



Sen. James T. Meeks

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1 AMENDMENT TO SENATE BILL 750

2 AMENDMENT NO. _____. Amend Senate Bill 750 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Finance Act is amended by adding
5 Sections 5.719, 5.720, 5.721, 6z-76, and 6z-77 as follows:

6 (30 ILCS 105/5.719 new)

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

8 (30 ILCS 105/5.720 new)

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

10 (30 ILCS 105/5.721 new)

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

12 (30 ILCS 105/6z-76 new)

13 Sec. 6z-76. The Invest in Illinois Fund.

1 (a) The Invest in Illinois Fund is intended to benefit the
2 people of the State of Illinois by creating a specific revenue
3 source to fund capital programs for infrastructure that will
4 support economic growth, education, transportation, tourism,
5 and other capital needs generated by demographic changes (such
6 as but not limited to the aging of the population) across the
7 State.

8 (b) The Invest in Illinois Fund is created as a special
9 fund in the State treasury. All interest earned on moneys in
10 the Fund shall be deposited into the Fund. The Invest in
11 Illinois Fund shall not be subject to sweeps, administrative
12 charges, or chargebacks, such as but not limited to those
13 authorized under Section 8h, or any other fiscal or budgetary
14 maneuver that would in any way result in the transfer of any
15 amounts from the Invest in Illinois Fund to any other fund of
16 the State, or having any of those amounts used for any purpose
17 other than funding the cost of issuance, interest, fees,
18 principal payments, and other debt service on Invest in
19 Illinois Bonds, as that term is defined in subsection (d) of
20 this Section.

21 (c) Beginning in fiscal year 2010, the State Treasurer and
22 the State Comptroller shall transfer \$1,000,000,000 from the
23 General Revenue Fund to the Invest in Illinois Fund. For Fiscal
24 Year 2011 the State Treasurer and the State Comptroller shall
25 transfer \$1,000,000,000 from the General Revenue Fund to the
26 Invest in Illinois Fund. For Fiscal Year 2012 the State

1 Treasurer and the State Comptroller shall transfer
2 \$1,100,000,000 from the General Revenue Fund to the Invest in
3 Illinois Fund, and for Fiscal Year 2013 and each Fiscal Year
4 thereafter the State Comptroller and the State Treasurer shall
5 transfer \$1,200,000,000 from the General Revenue Fund to the
6 Invest in Illinois Fund.

7 (d) "Invest in Illinois Bonds" means those bonds issued for
8 the purposes enumerated in this Section, after receiving the
9 recommendation of the Capital Strategy Board, as defined in
10 this Section. The Capital Strategy Board (the "board") shall
11 consist of 5 members, one appointed by the Governor, one
12 appointed by the Speaker of the House, one appointed by the
13 Minority Leader of the House, one appointed by the Senate
14 President, and one appointed by the Minority Leader of the
15 Senate. Each board member shall serve for a 4-year period, and
16 shall have at least 5 years of relevant experience in public or
17 private finance. The board shall recommend the issuance of
18 Invest in Illinois Bonds to the General Assembly by a simple
19 majority vote. No member of the board, nor any business in
20 which a board member has an interest, nor any immediate
21 familial relative, spouse, or in-law (father, mother, sister,
22 brother, son, or daughter) of a board member, may have any
23 financial interest in nor receive any remuneration (such as but
24 not limited to a consulting, referral, legal, or banking fees)
25 for any bond issued due to a recommendation of the board. The
26 board shall gather information and hold public hearings

1 regarding the need for capital facilities and infrastructure
2 investments needed in Illinois for the acquisition,
3 development, construction, reconstruction, maintenance,
4 improvement, financing, architectural planning, and
5 installation of capital facilities within the State, whether
6 consisting of buildings, structures, vehicles for public
7 transit, police or fire fighters, durable equipment, land, or
8 interests in land, to be used for any of the following
9 purposes: (i) transportation and transit, including but not
10 limited to railroad, road, bridge, or airport construction and
11 maintenance, public fleet acquisition, and associated building
12 construction or maintenance; (ii) educational purposes for (A)
13 State universities and colleges, (B) the Illinois Community
14 College Board created by the Public Community College Act for
15 grants to public community Colleges authorized under Sections
16 5-11 and 5-12 of the Public Community College Act, (C) local
17 K-12 school districts for school building maintenance,
18 renovation, and construction for all grades, including but not
19 limited to pre-school; (iii) childcare, mental health, and
20 public health facilities and facilities for the care of
21 veterans and their spouses; (iv) correctional purposes at State
22 prison and correctional centers; (v) open spaces, recreational
23 and conservation purposes, environmental protection purposes,
24 and protection of the land, air, or water; (vi) for use by the
25 State, its departments, authorities, public corporations,
26 commissions, and agencies; (vii) for grants by the Secretary of

1 State as State Librarian for central library facilities
2 authorized by Section 8 of the Illinois Library System Act, and
3 for grants by the Capital Development Board to units of local
4 government for public library facilities; and (viii) for
5 capital facilities consisting of buildings, structures, roads,
6 bridges, healthcare facilities, police and fire stations and
7 equipment, other durable equipment, and land grants to counties
8 and municipalities. The board shall recommend a capital
9 investment plan for the issuance of Invest in Illinois Bonds
10 covering the needs of the entire State, taking into account the
11 status of existing infrastructure, demographic changes,
12 regional needs, sprawl, economic development for distressed
13 communities, educational priorities, public safety,
14 environmental protection, minority participation, and such
15 other matters as are relevant to devising a strategic and
16 equitable approach to capital planning. Within 12 months after
17 being appointed, the board shall make its initial
18 recommendations to the General Assembly for bonds financed
19 under this Act to be issued in a strategic fashion across
20 Illinois. No such bonds may be issued, however, without
21 approval by the requisite vote of the General Assembly, and
22 concomitant authority for the issuance of the applicable
23 general obligation bond amounts, under the relevant provisions
24 of the General Obligation Bond Act.

1 Sec. 6z-77. The Higher Education Operating Assistance
2 Fund.

3 (a) The Higher Education Operating Assistance Fund is
4 created as a special fund in the State treasury. Moneys in the
5 Fund may be used only for the purposes set forth in this
6 Section. All interest earned on moneys in the Fund must be
7 deposited into the Fund. The Higher Education Operating
8 Assistance Fund shall not be subject to sweeps, administrative
9 charges, or charge backs, such as but not limited to those
10 authorized under Section 8h, or any other fiscal or budgetary
11 maneuver that would in any way transfer any funds from the
12 Higher Education Operating Assistance Fund into any other fund
13 of the State.

14 (b) The General Assembly must transfer from the General
15 Revenue Fund to the Higher Education Operating Assistance Fund,
16 the following amounts: (i) in fiscal year 2010,
17 \$300,000,000.00; (ii) in each fiscal year after fiscal year
18 2010, the sum of the total amount appropriated to the Higher
19 Education Operating Assistance Fund in the immediately
20 preceding fiscal year, plus the amount equal to (1) the
21 percentage increase in the Economic Cost Index for all Urban
22 Consumers published by the federal Bureau of Labor Statistics
23 for the then most recent, complete calendar year, multiplied by
24 (2) the total amount appropriated to the Higher Education
25 Operating Assistance Fund in the immediately preceding fiscal
26 year.

1 (c) Subject to the conditions set forth in subsection (d),
2 distributions from the Higher Education Operating Assistance
3 Fund shall be as follows: (1) the General Assembly must
4 appropriate 75% of all moneys in the Higher Education Operating
5 Assistance Fund, including any balance from the prior year, to
6 the Board of Higher Education for grants to State universities
7 for their ordinary and contingent expenses; the grants under
8 this item (1) must be distributed to each State university
9 based upon each university's full time equivalent head count;
10 and (2) the General Assembly must appropriate 25% of all moneys
11 in the Higher Education Operating Assistance Fund, including
12 any balance from the prior year, to the Illinois Community
13 College Board for grants to community colleges for their
14 ordinary and contingent expenses; the grants under this item
15 (2) must be distributed to each community college based upon
16 each community college's full time equivalent head count. For
17 purposes of item (2), "full time equivalent head count" means
18 the total number of undergraduate students enrolled in 12 or
19 more semester hours or quarter hours of credit courses in any
20 given semester or quarter.

21 (d) Distributions from the Higher Education Operating
22 Assistance Fund shall not be used for any of the following: (1)
23 executive management; executive level activities concerned
24 with the overall management of, and long-range planning for,
25 the entire university, including but not limited to activities
26 such as policy formation and executive direction, the

1 activities of any governing board, the chief executive officer,
2 the senior executive officer, or legal activities conducted on
3 behalf of the university; (2) financial management and
4 operations, including but not limited to activities related to
5 the day-to-day financial management and fiscal operations of
6 the university and long-range financial planning and policy
7 formulations; (3) general administrative and logistical
8 services, including but not limited to general administrative
9 operations and services of the university (with exception of
10 financial operations and student records activities), such as
11 administration of personnel programs, purchasing and
12 maintenance of supplies and materials, management of
13 facilities, and administrative computing support; (4) faculty
14 and staff auxiliary services, including but not limited to
15 non-academic related support services established primarily
16 for faculty and staff, such as faculty lounges and cafeterias;
17 (5) public relations and development, including but not limited
18 to activities established to maintain relations with the local
19 community, the university's alumni, governmental entities, and
20 the public in general, as well as activities carried out to
21 support institution-side fund raising and development efforts;
22 (6) superintendence, including but not limited to activities
23 necessary to carry out the duties of management and
24 administration for all areas under the jurisdiction of the
25 physical plant division of the university; (7) custodial,
26 including but not limited to activities related to custodial

1 services in building interiors; (8) grounds maintenance,
2 including but not limited to operation and maintenance of
3 campus landscape and grounds, which includes maintenance of
4 roads and walkways, snow removal, maintenance of fences,
5 retaining walls, and drainage ditches, and care of shrubs,
6 trees, and grass; and (9) transportation, including but not
7 limited to all charges related to the purchase, maintenance,
8 and operation of motor vehicles, specifically for the use of
9 the physical plant department.

10 (e) This amendatory Act of the 96th General Assembly
11 constitutes an irrevocable and continuing appropriation (i)
12 from the General Fund to the Higher Education Operating
13 Assistance Fund and (ii) from the Higher Education Operating
14 Assistance Fund to the Board of Higher Education and to the
15 Illinois Community College Board in accordance with the
16 provisions of this Section.

17 Section 10. The Illinois Income Tax Act is amended by
18 changing Sections 201, 208, and 212 and by adding Sections
19 202.5 and 218 as follows:

20 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

21 Sec. 201. Tax Imposed.

22 (a) In general. A tax measured by net income is hereby
23 imposed on every individual, corporation, trust and estate for
24 each taxable year ending after July 31, 1969 on the privilege

1 of earning or receiving income in or as a resident of this
2 State. Such tax shall be in addition to all other occupation or
3 privilege taxes imposed by this State or by any municipal
4 corporation or political subdivision thereof.

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

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

12 (2) In the case of an individual, trust or estate, for
13 taxable years beginning prior to July 1, 1989 and ending
14 after June 30, 1989, an amount equal to the sum of (i) 2
15 1/2% of the taxpayer's net income for the period prior to
16 July 1, 1989, as calculated under Section 202.3, and (ii)
17 3% of the taxpayer's net income for the period after June
18 30, 1989, as calculated under Section 202.3.

19 (3) In the case of an individual, trust or estate, for
20 taxable years beginning after June 30, 1989 and ending
21 before January 1, 2010, an amount equal to 3% of the
22 taxpayer's net income for the taxable year.

23 (4) In the case of an individual, trust, or estate, for
24 taxable years beginning prior to January 1, 2010 and ending
25 after December 31, 2009, an amount equal to the sum of (i)
26 3% of the taxpayer's net income for the period prior to

1 January 1, 2010, as calculated under Section 202.5, and
2 (ii) 5% of the taxpayer's net income for the period after
3 December 31, 2009, as calculated under Section
4 202.5. (Blank).

5 (5) In the case of an individual, trust, or estate, for
6 taxable years beginning on or after January 1, 2010, an
7 amount equal to 5% of the taxpayer's net income for the
8 taxable year. (Blank).

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

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

19 (8) In the case of a corporation, for taxable years
20 beginning after June 30, 1989, an amount equal to 4.8% of
21 the taxpayer's net income for the taxable year.

22 (c) Personal Property Tax Replacement Income Tax.
23 Beginning on July 1, 1979 and thereafter, in addition to such
24 income tax, there is also hereby imposed the Personal Property
25 Tax Replacement Income Tax measured by net income on every
26 corporation (including Subchapter S corporations), partnership

1 and trust, for each taxable year ending after June 30, 1979.
2 Such taxes are imposed on the privilege of earning or receiving
3 income in or as a resident of this State. The Personal Property
4 Tax Replacement Income Tax shall be in addition to the income
5 tax imposed by subsections (a) and (b) of this Section and in
6 addition to all other occupation or privilege taxes imposed by
7 this State or by any municipal corporation or political
8 subdivision thereof.

9 (d) Additional Personal Property Tax Replacement Income
10 Tax Rates. The personal property tax replacement income tax
11 imposed by this subsection and subsection (c) of this Section
12 in the case of a corporation, other than a Subchapter S
13 corporation and except as adjusted by subsection (d-1), shall
14 be an additional amount equal to 2.85% of such taxpayer's net
15 income for the taxable year, except that beginning on January
16 1, 1981, and thereafter, the rate of 2.85% specified in this
17 subsection shall be reduced to 2.5%, and in the case of a
18 partnership, trust or a Subchapter S corporation shall be an
19 additional amount equal to 1.5% of such taxpayer's net income
20 for the taxable year.

21 (d-1) Rate reduction for certain foreign insurers. In the
22 case of a foreign insurer, as defined by Section 35A-5 of the
23 Illinois Insurance Code, whose state or country of domicile
24 imposes on insurers domiciled in Illinois a retaliatory tax
25 (excluding any insurer whose premiums from reinsurance assumed
26 are 50% or more of its total insurance premiums as determined

1 under paragraph (2) of subsection (b) of Section 304, except
2 that for purposes of this determination premiums from
3 reinsurance do not include premiums from inter-affiliate
4 reinsurance arrangements), beginning with taxable years ending
5 on or after December 31, 1999, the sum of the rates of tax
6 imposed by subsections (b) and (d) shall be reduced (but not
7 increased) to the rate at which the total amount of tax imposed
8 under this Act, net of all credits allowed under this Act,
9 shall equal (i) the total amount of tax that would be imposed
10 on the foreign insurer's net income allocable to Illinois for
11 the taxable year by such foreign insurer's state or country of
12 domicile if that net income were subject to all income taxes
13 and taxes measured by net income imposed by such foreign
14 insurer's state or country of domicile, net of all credits
15 allowed or (ii) a rate of zero if no such tax is imposed on such
16 income by the foreign insurer's state of domicile. For the
17 purposes of this subsection (d-1), an inter-affiliate includes
18 a mutual insurer under common management.

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

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

25 (B) the privilege tax imposed by Section 409 of the
26 Illinois Insurance Code, the fire insurance company

1 tax imposed by Section 12 of the Fire Investigation
2 Act, and the fire department taxes imposed under
3 Section 11-10-1 of the Illinois Municipal Code,
4 equals 1.25% for taxable years ending prior to December 31,
5 2003, or 1.75% for taxable years ending on or after
6 December 31, 2003, of the net taxable premiums written for
7 the taxable year, as described by subsection (1) of Section
8 409 of the Illinois Insurance Code. This paragraph will in
9 no event increase the rates imposed under subsections (b)
10 and (d).

11 (2) Any reduction in the rates of tax imposed by this
12 subsection shall be applied first against the rates imposed
13 by subsection (b) and only after the tax imposed by
14 subsection (a) net of all credits allowed under this
15 Section other than the credit allowed under subsection (i)
16 has been reduced to zero, against the rates imposed by
17 subsection (d).

18 This subsection (d-1) is exempt from the provisions of
19 Section 250.

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

23 (1) A taxpayer shall be allowed a credit equal to .5%
24 of the basis of qualified property placed in service during
25 the taxable year, provided such property is placed in
26 service on or after July 1, 1984. There shall be allowed an

1 additional credit equal to .5% of the basis of qualified
2 property placed in service during the taxable year,
3 provided such property is placed in service on or after
4 July 1, 1986, and the taxpayer's base employment within
5 Illinois has increased by 1% or more over the preceding
6 year as determined by the taxpayer's employment records
7 filed with the Illinois Department of Employment Security.
8 Taxpayers who are new to Illinois shall be deemed to have
9 met the 1% growth in base employment for the first year in
10 which they file employment records with the Illinois
11 Department of Employment Security. The provisions added to
12 this Section by Public Act 85-1200 (and restored by Public
13 Act 87-895) shall be construed as declaratory of existing
14 law and not as a new enactment. If, in any year, the
15 increase in base employment within Illinois over the
16 preceding year is less than 1%, the additional credit shall
17 be limited to that percentage times a fraction, the
18 numerator of which is .5% and the denominator of which is
19 1%, but shall not exceed .5%. The investment credit shall
20 not be allowed to the extent that it would reduce a
21 taxpayer's liability in any tax year below zero, nor may
22 any credit for qualified property be allowed for any year
23 other than the year in which the property was placed in
24 service in Illinois. For tax years ending on or after
25 December 31, 1987, and on or before December 31, 1988, the
26 credit shall be allowed for the tax year in which the

1 property is placed in service, or, if the amount of the
2 credit exceeds the tax liability for that year, whether it
3 exceeds the original liability or the liability as later
4 amended, such excess may be carried forward and applied to
5 the tax liability of the 5 taxable years following the
6 excess credit years if the taxpayer (i) makes investments
7 which cause the creation of a minimum of 2,000 full-time
8 equivalent jobs in Illinois, (ii) is located in an
9 enterprise zone established pursuant to the Illinois
10 Enterprise Zone Act and (iii) is certified by the
11 Department of Commerce and Community Affairs (now
12 Department of Commerce and Economic Opportunity) as
13 complying with the requirements specified in clause (i) and
14 (ii) by July 1, 1986. The Department of Commerce and
15 Community Affairs (now Department of Commerce and Economic
16 Opportunity) shall notify the Department of Revenue of all
17 such certifications immediately. For tax years ending
18 after December 31, 1988, the credit shall be allowed for
19 the tax year in which the property is placed in service,
20 or, if the amount of the credit exceeds the tax liability
21 for that year, whether it exceeds the original liability or
22 the liability as later amended, such excess may be carried
23 forward and applied to the tax liability of the 5 taxable
24 years following the excess credit years. The credit shall
25 be applied to the earliest year for which there is a
26 liability. If there is credit from more than one tax year

1 that is available to offset a liability, earlier credit
2 shall be applied first.

3 (2) The term "qualified property" means property
4 which:

5 (A) is tangible, whether new or used, including
6 buildings and structural components of buildings and
7 signs that are real property, but not including land or
8 improvements to real property that are not a structural
9 component of a building such as landscaping, sewer
10 lines, local access roads, fencing, parking lots, and
11 other appurtenances;

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

17 (C) is acquired by purchase as defined in Section
18 179(d) of the Internal Revenue Code;

19 (D) is used in Illinois by a taxpayer who is
20 primarily engaged in manufacturing, or in mining coal
21 or fluorite, or in retailing, or was placed in service
22 on or after July 1, 2006 in a River Edge Redevelopment
23 Zone established pursuant to the River Edge
24 Redevelopment Zone Act; and

25 (E) has not previously been used in Illinois in
26 such a manner and by such a person as would qualify for

1 the credit provided by this subsection (e) or
2 subsection (f).

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

15 (4) The basis of qualified property shall be the basis
16 used to compute the depreciation deduction for federal
17 income tax purposes.

18 (5) If the basis of the property for federal income tax
19 depreciation purposes is increased after it has been placed
20 in service in Illinois by the taxpayer, the amount of such
21 increase shall be deemed property placed in service on the
22 date of such increase in basis.

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

25 (7) If during any taxable year, any property ceases to
26 be qualified property in the hands of the taxpayer within

1 48 months after being placed in service, or the situs of
2 any qualified property is moved outside Illinois within 48
3 months after being placed in service, the Personal Property
4 Tax Replacement Income Tax for such taxable year shall be
5 increased. Such increase shall be determined by (i)
6 recomputing the investment credit which would have been
7 allowed for the year in which credit for such property was
8 originally allowed by eliminating such property from such
9 computation and, (ii) subtracting such recomputed credit
10 from the amount of credit previously allowed. For the
11 purposes of this paragraph (7), a reduction of the basis of
12 qualified property resulting from a redetermination of the
13 purchase price shall be deemed a disposition of qualified
14 property to the extent of such reduction.

15 (8) Unless the investment credit is extended by law,
16 the basis of qualified property shall not include costs
17 incurred after December 31, 2008, except for costs incurred
18 pursuant to a binding contract entered into on or before
19 December 31, 2008.

20 (9) Each taxable year ending before December 31, 2000,
21 a partnership may elect to pass through to its partners the
22 credits to which the partnership is entitled under this
23 subsection (e) for the taxable year. A partner may use the
24 credit allocated to him or her under this paragraph only
25 against the tax imposed in subsections (c) and (d) of this
26 Section. If the partnership makes that election, those

1 credits shall be allocated among the partners in the
2 partnership in accordance with the rules set forth in
3 Section 704(b) of the Internal Revenue Code, and the rules
4 promulgated under that Section, and the allocated amount of
5 the credits shall be allowed to the partners for that
6 taxable year. The partnership shall make this election on
7 its Personal Property Tax Replacement Income Tax return for
8 that taxable year. The election to pass through the credits
9 shall be irrevocable.

10 For taxable years ending on or after December 31, 2000,
11 a partner that qualifies its partnership for a subtraction
12 under subparagraph (I) of paragraph (2) of subsection (d)
13 of Section 203 or a shareholder that qualifies a Subchapter
14 S corporation for a subtraction under subparagraph (S) of
15 paragraph (2) of subsection (b) of Section 203 shall be
16 allowed a credit under this subsection (e) equal to its
17 share of the credit earned under this subsection (e) during
18 the taxable year by the partnership or Subchapter S
19 corporation, determined in accordance with the
20 determination of income and distributive share of income
21 under Sections 702 and 704 and Subchapter S of the Internal
22 Revenue Code. This paragraph is exempt from the provisions
23 of Section 250.

24 (f) Investment credit; Enterprise Zone; River Edge
25 Redevelopment Zone.

26 (1) A taxpayer shall be allowed a credit against the

1 tax imposed by subsections (a) and (b) of this Section for
2 investment in qualified property which is placed in service
3 in an Enterprise Zone created pursuant to the Illinois
4 Enterprise Zone Act or, for property placed in service on
5 or after July 1, 2006, a River Edge Redevelopment Zone
6 established pursuant to the River Edge Redevelopment Zone
7 Act. For partners, shareholders of Subchapter S
8 corporations, and owners of limited liability companies,
9 if the liability company is treated as a partnership for
10 purposes of federal and State income taxation, there shall
11 be allowed a credit under this subsection (f) to be
12 determined in accordance with the determination of income
13 and distributive share of income under Sections 702 and 704
14 and Subchapter S of the Internal Revenue Code. The credit
15 shall be .5% of the basis for such property. The credit
16 shall be available only in the taxable year in which the
17 property is placed in service in the Enterprise Zone or
18 River Edge Redevelopment Zone and shall not be allowed to
19 the extent that it would reduce a taxpayer's liability for
20 the tax imposed by subsections (a) and (b) of this Section
21 to below zero. For tax years ending on or after December
22 31, 1985, the credit shall be allowed for the tax year in
23 which the property is placed in service, or, if the amount
24 of the credit exceeds the tax liability for that year,
25 whether it exceeds the original liability or the liability
26 as later amended, such excess may be carried forward and

1 applied to the tax liability of the 5 taxable years
2 following the excess credit year. The credit shall be
3 applied to the earliest year for which there is a
4 liability. If there is credit from more than one tax year
5 that is available to offset a liability, the credit
6 accruing first in time shall be applied first.

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

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

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

15 (C) is acquired by purchase as defined in Section
16 179(d) of the Internal Revenue Code;

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

19 (E) has not been previously used in Illinois in
20 such a manner and by such a person as would qualify for
21 the credit provided by this subsection (f) or
22 subsection (e).

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

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

1 depreciation purposes is increased after it has been placed
2 in service in the Enterprise Zone or River Edge
3 Redevelopment Zone by the taxpayer, the amount of such
4 increase shall be deemed property placed in service on the
5 date of such increase in basis.

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

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

25 (7) There shall be allowed an additional credit equal
26 to 0.5% of the basis of qualified property placed in

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

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

18 (1) A taxpayer conducting a trade or business in an
19 enterprise zone or a High Impact Business designated by the
20 Department of Commerce and Economic Opportunity or for
21 taxable years ending on or after December 31, 2006, in a
22 River Edge Redevelopment Zone conducting a trade or
23 business in a federally designated Foreign Trade Zone or
24 Sub-Zone shall be allowed a credit against the tax imposed
25 by subsections (a) and (b) of this Section in the amount of
26 \$500 per eligible employee hired to work in the zone during

1 the taxable year.

2 (2) To qualify for the credit:

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

7 (B) the taxpayer's total employment within the
8 enterprise zone, River Edge Redevelopment Zone, or
9 federally designated Foreign Trade Zone or Sub-Zone
10 must increase by 5 or more full-time employees beyond
11 the total employed in that zone at the end of the
12 previous tax year for which a jobs tax credit under
13 this Section was taken, or beyond the total employed by
14 the taxpayer as of December 31, 1985, whichever is
15 later; and

16 (C) the eligible employees must be employed 180
17 consecutive days in order to be deemed hired for
18 purposes of this subsection.

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

20 (A) Certified by the Department of Commerce and
21 Economic Opportunity as "eligible for services"
22 pursuant to regulations promulgated in accordance with
23 Title II of the Job Training Partnership Act, Training
24 Services for the Disadvantaged or Title III of the Job
25 Training Partnership Act, Employment and Training
26 Assistance for Dislocated Workers Program.

1 (B) Hired after the enterprise zone, River Edge
2 Redevelopment Zone, or federally designated Foreign
3 Trade Zone or Sub-Zone was designated or the trade or
4 business was located in that zone, whichever is later.

5 (C) Employed in the enterprise zone, River Edge
6 Redevelopment Zone, or Foreign Trade Zone or Sub-Zone.
7 An employee is employed in an enterprise zone or
8 federally designated Foreign Trade Zone or Sub-Zone if
9 his services are rendered there or it is the base of
10 operations for the services performed.

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

13 (4) For tax years ending on or after December 31, 1985
14 and prior to December 31, 1988, the credit shall be allowed
15 for the tax year in which the eligible employees are hired.
16 For tax years ending on or after December 31, 1988, the
17 credit shall be allowed for the tax year immediately
18 following the tax year in which the eligible employees are
19 hired. If the amount of the credit exceeds the tax
20 liability for that year, whether it exceeds the original
21 liability or the liability as later amended, such excess
22 may be carried forward and applied to the tax liability of
23 the 5 taxable years following the excess credit year. The
24 credit shall be applied to the earliest year for which
25 there is a liability. If there is credit from more than one
26 tax year that is available to offset a liability, earlier

1 credit shall be applied first.

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

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

7 (h) Investment credit; High Impact Business.

8 (1) Subject to subsections (b) and (b-5) of Section 5.5
9 of the Illinois Enterprise Zone Act, a taxpayer shall be
10 allowed a credit against the tax imposed by subsections (a)
11 and (b) of this Section for investment in qualified
12 property which is placed in service by a Department of
13 Commerce and Economic Opportunity designated High Impact
14 Business. The credit shall be .5% of the basis for such
15 property. The credit shall not be available (i) until the
16 minimum investments in qualified property set forth in
17 subdivision (a)(3)(A) of Section 5.5 of the Illinois
18 Enterprise Zone Act have been satisfied or (ii) until the
19 time authorized in subsection (b-5) of the Illinois
20 Enterprise Zone Act for entities designated as High Impact
21 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
22 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
23 Act, and shall not be allowed to the extent that it would
24 reduce a taxpayer's liability for the tax imposed by
25 subsections (a) and (b) of this Section to below zero. The
26 credit applicable to such investments shall be taken in the

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

21 Changes made in this subdivision (h) (1) by Public Act
22 88-670 restore changes made by Public Act 85-1182 and
23 reflect existing law.

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

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

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

6 (C) is acquired by purchase as defined in Section
7 179(d) of the Internal Revenue Code; and

8 (D) is not eligible for the Enterprise Zone
9 Investment Credit provided by subsection (f) of this
10 Section.

11 (3) The basis of qualified property shall be the basis
12 used to compute the depreciation deduction for federal
13 income tax purposes.

14 (4) If the basis of the property for federal income tax
15 depreciation purposes is increased after it has been placed
16 in service in a federally designated Foreign Trade Zone or
17 Sub-Zone located in Illinois by the taxpayer, the amount of
18 such increase shall be deemed property placed in service on
19 the date of such increase in basis.

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

22 (6) If during any taxable year ending on or before
23 December 31, 1996, any property ceases to be qualified
24 property in the hands of the taxpayer within 48 months
25 after being placed in service, or the situs of any
26 qualified property is moved outside Illinois within 48

1 months after being placed in service, the tax imposed under
2 subsections (a) and (b) of this Section for such taxable
3 year shall be increased. Such increase shall be determined
4 by (i) recomputing the investment credit which would have
5 been allowed for the year in which credit for such property
6 was originally allowed by eliminating such property from
7 such computation, and (ii) subtracting such recomputed
8 credit from the amount of credit previously allowed. For
9 the purposes of this paragraph (6), a reduction of the
10 basis of qualified property resulting from a
11 redetermination of the purchase price shall be deemed a
12 disposition of qualified property to the extent of such
13 reduction.

14 (7) Beginning with tax years ending after December 31,
15 1996, if a taxpayer qualifies for the credit under this
16 subsection (h) and thereby is granted a tax abatement and
17 the taxpayer relocates its entire facility in violation of
18 the explicit terms and length of the contract under Section
19 18-183 of the Property Tax Code, the tax imposed under
20 subsections (a) and (b) of this Section shall be increased
21 for the taxable year in which the taxpayer relocated its
22 facility by an amount equal to the amount of credit
23 received by the taxpayer under this subsection (h).

24 (i) Credit for Personal Property Tax Replacement Income
25 Tax. For tax years ending prior to December 31, 2003, a credit
26 shall be allowed against the tax imposed by subsections (a) and

1 (b) of this Section for the tax imposed by subsections (c) and
2 (d) of this Section. This credit shall be computed by
3 multiplying the tax imposed by subsections (c) and (d) of this
4 Section by a fraction, the numerator of which is base income
5 allocable to Illinois and the denominator of which is Illinois
6 base income, and further multiplying the product by the tax
7 rate imposed by subsections (a) and (b) of this Section.

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

22 If, during any taxable year ending on or after December 31,
23 1986, the tax imposed by subsections (c) and (d) of this
24 Section for which a taxpayer has claimed a credit under this
25 subsection (i) is reduced, the amount of credit for such tax
26 shall also be reduced. Such reduction shall be determined by

1 recomputing the credit to take into account the reduced tax
2 imposed by subsections (c) and (d). If any portion of the
3 reduced amount of credit has been carried to a different
4 taxable year, an amended return shall be filed for such taxable
5 year to reduce the amount of credit claimed.

6 (j) Training expense credit. Beginning with tax years
7 ending on or after December 31, 1986 and prior to December 31,
8 2003, a taxpayer shall be allowed a credit against the tax
9 imposed by subsections (a) and (b) under this Section for all
10 amounts paid or accrued, on behalf of all persons employed by
11 the taxpayer in Illinois or Illinois residents employed outside
12 of Illinois by a taxpayer, for educational or vocational
13 training in semi-technical or technical fields or semi-skilled
14 or skilled fields, which were deducted from gross income in the
15 computation of taxable income. The credit against the tax
16 imposed by subsections (a) and (b) shall be 1.6% of such
17 training expenses. For partners, shareholders of subchapter S
18 corporations, and owners of limited liability companies, if the
19 liability company is treated as a partnership for purposes of
20 federal and State income taxation, there shall be allowed a
21 credit under this subsection (j) to be determined in accordance
22 with the determination of income and distributive share of
23 income under Sections 702 and 704 and subchapter S of the
24 Internal Revenue Code.

25 Any credit allowed under this subsection which is unused in
26 the year the credit is earned may be carried forward to each of

1 the 5 taxable years following the year for which the credit is
2 first computed until it is used. This credit shall be applied
3 first to the earliest year for which there is a liability. If
4 there is a credit under this subsection from more than one tax
5 year that is available to offset a liability the earliest
6 credit arising under this subsection shall be applied first. No
7 carryforward credit may be claimed in any tax year ending on or
8 after December 31, 2003.

9 (k) Research and development credit.

10 For tax years ending after July 1, 1990 and prior to
11 December 31, 2003, and beginning again for tax years ending on
12 or after December 31, 2004, a taxpayer shall be allowed a
13 credit against the tax imposed by subsections (a) and (b) of
14 this Section for increasing research activities in this State.
15 The credit allowed against the tax imposed by subsections (a)
16 and (b) shall be equal to 6 1/2% of the qualifying expenditures
17 for increasing research activities in this State. For partners,
18 shareholders of subchapter S corporations, and owners of
19 limited liability companies, if the liability company is
20 treated as a partnership for purposes of federal and State
21 income taxation, there shall be allowed a credit under this
22 subsection to be determined in accordance with the
23 determination of income and distributive share of income under
24 Sections 702 and 704 and subchapter S of the Internal Revenue
25 Code.

26 For purposes of this subsection, "qualifying expenditures"

1 means the qualifying expenditures as defined for the federal
2 credit for increasing research activities which would be
3 allowable under Section 41 of the Internal Revenue Code and
4 which are conducted in this State, "qualifying expenditures for
5 increasing research activities in this State" means the excess
6 of qualifying expenditures for the taxable year in which
7 incurred over qualifying expenditures for the base period,
8 "qualifying expenditures for the base period" means the average
9 of the qualifying expenditures for each year in the base
10 period, and "base period" means the 3 taxable years immediately
11 preceding the taxable year for which the determination is being
12 made.

13 Any credit in excess of the tax liability for the taxable
14 year may be carried forward. A taxpayer may elect to have the
15 unused credit shown on its final completed return carried over
16 as a credit against the tax liability for the following 5
17 taxable years or until it has been fully used, whichever occurs
18 first; provided that no credit earned in a tax year ending
19 prior to December 31, 2003 may be carried forward to any year
20 ending on or after December 31, 2003.

21 If an unused credit is carried forward to a given year from
22 2 or more earlier years, that credit arising in the earliest
23 year will be applied first against the tax liability for the
24 given year. If a tax liability for the given year still
25 remains, the credit from the next earliest year will then be
26 applied, and so on, until all credits have been used or no tax

1 liability for the given year remains. Any remaining unused
2 credit or credits then will be carried forward to the next
3 following year in which a tax liability is incurred, except
4 that no credit can be carried forward to a year which is more
5 than 5 years after the year in which the expense for which the
6 credit is given was incurred.

7 No inference shall be drawn from this amendatory Act of the
8 91st General Assembly in construing this Section for taxable
9 years beginning before January 1, 1999.

10 (1) Environmental Remediation Tax Credit.

11 (i) For tax years ending after December 31, 1997 and on
12 or before December 31, 2001, a taxpayer shall be allowed a
13 credit against the tax imposed by subsections (a) and (b)
14 of this Section for certain amounts paid for unreimbursed
15 eligible remediation costs, as specified in this
16 subsection. For purposes of this Section, "unreimbursed
17 eligible remediation costs" means costs approved by the
18 Illinois Environmental Protection Agency ("Agency") under
19 Section 58.14 of the Environmental Protection Act that were
20 paid in performing environmental remediation at a site for
21 which a No Further Remediation Letter was issued by the
22 Agency and recorded under Section 58.10 of the
23 Environmental Protection Act. The credit must be claimed
24 for the taxable year in which Agency approval of the
25 eligible remediation costs is granted. The credit is not
26 available to any taxpayer if the taxpayer or any related

1 party caused or contributed to, in any material respect, a
2 release of regulated substances on, in, or under the site
3 that was identified and addressed by the remedial action
4 pursuant to the Site Remediation Program of the
5 Environmental Protection Act. After the Pollution Control
6 Board rules are adopted pursuant to the Illinois
7 Administrative Procedure Act for the administration and
8 enforcement of Section 58.9 of the Environmental
9 Protection Act, determinations as to credit availability
10 for purposes of this Section shall be made consistent with
11 those rules. For purposes of this Section, "taxpayer"
12 includes a person whose tax attributes the taxpayer has
13 succeeded to under Section 381 of the Internal Revenue Code
14 and "related party" includes the persons disallowed a
15 deduction for losses by paragraphs (b), (c), and (f)(1) of
16 Section 267 of the Internal Revenue Code by virtue of being
17 a related taxpayer, as well as any of its partners. The
18 credit allowed against the tax imposed by subsections (a)
19 and (b) shall be equal to 25% of the unreimbursed eligible
20 remediation costs in excess of \$100,000 per site, except
21 that the \$100,000 threshold shall not apply to any site
22 contained in an enterprise zone as determined by the
23 Department of Commerce and Community Affairs (now
24 Department of Commerce and Economic Opportunity). The
25 total credit allowed shall not exceed \$40,000 per year with
26 a maximum total of \$150,000 per site. For partners and

1 shareholders of subchapter S corporations, there shall be
2 allowed a credit under this subsection to be determined in
3 accordance with the determination of income and
4 distributive share of income under Sections 702 and 704 and
5 subchapter S of the Internal Revenue Code.

6 (ii) A credit allowed under this subsection that is
7 unused in the year the credit is earned may be carried
8 forward to each of the 5 taxable years following the year
9 for which the credit is first earned until it is used. The
10 term "unused credit" does not include any amounts of
11 unreimbursed eligible remediation costs in excess of the
12 maximum credit per site authorized under paragraph (i).
13 This credit shall be applied first to the earliest year for
14 which there is a liability. If there is a credit under this
15 subsection from more than one tax year that is available to
16 offset a liability, the earliest credit arising under this
17 subsection shall be applied first. A credit allowed under
18 this subsection may be sold to a buyer as part of a sale of
19 all or part of the remediation site for which the credit
20 was granted. The purchaser of a remediation site and the
21 tax credit shall succeed to the unused credit and remaining
22 carry-forward period of the seller. To perfect the
23 transfer, the assignor shall record the transfer in the
24 chain of title for the site and provide written notice to
25 the Director of the Illinois Department of Revenue of the
26 assignor's intent to sell the remediation site and the

1 amount of the tax credit to be transferred as a portion of
2 the sale. In no event may a credit be transferred to any
3 taxpayer if the taxpayer or a related party would not be
4 eligible under the provisions of subsection (i).

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

8 (m) Education expense credit. Beginning with tax years
9 ending after December 31, 1999, a taxpayer who is the custodian
10 of one or more qualifying pupils shall be allowed a credit
11 against the tax imposed by subsections (a) and (b) of this
12 Section for qualified education expenses incurred on behalf of
13 the qualifying pupils. The credit shall be equal to 25% of
14 qualified education expenses, but in no event may the total
15 credit under this subsection claimed by a family that is the
16 custodian of qualifying pupils exceed \$500. In no event shall a
17 credit under this subsection reduce the taxpayer's liability
18 under this Act to less than zero. This subsection is exempt
19 from the provisions of Section 250 of this Act.

20 For purposes of this subsection:

21 "Qualifying pupils" means individuals who (i) are
22 residents of the State of Illinois, (ii) are under the age of
23 21 at the close of the school year for which a credit is
24 sought, and (iii) during the school year for which a credit is
25 sought were full-time pupils enrolled in a kindergarten through
26 twelfth grade education program at any school, as defined in

1 this subsection.

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

6 "School" means any public or nonpublic elementary or
7 secondary school in Illinois that is in compliance with Title
8 VI of the Civil Rights Act of 1964 and attendance at which
9 satisfies the requirements of Section 26-1 of the School Code,
10 except that nothing shall be construed to require a child to
11 attend any particular public or nonpublic school to qualify for
12 the credit under this Section.

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

16 (n) River Edge Redevelopment Zone site remediation tax
17 credit.

18 (i) For tax years ending on or after December 31, 2006,
19 a taxpayer shall be allowed a credit against the tax
20 imposed by subsections (a) and (b) of this Section for
21 certain amounts paid for unreimbursed eligible remediation
22 costs, as specified in this subsection. For purposes of
23 this Section, "unreimbursed eligible remediation costs"
24 means costs approved by the Illinois Environmental
25 Protection Agency ("Agency") under Section 58.14a of the
26 Environmental Protection Act that were paid in performing

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

1 \$100,000 per site.

2 (ii) A credit allowed under this subsection that is
3 unused in the year the credit is earned may be carried
4 forward to each of the 5 taxable years following the year
5 for which the credit is first earned until it is used. This
6 credit shall be applied first to the earliest year for
7 which there is a liability. If there is a credit under this
8 subsection from more than one tax year that is available to
9 offset a liability, the earliest credit arising under this
10 subsection shall be applied first. A credit allowed under
11 this subsection may be sold to a buyer as part of a sale of
12 all or part of the remediation site for which the credit
13 was granted. The purchaser of a remediation site and the
14 tax credit shall succeed to the unused credit and remaining
15 carry-forward period of the seller. To perfect the
16 transfer, the assignor shall record the transfer in the
17 chain of title for the site and provide written notice to
18 the Director of the Illinois Department of Revenue of the
19 assignor's intent to sell the remediation site and the
20 amount of the tax credit to be transferred as a portion of
21 the sale. In no event may a credit be transferred to any
22 taxpayer if the taxpayer or a related party would not be
23 eligible under the provisions of subsection (i).

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

1 (iv) This subsection is exempt from the provisions of
2 Section 250.

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

4 (35 ILCS 5/202.5 new)

5 Sec. 202.5. Net income attributable to the period prior to
6 January 1, 2010 and net income attributable to the period after
7 December 31, 2009.

8 (a) In general. With respect to the taxable year of a
9 taxpayer beginning prior to January 1, 2010 and ending after
10 December 31, 2009, net income for the period after December 31,
11 2009 is that amount that bears the same ratio to the taxpayer's
12 net income for the entire taxable year as the number of days in
13 that year after December 31, 2009 bears to the total number of
14 days in that year, and the net income for the period prior to
15 January 1, 2010 is that amount that bears the same ratio to the
16 taxpayer's net income for the entire taxable year as the number
17 of days in that year prior to January 1, 2010 bears to the
18 total number of days in that year.

19 (b) Election to attribute income and deduction items
20 specifically to the respective portions of a taxable year prior
21 to January 1, 2010 and after December 31, 2009. In the case of
22 a taxpayer with a taxable year beginning prior to January 1,
23 2010 and ending after December 31, 2009, the taxpayer may
24 elect, instead of the procedure established in subsection (a)
25 of this Section, to determine net income on a specific

1 accounting basis for the 2 portions of his or her taxable year:

2 (i) from the beginning of the taxable year through
3 December 31, 2009; and

4 (ii) from January 1, 2010 through the end of the
5 taxable year.

6 If the taxpayer elects specific accounting under this
7 subsection, there shall be taken into account in computing base
8 income for each of the 2 portions of the taxable year only
9 those items earned, received, paid, incurred or accrued in each
10 such period. The standard exemption provided by Section 204
11 must be divided between the respective periods in amounts that
12 bear the same ratio to the total exemption allowable under
13 Section 204 (determined without regard to this Section) as the
14 total number of days in each such period bears to the total
15 number of days in the taxable year. The election provided by
16 this subsection must be made in form and manner that the
17 Department requires by rule, but must be made no later than the
18 due date (including any extensions thereof) for the filing of
19 the return for the taxable year, and is irrevocable.

20 (35 ILCS 5/208) (from Ch. 120, par. 2-208)

21 Sec. 208. Tax credit for residential real property taxes.
22 Beginning with tax years ending on or after December 31, 1991
23 and before January 1, 2010, every individual taxpayer shall be
24 entitled to a tax credit equal to 5% of real property taxes
25 paid by such taxpayer during the taxable year on the principal

1 residence of the taxpayer. In the case of multi-unit or
2 multi-use structures and farm dwellings, the taxes on the
3 taxpayer's principal residence shall be that portion of the
4 total taxes which is attributable to such principal residence.

5 For tax years beginning on January 1, 2010 and thereafter,
6 every individual taxpayer shall be entitled to a tax credit
7 equal to 10% of real property taxes paid by the taxpayer during
8 the taxable year on real property situated within the State. In
9 the case of multi-unit or multi-use structures, the taxes on
10 the taxpayer's principal residence shall be that portion of the
11 total taxes that is attributable to the principal residence.
12 The credit under this Section may not be carried forward or
13 back. If the amount of the credit exceeds the income tax
14 liability for the applicable tax year, then the excess credit
15 must be refunded to the taxpayer. However, a refund under this
16 Section may not exceed \$1,000. This Section is exempt from the
17 provisions of Section 250 of this Act.

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

19 (35 ILCS 5/212)

20 Sec. 212. Earned income tax credit.

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

1 (1) for each taxable year beginning on or after January
2 1, 2000 and ending before or during calendar year 2009, the
3 amount of the credit is 5% of the federal tax credit;

4 (2) for each taxable year ending during calendar year
5 2010, the amount of the credit is 15% of the federal tax
6 credit. 5% of the federal tax credit for each taxable year
7 beginning on or after January 1, 2000.

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

11 (b) For taxable years beginning before January 1, 2003, in
12 no event shall a credit under this Section reduce the
13 taxpayer's liability to less than zero. For each taxable year
14 beginning on or after January 1, 2003, if the amount of the
15 credit exceeds the income tax liability for the applicable tax
16 year, then the excess credit shall be refunded to the taxpayer.
17 The amount of a refund shall not be included in the taxpayer's
18 income or resources for the purposes of determining eligibility
19 or benefit level in any means-tested benefit program
20 administered by a governmental entity unless required by
21 federal law.

22 (c) This Section is exempt from the provisions of Section
23 250.

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

1 Sec. 218. Family Tax Credit.

2 (a) For taxable years beginning on or after January 1,
3 2010, each individual taxpayer filing single or as a married
4 person filing separately that reports total annual income of
5 less than \$27,652 (the "eligibility cap for single and married
6 filing separately") or is a married couple filing jointly or an
7 individual filing as head of household that reports total
8 annual income of less than \$55,304 (the "eligibility cap for
9 married filing jointly and head of household"), is entitled to
10 a credit against the tax imposed under subsections (a) and (b)
11 of Section 201 of this Act for each dependent and personal
12 exemption he or she is entitled to claim on his or her federal
13 return under Section 151 of the Internal Revenue Code of 1986.
14 The credit is known as the "Family Tax Credit" and shall be in
15 those amounts per personal exemption and dependent that are
16 identified in subsection (b) of this Section. The Family Tax
17 Credit may be claimed only upon proper filing of an Illinois
18 income tax return by an eligible taxpayer. The eligibility caps
19 shall increase for each tax year beginning after December 31,
20 2010, by an amount equal to the percentage increase, if any, in
21 the Consumer Price Index published by the U.S. Bureau of Labor
22 Statistics for the immediately preceding complete calendar
23 year, multiplied by the eligibility caps for that immediately
24 preceding tax year.

25 (b) The amount of the credit is determined as follows:

26 (1) for a single taxpayer with a total annual income

1 of:

2 (A) less than \$17,136, the credit is \$50;

3 (B) \$17,136 or more but less than \$19,419, the
4 credit is \$65;

5 (C) \$19,420 or more but less than \$21,705, the
6 credit is \$185; or

7 (D) \$21,705 or more but less than \$27,652, the
8 credit is \$248;

9 (2) for married taxpayers filing separately with a
10 total annual income of:

11 (A) less than \$11,424, the credit is \$50;

12 (B) \$11,424 or more but less than \$14,280, the
13 credit is \$65;

14 (C) \$14,280 or more but less than \$17,136, the
15 credit is \$125;

16 (D) \$17,136 or more but less than \$20,563, the
17 credit is \$185; and

18 (E) \$20,563 or more but less than \$27,652, the
19 credit is \$248;

20 (3) for married taxpayers filing jointly with a total
21 annual income of:

22 (A) less than \$22,848, the credit is \$50;

23 (B) \$22,848 or more but less than \$28,560, the
24 credit is \$65;

25 (C) \$28,560 or more but less than \$34,272, the
26 credit is \$125;

1 (D) \$34,272 or more but less than \$41,126, the
2 credit is \$185; and

3 (E) \$41,126 or more but less than \$55,304, the
4 credit is \$248; and

5 (4) for a taxpayer who is a head of household with a
6 total annual income of:

7 (A) less than \$22,848, the credit is \$50;

8 (B) \$22,848 or more but less than \$28,560, the
9 credit is \$65;

10 (C) \$28,560 or more but less than \$34,272, the
11 credit is \$125;

12 (D) \$34,272 or more but less than \$41,126, the
13 credit is \$185; and

14 (E) \$41,126 or more but less than \$55,304, the
15 credit is \$248.

16 The dollar range of total annual income identified in the
17 respective filing statuses and the credit per
18 dependent/personal exemption amounts associated therewith,
19 shall each increase in each tax year beginning after December
20 31, 2010, by an amount equal to the applicable percentage
21 increase, if any, in the Consumer Price Index for the
22 immediately preceding complete calendar year, multiplied by
23 the applicable total annual income range amounts and the credit
24 per dependent/personal exemption amounts associated therewith.
25 The Department of Revenue shall update the total annual income
26 range amounts and associated credit amounts for the Family Tax

1 Credit annually and distribute the updated table with the
2 Illinois personal income tax returns

3 (c) If the amount of the Family Tax Credit exceeds the
4 income tax liability of an eligible taxpayer, the State shall
5 refund to the taxpayer the difference between the Family Tax
6 Credit and that eligible taxpayer's income tax liability.

7 (d) This Section is exempt from the provisions of Section
8 250 of this Act.

9 Section 15. 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) Software modifications and canned program
12 (541511).
- 13 (11) Other business services, including copy shops
14 (561439).
- 15 (12) Bowling Centers (71395).
- 16 (13) Coin operated video games and pinball machines
17 (71312).
- 18 (14) Membership fees in private clubs (71391).
- 19 (15) Admission to spectator sports (excluding horse
20 tracks) (7112).
- 21 (16) Admission to cultural events (711).
- 22 (17) Billiard Parlors (71399).
- 23 (18) Scenic and sightseeing transportation (487).
- 24 (19) Taxi and Limousine services (4853).
- 25 (20) Unscheduled chartered passenger air
26 transportation (481211).

- 1 (21) Motion picture theaters, except drive-in theaters
2 (512131).
- 3 (22) Pet grooming (81291).
- 4 (23) Landscaping services (including lawn care)
5 (56173).
- 6 (24) Income from intrastate transportation of persons
7 (485).
- 8 (25) Mini-storage (53113).
- 9 (26) Household goods storage (49311).
- 10 (27) Cold storage (49312).
- 11 (28) Marina Service (docking, storage, cleaning,
12 repair) (71393).
- 13 (29) Marine towing service (including tugboats)
14 (48833).
- 15 (30) Gift and package wrapping service (5619).
- 16 (31) Laundry and dry cleaning services, coin-operated
17 (81231).
- 18 (32) Massage services (812199).
- 19 (33) Other services to buildings and dwellings
20 (56179).
- 21 (34) Water softening and conditioning (5619902).
- 22 (35) Internet Service Providers (518111).
- 23 (36) Short term auto rental (532111).
- 24 (37) Food storage (49313).
- 25 (38) Information Services (519190).
- 26 (39) Amusement park admission and rides (71311).

1 (40) Circuses and fairs -- admission and games (7113).

2 (41) Cable and other program distribution (5175).

3 (42) Rental of video tapes for home viewing (53223).

4 "Sale at retail" shall be construed to include any Illinois
5 florist's sales transaction in which the purchase order is
6 received in Illinois by a florist and the sale is for use or
7 consumption, but the Illinois florist has a florist in another
8 state deliver the property to the purchaser or the purchaser's
9 donee in such other state.

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

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

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

22 A person who is the recipient of a grant or contract under
23 Title VII of the Older Americans Act of 1965 (P.L. 92-258) and
24 serves meals to participants in the federal Nutrition Program
25 for the Elderly in return for contributions established in
26 amount by the individual participant pursuant to a schedule of

1 suggested fees as provided for in the federal Act is not
2 engaged in the business of selling tangible personal property
3 at retail with respect to such transactions.

4 "Purchaser" means anyone who, through a sale at retail,
5 acquires the ownership of or title to tangible personal
6 property for a valuable consideration.

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

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

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

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

22 "Gross receipts" from the sales of tangible personal
23 property at retail means the total selling price or the amount
24 of such sales, as hereinbefore defined. In the case of charge
25 and time sales, the amount thereof shall be included only as
26 and when payments are received by the seller. Receipts or other

1 consideration derived by a seller from the sale, transfer or
2 assignment of accounts receivable to a wholly owned subsidiary
3 will not be deemed payments prior to the time the purchaser
4 makes payment on such accounts.

5 "Department" means the Department of Revenue.

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

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

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

19 A person who holds himself or herself out as being engaged
20 (or who habitually engages) in selling tangible personal
21 property at retail is a person engaged in the business of
22 selling tangible personal property at retail hereunder with
23 respect to such sales (and not primarily in a service
24 occupation) notwithstanding the fact that such person designs
25 and produces such tangible personal property on special order
26 for the purchaser and in such a way as to render the property

1 of value only to such purchaser, if such tangible personal
2 property so produced on special order serves substantially the
3 same function as stock or standard items of tangible personal
4 property that are sold at retail.

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

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

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

18 (35 ILCS 120/2) (from Ch. 120, par. 441)

19 Sec. 2. Tax imposed. A tax is imposed upon persons engaged
20 in the business of selling at retail tangible personal
21 property, including computer software, and including
22 photographs, negatives, and positives that are the product of
23 photoprocessing, but not including products of photoprocessing
24 produced for use in motion pictures for public commercial
25 exhibition, or engaged in the business of providing services as

1 set forth in in Section 1 of this Act. Beginning January 1,
2 2001, prepaid telephone calling arrangements shall be
3 considered tangible personal property subject to the tax
4 imposed under this Act regardless of the form in which those
5 arrangements may be embodied, transmitted, or fixed by any
6 method now known or hereafter developed.

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

8 Section 20. The Illinois Pension Code is amended by
9 changing Section 16-158 as follows:

10 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

11 Sec. 16-158. Contributions by State and other employing
12 units.

13 (a) The State shall make contributions to the System by
14 means of appropriations from the Common School Fund and other
15 State funds of amounts which, together with other employer
16 contributions, employee contributions, investment income, and
17 other income, will be sufficient to meet the cost of
18 maintaining and administering the System on a 90% funded basis
19 in accordance with actuarial recommendations.

20 The Board shall determine the amount of State contributions
21 required for each fiscal year on the basis of the actuarial
22 tables and other assumptions adopted by the Board and the
23 recommendations of the actuary, using the formula in subsection
24 (b-3).

1 (a-1) Annually, on or before November 15, the Board shall
2 certify to the Governor the amount of the required State
3 contribution for the coming fiscal year. The certification
4 shall include a copy of the actuarial recommendations upon
5 which it is based.

6 On or before May 1, 2004, the Board shall recalculate and
7 recertify to the Governor the amount of the required State
8 contribution to the System for State fiscal year 2005, taking
9 into account the amounts appropriated to and received by the
10 System under subsection (d) of Section 7.2 of the General
11 Obligation Bond Act.

12 On or before July 1, 2005, the Board shall recalculate and
13 recertify to the Governor the amount of the required State
14 contribution to the System for State fiscal year 2006, taking
15 into account the changes in required State contributions made
16 by this amendatory Act of the 94th General Assembly.

17 (b) Through State fiscal year 1995, the State contributions
18 shall be paid to the System in accordance with Section 18-7 of
19 the School Code.

20 (b-1) Beginning in State fiscal year 1996, on the 15th day
21 of each month, or as soon thereafter as may be practicable, the
22 Board shall submit vouchers for payment of State contributions
23 to the System, in a total monthly amount of one-twelfth of the
24 required annual State contribution certified under subsection
25 (a-1). From the effective date of this amendatory Act of the
26 93rd General Assembly through June 30, 2004, the Board shall

1 not submit vouchers for the remainder of fiscal year 2004 in
2 excess of the fiscal year 2004 certified contribution amount
3 determined under this Section after taking into consideration
4 the transfer to the System under subsection (a) of Section
5 6z-61 of the State Finance Act. These vouchers shall be paid by
6 the State Comptroller and Treasurer by warrants drawn on the
7 funds appropriated to the System for that fiscal year.

8 If in any month the amount remaining unexpended from all
9 other appropriations to the System for the applicable fiscal
10 year (including the appropriations to the System under Section
11 8.12 of the State Finance Act and Section 1 of the State
12 Pension Funds Continuing Appropriation Act) is less than the
13 amount lawfully vouchered under this subsection, the
14 difference shall be paid from the Common School Fund under the
15 continuing appropriation authority provided in Section 1.1 of
16 the State Pension Funds Continuing Appropriation Act.

17 (b-2) Allocations from the Common School Fund apportioned
18 to school districts not coming under this System shall not be
19 diminished or affected by the provisions of this Article.

20 (b-3) For State fiscal years 2011 through 2045, the minimum
21 contribution to the System to be made by the State for each
22 fiscal year shall be an amount determined by the System to be
23 sufficient to bring the total assets of the System up to 90% of
24 the total actuarial liabilities of the System by the end of
25 State fiscal year 2045. In making these determinations, the
26 required State contribution shall be calculated each year as a

1 level percentage of payroll over the years remaining to and
2 including fiscal year 2045 and shall be determined under the
3 projected unit credit actuarial cost method.

4 For State fiscal years 1996 through 2005, the State
5 contribution to the System, as a percentage of the applicable
6 employee payroll, shall be increased in equal annual increments
7 so that by State fiscal year 2011, the State is contributing at
8 the rate required under this Section; except that in the
9 following specified State fiscal years, the State contribution
10 to the System shall not be less than the following indicated
11 percentages of the applicable employee payroll, even if the
12 indicated percentage will produce a State contribution in
13 excess of the amount otherwise required under this subsection
14 and subsection (a), and notwithstanding any contrary
15 certification made under subsection (a-1) before the effective
16 date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77%
17 in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY
18 2003; and 13.56% in FY 2004.

19 Notwithstanding any other provision of this Article, the
20 total required State contribution for State fiscal year 2006 is
21 \$534,627,700.

22 Notwithstanding any other provision of this Article, the
23 total required State contribution for State fiscal year 2007 is
24 \$738,014,500.

25 For each of State fiscal years 2008 through 2010, the State
26 contribution to the System, as a percentage of the applicable

1 employee payroll, shall be increased in equal annual increments
2 from the required State contribution for State fiscal year
3 2007, so that by State fiscal year 2011, the State is
4 contributing at the rate otherwise required under this Section.

5 Beginning in State fiscal year 2046, the minimum State
6 contribution for each fiscal year shall be the amount needed to
7 maintain the total assets of the System at 90% of the total
8 actuarial liabilities of the System.

9 Amounts received by the System pursuant to Section 25 of
10 the Budget Stabilization Act or Section 8.12 of the State
11 Finance Act in any fiscal year do not reduce and do not
12 constitute payment of any portion of the minimum State
13 contribution required under this Article in that fiscal year.
14 Such amounts shall not reduce, and shall not be included in the
15 calculation of, the required State contributions under this
16 Article in any future year until the System has reached a
17 funding ratio of at least 90%. A reference in this Article to
18 the "required State contribution" or any substantially similar
19 term does not include or apply to any amounts payable to the
20 System under Section 25 of the Budget Stabilization Act.

21 Notwithstanding any other provision of this Section, the
22 required State contribution for State fiscal year 2005 and for
23 fiscal year 2008 and each fiscal year thereafter, as calculated
24 under this Section and certified under subsection (a-1), shall
25 not exceed an amount equal to (i) the amount of the required
26 State contribution that would have been calculated under this

1 Section for that fiscal year if the System had not received any
2 payments under subsection (d) of Section 7.2 of the General
3 Obligation Bond Act, minus (ii) the portion of the State's
4 total debt service payments for that fiscal year on the bonds
5 issued for the purposes of that Section 7.2, as determined and
6 certified by the Comptroller, that is the same as the System's
7 portion of the total moneys distributed under subsection (d) of
8 Section 7.2 of the General Obligation Bond Act. In determining
9 this maximum for State fiscal years 2008 through 2010, however,
10 the amount referred to in item (i) shall be increased, as a
11 percentage of the applicable employee payroll, in equal
12 increments calculated from the sum of the required State
13 contribution for State fiscal year 2007 plus the applicable
14 portion of the State's total debt service payments for fiscal
15 year 2007 on the bonds issued for the purposes of Section 7.2
16 of the General Obligation Bond Act, so that, by State fiscal
17 year 2011, the State is contributing at the rate otherwise
18 required under this Section.

19 (c) Payment of the required State contributions and of all
20 pensions, retirement annuities, death benefits, refunds, and
21 other benefits granted under or assumed by this System, and all
22 expenses in connection with the administration and operation
23 thereof, are obligations of the State.

24 If members are paid from special trust or federal funds
25 which are administered by the employing unit, whether school
26 district or other unit, the employing unit shall pay to the

1 System from such funds the full accruing retirement costs based
2 upon that service, as determined by the System. Employer
3 contributions, based on salary paid to members from federal
4 funds, may be forwarded by the distributing agency of the State
5 of Illinois to the System prior to allocation, in an amount
6 determined in accordance with guidelines established by such
7 agency and the System.

8 (d) Effective July 1, 1986, any employer of a teacher as
9 defined in paragraph (8) of Section 16-106 shall pay the
10 employer's normal cost of benefits based upon the teacher's
11 service, in addition to employee contributions, as determined
12 by the System. Such employer contributions shall be forwarded
13 monthly in accordance with guidelines established by the
14 System.

15 However, with respect to benefits granted under Section
16 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)
17 of Section 16-106, the employer's contribution shall be 12%
18 (rather than 20%) of the member's highest annual salary rate
19 for each year of creditable service granted, and the employer
20 shall also pay the required employee contribution on behalf of
21 the teacher. For the purposes of Sections 16-133.4 and
22 16-133.5, a teacher as defined in paragraph (8) of Section
23 16-106 who is serving in that capacity while on leave of
24 absence from another employer under this Article shall not be
25 considered an employee of the employer from which the teacher
26 is on leave.

1 (e) Beginning July 1, 1998, every employer of a teacher
2 shall pay to the System an employer contribution computed as
3 follows:

4 (1) Beginning July 1, 1998 through June 30, 1999, the
5 employer contribution shall be equal to 0.3% of each
6 teacher's salary.

7 (2) Beginning July 1, 1999 and thereafter, the employer
8 contribution shall be equal to 0.58% of each teacher's
9 salary.

10 The school district or other employing unit may pay these
11 employer contributions out of any source of funding available
12 for that purpose and shall forward the contributions to the
13 System on the schedule established for the payment of member
14 contributions.

15 These employer contributions are intended to offset a
16 portion of the cost to the System of the increases in
17 retirement benefits resulting from this amendatory Act of 1998.

18 Each employer of teachers is entitled to a credit against
19 the contributions required under this subsection (e) with
20 respect to salaries paid to teachers for the period January 1,
21 2002 through June 30, 2003, equal to the amount paid by that
22 employer under subsection (a-5) of Section 6.6 of the State
23 Employees Group Insurance Act of 1971 with respect to salaries
24 paid to teachers for that period.

25 The additional 1% employee contribution required under
26 Section 16-152 by this amendatory Act of 1998 is the

1 responsibility of the teacher and not the teacher's employer,
2 unless the employer agrees, through collective bargaining or
3 otherwise, to make the contribution on behalf of the teacher.

4 If an employer is required by a contract in effect on May
5 1, 1998 between the employer and an employee organization to
6 pay, on behalf of all its full-time employees covered by this
7 Article, all mandatory employee contributions required under
8 this Article, then the employer shall be excused from paying
9 the employer contribution required under this subsection (e)
10 for the balance of the term of that contract. The employer and
11 the employee organization shall jointly certify to the System
12 the existence of the contractual requirement, in such form as
13 the System may prescribe. This exclusion shall cease upon the
14 termination, extension, or renewal of the contract at any time
15 after May 1, 1998.

16 (f) If the amount of a teacher's salary for any school year
17 used to determine final average salary exceeds the member's
18 annual full-time salary rate with the same employer for the
19 previous school year by more than 6%, the teacher's employer
20 shall pay to the System, in addition to all other payments
21 required under this Section and in accordance with guidelines
22 established by the System, the present value of the increase in
23 benefits resulting from the portion of the increase in salary
24 that is in excess of 6%. This present value shall be computed
25 by the System on the basis of the actuarial assumptions and
26 tables used in the most recent actuarial valuation of the

1 System that is available at the time of the computation. If a
2 teacher's salary for the 2005-2006 school year is used to
3 determine final average salary under this subsection (f), then
4 the changes made to this subsection (f) by Public Act 94-1057
5 shall apply in calculating whether the increase in his or her
6 salary is in excess of 6%. For the purposes of this Section,
7 change in employment under Section 10-21.12 of the School Code
8 on or after June 1, 2005 shall constitute a change in employer.
9 The System may require the employer to provide any pertinent
10 information or documentation. The changes made to this
11 subsection (f) by this amendatory Act of the 94th General
12 Assembly apply without regard to whether the teacher was in
13 service on or after its effective date.

14 Whenever it determines that a payment is or may be required
15 under this subsection, the System shall calculate the amount of
16 the payment and bill the employer for that amount. The bill
17 shall specify the calculations used to determine the amount
18 due. If the employer disputes the amount of the bill, it may,
19 within 30 days after receipt of the bill, apply to the System
20 in writing for a recalculation. The application must specify in
21 detail the grounds of the dispute and, if the employer asserts
22 that the calculation is subject to subsection (g) or (h) of
23 this Section, must include an affidavit setting forth and
24 attesting to all facts within the employer's knowledge that are
25 pertinent to the applicability of that subsection. Upon
26 receiving a timely application for recalculation, the System

1 shall review the application and, if appropriate, recalculate
2 the amount due.

3 The employer contributions required under this subsection
4 (f) may be paid in the form of a lump sum within 90 days after
5 receipt of the bill. If the employer contributions are not paid
6 within 90 days after receipt of the bill, then interest will be
7 charged at a rate equal to the System's annual actuarially
8 assumed rate of return on investment compounded annually from
9 the 91st day after receipt of the bill. Payments must be
10 concluded within 3 years after the employer's receipt of the
11 bill.

12 (g) This subsection (g) applies only to payments made or
13 salary increases given on or after June 1, 2005 but before July
14 1, 2011. The changes made by Public Act 94-1057 shall not
15 require the System to refund any payments received before July
16 31, 2006 (the effective date of Public Act 94-1057).

17 When assessing payment for any amount due under subsection
18 (f), the System shall exclude salary increases paid to teachers
19 under contracts or collective bargaining agreements entered
20 into, amended, or renewed before June 1, 2005.

21 When assessing payment for any amount due under subsection
22 (f), the System shall exclude salary increases paid to a
23 teacher at a time when the teacher is 10 or more years from
24 retirement eligibility under Section 16-132 or 16-133.2.

25 When assessing payment for any amount due under subsection
26 (f), the System shall exclude salary increases resulting from

1 overload work, including summer school, when the school
2 district has certified to the System, and the System has
3 approved the certification, that (i) the overload work is for
4 the sole purpose of classroom instruction in excess of the
5 standard number of classes for a full-time teacher in a school
6 district during a school year and (ii) the salary increases are
7 equal to or less than the rate of pay for classroom instruction
8 computed on the teacher's current salary and work schedule.

9 When assessing payment for any amount due under subsection
10 (f), the System shall exclude a salary increase resulting from
11 a promotion (i) for which the employee is required to hold a
12 certificate or supervisory endorsement issued by the State
13 Teacher Certification Board that is a different certification
14 or supervisory endorsement than is required for the teacher's
15 previous position and (ii) to a position that has existed and
16 been filled by a member for no less than one complete academic
17 year and the salary increase from the promotion is an increase
18 that results in an amount no greater than the lesser of the
19 average salary paid for other similar positions in the district
20 requiring the same certification or the amount stipulated in
21 the collective bargaining agreement for a similar position
22 requiring the same certification.

23 When assessing payment for any amount due under subsection
24 (f), the System shall exclude any payment to the teacher from
25 the State of Illinois or the State Board of Education over
26 which the employer does not have discretion or which is paid to

1 a mentor teacher or principal from funds provided to the
2 employer by the State Board of Education for the purpose of
3 mentoring a new teacher or principal, notwithstanding that the
4 payment is included in the computation of final average salary.

5 (h) When assessing payment for any amount due under
6 subsection (f), the System shall exclude any salary increase
7 described in subsection (g) of this Section given on or after
8 July 1, 2011 but before July 1, 2014 under a contract or
9 collective bargaining agreement entered into, amended, or
10 renewed on or after June 1, 2005 but before July 1, 2011.
11 Notwithstanding any other provision of this Section, any
12 payments made or salary increases given after June 30, 2014
13 shall be used in assessing payment for any amount due under
14 subsection (f) of this Section.

15 (i) The System shall prepare a report and file copies of
16 the report with the Governor and the General Assembly by
17 January 1, 2007 that contains all of the following information:

18 (1) The number of recalculations required by the
19 changes made to this Section by Public Act 94-1057 for each
20 employer.

21 (2) The dollar amount by which each employer's
22 contribution to the System was changed due to
23 recalculations required by Public Act 94-1057.

24 (3) The total amount the System received from each
25 employer as a result of the changes made to this Section by
26 Public Act 94-4.

1 (4) The increase in the required State contribution
2 resulting from the changes made to this Section by Public
3 Act 94-1057.

4 (Source: P.A. 94-4, eff. 6-1-05; 94-839, eff. 6-6-06; 94-1057,
5 eff. 7-31-06; 94-1111, eff. 2-27-07; 95-331, eff. 8-21-07;
6 95-950, eff. 8-29-08.)

7 Section 25. The School Code is amended by changing Sections
8 1A-8, 1C-2, 2-3.25c, 2-3.25d, 2-3.53a, 3-7, 10-17a, 10-20.20,
9 10-22.45, 14-13.01, 18-8.05, 19-3, 21-29, 21A-5, 21A-10,
10 21A-15, 21A-20, 21A-25, 21A-30, 23-3, 23-6, 24-12, 24A-3,
11 24A-4, 24A-5, 24A-6, 24A-8, and 29-5, by adding Sections
12 2-3.25d-5, 2-3.53b, 2-3.64b, 2-3.148, 2-3.149, 2-3.150,
13 2-3.151, 2-3.152, 3-6.5, 10-16.10, 10-17b, 10-17c, 10-17d,
14 10-20.46, 17-2.11c, 21A-3, 23-5.5, 34-18.37, 34-18.38,
15 34-18.39, 34-18.40, and 34-18.41, and by renumbering and
16 changing Section 10-20.41 as added by Public Act 95-707 as
17 follows:

18 (105 ILCS 5/1A-8) (from Ch. 122, par. 1A-8)

19 Sec. 1A-8. Powers of the Board in Assisting Districts
20 Deemed in Financial Difficulties. To promote the financial
21 integrity of school districts, the State Board of Education
22 shall be provided the necessary powers to promote sound
23 financial management and continue operation of the public
24 schools.

1 The State Superintendent of Education may require a school
2 district, including any district subject to Article 34A of this
3 Code, to share financial information relevant to a proper
4 investigation of the district's financial condition and the
5 delivery of appropriate State financial, technical, and
6 consulting services to the district if the district (i) has
7 been designated, through the State Board of Education's School
8 District Financial Profile System, as on financial warning or
9 financial watch status, (ii) has failed to file an annual
10 financial report, annual budget, deficit reduction plan, or
11 other financial information as required by law, or (iii) has
12 been identified, through the district's annual audit or other
13 financial and management information, as in serious financial
14 difficulty in the current or next school year. In addition to
15 financial, technical, and consulting services provided by the
16 State Board of Education, at the request of a school district,
17 the State Superintendent may provide for an independent
18 financial consultant to assist the district review its
19 financial condition and options.

20 The State Board of Education, after proper investigation of
21 a district's financial condition, may certify that a district,
22 including any district subject to Article 34A, is in financial
23 difficulty when any of the following conditions occur:

- 24 (1) The district has issued school or teacher orders
25 for wages as permitted in Sections 8-16, 32-7.2 and 34-76
26 of this Code;

1 (2) The district has issued tax anticipation warrants
2 or tax anticipation notes in anticipation of a second
3 year's taxes when warrants or notes in anticipation of
4 current year taxes are still outstanding, as authorized by
5 Sections 17-16, 34-23, 34-59 and 34-63 of this Code, or has
6 issued short-term debt against 2 future revenue sources,
7 such as, but not limited to, tax anticipation warrants and
8 general State Aid certificates or tax anticipation
9 warrants and revenue anticipation notes;

10 (3) The district has for 2 consecutive years shown an
11 excess of expenditures and other financing uses over
12 revenues and other financing sources and beginning fund
13 balances on its annual financial report for the aggregate
14 totals of the Educational, Operations and Maintenance,
15 Transportation, and Working Cash Funds;

16 (4) The district refuses to provide financial
17 information or cooperate with the State Superintendent in
18 an investigation of the district's financial condition.

19 No school district shall be certified by the State Board of
20 Education to be in financial difficulty by reason of any of the
21 above circumstances (i) if arising solely as a result of the
22 failure of the county to make any distribution of property tax
23 money due the district at the time such distribution is due;
24 (ii) if arising solely as a result of the failure of the
25 Comptroller to disburse reimbursements in accordance with
26 Sections 14-7.02, 14-7.02b, 14-7.03, 14-13.01, 18-3, 18-11,

1 18-4.3, and 29-5 for receipt by the school district no later
2 than June 30th of each year; or (iii) if the district clearly
3 demonstrates to the satisfaction of the State Board of
4 Education at the time of its determination that such condition
5 no longer exists. If the State Board of Education certifies
6 that a district in a city with 500,000 inhabitants or more is
7 in financial difficulty, the State Board shall so notify the
8 Governor and the Mayor of the city in which the district is
9 located. The State Board of Education may require school
10 districts certified in financial difficulty, except those
11 districts subject to Article 34A, to develop, adopt and submit
12 a financial plan within 45 days after certification of
13 financial difficulty. The financial plan shall be developed
14 according to guidelines presented to the district by the State
15 Board of Education within 14 days of certification. Such
16 guidelines shall address the specific nature of each district's
17 financial difficulties. Any proposed budget of the district
18 shall be consistent with the financial plan submitted to and
19 approved by the State Board of Education.

20 A district certified to be in financial difficulty, other
21 than a district subject to Article 34A, shall report to the
22 State Board of Education at such times and in such manner as
23 the State Board may direct, concerning the district's
24 compliance with each financial plan. The State Board may review
25 the district's operations, obtain budgetary data and financial
26 statements, require the district to produce reports, and have

1 access to any other information in the possession of the
2 district that it deems relevant. The State Board may issue
3 recommendations or directives within its powers to the district
4 to assist in compliance with the financial plan. The district
5 shall produce such budgetary data, financial statements,
6 reports and other information and comply with such directives.
7 If the State Board of Education determines that a district has
8 failed to comply with its financial plan, the State Board of
9 Education may rescind approval of the plan and appoint a
10 Financial Oversight Panel for the district as provided in
11 Section 1B-4. This action shall be taken only after the
12 district has been given notice and an opportunity to appear
13 before the State Board of Education to discuss its failure to
14 comply with its financial plan.

15 No bonds, notes, teachers orders, tax anticipation
16 warrants or other evidences of indebtedness shall be issued or
17 sold by a school district or be legally binding upon or
18 enforceable against a local board of education of a district
19 certified to be in financial difficulty unless and until the
20 financial plan required under this Section has been approved by
21 the State Board of Education.

22 Any financial watch list distributed by the State Board of
23 Education pursuant to this Section shall designate those school
24 districts on the watch list that would not otherwise be on the
25 watch list were it not for the inability or refusal of the
26 State of Illinois to make timely disbursements of any payments

1 due school districts or to fully reimburse school districts for
2 mandated categorical programs pursuant to reimbursement
3 formulas provided in this School Code.

4 (Source: P.A. 94-234, eff. 7-1-06.)

5 (105 ILCS 5/1C-2)

6 Sec. 1C-2. Block grants.

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

15 (b) (Blank).

16 (c) An Early Childhood Education Block Grant shall be
17 created by combining the following programs: Preschool
18 Education, Parental Training and Prevention Initiative. These
19 funds shall be distributed to school districts and other
20 entities on a competitive basis. Eleven percent of this grant
21 shall be used to fund programs for children ages 0-3.

22 (d) The General Assembly shall appropriate or transfer
23 amounts to the Early Childhood Education Block Grant for the
24 programs specified in subsection (c) of this Section as
25 follows: the Fiscal Year 2009 appropriation plus (1) at least

1 the Fiscal Year 2009 appropriation plus an additional
2 \$45,000,000 for Fiscal Year 2010; (2) at least the previous
3 fiscal year appropriation plus at least an additional
4 \$90,000,000 for Fiscal Year 2011; (3) at least the previous
5 fiscal year appropriation plus at least an additional
6 \$135,000,000 for Fiscal Year 2012; and (4) at least the
7 previous fiscal year appropriation plus at least an additional
8 \$180,000,000 for Fiscal Year 2013. Thereafter, the amount
9 appropriated or transferred to the Early Childhood Education
10 Block Grant each fiscal year shall be the amount from the
11 previous fiscal year, increased by at least the percentage
12 increase, if any, in the Employment Cost Index for Elementary
13 and Secondary Schools, published by the U.S. Bureau of Labor
14 Statistics, for the then most recent, completed calendar year.
15 The Early Childhood Education Block Grant shall not be subject
16 to sweeps, administrative charges, or charge-backs, including,
17 but not limited to, those authorized under Section 8h of the
18 State Finance Act or any other fiscal or budgetary maneuver
19 that would in any way transfer any funds from the Early
20 Childhood Education Block Grant into any other fund of this
21 State.

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

23 (105 ILCS 5/2-3.25c) (from Ch. 122, par. 2-3.25c)
24 Sec. 2-3.25c. Financial and other awards ~~Rewards and~~
25 ~~acknowledgements.~~

1 (a) The State Board of Education shall implement a system
2 of rewards for school districts, and the schools themselves,
3 whose students and schools consistently meet adequate yearly
4 progress criteria for 2 or more consecutive years and a system
5 to acknowledge schools and districts that meet adequate yearly
6 progress criteria in a given year as specified in Section
7 2-3.25d of this Code.

8 (b) Financial awards shall be provided to the schools that
9 the State Superintendent of Education determines have
10 demonstrated the greatest improvement in achieving the
11 education goals of improved student achievement and improved
12 school completion, subject to appropriation by the General
13 Assembly and any limitation set by the State Superintendent on
14 the total amount that may be awarded to a school or school
15 district; provided that such financial awards must not be used
16 to enhance the compensation of staff in school districts having
17 a population not exceeding 500,000.

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

22 (d) The Education Financial Award System Fund is created as
23 a special fund in the State treasury. All money in the Fund
24 shall be used, subject to appropriation, by the State Board of
25 Education for the purpose of funding financial awards under
26 this Section. The Fund shall consist of all moneys appropriated

1 to the fund by the General Assembly and any gifts, grants,
2 donations, and other moneys received by the State Board of
3 Education for implementation of the awards system.

4 Any unexpended or unencumbered moneys remaining in the
5 Education Financial Award System Fund at the end of a fiscal
6 year shall remain in the Fund and shall not revert or be
7 credited or transferred to the General Revenue Fund nor be
8 transferred to any other fund. Any interest derived from the
9 deposit and investment of moneys in the Education Financial
10 Award System Fund shall remain in the Fund and shall not be
11 credited to the General Revenue Fund. The Education Financial
12 Award System Fund must be appropriated and expended only for
13 the awards system. The awards are subject to audit requirements
14 established by the State Board of Education.

15 (e) If a school or school district meets adequate yearly
16 progress criteria for 2 consecutive school years, that school
17 or district shall be exempt from review and approval of its
18 improvement plan for the next 2 succeeding school years.

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

20 (105 ILCS 5/2-3.25d) (from Ch. 122, par. 2-3.25d)

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

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

1 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. Schools 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. Schools 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. Schools on academic watch status
15 that do not meet adequate yearly progress criteria for a fifth
16 or subsequent annual calculation in the same subgroup and in
17 the same subject or in their participation rate, attendance
18 rate, or graduation rate shall remain on academic watch status.
19 Schools on academic early warning or academic watch status that
20 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 The school district of a school placed on either academic
24 early warning status or academic watch status may appeal the
25 status to the State Board of Education in accordance with
26 Section 2-3.25m of this Code.

1 A school district that has one or more schools on academic
2 early warning or academic watch status shall prepare a revised
3 School Improvement Plan or amendments thereto setting forth the
4 district's expectations for removing each school from academic
5 early warning or academic watch status and for improving
6 student performance in the affected school or schools.
7 Districts operating under Article 34 of this Code may prepare
8 the School Improvement Plan required under Section 34-2.4 of
9 this Code.

10 The revised School Improvement Plan for a school that is
11 initially placed on academic early warning status or that
12 remains on academic early warning status after a third annual
13 calculation must be approved by the school board (and by the
14 school's local school council in a district operating under
15 Article 34 of this Code, unless the school is on probation
16 pursuant to subsection (c) of Section 34-8.3 of this Code).

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

23 The revised School Improvement Plan for a school that
24 remains on academic watch status after a fifth annual
25 calculation must be approved by the school board (and by the
26 school's local school council in a district operating under

1 Article 34 of this Code, unless the school is on probation
2 pursuant to subsection (c) of Section 34-8.3 of this Code). In
3 addition, the district must develop a school restructuring plan
4 for the school that must be approved by the school board (and
5 by the school's local school council in a district operating
6 under Article 34 of this Code).

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

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

1 subgroup and in the same subject or in their participation
2 rate, attendance rate, or graduation rate shall be placed on
3 initial academic watch status. Districts on academic watch
4 status that do not meet adequate yearly progress criteria for a
5 fifth or subsequent annual calculation in the same subgroup and
6 in the same subject or in their participation rate, attendance
7 rate, or graduation rate shall remain on academic watch status.
8 Districts on academic early warning or academic watch status
9 that meet adequate yearly progress criteria for one annual
10 calculation shall be considered as having met expectations and
11 shall be removed from any status designation.

12 A district placed on either academic early warning status
13 or academic watch status may appeal the status to the State
14 Board of Education in accordance with Section 2-3.25m of this
15 Code.

16 Districts on academic early warning or academic watch
17 status shall prepare a District Improvement Plan or amendments
18 thereto setting forth the district's expectations for removing
19 the district from academic early warning or academic watch
20 status and for improving student performance in the district.

21 All District Improvement Plans must be approved by the
22 school board.

23 (c) All new and revised School and District Improvement
24 Plans shall be developed in collaboration with parents, staff
25 in the affected school or school district and their exclusive
26 bargaining representatives, if any, and outside experts. All

1 revised School and District Improvement Plans shall be
2 developed, submitted, and monitored pursuant to rules adopted
3 by the State Board of Education. The ~~revised~~ Improvement Plan
4 shall address measurable outcomes for improving student
5 performance so that such performance meets adequate yearly
6 progress criteria as specified by the State Board of Education
7 and shall include a staff professional development plan
8 developed at least in cooperation with staff or, if applicable,
9 the exclusive bargaining representatives of the staff. All
10 school districts required to revise a School Improvement Plan
11 in accordance with this Section shall establish a peer review
12 process for the evaluation of School Improvement Plans.

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

16 (e) The State Board of Education, from any moneys it may
17 have available for this purpose, must implement and administer
18 a grant program that provides 2-year grants to school districts
19 on the academic watch list and other school districts that have
20 the lowest achieving students, as determined by the State Board
21 of Education, to be used to improve student achievement. In
22 order to receive a grant under this program, a school district
23 must establish an accountability program. The accountability
24 program must involve the use of statewide testing standards and
25 local evaluation measures. A grant shall be automatically
26 renewed when achievement goals are met. The Board may adopt any

1 rules necessary to implement and administer this grant program.

2 (f) In addition to any moneys available under subsection
3 (e) of this Section, a school district required to maintain
4 School and District Improvement Plans under this Section,
5 including a school district organized under Article 34 of this
6 Code, shall annually receive from the State an amount equal to
7 \$150 times the number of full-time certified teachers and
8 administrators it employs for developing and implementing its
9 mandatory School and District Improvement Plans, including its
10 staff professional development plan.

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

13 (105 ILCS 5/2-3.25d-5 new)

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

15 (a) Except for school districts required to develop School
16 and District Improvement Plans under Section 2-3.25d of this
17 Code, each school district shall develop, in compliance with
18 rules promulgated by the State Board of Education, an
19 educational improvement plan that must include (i) measures for
20 improving school district, school building, and individual
21 student performance and (ii) a staff professional development
22 plan developed at least in cooperation with staff or, if
23 applicable, the exclusive bargaining representatives of the
24 staff. The district shall develop the educational improvement
25 plan in collaboration with parents, staff, and the staff's

1 exclusive bargaining representatives, if any.

2 (105 ILCS 5/2-3.53a)

3 Sec. 2-3.53a. New principal mentoring program.

4 (a) In this Section, "new principal" means a principal of a
5 public school who has less than 2 full school years of
6 experience as a principal in a public school in this State.
7 Beginning on July 1, 2007, and subject to an annual
8 appropriation by the General Assembly, to establish a new
9 principal mentoring program for new principals. Any individual
10 who is hired as a principal in the State of Illinois on or
11 after July 1, 2007 shall participate in a new principal
12 mentoring program for the duration of his or her first year as
13 a principal and must complete the program in accordance with
14 the requirements established by the State Board of Education by
15 rule or, for a school district created by Article 34 of this
16 Code, in accordance with the provisions of Section 34-18.27 of
17 this Code. School districts created by Article 34 are not
18 subject to the requirements of subsection (b), (c), (d), (e),
19 (f), or (g) of this Section. The new principal mentoring
20 program shall match an experienced principal who meets the
21 requirements of subsection (b) of this Section with each new
22 principal in his or her first year in that position in order to
23 assist the new principal in the development of his or her
24 professional growth and to provide guidance during the new
25 principal's first year of service.

1 (b) Any individual who has been a principal in Illinois for
2 3 or more years and who has demonstrated success as an
3 instructional leader, as determined by the State Board by rule,
4 is eligible to apply to be a mentor under a new principal
5 mentoring program. Mentors shall complete mentoring training
6 by entities approved by the State Board and meet any other
7 requirements set forth by the State Board and by the school
8 district employing the mentor.

9 (c) The State Board shall certify an entity or entities
10 approved to provide training of mentors.

11 (d) A mentor shall be assigned to a new principal based on
12 (i) similarity of grade level or type of school, (ii) learning
13 needs of the new principal, and (iii) geographical proximity of
14 the mentor to the new principal. The principal, in
15 collaboration with the mentor, shall identify areas for
16 improvement of the new principal's professional growth,
17 including, but not limited to, each of the following:

18 (1) Analyzing data and applying it to practice.

19 (2) Aligning professional development and
20 instructional programs.

21 (3) Building a professional learning community.

22 (4) Observing classroom practices and providing
23 feedback.

24 (5) Facilitating effective meetings.

25 (6) Developing distributive leadership practices.

26 (7) Facilitating organizational change.

1 The mentor shall not be required to provide an evaluation of
2 the new principal on the basis of the mentoring relationship.

3 (e) On or after January 1, 2008 and on or after January 1
4 of each year thereafter, each mentor and each new principal
5 shall complete a survey of progress on a form developed by
6 their respective school districts. On or before July 1, 2008
7 and on or after July 1 of each year thereafter, the State Board
8 shall facilitate a review and evaluate the mentoring training
9 program in collaboration with the approved providers. Each new
10 principal and his or her mentor must complete a verification
11 form developed by the State Board in order to certify their
12 completion of a new principal mentoring program.

13 (f) The requirements of this Section do not apply to any
14 individual who has previously served as an assistant principal
15 in Illinois acting under an administrative certificate for 5 or
16 more years and who is hired, on or after July 1, 2007, as a
17 principal by the school district in which the individual last
18 served as an assistant principal, although such an individual
19 may choose to participate in this program or shall be required
20 to participate by the school district.

21 (f-5) A separate appropriation shall annually be made for
22 the purposes of this Section for each new principal, as defined
23 by this Section, for each of 2 school years for the purpose of
24 providing one or more of the following:

25 (1) Mentor principal compensation.

26 (2) Mentor principal training.

1 (3) Program administration, not to exceed 20% of the
2 total program cost.

3 The General Assembly shall annually appropriate \$3,800,000
4 for the principal mentoring, leadership, and professional
5 development program.

6 (g) The State Board may adopt any rules necessary for the
7 implementation of this Section.

8 (Source: P.A. 94-1039, eff. 7-20-06.)

9 (105 ILCS 5/2-3.53b new)

10 Sec. 2-3.53b. New superintendent mentoring program.

11 (a) Beginning on July 1, 2010 and subject to an annual
12 appropriation by the General Assembly, to establish a new
13 superintendent mentoring program for new superintendents. Any
14 individual who begins serving as a superintendent in this State
15 on or after July 1, 2010 and has not previously served as a
16 school district superintendent in this State shall participate
17 in the new superintendent mentoring program for the duration of
18 his or her first 2 school years as a superintendent and must
19 complete the program in accordance with the requirements
20 established by the State Board of Education by rule. The new
21 superintendent mentoring program shall match an experienced
22 superintendent who meets the requirements of subsection (b) of
23 this Section with each new superintendent in his or her first 2
24 school years in that position in order to assist the new
25 superintendent in the development of his or her professional

1 growth and to provide guidance during the new superintendent's
2 first 2 school years of service.

3 (b) Any individual who has actively served as a school
4 district superintendent in this State for 3 or more years and
5 who has demonstrated success as an instructional leader, as
6 determined by the State Board of Education by rule, is eligible
7 to apply to be a mentor under the new superintendent mentoring
8 program. Mentors shall complete mentoring training through a
9 provider selected by the State Board of Education and shall
10 meet any other requirements set forth by the State Board and by
11 the school district employing the mentor.

12 (c) Under the new superintendent mentoring program, a
13 provider selected by the State Board of Education shall assign
14 a mentor to a new superintendent based on (i) similarity of
15 grade level or type of school district, (ii) learning needs of
16 the new superintendent, and (iii) geographical proximity of the
17 mentor to the new superintendent. The new superintendent, in
18 collaboration with the mentor, shall identify areas for
19 improvement of the new superintendent's professional growth,
20 including, but not limited to, each of the following:

21 (1) Analyzing data and applying it to practice.

22 (2) Aligning professional development and
23 instructional programs.

24 (3) Building a professional learning community.

25 (4) Effective school board relations.

26 (5) Facilitating effective meetings.

1 (6) Developing distributive leadership practices.

2 (7) Facilitating organizational change.

3 The mentor must not be required to provide an evaluation of
4 the new superintendent on the basis of the mentoring
5 relationship.

6 (d) From January 1, 2011 until May 15, 2011 and from
7 January 1 until May 15 each year thereafter, each mentor and
8 each new superintendent shall complete a survey of progress of
9 the new superintendent on a form developed by the school
10 district. On or before September 1, 2011 and on or before
11 September 1 of each year thereafter, the provider selected by
12 the State Board of Education shall submit a detailed annual
13 report to the State Board of how the appropriation for the new
14 superintendent mentoring program was spent, details on each
15 mentor-mentee relationship, and a qualitative evaluation of
16 the outcomes. The provider shall develop a verification form
17 that each new superintendent and his or her mentor must
18 complete and submit to the provider to certify completion of
19 each year of the new superintendent mentoring program by July
20 15 immediately following the school year just completed.

21 (e) The requirements of this Section do not apply to any
22 individual who has previously served as an assistant
23 superintendent in a school district in this State acting under
24 an administrative certificate for 5 or more years and who, on
25 or after July 1, 2010, begins serving as a superintendent in
26 the school district where he or she had served as an assistant

1 superintendent immediately prior to being named
2 superintendent, although such an individual may choose to
3 participate in the new superintendent mentoring program or may
4 be required to participate by the school district. The
5 requirements of this Section do not apply to any superintendent
6 or chief executive officer of a school district organized under
7 Article 34 of this Code.

8 (f) The State Board may adopt any rules that are necessary
9 for the implementation of this Section.

10 (105 ILCS 5/2-3.64b new)

11 Sec. 2-3.64b. Performance measures.

12 (a) In this Section:

13 "Growth model assessment" means a statistical system for
14 educational outcome assessment that uses measures of student
15 learning to enable the estimation of teacher, school, and
16 school district statistical distributions and that conforms to
17 or is consistent with applicable State and federal laws and
18 regulations to the extent practicable. The statistical system
19 shall use available and appropriate data as input to account
20 for differences in prior student attainment, such that the
21 impact that the teacher, school, and school district have on
22 the educational progress of students may be estimated on a
23 student attainment constant basis. The impact that a teacher,
24 school, or school district has on the progress or lack of
25 progress in educational advancement or learning of a student is

1 referred to in this Section as the "effect" of the teacher,
2 school, or school district on the educational progress of
3 students.

4 "School" includes a charter school.

5 "Teacher" includes a teacher in a charter school.

6 (b) No later than July 1, 2013, the State Board of
7 Education shall establish a statewide growth model assessment
8 system to measure the annual increase or growth in each
9 student's performance relative to a standard year of academic
10 growth on the assessments provided for in Section 2-3.64 of
11 this Code and other performance indicators that the State Board
12 may identify. In developing such a system, the State Board
13 shall coordinate with school districts, including a school
14 district organized under Article 34 of this Code, that have or
15 that are in the process of developing local growth model
16 assessment systems.

17 (c) The growth model assessment system shall reliably
18 estimate school district, school, and teacher effects on
19 students' academic achievement over time, control for student
20 characteristics, and use an independently verifiable
21 statistical methodology to produce such estimates.

22 (d) A specific teacher's effect on the educational progress
23 of students may not be used as a part of a formal personnel
24 evaluation until data from 3 complete academic years are
25 obtained and unless the district and the exclusive bargaining
26 representative of the district's teachers, if any, have agreed

1 to its use as part of an alternative evaluation plan under
2 Section 24A-5 or 24A-8 of this Code. Teacher effect data must
3 not be retained for use in evaluations for more than the most
4 recent 5 years. A student must have been present for 150 days
5 of classroom instruction per year or 75 days of classroom
6 instruction per semester before that student's record is
7 attributable to a specific teacher. Records from any student
8 who is eligible for special education services under federal
9 law must not be used as part of the growth model assessment.

10 (e) The State Board of Education shall provide growth model
11 assessment data to each school district as soon as practicable
12 after receipt of such data, but in no case later than December
13 1. The aggregate growth model assessment estimates for each
14 school district and school shall also be included in each
15 school district's report card under Section 10-17a of this
16 Code.

17 (f) All identifiable individual student performance data,
18 information, and reports shall be deemed confidential, shall
19 not be a public record, and shall not be disclosed; provided
20 that such information shall be made available only to a
21 student's classroom teacher and other appropriate educational
22 personnel and to the student's parent or guardian.

23 (g) All identifiable teacher effects data, information,
24 and reports shall be deemed confidential, shall not be a public
25 record, and shall not be disclosed without the teacher's
26 express written consent, except to appropriate personnel in the

1 district in which the teacher is employed.

2 (h) The data, information, and reports referred to in
3 subsection (f) of this Section shall not constitute a school
4 student record under Section 2 of the Illinois School Student
5 Records Act and shall otherwise be exempt from disclosure under
6 Section 6 of the Illinois School Student Records Act. The data,
7 information, and reports referred to in subsections (f) and (g)
8 of this Section shall not constitute a public record under
9 Section 2 of the Freedom of Information Act and shall otherwise
10 be exempt from disclosure under subdivisions (a) and (b) of
11 subsection (1) of Section 7 of the Freedom of Information Act.
12 Nothing in this Section prevents the State Board of Education
13 from releasing or otherwise disclosing such data, information,
14 and reports to any person associated with a recognized
15 institution of higher education for the purpose of research,
16 analysis, or statistical reporting or planning, provided that
17 no student or teacher can be identified from the data,
18 information, or report released and the person to whom the
19 data, information, or report is released signs an affidavit
20 agreeing to comply with all applicable statutes pertaining to
21 confidential student and personnel records.

22 (i) As provided in Sections 2-3.25d, 2-3.25f, and 2-3.25h
23 of this Code, the State Board of Education shall establish a
24 coherent and sustained system of assistance and support for
25 schools not meeting identified levels of achievement or not
26 showing specified levels of progress, as determined by the

1 State Board based upon the schools' growth model assessment
2 results. As provided in Section 2-3.25f of this Code, the State
3 Board of Education shall specify appropriate levels of
4 assistance and intervention for schools that receive an
5 unacceptable rating on student performance for the absolute
6 student achievement standard or on progress on improved student
7 achievement.

8 (j) The State Board of Education, from any moneys it may
9 have available for the purposes set forth in this Section, must
10 implement and administer a grant program that provides 2-year
11 grants to school districts, including a school district
12 organized under Article 34 of this Code, as determined by the
13 State Board of Education, to be used to develop local growth
14 model assessment systems. The Board may adopt any rules
15 necessary to implement and administer this grant program.

16 (105 ILCS 5/2-3.148 new)

17 Sec. 2-3.148. The Digital Learning Technology Grant
18 Program.

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

1 (b) There is created the Digital Learning Technology Grant
2 Program to provide money to school districts and charter
3 schools to use in integrating information technology and
4 scientific equipment as tools to measurably improve teaching
5 and learning in grades 9 through 12 in this State's public
6 schools. The State Board of Education shall administer the
7 grant program through the acceptance, review, and
8 recommendation of applications submitted pursuant to this
9 Section.

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

1 (d) The State Board of Education shall adopt rules for the
2 administration and implementation of the grant program created
3 under this Section. The first grants shall be awarded through
4 the program for the 2010-2011 school year. Grants shall be
5 awarded annually thereafter.

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

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

14 (2) the current level of information technology
15 education integration at the recipient schools;

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

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

1 achieved;

2 (5) any businesses with which the school district or
3 charter school has partnered to improve the availability
4 and integration of information technology education within
5 the curriculum; and

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

8 (f) In recommending and awarding grants through the
9 program, the State Board of Education shall consider the
10 following criteria:

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

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

20 (3) the validity, clarity, and measurability of the
21 goals established by the applicant and the validity of the
22 proposed methods for measuring achievement of the goals;

23 (4) the accountability system of specific measures and
24 deliverables to determine a baseline and annually assess
25 improvements in teaching and learning;

26 (5) any other financial resources available to the

1 applicant for integrating information technology education
2 into the curriculum;

3 (6) the degree to which the applicant is cooperating or
4 partnering with businesses to improve the availability and
5 integration of information technology education in the
6 curriculum; the State Board of Education shall apply this
7 criteria with the goal of encouraging such partnerships;

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

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

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

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

1 (i) Each school district and charter school that receives a
2 grant through the grant program created under this Section
3 shall, by August 1 of the school year for which the grant was
4 awarded, submit to the State Board of Education a report
5 specifying the following information:

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

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

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

14 (4) the recipient school district's and charter
15 school's plan for continuing the integration of
16 information technology education into the curriculum,
17 regardless of whether the grant is renewed; and

18 (5) any other information specified by rule of the
19 State Board of Education.

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

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

1 (1) The State Board of Education may solicit and accept
2 money in the form of gifts, contributions, and grants to be
3 deposited into the Digital Learning Technology Grant Fund. The
4 acceptance of federal grants for purposes of this Section does
5 not commit State funds nor place an obligation upon the General
6 Assembly to continue the purposes for which the federal funds
7 are made available.

8 (105 ILCS 5/2-3.149 new)

9 Sec. 2-3.149. Best practices clearinghouse.

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

22 (b) The State Board of Education shall solicit and collect
23 from exemplary or recognized school districts, charter
24 schools, and other institutions determined by the State Board
25 of Education examples of best practices relating to

1 instruction, public school finance, resource allocation, and
2 business practices, including best practices relating to
3 curriculum, scope and sequence, compensation and incentive
4 systems, bilingual education and special language programs,
5 compensatory education programs, and the effective use of
6 instructional technology, including online courses.

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

16 (d) The State Board of Education may purchase from
17 available funds curriculum and other instructional tools
18 identified under this Section to provide for use by school
19 districts.

20 (105 ILCS 5/2-3.150 new)

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

23 (a) As used in this Section, unless the context otherwise
24 requires:

25 "Grant program" means the science, technology,

1 engineering, and mathematics education center grant program
2 created in this Section.

3 "Science, technology, engineering, and mathematics
4 education" or "STEM" means learning experiences that integrate
5 innovative curricular, instructional, and assessment
6 strategies and materials, laboratory and mentorship
7 experiences, and authentic inquiry-based and problem centered
8 instruction to stimulate learning in the areas of science,
9 technology, engineering, and mathematics.

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

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

1 technology, engineering, and mathematics innovation education
2 centers, university and corporate research facilities, and
3 established STEM laboratories, businesses, and the Illinois
4 Mathematics and Science Academy.

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

7 (1) continuous generation and sharing of curricular,
8 instructional, assessment, and program development
9 materials and information about STEM teaching and learning
10 throughout the network;

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

24 (3) identification of essential teacher competencies
25 and a comprehensive plan for recruiting, mentoring, and
26 retaining STEM teachers, especially those in

1 under-resourced schools and school districts; creation of
2 a community of practice among STEM center educators and
3 other teachers of science, technology, engineering, and
4 mathematics as part of a network of promising practices in
5 teaching; and the establishment of recruitment, mentoring,
6 and retention plans for Golden Apple teachers in STEM
7 fields and Illinois STEM teachers who have received
8 national board certification and are also part of the STEM
9 innovation network;

10 (4) a statement of desired competencies for STEM
11 learning by students;

12 (5) a description of recommended courses of action to
13 improve educational experiences, programs, practices, and
14 service;

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

22 (7) expectations and guidelines for designing and
23 developing a dynamic, creative, and engaged teaching
24 network;

25 (8) a description of the laboratory and incubator model
26 for the STEM centers;

1 (9) support for innovation and entrepreneurship in
2 curriculum, instruction, assessment, and professional
3 development; and

4 (10) cost estimates.

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

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

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

21 (3) prekindergarten through grade 12 teachers to
22 encourage them to take graduate STEM courses and degree
23 programs; such incentives may include a tuition matching
24 program;

25 (4) appropriate State agencies, federal agencies,
26 professional organizations, public television stations,

1 and businesses and industries to involve them in the
2 development of the strategic plan; and

3 (5) businesses, industries, and individuals for
4 volunteering their time and community resources.

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

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

20 (g) School districts, charter schools, the Illinois
21 Mathematics and Science Academy, and joint collaborative
22 partnerships may establish science and technology education
23 centers or may contract with regional offices of education,
24 intermediate service centers, public community colleges,
25 4-year institutions of higher education, non-profit or
26 for-profit education providers, youth service agencies,

1 community-based organizations, or other appropriate entities
2 to establish science and technology education centers within
3 the public school system. Districts and charter schools may
4 individually operate alternative learning opportunities
5 programs or may collaborate with 2 or more districts or charter
6 schools or do both to create and operate science and technology
7 education centers.

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

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

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

26 (1) the facility, equipment, and technology that are or

1 will be provided and the activities and range of programs
2 that are or will be offered by the STEM education center;

3 (2) the strength and capacity of the school district or
4 charter school to work as a network cooperatively with the
5 Illinois Mathematics and Science Academy, other STEM
6 centers, universities and STEM laboratories, businesses,
7 and industries; and

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

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

12 The State Board of Education shall specify the amount to be
13 awarded to each school district, charter school, or joint
14 collaborative partnership that is selected to receive a grant
15 and to the Illinois Mathematics and Science Academy, if
16 selected to receive a grant. The amount awarded to a new STEM
17 center for start-up costs shall not exceed \$1,000,000 for the
18 first fiscal year and may not be renewed. The amount awarded to
19 an operating STEM center for operating costs shall not exceed
20 \$500,000 for one fiscal year and shall be renewed annually for
21 5 consecutive years if the STEM center is meeting its
22 accountability goals and its role as an active partner in a
23 generative teaching and learning network.

24 (k) Each school district, charter school, or joint
25 collaborative partnership that receives a grant pursuant to the
26 grant program and the Illinois Mathematics and Science Academy,

1 if selected to receive a grant, shall demonstrate, prior to
2 receiving any actual moneys, that the center has received or
3 has a written commitment for matching funds from other public
4 or private sources in the amount of a dollar-for-dollar match
5 with the amount of the grant. This requirement may be waived
6 upon application to and approval by the State Board of
7 Education based on a showing of continued need or financial
8 hardship.

9 (l) The State Board of Education shall promulgate such
10 rules as are required in this Section and such additional rules
11 as may be required for implementation of the grant program.

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

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

18 (2) the progress made toward achieving the goals and
19 producing the deliverables specified in the grant
20 recipient's application;

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

26 (4) the recipient school district's or charter

1 school's plan for continuing the integration of
2 information technology education into the curriculum,
3 regardless of whether the grant is renewed;

4 (5) the documentation demonstrating effective digital
5 collaboration and networking, technological cooperation
6 and sharing, and personal networking via innovative,
7 entrepreneurial networks;

8 (6) a description of innovative instructional methods;

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

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

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

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

22 (p) The State Board of Education may solicit and accept
23 money in the form of gifts, contributions, and grants to be
24 deposited in the STEM Education Center Grant Fund. The
25 acceptance of federal grants for purposes of this Section does
26 not commit State funds nor place an obligation upon the General

1 Assembly to continue the purposes for which the federal funds
2 are made available.

3 (105 ILCS 5/2-3.151 new)

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

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

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

25 (c) School districts eligible to apply to the State Board

1 of Education for a grant under subsection (b) of this Section
2 shall be limited to those (i) with any school that has not met
3 adequate yearly progress under the federal No Child Left Behind
4 Act of 2001 for at least 2 consecutive years or (ii) that have
5 been designated through the State Board of Education's School
6 District Financial Profile System as on financial warning or
7 financial watch status. The State Board may, by rule, establish
8 any additional procedures with respect to this grant program.

9 (105 ILCS 5/2-3.152 new)

10 Sec. 2-3.152. Resource management service.

11 (a) The State Board of Education shall establish and
12 maintain an Internet web-based resource management service for
13 all school districts on or before July 1, 2013.

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 must 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. Costs
4 to establish and maintain this service and train school
5 district personnel in the use of this service shall be supplied
6 by the General Assembly to the State Board of Education through
7 an annual appropriation of no less than \$2 per student based on
8 the prior year total of enrolled students in public schools in
9 this State. Up to 25% of the annual appropriation may be
10 allocated by the State Board of Education to hire personnel and
11 facilitate data collection. No less than 25% of the annual
12 appropriation shall be utilized by the State Board of Education
13 to deliver training to school district personnel in the use of
14 the management service. Such training shall be delivered by
15 certificated school business officials or State Board of
16 Education trained personnel and may be provided through
17 administrator academies and mentoring programs. The State
18 Board of Education may establish contracts with other
19 organizations to provide such training and mentoring.

20 In the event that a district does not employ a certificated
21 school business official, a least one employee must be trained
22 and certified in the use of the resource management service. In
23 addition, a representative of the exclusive bargaining agents
24 of the school district's employees shall be invited to be
25 trained and certified.

26 (g) The State Board of Education shall identify the data

1 required to implement the resource management service and
2 develop annual data reporting instruments designed to collect
3 the information from each school district.

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

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

24 (105 ILCS 5/3-6.5 new)

25 Sec. 3-6.5. Regional office evaluation and accountability.

1 (a) The State Board of Education shall contract with a
2 third party to maintain information regarding the performance
3 of regional education service centers. Such information shall
4 include the following:

5 (1) district effectiveness and efficiency in districts
6 served resulting from technical assistance and program
7 support;

8 (2) direct services provided or regionally shared
9 services arranged by the service center that produce more
10 economical and efficient school operations;

11 (3) direct services provided or regionally shared
12 services arranged by the service center that provide for
13 assistance in core services; and

14 (4) grants received for implementation of State
15 initiatives and the results achieved by the service center
16 under the terms of the grant contract.

17 Regional offices of education and educational service
18 centers must promptly comply with any requests for information
19 under this Section from the State Board of Education or its
20 third party contractor.

21 (b) The regional superintendent of schools shall report, in
22 writing, to the governing county board or boards, no later than
23 January 1, 2011 and each January 1 thereafter, stating (i) the
24 balance on hand at the time of the last report and all receipts
25 since that date, with the sources from which they were derived;
26 (ii) the amount distributed to each of the school treasurers in

1 the governing county or counties; and (iii) any balance on
2 hand. At the same time the regional superintendent shall
3 present for inspection his or her books and vouchers for all
4 expenditures, and submit in writing a statement of the
5 condition of the institute fund and of any other funds in his
6 or her care, custody, or control.

7 (c) Each regional superintendent of schools, whether for a
8 multi-county or for a single county educational service region,
9 shall present for inspection or otherwise make available to the
10 Auditor General, or to the agents designated by the Auditor
11 General, all financial statements, books, vouchers, and other
12 records required to be so presented or made available pursuant
13 to Section 2-3.17a of this Code and the rules of the Auditor
14 General pursuant to that Section.

15 (d) Beginning December 1, 2011, and annually thereafter,
16 the State Board of Education shall, through the contractor
17 referenced in subsection (a) of this Section, publish, online,
18 a cumulative report with information about each regional office
19 of education and educational service center. Each report must
20 include, with respect to the prior fiscal year, the following:

21 (1) an audit of the office's finances, which shall be
22 provided by the Auditor General to the State Board of
23 Education or its third party contractor for this purpose;

24 (2) the information required to be maintained under
25 subsection (a) of this Section; and

26 (3) the results of the service evaluation report

1 annually made by the Office of the Lieutenant Governor
2 pursuant to Section 2-3.112 of this Code.

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

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

24 Each school district shall, as of June 30 of each year,
25 cause an audit of its accounts to be made by a person lawfully

1 qualified to practice public accounting as regulated by the
2 Illinois Public Accounting Act. Such audit shall include (i)
3 development of a risk assessment of district internal controls,
4 (ii) an annual review and update of the risk assessment, and
5 (iii) an annual management letter that analyzes significant
6 risk assessment findings, recommends changes for strengthening
7 controls and reducing identified risks, and specifies
8 timeframes for implementation of these recommendations, as
9 well as financial statements of the district applicable to the
10 type of records required by other sections of this Act and in
11 addition shall set forth the scope of audit and shall include
12 the professional opinion signed by the auditor, or if such an
13 opinion is denied by the auditor, shall set forth the reasons
14 for such denial. Each school district shall on or before
15 October 15 of each year, submit an original and one copy of the
16 ~~such~~ audit to the regional superintendent of schools in the
17 educational service region having jurisdiction in which case
18 the regional superintendent of schools shall be relieved of
19 responsibility in regard to the accounts of the school
20 district. If any school district fails to supply the regional
21 superintendent of schools with a copy of such audit report on
22 or before October 15, or within such time extended by the
23 regional superintendent of schools from that date, not to
24 exceed 60 days, then it shall be the responsibility of the
25 regional superintendent of schools having jurisdiction to
26 cause such audit to be made by employing an accountant licensed

1 to practice in the State of Illinois to conduct such audit and
2 shall bill the district for such services, or shall with the
3 personnel of his office make such audit to his satisfaction and
4 bill the district for such service. In the latter case, if the
5 audit is made by personnel employed in the office of the
6 regional superintendent of schools having jurisdiction, then
7 the regional superintendent of schools shall not be relieved of
8 the responsibility as to the accountability of the school
9 district. The copy of the audit shall be forwarded by the
10 regional superintendent to the State Board of Education on or
11 before November 15 of each year and shall be filed by the State
12 Board of Education. Beginning on July 1, 2010, all school
13 districts shall utilize a competitive request for proposals
14 process at least once every 5 years when contracting for such
15 an annual audit, provided that school districts with existing
16 contracts of less than 5 years in length that are in effect on
17 July 1, 2010 shall utilize a competitive request for proposals
18 process when contracting for an annual audit after the
19 expiration date of the existing contract.

20 Each school district that is the administrative district
21 for several school districts operating under a joint agreement
22 as authorized by this Act shall, as of June 30 each year, cause
23 an audit of the accounts of the joint agreement to be made by a
24 person lawfully qualified to practice public accounting as
25 regulated by the Illinois Public Accounting Act. Such audit
26 shall include (i) development of a risk assessment of district

1 internal controls, (ii) an annual review and update of the risk
2 assessment, and (iii) an annual management letter that analyzes
3 significant risk assessment findings, recommends changes for
4 strengthening controls and reducing identified risks, and
5 specifies timeframes for implementation of these
6 recommendations, as well as financial statements of the
7 operation of the joint agreement applicable to the type of
8 records required by this Act and, in addition, shall set forth
9 the scope of the audit and shall include the professional
10 opinion signed by the auditor, or if such an opinion is denied,
11 the auditor shall set forth the reason for such denial. Each
12 administrative district of a joint agreement shall on or before
13 October 15 each year, submit an original and one copy of such
14 audit to the regional superintendent of schools in the
15 educational service region having jurisdiction in which case
16 the regional superintendent of schools shall be relieved of
17 responsibility in regard to the accounts of the joint
18 agreement. The copy of the audit shall be forwarded by the
19 regional superintendent to the State Board of Education on or
20 before November 15 of each year and shall be filed by the State
21 Board of Education. The cost of such an audit shall be
22 apportioned among and paid by the several districts who are
23 parties to the joint agreement, in the same manner as other
24 costs and expenses accruing to the districts jointly. Beginning
25 on July 1, 2010, all school districts operating under a joint
26 agreement shall utilize a competitive request for proposals

1 process at least once every 5 years when contracting for such
2 an annual audit, provided that all school districts operating
3 under a joint agreement with existing contracts of less than 5
4 years in length that are in effect on July 1, 2010 shall
5 utilize a competitive request for proposals process when
6 contracting for an annual audit after the expiration date of
7 the existing contract.

8 The State Board of Education shall determine the adequacy
9 of the audits. All audits shall be kept on file in the office
10 of the State Board of Education.

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

12 (105 ILCS 5/10-16.10 new)

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

14 (a) This Section shall apply to all school board members
15 servng pursuant to Section 10-10 of this Code who have been
16 elected on or after the effective date of this amendatory Act
17 of the 96th General Assembly or appointed to fill a vacancy of
18 at least one year's duration on or after the effective date of
19 this amendatory Act of the 96th General Assembly.

20 (b) It is the policy of this State to encourage every
21 voting member of a board of education of a school district
22 elected or appointed for a term beginning on or after the
23 effective date of this amendatory Act of the 96th General
24 Assembly, within a year after the effective date of this
25 amendatory Act of the 96th General Assembly or the first year

1 of his or her term, to complete a minimum of 4 hours of
2 professional development leadership training covering topics
3 in education and labor law, financial oversight and
4 accountability, and fiduciary responsibilities of a school
5 board member.

6 (c) The training on financial oversight, accountability,
7 and fiduciary responsibilities may be provided by an
8 association established under this Code for the purpose of
9 training school board members or by other qualified providers
10 approved by the State Board of Education, in conjunction with
11 an association so established.

12 (105 ILCS 5/10-17a) (from Ch. 122, par. 10-17a)

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

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

25 (2) Reporting Requirements. Each school district shall

1 prepare a report card in accordance with the guidelines set
2 forth in this Section which describes the performance of its
3 students by school attendance centers and by district and the
4 district's financial resources and use of financial resources.
5 Such report card shall be presented at a regular school board
6 meeting subject to applicable notice requirements, posted on
7 the school district's Internet web site, if the district
8 maintains an Internet web site, made available to a newspaper
9 of general circulation serving the district, and, upon request,
10 sent home to a parent (unless the district does not maintain an
11 Internet web site, in which case the report card shall be sent
12 home to parents without request). If the district posts the
13 report card on its Internet web site, the district shall send a
14 written notice home to parents stating (i) that the report card
15 is available on the web site, (ii) the address of the web site,
16 (iii) that a printed copy of the report card will be sent to
17 parents upon request, and (iv) the telephone number that
18 parents may call to request a printed copy of the report card.
19 In addition, each school district shall submit the completed
20 report card to the office of the district's Regional
21 Superintendent which shall make copies available to any
22 individuals requesting them.

23 The report card shall be completed and disseminated prior
24 to October 31 in each school year. The report card shall
25 contain, but not be limited to, actual local school attendance
26 center, school district and statewide data indicating the

1 present performance of the school, the State norms and the
2 areas for planned improvement for the school and school
3 district.

4 (3) (a) The report card shall include the following
5 applicable indicators of attendance center, district, and
6 statewide student performance: percent of students who exceed,
7 meet, or do not meet standards established by the State Board
8 of Education pursuant to Section 2-3.25a; growth model
9 assessment estimates for each district, subject to a statewide
10 growth model assessment system being established and data being
11 available pursuant to Section 2-3.64b of this Code; composite
12 and subtest means on nationally normed achievement tests for
13 college bound students; student attendance rates; chronic
14 truancy rate; dropout rate; graduation rate; and student
15 mobility, turnover shown as a percent of transfers out and a
16 percent of transfers in.

17 (b) The report card shall include the following
18 descriptions for the school, district, and State: average class
19 size; amount of time per day devoted to mathematics, science,
20 English and social science at primary, middle and junior high
21 school grade levels; number of students taking the Prairie
22 State Achievement Examination under subsection (c) of Section
23 2-3.64, the number of those students who received a score of
24 excellent, and the average score by school of students taking
25 the examination; pupil-teacher ratio; pupil-administrator
26 ratio; operating expenditure per pupil; district expenditure

1 by fund; average administrator salary; and average teacher
2 salary. The report card shall also specify the amount of money
3 that the district receives from all sources, including without
4 limitation subcategories specifying the amount from local
5 property taxes, the amount from general State aid, the amount
6 from other State funding, and the amount from other income. The
7 report card shall also include the 5 components of the
8 financial rating and the total financial rating scores from the
9 State Financial Profile.

10 (c) The report card shall include applicable indicators of
11 parental involvement in each attendance center. The parental
12 involvement component of the report card shall include the
13 percentage of students whose parents or guardians have had one
14 or more personal contacts with the students' teachers during
15 the school year concerning the students' education, and such
16 other information, commentary, and suggestions as the school
17 district desires. For the purposes of this paragraph, "personal
18 contact" includes, but is not limited to, parent-teacher
19 conferences, parental visits to school, school visits to home,
20 telephone conversations, and written correspondence. The
21 parental involvement component shall not single out or identify
22 individual students, parents, or guardians by name.

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

26 (e) The report card shall include an indicator describing

1 whether the school district has improved, declined, or remained
2 stable in the aggregate percentage of students making at least
3 one-year's academic growth each year, subject to a statewide
4 growth model assessment system being established and data being
5 available pursuant to Section 2-3.64b of this Code.

6 (f) Except for schools in a school district organized under
7 Article 34 of this Code, the report card shall include a
8 comparison of the following indicators to a benchmark group of
9 at least 5 schools that have similar demographics as defined by
10 the State Board of Education:

11 (1) percentage of students in the aggregate making one
12 year's progress in one year's time in reading, writing, and
13 mathematics, subject to a statewide growth model
14 assessment system being established and data being
15 available pursuant to Section 2-3.64b of this Code;

16 (2) State Financial Profile rating; and

17 (3) instruction per pupil expenditures.

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

19 (105 ILCS 5/10-17b new)

20 Sec. 10-17b. Financial policies. Beginning with the second
21 fiscal year after the effective date of this amendatory Act of
22 the 96th General Assembly, each school board shall adopt a
23 formal, written financial policy. The policy may include
24 information in the following areas:

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

1 (2) Capital asset management.

2 (3) Reserve or stabilization fund goals.

3 (4) Periodic budget to actual comparison reports.

4 (5) Fees and charges.

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

6 (7) Risk management related to internal controls.

7 (8) Purchasing.

8 (9) Vehicle acquisition and maintenance.

9 The school board shall make the policy publicly available.

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

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

1 shall take place as part of the official budget hearing process
2 in accordance with Section 17-1 of this Code, which requires
3 the posting of notice and making documents available to the
4 general public at least 30 days in advance of the budget
5 hearing.

6 (105 ILCS 5/10-17d new)

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

24 (105 ILCS 5/10-20.20) (from Ch. 122, par. 10-20.20)

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

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

24 (105 ILCS 5/10-20.45)

25 Sec. 10-20.45 ~~10-20.41~~. Pay for performance.

1 (a) In this Section:

2 "Growth model assessment" means the statewide growth model
3 assessment system established by the State Board of Education
4 to measure the annual increase or growth in each student's
5 performance relative to a standard year of academic growth on
6 the assessments provided for in Section 2-3.64b of this Code
7 and other performance indicators that the State Board
8 identifies and that reliably estimates school district,
9 school, and teacher effects on students' academic achievement
10 over time, controls for student characteristics, and uses an
11 independently verifiable statistical methodology to produce
12 such estimates.

13 "Value-added" means the improvement gains in student
14 achievement that are made each year based on pre-test and
15 post-test outcomes.

16 A Beginning with all newly negotiated collective
17 bargaining agreements entered into after the effective date of
18 this amendatory Act of the 95th General Assembly, a school
19 board and the exclusive bargaining representative, if any, may
20 include a performance-based teacher compensation plan in the
21 subject of its collective bargaining agreement. Nothing in this
22 Section shall preclude the school board and the exclusive
23 bargaining representative from agreeing to and implementing a
24 new performance-based teacher compensation plan prior to the
25 termination of a the current collective bargaining agreement in
26 existence on the effective date of this amendatory Act of the

1 96th General Assembly.

2 (b) The ~~new~~ teacher compensation plan bargained and agreed
3 to by the school board and the exclusive bargaining
4 representative under subsection (a) of this Section shall
5 provide certificated personnel with base salaries and shall
6 also provide that any increases in the compensation of
7 individual teachers or groups of teachers beyond base salaries
8 shall be pursuant, but not limited to, any of the following
9 elements:

10 (1) Excellent ~~Superior~~ teacher evaluations based on
11 multiple evaluations of their classroom teaching.

12 (2) A ~~Evaluation of a~~ teacher's student
13 classroom-level achievement growth as measured using a
14 growth model assessment or a value-added model.
15 ~~"Value added" means the improvement gains in student~~
16 ~~achievement that are made each year based on pre test and~~
17 ~~post test outcomes.~~

18 (3) School-level ~~Evaluation of school level~~
19 achievement growth as measured using a growth model
20 assessment or a value-added model. ~~"Value added" means the~~
21 ~~improvement gains in student achievement that are made each~~
22 ~~year based on pre test and post test outcomes.~~

23 (4) Demonstration of superior, outstanding performance
24 by an individual teacher or groups of teachers through the
25 meeting of unique and specific teaching practice
26 objectives defined and agreed to in advance in any given

1 school year.

2 (5) Preparation for meeting and contribution to the
3 broader needs of the school organization (e.g., curriculum
4 development, family liaison and community outreach,
5 implementation of a professional development program for
6 faculty, and participation in school management).

7 (c) (Blank). ~~A school board and exclusive bargaining~~
8 ~~representative that initiate their own performance based~~
9 ~~teacher compensation program shall submit the new plan to the~~
10 ~~State Board of Education for review not later than 150 days~~
11 ~~before the plan is to become effective. If the plan does not~~
12 ~~conform to this Section, the State Board of Education shall~~
13 ~~return the plan to the school board and the exclusive~~
14 ~~bargaining representative for modification. The school board~~
15 ~~and the exclusive bargaining representative shall then have 30~~
16 ~~days after the plan is returned to them to submit a modified~~
17 ~~plan.~~

18 (d) Nothing in this Section precludes a school board and an
19 exclusive bargaining representative from agreeing to and
20 implementing a performance-based teacher compensation plan
21 that does not meet the requirements of subsection (b) of this
22 Section and does not use standardized test scores as a basis
23 for determining compensation under the plan in order to provide
24 new incentives to improve student learning and to recruit and
25 retain highly qualified teachers, encourage highly qualified
26 teachers to undertake challenging assignments, and support

1 teachers' roles in improving students' educational
2 achievement.

3 (Source: P.A. 95-707, eff. 1-11-08; revised 1-23-08.)

4 (105 ILCS 5/10-20.46 new)

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

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

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

10 (2) A discussion of the major financial factors and
11 trends affecting the budget, such as changes in revenues,
12 enrollment, and debt.

13 (3) A description of the budget process.

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

17 (5) An explanation of significant financial and
18 demographic trends.

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

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

24 (8) Student enrollment trends, including a future
25 forecast.

1 (9) The number of personnel by type.

2 (10) Changes in both the long term and short term debt
3 burden.

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

12 (1) An organizational chart.

13 (2) Formal financial policies pursuant to Section
14 10-17b of this Code.

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

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

21 (105 ILCS 5/10-22.45) (from Ch. 122, par. 10-22.45)

22 Sec. 10-22.45. A school board shall ~~To~~ establish an audit
23 committee, which may include ~~and to appoint~~ members of the
24 board, ~~or~~ other appropriate officers, or persons who do not
25 serve on the board ~~to the committee~~, to review audit reports

1 and any other financial reports and documents, including
2 management letters prepared by or on behalf of the board.
3 Nothing in this Section prohibits a school district from
4 maintaining its own internal audit function.

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

6 (105 ILCS 5/14-13.01) (from Ch. 122, par. 14-13.01)

7 Sec. 14-13.01. Reimbursement payable by State; Amounts.
8 Reimbursement for furnishing special educational facilities in
9 a recognized school to the type of children defined in Section
10 14-1.02 shall be paid to the school districts in accordance
11 with Section 14-12.01 for each school year ending June 30 by
12 the State Comptroller out of any money in the treasury
13 appropriated for such purposes on the presentation of vouchers
14 by the State Board of Education.

15 The reimbursement shall be limited to funds expended for
16 construction and maintenance of special education facilities
17 designed and utilized to house instructional programs,
18 diagnostic services, other special education services for
19 children with disabilities and reimbursement as provided in
20 Section 14-13.01. There shall be no reimbursement for
21 construction and maintenance of any administrative facility
22 separated from special education facilities designed and
23 utilized to house instructional programs, diagnostic services
24 and other special education services for children with
25 disabilities.

1 (a) For children who have not been identified as eligible
2 for special education and for eligible children with physical
3 disabilities, including all eligible children whose placement
4 has been determined under Section 14-8.02 in hospital or home
5 instruction, 1/2 of the teacher's salary but not more than
6 \$1,000 annually per child or \$8,000 per teacher for the
7 1985-1986 school year through the 2005-2006 school year and
8 \$1,000 per child or \$9,000 per teacher for the 2006-2007 school
9 year through the 2008-2009 school year, \$11,839 per teacher for
10 the 2009-2010 school year, \$12,786 per teacher for the
11 2010-2011 school year, \$14,679 per teacher for the 2011-2012
12 school year, and \$20,358 per teacher for the 2012-2013 school
13 year and for each school year thereafter, whichever is less.
14 Thereafter, the reimbursement per teacher shall be increased
15 annually by a percentage increase equal to the percentage
16 increase, if any, in the U.S. Bureau of Labor Statistics'
17 Employment Cost Index for Elementary and Secondary Schools for
18 the then most recently completed calendar year. Children to be
19 included in any reimbursement under this paragraph must
20 regularly receive a minimum of one hour of instruction each
21 school day, or in lieu thereof of a minimum of 5 hours of
22 instruction in each school week in order to qualify for full
23 reimbursement under this Section. If the attending physician
24 for such a child has certified that the child should not
25 receive as many as 5 hours of instruction in a school week,
26 however, reimbursement under this paragraph on account of that

1 child shall be computed proportionate to the actual hours of
2 instruction per week for that child divided by 5.

3 (b) For children described in Section 14-1.02, 4/5 of the
4 cost of transportation for each such child, whom the State
5 Superintendent of Education determined in advance requires
6 special transportation service in order to take advantage of
7 special educational facilities. Transportation costs shall be
8 determined in the same fashion as provided in Section 29-5. For
9 purposes of this subsection (b), the dates for processing
10 claims specified in Section 29-5 shall apply.

11 (c) For each professional worker excluding those included
12 in subparagraphs (a), (d), (e), and (f) of this Section, the
13 annual sum of \$8,000 for the 1985-1986 school year through the
14 2005-2006 school year, ~~and~~ \$9,000 for the 2006-2007 school year
15 through the 2008-2009 school year, \$11,839 for the 2009-2010
16 school year, \$12,786 for the 2010-2011 school year, \$14,679 for
17 the 2011-2012 school year, and \$20,358 for the 2012-2013 school
18 year. Thereafter, the reimbursement per professional worker
19 shall be increased annually by a percentage increase equal to
20 the percentage increase, if any, in the U.S. Bureau of Labor
21 Statistics' Employment Cost Index for Elementary and Secondary
22 Schools for the then most recently completed calendar year ~~and~~
23 ~~for each school year thereafter.~~

24 (d) For one full time qualified director of the special
25 education program of each school district which maintains a
26 fully approved program of special education the annual sum of

1 \$8,000 for the 1985-1986 school year through the 2005-2006
2 school year, ~~and~~ \$9,000 for the 2006-2007 through the 2008-2009
3 school year, \$11,839 for the 2009-2010 school year, \$12,786 for
4 the 2010-2011 school year, \$14,679 for the 2011-2012 school
5 year, and \$20,358 for the 2012-2013 school year. Thereafter,
6 the reimbursement for the director shall be increased annually
7 by a percentage increase equal to the percentage increase, if
8 any, in the U.S. Bureau of Labor Statistics' Employment Cost
9 Index for Elementary and Secondary Schools for the then most
10 recently completed calendar year. ~~school year and for each~~
11 ~~school year thereafter.~~ Districts participating in a joint
12 agreement special education program shall not receive such
13 reimbursement if reimbursement is made for a director of the
14 joint agreement program.

15 (e) For each school psychologist as defined in Section
16 14-1.09 the annual sum of \$8,000 for the 1985-1986 school year
17 through the 2005-2006 school year, ~~and~~ \$9,000 for the 2006-2007
18 school year through the 2008-2009 school year, \$11,839 for the
19 2009-2010 school year, \$12,786 for the 2010-2011 school year,
20 \$14,679 for the 2011-2012 school year, and \$20,358 for the
21 2012-2013 school year. Thereafter, the reimbursement per
22 school psychologist shall be increased annually by a percentage
23 increase equal to the percentage increase, if any, in the U.S.
24 Bureau of Labor Statistics' Employment Cost Index for
25 Elementary and Secondary Schools for the then most recently
26 completed calendar year ~~and for each school year thereafter.~~

1 (f) For each qualified teacher working in a fully approved
2 program for children of preschool age who are deaf or
3 hard-of-hearing the annual sum of \$8,000 for the 1985-1986
4 school year through the 2005-2006 school year, ~~and~~ \$9,000 for
5 the 2006-2007 school year through the 2008-2009 school year,
6 \$11,839 for the 2009-2010 school year, \$12,786 for the
7 2010-2011 school year, \$14,679 for the 2011-2012 school year,
8 and \$20,358 for the 2012-2013 school year. Thereafter, the
9 reimbursement per teacher shall be increased annually by a
10 percentage increase equal to the percentage increase, if any,
11 in the U.S. Bureau of Labor Statistics' Employment Cost Index
12 for Elementary and Secondary Schools for the then most recently
13 completed calendar year and for each school year thereafter.

14 (g) For readers, working with blind or partially seeing
15 children 1/2 of their salary but not more than \$400 annually
16 per child. Readers may be employed to assist such children and
17 shall not be required to be certified but prior to employment
18 shall meet standards set up by the State Board of Education.

19 (h) For necessary non-certified employees working in any
20 class or program for children defined in this Article, 1/2 of
21 the salary paid or \$2,800 annually per employee through the
22 2005-2006 school year, ~~and~~ \$3,500 per employee for the
23 2006-2007 school year through the 2008-2009 school year, \$4,406
24 per employee for the 2009-2010 school year, \$4,708 per employee
25 for the 2010-2011 school year, \$5,313 per employee for the
26 2011-2012 school year, and \$7,126 per employee for the

1 2012-2013 school year and for each school year thereafter,
2 whichever is less. Thereafter, the reimbursement per employee
3 shall be increased annually by a percentage increase equal to
4 the percentage increase, if any, in the U.S. Bureau of Labor
5 Statistics' Employment Cost Index for Elementary and Secondary
6 Schools for the then most recently completed calendar year.

7 The State Board of Education shall set standards and
8 prescribe rules for determining the allocation of
9 reimbursement under this section on less than a full time basis
10 and for less than a school year.

11 When any school district eligible for reimbursement under
12 this Section operates a school or program approved by the State
13 Superintendent of Education for a number of days in excess of
14 the adopted school calendar but not to exceed 235 school days,
15 such reimbursement shall be increased by 1/180 of the amount or
16 rate paid hereunder for each day such school is operated in
17 excess of 180 days per calendar year.

18 Notwithstanding any other provision of law, any school
19 district receiving a payment under this Section or under
20 Section 14-7.02, 14-7.02b, or 29-5 of this Code may classify
21 all or a portion of the funds that it receives in a particular
22 fiscal year or from general State aid pursuant to Section
23 18-8.05 of this Code as funds received in connection with any
24 funding program for which it is entitled to receive funds from
25 the State in that fiscal year (including, without limitation,
26 any funding program referenced in this Section), regardless of

1 the source or timing of the receipt. The district may not
2 classify more funds as funds received in connection with the
3 funding program than the district is entitled to receive in
4 that fiscal year for that program. Any classification by a
5 district must be made by a resolution of its board of
6 education. The resolution must identify the amount of any
7 payments or general State aid to be classified under this
8 paragraph and must specify the funding program to which the
9 funds are to be treated as received in connection therewith.
10 This resolution is controlling as to the classification of
11 funds referenced therein. A certified copy of the resolution
12 must be sent to the State Superintendent of Education. The
13 resolution shall still take effect even though a copy of the
14 resolution has not been sent to the State Superintendent of
15 Education in a timely manner. No classification under this
16 paragraph by a district shall affect the total amount or timing
17 of money the district is entitled to receive under this Code.
18 No classification under this paragraph by a district shall in
19 any way relieve the district from or affect any requirements
20 that otherwise would apply with respect to that funding
21 program, including any accounting of funds by source, reporting
22 expenditures by original source and purpose, reporting
23 requirements, or requirements of providing services.

24 (Source: P.A. 95-415, eff. 8-24-07; 95-707, eff. 1-11-08.)

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

10 (105 ILCS 5/18-8.05)

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

14 (A) General Provisions.

15 (1) The provisions of this Section apply to the 1998-1999
16 and subsequent school years. The system of general State
17 financial aid provided for in this Section is designed to
18 assure that, through a combination of State financial aid and
19 required local resources, the financial support provided each
20 pupil in Average Daily Attendance equals or exceeds a
21 prescribed per pupil Foundation Level. This formula approach
22 imputes a level of per pupil Available Local Resources and
23 provides for the basis to calculate a per pupil level of
24 general State financial aid that, when added to Available Local

1 Resources, equals or exceeds the Foundation Level. The amount
2 of per pupil general State financial aid for school districts,
3 in general, varies in inverse relation to Available Local
4 Resources. Per pupil amounts are based upon each school
5 district's Average Daily Attendance as that term is defined in
6 this Section.

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

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

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

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

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

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

17 (d) (Blank).

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

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

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

1 (a) "Average Daily Attendance": A count of pupil
2 attendance in school, averaged as provided for in
3 subsection (C) and utilized in deriving per pupil financial
4 support levels.

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

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

16 (c-5) "ECI" means the Employment Cost Index as
17 published by the U.S. Bureau of Labor Statistics.

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

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

24 (B) Foundation Level.

25 (1) The Foundation Level is a figure established by the

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

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

22 (3) For the 2008-2009 school year and each school year
23 through the 2009-2010 school year ~~thereafter~~, the Foundation
24 Level of support is \$5,959 ~~or such greater amount as may be~~
25 ~~established by law by the General Assembly.~~

26 (4) It is the intention of the 96th General Assembly that

1 the Foundation Level of support be increased to the Education
2 Funding Advisory Board's recommendation for the 2006-2007
3 school year and be inflation adjusted to the 2013-2014 school
4 year, which would create a Foundation Level of \$8,410, and that
5 this Foundation Level of support be reached over a 4-year,
6 phase-in period to allow for thoughtful planning by school
7 districts on the utilization of this funding to best enhance
8 education.

9 For (i) school year 2010-2011, the Foundation Level of
10 support is \$6,540; (ii) school year 2011-2012, the Foundation
11 Level of support is \$7,141; (iii) school year 2012-2013, the
12 Foundation Level of support is \$7,764; and (iv) school year
13 2013-2014, the Foundation Level of support is \$8,410. For each
14 school year thereafter, the Foundation Level of support shall
15 be equal to the Foundation Level of support for the immediately
16 preceding completed school year, increased by the percentage
17 increase, if any, in the ECI published for the then most
18 recently completed calendar year or such greater amount as may
19 be established by law by the General Assembly.

20 (C) Average Daily Attendance.

21 (1) For purposes of calculating general State aid pursuant
22 to subsection (E), an Average Daily Attendance figure shall be
23 utilized. The Average Daily Attendance figure for formula
24 calculation purposes shall be the monthly average of the actual
25 number of pupils in attendance of each school district, as

1 further averaged for the best 3 months of pupil attendance for
2 each school district. In compiling the figures for the number
3 of pupils in attendance, school districts and the State Board
4 of Education shall, for purposes of general State aid funding,
5 conform attendance figures to the requirements of subsection
6 (F).

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

16 (D) Available Local Resources.

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

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

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

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

22 For partial elementary unit districts created pursuant to
23 Article 11E of this Code, local property tax revenues per pupil
24 shall be calculated as the product of the equalized assessed
25 valuation for property within the partial elementary unit
26 district for elementary purposes, as defined in Article 11E of

1 this Code, multiplied by 2.06% and divided by the district's
2 Average Daily Attendance figure, plus the product of the
3 equalized assessed valuation for property within the partial
4 elementary unit district for high school purposes, as defined
5 in Article 11E of this Code, multiplied by 0.94% and divided by
6 the district's Average Daily Attendance figure.

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

17 (E) Computation of General State Aid.

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

21 (2) For any school district for which Available Local
22 Resources per pupil is less than the product of 0.93 times the
23 Foundation Level, general State aid for that district shall be
24 calculated as an amount equal to the Foundation Level minus
25 Available Local Resources, multiplied by the Average Daily

1 Attendance of the school district.

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

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

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

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

7 (F) Compilation of Average Daily Attendance.

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

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

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

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

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

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

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

1 compilation of Average Daily Attendance.

2 (a) Pupils regularly enrolled in a public school for
3 only a part of the school day may be counted on the basis
4 of 1/6 day for every class hour of instruction of 40
5 minutes or more attended pursuant to such enrollment,
6 unless a pupil is enrolled in a block-schedule format of 80
7 minutes or more of instruction, in which case the pupil may
8 be counted on the basis of the proportion of minutes of
9 school work completed each day to the minimum number of
10 minutes that school work is required to be held that day.

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

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

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

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

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

1 telephone to the classroom may be counted as 1/2 day of
2 attendance, however these pupils must receive 4 or more
3 clock hours of instruction to be counted for a full day of
4 attendance.

5 (f) A session of at least 4 clock hours may be counted
6 as a day of attendance for first grade pupils, and pupils
7 in full day kindergartens, and a session of 2 or more hours
8 may be counted as 1/2 day of attendance by pupils in
9 kindergartens which provide only 1/2 day of attendance.

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

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

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

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

19 (G) Equalized Assessed Valuation Data.

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

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

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

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

17 This equalized assessed valuation, as adjusted further by
18 the requirements of this subsection, shall be utilized in the
19 calculation of Available Local Resources.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 general State aid pursuant to paragraph (5) of subsection (E),
2 that Extension Limitation Equalized Assessed Valuation shall
3 be utilized to calculate the district's Available Local
4 Resources.

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

17 (H) Supplemental General State Aid.

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

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

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

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

21 (1.10) This paragraph (1.10) applies to the 2003-2004
22 school year and each school year thereafter. For purposes of
23 this subsection (H), the term "Low-Income Concentration Level"
24 shall, for each fiscal year, be the low-income eligible pupil
25 count as of July 1 of the immediately preceding fiscal year (as
26 determined by the Department of Human Services based on the

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

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

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

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

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

24 (d) For any school district with a Low Income
25 Concentration Level of 60% or more, the grant for the
26 1998-99 school year shall be \$1,900 multiplied by the low

1 income eligible pupil count.

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

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

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

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

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

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

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

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

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

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

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

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

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

24 For the 2003-2004 school year and each school year
25 thereafter through the 2008-2009 school year only, the grant
26 shall be no less than the grant for the 2002-2003 school year.

1 For the 2009-2010 school year only, the grant shall be no less
2 than the grant for the 2002-2003 school year multiplied by
3 0.66. For the 2010-2011 school year only, the grant shall be no
4 less than the grant for the 2002-2003 school year multiplied by
5 0.33. Notwithstanding the provisions of this paragraph to the
6 contrary, if for any school year supplemental general State aid
7 grants are prorated as provided in paragraph (1) of this
8 subsection (H), then the grants under this paragraph shall be
9 prorated.

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

1 the 2002-2003 school year.

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

12 (4) School districts with an Average Daily Attendance of
13 50,000 or more that qualify for supplemental general State aid
14 pursuant to this subsection shall be required to distribute
15 from funds available pursuant to this Section, no less than
16 \$261,000,000 in accordance with the following requirements:

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

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

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

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

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

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

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

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

22 Upon notification by the State Board of Education that
23 the district has not submitted a plan prior to July 15 or a
24 modified plan within the time period specified herein, the
25 State aid funds affected by that plan or modified plan
26 shall be withheld by the State Board of Education until a

1 plan or modified plan is submitted.

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

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

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

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

9 (I) (Blank).

10 (J) Supplementary Grants in Aid.

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

1 of the aggregate general State aid entitlement that was
2 received by the district under Section 18-8 (exclusive of
3 amounts received under subsections 5(p) and 5(p-5) of that
4 Section) for the 1997-1998 school year, pursuant to the
5 provisions of that Section as it was then in effect.

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

17 (3) (Blank).

18 (K) Grants to Laboratory and Alternative Schools.

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

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

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

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

1 educational service regions may agree.

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

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

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

24 (2) (Blank).

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

1 provided in Section 18-4.3.

2 (M) Education Funding Advisory Board.

3 The Education Funding Advisory Board, hereinafter in this
4 subsection (M) referred to as the "Board", is hereby created.
5 The Board shall consist of 5 members who are appointed by the
6 Governor, by and with the advice and consent of the Senate. The
7 members appointed shall include representatives of education,
8 business, and the general public. One of the members so
9 appointed shall be designated by the Governor at the time the
10 appointment is made as the chairperson of the Board. The
11 initial members of the Board may be appointed any time after
12 the effective date of this amendatory Act of 1997. The regular
13 term of each member of the Board shall be for 4 years from the
14 third Monday of January of the year in which the term of the
15 member's appointment is to commence, except that of the 5
16 initial members appointed to serve on the Board, the member who
17 is appointed as the chairperson shall serve for a term that
18 commences on the date of his or her appointment and expires on
19 the third Monday of January, 2002, and the remaining 4 members,
20 by lots drawn at the first meeting of the Board that is held
21 after all 5 members are appointed, shall determine 2 of their
22 number to serve for terms that commence on the date of their
23 respective appointments and expire on the third Monday of
24 January, 2001, and 2 of their number to serve for terms that
25 commence on the date of their respective appointments and

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

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

21 The State Board of Education shall provide such staff
22 assistance to the Education Funding Advisory Board as is
23 reasonably required for the proper performance by the Board of
24 its responsibilities.

25 For school years after the 2000-2001 school year, the
26 Education Funding Advisory Board, in consultation with the

1 State Board of Education, shall make recommendations as
2 provided in this subsection (M) to the General Assembly for the
3 foundation level under subsection (B) ~~subdivision (B)(3)~~ of
4 this Section and for the supplemental general State aid grant
5 level under subsection (H) of this Section for districts with
6 high concentrations of children from poverty. The recommended
7 foundation level shall be determined based on a methodology
8 which incorporates the basic education expenditures of
9 low-spending schools exhibiting high academic performance. The
10 Education Funding Advisory Board shall make such
11 recommendations to the General Assembly on January 1 of odd
12 numbered years, beginning January 1, 2001.

13 (N) (Blank).

14 (O) References.

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

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

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

1 changes to this Section. Under Section 6 of the Statute on
2 Statutes there is an irreconcilable conflict between Public Act
3 93-808 and Public Act 93-838. Public Act 93-838, being the last
4 acted upon, is controlling. The text of Public Act 93-838 is
5 the law regardless of the text of Public Act 93-808.

6 (Source: P.A. 94-69, eff. 7-1-05; 94-438, eff. 8-4-05; 94-835,
7 eff. 6-6-06; 94-1019, eff. 7-10-06; 94-1105, eff. 6-1-07;
8 95-331, eff. 8-21-07; 95-644, eff. 10-12-07; 95-707, eff.
9 1-11-08; 95-744, eff. 7-18-08; 95-903, eff. 8-25-08; revised
10 9-5-08.)

11 (105 ILCS 5/19-3) (from Ch. 122, par. 19-3)

12 Sec. 19-3. Boards of education. Any school district
13 governed by a board of education and having a population of not
14 more than 500,000 inhabitants, and not governed by a special
15 Act may borrow money for the purpose of building, equipping,
16 altering or repairing school buildings or purchasing or
17 improving school sites, or acquiring and equipping
18 playgrounds, recreation grounds, athletic fields, and other
19 buildings or land used or useful for school purposes or for the
20 purpose of purchasing a site, with or without a building or
21 buildings thereon, or for the building of a house or houses on
22 such site, or for the building of a house or houses on the
23 school site of the school district, for residential purposes of
24 the superintendent, principal, or teachers of the school
25 district, and issue its negotiable coupon bonds therefor signed

1 by the president and secretary of the board, in denominations
2 of not less than \$100 nor more than \$5,000, payable at such
3 place and at such time or times, not exceeding 20 years from
4 date of issuance, as the board of education may prescribe, and
5 bearing interest at a rate not to exceed the maximum rate
6 authorized by the Bond Authorization Act, as amended at the
7 time of the making of the contract, payable annually,
8 semiannually or quarterly, but, with the exception of those
9 bonds described in Section 17-2.11c of this Code, no such bonds
10 shall be issued unless the proposition to issue them is
11 submitted to the voters of the district at a referendum held at
12 a regularly scheduled election after the board has certified
13 the proposition to the proper election authorities in
14 accordance with the general election law, a majority of all the
15 votes cast on the proposition is in favor of the proposition,
16 and notice of such bond referendum has been given either (i) in
17 accordance with the second paragraph of Section 12-1 of the
18 Election Code irrespective of whether such notice included any
19 reference to the public question as it appeared on the ballot,
20 or (ii) for an election held on or after November 1, 1998, in
21 accordance with Section 12-5 of the Election Code, or (iii) by
22 publication of a true and legible copy of the specimen ballot
23 label containing the proposition in the form in which it
24 appeared or will appear on the official ballot label on the day
25 of the election at least 5 days before the day of the election
26 in at least one newspaper published in and having a general

1 circulation in the district, irrespective of any other
2 requirements of Article 12 or Section 24A-18 of the Election
3 Code, nor shall any residential site be acquired unless such
4 proposition to acquire a site is submitted to the voters of the
5 district at a referendum held at a regularly scheduled election
6 after the board has certified the proposition to the proper
7 election authorities in accordance with the general election
8 law and a majority of all the votes cast on the proposition is
9 in favor of the proposition. Nothing in this Act or in any
10 other law shall be construed to require the notice of the bond
11 referendum to be published over the name or title of the
12 election authority or the listing of maturity dates of any
13 bonds either in the notice of bond election or ballot used in
14 the bond election. The provisions of this Section concerning
15 notice of the bond referendum apply only to (i) consolidated
16 primary elections held prior to January 1, 2002 and the
17 consolidated election held on April 17, 2007 at which not less
18 than 60% of the voters voting on the bond proposition voted in
19 favor of the bond proposition, and (ii) other elections held
20 before July 1, 1999; otherwise, notices required in connection
21 with the submission of public questions shall be as set forth
22 in Section 12-5 of the Election Code. Such proposition may be
23 initiated by resolution of the school board.

24 With respect to instruments for the payment of money issued
25 under this Section either before, on, or after the effective
26 date of this amendatory Act of 1989, it is and always has been

1 the intention of the General Assembly (i) that the Omnibus Bond
2 Acts are and always have been supplementary grants of power to
3 issue instruments in accordance with the Omnibus Bond Acts,
4 regardless of any provision of this Act that may appear to be
5 or to have been more restrictive than those Acts, (ii) that the
6 provisions of this Section are not a limitation on the
7 supplementary authority granted by the Omnibus Bond Acts, and
8 (iii) that instruments issued under this Section within the
9 supplementary authority granted by the Omnibus Bond Acts are
10 not invalid because of any provision of this Act that may
11 appear to be or to have been more restrictive than those Acts.

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

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

16 (105 ILCS 5/21-29)

17 Sec. 21-29. Salary Incentive Program for Hard-to-Staff
18 Schools.

19 (a) The Salary Incentive Program for Hard-to-Staff Schools
20 is established to provide categorical funding for monetary
21 incentives and bonuses for teachers and school administrators
22 who are employed by school districts in schools designated as
23 hard-to-staff by the State Board of Education.

24 For the purposes of this Section, "hard-to-staff school"
25 means a public school in this State that ranks in the upper

1 third among public schools of its type (elementary, middle, or
2 secondary) in terms of rate of attrition of its teachers and
3 where 40% of its students are at or below the poverty line ~~an~~
4 ~~elementary, middle, or high school that is operated by a school~~
5 ~~district and that ranks in the top 5% of schools in this State~~
6 ~~in the average rate of teacher attrition over a 5 year period.~~

7 The State Board of Education shall allocate and distribute to
8 qualifying schools an amount as annually appropriated by the
9 General Assembly for the Salary Incentive Program for
10 Hard-to-Staff Schools. The State Board of Education's annual
11 budget must set out by separate line item the appropriation for
12 the program. Only teachers and principals who work full time
13 and for a full school year are eligible for the incentives and
14 bonuses.

15 (b) Unless otherwise provided by appropriation, each
16 school's annual allocation under the Salary Incentive Program
17 for Hard-to-Staff Schools shall be the sum of the following
18 incentives and bonuses:

19 (1) An annual payment of \$3,000 to be paid to each
20 certificated teacher employed as a school teacher by the
21 school district. The school shall distribute this payment
22 to each eligible teacher as a single payment or in not more
23 than 3 payments.

24 (2) An annual payment of \$5,000 to each certificated
25 principal that is employed as a school principal by the
26 school district. The school shall distribute this payment

1 to each eligible principal as a single payment or in not
2 more than 3 payments.

3 If the appropriation in a given fiscal year is insufficient
4 to meet all needs under this Section, then claims under this
5 Section must be prorated proportionally.

6 (c) Each regional superintendent of schools shall provide
7 information about the Salary Incentive Program for
8 Hard-to-Staff Schools to each individual seeking to register or
9 renew a certificate.

10 (d) The State Board of Education, the Teachers' Retirement
11 System of the State of Illinois, and the Public School
12 Teachers' Pension and Retirement Fund of Chicago shall work
13 together to validate data for the purposes of this Section as
14 necessary.

15 (Source: P.A. 95-707, eff. 1-11-08; 95-938, eff. 8-29-08.)

16 (105 ILCS 5/21A-3 new)

17 Sec. 21A-3. Goals. The New Teacher Induction and Mentoring
18 Program under this Article shall accomplish the following
19 goals:

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

22 (2) improve the educational performance of pupils
23 through improved training, information, and assistance for
24 new teachers;

25 (3) ensure professional success and retention of new

1 teachers;

2 (4) ensure that mentors provide intensive
3 individualized support and assistance to each
4 participating beginning teacher;

5 (5) ensure that an individual induction plan is in
6 place for each beginning teacher and is based on an ongoing
7 assessment of the development of the beginning teacher; and

8 (6) ensure continuous program improvement through
9 ongoing research, development and evaluation.

10 (105 ILCS 5/21A-5)

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

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

19 "Public school" means any school operating pursuant to the
20 authority of this Code, including without limitation a school
21 district, a charter school, a cooperative or joint agreement
22 with a governing body or board of control, and a school
23 operated by a regional office of education or State agency.

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

1 (105 ILCS 5/21A-10)

2 Sec. 21A-10. Development of program required. Prior to the
3 2011-2012 ~~During the 2003-2004~~ school year, each public school
4 or 2 or more public schools acting jointly shall develop, in
5 conjunction with its exclusive representative or their
6 exclusive representatives, if any, a new teacher induction and
7 mentoring program that meets the requirements set forth in
8 Section 21A-20 of this Code to assist new teachers in
9 developing the skills and strategies necessary for
10 instructional excellence, ~~provided that funding is made~~
11 ~~available by the State Board of Education from an appropriation~~
12 ~~made for this purpose. A public school that has an existing~~
13 ~~induction and mentoring program that does not meet the~~
14 ~~requirements set forth in Section 21A-20 of this Code may have~~
15 ~~school years 2003-2004 and 2004-2005 to develop a program that~~
16 ~~does meet those requirements and may receive funding as~~
17 ~~described in Section 21A-25 of this Code, provided that the~~
18 ~~funding is made available by the State Board of Education from~~
19 ~~an appropriation made for this purpose. A public school with~~
20 ~~such an existing induction and mentoring program may receive~~
21 ~~funding for the 2005-2006 school year for each new teacher in~~
22 ~~the second year of a 2-year program that does not meet the~~
23 ~~requirements set forth in Section 21A-20, as long as the public~~
24 ~~school has established the required new program by the~~
25 ~~beginning of that school year as described in Section 21A-15~~
26 ~~and provided that funding is made available by the State Board~~

1 ~~of Education from an appropriation made for this purpose as~~
2 ~~described in Section 21A-25.~~

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

4 (105 ILCS 5/21A-15)

5 Sec. 21A-15. When program is to be established and
6 implemented. Notwithstanding any other provisions of this
7 Code, by the beginning of the 2011-2012 ~~2004-2005~~ school year
8 ~~(or by the beginning of the 2005-2006 school year for a public~~
9 ~~school that has been given an extension of time to develop a~~
10 ~~program under Section 21A-10 of this Code),~~ each public school
11 or 2 or more public schools acting jointly shall establish and
12 implement, in conjunction with its exclusive representative or
13 their exclusive representatives, if any, the new teacher
14 induction and mentoring program required to be developed under
15 Section 21A-10 of this Code, ~~provided that funding is made~~
16 ~~available by the State Board of Education, from an~~
17 ~~appropriation made for this purpose, as described in Section~~
18 ~~21A-25 of this Code.~~ A public school may contract with an
19 institution of higher education or other independent party to
20 assist in implementing the program.

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

22 (105 ILCS 5/21A-20)

23 Sec. 21A-20. Program requirements. Each new teacher
24 induction and mentoring program must be based on a plan that at

1 least does all of the following:

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

6 (1.5) Ensures mentors are:

7 (A) carefully selected from experienced, exemplary
8 teachers using a clearly articulated, well-defined,
9 explicit criteria and open processes that may involve
10 key school partners;

11 (B) rigorously trained using best practices in the
12 field to ensure they are well prepared to assume their
13 responsibilities and are consistently supported in
14 their efforts to assist beginning teachers;

15 (C) provided with sufficient release time from
16 teaching to allow them to meet their responsibilities
17 as mentors, including regular contacts with their
18 beginning teachers and frequent observations of their
19 teaching practice; and

20 (D) equipped and selected to provide
21 classroom-focused and content-focused support whenever
22 possible.

23 (2) Aligns with the Illinois Professional Teaching
24 Standards, content area standards, and applicable local
25 school improvement and professional development plans, if
26 any.

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

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

4 ~~(B) Professional development specifically designed~~
5 ~~to ensure the growth of the new teacher's knowledge and~~
6 ~~skills.~~

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

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

22 (5) Provides ongoing professional development for both
23 beginning teachers and mentors.

24 (A) Beginning teachers shall participate in an
25 ongoing, formal network of novice colleagues for the
26 purpose of professional learning, problem-solving, and

1 mutual support. These regular learning opportunities
2 shall begin with an orientation to the induction and
3 mentoring program prior to the start of the school year
4 and continue throughout the academic year. The group
5 shall address issues of pedagogy, classroom management
6 and content knowledge, beginning teachers' assessed
7 needs, and local instructional needs or priorities.

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

16 (6) Provides for ongoing assessment of beginning
17 teacher practice. Beginning teachers shall be subject to a
18 system of formative assessment in which the novice and
19 mentor collaboratively collect and analyze multiple
20 sources of data and reflect upon classroom practice in an
21 ongoing process. This assessment system shall be based on
22 the Illinois Professional Teaching Standards (IPTS), the
23 IPTS Continuum of Teacher Development, or a nationally
24 recognized teaching framework, as well as evidence of
25 teacher practice, including student work. The assessment
26 information shall be used to determine the scope, focus,

1 and content of professional development activities that
2 are the basis of the beginning teacher's individual
3 learning plan. The program shall provide time to ensure
4 that the quality of the process (such as observations, data
5 collection, and reflective conversations) is not
6 compromised.

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

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

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

23 (105 ILCS 5/21A-25)
24 Sec. 21A-25. Funding. From a separate appropriation made
25 for the purposes of this Article, for each new teacher

1 ~~participating in a new teacher induction and mentoring program~~
2 that meets the requirements set forth in Section 21A-20 of this
3 Code ~~or in an existing program that is in the process of~~
4 ~~transition to a program that meets those requirements,~~ the
5 State Board of Education shall pay the public school \$6,000
6 ~~\$1,200~~ annually for each of 2 school years for the purpose of
7 providing one or more of the following:

8 (1) Mentor teacher compensation.

9 (2) Mentor teacher training and other resources, ~~or~~ new
10 teacher training and other resources, or both.

11 (3) Release time, including costs associated with
12 replacing a mentor teacher or new teacher in his or her
13 regular classroom.

14 (4) Site-based program administration, not to exceed
15 10% of the total program cost.

16 However, if a new teacher, after participating in the new
17 teacher induction and mentoring program for one school year,
18 becomes employed by another public school, the State Board of
19 Education shall pay the teacher's new school \$6,000 ~~\$1,200~~ for
20 the second school year and the teacher shall continue to be a
21 new teacher as defined in this Article. Each public school
22 shall determine, in conjunction with its exclusive
23 representative, if any, how the \$6,000 ~~\$1,200~~ per school year
24 for each new teacher shall be used, provided that if a mentor
25 teacher receives additional release time to support a new
26 teacher, the total workload of other teachers regularly

1 employed by the public school shall not increase in any
2 substantial manner. If the appropriation is insufficient to
3 cover the \$6,000 ~~\$1,200~~ per school year for each new teacher,
4 public schools are not required to develop or implement the
5 program established by this Article. In the event of an
6 insufficient appropriation, a public school or 2 or more
7 schools acting jointly may submit an application for a grant
8 administered by the State Board of Education and awarded on a
9 competitive basis to establish a new teacher induction and
10 mentoring program that meets the criteria set forth in Section
11 21A-20 of this Code. The State Board of Education may retain up
12 to \$1,000,000 of the appropriation for new teacher induction
13 and mentoring programs to train mentor teachers,
14 administrators, and other personnel, to provide best practices
15 information, and to conduct an evaluation of these programs'
16 impact and effectiveness.

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

18 (105 ILCS 5/21A-30)

19 Sec. 21A-30. Evaluation of programs. The State Board of
20 Education and the State Teacher Certification Board shall
21 jointly contract with an independent party to conduct a
22 comprehensive evaluation of new teacher induction and
23 mentoring programs established pursuant to this Article. The
24 first report of this evaluation shall be presented to the
25 General Assembly on or before January 1, 2013 ~~2009~~. Subsequent

1 evaluations shall be conducted and reports presented to the
2 General Assembly on or before January 1 of every third year
3 thereafter. Additionally, the State Board of Education shall
4 prepare an annual program report for the General Assembly on or
5 before December 31 each year. It shall summarize local program
6 design, indicate the number of teachers served, and document
7 rates of new teacher attrition and retention.

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

9 (105 ILCS 5/23-3) (from Ch. 122, par. 23-3)

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

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

19 (105 ILCS 5/23-5.5 new)

20 Sec. 23-5.5. Professional development and training. Any
21 such association shall offer professional development and
22 training to school board members on topics that include, but
23 are not limited to, basics of school finance, financial
24 oversight and accountability, labor law and collective

1 bargaining, ethics, duties and responsibilities of a school
2 board member, and board governance principles. Every school
3 board member is expected to receive at least 4 hours of
4 professional development and training per year.

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

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

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

19 (105 ILCS 5/24-12) (from Ch. 122, par. 24-12)

20 Sec. 24-12. Removal or dismissal of teachers in contractual
21 continued service.

22 (a) If a teacher in contractual continued service is
23 removed or dismissed as a result of a decision of the board to
24 decrease the number of teachers employed by the board or to

1 discontinue some particular type of teaching service, written
2 notice shall be mailed to the teacher and also given the
3 teacher either by certified mail, return receipt requested or
4 personal delivery with receipt at least 60 days before the end
5 of the school term, together with a statement of honorable
6 dismissal and the reason therefor. Any teacher dismissed as a
7 result of such decrease or discontinuance shall be paid all
8 earned compensation on or before the third business day
9 following the last day of pupil attendance in the regular
10 school term.

11 Whenever the number of honorable dismissal notices based
12 upon economic necessity exceeds 5 or 150% of the average number
13 of teachers honorably dismissed in the preceding 3 years,
14 whichever is more, then the board shall also hold a public
15 hearing on the question of the dismissals. Following the
16 hearing and board review, the action to approve any such
17 reduction shall require a majority vote of the board members.

18 (1) Each board shall, in consultation with any
19 exclusive employee representatives, each year establish a
20 list, categorized by positions, showing the length of
21 continuing service of each teacher who is qualified to hold
22 any such certified positions, unless an alternative method
23 of determining a sequence of dismissal is established as
24 provided for in this Section, in which case a list shall be
25 made in accordance with the alternative method. Copies of
26 the list shall be distributed to the exclusive employee

1 representative on or before February 1 of each year.

2 In all such cases where a teacher in contractual
3 continued service is removed or dismissed as a result of a
4 decision of the board to decrease the number of teachers
5 employed by the board or to discontinue some particular
6 type of teaching service, and in all such cases the board
7 shall first remove or dismiss all teachers who have not
8 entered upon contractual continued service before removing
9 or dismissing any teacher who has entered upon contractual
10 continued service and who is legally qualified to hold a
11 position currently held by a teacher who has not entered
12 upon contractual continued service.

13 As between teachers who have entered upon contractual
14 continued service, the teacher or teachers with the shorter
15 length of continuing service with the district shall be
16 dismissed first unless an alternative method of
17 determining the sequence of dismissal is established in a
18 collective bargaining agreement or contract between the
19 board and a professional faculty members' organization and
20 except that this provision shall not impair the operation
21 of any affirmative action program in the district,
22 regardless of whether it exists by operation of law or is
23 conducted on a voluntary basis by the board. ~~Any teacher~~
24 ~~dismissed as a result of such decrease or discontinuance~~
25 ~~shall be paid all earned compensation on or before the~~
26 ~~third business day following the last day of pupil~~

1 ~~attendance in the regular school term.~~

2 (2) If the board has any vacancies for the following
3 school term or within one calendar year from the beginning
4 of the following school term, the positions thereby
5 becoming available shall be tendered to the teachers so
6 removed or dismissed so far as they are legally qualified
7 to hold such positions; provided, however, that if the
8 number of honorable dismissal notices based on economic
9 necessity exceeds 15% of the number of full time equivalent
10 positions filled by certified employees (excluding
11 principals and administrative personnel) during the
12 preceding school year, then if the board has any vacancies
13 for the following school term or within 2 calendar years
14 from the beginning of the following school term, the
15 positions so becoming available shall be tendered to the
16 teachers who were so notified and removed or dismissed
17 whenever they are legally qualified to hold such positions.

18 ~~Each board shall, in consultation with any exclusive~~
19 ~~employee representatives, each year establish a list,~~
20 ~~categorized by positions, showing the length of continuing~~
21 ~~service of each teacher who is qualified to hold any such~~
22 ~~positions, unless an alternative method of determining a~~
23 ~~sequence of dismissal is established as provided for in~~
24 ~~this Section, in which case a list shall be made in~~
25 ~~accordance with the alternative method. Copies of the list~~
26 ~~shall be distributed to the exclusive employee~~

1 ~~representative on or before February 1 of each year.~~
2 ~~Whenever the number of honorable dismissal notices based~~
3 ~~upon economic necessity exceeds 5, or 150% of the average~~
4 ~~number of teachers honorably dismissed in the preceding 3~~
5 ~~years, whichever is more, then the board also shall hold a~~
6 ~~public hearing on the question of the dismissals. Following~~
7 ~~the hearing and board review the action to approve any such~~
8 ~~reduction shall require a majority vote of the board~~
9 ~~members.~~

10 (b) (1) If a dismissal or removal is sought for any other
11 reason or cause, including those under Section 10-22.4, the
12 board must first approve a motion containing specific charges
13 by a majority vote of all its members. Written notice of such
14 charges and the teacher's right to request a hearing shall be
15 mailed to the teacher and also given the teacher either by
16 certified mail, return receipt requested, or personal delivery
17 with receipt shall be served upon the teacher within 5 days of
18 the adoption of the motion. Such notice shall contain a bill of
19 particulars.

20 Before setting a hearing on charges stemming from causes
21 that are considered remediable, a board must give the teacher
22 reasonable warning in writing, stating specifically the causes
23 that, if not removed, may result in charges; however, no such
24 written warning shall be required if the causes have been the
25 subject of a remediation plan pursuant to Article 24A of this
26 Code.

1 If in the opinion of the board the interests of the school
2 require it, the board may suspend the teacher pending the
3 hearing, but the teacher shall not suffer the loss of any
4 salary or benefits by reason of the suspension.

5 (2) No hearing upon the charges is required unless the
6 teacher within 10 days after receiving notice requests in
7 writing of the board that a hearing be scheduled, in which
8 case the board shall schedule a hearing on those charges
9 before a disinterested hearing officer on a date no less
10 than 15 nor more than 30 days after the enactment of the
11 motion. The secretary of the school board shall forward a
12 copy of the notice to the State Board of Education.

13 (3) Within 5 business days after receiving this notice
14 of hearing, the State Board of Education shall provide a
15 list of 5 prospective, impartial hearing officers. Each
16 person on the list must (i) be accredited by a national
17 arbitration organization and have had a minimum of 5 years
18 of experience directly related to labor and employment
19 relations matters between educational employers and
20 educational employees or their exclusive bargaining
21 representatives; (ii) not. No one on the list may be a
22 resident of the school district; (iii) beginning July 1,
23 2010, have participated within the past 2 years in training
24 provided or approved by the State Board of Education for
25 teacher dismissal hearing officers so that he or she is
26 familiar with issues generally involved in evaluative and

1 non-evaluative dismissals; (iv) be available to commence
2 the hearing within 90 days and conclude the hearing within
3 120 days after being selected by the parties as the hearing
4 officer; and (v) issue a decision as to whether the teacher
5 shall be dismissed and give a copy of that decision to both
6 the teacher and the school board within 60 days from the
7 conclusion of the hearing or closure of the record,
8 whichever is later. The Board and the teacher or their
9 legal representatives within 5 business 3 days shall
10 alternately strike one name from the list until only one
11 name remains. Unless waived by the teacher, the teacher
12 shall have the right to proceed first with the striking.
13 Within 5 business 3 days of receipt of the first list
14 provided by the State Board of Education, the board and the
15 teacher or their legal representatives shall each have the
16 right to reject all prospective hearing officers named on
17 the first list and to require the State Board of Education
18 to provide a second list of 5 prospective, impartial
19 hearing officers, none of whom were named on the first
20 list. Within 5 business days after receiving this request
21 for a second list, the State Board of Education shall
22 provide the second list of 5 prospective, impartial hearing
23 officers. The procedure for selecting a hearing officer
24 from the second list shall be the same as the procedure for
25 the first list.

26 (4) In the alternative to selecting a hearing officer

1 from the first or second list received from the State Board
2 of Education or if the State Board of Education cannot
3 provide a list that meets the foregoing requirements, the
4 board and the teacher or their legal representatives may
5 mutually agree to select an impartial hearing officer who
6 is not on a list received from the State Board of Education
7 either by direct appointment by the parties or by using
8 procedures for the appointment of an arbitrator
9 established by the Federal Mediation and Conciliation
10 Service or the American Arbitration Association. The
11 parties shall notify the State Board of Education of their
12 intent to select a hearing officer using an alternative
13 procedure within 3 business days of receipt of a list of
14 prospective hearing officers provided by the State Board of
15 Education or receipt of notice from the State Board of
16 Education that it cannot provide a list that meets the
17 foregoing requirements. Any person selected by the parties
18 under this alternative procedure for the selection of a
19 hearing officer must meet the requirements for a hearing
20 officer to appear on ~~shall not be a resident of the school~~
21 ~~district and shall have the same qualifications and~~
22 ~~authority as a hearing officer selected from a list~~
23 provided by the State Board of Education.

24 (5) The State Board of Education shall promulgate
25 uniform standards and rules of procedure for such hearings.
26 As to prehearing discovery, such rules and regulations

1 shall, at a minimum, allow for written interrogatories,
2 evidence depositions and requests for production of
3 documents. They shall also require each party to provide to
4 the other party, by no later than 45 days prior to the
5 commencement of the hearing: (i) the ~~(1) discovery of~~
6 names and addresses of persons who may be called as ~~expert~~
7 witnesses at the hearing, with an indication of which of up
8 to 3 witnesses may be providing the most essential
9 testimony and a detailed summary of the facts or opinion
10 each witness will testify to ~~the omission of any such name~~
11 ~~to result in a preclusion of the testimony of such witness~~
12 ~~in the absence of a showing of good cause and the express~~
13 ~~permission of the hearing officer; (2) bills of~~
14 ~~particulars; (3) written interrogatories; and (ii) all~~
15 other ~~(4) production of~~ relevant documents and other
16 materials, including information maintained
17 electronically, whether or not the party intends to use
18 them at the hearing. Subsequently, if a party discovers
19 additional materials or information that should be
20 provided, he or she shall promptly notify and provide the
21 additional materials to the other party or his or her
22 counsel. If such additional material or information is
23 discovered during the hearing, the hearing officer shall
24 also be notified. If at any time during the course of the
25 hearing it is brought to the attention of the hearing
26 officer that a party has failed to provide information as

1 required by this Section, the hearing officer may order
2 such party to provide the material and information, grant a
3 continuance, exclude such evidence, or enter such other
4 order as it deems just under the circumstances. The per
5 diem allowance for the hearing officer shall be determined
6 and paid by the State Board of Education, provided that the
7 per diem allowance shall be no less than the average per
8 diem rate for Illinois arbitrators reported by the Federal
9 Mediation and Conciliation Service for the prior calendar
10 year. If the board and the teacher or their legal
11 representatives mutually agree to select an impartial
12 hearing officer who is not on a list received from the
13 State Board of Education, they may agree to supplement the
14 per diem allowance paid by the State Board to the hearing
15 officer, at a rate consistent with the hearing officer's
16 published professional fees.

17 The hearing officer shall hold a hearing and render a
18 final decision. The hearing officer shall commence the
19 hearing within 90 days and conclude the hearing within 120
20 days after being selected by the parties as the hearing
21 officer, provided that these timelines may be modified upon
22 the showing of good cause. Good cause shall mean the
23 illness or otherwise unavoidable emergency of the teacher,
24 district superintendent, their legal representatives, the
25 hearing officer, or an essential witness as indicated in
26 each party's pre-hearing submission. In a dismissal

1 hearing, the hearing officer shall consider and give weight
2 to all of the teacher's evaluations written pursuant to
3 Article 24A of this Code. The teacher has the privilege of
4 being present at the hearing with counsel and of
5 cross-examining witnesses and may offer evidence and
6 witnesses and present defenses to the charges. The hearing
7 officer may issue subpoenas and subpoenas duces tecum
8 requiring the attendance of witnesses and, at the request
9 of the teacher against whom a charge is made or the board,
10 shall issue such subpoenas, but the hearing officer may
11 limit the number of witnesses to be subpoenaed in behalf of
12 the teacher or the board to not more than 10. All testimony
13 at the hearing shall be taken under oath administered by
14 the hearing officer. The hearing officer shall cause a
15 record of the proceedings to be kept and shall employ a
16 competent reporter to take stenographic or stenotype notes
17 of all the testimony. The costs of the reporter's
18 attendance and services at the hearing shall be paid by the
19 State Board of Education. Either party desiring a
20 transcript of the hearing shall pay for the cost thereof.
21 ~~If in the opinion of the board the interests of the school~~
22 ~~require it, the board may suspend the teacher pending the~~
23 ~~hearing, but if acquitted the teacher shall not suffer the~~
24 ~~loss of any salary by reason of the suspension.~~

25 ~~Before setting a hearing on charges stemming from~~
26 ~~causes that are considered remediable, a board must give~~

1 ~~the teacher reasonable warning in writing, stating~~
2 ~~specifically the causes which, if not removed, may result~~
3 ~~in charges; however, no such written warning shall be~~
4 ~~required if the causes have been the subject of a~~
5 ~~remediation plan pursuant to Article 24A.~~

6 (6) The hearing officer shall consider and give weight
7 to all of the teacher's evaluations written pursuant to
8 Article 24A. The hearing officer shall, within 30 days from
9 the conclusion of the hearing or closure of the record,
10 whichever is later, make a decision as to whether or not
11 the teacher shall be dismissed and shall give a copy of the
12 decision to both the teacher and the school board. ~~If the~~
13 ~~hearing officer fails to render a decision within 30 days,~~
14 ~~the State Board of Education shall communicate with the~~
15 ~~hearing officer to determine the date that the parties can~~
16 ~~reasonably expect to receive the decision. The State Board~~
17 ~~of Education shall provide copies of all such~~
18 ~~communications to the parties. In the event the hearing~~
19 ~~officer fails without good cause to make a decision within~~
20 ~~the 30 day period, the name of such hearing officer shall~~
21 ~~be struck for a period of not more than 24 months from the~~
22 ~~master list of hearing officers maintained by the State~~
23 ~~Board of Education.~~ If a hearing officer fails without good
24 cause, specifically provided in writing to both parties and
25 the State Board of Education, to render a decision within
26 60 days ~~3 months~~ after the hearing is concluded or the

1 record is closed, whichever is later, the State Board of
2 Education shall provide the parties with a new list of
3 prospective, impartial hearing officers, with the same
4 qualifications provided herein, one of whom shall be
5 selected, as provided in this Section, to rehear the
6 charges heard by the hearing officer who failed to render a
7 decision or to review the record and render a decision.
8 Good cause shall mean the illness or otherwise unavoidable
9 emergency of the hearing officer. The parties may mutually
10 agree to select a hearing officer pursuant to the
11 alternative procedure, as provided in this Section, to
12 rehear the charges heard by the hearing officer who failed
13 to render a decision or to review the record and render a
14 decision. If any ~~the~~ hearing officer fails without good
15 cause, specifically provided in writing to both parties and
16 the State Board of Education, to render a decision within
17 60 days ~~3 months~~ after the hearing is concluded or the
18 record is closed, whichever is later, the hearing officer
19 shall be removed from the master list of hearing officers
20 maintained by the State Board of Education for not more
21 than 24 months. The State Board of Education may also take
22 such other actions as it deems appropriate, including
23 recovering, reducing, or withholding any fees paid or to be
24 paid to the hearing officer. If any hearing officer repeats
25 such failure, he or she shall be permanently removed from
26 the master list maintained by the State Board of Education

1 and may not be selected by parties through the alternative
2 selection process under this Section. The board shall not
3 lose jurisdiction to discharge a teacher if the hearing
4 officer fails to render a decision within the time
5 specified in this Section. If the decision of the hearing
6 officer is in favor of the teacher, he or she shall order
7 reinstatement to the same or a substantially equivalent
8 position and shall determine the amount for which the board
9 is liable, including, but not limited to, loss of income
10 and benefits.

11 (7) The decision of the hearing officer is final unless
12 reviewed as provided in Section 24-16 of this Act. In the
13 event such review is instituted, any costs of preparing and
14 filing the record of proceedings shall be paid by the
15 board.

16 (8) If a decision of the hearing officer is adjudicated
17 upon review or appeal in favor of the teacher, then the
18 trial court shall order reinstatement and shall determine
19 the amount for which the board is liable including but not
20 limited to loss of income, benefits, and costs incurred
21 therein. Any teacher who is reinstated by any hearing or
22 adjudication brought under this Section shall be assigned
23 by the board to a position substantially similar to the one
24 which that teacher held prior to that teacher's suspension
25 or dismissal.

26 If, by reason of any change in the boundaries of school

1 districts, or by reason of the creation of a new school
2 district, the position held by any teacher having a
3 contractual continued service status is transferred from
4 one board to the control of a new or different board, the
5 contractual continued service status of such teacher is not
6 thereby lost, and such new or different board is subject to
7 this Act with respect to such teacher in the same manner as
8 if such teacher were its employee and had been its employee
9 during the time such teacher was actually employed by the
10 board from whose control the position was transferred.

11 (Source: P.A. 89-618, eff. 8-9-96; 90-224, eff. 7-25-97.)

12 (105 ILCS 5/24A-3) (from Ch. 122, par. 24A-3)

13 Sec. 24A-3. Evaluation training. School ~~Beginning January~~
14 ~~1, 1986, school~~ boards shall require those administrators and
15 other school employees, or -- in school districts having a
16 population exceeding 500,000 -- assistant principals, who
17 evaluate other certified personnel to participate at least once
18 every year ~~2 years~~ in an inservice workshop of at least one day
19 on ~~either school improvement or~~ the evaluation of certified
20 personnel provided or approved by the State Board of Education.

21 (Source: P.A. 86-1477; 87-1076.)

22 (105 ILCS 5/24A-4) (from Ch. 122, par. 24A-4)

23 Sec. 24A-4. Development and submission of evaluation plan.
24 As used in this and the succeeding Sections, "teacher" means

1 any and all school district employees regularly required to be
2 certified under laws relating to the certification of teachers.
3 Each school district shall develop, in cooperation with its
4 teachers or, where applicable, the exclusive bargaining
5 representatives of its teachers, an evaluation plan for all
6 teachers ~~in contractual continued service~~. The district shall,
7 ~~no later than October 1, 1986,~~ submit a copy of its evaluation
8 plan to the State Board of Education, which shall review the
9 plan and make public its comments thereon, and the district
10 shall at the same time provide a copy to the exclusive
11 bargaining representatives. Whenever any substantive change is
12 made in a district's evaluation plan, the new plan shall be
13 submitted to the State Board of Education for review and
14 comment, and the district shall at the same time provide a copy
15 of any such new plan to the exclusive bargaining representative
16 ~~representatives~~. Any substantive change in a district's
17 evaluation plan must be developed by the district at least in
18 cooperation with teachers or, where applicable, the exclusive
19 bargaining representative of its teachers. The board of a
20 school district operating under Article 34 of this Code and the
21 exclusive representative of the district's teachers shall
22 submit a certified copy of an agreement entered into under
23 Section 34-85c of this Code to the State Board of Education,
24 and that agreement shall constitute the teacher evaluation plan
25 for teachers assigned to schools identified in that agreement.
26 Whenever any substantive change is made in an agreement entered

1 into under Section 34-85c of this Code by the board of a school
2 district operating under Article 34 of this Code and the
3 exclusive representative of the district's teachers, the new
4 agreement shall be submitted to the State Board of Education.

5 (Source: P.A. 95-510, eff. 8-28-07.)

6 (105 ILCS 5/24A-5) (from Ch. 122, par. 24A-5)

7 Sec. 24A-5. Content of evaluation plans for teachers in
8 contractual continued service. This Section does not apply to
9 teachers assigned to schools identified in an agreement entered
10 into between the board of a school district operating under
11 Article 34 of this Code and the exclusive representative of the
12 district's teachers in accordance with Section 34-85c of this
13 Code. Each school district to which this Article applies shall
14 establish a teacher evaluation plan which ensures that each
15 teacher in contractual continued service is evaluated at least
16 once in the course of every 2 school years, ~~beginning with the~~
17 ~~1986-87 school year.~~

18 The evaluation plan shall comply with the requirements of
19 this Section and of any rules adopted by the State Board of
20 Education pursuant to this Section.

21 The plan shall include a description of each teacher's
22 duties and responsibilities and of the standards to which that
23 teacher is expected to conform. Beginning with the 2010-2011
24 school year, these standards shall include the Illinois
25 Professional Teaching Standards, provided that in a district

1 subject to a collective bargaining agreement as of the
2 effective date of this amendatory Act of the 96th General
3 Assembly, any changes made by this amendatory Act of the 96th
4 General Assembly shall go into effect in that district only
5 upon expiration of that agreement, unless otherwise agreed to
6 by the district and the exclusive bargaining representative of
7 its teachers.

8 The plan may provide for evaluation of personnel whose
9 positions require administrative certification by independent
10 evaluators not employed by or affiliated with the school
11 district. The results of the school district administrators'
12 evaluations shall be reported to the employing school board,
13 together with such recommendations for remediation as the
14 evaluator or evaluators may deem appropriate.

15 The evaluation ~~Evaluation~~ of teachers whose positions do
16 not require administrative certification shall be conducted by
17 an administrator qualified under Section 24A-3, or -- in school
18 districts having a population exceeding 500,000 -- by either an
19 administrator qualified under Section 24A-3 or an assistant
20 principal under the supervision of an administrator qualified
21 under Section 24A-3, provided that some or all the duties of
22 administrators and assistant principals under this Section may
23 be delegated to other school employees if the school district
24 and exclusive bargaining representative of its teachers
25 negotiate and agree to it as part of an alternative evaluation
26 plan under this Section. The evaluation, ~~and~~ shall include at

1 least the following components:

2 (a) personal observation of the teacher in the
3 classroom ~~(on at least 2 different school days in school~~
4 ~~districts having a population exceeding 500,000)~~ by a
5 district administrator qualified under Section 24A-3, or
6 -- in school districts having a population exceeding
7 500,000 -- by either an administrator qualified under
8 Section 24A-3 or an assistant principal under the
9 supervision of an administrator qualified under Section
10 24A-3, unless the teacher has no classroom duties. A
11 written summary of the observation, in which any
12 deficiencies in performance and recommendations for
13 correction are identified, shall be provided to and
14 discussed with the teacher within 10 school days after the
15 date of the observation, unless an applicable collective
16 bargaining agreement provides to the contrary.

17 (b) consideration of the teacher's attendance,
18 planning, and instructional methods, classroom management,
19 where relevant, and competency in the subject matter
20 taught, where relevant.

21 (c) rating of the teacher's performance as
22 "excellent", "satisfactory" or "unsatisfactory".

23 (d) specification as to the teacher's strengths and
24 weaknesses, with details of specific examples and
25 supporting reasons for the comments made.

26 (e) ~~inclusion of a copy of the evaluation in the~~

1 ~~teacher's personnel file and~~ provision of a copy of the
2 evaluation to the teacher and inclusion of the copy and the
3 teacher's response to it in the teacher's personnel file.

4 (f) within 30 school days after completion of an
5 overall evaluation rating a teacher as "unsatisfactory",
6 development and commencement by the district, or by an
7 administrator qualified under Section 24A-3 or an
8 assistant principal under the supervision of an
9 administrator qualified under Section 24A-3 in school
10 districts having a population exceeding 500,000, in
11 consultation with the teacher and the consulting teacher,
12 of a remediation plan designed to correct deficiencies
13 cited, provided the deficiencies are deemed remediable. In
14 all school districts the remediation plan for
15 unsatisfactory, tenured teachers shall provide for 90
16 school days of remediation within the classroom. In all
17 school districts evaluations issued pursuant to this
18 Section shall be issued within 10 days after the conclusion
19 of the respective remediation plan. However, the school
20 board or other governing authority of the district shall
21 not lose jurisdiction to discharge a teacher in the event
22 the evaluation is not issued within 10 days after the
23 conclusion of the respective remediation plan.

24 (g) participation in the remediation plan by the
25 teacher rated "unsatisfactory", a district administrator
26 qualified under Section 24A-3 (or -- in a school district

1 having a population exceeding 500,000 -- an administrator
2 qualified under Section 24A-3 or an assistant principal
3 under the supervision of an administrator qualified under
4 Section 24A-3), and a consulting teacher, selected by the
5 participating administrator or by the principal, or -- in
6 school districts having a population exceeding 500,000 --
7 by an administrator qualified under Section 24A-3 or by an
8 assistant principal under the supervision of an
9 administrator qualified under Section 24A-3, of the
10 teacher who was rated "unsatisfactory", which consulting
11 teacher is an educational employee as defined in the
12 Educational Labor Relations Act, has at least 5 years'
13 teaching experience and a reasonable familiarity with the
14 assignment of the teacher being evaluated, and who received
15 an "excellent" rating on his or her most recent evaluation.
16 Where no teachers who meet these criteria are available
17 within the district, the district shall request and the
18 State Board of Education shall supply, to participate in
19 the remediation process, an individual who meets these
20 criteria.

21 In a district having a population of less than 500,000
22 with an exclusive bargaining agent, the bargaining agent
23 may, if it so chooses, supply a roster of qualified
24 teachers from whom the consulting teacher is to be
25 selected. That roster shall, however, contain the names of
26 at least 5 teachers, each of whom meets the criteria for

1 consulting teacher with regard to the teacher being
2 evaluated, or the names of all teachers so qualified if
3 that number is less than 5. In the event of a dispute as to
4 qualification, the State Board shall determine
5 qualification.

6 (h) evaluations and ratings once every 30 school days
7 for the 90 school day remediation period immediately
8 following receipt of a remediation plan provided for under
9 subsections (f) and (g) of this Section; provided that in
10 school districts having a population exceeding 500,000
11 there shall be monthly evaluations and ratings for the
12 first 6 months and quarterly evaluations and ratings for
13 the next 6 months immediately following completion of the
14 remediation program of a teacher for whom a remediation
15 plan has been developed. Each evaluation shall assess the
16 teacher's performance during the time period since the
17 prior evaluation, provided that the last evaluation shall
18 also include an overall evaluation of the teacher's
19 performance during the remediation period. A written copy
20 of the evaluations and ratings, in which any deficiencies
21 in performance and recommendations for correction are
22 identified, shall be provided to and discussed with the
23 teacher within 10 school days after the date of the
24 evaluation, unless an applicable collective bargaining
25 agreement provides to the contrary. These subsequent
26 evaluations shall be conducted by the participating

1 administrator, or -- in school districts having a
2 population exceeding 500,000 -- by either the principal or
3 by an assistant principal under the supervision of an
4 administrator qualified under Section 24A-3. The
5 consulting teacher shall provide advice to the teacher
6 rated "unsatisfactory" on how to improve teaching skills
7 and to successfully complete the remediation plan. The
8 consulting teacher shall participate in developing the
9 remediation plan, but the final decision as to the
10 evaluation shall be done solely by the administrator, or --
11 in school districts having a population exceeding 500,000
12 -- by either the principal or by an assistant principal
13 under the supervision of an administrator qualified under
14 Section 24A-3, unless an applicable collective bargaining
15 agreement provides to the contrary. Teachers in the
16 remediation process in a school district having a
17 population exceeding 500,000 are not subject to the annual
18 evaluations described in paragraphs (a) through (e) of this
19 Section. Evaluations at the conclusion of the remediation
20 process shall be separate and distinct from the required
21 annual evaluations of teachers and shall not be subject to
22 the guidelines and procedures relating to those annual
23 evaluations. The evaluator may but is not required to use
24 the forms provided for the annual evaluation of teachers in
25 the district's evaluation plan.

26 (i) in school districts having a population of less

1 than 500,000, reinstatement to a schedule of biennial
2 evaluation for any teacher who completes the 90 school day
3 remediation plan with a "satisfactory" or better rating,
4 unless the district's plan regularly requires more
5 frequent evaluations; and in school districts having a
6 population exceeding 500,000, reinstatement to a schedule
7 of biennial evaluation for any teacher who completes the 90
8 school day remediation plan with a "satisfactory" or better
9 rating and the one year intensive review schedule as
10 provided in paragraph (h) of this Section with a
11 "satisfactory" or better rating, unless such district's
12 plan regularly requires more frequent evaluations.

13 (j) dismissal in accordance with Section 24-12 or 34-85
14 of the School Code of any teacher who fails to complete any
15 applicable remediation plan with a "satisfactory" or
16 better rating. Districts and teachers subject to dismissal
17 hearings are precluded from compelling the testimony of
18 consulting teachers at such hearings under Section 24-12 or
19 34-85, either as to the rating process or for opinions of
20 performances by teachers under remediation.

21 Notwithstanding paragraphs (a) through (i) of this
22 Section, each school district and the exclusive bargaining
23 representative of its teachers may negotiate and agree to an
24 alternative evaluation plan for its teachers that does not
25 include or modifies one or more of those components. The
26 alternative plan may in part use growth model assessment, peer

1 assistance, and peer review to evaluate teachers, provided that
2 individual teacher data based upon student performance and
3 progress shall be confidential and shall not be a public
4 record.

5 ~~In a district subject to a collective bargaining agreement~~
6 ~~as of the effective date of this amendatory Act of 1997, any~~
7 ~~changes made by this amendatory Act to the provisions of this~~
8 ~~Section that are contrary to the express terms and provisions~~
9 ~~of that agreement shall go into effect in that district only~~
10 ~~upon expiration of that agreement. Thereafter, collectively~~
11 ~~bargained evaluation plans shall at a minimum meet the~~
12 ~~standards of this Article. If such a district has an evaluation~~
13 ~~plan, however, whether pursuant to the collective bargaining~~
14 ~~agreement or otherwise, a copy of that plan shall be submitted~~
15 ~~to the State Board of Education for review and comment, in~~
16 ~~accordance with Section 24A-4.~~

17 Nothing in this Section shall be construed as preventing
18 immediate dismissal of a teacher for deficiencies which are
19 deemed irremediable or for actions which are injurious to or
20 endanger the health or person of students in the classroom or
21 school. Failure to strictly comply with the time requirements
22 contained in Section 24A-5 shall not invalidate the results of
23 the remediation plan.

24 (Source: P.A. 95-510, eff. 8-28-07.)

1 Sec. 24A-6. Alternative evaluations. The school board of
2 any school district which ~~has not evaluated all of its teachers~~
3 ~~by the end of the 1987-88 school year, or which~~ fails to
4 evaluate such teachers ~~within every 2 school years thereafter,~~
5 as provided for in this Article shall report the names and
6 titles of such employees and the reasons for the failure to
7 evaluate to the State Board of Education. In districts where a
8 collectively bargained plan already exists, that plan shall be
9 used to evaluate the teachers in that district, rather than
10 using the evaluation plan developed by the State Board of
11 Education unless the collectively bargained plan does not meet
12 the requirements of this Article ~~subsections (a) through (d) of~~
13 ~~Section 24A-5~~. In cases where an evaluation instrument is in
14 dispute, the State Board of Education shall postpone its
15 evaluation until the dispute is resolved. Upon receipt of such
16 reports or if otherwise made aware that such evaluations have
17 not been conducted, the State Board of Education shall enter
18 upon the district premises and evaluate the teachers in
19 accordance with an evaluation plan developed by the State Board
20 of Education, which plan shall parallel as closely as possible
21 the requirements of this Article ~~subsections (a) through (d) of~~
22 ~~Section 24A-5~~. The results of the State Board evaluation shall
23 be communicated to the school board, which shall supply a copy
24 to the teacher, place a copy in the teacher's personnel file,
25 and, where necessary, undertake a remediation program as
26 provided for in this Article ~~defined in subsections (f) through~~

1 ~~(j) of Section 24A-5.~~

2 (Source: P.A. 86-201.)

3 (105 ILCS 5/24A-8) (from Ch. 122, par. 24A-8)

4 Sec. 24A-8. Content of evaluation plans for ~~Evaluation of~~
5 teachers not in contractual continued service. This Section
6 does not apply to teachers assigned to schools identified in an
7 agreement entered into between the board of a school district
8 operating under Article 34 of this Code and the exclusive
9 representative of the district's teachers in accordance with
10 Section 34-85c of this Code. Each school district to which this
11 Article applies shall establish a teacher evaluation plan that
12 ensures that each ~~Beginning with the 1987-88 school year each~~
13 teacher not in contractual continued service shall be evaluated
14 at least once each school year. The district's evaluation plan
15 and any substantive change in it must be developed by the
16 district at least in cooperation with its teachers or, where
17 applicable, the exclusive bargaining representative of its
18 teachers.

19 The evaluation plan shall comply with the requirements of
20 this Section and of any rules adopted by the State Board of
21 Education pursuant to this Section.

22 The plan shall include a description of each teacher's
23 duties and responsibilities and of the standards to which that
24 teacher is expected to conform. Beginning with the 2010-2011
25 school year, these standards may include the Illinois

1 Professional Teaching Standards, provided that in a district
2 subject to a collective bargaining agreement as of the
3 effective date of this amendatory Act of the 96th General
4 Assembly, any changes made by this amendatory Act of the 96th
5 General Assembly shall go into effect in that district only
6 upon expiration of that agreement, unless otherwise agreed to
7 by the district and the exclusive bargaining representative of
8 its teachers.

9 The evaluation of teachers shall be conducted by an
10 administrator qualified under Section 24A-3 of this Code,
11 provided that some or all the duties of administrators under
12 this Section may be delegated to other school employees if the
13 school district and exclusive bargaining representative of its
14 teachers negotiate and agree to it as part of an alternative
15 plan under this Section. The evaluation shall include at least
16 the following components:

17 (1) Personal observation of the teacher in the
18 classroom on at least 2 different school days by a district
19 administrator qualified under Section 24A-3 of this Code,
20 unless the teacher has no classroom duties. A written
21 summary of the observation, in which any deficiencies in
22 performance and recommendations for correction are
23 identified, shall be provided to and discussed with the
24 teacher within 10 school days after the date of the
25 observation, unless an applicable collective bargaining
26 agreement provides to the contrary.

1 (2) Consideration of the teacher's attendance,
2 planning, and instructional methods, classroom management,
3 where relevant, and competency in the subject matter
4 taught, where relevant.

5 (3) Specification as to the teacher's strengths and
6 weaknesses, with details of specific examples and
7 supporting reasons for the comments made.

8 (4) Provision of a copy of the evaluation to the
9 teacher and inclusion of the copy and the teacher's
10 response to it in the teacher's personnel file.

11 Notwithstanding subdivisions (1) through (4) of this
12 Section, each school district and the exclusive bargaining
13 representative of its teachers may negotiate and agree to an
14 alternative evaluation plan for its teachers that does not
15 include or modifies one or more of the foregoing components.
16 The alternative plan may in part use growth model assessment,
17 peer assistance, and peer review to evaluate teachers, provided
18 that individual teacher data based upon student performance and
19 progress shall be confidential and shall not be a public
20 record.

21 (Source: P.A. 84-1419.)

22 (105 ILCS 5/29-5) (from Ch. 122, par. 29-5)

23 Sec. 29-5. Reimbursement by State for transportation. Any
24 school district, maintaining a school, transporting resident
25 pupils to another school district's vocational program,

1 offered through a joint agreement approved by the State Board
2 of Education, as provided in Section 10-22.22 or transporting
3 its resident pupils to a school which meets the standards for
4 recognition as established by the State Board of Education
5 which provides transportation meeting the standards of safety,
6 comfort, convenience, efficiency and operation prescribed by
7 the State Board of Education for resident pupils in
8 kindergarten or any of grades 1 through 12 who: (a) reside at
9 least 1 1/2 miles as measured by the customary route of travel,
10 from the school attended; or (b) reside in areas where
11 conditions are such that walking constitutes a hazard to the
12 safety of the child when determined under Section 29-3; and (c)
13 are transported to the school attended from pick-up points at
14 the beginning of the school day and back again at the close of
15 the school day or transported to and from their assigned
16 attendance centers during the school day, shall be reimbursed
17 by the State as hereinafter provided in this Section.

18 The State will pay the cost of transporting eligible pupils
19 less the assessed valuation in a dual school district
20 maintaining secondary grades 9 to 12 inclusive times a
21 qualifying rate of .05%; in elementary school districts
22 maintaining grades K to 8 times a qualifying rate of .06%; and
23 in unit districts maintaining grades K to 12, including
24 optional elementary unit districts and combined high school -
25 unit districts, times a qualifying rate of .07%; provided that
26 for optional elementary unit districts and combined high school

1 - unit districts, assessed valuation for high school purposes,
2 as defined in Article 11E of this Code, must be used. To be
3 eligible to receive reimbursement in excess of 4/5 of the cost
4 to transport eligible pupils, a school district shall have a
5 Transportation Fund tax rate of at least .12%. If a school
6 district does not have a .12% Transportation Fund tax rate, the
7 amount of its claim in excess of 4/5 of the cost of
8 transporting pupils shall be reduced by the sum arrived at by
9 subtracting the Transportation Fund tax rate from .12% and
10 multiplying that amount by the districts equalized or assessed
11 valuation, provided, that in no case shall said reduction
12 result in reimbursement of less than 4/5 of the cost to
13 transport eligible pupils.

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

16 When calculating the reimbursement for transportation
17 costs, the State Board of Education may not deduct the number
18 of pupils enrolled in early education programs from the number
19 of pupils eligible for reimbursement if the pupils enrolled in
20 the early education programs are transported at the same time
21 as other eligible pupils.

22 Any such district transporting resident pupils during the
23 school day to an area vocational school or another school
24 district's vocational program more than 1 1/2 miles from the
25 school attended, as provided in Sections 10-22.20a and
26 10-22.22, shall be reimbursed by the State for 4/5 of the cost

1 of transporting eligible pupils.

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

4 If a pupil is at a location within the school district
5 other than his residence for child care purposes at the time
6 for transportation to school, that location may be considered
7 for purposes of determining the 1 1/2 miles from the school
8 attended.

9 Claims for reimbursement that include children who attend
10 any school other than a public school shall show the number of
11 such children transported.

12 Claims for reimbursement under this Section shall not be
13 paid for the transportation of pupils for whom transportation
14 costs are claimed for payment under other Sections of this Act.

15 The allowable direct cost of transporting pupils for
16 regular, vocational, and special education pupil
17 transportation shall be limited to the sum of the cost of
18 physical examinations required for employment as a school bus
19 driver; the salaries of full or part-time drivers and school
20 bus maintenance personnel; employee benefits excluding
21 Illinois municipal retirement payments, social security
22 payments, unemployment insurance payments and workers'
23 compensation insurance premiums; expenditures to independent
24 carriers who operate school buses; payments to other school
25 districts for pupil transportation services; pre-approved
26 contractual expenditures for computerized bus scheduling; the

1 cost of gasoline, oil, tires, and other supplies necessary for
2 the operation of school buses; the cost of converting buses'
3 gasoline engines to more fuel efficient engines or to engines
4 which use alternative energy sources; the cost of travel to
5 meetings and workshops conducted by the regional
6 superintendent or the State Superintendent of Education
7 pursuant to the standards established by the Secretary of State
8 under Section 6-106 of the Illinois Vehicle Code to improve the
9 driving skills of school bus drivers; the cost of maintenance
10 of school buses including parts and materials used;
11 expenditures for leasing transportation vehicles, except
12 interest and service charges; the cost of insurance and
13 licenses for transportation vehicles; expenditures for the
14 rental of transportation equipment; plus a depreciation
15 allowance of 20% for 5 years for school buses and vehicles
16 approved for transporting pupils to and from school and a
17 depreciation allowance of 10% for 10 years for other
18 transportation equipment so used. Each school year, if a school
19 district has made expenditures to the Regional Transportation
20 Authority or any of its service boards, a mass transit
21 district, or an urban transportation district under an
22 intergovernmental agreement with the district to provide for
23 the transportation of pupils and if the public transit carrier
24 received direct payment for services or passes from a school
25 district within its service area during the 2000-2001 school
26 year, then the allowable direct cost of transporting pupils for

1 regular, vocational, and special education pupil
2 transportation shall also include the expenditures that the
3 district has made to the public transit carrier. In addition to
4 the above allowable costs school districts shall also claim all
5 transportation supervisory salary costs, including Illinois
6 municipal retirement payments, and all transportation related
7 building and building maintenance costs without limitation.

8 Special education allowable costs shall also include
9 expenditures for the salaries of attendants or aides for that
10 portion of the time they assist special education pupils while
11 in transit and expenditures for parents and public carriers for
12 transporting special education pupils when pre-approved by the
13 State Superintendent of Education.

14 Indirect costs shall be included in the reimbursement claim
15 for districts which own and operate their own school buses.
16 Such indirect costs shall include administrative costs, or any
17 costs attributable to transporting pupils from their
18 attendance centers to another school building for
19 instructional purposes. No school district which owns and
20 operates its own school buses may claim reimbursement for
21 indirect costs which exceed 5% of the total allowable direct
22 costs for pupil transportation.

23 The State Board of Education shall prescribe uniform
24 regulations for determining the above standards and shall
25 prescribe forms of cost accounting and standards of determining
26 reasonable depreciation. Such depreciation shall include the

1 cost of equipping school buses with the safety features
2 required by law or by the rules, regulations and standards
3 promulgated by the State Board of Education, and the Department
4 of Transportation for the safety and construction of school
5 buses provided, however, any equipment cost reimbursed by the
6 Department of Transportation for equipping school buses with
7 such safety equipment shall be deducted from the allowable cost
8 in the computation of reimbursement under this Section in the
9 same percentage as the cost of the equipment is depreciated.

10 On or before August 15, annually, the chief school
11 administrator for the district shall certify to the State
12 Superintendent of Education the district's claim for
13 reimbursement for the school year ending on June 30 next
14 preceding. The State Superintendent of Education shall check
15 and approve the claims and prepare the vouchers showing the
16 amounts due for district reimbursement claims. Each fiscal
17 year, the State Superintendent of Education shall prepare and
18 transmit the first 3 vouchers to the Comptroller on the 30th
19 day of September, December and March, respectively, and the
20 final voucher, no later than June 20.

21 If the amount appropriated for transportation
22 reimbursement is insufficient to fund total claims for any
23 fiscal year, the State Board of Education shall reduce each
24 school district's allowable costs and flat grant amount
25 proportionately to make total adjusted claims equal the total
26 amount appropriated.

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

7 All reimbursements received from the State shall be
8 deposited into the district's transportation fund or into the
9 fund from which the allowable expenditures were made.

10 Notwithstanding any other provision of law, any school
11 district receiving a payment under this Section or under
12 Section 14-7.02, 14-7.02b, or 14-13.01 of this Code may
13 classify all or a portion of the funds that it receives in a
14 particular fiscal year or from general State aid pursuant to
15 Section 18-8.05 of this Code as funds received in connection
16 with any funding program for which it is entitled to receive
17 funds from the State in that fiscal year (including, without
18 limitation, any funding program referenced in this Section),
19 regardless of the source or timing of the receipt. The district
20 may not classify more funds as funds received in connection
21 with the funding program than the district is entitled to
22 receive in that fiscal year for that program. Any
23 classification by a district must be made by a resolution of
24 its board of education. The resolution must identify the amount
25 of any payments or general State aid to be classified under
26 this paragraph and must specify the funding program to which

1 the funds are to be treated as received in connection
2 therewith. This resolution is controlling as to the
3 classification of funds referenced therein. A certified copy of
4 the resolution must be sent to the State Superintendent of
5 Education. The resolution shall still take effect even though a
6 copy of the resolution has not been sent to the State
7 Superintendent of Education in a timely manner. No
8 classification under this paragraph by a district shall affect
9 the total amount or timing of money the district is entitled to
10 receive under this Code. No classification under this paragraph
11 by a district shall in any way relieve the district from or
12 affect any requirements that otherwise would apply with respect
13 to that funding program, including any accounting of funds by
14 source, reporting expenditures by original source and purpose,
15 reporting requirements, or requirements of providing services.

16 Any school district with a population of not more than
17 500,000 must deposit all funds received under this Article into
18 the transportation fund and use those funds for the provision
19 of transportation services.

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

21 (105 ILCS 5/34-18.37 new)

22 Sec. 34-18.37. Financial policies. Beginning with the
23 second fiscal year after the effective date of this amendatory
24 Act of the 96th General Assembly, the board shall adopt a
25 formal, written financial policy. The policy may include

1 information in the following areas:

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

3 (2) Capital asset management.

4 (3) Reserve or stabilization fund goals.

5 (4) Periodic budget to actual comparison reports.

6 (5) Fees and charges.

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

8 (7) Risk management related to internal controls.

9 (8) Purchasing.

10 (9) Vehicle acquisition and maintenance.

11 The board shall make the policy publicly available.

12 (105 ILCS 5/34-18.38 new)

13 Sec. 34-18.38. Long-term financial plan. Beginning with
14 the second fiscal year after the effective date of this
15 amendatory Act of the 96th General Assembly, the board shall
16 develop a long-term financial plan that extends over at least a
17 3-year period and that is updated and approved annually. The
18 plan must include multi-year forecasts of revenues,
19 expenditures, and debt. The board may make the plan available
20 to the public by publishing it as a separate document and
21 submitting it with the annual budget or by posting the plan as
22 a document on the school district's Internet website. The
23 forecasts that are the foundation of the plan must be available
24 to participants in the budget process before budgetary
25 decisions are made. The public must be provided opportunities

1 for providing dialog with respect to the long-term financial
2 planning process. Public access and review shall take place as
3 part of the official budget hearing process in accordance with
4 Section 34-46 of this Code.

5 (105 ILCS 5/34-18.39 new)

6 Sec. 34-18.39. Capital improvement plan. Beginning with
7 the second fiscal year after the effective date of this
8 amendatory Act of the 96th General Assembly, the board shall
9 develop a 5-year capital improvement plan that is updated and
10 approved annually. The plan must include a summary list of the
11 description of the capital projects to be completed over the
12 next 5 years, along with projected expenditures, and revenue
13 sources. The board shall make the plan available to the public.
14 The board shall hold a public hearing on the capital
15 improvement plan, which hearing may be held at a regularly
16 scheduled meeting of the board. This hearing shall be held in
17 the same manner and subject to the same notice and other
18 requirements as the public hearing required prior to adoption
19 of the budget in conformity with Section 34-46 of this Code.

20 (105 ILCS 5/34-18.40 new)

21 Sec. 34-18.40. School district financial accountability.
22 (a) The board shall annually include a user-friendly
23 executive summary as part of the district's budget. The
24 executive summary shall include all of the following:

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

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

5 (3) A description of the budget process.

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

9 (5) An explanation of significant financial and
10 demographic trends.

11 (6) An explanation of the reasons for a budget deficit
12 and an explanation of how the deficit is being addressed.

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

15 (8) Student enrollment trends, including a future
16 forecast.

17 (9) The number of personnel by type.

18 (10) Changes in both the long term and short term debt
19 burden.

20 (b) Beginning with the second fiscal year after the
21 effective date of this amendatory Act of the 96th General
22 Assembly, the board shall annually include in the full budget
23 document the following items; any or all of the following items
24 may be published as separate documents provided that they are
25 explicitly referenced in the annual budget and attached thereto
26 and provided that they are made publicly available at the same

1 time as the tentative budget document:

2 (1) An organizational chart.

3 (2) Formal financial policies pursuant to Section
4 34-18.37 of this Code.

5 (3) The district's long-term financial plan pursuant
6 to Section 34-18.38 of this Code or a summary of the
7 long-term financial plan.

8 (4) The district's capital improvement plan pursuant
9 to Section 34-18.39 of this Code or a summary of the
10 capital improvement plan.

11 (105 ILCS 5/34-18.41 new)

12 Sec. 34-18.41. Audit committee. The board shall establish
13 an audit committee, which may include members of the board,
14 other appropriate officers, or persons who do not serve on the
15 board, to review audit reports and any other financial reports
16 and documents, including management letters prepared by or on
17 behalf of the board. Nothing in this Section prohibits the
18 school district from maintaining its own internal audit
19 function.

20 (105 ILCS 5/3-6 rep.)

21 (105 ILCS 5/3-6.1 rep.)

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

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.".