, instructional, and
8 assessment goals that reflect the research in cognition and
9 the development of creativity in STEM fields and the
10 systemic changes in STEM education, so as to be consistent
11 with inquiry-based and problem-centered instruction in
12 science, technology, engineering, and mathematics. Such
13 goals shall also reflect current frameworks, standards,
14 and guidelines, such as those defined by the National
15 Research Council (National Academy of Science), the
16 American Association for the Advancement of Science, the
17 National Council of Teachers of Mathematics, the National
18 Science Teachers Association, and professional
19 associations in STEM fields;

20 (3) identification of essential teacher competencies
21 and a comprehensive plan for recruiting, mentoring, and
22 retaining STEM teachers, especially those in
23 under-resourced schools and school districts; creation of
24 a community of practice among STEM center educators and
25 other teachers of science, technology, engineering, and
26 mathematics as part of a network of promising practices in

1 teaching; and the establishment of recruitment, mentoring,
2 and retention plans for Golden Apple teachers in STEM
3 fields and Illinois STEM teachers who have received
4 national board certification and are also part of the STEM
5 innovation network;

6 (4) a statement of desired competencies for STEM
7 learning by students;

8 (5) a description of recommended courses of action to
9 improve educational experiences, programs, practices, and
10 service;

11 (6) the improvement of access and availability of STEM
12 courses, especially for rural school districts and
13 particularly to those groups which are traditionally
14 underrepresented through the Illinois Virtual High School;
15 the plan shall include goals for using telecommunications
16 facilities as recommended by a telecommunications advisory
17 commission;

18 (7) expectations and guidelines for designing and
19 developing a dynamic, creative, and engaged teaching
20 network;

21 (8) a description of the laboratory and incubator model
22 for the STEM centers;

23 (9) support for innovation and entrepreneurship in
24 curriculum, instruction, assessment, and professional
25 development; and

26 (10) cost estimates.

1 (d) The plan shall provide a framework that enables the
2 teachers, school districts, and institutions of higher
3 education to operate as an integrated system. The plan shall
4 provide innovative mechanisms and incentives to the following:

5 (1) educational providers, as well as professional
6 associations, business and university partners, and
7 educational receivers (students and teachers) at the
8 prekindergarten through grade 12 and postsecondary levels
9 to design and implement innovative curricula, including
10 experiences, mentorships, institutes, and seminars and to
11 develop new materials and activities for these;

12 (2) course providers and receivers for leveraging
13 distance learning technologies through the Illinois
14 Virtual High School and applying distance learning
15 instructional design techniques, taking into consideration
16 the work of a telecommunications advisory commission;

17 (3) prekindergarten through grade 12 teachers to
18 encourage them to take graduate STEM courses and degree
19 programs; such incentives may include a tuition matching
20 program;

21 (4) appropriate State agencies, federal agencies,
22 professional organizations, public television stations,
23 and businesses and industries to involve them in the
24 development of the strategic plan; and

25 (5) businesses, industries, and individuals for
26 volunteering their time and community resources.

1 (e) The plan shall provide a mechanism for incorporating
2 the cost for accomplishing these goals into the ongoing
3 operating budget beginning in 2010.

4 (f) There is created the Science and Technology Education
5 Center Grant Program to provide development and operating
6 moneys in the form of matching funds for existing or proposed
7 nonprofit STEM education centers. At a minimum, each STEM
8 center that receives a grant shall not only provide STEM
9 education activities to students enrolled in the school
10 district or charter school and materials and educational
11 workshops to teachers employed by the school district or
12 charter school, but also, as part of generative and innovative
13 teaching and learning network, shall share information with all
14 STEM centers, the Illinois Mathematics and Science Academy, and
15 partner associations or businesses.

16 (g) School districts, charter schools, the Illinois
17 Mathematics and Science Academy, and joint collaborative
18 partnerships may establish science and technology education
19 centers or may contract with regional offices of education,
20 intermediate service centers, public community colleges,
21 4-year institutions of higher education, non-profit or
22 for-profit education providers, youth service agencies,
23 community-based organizations, or other appropriate entities
24 to establish science and technology education centers within
25 the public school system. Districts and charter schools may
26 individually operate alternative learning opportunities

1 programs or may collaborate with 2 or more districts or charter
2 schools or do both to create and operate science and technology
3 education centers.

4 (h) Beginning with the 2010-2011 school year, the State
5 Board of Education shall, subject to available appropriations,
6 annually award one or more science, technology, engineering,
7 and mathematics education center grants for the development and
8 operation of STEM centers.

9 A school district, a charter school, the Illinois
10 Mathematics and Science Academy, or a joint collaborative
11 partnership may apply for a STEM center grant pursuant to
12 procedures and time lines specified by rule of the State Board
13 of Education.

14 (i) The State Board of Education, in selecting one or more
15 school districts, charter schools, or joint collaborative
16 partnerships or the Illinois Mathematics and Science Academy
17 for receipt of a grant, shall give priority to applicants that
18 are geographically located farthest from other STEM centers or
19 applicants that have less opportunity for science, technology,
20 engineering, and mathematics resource support. The State Board
21 shall also consider the following factors:

22 (1) the facility, equipment, and technology that are or
23 will be provided and the activities and range of programs
24 that are or will be offered by the STEM education center;

25 (2) the strength and capacity of the school district or
26 charter school to work as a network cooperatively with the

1 Illinois Mathematics and Science Academy, other STEM
2 centers, universities and STEM laboratories, businesses,
3 and industries; and

4 (3) recommendations of the Illinois P-20 Council and
5 the Illinois Mathematics and Science Academy.

6 (j) A STEM center grant shall be payable from moneys
7 appropriated to the STEM Education Center Grant Fund.

8 The State Board of Education shall specify the amount to be
9 awarded to each school district, charter school, or joint
10 collaborative partnership that is selected to receive a grant
11 and to the Illinois Mathematics and Science Academy, if
12 selected to receive a grant. The amount awarded to a new STEM
13 center for start-up costs shall not exceed \$1,000,000 for the
14 first fiscal year and may not be renewed. The amount awarded to
15 an operating STEM center for operating costs shall not exceed
16 \$500,000 for one fiscal year and shall be renewed annually for
17 5 consecutive years if the STEM center is meeting its
18 accountability goals and its role as an active partner in a
19 generative teaching and learning network.

20 (k) Each school district, charter school, or joint
21 collaborative partnership that receives a grant pursuant to the
22 grant program and the Illinois Mathematics and Science Academy,
23 if selected to receive a grant, shall demonstrate, prior to
24 receiving any actual moneys, that the center has received or
25 has a written commitment for matching funds from other public
26 or private sources in the amount of a dollar-for-dollar match

1 with the amount of the grant. This requirement may be waived
2 upon application to and approval by the State Board of
3 Education based on a showing of continued need or financial
4 hardship.

5 (1) The State Board of Education shall promulgate such
6 rules as are required in this Section and such additional rules
7 as may be required for implementation of the grant program.

8 (m) Each school district or charter school that receives a
9 grant through the grant program shall, by the close of each
10 school year for which the grant was awarded, submit to the
11 Illinois Mathematics and Science Academy and the State Board of
12 Education a report specifying the following information:

13 (1) the manner in which the grant money was used;

14 (2) the progress made toward achieving the goals and
15 producing the deliverables specified in the grant
16 recipient's application;

17 (3) any additional entities and businesses with whom
18 the grant recipient has contracted or partnered with the
19 goal of achieving greater integration of information
20 technology education in prekindergarten through grade 12
21 curriculum;

22 (4) the recipient school district's or charter
23 school's plan for continuing the integration of
24 information technology education into the curriculum,
25 regardless of whether the grant is renewed;

26 (5) the documentation demonstrating effective digital

1 collaboration and networking, technological cooperation
2 and sharing, and personal networking via innovative,
3 entrepreneurial networks;

4 (6) a description of innovative instructional methods;

5 (7) evidence of staff training and outreach to teachers
6 beyond those working in the STEM education center; and

7 (8) any other information specified by rule of the
8 State Board of Education.

9 (n) Notwithstanding the other provisions of this Section, a
10 recipient school need not submit a report for any academic year
11 in which no grants are made through the grant program.

12 (o) The STEM Education Center Grant Fund is created as a
13 special fund in the State treasury. All money in the Fund shall
14 be used, subject to appropriation, by the State Board of
15 Education for the purpose of funding science, technology,
16 engineering, and mathematics education center grants awarded
17 under this Section.

18 (p) The State Board of Education may solicit and accept
19 money in the form of gifts, contributions, and grants to be
20 deposited in the STEM Education Center Grant Fund. The
21 acceptance of federal grants for purposes of this Section does
22 not commit State funds nor place an obligation upon the General
23 Assembly to continue the purposes for which the federal funds
24 are made available.

1 Sec. 2-3.151. School Improvement Partnership Pool Fund.

2 (a) The School Improvement Partnership Pool Fund is created
3 as a special fund in the State treasury. All interest earned on
4 moneys in the Fund shall be deposited into the Fund. The School
5 Improvement Partnership Pool Fund shall not be subject to
6 sweeps, administrative charges, or charge-backs, such as, but
7 not limited to, those authorized under Section 8h of the State
8 Finance Act, nor any other fiscal or budgetary maneuver that
9 would in any way transfer any funds from the School Improvement
10 Partnership Pool Fund into any other fund of the State.

11 (b) Beginning in Fiscal Year 2011, moneys in the School
12 Improvement Partnership Pool Fund shall be used, subject to
13 appropriation, by the State Board of Education for a
14 competitive grant program to provide school districts with
15 demonstrated academic and financial need quality, integrated
16 support systems, such as training for staff, tutoring programs
17 for students, small school initiatives, literacy coaching,
18 proven programs such as reduced class size, extended learning
19 time, and after school and summer school programs, programs to
20 engage parents, and other systems as determined by the State
21 Board of Education.

22 (c) School districts eligible to apply to the State Board
23 of Education for a grant under subsection (b) of this Section
24 shall be limited to those (i) with any school that has not met
25 adequate yearly progress under the federal No Child Left Behind
26 Act of 2001 for at least 2 consecutive years or (ii) that have

1 been designated through the State Board of Education's School
2 District Financial Profile System as on financial warning or
3 financial watch status. The State Board may, by rule, establish
4 any additional procedures with respect to this grant program.

5 (105 ILCS 5/2-3.152 new)

6 Sec. 2-3.152. Resource management service.

7 (a) Subject to appropriation, the State Board of Education
8 shall establish and maintain an Internet web-based resource
9 management service for all school districts on or before July
10 1, 2013. If no State funds are provided to school districts
11 specifically for implementation of this Section, school
12 districts are relieved from implementing all requirements
13 under this Section.

14 (b) The resource management service shall identify
15 resource configurations that contribute to improving internal
16 resources for instructional programs, provide action-oriented
17 analysis and solutions, and give school districts the ability
18 to explore different scenarios of resource allocation.

19 (c) Annually, by the first day of October, an Internet
20 web-based preliminary resource allocation report must be
21 generated for each school district and delivered via the
22 Internet to each district superintendent for use by the
23 management team and the exclusive bargaining agents of the
24 school district's employees. This report shall identify
25 potential cost savings or resource reallocation opportunities

1 for the district in 5 core areas of school district spending.
2 These core areas are instruction, operation and maintenance,
3 transportation, food service, and central services. This
4 analysis shall show district spending in detailed
5 subcategories compared to demographically or operationally
6 similar peer school districts. The web-based resource
7 allocation reports generated under this Section constitute
8 preliminary drafts, notes, recommendations, memoranda, and
9 other records in which opinions are expressed or policies or
10 actions are formulated and therefore exempt from disclosure
11 under subdivision (f) of subsection (1) of Section 7 of the
12 Freedom of Information Act.

13 (d) Each school district shall have the ability through the
14 on-line resource allocation report to test various resource
15 allocation scenarios relative to pre-defined peers as well as
16 geographic peers and the most efficient peers statewide. Each
17 district shall have the ability to choose specific combinations
18 of districts for comparison.

19 (e) The resource management service shall contain, based on
20 the spending and demographic profile of the school district,
21 action-oriented information, such as effective best practices
22 in schools districts, diagnostic questions, and other
23 management or community considerations that may be implemented
24 to capture savings identified in the resource allocation
25 report.

26 (f) The resource management service may be initiated and

1 maintained through a contract between the State Board of
2 Education and an independent third party specializing in school
3 market research within this State and the United States. Any
4 contract with a third party must be awarded through the State
5 Board of Education's standard request for proposal procedure.
6 Up to 25% of the annual appropriation may be allocated by the
7 State Board of Education to hire personnel and facilitate data
8 collection. No less than 25% of the annual appropriation shall
9 be utilized by the State Board of Education to deliver training
10 to school district personnel in the use of the management
11 service. Such training shall be delivered by certificated
12 school business officials or State Board of Education trained
13 personnel and may be provided through administrator academies
14 and mentoring programs. The State Board of Education may
15 establish contracts with other organizations to provide such
16 training and mentoring.

17 In the event that a district does not employ a certificated
18 school business official, if State funds are provided
19 specifically for this purpose, at least one employee must be
20 trained and certified in the use of the resource management
21 service. In addition, a representative of the exclusive
22 bargaining agents of the school district's employees shall be
23 invited to be trained and certified.

24 (g) The State Board of Education shall identify the data
25 required to implement the resource management service and
26 develop annual data reporting instruments designed to collect

1 the information from each school district.

2 The State Board of Education may provide grants to school
3 districts to permit those school districts to develop and
4 implement a plan for a shared services agreement in the
5 following areas: operation and maintenance and central
6 services.

7 (h) Annually, the certificated school business official or
8 resource management service trained employee in each school
9 district shall review and certify that the resource allocation
10 report has been received and reviewed by the management team
11 and the exclusive bargaining agent of the district.
12 Subsequently, a report must be filed with the State Board of
13 Education identifying the considerations that will be studied
14 as a result of such analysis. In addition, any implementation
15 of strategies or reallocation of resources associated with the
16 resource management service must be annually reported to the
17 Board of Education, the exclusive bargaining agents of the
18 school district's employees, and, subsequently, the State
19 Board of Education. The State Board shall annually prepare a
20 cumulative report to be posted electronically containing those
21 initiatives studied and implemented on a statewide basis.

22 (105 ILCS 5/3-7) (from Ch. 122, par. 3-7)

23 Sec. 3-7. Failure to prepare and forward information. If
24 the trustees of schools of any township in Class II county
25 school units, or any school district which forms a part of a

1 Class II county school unit but which is not subject to the
2 jurisdiction of the trustees of schools of any township in
3 which such district is located, or any school district in any
4 Class I county school units fail to prepare and forward or
5 cause to be prepared and forwarded to the regional
6 superintendent of schools, reports required by this Act, the
7 regional superintendent of schools shall furnish such
8 information or he shall employ a person or persons to furnish
9 such information, as far as practicable. Such person shall have
10 access to the books, records and papers of the school district
11 to enable him or them to prepare such reports, and the school
12 district shall permit such person or persons to examine such
13 books, records and papers at such time and such place as such
14 person or persons may desire for the purpose aforesaid. For
15 such services the regional superintendent of schools shall bill
16 the district an amount to cover the cost of preparation of such
17 reports if he employs a person to prepare such reports.

18 Each school district shall, as of June 30 of each year,
19 cause an audit of its accounts to be made by a person lawfully
20 qualified to practice public accounting as regulated by the
21 Illinois Public Accounting Act. Such audit shall include (i)
22 development of a risk assessment of district internal controls,
23 (ii) an annual review and update of the risk assessment, and
24 (iii) an annual management letter that analyzes significant
25 risk assessment findings, recommends changes for strengthening
26 controls and reducing identified risks, and specifies

1 timeframes for implementation of these recommendations, as
2 well as financial statements of the district applicable to the
3 type of records required by other sections of this Act and in
4 addition shall set forth the scope of audit and shall include
5 the professional opinion signed by the auditor, or if such an
6 opinion is denied by the auditor, shall set forth the reasons
7 for such denial. Each school district shall on or before
8 October 15 of each year, submit an original and one copy of the
9 ~~such~~ audit to the regional superintendent of schools in the
10 educational service region having jurisdiction in which case
11 the regional superintendent of schools shall be relieved of
12 responsibility in regard to the accounts of the school
13 district. If any school district fails to supply the regional
14 superintendent of schools with a copy of such audit report on
15 or before October 15, or within such time extended by the
16 regional superintendent of schools from that date, not to
17 exceed 60 days, then it shall be the responsibility of the
18 regional superintendent of schools having jurisdiction to
19 cause such audit to be made by employing an accountant licensed
20 to practice in the State of Illinois to conduct such audit and
21 shall bill the district for such services, or shall with the
22 personnel of his office make such audit to his satisfaction and
23 bill the district for such service. In the latter case, if the
24 audit is made by personnel employed in the office of the
25 regional superintendent of schools having jurisdiction, then
26 the regional superintendent of schools shall not be relieved of

1 the responsibility as to the accountability of the school
2 district. The copy of the audit shall be forwarded by the
3 regional superintendent to the State Board of Education on or
4 before November 15 of each year and shall be filed by the State
5 Board of Education. Beginning on July 1, 2010, all school
6 districts shall utilize a competitive request for proposals
7 process at least once every 5 years when contracting for such
8 an annual audit, provided that school districts with existing
9 contracts of less than 5 years in length that are in effect on
10 July 1, 2010 shall utilize a competitive request for proposals
11 process when contracting for an annual audit after the
12 expiration date of the existing contract.

13 Each school district that is the administrative district
14 for several school districts operating under a joint agreement
15 as authorized by this Act shall, as of June 30 each year, cause
16 an audit of the accounts of the joint agreement to be made by a
17 person lawfully qualified to practice public accounting as
18 regulated by the Illinois Public Accounting Act. Such audit
19 shall include (i) development of a risk assessment of district
20 internal controls, (ii) an annual review and update of the risk
21 assessment, and (iii) an annual management letter that analyzes
22 significant risk assessment findings, recommends changes for
23 strengthening controls and reducing identified risks, and
24 specifies timeframes for implementation of these
25 recommendations, as well as financial statements of the
26 operation of the joint agreement applicable to the type of

1 records required by this Act and, in addition, shall set forth
2 the scope of the audit and shall include the professional
3 opinion signed by the auditor, or if such an opinion is denied,
4 the auditor shall set forth the reason for such denial. Each
5 administrative district of a joint agreement shall on or before
6 October 15 each year, submit an original and one copy of such
7 audit to the regional superintendent of schools in the
8 educational service region having jurisdiction in which case
9 the regional superintendent of schools shall be relieved of
10 responsibility in regard to the accounts of the joint
11 agreement. The copy of the audit shall be forwarded by the
12 regional superintendent to the State Board of Education on or
13 before November 15 of each year and shall be filed by the State
14 Board of Education. The cost of such an audit shall be
15 apportioned among and paid by the several districts who are
16 parties to the joint agreement, in the same manner as other
17 costs and expenses accruing to the districts jointly. Beginning
18 on July 1, 2010, all school districts operating under a joint
19 agreement shall utilize a competitive request for proposals
20 process at least once every 5 years when contracting for such
21 an annual audit, provided that all school districts operating
22 under a joint agreement with existing contracts of less than 5
23 years in length that are in effect on July 1, 2010 shall
24 utilize a competitive request for proposals process when
25 contracting for an annual audit after the expiration date of
26 the existing contract.

1 The State Board of Education shall determine the adequacy
2 of the audits. All audits shall be kept on file in the office
3 of the State Board of Education.

4 (Source: P.A. 86-1441; 87-473.)

5 (105 ILCS 5/10-16.10 new)

6 Sec. 10-16.10. Board member leadership training.

7 (a) This Section shall apply to all school board members
8 serving pursuant to Section 10-10 of this Code who have been
9 elected on or after the effective date of this amendatory Act
10 of the 96th General Assembly or appointed to fill a vacancy of
11 at least one year's duration on or after the effective date of
12 this amendatory Act of the 96th General Assembly.

13 (b) It is the policy of this State to encourage every
14 voting member of a board of education of a school district
15 elected or appointed for a term beginning on or after the
16 effective date of this amendatory Act of the 96th General
17 Assembly, within a year after the effective date of this
18 amendatory Act of the 96th General Assembly or the first year
19 of his or her term, to complete a minimum of 4 hours of
20 professional development leadership training covering topics
21 in education and labor law, financial oversight and
22 accountability, and fiduciary responsibilities of a school
23 board member.

24 (c) The training on financial oversight, accountability,
25 and fiduciary responsibilities may be provided by an

1 association established under this Code for the purpose of
2 training school board members or by other qualified providers
3 approved by the State Board of Education, in conjunction with
4 an association so established.

5 (105 ILCS 5/10-17a) (from Ch. 122, par. 10-17a)

6 Sec. 10-17a. Better schools accountability.

7 (1) Policy and Purpose. It shall be the policy of the State
8 of Illinois that each school district in this State, including
9 special charter districts and districts subject to the
10 provisions of Article 34, shall submit to parents, taxpayers of
11 such district, the Governor, the General Assembly, and the
12 State Board of Education a school report card assessing the
13 performance of its schools and students. The report card shall
14 be an index of school performance measured against statewide
15 and local standards and will provide information to make prior
16 year comparisons and to set future year targets through the
17 school improvement plan.

18 (2) Reporting Requirements. Each school district shall
19 prepare a report card in accordance with the guidelines set
20 forth in this Section which describes the performance of its
21 students by school attendance centers and by district and the
22 district's financial resources and use of financial resources.
23 Such report card shall be presented at a regular school board
24 meeting subject to applicable notice requirements, posted on
25 the school district's Internet web site, if the district

1 maintains an Internet web site, made available to a newspaper
2 of general circulation serving the district, and, upon request,
3 sent home to a parent (unless the district does not maintain an
4 Internet web site, in which case the report card shall be sent
5 home to parents without request). If the district posts the
6 report card on its Internet web site, the district shall send a
7 written notice home to parents stating (i) that the report card
8 is available on the web site, (ii) the address of the web site,
9 (iii) that a printed copy of the report card will be sent to
10 parents upon request, and (iv) the telephone number that
11 parents may call to request a printed copy of the report card.
12 In addition, each school district shall submit the completed
13 report card to the office of the district's Regional
14 Superintendent which shall make copies available to any
15 individuals requesting them.

16 The report card shall be completed and disseminated prior
17 to October 31 in each school year. The report card shall
18 contain, but not be limited to, actual local school attendance
19 center, school district and statewide data indicating the
20 present performance of the school, the State norms and the
21 areas for planned improvement for the school and school
22 district.

23 (3) (a) The report card shall include the following
24 applicable indicators of attendance center, district, and
25 statewide student performance: percent of students who exceed,
26 meet, or do not meet standards established by the State Board

1 of Education pursuant to Section 2-3.25a; longitudinal data
2 system assessment estimates for each district, subject to a
3 statewide longitudinal data system being established and data
4 being available; composite and subtest means on nationally
5 normed achievement tests for college bound students; student
6 attendance rates; chronic truancy rate; dropout rate;
7 graduation rate; and student mobility, turnover shown as a
8 percent of transfers out and a percent of transfers in.

9 (b) The report card shall include the following
10 descriptions for the school, district, and State: average class
11 size; amount of time per day devoted to mathematics, science,
12 English and social science at primary, middle and junior high
13 school grade levels; number of students taking the Prairie
14 State Achievement Examination under subsection (c) of Section
15 2-3.64, the number of those students who received a score of
16 excellent, and the average score by school of students taking
17 the examination; pupil-teacher ratio; pupil-administrator
18 ratio; operating expenditure per pupil; district expenditure
19 by fund; average administrator salary; and average teacher
20 salary. The report card shall also specify the amount of money
21 that the district receives from all sources, including without
22 limitation subcategories specifying the amount from local
23 property taxes, the amount from general State aid, the amount
24 from other State funding, and the amount from other income.

25 (c) The report card shall include applicable indicators of
26 parental involvement in each attendance center. The parental

1 involvement component of the report card shall include the
2 percentage of students whose parents or guardians have had one
3 or more personal contacts with the students' teachers during
4 the school year concerning the students' education, and such
5 other information, commentary, and suggestions as the school
6 district desires. For the purposes of this paragraph, "personal
7 contact" includes, but is not limited to, parent-teacher
8 conferences, parental visits to school, school visits to home,
9 telephone conversations, and written correspondence. The
10 parental involvement component shall not single out or identify
11 individual students, parents, or guardians by name.

12 (d) The report card form shall be prepared by the State
13 Board of Education and provided to school districts by the most
14 efficient, economic, and appropriate means.

15 (e) The report card shall include an indicator describing
16 whether the school district has improved, declined, or remained
17 stable in the aggregate percentage of students making at least
18 one-year's academic growth each year, subject to a statewide
19 longitudinal data system being established and data being
20 available.

21 (Source: P.A. 95-331, eff. 8-21-07.)

22 (105 ILCS 5/10-17b new)

23 Sec. 10-17b. Financial policies. Beginning with the second
24 fiscal year after the effective date of this amendatory Act of
25 the 96th General Assembly, each school board shall adopt a

1 formal, written financial policy. The policy may include
2 information in the following areas:

3 (1) Debt capacity, issuance, and management.

4 (2) Capital asset management.

5 (3) Reserve or stabilization fund goals.

6 (4) Periodic budget to actual comparison reports.

7 (5) Fees and charges.

8 (6) The use of one-time revenue.

9 (7) Risk management related to internal controls.

10 (8) Purchasing.

11 (9) Vehicle acquisition and maintenance.

12 The school board shall make the policy publicly available.

13 (105 ILCS 5/10-17c new)

14 Sec. 10-17c. Long-term financial plan. Beginning with the
15 second fiscal year after the effective date of this amendatory
16 Act of the 96th General Assembly, each school board shall
17 develop a long-term financial plan that extends over at least a
18 3-year period and that is updated and approved annually. The
19 plan must include multi-year forecasts of revenues,
20 expenditures, and debt. The school board may make the plan
21 available to the public by publishing it as a separate document
22 and submitting it with the annual budget or by posting the plan
23 as a document on the school district's Internet website, if
24 any. The forecasts that are the foundation of the plan must be
25 available to participants in the budget process before

1 budgetary decisions are made. The public must be provided
2 opportunities for providing dialog with respect to the
3 long-term financial planning process. Public access and review
4 shall take place as part of the official budget hearing process
5 in accordance with Section 17-1 of this Code, which requires
6 the posting of notice and making documents available to the
7 general public at least 30 days in advance of the budget
8 hearing.

9 (105 ILCS 5/10-17d new)

10 Sec. 10-17d. Capital improvement plan. Beginning with the
11 second fiscal year after the effective date of this amendatory
12 Act of the 96th General Assembly, each school board shall
13 develop a 5-year capital improvement plan that is updated and
14 approved annually. The plan must include a summary list of the
15 description of the capital projects to be completed over the
16 next 5 years, along with projected expenditures, and revenue
17 sources. The school board shall make the plan available to the
18 public. The school board shall hold a public hearing on the
19 capital improvement plan, which hearing may be held at a
20 regularly scheduled meeting of the board. This hearing shall be
21 held in the same manner and subject to the same notice and
22 other requirements as the public hearing required prior to
23 adoption of the budget in conformity with Section 17-1 of this
24 Code, which requires the posting of notice and making documents
25 available to the general public at least 30 days in advance of

1 the budget hearing.

2 (105 ILCS 5/10-20.20) (from Ch. 122, par. 10-20.20)

3 Sec. 10-20.20. Protection from suit.→ To indemnify and
4 protect school districts, members of school boards, employees,
5 volunteer personnel authorized in Sections 10-22.34, 10-22.34a
6 and 10-22.34b of this Code, mentors of certified staff as
7 authorized in Article 21A and Sections 2-3.53a, 2-3.53b, and
8 34-18.33 of this Code, and student teachers against civil
9 rights damage claims and suits, constitutional rights damage
10 claims and suits and death and bodily injury and property
11 damage claims and suits, including defense thereof, when
12 damages are sought for negligent or wrongful acts alleged to
13 have been committed in the scope of employment or under the
14 direction of the board or related to any mentoring services
15 provided to certified staff of the school district. Such
16 indemnification and protection shall extend to persons who were
17 members of school boards, employees of school boards,
18 authorized volunteer personnel, mentors of certified staff, or
19 student teachers at the time of the incident from which a claim
20 arises. No agent may be afforded indemnification or protection
21 unless he was a member of a school board, an employee of a
22 board, an authorized volunteer, a mentor of certified staff, or
23 a student teacher at the time of the incident from which the
24 claim arises.

25 (Source: P.A. 79-210.)

1 (105 ILCS 5/10-20.46 new)

2 Sec. 10-20.46. School district financial accountability.

3 (a) A school board shall annually include a user-friendly
4 executive summary as part of the district's budget. The
5 executive summary shall include all of the following:

6 (1) The district's major goals and objectives.

7 (2) A discussion of the major financial factors and
8 trends affecting the budget, such as changes in revenues,
9 enrollment, and debt.

10 (3) A description of the budget process.

11 (4) An overview of revenues and expenditures for all
12 funds, including at least 3 to 5 years of prior and future
13 trends, based on data from the annual financial report.

14 (5) An explanation of significant financial and
15 demographic trends.

16 (6) An explanation of the reasons for a budget deficit
17 and an explanation of how the deficit is being addressed in
18 accordance with Section 17-1 of this Code.

19 (7) A budget forecast for at least 3 to 5 years in the
20 future.

21 (8) Student enrollment trends, including a future
22 forecast.

23 (9) The number of personnel by type.

24 (10) Changes in both the long term and short term debt
25 burden.

1 (b) Beginning with the second fiscal year after the
2 effective date of this amendatory Act of the 96th General
3 Assembly, a school board shall annually include in the full
4 budget document the following items; any or all of the
5 following items may be published as separate documents provided
6 that they are explicitly referenced in the annual budget and
7 attached thereto and provided that they are made publicly
8 available at the same time as the tentative budget document:

9 (1) An organizational chart.

10 (2) Formal financial policies pursuant to Section
11 10-17b of this Code.

12 (3) The district's long-term financial plan pursuant
13 to Section 10-17c of this Code or a summary of the
14 long-term financial plan.

15 (4) The district's capital improvement plan pursuant
16 to Section 10-17d of this Code or a summary of the capital
17 improvement plan.

18 (105 ILCS 5/10-22.45) (from Ch. 122, par. 10-22.45)

19 Sec. 10-22.45. A school board shall ~~to~~ establish an audit
20 committee, which may include ~~and to appoint~~ members of the
21 board, ~~or~~ other appropriate officers, or persons who do not
22 serve on the board ~~to the committee~~, to review audit reports
23 and any other financial reports and documents, including
24 management letters prepared by or on behalf of the board.
25 Nothing in this Section prohibits a school district from

1 maintaining its own internal audit function.

2 (Source: P.A. 82-644.)

3 (105 ILCS 5/17-2.11c new)

4 Sec. 17-2.11c. Non-referendum bonds. Upon the
5 certification of an architect and subsequent approval by the
6 regional superintendent of schools and the State Board of
7 Education, a board of education governing a school district
8 having not more than 500,000 inhabitants may issue
9 non-referendum bonds for the purposes described in Section 19-3
10 of this Code. Such bonds may be issued in excess of any
11 statutory limitation as to debt prescribed in Article 19 of
12 this Code.

13 (105 ILCS 5/18-8.05)

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

17 (A) General Provisions.

18 (1) The provisions of this Section apply to the 1998-1999
19 and subsequent school years. The system of general State
20 financial aid provided for in this Section is designed to
21 assure that, through a combination of State financial aid and
22 required local resources, the financial support provided each
23 pupil in Average Daily Attendance equals or exceeds a

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

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

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

23 (a) Any school district which fails for any given
24 school year to maintain school as required by law, or to
25 maintain a recognized school is not eligible to file for
26 such school year any claim upon the Common School Fund. In

1 case of nonrecognition of one or more attendance centers in
2 a school district otherwise operating recognized schools,
3 the claim of the district shall be reduced in the
4 proportion which the Average Daily Attendance in the
5 attendance center or centers bear to the Average Daily
6 Attendance in the school district. A "recognized school"
7 means any public school which meets the standards as
8 established for recognition by the State Board of
9 Education. A school district or attendance center not
10 having recognition status at the end of a school term is
11 entitled to receive State aid payments due upon a legal
12 claim which was filed while it was recognized.

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

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

21 (d) (Blank).

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

26 School districts are not required to exert a minimum

1 Operating Tax Rate in order to qualify for assistance under
2 this Section.

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

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

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

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

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

22 (e) "Operating Tax Rate": All school district property
23 taxes extended for all purposes, except Bond and Interest,
24 Summer School, Rent, Capital Improvement, and Vocational
25 Education Building purposes.

1 (B) Foundation Level.

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

12 (2) For the 1998-1999 school year, the Foundation Level of
13 support is \$4,225. For the 1999-2000 school year, the
14 Foundation Level of support is \$4,325. For the 2000-2001 school
15 year, the Foundation Level of support is \$4,425. For the
16 2001-2002 school year and 2002-2003 school year, the Foundation
17 Level of support is \$4,560. For the 2003-2004 school year, the
18 Foundation Level of support is \$4,810. For the 2004-2005 school
19 year, the Foundation Level of support is \$4,964. For the
20 2005-2006 school year, the Foundation Level of support is
21 \$5,164. For the 2006-2007 school year, the Foundation Level of
22 support is \$5,334. For the 2007-2008 school year, the
23 Foundation Level of support is \$5,734.

24 (3) For the 2008-2009 school year ~~and each school year~~
25 ~~thereafter~~, the Foundation Level of support is \$5,959 ~~or such~~
26 ~~greater amount as may be established by law by the General~~

1 ~~Assembly.~~

2 (4) It is the intention of the 96th General Assembly that
3 the Foundation Level of support be increased to the Education
4 Funding Advisory Board's recommendation for the 2006-2007
5 school year and be inflation adjusted to the 2013-2014 school
6 year, which would create a Foundation Level of \$8,410, and that
7 this Foundation Level of support be reached as soon as
8 practicable using the additional revenue generated by the tax
9 increases provided by this amendatory Act of the 96th General
10 Assembly.

11 For the 2010-2011 school year, the Foundation Level of
12 support is \$6,190. For each school year thereafter, the
13 Foundation Level of support shall be no less than \$6,190.

14 (C) Average Daily Attendance.

15 (1) For purposes of calculating general State aid pursuant
16 to subsection (E), an Average Daily Attendance figure shall be
17 utilized. The Average Daily Attendance figure for formula
18 calculation purposes shall be the monthly average of the actual
19 number of pupils in attendance of each school district, as
20 further averaged for the best 3 months of pupil attendance for
21 each school district. In compiling the figures for the number
22 of pupils in attendance, school districts and the State Board
23 of Education shall, for purposes of general State aid funding,
24 conform attendance figures to the requirements of subsection
25 (F).

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

10 (D) Available Local Resources.

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

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

1 determined as provided in subsection (G).

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

16 For partial elementary unit districts created pursuant to
17 Article 11E of this Code, local property tax revenues per pupil
18 shall be calculated as the product of the equalized assessed
19 valuation for property within the partial elementary unit
20 district for elementary purposes, as defined in Article 11E of
21 this Code, multiplied by 2.06% and divided by the district's
22 Average Daily Attendance figure, plus the product of the
23 equalized assessed valuation for property within the partial
24 elementary unit district for high school purposes, as defined
25 in Article 11E of this Code, multiplied by 0.94% and divided by
26 the district's Average Daily Attendance figure.

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

11 (E) Computation of General State Aid.

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

15 (2) For any school district for which Available Local
16 Resources per pupil is less than the product of 0.93 times the
17 Foundation Level, general State aid for that district shall be
18 calculated as an amount equal to the Foundation Level minus
19 Available Local Resources, multiplied by the Average Daily
20 Attendance of the school district.

21 (3) For any school district for which Available Local
22 Resources per pupil is equal to or greater than the product of
23 0.93 times the Foundation Level and less than the product of
24 1.75 times the Foundation Level, the general State aid per
25 pupil shall be a decimal proportion of the Foundation Level

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

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

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

1 (F) Compilation of Average Daily Attendance.

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

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

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

20 (c) In districts in which some buildings, but not all,
21 hold year-round classes, for the non-year-round buildings,
22 days of attendance in August shall be added to the month of
23 September and any days of attendance in June shall be added
24 to the month of May. The average daily attendance for the
25 year-round buildings shall be computed as provided in

1 subdivision (b) of this paragraph (1). To calculate the
2 Average Daily Attendance for the district, the average
3 daily attendance for the year-round buildings shall be
4 multiplied by the days in session for the non-year-round
5 buildings for each month and added to the monthly
6 attendance of the non-year-round buildings.

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

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

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

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

1 minutes or more of instruction, in which case the pupil may
2 be counted on the basis of the proportion of minutes of
3 school work completed each day to the minimum number of
4 minutes that school work is required to be held that day.

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

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

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

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

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

25 (f) A session of at least 4 clock hours may be counted
26 as a day of attendance for first grade pupils, and pupils

1 in full day kindergartens, and a session of 2 or more hours
2 may be counted as 1/2 day of attendance by pupils in
3 kindergartens which provide only 1/2 day of attendance.

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

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

1 regulations of the State Board of Education.

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

13 (G) Equalized Assessed Valuation Data.

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

24 The Department of Revenue shall add to the equalized
25 assessed value of all taxable property of each school district

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

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

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

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

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

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

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

1 (3) For the 1999-2000 school year and each school year
2 thereafter, if a school district meets all of the criteria of
3 this subsection (G) (3), the school district's Available Local
4 Resources shall be calculated under subsection (D) using the
5 district's Extension Limitation Equalized Assessed Valuation
6 as calculated under this subsection (G) (3).

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

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

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

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

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

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

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

1 the Preceding Tax Year's Tax Extension.

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

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

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

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

25 (5) For school districts having a majority of their
26 equalized assessed valuation in any county except Cook, DuPage,

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

11 (H) Supplemental General State Aid.

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

1 calculations, then the State Board of Education shall ensure
2 that each school district receives the full amount due for
3 general State aid and the remainder of the appropriation shall
4 be used for supplemental general State aid, which the State
5 Board of Education shall calculate and pay to eligible
6 districts on a prorated basis.

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

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

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

1 fiscal year thereafter) divided by the Average Daily Attendance
2 of the school district.

3 (2) Supplemental general State aid pursuant to this
4 subsection (H) shall be provided as follows for the 1998-1999,
5 1999-2000, and 2000-2001 school years only:

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

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

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

18 (d) For any school district with a Low Income
19 Concentration Level of 60% or more, the grant for the
20 1998-99 school year shall be \$1,900 multiplied by the low
21 income eligible pupil count.

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

26 (f) For the 2000-2001 school year, the per pupil

1 amounts specified in subparagraphs (b), (c), and (d)
2 immediately above shall be \$1,273, \$1,640, and \$2,050,
3 respectively.

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

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

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

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

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

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

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

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

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

18 For the 2003-2004 school year and each school year
19 thereafter through the 2008-2009 school year only, the grant
20 shall be no less than the grant for the 2002-2003 school year.
21 For the 2009-2010 school year only, the grant shall be no less
22 than the grant for the 2002-2003 school year multiplied by
23 0.66. For the 2010-2011 school year only, the grant shall be no
24 less than the grant for the 2002-2003 school year multiplied by
25 0.33. Notwithstanding the provisions of this paragraph to the
26 contrary, if for any school year supplemental general State aid

1 grants are prorated as provided in paragraph (1) of this
2 subsection (H), then the grants under this paragraph shall be
3 prorated.

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

22 (3) School districts with an Average Daily Attendance of
23 more than 1,000 and less than 50,000 that qualify for
24 supplemental general State aid pursuant to this subsection
25 shall submit a plan to the State Board of Education prior to
26 October 30 of each year for the use of the funds resulting from

1 this grant of supplemental general State aid for the
2 improvement of instruction in which priority is given to
3 meeting the education needs of disadvantaged children. Such
4 plan shall be submitted in accordance with rules and
5 regulations promulgated by the State Board of Education.

6 (4) School districts with an Average Daily Attendance of
7 50,000 or more that qualify for supplemental general State aid
8 pursuant to this subsection shall be required to distribute
9 from funds available pursuant to this Section, no less than
10 \$261,000,000 in accordance with the following requirements:

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

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

26 (c) Each attendance center shall be provided by the

1 school district a distribution of noncategorical funds and
2 other categorical funds to which an attendance center is
3 entitled under law in order that the general State aid and
4 supplemental general State aid provided by application of
5 this subsection supplements rather than supplants the
6 noncategorical funds and other categorical funds provided
7 by the school district to the attendance centers.

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

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

26 (f) Each district subject to the provisions of this

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

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

22 If the district fails to distribute State aid to
23 attendance centers in accordance with an approved plan, the
24 plan for the following year shall allocate funds, in
25 addition to the funds otherwise required by this
26 subsection, to those attendance centers which were

1 underfunded during the previous year in amounts equal to
2 such underfunding.

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

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

1 plan that has been approved by the State Board of
2 Education.

3 (I) (Blank).

4 (J) Supplementary Grants in Aid.

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

24 (2) If, as provided in paragraph (1) of this subsection

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

11 (3) (Blank).

12 (K) Grants to Laboratory and Alternative Schools.

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

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

1 students, except under a mutual agreement between the school
2 board of a student's district of residence and the university
3 which operates the laboratory school. A laboratory school may
4 not have more than 1,000 students, excluding students with
5 disabilities in a special education program.

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

22 Each laboratory and alternative school shall file, on forms
23 provided by the State Superintendent of Education, an annual
24 State aid claim which states the Average Daily Attendance of
25 the school's students by month. The best 3 months' Average
26 Daily Attendance shall be computed for each school. The general

1 State aid entitlement shall be computed by multiplying the
2 applicable Average Daily Attendance by the Foundation Level as
3 determined under this Section.

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

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

18 (2) (Blank).

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

21 (M) Education Funding Advisory Board.

22 The Education Funding Advisory Board, hereinafter in this
23 subsection (M) referred to as the "Board", is hereby created.
24 The Board shall consist of 5 members who are appointed by the

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

1 until the next meeting of the Senate, when he or she shall
2 appoint, by and with the advice and consent of the Senate, a
3 person to fill that membership for the unexpired term. If the
4 Senate is not in session when the initial appointments are
5 made, those appointments shall be made as in the case of
6 vacancies.

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

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

19 For school years after the 2000-2001 school year, the
20 Education Funding Advisory Board, in consultation with the
21 State Board of Education, shall make recommendations as
22 provided in this subsection (M) to the General Assembly for the
23 foundation level under subsection (B) ~~subdivision (B)(3)~~ of
24 this Section and for the supplemental general State aid grant
25 level under subsection (H) of this Section for districts with
26 high concentrations of children from poverty. The recommended

1 foundation level shall be determined based on a methodology
2 which incorporates the basic education expenditures of
3 low-spending schools exhibiting high academic performance. The
4 Education Funding Advisory Board shall make such
5 recommendations to the General Assembly on January 1 of odd
6 numbered years, beginning January 1, 2001.

7 (N) (Blank).

8 (O) References.

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

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

17 (P) Public Act 93-838 and Public Act 93-808 make inconsistent
18 changes to this Section. Under Section 6 of the Statute on
19 Statutes there is an irreconcilable conflict between Public Act
20 93-808 and Public Act 93-838. Public Act 93-838, being the last
21 acted upon, is controlling. The text of Public Act 93-838 is
22 the law regardless of the text of Public Act 93-808.

23 (Source: P.A. 94-69, eff. 7-1-05; 94-438, eff. 8-4-05; 94-835,

1 eff. 6-6-06; 94-1019, eff. 7-10-06; 94-1105, eff. 6-1-07;
2 95-331, eff. 8-21-07; 95-644, eff. 10-12-07; 95-707, eff.
3 1-11-08; 95-744, eff. 7-18-08; 95-903, eff. 8-25-08; revised
4 9-5-08.)

5 (105 ILCS 5/19-3) (from Ch. 122, par. 19-3)

6 Sec. 19-3. Boards of education. Any school district
7 governed by a board of education and having a population of not
8 more than 500,000 inhabitants, and not governed by a special
9 Act may borrow money for the purpose of building, equipping,
10 altering or repairing school buildings or purchasing or
11 improving school sites, or acquiring and equipping
12 playgrounds, recreation grounds, athletic fields, and other
13 buildings or land used or useful for school purposes or for the
14 purpose of purchasing a site, with or without a building or
15 buildings thereon, or for the building of a house or houses on
16 such site, or for the building of a house or houses on the
17 school site of the school district, for residential purposes of
18 the superintendent, principal, or teachers of the school
19 district, and issue its negotiable coupon bonds therefor signed
20 by the president and secretary of the board, in denominations
21 of not less than \$100 nor more than \$5,000, payable at such
22 place and at such time or times, not exceeding 20 years from
23 date of issuance, as the board of education may prescribe, and
24 bearing interest at a rate not to exceed the maximum rate
25 authorized by the Bond Authorization Act, as amended at the

1 time of the making of the contract, payable annually,
2 semiannually or quarterly, but, with the exception of those
3 bonds described in Section 17-2.11c of this Code, no such bonds
4 shall be issued unless the proposition to issue them is
5 submitted to the voters of the district at a referendum held at
6 a regularly scheduled election after the board has certified
7 the proposition to the proper election authorities in
8 accordance with the general election law, a majority of all the
9 votes cast on the proposition is in favor of the proposition,
10 and notice of such bond referendum has been given either (i) in
11 accordance with the second paragraph of Section 12-1 of the
12 Election Code irrespective of whether such notice included any
13 reference to the public question as it appeared on the ballot,
14 or (ii) for an election held on or after November 1, 1998, in
15 accordance with Section 12-5 of the Election Code, or (iii) by
16 publication of a true and legible copy of the specimen ballot
17 label containing the proposition in the form in which it
18 appeared or will appear on the official ballot label on the day
19 of the election at least 5 days before the day of the election
20 in at least one newspaper published in and having a general
21 circulation in the district, irrespective of any other
22 requirements of Article 12 or Section 24A-18 of the Election
23 Code, nor shall any residential site be acquired unless such
24 proposition to acquire a site is submitted to the voters of the
25 district at a referendum held at a regularly scheduled election
26 after the board has certified the proposition to the proper

1 election authorities in accordance with the general election
2 law and a majority of all the votes cast on the proposition is
3 in favor of the proposition. Nothing in this Act or in any
4 other law shall be construed to require the notice of the bond
5 referendum to be published over the name or title of the
6 election authority or the listing of maturity dates of any
7 bonds either in the notice of bond election or ballot used in
8 the bond election. The provisions of this Section concerning
9 notice of the bond referendum apply only to (i) consolidated
10 primary elections held prior to January 1, 2002 and the
11 consolidated election held on April 17, 2007 at which not less
12 than 60% of the voters voting on the bond proposition voted in
13 favor of the bond proposition, and (ii) other elections held
14 before July 1, 1999; otherwise, notices required in connection
15 with the submission of public questions shall be as set forth
16 in Section 12-5 of the Election Code. Such proposition may be
17 initiated by resolution of the school board.

18 With respect to instruments for the payment of money issued
19 under this Section either before, on, or after the effective
20 date of this amendatory Act of 1989, it is and always has been
21 the intention of the General Assembly (i) that the Omnibus Bond
22 Acts are and always have been supplementary grants of power to
23 issue instruments in accordance with the Omnibus Bond Acts,
24 regardless of any provision of this Act that may appear to be
25 or to have been more restrictive than those Acts, (ii) that the
26 provisions of this Section are not a limitation on the

1 supplementary authority granted by the Omnibus Bond Acts, and
2 (iii) that instruments issued under this Section within the
3 supplementary authority granted by the Omnibus Bond Acts are
4 not invalid because of any provision of this Act that may
5 appear to be or to have been more restrictive than those Acts.

6 The proceeds of any bonds issued under authority of this
7 Section shall be deposited and accounted for separately within
8 the Site and Construction/Capital Improvements Fund.

9 (Source: P.A. 95-30, eff. 8-7-07.)

10 (105 ILCS 5/21A-3 new)

11 Sec. 21A-3. Goals. The New Teacher Induction and Mentoring
12 Program under this Article shall accomplish the following
13 goals:

14 (1) provide an effective transition into the teaching
15 career for first year and second-year teachers in Illinois;

16 (2) improve the educational performance of pupils
17 through improved training, information, and assistance for
18 new teachers;

19 (3) ensure professional success and retention of new
20 teachers;

21 (4) ensure that mentors provide intensive
22 individualized support and assistance to each
23 participating beginning teacher;

24 (5) ensure that an individual induction plan is in
25 place for each beginning teacher and is based on an ongoing

1 assessment of the development of the beginning teacher; and
2 (6) ensure continuous program improvement through
3 ongoing research, development and evaluation.

4 (105 ILCS 5/21A-5)

5 Sec. 21A-5. Definitions. In this Article:

6 "New teacher" or "beginning teacher" means the holder of an
7 Initial Teaching Certificate, as set forth in Section 21-2 of
8 this Code, an Alternative Teaching Certificate, or a
9 Transitional Bilingual Teaching Certificate, who is employed
10 by a public school and who has not previously participated in a
11 new teacher induction and mentoring program required by this
12 Article, except as provided in Section 21A-25 of this Code.

13 "Public school" means any school operating pursuant to the
14 authority of this Code, including without limitation a school
15 district, a charter school, a cooperative or joint agreement
16 with a governing body or board of control, and a school
17 operated by a regional office of education or State agency.

18 (Source: P.A. 93-355, eff. 1-1-04.)

19 (105 ILCS 5/21A-10)

20 Sec. 21A-10. Development of program required. Prior to the
21 2011-2012 ~~During the 2003-2004~~ school year, each public school
22 or 2 or more public schools acting jointly shall develop, in
23 conjunction with its exclusive representative or their
24 exclusive representatives, if any, a new teacher induction and

1 mentoring program that meets the requirements set forth in
2 Section 21A-20 of this Code to assist new teachers in
3 developing the skills and strategies necessary for
4 instructional excellence, provided that funding is made
5 available by the State Board of Education from an appropriation
6 made for this purpose. ~~A public school that has an existing
7 induction and mentoring program that does not meet the
8 requirements set forth in Section 21A-20 of this Code may have
9 school years 2003-2004 and 2004-2005 to develop a program that
10 does meet those requirements and may receive funding as
11 described in Section 21A-25 of this Code, provided that the
12 funding is made available by the State Board of Education from
13 an appropriation made for this purpose. A public school with
14 such an existing induction and mentoring program may receive
15 funding for the 2005-2006 school year for each new teacher in
16 the second year of a 2 year program that does not meet the
17 requirements set forth in Section 21A-20, as long as the public
18 school has established the required new program by the
19 beginning of that school year as described in Section 21A-15
20 and provided that funding is made available by the State Board
21 of Education from an appropriation made for this purpose as
22 described in Section 21A-25.~~

23 (Source: P.A. 93-355, eff. 1-1-04.)

24 (105 ILCS 5/21A-15)

25 Sec. 21A-15. When program is to be established and

1 implemented. Notwithstanding any other provisions of this
2 Code, by the beginning of the 2011-2012 ~~2004-2005~~ school year
3 ~~(or by the beginning of the 2005-2006 school year for a public~~
4 ~~school that has been given an extension of time to develop a~~
5 ~~program under Section 21A-10 of this Code)~~, each public school
6 or 2 or more public schools acting jointly shall establish and
7 implement, in conjunction with its exclusive representative or
8 their exclusive representatives, if any, the new teacher
9 induction and mentoring program required to be developed under
10 Section 21A-10 of this Code, provided that funding is made
11 available by the State Board of Education, from an
12 appropriation made for this purpose, as described in Section
13 21A-25 of this Code. A public school may contract with an
14 institution of higher education or other independent party to
15 assist in implementing the program.

16 (Source: P.A. 93-355, eff. 1-1-04.)

17 (105 ILCS 5/21A-20)

18 Sec. 21A-20. Program requirements. Each new teacher
19 induction and mentoring program must be based on a plan that at
20 least does all of the following:

21 (1) Assigns a mentor teacher to each new teacher to
22 provide structured and intensive mentoring, as defined by
23 the State Board of Education, for a period of at least 2
24 school years.

25 (1.5) Ensures mentors are:

1 (A) carefully selected from experienced, exemplary
2 teachers using a clearly articulated, well-defined,
3 explicit criteria and open processes that may involve
4 key school partners;

5 (B) rigorously trained using best practices in the
6 field to ensure they are well prepared to assume their
7 responsibilities and are consistently supported in
8 their efforts to assist beginning teachers;

9 (C) provided with sufficient release time from
10 teaching to allow them to meet their responsibilities
11 as mentors, including regular contacts with their
12 beginning teachers and frequent observations of their
13 teaching practice; and

14 (D) equipped and selected to provide
15 classroom-focused and content-focused support whenever
16 possible.

17 (2) Aligns with the Illinois Professional Teaching
18 Standards, content area standards, and applicable local
19 school improvement and professional development plans, if
20 any.

21 (3) ~~(Blank). Addresses all of the following elements~~
22 ~~and how they will be provided:~~

23 ~~(A) Mentoring and support of the new teacher.~~

24 ~~(B) Professional development specifically designed~~
25 ~~to ensure the growth of the new teacher's knowledge and~~
26 ~~skills.~~

1 ~~(C) Formative assessment designed to ensure~~
2 ~~feedback and reflection, which must not be used in any~~
3 ~~evaluation of the new teacher.~~

4 (4) Describes the role of mentor teachers, the criteria
5 and process for their selection, and how they will be
6 trained, provided that each mentor teacher shall
7 demonstrate the best practices in teaching his or her
8 respective field of practice. A mentor teacher may not
9 directly or indirectly participate in the evaluation of a
10 new teacher pursuant to Article 24A of this Code or the
11 evaluation procedure of the public school, unless the
12 school district and exclusive bargaining representative of
13 its teachers negotiate and agree to it as part of an
14 alternative evaluation plan under Section 24A-5 or 24A-8 of
15 this Code.

16 (5) Provides ongoing professional development for both
17 beginning teachers and mentors.

18 (A) Beginning teachers shall participate in an
19 ongoing, formal network of novice colleagues for the
20 purpose of professional learning, problem-solving, and
21 mutual support. These regular learning opportunities
22 shall begin with an orientation to the induction and
23 mentoring program prior to the start of the school year
24 and continue throughout the academic year. The group
25 shall address issues of pedagogy, classroom management
26 and content knowledge, beginning teachers' assessed

1 needs, and local instructional needs or priorities.

2 (B) Mentors shall participate in an ongoing
3 professional learning community that supports their
4 practice and their use of mentoring tools, protocols,
5 and formative assessment in order to tailor and deepen
6 mentoring skills and advance induction practices,
7 support program implementation, provide for mentor
8 accountability in a supportive environment, and
9 provide support to each mentor's emerging leadership.

10 (6) Provides for ongoing assessment of beginning
11 teacher practice. Beginning teachers shall be subject to a
12 system of formative assessment in which the novice and
13 mentor collaboratively collect and analyze multiple
14 sources of data and reflect upon classroom practice in an
15 ongoing process. This assessment system shall be based on
16 the Illinois Professional Teaching Standards (IPTS), the
17 IPTS Continuum of Teacher Development, or a nationally
18 recognized teaching framework, as well as evidence of
19 teacher practice, including student work. The assessment
20 information shall be used to determine the scope, focus,
21 and content of professional development activities that
22 are the basis of the beginning teacher's individual
23 learning plan. The program shall provide time to ensure
24 that the quality of the process (such as observations, data
25 collection, and reflective conversations) is not
26 compromised.

1 (7) Identifies clear roles and responsibilities for
2 both administrators and site mentor leaders who are to work
3 collectively to ensure induction practices are integrated
4 into existing professional development initiatives and to
5 secure assignments and establish working conditions for
6 beginning teachers that maximize their chances for
7 success. Administrators and site mentor leaders must have
8 sufficient knowledge and experience to understand the
9 needs of beginning teachers and the role of principals in
10 supporting each component of the program. Site
11 administrators must take time to meet and communicate
12 concerns with beginning teachers and their mentors.

13 (8) Provides for ongoing evaluation of the New Teacher
14 Induction and Mentoring Program pursuant to Section 21A-30
15 of this Code.

16 (Source: P.A. 93-355, eff. 1-1-04.)

17 (105 ILCS 5/21A-25)

18 Sec. 21A-25. Funding. From a separate appropriation made
19 for the purposes of this Article, for each new teacher
20 ~~participating in a new teacher induction and mentoring program~~
21 that meets the requirements set forth in Section 21A-20 of this
22 Code ~~or in an existing program that is in the process of~~
23 ~~transition to a program that meets those requirements,~~ the
24 State Board of Education shall pay the public school \$6,000
25 ~~\$1,200~~ annually for each of 2 school years for the purpose of

1 providing one or more of the following:

2 (1) Mentor teacher compensation.

3 (2) Mentor teacher training and other resources, ~~or~~ new
4 teacher training and other resources, or both.

5 (3) Release time, including costs associated with
6 replacing a mentor teacher or new teacher in his or her
7 regular classroom.

8 (4) Site-based program administration, not to exceed
9 10% of the total program cost.

10 However, if a new teacher, after participating in the new
11 teacher induction and mentoring program for one school year,
12 becomes employed by another public school, the State Board of
13 Education shall pay the teacher's new school \$6,000 ~~\$1,200~~ for
14 the second school year and the teacher shall continue to be a
15 new teacher as defined in this Article. Each public school
16 shall determine, in conjunction with its exclusive
17 representative, if any, how the \$6,000 ~~\$1,200~~ per school year
18 for each new teacher shall be used, provided that if a mentor
19 teacher receives additional release time to support a new
20 teacher, the total workload of other teachers regularly
21 employed by the public school shall not increase in any
22 substantial manner. If the appropriation is insufficient to
23 cover the \$6,000 ~~\$1,200~~ per school year for each new teacher,
24 public schools are not required to develop or implement the
25 program established by this Article. In the event of an
26 insufficient appropriation, a public school or 2 or more

1 schools acting jointly may submit an application for a grant
2 administered by the State Board of Education and awarded on a
3 competitive basis to establish a new teacher induction and
4 mentoring program that meets the criteria set forth in Section
5 21A-20 of this Code. The State Board of Education may retain up
6 to \$1,000,000 of the appropriation for new teacher induction
7 and mentoring programs to train mentor teachers,
8 administrators, and other personnel, to provide best practices
9 information, and to conduct an evaluation of these programs'
10 impact and effectiveness.

11 (Source: P.A. 93-355, eff. 1-1-04.)

12 (105 ILCS 5/21A-30)

13 Sec. 21A-30. Evaluation of programs. The State Board of
14 Education and the State Teacher Certification Board shall
15 jointly contract with an independent party to conduct a
16 comprehensive evaluation of new teacher induction and
17 mentoring programs established pursuant to this Article. The
18 first report of this evaluation shall be presented to the
19 General Assembly on or before January 1, 2013 ~~2009~~. Subsequent
20 evaluations shall be conducted and reports presented to the
21 General Assembly on or before January 1 of every third year
22 thereafter. Additionally, the State Board of Education shall
23 prepare an annual program report for the General Assembly on or
24 before December 31 each year. It shall summarize local program
25 design, indicate the number of teachers served, and document

1 rates of new teacher attrition and retention.

2 (Source: P.A. 93-355, eff. 1-1-04.)

3 (105 ILCS 5/23-3) (from Ch. 122, par. 23-3)

4 Sec. 23-3. Filing copy of constitution, by-laws and
5 amendments. Within 30 days after the adoption by any such
6 association of its constitution or by-laws or any amendment
7 thereto, it shall file a copy thereof, certified by its
8 president and executive director, with the Governor, the State
9 Superintendent of Education, ~~Public Instruction~~ and the
10 regional county superintendent of schools of each region county
11 in which it has any membership.

12 (Source: Laws 1961, p. 31.)

13 (105 ILCS 5/23-5.5 new)

14 Sec. 23-5.5. Professional development and training. Any
15 such association shall offer professional development and
16 training to school board members on topics that include, but
17 are not limited to, basics of school finance, financial
18 oversight and accountability, labor law and collective
19 bargaining, ethics, duties and responsibilities of a school
20 board member, and board governance principles. Every school
21 board member is expected to receive at least 4 hours of
22 professional development and training per year.

23 (105 ILCS 5/23-6) (from Ch. 122, par. 23-6)

1 Sec. 23-6. Annual report. Each association shall make an
2 annual report within 60 days after the close of its fiscal year
3 to the Governor, the State Board of Education and the regional
4 superintendent of schools of each region in which it has
5 members, setting forth the activities of the association for
6 the preceding fiscal year, the institutes held, the subjects
7 discussed, and the attendance, and shall furnish the Governor,
8 the State Board of Education and such regional superintendents
9 with copies of all publications sent to its members. The
10 association shall include the board training topics offered and
11 the number of school board members that availed themselves of
12 professional development and training.

13 (Source: P.A. 81-1508.)

14 (105 ILCS 5/29-5) (from Ch. 122, par. 29-5)

15 Sec. 29-5. Reimbursement by State for transportation. Any
16 school district, maintaining a school, transporting resident
17 pupils to another school district's vocational program,
18 offered through a joint agreement approved by the State Board
19 of Education, as provided in Section 10-22.22 or transporting
20 its resident pupils to a school which meets the standards for
21 recognition as established by the State Board of Education
22 which provides transportation meeting the standards of safety,
23 comfort, convenience, efficiency and operation prescribed by
24 the State Board of Education for resident pupils in
25 pre-kindergarten, kindergarten, or any of grades 1 through 12

1 who: (a) reside at least 1 1/2 miles as measured by the
2 customary route of travel, from the school attended; or (b)
3 reside in areas where conditions are such that walking
4 constitutes a hazard to the safety of the child when determined
5 under Section 29-3; and (c) are transported to the school
6 attended from pick-up points at the beginning of the school day
7 and back again at the close of the school day or transported to
8 and from their assigned attendance centers during the school
9 day, shall be reimbursed by the State as hereinafter provided
10 in this Section.

11 The State will pay the cost of transporting eligible pupils
12 less the assessed valuation in a dual school district
13 maintaining secondary grades 9 to 12 inclusive times a
14 qualifying rate of .05%; in elementary school districts
15 maintaining any of grades pre-K ~~K~~ to 8 times a qualifying rate
16 of .06%; and in unit districts maintaining any of grades pre-K
17 ~~K~~ to 12, including optional elementary unit districts and
18 combined high school - unit districts, times a qualifying rate
19 of .07%; provided that for optional elementary unit districts
20 and combined high school - unit districts, assessed valuation
21 for high school purposes, as defined in Article 11E of this
22 Code, must be used. To be eligible to receive reimbursement in
23 excess of 4/5 of the cost to transport eligible pupils, a
24 school district shall have a Transportation Fund tax rate of at
25 least .12%. If a school district does not have a .12%
26 Transportation Fund tax rate, the amount of its claim in excess

1 of 4/5 of the cost of transporting pupils shall be reduced by
2 the sum arrived at by subtracting the Transportation Fund tax
3 rate from .12% and multiplying that amount by the districts
4 equalized or assessed valuation, provided, that in no case
5 shall said reduction result in reimbursement of less than 4/5
6 of the cost to transport eligible pupils.

7 The minimum amount to be received by a district is \$16
8 times the number of eligible pupils transported.

9 Any such district transporting resident pupils during the
10 school day to an area vocational school or another school
11 district's vocational program more than 1 1/2 miles from the
12 school attended, as provided in Sections 10-22.20a and
13 10-22.22, shall be reimbursed by the State for 4/5 of the cost
14 of transporting eligible pupils.

15 School day means that period of time which the pupil is
16 required to be in attendance for instructional purposes.

17 If a pupil is at a location within the school district
18 other than his residence for child care purposes at the time
19 for transportation to school, that location may be considered
20 for purposes of determining the 1 1/2 miles from the school
21 attended.

22 Claims for reimbursement that include children who attend
23 any school other than a public school shall show the number of
24 such children transported.

25 Claims for reimbursement under this Section shall not be
26 paid for the transportation of pupils for whom transportation

1 costs are claimed for payment under other Sections of this Act.

2 The allowable direct cost of transporting pupils for
3 regular, vocational, and special education pupil
4 transportation shall be limited to the sum of the cost of
5 physical examinations required for employment as a school bus
6 driver; the salaries of full or part-time drivers and school
7 bus maintenance personnel; employee benefits excluding
8 Illinois municipal retirement payments, social security
9 payments, unemployment insurance payments and workers'
10 compensation insurance premiums; expenditures to independent
11 carriers who operate school buses; payments to other school
12 districts for pupil transportation services; pre-approved
13 contractual expenditures for computerized bus scheduling; the
14 cost of gasoline, oil, tires, and other supplies necessary for
15 the operation of school buses; the cost of converting buses'
16 gasoline engines to more fuel efficient engines or to engines
17 which use alternative energy sources; the cost of travel to
18 meetings and workshops conducted by the regional
19 superintendent or the State Superintendent of Education
20 pursuant to the standards established by the Secretary of State
21 under Section 6-106 of the Illinois Vehicle Code to improve the
22 driving skills of school bus drivers; the cost of maintenance
23 of school buses including parts and materials used;
24 expenditures for leasing transportation vehicles, except
25 interest and service charges; the cost of insurance and
26 licenses for transportation vehicles; expenditures for the

1 rental of transportation equipment; plus a depreciation
2 allowance of 20% for 5 years for school buses and vehicles
3 approved for transporting pupils to and from school and a
4 depreciation allowance of 10% for 10 years for other
5 transportation equipment so used. Each school year, if a school
6 district has made expenditures to the Regional Transportation
7 Authority or any of its service boards, a mass transit
8 district, or an urban transportation district under an
9 intergovernmental agreement with the district to provide for
10 the transportation of pupils and if the public transit carrier
11 received direct payment for services or passes from a school
12 district within its service area during the 2000-2001 school
13 year, then the allowable direct cost of transporting pupils for
14 regular, vocational, and special education pupil
15 transportation shall also include the expenditures that the
16 district has made to the public transit carrier. In addition to
17 the above allowable costs school districts shall also claim all
18 transportation supervisory salary costs, including Illinois
19 municipal retirement payments, and all transportation related
20 building and building maintenance costs without limitation.

21 Special education allowable costs shall also include
22 expenditures for the salaries of attendants or aides for that
23 portion of the time they assist special education pupils while
24 in transit and expenditures for parents and public carriers for
25 transporting special education pupils when pre-approved by the
26 State Superintendent of Education.

1 Indirect costs shall be included in the reimbursement claim
2 for districts which own and operate their own school buses.
3 Such indirect costs shall include administrative costs, or any
4 costs attributable to transporting pupils from their
5 attendance centers to another school building for
6 instructional purposes. No school district which owns and
7 operates its own school buses may claim reimbursement for
8 indirect costs which exceed 5% of the total allowable direct
9 costs for pupil transportation.

10 The State Board of Education shall prescribe uniform
11 regulations for determining the above standards and shall
12 prescribe forms of cost accounting and standards of determining
13 reasonable depreciation. Such depreciation shall include the
14 cost of equipping school buses with the safety features
15 required by law or by the rules, regulations and standards
16 promulgated by the State Board of Education, and the Department
17 of Transportation for the safety and construction of school
18 buses provided, however, any equipment cost reimbursed by the
19 Department of Transportation for equipping school buses with
20 such safety equipment shall be deducted from the allowable cost
21 in the computation of reimbursement under this Section in the
22 same percentage as the cost of the equipment is depreciated.

23 On or before August 15, annually, the chief school
24 administrator for the district shall certify to the State
25 Superintendent of Education the district's claim for
26 reimbursement for the school year ending on June 30 next

1 preceding. The State Superintendent of Education shall check
2 and approve the claims and prepare the vouchers showing the
3 amounts due for district reimbursement claims. Each fiscal
4 year, the State Superintendent of Education shall prepare and
5 transmit the first 3 vouchers to the Comptroller on the 30th
6 day of September, December and March, respectively, and the
7 final voucher, no later than June 20.

8 If the amount appropriated for transportation
9 reimbursement is insufficient to fund total claims for any
10 fiscal year, the State Board of Education shall reduce each
11 school district's allowable costs and flat grant amount
12 proportionately to make total adjusted claims equal the total
13 amount appropriated.

14 For purposes of calculating claims for reimbursement under
15 this Section for any school year beginning July 1, 1998, or
16 thereafter, the equalized assessed valuation for a school
17 district used to compute reimbursement shall be computed in the
18 same manner as it is computed under paragraph (2) of subsection
19 (G) of Section 18-8.05.

20 All reimbursements received from the State shall be
21 deposited into the district's transportation fund or into the
22 fund from which the allowable expenditures were made.

23 Notwithstanding any other provision of law, any school
24 district receiving a payment under this Section or under
25 Section 14-7.02, 14-7.02b, or 14-13.01 of this Code may
26 classify all or a portion of the funds that it receives in a

1 particular fiscal year or from general State aid pursuant to
2 Section 18-8.05 of this Code as funds received in connection
3 with any funding program for which it is entitled to receive
4 funds from the State in that fiscal year (including, without
5 limitation, any funding program referenced in this Section),
6 regardless of the source or timing of the receipt. The district
7 may not classify more funds as funds received in connection
8 with the funding program than the district is entitled to
9 receive in that fiscal year for that program. Any
10 classification by a district must be made by a resolution of
11 its board of education. The resolution must identify the amount
12 of any payments or general State aid to be classified under
13 this paragraph and must specify the funding program to which
14 the funds are to be treated as received in connection
15 therewith. This resolution is controlling as to the
16 classification of funds referenced therein. A certified copy of
17 the resolution must be sent to the State Superintendent of
18 Education. The resolution shall still take effect even though a
19 copy of the resolution has not been sent to the State
20 Superintendent of Education in a timely manner. No
21 classification under this paragraph by a district shall affect
22 the total amount or timing of money the district is entitled to
23 receive under this Code. No classification under this paragraph
24 by a district shall in any way relieve the district from or
25 affect any requirements that otherwise would apply with respect
26 to that funding program, including any accounting of funds by

1 source, reporting expenditures by original source and purpose,
2 reporting requirements, or requirements of providing services.

3 Any school district with a population of not more than
4 500,000 must deposit all funds received under this Article into
5 the transportation fund and use those funds for the provision
6 of transportation services.

7 (Source: P.A. 94-875, eff. 7-1-06; 95-903, eff. 8-25-08.)

8 (105 ILCS 5/3-6 rep.)

9 (105 ILCS 5/3-6.1 rep.)

10 Section 90. The School Code is amended by repealing
11 Sections 3-6 and 3-6.1.

12 Section 99. Effective date. This Act takes effect upon
13 becoming law."