AN ACT concerning education.

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

Section 1. This Act may be referred to as the Better Funding for Better Schools Act.

Section 905. The Economic Development Area Tax Increment Allocation Act is amended by changing Section 7 as follows:

(20 ILCS 620/7) (from Ch. 67 1/2, par. 1007)

Sec. 7. Creation of special tax allocation fund. If a municipality has adopted tax increment allocation financing for an economic development project area by ordinance, the county clerk has thereafter certified the "total initial equalized assessed value" of the taxable real property within such economic development project area in the manner provided in Section 6 of this Act, and the Department has approved and certified the economic development project area, each year after the date of the certification by the county clerk of the "total initial equalized assessed value" until economic development project costs and all municipal obligations financing economic development project costs have been paid, the ad valorem taxes, if any, arising from the levies upon the taxable real property in the economic development project area
by taxing districts and tax rates determined in the manner
provided in subsection (b) of Section 6 of this Act shall be
divided as follows:

(1) That portion of the taxes levied upon each taxable lot,
block, tract or parcel of real property which is attributable
to the lower of the current equalized assessed value or the
initial equalized assessed value of each such taxable lot,
block, tract, or parcel of real property existing at the time
tax increment allocation financing was adopted, shall be
allocated to and when collected shall be paid by the county
collector to the respective affected taxing districts in the
manner required by law in the absence of the adoption of tax
increment allocation financing.

(2) That portion, if any, of those taxes which is
attributable to the increase in the current equalized assessed
valuation of each taxable lot, block, tract, or parcel of real
property in the economic development project area, over and
above the initial equalized assessed value of each property
existing at the time tax increment allocation financing was
adopted, shall be allocated to and when collected shall be paid
to the municipal treasurer, who shall deposit those taxes into
a special fund called the special tax allocation fund of the
municipality for the purpose of paying economic development
project costs and obligations incurred in the payment thereof.

The municipality, by an ordinance adopting tax increment
allocation financing, may pledge the funds in and to be
deposited in the special tax allocation fund for the payment of obligations issued under this Act and for the payment of economic development project costs. No part of the current equalized assessed valuation of each property in the economic development project area attributable to any increase above the total initial equalized assessed value, of such properties shall be used in calculating the general State school aid formula, provided for in Section 18-8 of the School Code, or the primary State aid formula, provided for in Section 18-8.15 of the School Code, until such time as all economic development projects costs have been paid as provided for in this Section.

When the economic development project costs, including without limitation all municipal obligations financing economic development project costs incurred under this Act, have been paid, all surplus funds then remaining in the special tax allocation fund shall be distributed by being paid by the municipal treasurer to the county collector, who shall immediately thereafter pay those funds to the taxing districts having taxable property in the economic development project area in the same manner and proportion as the most recent distribution by the county collector to those taxing districts of real property taxes from real property in the economic development project area.

Upon the payment of all economic development project costs, retirement of obligations and the distribution of any excess monies pursuant to this Section the municipality shall adopt an
ordinance dissolving the special tax allocation fund for the economic development project area, terminating the economic development project area, and terminating the use of tax increment allocation financing for the economic development project area. Thereafter the rates of the taxing districts shall be extended and taxes levied, collected and distributed in the manner applicable in the absence of the adoption of tax increment allocation financing.

Nothing in this Section shall be construed as relieving property in economic development project areas from being assessed as provided in the Property Tax Code, or as relieving owners of that property from paying a uniform rate of taxes, as required by Section 4 of Article IX of the Illinois Constitution.

(Source: P.A. 98-463, eff. 8-16-13.)

Section 910. The State Finance Act is amended by changing Section 13.2 as follows:

(30 ILCS 105/13.2) (from Ch. 127, par. 149.2)

Sec. 13.2. Transfers among line item appropriations.

(a) Transfers among line item appropriations from the same treasury fund for the objects specified in this Section may be made in the manner provided in this Section when the balance remaining in one or more such line item appropriations is insufficient for the purpose for which the appropriation was
(a-1) No transfers may be made from one agency to another agency, nor may transfers be made from one institution of higher education to another institution of higher education except as provided by subsection (a-4).

(a-2) Except as otherwise provided in this Section, transfers may be made only among the objects of expenditure enumerated in this Section, except that no funds may be transferred from any appropriation for personal services, from any appropriation for State contributions to the State Employees' Retirement System, from any separate appropriation for employee retirement contributions paid by the employer, nor from any appropriation for State contribution for employee group insurance. During State fiscal year 2005, an agency may transfer amounts among its appropriations within the same treasury fund for personal services, employee retirement contributions paid by employer, and State Contributions to retirement systems; notwithstanding and in addition to the transfers authorized in subsection (c) of this Section, the fiscal year 2005 transfers authorized in this sentence may be made in an amount not to exceed 2% of the aggregate amount appropriated to an agency within the same treasury fund. During State fiscal year 2007, the Departments of Children and Family Services, Corrections, Human Services, and Juvenile Justice may transfer amounts among their respective appropriations within the same treasury fund for personal services, employee
retirement contributions paid by employer, and State contributions to retirement systems. During State fiscal year 2010, the Department of Transportation may transfer amounts among their respective appropriations within the same treasury fund for personal services, employee retirement contributions paid by employer, and State contributions to retirement systems. During State fiscal years 2010 and 2014 only, an agency may transfer amounts among its respective appropriations within the same treasury fund for personal services, employee retirement contributions paid by employer, and State contributions to retirement systems. Notwithstanding, and in addition to, the transfers authorized in subsection (c) of this Section, these transfers may be made in an amount not to exceed 2% of the aggregate amount appropriated to an agency within the same treasury fund.

(a-2.5) During State fiscal year 2015 only, the State's Attorneys Appellate Prosecutor may transfer amounts among its respective appropriations contained in operational line items within the same treasury fund. Notwithstanding, and in addition to, the transfers authorized in subsection (c) of this Section, these transfers may be made in an amount not to exceed 4% of the aggregate amount appropriated to the State's Attorneys Appellate Prosecutor within the same treasury fund.

(a-3) Further, if an agency receives a separate appropriation for employee retirement contributions paid by the employer, any transfer by that agency into an appropriation
for personal services must be accompanied by a corresponding transfer into the appropriation for employee retirement contributions paid by the employer, in an amount sufficient to meet the employer share of the employee contributions required to be remitted to the retirement system.

(a-4) Long-Term Care Rebalancing. The Governor may designate amounts set aside for institutional services appropriated from the General Revenue Fund or any other State fund that receives monies for long-term care services to be transferred to all State agencies responsible for the administration of community-based long-term care programs, including, but not limited to, community-based long-term care programs administered by the Department of Healthcare and Family Services, the Department of Human Services, and the Department on Aging, provided that the Director of Healthcare and Family Services first certifies that the amounts being transferred are necessary for the purpose of assisting persons in or at risk of being in institutional care to transition to community-based settings, including the financial data needed to prove the need for the transfer of funds. The total amounts transferred shall not exceed 4% in total of the amounts appropriated from the General Revenue Fund or any other State fund that receives monies for long-term care services for each fiscal year. A notice of the fund transfer must be made to the General Assembly and posted at a minimum on the Department of Healthcare and Family Services website, the Governor's Office
of Management and Budget website, and any other website the Governor sees fit. These postings shall serve as notice to the General Assembly of the amounts to be transferred. Notice shall be given at least 30 days prior to transfer.

(b) In addition to the general transfer authority provided under subsection (c), the following agencies have the specific transfer authority granted in this subsection:

The Department of Healthcare and Family Services is authorized to make transfers representing savings attributable to not increasing grants due to the births of additional children from line items for payments of cash grants to line items for payments for employment and social services for the purposes outlined in subsection (f) of Section 4-2 of the Illinois Public Aid Code.

The Department of Children and Family Services is authorized to make transfers not exceeding 2% of the aggregate amount appropriated to it within the same treasury fund for the following line items among these same line items: Foster Home and Specialized Foster Care and Prevention, Institutions and Group Homes and Prevention, and Purchase of Adoption and Guardianship Services.

The Department on Aging is authorized to make transfers not exceeding 2% of the aggregate amount appropriated to it within the same treasury fund for the following Community Care Program line items among these same line items: purchase of services covered by the Community Care Program and Comprehensive Case
Coordination.

The State Treasurer is authorized to make transfers among line item appropriations from the Capital Litigation Trust Fund, with respect to costs incurred in fiscal years 2002 and 2003 only, when the balance remaining in one or more such line item appropriations is insufficient for the purpose for which the appropriation was made, provided that no such transfer may be made unless the amount transferred is no longer required for the purpose for which that appropriation was made.

The State Board of Education is authorized to make transfers from line item appropriations within the same treasury fund for General State Aid, and General State Aid - Hold Harmless, Primary State Aid, and Hold Harmless State Funding, provided that no such transfer may be made unless the amount transferred is no longer required for the purpose for which that appropriation was made, to the line item appropriation for Transitional Assistance when the balance remaining in such line item appropriation is insufficient for the purpose for which the appropriation was made.

The State Board of Education is authorized to make transfers between the following line item appropriations within the same treasury fund: Disabled Student Services/Materials (Section 14-13.01 of the School Code), Disabled Student Transportation Reimbursement (Section 14-13.01 of the School Code), Disabled Student Tuition - Private Tuition (Section 14-7.02 of the School Code),
Extraordinary Special Education (Section 14-7.02b of the School Code), Reimbursement for Free Lunch/Breakfast Program, Summer School Payments (Section 18-4.3 of the School Code), and Transportation - Regular/Vocational Reimbursement (Section 29-5 of the School Code). Such transfers shall be made only when the balance remaining in one or more such line item appropriations is insufficient for the purpose for which the appropriation was made and provided that no such transfer may be made unless the amount transferred is no longer required for the purpose for which that appropriation was made.

The Department of Healthcare and Family Services is authorized to make transfers not exceeding 4% of the aggregate amount appropriated to it, within the same treasury fund, among the various line items appropriated for Medical Assistance.

(c) The sum of such transfers for an agency in a fiscal year shall not exceed 2% of the aggregate amount appropriated to it within the same treasury fund for the following objects: Personal Services; Extra Help; Student and Inmate Compensation; State Contributions to Retirement Systems; State Contributions to Social Security; State Contribution for Employee Group Insurance; Contractual Services; Travel; Commodities; Printing; Equipment; Electronic Data Processing; Operation of Automotive Equipment; Telecommunications Services; Travel and Allowance for Committed, Paroled and Discharged Prisoners; Library Books; Federal Matching Grants for Student Loans; Refunds; Workers' Compensation,
Occupational Disease, and Tort Claims; and, in appropriations to institutions of higher education, Awards and Grants. Notwithstanding the above, any amounts appropriated for payment of workers' compensation claims to an agency to which the authority to evaluate, administer and pay such claims has been delegated by the Department of Central Management Services may be transferred to any other expenditure object where such amounts exceed the amount necessary for the payment of such claims.

(c-1) Special provisions for State fiscal year 2003. Notwithstanding any other provision of this Section to the contrary, for State fiscal year 2003 only, transfers among line item appropriations to an agency from the same treasury fund may be made provided that the sum of such transfers for an agency in State fiscal year 2003 shall not exceed 3% of the aggregate amount appropriated to that State agency for State fiscal year 2003 for the following objects: personal services, except that no transfer may be approved which reduces the aggregate appropriations for personal services within an agency; extra help; student and inmate compensation; State contributions to retirement systems; State contributions to social security; State contributions for employee group insurance; contractual services; travel; commodities; printing; equipment; electronic data processing; operation of automotive equipment; telecommunications services; travel and allowance for committed, paroled, and discharged prisoners;
library books; federal matching grants for student loans; refunds; workers' compensation, occupational disease, and tort claims; and, in appropriations to institutions of higher education, awards and grants.

(c-2) Special provisions for State fiscal year 2005. Notwithstanding subsections (a), (a-2), and (c), for State fiscal year 2005 only, transfers may be made among any line item appropriations from the same or any other treasury fund for any objects or purposes, without limitation, when the balance remaining in one or more such line item appropriations is insufficient for the purpose for which the appropriation was made, provided that the sum of those transfers by a State agency shall not exceed 4% of the aggregate amount appropriated to that State agency for fiscal year 2005.

(c-3) Special provisions for State fiscal year 2015. Notwithstanding any other provision of this Section, for State fiscal year 2015, transfers among line item appropriations to a State agency from the same State treasury fund may be made for operational or lump sum expenses only, provided that the sum of such transfers for a State agency in State fiscal year 2015 shall not exceed 4% of the aggregate amount appropriated to that State agency for operational or lump sum expenses for State fiscal year 2015. For the purpose of this subsection, "operational or lump sum expenses" includes the following objects: personal services; extra help; student and inmate compensation; State contributions to retirement systems; State

contributions to social security; State contributions for
employee group insurance; contractual services; travel;
commodities; printing; equipment; electronic data processing;
operation of automotive equipment; telecommunications
services; travel and allowance for committed, paroled, and
discharged prisoners; library books; federal matching grants
for student loans; refunds; workers' compensation,
occupational disease, and tort claims; lump sum and other
purposes; and lump sum operations. For the purpose of this
subsection (c-3), "State agency" does not include the Attorney
General, the Secretary of State, the Comptroller, the
Treasurer, or the legislative or judicial branches.

(d) Transfers among appropriations made to agencies of the
Legislative and Judicial departments and to the
constitutionally elected officers in the Executive branch
require the approval of the officer authorized in Section 10 of
this Act to approve and certify vouchers. Transfers among
appropriations made to the University of Illinois, Southern
Illinois University, Chicago State University, Eastern
Illinois University, Governors State University, Illinois
State University, Northeastern Illinois University, Northern
Illinois University, Western Illinois University, the Illinois
Mathematics and Science Academy and the Board of Higher
Education require the approval of the Board of Higher Education
and the Governor. Transfers among appropriations to all other
agencies require the approval of the Governor.
The officer responsible for approval shall certify that the
transfer is necessary to carry out the programs and purposes
for which the appropriations were made by the General Assembly
and shall transmit to the State Comptroller a certified copy of
the approval which shall set forth the specific amounts
transferred so that the Comptroller may change his records
accordingly. The Comptroller shall furnish the Governor with
information copies of all transfers approved for agencies of
the Legislative and Judicial departments and transfers
approved by the constitutionally elected officials of the
Executive branch other than the Governor, showing the amounts
transferred and indicating the dates such changes were entered
on the Comptroller's records.

(e) The State Board of Education, in consultation with the
State Comptroller, may transfer line item appropriations for
General State Aid or Primary State Aid between the Common
School Fund and the Education Assistance Fund. With the advice
and consent of the Governor's Office of Management and Budget,
the State Board of Education, in consultation with the State
Comptroller, may transfer line item appropriations between the
General Revenue Fund and the Education Assistance Fund for the
following programs:

(1) Disabled Student Personnel Reimbursement (Section
14-13.01 of the School Code);

(2) Disabled Student Transportation Reimbursement
(subsection (b) of Section 14-13.01 of the School Code);
(3) Disabled Student Tuition - Private Tuition (Section 14-7.02 of the School Code);
(4) Extraordinary Special Education (Section 14-7.02b of the School Code);
(5) Reimbursement for Free Lunch/Breakfast Programs;
(6) Summer School Payments (Section 18-4.3 of the School Code);
(7) Transportation - Regular/Vocational Reimbursement (Section 29-5 of the School Code);
(8) Regular Education Reimbursement (Section 18-3 of the School Code); and
(9) Special Education Reimbursement (Section 14-7.03 of the School Code).
(Source: P.A. 98-24, eff. 6-19-13; 98-674, eff. 6-30-14; 99-2, eff. 3-26-15.)

Section 915. The Property Tax Code is amended by changing Sections 18-200 and 18-249 as follows:

(35 ILCS 200/18-200)
Sec. 18-200. School Code. A school district's State aid shall not be reduced under the computation under subsections 5(a) through 5(h) of Part A of Section 18-8 of the School Code or under subsection (e) of Section 18-8.15 of the School Code due to the operating tax rate falling from above the minimum requirement of that Section of the School Code to below the
minimum requirement of that Section of the School Code due to the operation of this Law.
(Source: P.A. 87-17; 88-455.)

(35 ILCS 200/18-249)

Sec. 18-249. Miscellaneous provisions.
(a) Certification of new property. For the 1994 levy year, the chief county assessment officer shall certify to the county clerk, after all changes by the board of review or board of appeals, as the case may be, the assessed value of new property by taxing district for the 1994 levy year under rules promulgated by the Department.

(b) School Code. A school district's State aid shall not be reduced under the computation under subsections 5(a) through 5(h) of Part A of Section 18-8 of the School Code or under subsection (e) of Section 18-8.15 of the School Code due to the operating tax rate falling from above the minimum requirement of that Section of the School Code to below the minimum requirement of that Section of the School Code due to the operation of this Law.

(c) Rules. The Department shall make and promulgate reasonable rules relating to the administration of the purposes and provisions of Sections 18-246 through 18-249 as may be necessary or appropriate.
(Source: P.A. 89-1, eff. 2-12-95.)
Section 917. The Illinois Pension Code is amended by changing Sections 16-158 and 17-127 as follows:

(40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)
(Text of Section WITH the changes made by P.A. 98-599, which has been held unconstitutional)

Sec. 16-158. Contributions by State and other employing units.
(a) The State shall make contributions to the System by means of appropriations from the Common School Fund and other State funds of amounts which, together with other employer contributions, employee contributions, investment income, and other income, will be sufficient to meet the cost of maintaining and administering the System on a 100% funded basis in accordance with actuarial recommendations by the end of State fiscal year 2044.

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

(a-1) Annually, on or before November 15 through November 15, 2011, the Board shall certify to the Governor the amount of the required State contribution for the coming fiscal year. The certification under this subsection (a-1) shall include a copy of the actuarial recommendations upon which it is based.
On or before May 1, 2004, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

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

On or before April 1, 2011, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(a-5) On or before November 1 of each year, beginning November 1, 2012, the Board shall submit to the State Actuary, the Governor, and the General Assembly a proposed certification of the amount of the required State contribution to the System for the next fiscal year, along with all of the actuarial assumptions, calculations, and data upon which that proposed certification is based. On or before January 1 of each year, beginning January 1, 2013, the State Actuary shall issue a preliminary report concerning the proposed certification and
identifying, if necessary, recommended changes in actuarial assumptions that the Board must consider before finalizing its certification of the required State contributions.

On or before January 15, 2013 and each January 15 thereafter, the Board shall certify to the Governor and the General Assembly the amount of the required State contribution for the next fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based and shall specifically identify the System's projected State normal cost for that fiscal year. The Board's certification must note any deviations from the State Actuary's recommended changes, the reason or reasons for not following the State Actuary's recommended changes, and the fiscal impact of not following the State Actuary's recommended changes on the required State contribution.

(a-10) For purposes of Section (c-5) of Section 20 of the Budget Stabilization Act, on or before November 1 of each year beginning November 1, 2014, the Board shall determine the amount of the State contribution to the System that would have been required for the next fiscal year if this amendatory Act of the 98th General Assembly had not taken effect, using the best and most recent available data but based on the law in effect on May 31, 2014. The Board shall submit to the State Actuary, the Governor, and the General Assembly a proposed certification, along with the relevant law, actuarial assumptions, calculations, and data upon which that
certification is based. On or before January 1, 2015 and every January 1 thereafter, the State Actuary shall issue a preliminary report concerning the proposed certification and identifying, if necessary, recommended changes in actuarial assumptions that the Board must consider before finalizing its certification. On or before January 15, 2015 and every January 1 thereafter, the Board shall certify to the Governor and the General Assembly the amount of the State contribution to the System that would have been required for the next fiscal year if this amendatory Act of the 98th General Assembly had not taken effect, using the best and most recent available data but based on the law in effect on May 31, 2014. The Board's certification must note any deviations from the State Actuary's recommended changes, the reason or reasons for not following the State Actuary's recommended changes, and the impact of not following the State Actuary's recommended changes.

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

(b-1) Beginning in State fiscal year 1996, on the 15th day of each month, or as soon thereafter as may be practicable, the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the required annual State contribution certified under subsection (a-1). From the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2004, the Board shall
not submit vouchers for the remainder of fiscal year 2004 in
excess of the fiscal year 2004 certified contribution amount
determined under this Section after taking into consideration
the transfer to the System under subsection (a) of Section
6z-61 of the State Finance Act. These vouchers shall be paid by
the State Comptroller and Treasurer by warrants drawn on the
funds appropriated to the System for that fiscal year.

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

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

(b-3) For State fiscal years 2015 through 2044, the minimum
contribution to the System to be made by the State for each
fiscal year shall be an amount determined by the System to be
equal to the sum of (1) the State's portion of the projected
normal cost for that fiscal year, plus (2) an amount sufficient
to bring the total assets of the System up to 100% of the total
actuarial liabilities of the System by the end of State fiscal
year 2044. In making these determinations, the required State
collection shall be calculated each year as a level
percentage of payroll over the years remaining to and including
fiscal year 2044 and shall be determined under the projected
unit cost method for fiscal year 2015 and under the entry age
normal actuarial cost method for fiscal years 2016 through
2044.

For State fiscal years 2012 through 2014, the minimum
contribution to the System to be made by the State for each
fiscal year shall be an amount determined by the System to be
sufficient to bring the total assets of the System up to 90% of
the total actuarial liabilities of the System by the end of
State fiscal year 2045. In making these determinations, the
required State contribution shall be calculated each year as a
level percentage of payroll over the years remaining to and
including fiscal year 2045 and shall be determined under the
projected unit credit actuarial cost method.

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

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

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

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2010 is $2,089,268,000 and shall be made from the proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the Common School Fund in fiscal year 2010, and (iii) any reduction in bond proceeds
due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is the amount recertified by the System on or before April 1, 2011 pursuant to subsection (a-1) of this Section and shall be made from the proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the Common School Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable. This amount shall include, in addition to the amount certified by the System, an amount necessary to meet employer contributions required by the State as an employer under paragraph (e) of this Section, which may also be used by the System for contributions required by paragraph (a) of Section 16-127.

Beginning in State fiscal year 2045, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 100% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year.
Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 100%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter through State fiscal year 2014, as calculated under this Section and certified under subsection (a-1), shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued in fiscal year 2003 for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the
required State contribution for State fiscal year 2007 plus the
applicable portion of the State's total debt service payments
for fiscal year 2007 on the bonds issued in fiscal year 2003
for the purposes of Section 7.2 of the General Obligation Bond
Act, so that, by State fiscal year 2011, the State is
contributing at the rate otherwise required under this Section.

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

If members are paid from special trust or federal funds
which are administered by the employing unit, whether school
district or other unit, the employing unit shall pay to the
System from such funds the full accruing retirement costs based
upon that service, which, beginning July 1, 2016 2014, shall be
at a rate, expressed as a percentage of salary, equal to the
total employer's minimum contribution to the System to be made
by the State for that fiscal year, including both normal cost
and unfunded liability components, expressed as a percentage of
payroll, as determined by the System under subsection (b-3) of
this Section. Employer contributions, based on salary paid to
members from federal funds, may be forwarded by the
distributing agency of the State of Illinois to the System
prior to allocation, in an amount determined in accordance with
guidelines established by such agency and the System. Any
contribution for fiscal year 2015 collected as a result of the change made by this amendatory Act of the 98th General Assembly shall be considered a State contribution under subsection (b-3) of this Section.

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

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

(e) Beginning July 1, 1998, every employer of a teacher shall pay to the System an employer contribution computed as follows:
(1) Beginning July 1, 1998 through June 30, 1999, the employer contribution shall be equal to 0.3% of each teacher's salary.

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

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

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

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

The additional 1% employee contribution required under Section 16-152 by this amendatory Act of 1998 is the responsibility of the teacher and not the teacher's employer, unless the employer agrees, through collective bargaining or otherwise, to make the contribution on behalf of the teacher.
If an employer is required by a contract in effect on May 1, 1998 between the employer and an employee organization to pay, on behalf of all its full-time employees covered by this Article, all mandatory employee contributions required under this Article, then the employer shall be excused from paying the employer contribution required under this subsection (e) for the balance of the term of that contract. The employer and the employee organization shall jointly certify to the System the existence of the contractual requirement, in such form as the System may prescribe. This exclusion shall cease upon the termination, extension, or renewal of the contract at any time after May 1, 1998.

(f) If the amount of a teacher's salary for any school year used to determine final average salary exceeds the member's annual full-time salary rate with the same employer for the previous school year by more than 6%, the teacher's employer shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, the present value of the increase in benefits resulting from the portion of the increase in salary that is in excess of 6%. This present value shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. If a teacher's salary for the 2005-2006 school year is used to determine final average salary under this subsection (f), then
the changes made to this subsection (f) by Public Act 94-1057 shall apply in calculating whether the increase in his or her salary is in excess of 6%. For the purposes of this Section, change in employment under Section 10-21.12 of the School Code on or after June 1, 2005 shall constitute a change in employer. The System may require the employer to provide any pertinent information or documentation. The changes made to this subsection (f) by this amendatory Act of the 94th General Assembly apply without regard to whether the teacher was in service on or after its effective date.

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

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

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

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

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

When assessing payment for any amount due under subsection (f), the System shall exclude salary increases resulting from overload work, including summer school, when the school district has certified to the System, and the System has approved the certification, that (i) the overload work is for
the sole purpose of classroom instruction in excess of the standard number of classes for a full-time teacher in a school district during a school year and (ii) the salary increases are equal to or less than the rate of pay for classroom instruction computed on the teacher's current salary and work schedule.

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

When assessing payment for any amount due under subsection (f), the System shall exclude any payment to the teacher from the State of Illinois or the State Board of Education over which the employer does not have discretion, notwithstanding that the payment is included in the computation of final average salary.

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

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

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

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

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

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

(j) For purposes of determining the required State contribution to the System, the value of the System's assets
shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

   As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

   (k) For purposes of determining the required State contribution to the system for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the system's actuarially assumed rate of return.

   (Source: P.A. 97-694, eff. 6-18-12; 97-813, eff. 7-13-12; 98-599, eff. 6-1-14; 98-674, eff. 6-30-14.)

   (Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

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

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

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

(a-1) Annually, on or before November 15 until November 15, 2011, the Board shall certify to the Governor the amount of the required State contribution for the coming fiscal year. The certification under this subsection (a-1) shall include a copy of the actuarial recommendations upon which it is based and shall specifically identify the System's projected State normal cost for that fiscal year.

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

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

On or before April 1, 2011, the Board shall recalculate and recertify to the Governor the amount of the required State
contribution to the System for State fiscal year 2011, applying
the changes made by Public Act 96-889 to the System's assets
and liabilities as of June 30, 2009 as though Public Act 96-889
was approved on that date.

(a-5) On or before November 1 of each year, beginning
November 1, 2012, the Board shall submit to the State Actuary,
the Governor, and the General Assembly a proposed certification
of the amount of the required State contribution to the System
for the next fiscal year, along with all of the actuarial
assumptions, calculations, and data upon which that proposed
certification is based. On or before January 1 of each year,
beginning January 1, 2013, the State Actuary shall issue a
preliminary report concerning the proposed certification and
identifying, if necessary, recommended changes in actuarial
assumptions that the Board must consider before finalizing its
certification of the required State contributions. On or before
January 15, 2013 and each January 15 thereafter, the Board
shall certify to the Governor and the General Assembly the
amount of the required State contribution for the next fiscal
year. The Board's certification must note any deviations from
the State Actuary's recommended changes, the reason or reasons
for not following the State Actuary's recommended changes, and
the fiscal impact of not following the State Actuary's
recommended changes on the required State contribution.

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

(b-1) Beginning in State fiscal year 1996, on the 15th day of each month, or as soon thereafter as may be practicable, the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the required annual State contribution certified under subsection (a-1). From the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2004, the Board shall not submit vouchers for the remainder of fiscal year 2004 in excess of the fiscal year 2004 certified contribution amount determined under this Section after taking into consideration the transfer to the System under subsection (a) of Section 6z-61 of the State Finance Act. These vouchers shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year.

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

(b-2) Allocations from the Common School Fund apportioned to school districts not coming under this System shall not be
(b-3) For State fiscal years 2012 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section; except that in the following specified State fiscal years, the State contribution to the System shall not be less than the following indicated percentages of the applicable employee payroll, even if the indicated percentage will produce a State contribution in excess of the amount otherwise required under this subsection and subsection (a), and notwithstanding any contrary certification made under subsection (a-1) before the effective date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY 2003; and 13.56% in FY 2004.
Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2006 is $534,627,700.

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

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2010 is $2,089,268,000 and shall be made from the proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the Common School Fund in fiscal year 2010, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is the amount recertified by the System on or before April 1, 2011 pursuant to subsection (a-1) of this Section and shall be made from the proceeds of bonds sold in fiscal year 2011 pursuant to
Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the Common School Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable. This amount shall include, in addition to the amount certified by the System, an amount necessary to meet employer contributions required by the State as an employer under paragraph (e) of this Section, which may also be used by the System for contributions required by paragraph (a) of Section 16-127.

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

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

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under subsection (a-1), shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued in fiscal year 2003 for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued in fiscal year 2003 for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.
(c) Payment of the required State contributions and of all pensions, retirement annuities, death benefits, refunds, and other benefits granted under or assumed by this System, and all expenses in connection with the administration and operation thereof, are obligations of the State.

If members are paid from special trust or federal funds which are administered by the employing unit, whether school district or other unit, the employing unit shall pay to the System from such funds the full accruing retirement costs based upon that service, which, beginning July 1, 2016, shall be at a rate, expressed as a percentage of salary, equal to the total employer's minimum contribution to the System to be made by the State for that fiscal year, including both normal cost and unfunded liability components, expressed as a percentage of payroll, as determined by the System under subsection (b-3) of this Section. Employer contributions, based on salary paid to members from federal funds, may be forwarded by the distributing agency of the State of Illinois to the System prior to allocation, in an amount determined in accordance with guidelines established by such agency and the System. Any contribution for fiscal year 2015 collected as a result of the change made by this amendatory Act of the 98th General Assembly shall be considered a State contribution under subsection (b-3) of this Section.

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

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

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

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

(2) Beginning July 1, 1999 and thereafter, the employer contribution shall be equal to 0.58% of each teacher's salary.
The school district or other employing unit may pay these employer contributions out of any source of funding available for that purpose and shall forward the contributions to the System on the schedule established for the payment of member contributions.

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

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

The additional 1% employee contribution required under Section 16-152 by this amendatory Act of 1998 is the responsibility of the teacher and not the teacher's employer, unless the employer agrees, through collective bargaining or otherwise, to make the contribution on behalf of the teacher.

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

(f) If the amount of a teacher's salary for any school year
used to determine final average salary exceeds the member's
annual full-time salary rate with the same employer for the
previous school year by more than 6%, the teacher's employer
shall pay to the System, in addition to all other payments
required under this Section and in accordance with guidelines
established by the System, the present value of the increase in
benefits resulting from the portion of the increase in salary
that is in excess of 6%. This present value shall be computed
by the System on the basis of the actuarial assumptions and
tables used in the most recent actuarial valuation of the
System that is available at the time of the computation. If a
teacher's salary for the 2005-2006 school year is used to
determine final average salary under this subsection (f), then
the changes made to this subsection (f) by Public Act 94-1057
shall apply in calculating whether the increase in his or her
salary is in excess of 6%. For the purposes of this Section,
change in employment under Section 10-21.12 of the School Code
on or after June 1, 2005 shall constitute a change in employer.
The System may require the employer to provide any pertinent
information or documentation. The changes made to this subsection (f) by this amendatory Act of the 94th General Assembly apply without regard to whether the teacher was in service on or after its effective date.

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

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

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

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

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

When assessing payment for any amount due under subsection (f), the System shall exclude salary increases resulting from overload work, including summer school, when the school district has certified to the System, and the System has approved the certification, that (i) the overload work is for the sole purpose of classroom instruction in excess of the standard number of classes for a full-time teacher in a school district during a school year and (ii) the salary increases are equal to or less than the rate of pay for classroom instruction computed on the teacher's current salary and work schedule.

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

When assessing payment for any amount due under subsection (f), the System shall exclude any payment to the teacher from the State of Illinois or the State Board of Education over which the employer does not have discretion, notwithstanding that the payment is included in the computation of final average salary.

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

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

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

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

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

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

(j) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial
gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(k) For purposes of determining the required State contribution to the system for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the system's actuarially assumed rate of return.

(Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-694, eff. 6-18-12; 97-813, eff. 7-13-12; 98-674, eff. 6-30-14.)

(40 ILCS 5/17-127) (from Ch. 108 1/2, par. 17-127)

Sec. 17-127. Financing; revenues for the Fund.

(a) The revenues for the Fund shall consist of: (1) amounts paid into the Fund by contributors thereto and from employer contributions and State appropriations in accordance with this Article; (2) amounts contributed to the Fund by an Employer; (3) amounts contributed to the Fund pursuant to any law now in force or hereafter to be enacted; (4) contributions from any other source; and (5) the earnings on investments.

(b) The General Assembly finds that for many years the State has contributed to the Fund an annual amount that is between 20% and 30% of the amount of the annual State contribution to the Article 16 retirement system, and the General Assembly declares that it is its goal and intention to continue this level of contribution to the Fund in the future.
Beginning in State fiscal year 1999, the State shall include in its annual contribution to the Fund an additional amount equal to 0.544% of the Fund's total teacher payroll; except that this additional contribution need not be made in a fiscal year if the Board has certified in the previous fiscal year that the Fund is at least 90% funded, based on actuarial determinations. These additional State contributions are intended to offset a portion of the cost to the Fund of the increases in retirement benefits resulting from this amendatory Act of 1998.

In addition to any other contribution required under this Article, including the contribution required under subsection (c), the State shall contribute to the Fund the following amounts:

1. For State fiscal year 2017, the State shall contribute $205,404,986.

2. Beginning in State fiscal year 2018, the State shall contribute for each fiscal year an amount to be determined by the Fund, equal to the employer normal cost for that fiscal year, plus the amount allowed pursuant to paragraph (3) of Section 17-142.1, to defray health insurance costs.

The Board shall determine the amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board and the recommendations of the actuary. On or before November 1 of
each year, beginning November 1, 2016, the Board shall submit
to the State Actuary, the Governor, and the General Assembly a
proposed certification of the amount of the required State
contribution to the Fund for the next fiscal year, along with
all of the actuarial assumptions, calculations, and data upon
which that proposed certification is based.

On or before January 1 of each year, beginning January 1,
2017, the State Actuary shall issue a preliminary report
concerning the proposed certification and identifying, if
necessary, recommended changes in actuarial assumptions that
the Board must consider before finalizing its certification of
the required State contributions.

(f) On or before January 15, 2017 and each January 15
thereafter, the Board shall certify to the Governor and the
General Assembly the amount of the required State contribution
for the next fiscal year. The certification shall include a
copy of the actuarial recommendations upon which it is based
and shall specifically identify the Fund's projected employer
normal cost for that fiscal year. The Board's certification
must note any deviations from the State Actuary's recommended
changes, the reason or reasons for not following the State
Actuary's recommended changes, and the fiscal impact of not
following the State Actuary's recommended changes on the
required State contribution.

For the purposes of this Article, including issuing
vouchers, and for the purposes of subsection (h) of Section 1.1
of the State Pension Funds Continuing Appropriation Act, the
State contribution specified for State fiscal year 2017 shall
be deemed to have been certified, by operation of law and
without official action by the Board or the State Actuary, in
the amount provided in subsection (d) of this Section.

(g) Beginning in State fiscal year 2017, on the 15th day of
each month, or as soon thereafter as may be practicable, the
Board shall submit vouchers for payment of State contributions
to the Fund, in a total monthly amount of one-twelfth of the
required annual State contribution under subsection (d). These
vouchers shall be paid by the State Comptroller and Treasurer
by warrants drawn on the funds appropriated to the Fund for
that fiscal year. If in any month the amount remaining
unexpended from all other State appropriations to the Fund for
the applicable fiscal year is less than the amount lawfully
vouchered under this subsection, the difference shall be paid
from the Common School Fund under the continuing appropriation
authority provided in Section 1.1 of the State Pension Funds
Continuing Appropriation Act.

(Source: P.A. 90-548, eff. 12-4-97; 90-566, eff. 1-2-98;
90-582, eff. 5-27-98; 90-655, eff. 7-30-98.)

Section 918. The State Pension Funds Continuing
Appropriation Act is amended by changing Section 1.1 as
follows:
Sec. 1.1. Appropriations to certain retirement systems.

(a) There is hereby appropriated from the General Revenue Fund to the General Assembly Retirement System, on a continuing monthly basis, the amount, if any, by which the total available amount of all other appropriations to that retirement system for the payment of State contributions is less than the total amount of the vouchers for required State contributions lawfully submitted by the retirement system for that month under Section 2-134 of the Illinois Pension Code.

(b) There is hereby appropriated from the General Revenue Fund to the State Universities Retirement System, on a continuing monthly basis, the amount, if any, by which the total available amount of all other appropriations to that retirement system for the payment of State contributions, including any deficiency in the required contributions of the optional retirement program established under Section 15-158.2 of the Illinois Pension Code, is less than the total amount of the vouchers for required State contributions lawfully submitted by the retirement system for that month under Section 15-165 of the Illinois Pension Code.

(c) There is hereby appropriated from the Common School Fund to the Teachers' Retirement System of the State of Illinois, on a continuing monthly basis, the amount, if any, by which the total available amount of all other appropriations to that retirement system for the payment of State contributions
is less than the total amount of the vouchers for required
State contributions lawfully submitted by the retirement
system for that month under Section 16-158 of the Illinois
Pension Code.

(d) There is hereby appropriated from the General Revenue
Fund to the Judges Retirement System of Illinois, on a
continuing monthly basis, the amount, if any, by which the
total available amount of all other appropriations to that
retirement system for the payment of State contributions is
less than the total amount of the vouchers for required State
contributions lawfully submitted by the retirement system for
that month under Section 18-140 of the Illinois Pension Code.

(e) The continuing appropriations provided by subsections
(a), (b), (c), and (d) of this Section shall first be available
in State fiscal year 1996. The continuing appropriations
provided by subsection (h) of this Section shall first be
available as provided in that subsection (h).

(f) For State fiscal year 2010 only, the continuing
appropriations provided by this Section are equal to the amount
certified by each System on or before December 31, 2008, less
the gross proceeds of the bonds sold in fiscal year 2010
under the authorization contained in subsection (a) of Section
7.2 of the General Obligation Bond Act and (ii) any amounts
received from the State Pensions Fund.

(g) For State fiscal year 2011 only, the continuing
appropriations provided by this Section are equal to the amount
certified by each System on or before April 1, 2011, less (i) the gross proceeds of the bonds sold in fiscal year 2011 under the authorization contained in subsection (a) of Section 7.2 of the General Obligation Bond Act and (ii) any amounts received from the State Pensions Fund.

(h) There is hereby appropriated from the Common School Fund to the Public School Teachers' Pension and Retirement Fund of Chicago, on a continuing monthly basis, the amount, if any, by which the total available amount of all other State appropriations to that Retirement Fund for the payment of State contributions under subsection (d) of Section 17-127 of the Illinois Pension Code is less than the total amount of the vouchers for required State contributions lawfully submitted by the Retirement Fund for that month under that Section 17-127.

(Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11.)

Section 920. The Innovation Development and Economy Act is amended by changing Section 33 as follows:

(50 ILCS 470/33)

Sec. 33. STAR Bonds School Improvement and Operations Trust Fund.

(a) The STAR Bonds School Improvement and Operations Trust Fund is created as a trust fund in the State treasury. Deposits
into the Trust Fund shall be made as provided under this Section. Moneys in the Trust Fund shall be used by the Department of Revenue only for the purpose of making payments to school districts in educational service regions that include or are adjacent to the STAR bond district. Moneys in the Trust Fund are not subject to appropriation and shall be used solely as provided in this Section. All deposits into the Trust Fund shall be held in the Trust Fund by the State Treasurer as ex officio custodian separate and apart from all public moneys or funds of this State and shall be administered by the Department exclusively for the purposes set forth in this Section. All moneys in the Trust Fund shall be invested and reinvested by the State Treasurer. All interest accruing from these investments shall be deposited in the Trust Fund.

(b) Upon approval of a STAR bond district, the political subdivision shall immediately transmit to the county clerk of the county in which the district is located a certified copy of the ordinance creating the district, a legal description of the district, a map of the district, identification of the year that the county clerk shall use for determining the total initial equalized assessed value of the district consistent with subsection (c), and a list of the parcel or tax identification number of each parcel of property included in the district.

(c) Upon approval of a STAR bond district, the county clerk immediately thereafter shall determine (i) the most recently
ascertained equalized assessed value of each lot, block, tract, or parcel of real property within the STAR bond district, from which shall be deducted the homestead exemptions under Article 15 of the Property Tax Code, which value shall be the initial equalized assessed value of each such piece of property, and (ii) the total equalized assessed value of all taxable real property within the district by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within the district, from which shall be deducted the homestead exemptions under Article 15 of the Property Tax Code, and shall certify that amount as the total initial equalized assessed value of the taxable real property within the STAR bond district.

(d) In reference to any STAR bond district created within any political subdivision, and in respect to which the county clerk has certified the total initial equalized assessed value of the property in the area, the political subdivision may thereafter request the clerk in writing to adjust the initial equalized value of all taxable real property within the STAR bond district by deducting therefrom the exemptions under Article 15 of the Property Tax Code applicable to each lot, block, tract, or parcel of real property within the STAR bond district. The county clerk shall immediately, after the written request to adjust the total initial equalized value is received, determine the total homestead exemptions in the STAR bond district as provided under Article 15 of the Property Tax
Code by adding together the homestead exemptions provided by said Article on each lot, block, tract, or parcel of real property within the STAR bond district and then shall deduct the total of said exemptions from the total initial equalized assessed value. The county clerk shall then promptly certify that amount as the total initial equalized assessed value as adjusted of the taxable real property within the STAR bond district.

(e) The county clerk or other person authorized by law shall compute the tax rates for each taxing district with all or a portion of its equalized assessed value located in the STAR bond district. The rate per cent of tax determined shall be extended to the current equalized assessed value of all property in the district in the same manner as the rate per cent of tax is extended to all other taxable property in the taxing district.

(f) Beginning with the assessment year in which the first destination user in the first STAR bond project in a STAR bond district makes its first retail sales and for each assessment year thereafter until final maturity of the last STAR bonds issued in the district, the county clerk or other person authorized by law shall determine the increase in equalized assessed value of all real property within the STAR bond district by subtracting the initial equalized assessed value of all property in the district certified under subsection (c) from the current equalized assessed value of all property in
the district. Each year, the property taxes arising from the increase in equalized assessed value in the STAR bond district shall be determined for each taxing district and shall be certified to the county collector.

(g) Beginning with the year in which taxes are collected based on the assessment year in which the first destination user in the first STAR bond project in a STAR bond district makes its first retail sales and for each year thereafter until final maturity of the last STAR bonds issued in the district, the county collector shall, within 30 days after receipt of property taxes, transmit to the Department to be deposited into the STAR Bonds School Improvement and Operations Trust Fund 15% of property taxes attributable to the increase in equalized assessed value within the STAR bond district from each taxing district as certified in subsection (f).

(h) The Department shall pay to the regional superintendent of schools whose educational service region includes Franklin and Williamson Counties, for each year for which money is remitted to the Department and paid into the STAR Bonds School Improvement and Operations Trust Fund, the money in the Fund as provided in this Section. The amount paid to each school district shall be allocated proportionately, based on each qualifying school district's fall enrollment for the then-current school year, such that the school district with the largest fall enrollment receives the largest proportionate share of money paid out of the Fund or by any other method or
formula that the regional superintendent of schools deems fit, equitable, and in the public interest. The regional superintendent may allocate moneys to school districts that are outside of his or her educational service region or to other regional superintendents.

The Department shall determine the distributions under this Section using its best judgment and information. The Department shall be held harmless for the distributions made under this Section and all distributions shall be final.

(i) In any year that an assessment appeal is filed, the extension of taxes on any assessment so appealed shall not be delayed. In the case of an assessment that is altered, any taxes extended upon the unauthorized assessment or part thereof shall be abated, or, if already paid, shall be refunded with interest as provided in Section 23-20 of the Property Tax Code. In the case of an assessment appeal, the county collector shall notify the Department that an assessment appeal has been filed and the amount of the tax that would have been deposited in the STAR Bonds School Improvement and Operations Trust Fund. The county collector shall hold that amount in a separate fund until the appeal process is final. After the appeal process is finalized, the county collector shall transmit to the Department the amount of tax that remains, if any, after all required refunds are made. The Department shall pay any amount deposited into the Trust Fund under this Section in the same proportion as determined for payments for that taxable year.
under subsection (h).

(j) In any year that ad valorem taxes are allocated to the STAR Bonds School Improvement and Operations Trust Fund, that allocation shall not reduce or otherwise impact the school aid provided to any school district under the general State school aid formula provided for in Section 18-8.05 of the School Code or the primary State aid formula provided for in Section 18-8.15 of the School Code.

(Source: P.A. 96-939, eff. 6-24-10.)

Section 925. The County Economic Development Project Area Property Tax Allocation Act is amended by changing Section 7 as follows:

(55 ILCS 85/7) (from Ch. 34, par. 7007)

Sec. 7. Creation of special tax allocation fund. If a county has adopted property tax allocation financing by ordinance for an economic development project area, the Department has approved and certified the economic development project area, and the county clerk has thereafter certified the "total initial equalized value" of the taxable real property within such economic development project area in the manner provided in subsection (b) of Section 6 of this Act, each year after the date of the certification by the county clerk of the "initial equalized assessed value" until economic development project costs and all county obligations financing economic...
development project costs have been paid, the ad valorem taxes, if any, arising from the levies upon the taxable real property in the economic development project area by taxing districts and tax rates determined in the manner provided in subsection (b) of Section 6 of this Act shall be divided as follows:

(1) That portion of the taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property existing at the time property tax allocation financing was adopted shall be allocated and when collected shall be paid by the county collector to the respective affected taxing districts in the manner required by the law in the absence of the adoption of property tax allocation financing.

(2) That portion, if any, of those taxes which is attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the economic development project area, over and above the initial equalized assessed value of each property existing at the time property tax allocation financing was adopted shall be allocated to and when collected shall be paid to the county treasurer, who shall deposit those taxes into a special fund called the special tax allocation fund of the county for the purpose of paying economic development project costs and obligations.
incurred in the payment thereof.

The county, by an ordinance adopting property tax allocation financing, may pledge the funds in and to be deposited in the special tax allocation fund for the payment of obligations issued under this Act and for the payment of economic development project costs. No part of the current equalized assessed valuation of each property in the economic development project area attributable to any increase above the total initial equalized assessed value of such properties shall be used in calculating the general State school aid formula, provided for in Section 18-8 of the School Code, or the primary State aid formula, provided for in Section 18-8.15 of the School Code, until such time as all economic development projects costs have been paid as provided for in this Section.

Whenever a county issues bonds for the purpose of financing economic development project costs, the county may provide by ordinance for the appointment of a trustee, which may be any trust company within the State, and for the establishment of the funds or accounts to be maintained by such trustee as the county shall deem necessary to provide for the security and payment of the bonds. If the county provides for the appointment of a trustee, the trustee shall be considered the assignee of any payments assigned by the county pursuant to the ordinance and this Section. Any amounts paid to the trustee as assignee shall be deposited in the funds or accounts established pursuant to the trust agreement, and shall be held
by the trustee in trust for the benefit of the holders of the bonds, and the holders shall have a lien on and a security interest in those bonds or accounts so long as the bonds remain outstanding and unpaid. Upon retirement of the bonds, the trustee shall pay over any excess amounts held to the county for deposit in the special tax allocation fund.

When the economic development project costs, including without limitation all county obligations financing economic development project costs incurred under this Act, have been paid, all surplus funds then remaining in the special tax allocation funds shall be distributed by being paid by the county treasurer to the county collector, who shall immediately thereafter pay those funds to the taxing districts having taxable property in the economic development project area in the same manner and proportion as the most recent distribution by the county collector to those taxing districts of real property taxes from real property in the economic development project area.

Upon the payment of all economic development project costs, retirement of obligations and the distribution of any excess monies pursuant to this Section and not later than 23 years from the date of adoption of the ordinance adopting property tax allocation financing, the county shall adopt an ordinance dissolving the special tax allocation fund for the economic development project area and terminating the designation of the economic development project area as an economic development
project area. Thereafter the rates of the taxing districts shall be extended and taxes levied, collected and distributed in the manner applicable in the absence of the adoption of property tax allocation financing.

Nothing in this Section shall be construed as relieving property in economic development project areas from being assessed as provided in the Property Tax Code or as relieving owners of that property from paying a uniform rate of taxes, as required by Section 4 of Article IX of the Illinois Constitution of 1970.

(Source: P.A. 98-463, eff. 8-16-13.)

Section 930. The County Economic Development Project Area Tax Increment Allocation Act of 1991 is amended by changing Section 50 as follows:

(55 ILCS 90/50) (from Ch. 34, par. 8050)
Sec. 50. Special tax allocation fund.
(a) If a county clerk has certified the "total initial equalized assessed value" of the taxable real property within an economic development project area in the manner provided in Section 45, each year after the date of the certification by the county clerk of the "total initial equalized assessed value", until economic development project costs and all county obligations financing economic development project costs have been paid, the ad valorem taxes, if any, arising from the
levies upon the taxable real property in the economic
development project area by taxing districts and tax rates
determined in the manner provided in subsection (b) of Section
45 shall be divided as follows:

(1) That portion of the taxes levied upon each taxable
lot, block, tract, or parcel of real property that is
attributable to the lower of the current equalized assessed
value or the initial equalized assessed value of each
taxable lot, block, tract, or parcel of real property
existing at the time tax increment financing was adopted
shall be allocated to (and when collected shall be paid by
the county collector to) the respective affected taxing
districts in the manner required by law in the absence of
the adoption of tax increment allocation financing.

(2) That portion, if any, of the taxes that is
attributable to the increase in the current equalized
assessed valuation of each taxable lot, block, tract, or
parcel of real property in the economic development project
area, over and above the initial equalized assessed value
of each property existing at the time tax increment
financing was adopted, shall be allocated to (and when
collected shall be paid to) the county treasurer, who shall
deposit the taxes into a special fund (called the special
tax allocation fund of the county) for the purpose of
paying economic development project costs and obligations
incurred in the payment of those costs.
(b) The county, by an ordinance adopting tax increment allocation financing, may pledge the monies in and to be deposited into the special tax allocation fund for the payment of obligations issued under this Act and for the payment of economic development project costs. No part of the current equalized assessed valuation of each property in the economic development project area attributable to any increase above the total initial equalized assessed value of those properties shall be used in calculating the general State school aid formula under Section 18-8 of the School Code or the primary State aid formula under Section 18-8.15 of the School Code until all economic development projects costs have been paid as provided for in this Section.

(c) When the economic development projects costs, including without limitation all county obligations financing economic development project costs incurred under this Act, have been paid, all surplus monies then remaining in the special tax allocation fund shall be distributed by being paid by the county treasurer to the county collector, who shall immediately pay the monies to the taxing districts having taxable property in the economic development project area in the same manner and proportion as the most recent distribution by the county collector to those taxing districts of real property taxes from real property in the economic development project area.

(d) Upon the payment of all economic development project
costs, retirement of obligations, and distribution of any
excess monies under this Section, the county shall adopt an
ordinance dissolving the special tax allocation fund for the
economic development project area and terminating the
designation of the economic development project area as an
economic development project area. Thereafter, the rates of the
taxing districts shall be extended and taxes shall be levied,
collected, and distributed in the manner applicable in the
absence of the adoption of tax increment allocation financing.

(e) Nothing in this Section shall be construed as relieving
property in the economic development project areas from being
assessed as provided in the Property Tax Code or as relieving
owners of that property from paying a uniform rate of taxes as
required by Section 4 of Article IX of the Illinois
Constitution.

(Source: P.A. 98-463, eff. 8-16-13.)

Section 935. The Illinois Municipal Code is amended by
changing Sections 11-74.4-3, 11-74.4-8, and 11-74.6-35 as
follows:

(65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)
Sec. 11-74.4-3. Definitions. The following terms, wherever
used or referred to in this Division 74.4 shall have the
following respective meanings, unless in any case a different
meaning clearly appears from the context.
(a) For any redevelopment project area that has been designated pursuant to this Section by an ordinance adopted prior to November 1, 1999 (the effective date of Public Act 91-478), "blighted area" shall have the meaning set forth in this Section prior to that date.

On and after November 1, 1999, "blighted area" means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where:

(1) If improved, industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of 5 or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the improved part of the redevelopment project area:

(A) Dilapidation. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.

(B) Obsolescence. The condition or process of
falling into disuse. Structures have become ill-suited for the original use.

(C) Deterioration. With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.

(D) Presence of structures below minimum code standards. All structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.

(E) Illegal use of individual structures. The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

(F) Excessive vacancies. The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of
the frequency, extent, or duration of the vacancies.

(G) Lack of ventilation, light, or sanitary facilities. The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

(H) Inadequate utilities. Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.

(I) Excessive land coverage and overcrowding of structures and community facilities. The
over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel.

For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service.

(J) Deleterious land use or layout. The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.

(K) Environmental clean-up. The proposed redevelopment project area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for,
or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

(L) Lack of community planning. The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.

(M) The total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the
balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.

(2) If vacant, the sound growth of the redevelopment project area is impaired by a combination of 2 or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains:

(A) Obsolete platting of vacant land that results in parcels of limited or narrow size or configurations of parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or platting that failed to create rights-of-ways for streets or alleys or that created inadequate right-of-way widths for streets, alleys, or other public rights-of-way or that omitted easements for public utilities.
(B) Diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development.

(C) Tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last 5 years.

(D) Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.

(E) The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

(F) The total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5
calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.

(3) If vacant, the sound growth of the redevelopment project area is impaired by one of the following factors that (i) is present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) is reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains:

(A) The area consists of one or more unused quarries, mines, or strip mine ponds.

(B) The area consists of unused rail yards, rail tracks, or railroad rights-of-way.

(C) The area, prior to its designation, is subject to (i) chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency or (ii) surface water that discharges from all or a part of the area and contributes to flooding within the same watershed, but only if the redevelopment project
provides for facilities or improvements to contribute
to the alleviation of all or part of the flooding.

(D) The area consists of an unused or illegal
disposal site containing earth, stone, building
debris, or similar materials that were removed from
construction, demolition, excavation, or dredge sites.

(E) Prior to November 1, 1999, the area is not less
than 50 nor more than 100 acres and 75% of which is
vacant (notwithstanding that the area has been used for
commercial agricultural purposes within 5 years prior
to the designation of the redevelopment project area),
and the area meets at least one of the factors itemized
in paragraph (1) of this subsection, the area has been
designated as a town or village center by ordinance or
comprehensive plan adopted prior to January 1, 1982,
and the area has not been developed for that designated
purpose.

(F) The area qualified as a blighted improved area
immediately prior to becoming vacant, unless there has
been substantial private investment in the immediately
surrounding area.

(b) For any redevelopment project area that has been
designated pursuant to this Section by an ordinance adopted
prior to November 1, 1999 (the effective date of Public Act
91-478), "conservation area" shall have the meaning set forth
in this Section prior to that date.
On and after November 1, 1999, "conservation area" means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area but because of a combination of 3 or more of the following factors is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area:

(1) Dilapidation. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.

(2) Obsolescence. The condition or process of falling into disuse. Structures have become ill-suited for the original use.

(3) Deterioration. With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes,
depressions, loose paving material, and weeds protruding through paved surfaces.

(4) Presence of structures below minimum code standards. All structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.

(5) Illegal use of individual structures. The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

(6) Excessive vacancies. The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.

(7) Lack of ventilation, light, or sanitary facilities. The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence or inadequacy of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and
structural inadequacies preventing ingress and egress to
and from all rooms and units within a building.

(8) Inadequate utilities. Underground and overhead
utilities such as storm sewers and storm drainage, sanitary
sewers, water lines, and gas, telephone, and electrical
services that are shown to be inadequate. Inadequate
utilities are those that are: (i) of insufficient capacity
to serve the uses in the redevelopment project area, (ii)
deteriorated, antiquated, obsolete, or in disrepair, or
(iii) lacking within the redevelopment project area.

(9) Excessive land coverage and overcrowding of
structures and community facilities. The over-intensive
use of property and the crowding of buildings and accessory
facilities onto a site. Examples of problem conditions
warranting the designation of an area as one exhibiting
excessive land coverage are: the presence of buildings
either improperly situated on parcels or located on parcels
of inadequate size and shape in relation to present-day
standards of development for health and safety and the
presence of multiple buildings on a single parcel. For
there to be a finding of excessive land coverage, these
parcels must exhibit one or more of the following
conditions: insufficient provision for light and air
within or around buildings, increased threat of spread of
fire due to the close proximity of buildings, lack of
adequate or proper access to a public right-of-way, lack of
reasonably required off-street parking, or inadequate provision for loading and service.

(10) Deleterious land use or layout. The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.

(11) Lack of community planning. The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.

(12) The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks
required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

(13) The total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years for which information is available.

(c) "Industrial park" means an area in a blighted or conservation area suitable for use by any manufacturing, industrial, research or transportation enterprise, of facilities to include but not be limited to factories, mills, processing plants, assembly plants, packing plants, fabricating plants, industrial distribution centers, warehouses, repair overhaul or service facilities, freight terminals, research facilities, test facilities or railroad facilities.

(d) "Industrial park conservation area" means an area within the boundaries of a redevelopment project area located within the territorial limits of a municipality that is a labor
surplus municipality or within 1 1/2 miles of the territorial limits of a municipality that is a labor surplus municipality if the area is annexed to the municipality; which area is zoned as industrial no later than at the time the municipality by ordinance designates the redevelopment project area, and which area includes both vacant land suitable for use as an industrial park and a blighted area or conservation area contiguous to such vacant land.

(e) "Labor surplus municipality" means a municipality in which, at any time during the 6 months before the municipality by ordinance designates an industrial park conservation area, the unemployment rate was over 6% and was also 100% or more of the national average unemployment rate for that same time as published in the United States Department of Labor Bureau of Labor Statistics publication entitled "The Employment Situation" or its successor publication. For the purpose of this subsection, if unemployment rate statistics for the municipality are not available, the unemployment rate in the municipality shall be deemed to be the same as the unemployment rate in the principal county in which the municipality is located.

(f) "Municipality" shall mean a city, village, incorporated town, or a township that is located in the unincorporated portion of a county with 3 million or more inhabitants, if the county adopted an ordinance that approved the township's redevelopment plan.
(g) "Initial Sales Tax Amounts" means the amount of taxes paid under the Retailers' Occupation Tax Act, Use Tax Act, Service Use Tax Act, the Service Occupation Tax Act, the Municipal Retailers' Occupation Tax Act, and the Municipal Service Occupation Tax Act by retailers and servicemen on transactions at places located in a State Sales Tax Boundary during the calendar year 1985.

(g-1) "Revised Initial Sales Tax Amounts" means the amount of taxes paid under the Retailers' Occupation Tax Act, Use Tax Act, Service Use Tax Act, the Service Occupation Tax Act, the Municipal Retailers' Occupation Tax Act, and the Municipal Service Occupation Tax Act by retailers and servicemen on transactions at places located within the State Sales Tax Boundary revised pursuant to Section 11-74.4-8a(9) of this Act.

(h) "Municipal Sales Tax Increment" means an amount equal to the increase in the aggregate amount of taxes paid to a municipality from the Local Government Tax Fund arising from sales by retailers and servicemen within the redevelopment project area or State Sales Tax Boundary, as the case may be, for as long as the redevelopment project area or State Sales Tax Boundary, as the case may be, exist over and above the aggregate amount of taxes as certified by the Illinois Department of Revenue and paid under the Municipal Retailers' Occupation Tax Act and the Municipal Service Occupation Tax Act by retailers and servicemen, on transactions at places of business located in the redevelopment project area or State.
Sales Tax Boundary, as the case may be, during the base year which shall be the calendar year immediately prior to the year in which the municipality adopted tax increment allocation financing. For purposes of computing the aggregate amount of such taxes for base years occurring prior to 1985, the Department of Revenue shall determine the Initial Sales Tax Amounts for such taxes and deduct therefrom an amount equal to 4% of the aggregate amount of taxes per year for each year the base year is prior to 1985, but not to exceed a total deduction of 12%. The amount so determined shall be known as the "Adjusted Initial Sales Tax Amounts". For purposes of determining the Municipal Sales Tax Increment, the Department of Revenue shall for each period subtract from the amount paid to the municipality from the Local Government Tax Fund arising from sales by retailers and servicemen on transactions located in the redevelopment project area or the State Sales Tax Boundary, as the case may be, the certified Initial Sales Tax Amounts, the Adjusted Initial Sales Tax Amounts or the Revised Initial Sales Tax Amounts for the Municipal Retailers' Occupation Tax Act and the Municipal Service Occupation Tax Act. For the State Fiscal Year 1989, this calculation shall be made by utilizing the calendar year 1987 to determine the tax amounts received. For the State Fiscal Year 1990, this calculation shall be made by utilizing the period from January 1, 1988, until September 30, 1988, to determine the tax amounts received from retailers and servicemen pursuant to the
Municipal Retailers' Occupation Tax and the Municipal Service Occupation Tax Act, which shall have deducted therefrom nine-twelfths of the certified Initial Sales Tax Amounts, the Adjusted Initial Sales Tax Amounts or the Revised Initial Sales Tax Amounts as appropriate. For the State Fiscal Year 1991, this calculation shall be made by utilizing the period from October 1, 1988, to June 30, 1989, to determine the tax amounts received from retailers and servicemen pursuant to the Municipal Retailers' Occupation Tax and the Municipal Service Occupation Tax Act which shall have deducted therefrom nine-twelfths of the certified Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts or the Revised Initial Sales Tax Amounts as appropriate. For every State Fiscal Year thereafter, the applicable period shall be the 12 months beginning July 1 and ending June 30 to determine the tax amounts received which shall have deducted therefrom the certified Initial Sales Tax Amounts, the Adjusted Initial Sales Tax Amounts or the Revised Initial Sales Tax Amounts, as the case may be.

(i) "Net State Sales Tax Increment" means the sum of the following: (a) 80% of the first $100,000 of State Sales Tax Increment annually generated within a State Sales Tax Boundary; (b) 60% of the amount in excess of $100,000 but not exceeding $500,000 of State Sales Tax Increment annually generated within a State Sales Tax Boundary; and (c) 40% of all amounts in excess of $500,000 of State Sales Tax Increment annually
generated within a State Sales Tax Boundary. If, however, a
municipality established a tax increment financing district in
a county with a population in excess of 3,000,000 before
January 1, 1986, and the municipality entered into a contract
or issued bonds after January 1, 1986, but before December 31,
1986, to finance redevelopment project costs within a State
Sales Tax Boundary, then the Net State Sales Tax Increment
means, for the fiscal years beginning July 1, 1990, and July 1,
1991, 100% of the State Sales Tax Increment annually generated
within a State Sales Tax Boundary; and notwithstanding any
other provision of this Act, for those fiscal years the
Department of Revenue shall distribute to those municipalities
100% of their Net State Sales Tax Increment before any
distribution to any other municipality and regardless of
whether or not those other municipalities will receive 100% of
their Net State Sales Tax Increment. For Fiscal Year 1999, and
every year thereafter until the year 2007, for any municipality
that has not entered into a contract or has not issued bonds
prior to June 1, 1988 to finance redevelopment project costs
within a State Sales Tax Boundary, the Net State Sales Tax
Increment shall be calculated as follows: By multiplying the
Net State Sales Tax Increment by 90% in the State Fiscal Year
1999; 80% in the State Fiscal Year 2000; 70% in the State
Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the
State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30%
in the State Fiscal Year 2005; 20% in the State Fiscal Year
2006; and 10% in the State Fiscal Year 2007. No payment shall be made for State Fiscal Year 2008 and thereafter.

Municipalities that issued bonds in connection with a redevelopment project in a redevelopment project area within the State Sales Tax Boundary prior to July 29, 1991, or that entered into contracts in connection with a redevelopment project in a redevelopment project area before June 1, 1988, shall continue to receive their proportional share of the Illinois Tax Increment Fund distribution until the date on which the redevelopment project is completed or terminated. If, however, a municipality that issued bonds in connection with a redevelopment project in a redevelopment project area within the State Sales Tax Boundary prior to July 29, 1991 retires the bonds prior to June 30, 2007 or a municipality that entered into contracts in connection with a redevelopment project in a redevelopment project area before June 1, 1988 completes the contracts prior to June 30, 2007, then so long as the redevelopment project is not completed or is not terminated, the Net State Sales Tax Increment shall be calculated, beginning on the date on which the bonds are retired or the contracts are completed, as follows: By multiplying the Net State Sales Tax Increment by 60% in the State Fiscal Year 2002; 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the State Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No payment shall be made for State Fiscal Year 2008 and

(j) "State Utility Tax Increment Amount" means an amount equal to the aggregate increase in State electric and gas tax charges imposed on owners and tenants, other than residential customers, of properties located within the redevelopment project area under Section 9-222 of the Public Utilities Act, over and above the aggregate of such charges as certified by the Department of Revenue and paid by owners and tenants, other than residential customers, of properties within the redevelopment project area during the base year, which shall be the calendar year immediately prior to the year of the adoption of the ordinance authorizing tax increment allocation financing.

(k) "Net State Utility Tax Increment" means the sum of the following: (a) 80% of the first $100,000 of State Utility Tax Increment annually generated by a redevelopment project area; (b) 60% of the amount in excess of $100,000 but not exceeding $500,000 of the State Utility Tax Increment annually generated by a redevelopment project area; and (c) 40% of all amounts in excess of $500,000 of State Utility Tax Increment annually generated by a redevelopment project area. For the State Fiscal Year 1999, and every year thereafter until the year 2007, for any municipality that has not entered into a contract or has not issued bonds prior to June 1, 1988 to finance redevelopment project costs within a redevelopment project area, the Net
State Utility Tax Increment shall be calculated as follows: By multiplying the Net State Utility Tax Increment by 90% in the State Fiscal Year 1999; 80% in the State Fiscal Year 2000; 70% in the State Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the State Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No payment shall be made for the State Fiscal Year 2008 and thereafter.

Municipalities that issue bonds in connection with the redevelopment project during the period from June 1, 1988 until 3 years after the effective date of this Amendatory Act of 1988 shall receive the Net State Utility Tax Increment, subject to appropriation, for 15 State Fiscal Years after the issuance of such bonds. For the 16th through the 20th State Fiscal Years after issuance of the bonds, the Net State Utility Tax Increment shall be calculated as follows: By multiplying the Net State Utility Tax Increment by 90% in year 16; 80% in year 17; 70% in year 18; 60% in year 19; and 50% in year 20. Refunding of any bonds issued prior to June 1, 1988, shall not alter the revised Net State Utility Tax Increment payments set forth above.

(1) "Obligations" mean bonds, loans, debentures, notes, special certificates or other evidence of indebtedness issued by the municipality to carry out a redevelopment project or to refund outstanding obligations.
(m) "Payment in lieu of taxes" means those estimated tax revenues from real property in a redevelopment project area derived from real property that has been acquired by a municipality which according to the redevelopment project or plan is to be used for a private use which taxing districts would have received had a municipality not acquired the real property and adopted tax increment allocation financing and which would result from levies made after the time of the adoption of tax increment allocation financing to the time the current equalized value of real property in the redevelopment project area exceeds the total initial equalized value of real property in said area.

(n) "Redevelopment plan" means the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a "blighted area" or "conservation area" or combination thereof or "industrial park conservation area," and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area. On and after November 1, 1999 (the effective date of Public Act 91-478), no redevelopment plan may be approved or amended that includes the development of vacant land (i) with a golf course and related clubhouse and other facilities or (ii) designated by federal, State, county, or municipal government as public land for outdoor recreational activities or for
nature preserves and used for that purpose within 5 years prior
to the adoption of the redevelopment plan. For the purpose of
this subsection, "recreational activities" is limited to mean
camping and hunting. Each redevelopment plan shall set forth in
writing the program to be undertaken to accomplish the
objectives and shall include but not be limited to:

(A) an itemized list of estimated redevelopment
project costs;

(B) evidence indicating that the redevelopment project
area on the whole has not been subject to growth and
development through investment by private enterprise;

(C) an assessment of any financial impact of the
redevelopment project area on or any increased demand for
services from any taxing district affected by the plan and
any program to address such financial impact or increased
demand;

(D) the sources of funds to pay costs;

(E) the nature and term of the obligations to be
issued;

(F) the most recent equalized assessed valuation of the
redevelopment project area;

(G) an estimate as to the equalized assessed valuation
after redevelopment and the general land uses to apply in
the redevelopment project area;

(H) a commitment to fair employment practices and an
affirmative action plan;
(I) if it concerns an industrial park conservation area, the plan shall also include a general description of any proposed developer, user and tenant of any property, a description of the type, structure and general character of the facilities to be developed, a description of the type, class and number of new employees to be employed in the operation of the facilities to be developed; and

(J) if property is to be annexed to the municipality, the plan shall include the terms of the annexation agreement.

The provisions of items (B) and (C) of this subsection (n) shall not apply to a municipality that before March 14, 1994 (the effective date of Public Act 88-537) had fixed, either by its corporate authorities or by a commission designated under subsection (k) of Section 11-74.4-4, a time and place for a public hearing as required by subsection (a) of Section 11-74.4-5. No redevelopment plan shall be adopted unless a municipality complies with all of the following requirements:

(1) The municipality finds that the redevelopment project area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the redevelopment plan.

(2) The municipality finds that the redevelopment plan and project conform to the comprehensive plan for the development of the municipality as a whole, or, for
municipalities with a population of 100,000 or more, regardless of when the redevelopment plan and project was adopted, the redevelopment plan and project either: (i) conforms to the strategic economic development or redevelopment plan issued by the designated planning authority of the municipality, or (ii) includes land uses that have been approved by the planning commission of the municipality.

(3) The redevelopment plan establishes the estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs. Those dates may not be later than the dates set forth under Section 11-74.4-3.5.

A municipality may by municipal ordinance amend an existing redevelopment plan to conform to this paragraph (3) as amended by Public Act 91-478, which municipal ordinance may be adopted without further hearing or notice and without complying with the procedures provided in this Act pertaining to an amendment to or the initial approval of a redevelopment plan and project and designation of a redevelopment project area.

(3.5) The municipality finds, in the case of an industrial park conservation area, also that the municipality is a labor surplus municipality and that the implementation of the redevelopment plan will reduce unemployment, create new jobs and by the provision of new
facilities enhance the tax base of the taxing districts that extend into the redevelopment project area.

(4) If any incremental revenues are being utilized under Section 8(a)(1) or 8(a)(2) of this Act in redevelopment project areas approved by ordinance after January 1, 1986, the municipality finds: (a) that the redevelopment project area would not reasonably be developed without the use of such incremental revenues, and (b) that such incremental revenues will be exclusively utilized for the development of the redevelopment project area.

(5) If the redevelopment plan will not result in displacement of residents from 10 or more inhabited residential units, and the municipality certifies in the plan that such displacement will not result from the plan, a housing impact study need not be performed. If, however, the redevelopment plan would result in the displacement of residents from 10 or more inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and no certification is made, then the municipality shall prepare, as part of the separate feasibility report required by subsection (a) of Section 11-74.4-5, a housing impact study.

Part I of the housing impact study shall include (i) data as to whether the residential units are single family or multi-family units, (ii) the number and type of rooms
within the units, if that information is available, (iii)
whether the units are inhabited or uninhabited, as
determined not less than 45 days before the date that the
erdinance or resolution required by subsection (a) of
Section 11-74.4-5 is passed, and (iv) data as to the racial
and ethnic composition of the residents in the inhabited
residential units. The data requirement as to the racial
and ethnic composition of the residents in the inhabited
residential units shall be deemed to be fully satisfied by
data from the most recent federal census.

Part II of the housing impact study shall identify the
inhabited residential units in the proposed redevelopment
project area that are to be or may be removed. If inhabited
residential units are to be removed, then the housing
impact study shall identify (i) the number and location of
those units that will or may be removed, (ii) the
municipality's plans for relocation assistance for those
residents in the proposed redevelopment project area whose
residences are to be removed, (iii) the availability of
replacement housing for those residents whose residences
are to be removed, and shall identify the type, location,
and cost of the housing, and (iv) the type and extent of
relocation assistance to be provided.

(6) On and after November 1, 1999, the housing impact
study required by paragraph (5) shall be incorporated in
the redevelopment plan for the redevelopment project area.
(7) On and after November 1, 1999, no redevelopment plan shall be adopted, nor an existing plan amended, nor shall residential housing that is occupied by households of low-income and very low-income persons in currently existing redevelopment project areas be removed after November 1, 1999 unless the redevelopment plan provides, with respect to inhabited housing units that are to be removed for households of low-income and very low-income persons, affordable housing and relocation assistance not less than that which would be provided under the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations under that Act, including the eligibility criteria. Affordable housing may be either existing or newly constructed housing. For purposes of this paragraph (7), "low-income households", "very low-income households", and "affordable housing" have the meanings set forth in the Illinois Affordable Housing Act. The municipality shall make a good faith effort to ensure that this affordable housing is located in or near the redevelopment project area within the municipality.

(8) On and after November 1, 1999, if, after the adoption of the redevelopment plan for the redevelopment project area, any municipality desires to amend its redevelopment plan to remove more inhabited residential units than specified in its original redevelopment plan,
that change shall be made in accordance with the procedures in subsection (c) of Section 11-74.4-5.

(9) For redevelopment project areas designated prior to November 1, 1999, the redevelopment plan may be amended without further joint review board meeting or hearing, provided that the municipality shall give notice of any such changes by mail to each affected taxing district and registrant on the interested party registry, to authorize the municipality to expend tax increment revenues for redevelopment project costs defined by paragraphs (5) and (7.5), subparagraphs (E) and (F) of paragraph (11), and paragraph (11.5) of subsection (q) of Section 11-74.4-3, so long as the changes do not increase the total estimated redevelopment project costs set out in the redevelopment plan by more than 5% after adjustment for inflation from the date the plan was adopted.

(o) "Redevelopment project" means any public and private development project in furtherance of the objectives of a redevelopment plan. On and after November 1, 1999 (the effective date of Public Act 91-478), no redevelopment plan may be approved or amended that includes the development of vacant land (i) with a golf course and related clubhouse and other facilities or (ii) designated by federal, State, county, or municipal government as public land for outdoor recreational activities or for nature preserves and used for that purpose within 5 years prior to the adoption of the redevelopment plan.
For the purpose of this subsection, "recreational activities" is limited to mean camping and hunting.

(p) "Redevelopment project area" means an area designated by the municipality, which is not less in the aggregate than 1 1/2 acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area or a blighted area or a conservation area, or a combination of both blighted areas and conservation areas.

(p-1) Notwithstanding any provision of this Act to the contrary, on and after August 25, 2009 (the effective date of Public Act 96-680), a redevelopment project area may include areas within a one-half mile radius of an existing or proposed Regional Transportation Authority Suburban Transit Access Route (STAR Line) station without a finding that the area is classified as an industrial park conservation area, a blighted area, a conservation area, or a combination thereof, but only if the municipality receives unanimous consent from the joint review board created to review the proposed redevelopment project area.

(q) "Redevelopment project costs", except for redevelopment project areas created pursuant to subsection (p-1), means and includes the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan and a redevelopment project. Such costs include, without limitation,
the following:

   (1) Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected; except that on and after November 1, 1999 (the effective date of Public Act 91-478), no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of 3 years. In addition, "redevelopment project costs" shall not include lobbying expenses. After consultation with the municipality, each tax increment consultant or advisor to a municipality that plans to designate or has designated a redevelopment project area shall inform the municipality in writing of any contracts that the consultant or advisor has entered into with entities or individuals that have received, or are receiving, payments financed by tax increment revenues produced by the redevelopment project area with respect to which the consultant or advisor has performed, or will be performing, service for the municipality. This requirement shall be satisfied by the consultant or advisor before the commencement of services
for the municipality and thereafter whenever any other contracts with those individuals or entities are executed by the consultant or advisor;

(1.5) After July 1, 1999, annual administrative costs shall not include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a redevelopment project area or approved a redevelopment plan;

(1.6) The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;

(2) Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;

(3) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for
private investment or devoted to a different use requiring
private investment; including any direct or indirect costs
relating to Green Globes or LEED certified construction
elements or construction elements with an equivalent
certification;

(4) Costs of the construction of public works or
improvements, including any direct or indirect costs
relating to Green Globes or LEED certified construction
elements or construction elements with an equivalent
certification, except that on and after November 1, 1999,
redevelopment project costs shall not include the cost of
constructing a new municipal public building principally
used to provide offices, storage space, or conference
facilities or vehicle storage, maintenance, or repair for
administrative, public safety, or public works personnel
and that is not intended to replace an existing public
building as provided under paragraph (3) of subsection (q)
of Section 11-74.4-3 unless either (i) the construction of
the new municipal building implements a redevelopment
project that was included in a redevelopment plan that was
adopted by the municipality prior to November 1, 1999 or
(ii) the municipality makes a reasonable determination in
the redevelopment plan, supported by information that
provides the basis for that determination, that the new
municipal building is required to meet an increase in the
need for public safety purposes anticipated to result from
the implementation of the redevelopment plan;

(5) Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area;

(6) Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;

(7) To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project.

(7.5) For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after November 1, 1999, an elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper
receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by this Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually as follows:

(A) for foundation districts, excluding any school district in a municipality with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general State aid as defined in Section 18-8.05 of the School Code or primary State aid as defined in Section
18-8.15 of the School Code attributable to these added new students subject to the following annual limitations:

(i) for unit school districts with a district average 1995-96 Per Capita Tuition Charge of less than $5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;

(ii) for elementary school districts with a district average 1995-96 Per Capita Tuition Charge of less than $5,900, no more than 17% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and

(iii) for secondary school districts with a district average 1995-96 Per Capita Tuition Charge of less than $5,900, no more than 8% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act.

(B) For alternate method districts, flat grant districts, and foundation districts with a district average 1995-96 Per Capita Tuition Charge equal to or more than $5,900, excluding any school district with a population in excess of 1,000,000, by multiplying the
district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general state aid as defined in Section 18-8.05 of the School Code or primary State aid as defined in Section 18-8.15 of the School Code attributable to these added new students subject to the following annual limitations:

(i) for unit school districts, no more than 40% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;

(ii) for elementary school districts, no more than 27% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance
assistance under this Act; and

(iii) for secondary school districts, no more than 13% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act.

(C) For any school district in a municipality with a population in excess of 1,000,000, the following restrictions shall apply to the reimbursement of increased costs under this paragraph (7.5):

(i) no increased costs shall be reimbursed unless the school district certifies that each of the schools affected by the assisted housing project is at or over its student capacity;

(ii) the amount reimbursable shall be reduced by the value of any land donated to the school district by the municipality or developer, and by the value of any physical improvements made to the schools by the municipality or developer; and

(iii) the amount reimbursed may not affect amounts otherwise obligated by the terms of any bonds, notes, or other funding instruments, or the terms of any redevelopment agreement.

Any school district seeking payment under this paragraph (7.5) shall, after July 1 and before September 30 of each year, provide the municipality
with reasonable evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the school district. If the school district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. School districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by this paragraph (7.5). By acceptance of this reimbursement the school district waives the right to directly or indirectly set aside, modify, or contest in any manner the establishment of the redevelopment project area or projects;

(7.7) For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after January 1, 2005 (the effective date of Public Act 93-961), a public library district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by this Act shall be paid to the library
district by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units. This paragraph (7.7) applies only if (i) the library district is located in a county that is subject to the Property Tax Extension Limitation Law or (ii) the library district is not located in a county that is subject to the Property Tax Extension Limitation Law but the district is prohibited by any other law from increasing its tax levy rate without a prior voter referendum.

The amount paid to a library district under this paragraph (7.7) shall be calculated by multiplying (i) the net increase in the number of persons eligible to obtain a library card in that district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by (ii) the per-patron cost of providing library services so long as it does not exceed $120. The per-patron cost shall be the Total Operating Expenditures Per Capita for the library in the previous fiscal year. The municipality may deduct from the amount that it must pay to a library district
under this paragraph any amount that it has voluntarily
paid to the library district from the tax increment
revenue. The amount paid to a library district under this
paragraph (7.7) shall be no more than 2% of the amount
produced by the assisted housing units and deposited into
the Special Tax Allocation Fund.

A library district is not eligible for any payment
under this paragraph (7.7) unless the library district has
experienced an increase in the number of patrons from the
municipality that created the tax-increment-financing
district since the designation of the redevelopment
project area.

Any library district seeking payment under this
paragraph (7.7) shall, after July 1 and before September 30
of each year, provide the municipality with convincing
evidence to support its claim for reimbursement before the
municipality shall be required to approve or make the
payment to the library district. If the library district
fails to provide the information during this period in any
year, it shall forfeit any claim to reimbursement for that
year. Library districts may adopt a resolution waiving the
right to all or a portion of the reimbursement otherwise
required by this paragraph (7.7). By acceptance of such
reimbursement, the library district shall forfeit any
right to directly or indirectly set aside, modify, or
contest in any manner whatsoever the establishment of the
(8) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law or in order to satisfy subparagraph (7) of subsection (n);

(9) Payment in lieu of taxes;

(10) Costs of job training, retraining, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement.
Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code;

(11) Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:

(A) such costs are to be paid directly from the special tax allocation fund established pursuant to this Act;

(B) such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;

(C) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (11) then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;

(D) the total of such interest payments paid pursuant to this Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant
to this Act; and

(E) the cost limits set forth in subparagraphs (B) and (D) of paragraph (11) shall be modified for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act. The percentage of 75% shall be substituted for 30% in subparagraphs (B) and (D) of paragraph (11).

(F) Instead of the eligible costs provided by subparagraphs (B) and (D) of paragraph (11), as modified by this subparagraph, and notwithstanding any other provisions of this Act to the contrary, the municipality may pay from tax increment revenues up to 50% of the cost of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. The cost of construction of those units may be derived from the proceeds of bonds issued by the municipality under this Act or other constitutional or statutory authority or from other sources of municipal revenue that may be reimbursed from tax increment revenues or the proceeds of bonds issued to finance the construction of that housing.

The eligible costs provided under this subparagraph (F) of paragraph (11) shall be an eligible
cost for the construction, renovation, and rehabilitation of all low and very low-income housing units, as defined in Section 3 of the Illinois Affordable Housing Act, within the redevelopment project area. If the low and very low-income units are part of a residential redevelopment project that includes units not affordable to low and very low-income households, only the low and very low-income units shall be eligible for benefits under subparagraph (F) of paragraph (11). The standards for maintaining the occupancy by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, of those units constructed with eligible costs made available under the provisions of this subparagraph (F) of paragraph (11) shall be established by guidelines adopted by the municipality. The responsibility for annually documenting the initial occupancy of the units by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, shall be that of the then current owner of the property. For ownership units, the guidelines will provide, at a minimum, for a reasonable recapture of funds, or other appropriate methods designed to preserve the original affordability of the ownership units. For rental units, the guidelines will provide,
at a minimum, for the affordability of rent to low and very low-income households. As units become available, they shall be rented to income-eligible tenants. The municipality may modify these guidelines from time to time; the guidelines, however, shall be in effect for as long as tax increment revenue is being used to pay for costs associated with the units or for the retirement of bonds issued to finance the units or for the life of the redevelopment project area, whichever is later.

(11.5) If the redevelopment project area is located within a municipality with a population of more than 100,000, the cost of day care services for children of employees from low-income families working for businesses located within the redevelopment project area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80% of the municipal, county, or regional median income, adjusted for family size, as the annual income and municipal, county, or regional median income are determined from time to time by the United States Department of Housing and Urban Development.
(12) Unless explicitly stated herein the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.

(13) After November 1, 1999 (the effective date of Public Act 91-478), none of the redevelopment project costs enumerated in this subsection shall be eligible redevelopment project costs if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality. For purposes of this paragraph, termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, had become economically obsolete, or was no longer a viable location for the retailer or serviceman.

(14) No cost shall be a redevelopment project cost in a redevelopment project area if used to demolish, remove, or substantially modify a historic resource, after August 26,
2008 (the effective date of Public Act 95-934), unless no prudent and feasible alternative exists. "Historic resource" for the purpose of this item (14) means (i) a place or structure that is included or eligible for inclusion on the National Register of Historic Places or (ii) a contributing structure in a district on the National Register of Historic Places. This item (14) does not apply to a place or structure for which demolition, removal, or modification is subject to review by the preservation agency of a Certified Local Government designated as such by the National Park Service of the United States Department of the Interior.

If a special service area has been established pursuant to the Special Service Area Tax Act or Special Service Area Tax Law, then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act or Special Service Area Tax Law may be used within the redevelopment project area for the purposes permitted by that Act or Law as well as the purposes permitted by this Act.

(q-1) For redevelopment project areas created pursuant to subsection (p-1), redevelopment project costs are limited to those costs in paragraph (q) that are related to the existing or proposed Regional Transportation Authority Suburban Transit Access Route (STAR Line) station.

(r) "State Sales Tax Boundary" means the redevelopment project area or the amended redevelopment project area
boundaries which are determined pursuant to subsection (9) of
Section 11-74.4-8a of this Act. The Department of Revenue shall
certify pursuant to subsection (9) of Section 11-74.4-8a the
appropriate boundaries eligible for the determination of State
Sales Tax Increment.

(s) "State Sales Tax Increment" means an amount equal to
the increase in the aggregate amount of taxes paid by retailers
and servicemen, other than retailers and servicemen subject to
the Public Utilities Act, on transactions at places of business
located within a State Sales Tax Boundary pursuant to the
Retailers' Occupation Tax Act, the Use Tax Act, the Service Use
Tax Act, and the Service Occupation Tax Act, except such
portion of such increase that is paid into the State and Local
Sales Tax Reform Fund, the Local Government Distributive Fund,
the Local Government Tax Fund and the County and Mass Transit
District Fund, for as long as State participation exists, over
and above the Initial Sales Tax Amounts, Adjusted Initial Sales
Tax Amounts or the Revised Initial Sales Tax Amounts for such
taxes as certified by the Department of Revenue and paid under
those Acts by retailers and servicemen on transactions at
places of business located within the State Sales Tax Boundary
during the base year which shall be the calendar year
immediately prior to the year in which the municipality adopted
tax increment allocation financing, less 3.0% of such amounts
generated under the Retailers' Occupation Tax Act, Use Tax Act
and Service Use Tax Act and the Service Occupation Tax Act,
which sum shall be appropriated to the Department of Revenue to cover its costs of administering and enforcing this Section. For purposes of computing the aggregate amount of such taxes for base years occurring prior to 1985, the Department of Revenue shall compute the Initial Sales Tax Amount for such taxes and deduct therefrom an amount equal to 4% of the aggregate amount of taxes per year for each year the base year is prior to 1985, but not to exceed a total deduction of 12%. The amount so determined shall be known as the "Adjusted Initial Sales Tax Amount". For purposes of determining the State Sales Tax Increment the Department of Revenue shall for each period subtract from the tax amounts received from retailers and servicemen on transactions located in the State Sales Tax Boundary, the certified Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts or Revised Initial Sales Tax Amounts for the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act and the Service Occupation Tax Act. For the State Fiscal Year 1989 this calculation shall be made by utilizing the calendar year 1987 to determine the tax amounts received. For the State Fiscal Year 1990, this calculation shall be made by utilizing the period from January 1, 1988, until September 30, 1988, to determine the tax amounts received from retailers and servicemen, which shall have deducted therefrom nine-twelfths of the certified Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts or the Revised Initial Sales Tax Amounts as appropriate. For the State Fiscal
Year 1991, this calculation shall be made by utilizing the period from October 1, 1988, until June 30, 1989, to determine the tax amounts received from retailers and servicemen, which shall have deducted therefrom nine-twelfths of the certified Initial State Sales Tax Amounts, Adjusted Initial Sales Tax Amounts or the Revised Initial Sales Tax Amounts as appropriate. For every State Fiscal Year thereafter, the applicable period shall be the 12 months beginning July 1 and ending on June 30, to determine the tax amounts received which shall have deducted therefrom the certified Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts or the Revised Initial Sales Tax Amounts. Municipalities intending to receive a distribution of State Sales Tax Increment must report a list of retailers to the Department of Revenue by October 31, 1988 and by July 31, of each year thereafter.

(t) "Taxing districts" means counties, townships, cities and incorporated towns and villages, school, road, park, sanitary, mosquito abatement, forest preserve, public health, fire protection, river conservancy, tuberculosis sanitarium and any other municipal corporations or districts with the power to levy taxes.

(u) "Taxing districts' capital costs" means those costs of taxing districts for capital improvements that are found by the municipal corporate authorities to be necessary and directly result from the redevelopment project.

(v) As used in subsection (a) of Section 11-74.4-3 of this
Act, "vacant land" means any parcel or combination of parcels of real property without industrial, commercial, and residential buildings which has not been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, unless the parcel is included in an industrial park conservation area or the parcel has been subdivided; provided that if the parcel was part of a larger tract that has been divided into 3 or more smaller tracts that were accepted for recording during the period from 1950 to 1990, then the parcel shall be deemed to have been subdivided, and all proceedings and actions of the municipality taken in that connection with respect to any previously approved or designated redevelopment project area or amended redevelopment project area are hereby validated and hereby declared to be legally sufficient for all purposes of this Act. For purposes of this Section and only for land subject to the subdivision requirements of the Plat Act, land is subdivided when the original plat of the proposed Redevelopment Project Area or relevant portion thereof has been properly certified, acknowledged, approved, and recorded or filed in accordance with the Plat Act and a preliminary plat, if any, for any subsequent phases of the proposed Redevelopment Project Area or relevant portion thereof has been properly approved and filed in accordance with the applicable ordinance of the municipality.

(w) "Annual Total Increment" means the sum of each
municipality's annual Net Sales Tax Increment and each
municipality's annual Net Utility Tax Increment. The ratio of
the Annual Total Increment of each municipality to the Annual
Total Increment for all municipalities, as most recently
calculated by the Department, shall determine the proportional
shares of the Illinois Tax Increment Fund to be distributed to
each municipality.

(x) "LEED certified" means any certification level of
construction elements by a qualified Leadership in Energy and
Environmental Design Accredited Professional as determined by
the U.S. Green Building Council.

(y) "Green Globes certified" means any certification level
of construction elements by a qualified Green Globes
Professional as determined by the Green Building Initiative.

(Source: P.A. 96-328, eff. 8-11-09; 96-630, eff. 1-1-10;
96-680, eff. 8-25-09; 96-1000, eff. 7-2-10; 97-101, eff.
1-1-12.)

(65 ILCS 5/11-74.4-8) (from Ch. 24, par. 11-74.4-8)

Sec. 11-74.4-8. Tax increment allocation financing. A
municipality may not adopt tax increment financing in a
redevelopment project area after the effective date of this
amendatory Act of 1997 that will encompass an area that is
currently included in an enterprise zone created under the
Illinois Enterprise Zone Act unless that municipality,
pursuant to Section 5.4 of the Illinois Enterprise Zone Act,
amends the enterprise zone designating ordinance to limit the eligibility for tax abatements as provided in Section 5.4.1 of the Illinois Enterprise Zone Act. A municipality, at the time a redevelopment project area is designated, may adopt tax increment allocation financing by passing an ordinance providing that the ad valorem taxes, if any, arising from the levies upon taxable real property in such redevelopment project area by taxing districts and tax rates determined in the manner provided in paragraph (c) of Section 11-74.4-9 each year after the effective date of the ordinance until redevelopment project costs and all municipal obligations financing redevelopment project costs incurred under this Division have been paid shall be divided as follows:

(a) That portion of taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract or parcel of real property in the redevelopment project area shall be allocated to and when collected shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing.

(b) Except from a tax levied by a township to retire bonds issued to satisfy court-ordered damages, that portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each taxable lot,
block, tract or parcel of real property in the redevelopment project area over and above the initial equalized assessed value of each property in the project area shall be allocated to and when collected shall be paid to the municipal treasurer who shall deposit said taxes into a special fund called the special tax allocation fund of the municipality for the purpose of paying redevelopment project costs and obligations incurred in the payment thereof. In any county with a population of 3,000,000 or more that has adopted a procedure for collecting taxes that provides for one or more of the installments of the taxes to be billed and collected on an estimated basis, the municipal treasurer shall be paid for deposit in the special tax allocation fund of the municipality, from the taxes collected from estimated bills issued for property in the redevelopment project area, the difference between the amount actually collected from each taxable lot, block, tract, or parcel of real property within the redevelopment project area and an amount determined by multiplying the rate at which taxes were last extended against the taxable lot, block, track, or parcel of real property in the manner provided in subsection (c) of Section 11-74.4-9 by the initial equalized assessed value of the property divided by the number of installments in which real estate taxes are billed and collected within the county; provided that the payments on or before December 31, 1999 to a municipal treasurer shall be made only if each of the following conditions are met:
The total equalized assessed value of the redevelopment project area as last determined was not less than 175% of the total initial equalized assessed value.

Not more than 50% of the total equalized assessed value of the redevelopment project area as last determined is attributable to a piece of property assigned a single real estate index number.

The municipal clerk has certified to the county clerk that the municipality has issued its obligations to which there has been pledged the incremental property taxes of the redevelopment project area or taxes levied and collected on any or all property in the municipality or the full faith and credit of the municipality to pay or secure payment for all or a portion of the redevelopment project costs. The certification shall be filed annually no later than September 1 for the estimated taxes to be distributed in the following year; however, for the year 1992 the certification shall be made at any time on or before March 31, 1992.

The municipality has not requested that the total initial equalized assessed value of real property be adjusted as provided in subsection (b) of Section 11-74.4-9.

The conditions of paragraphs (1) through (4) do not apply after December 31, 1999 to payments to a municipal treasurer made by a county with 3,000,000 or more inhabitants that has
adopted an estimated billing procedure for collecting taxes. If a county that has adopted the estimated billing procedure makes an erroneous overpayment of tax revenue to the municipal treasurer, then the county may seek a refund of that overpayment. The county shall send the municipal treasurer a notice of liability for the overpayment on or before the mailing date of the next real estate tax bill within the county. The refund shall be limited to the amount of the overpayment.

It is the intent of this Division that after the effective date of this amendatory Act of 1988 a municipality's own ad valorem tax arising from levies on taxable real property be included in the determination of incremental revenue in the manner provided in paragraph (c) of Section 11-74.4-9. If the municipality does not extend such a tax, it shall annually deposit in the municipality's Special Tax Increment Fund an amount equal to 10% of the total contributions to the fund from all other taxing districts in that year. The annual 10% deposit required by this paragraph shall be limited to the actual amount of municipally produced incremental tax revenues available to the municipality from taxpayers located in the redevelopment project area in that year if: (a) the plan for the area restricts the use of the property primarily to industrial purposes, (b) the municipality establishing the redevelopment project area is a home-rule community with a 1990 population of between 25,000 and 50,000, (c) the municipality
is wholly located within a county with a 1990 population of over 750,000 and (d) the redevelopment project area was established by the municipality prior to June 1, 1990. This payment shall be in lieu of a contribution of ad valorem taxes on real property. If no such payment is made, any redevelopment project area of the municipality shall be dissolved.

If a municipality has adopted tax increment allocation financing by ordinance and the County Clerk thereafter certifies the "total initial equalized assessed value as adjusted" of the taxable real property within such redevelopment project area in the manner provided in paragraph (b) of Section 11-74.4-9, each year after the date of the certification of the total initial equalized assessed value as adjusted until redevelopment project costs and all municipal obligations financing redevelopment project costs have been paid the ad valorem taxes, if any, arising from the levies upon the taxable real property in such redevelopment project area by taxing districts and tax rates determined in the manner provided in paragraph (c) of Section 11-74.4-9 shall be divided as follows:

(1) That portion of the taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or "current equalized assessed value as adjusted" or the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property existing at
the time tax increment financing was adopted, minus the total current homestead exemptions under Article 15 of the Property Tax Code in the redevelopment project area shall be allocated to and when collected shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing.

(2) That portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the redevelopment project area, over and above the initial equalized assessed value of each property existing at the time tax increment financing was adopted, minus the total current homestead exemptions pertaining to each piece of property provided by Article 15 of the Property Tax Code in the redevelopment project area, shall be allocated to and when collected shall be paid to the municipal Treasurer, who shall deposit said taxes into a special fund called the special tax allocation fund of the municipality for the purpose of paying redevelopment project costs and obligations incurred in the payment thereof.

The municipality may pledge in the ordinance the funds in and to be deposited in the special tax allocation fund for the payment of such costs and obligations. No part of the current equalized assessed valuation of each property in the
redevelopment project area attributable to any increase above
the total initial equalized assessed value, or the total
initial equalized assessed value as adjusted, of such
properties shall be used in calculating the general State
school aid formula, provided for in Section 18-8 of the School
Code, or the primary State aid formula, provided for in Section
18-8.15 of the School Code, until such time as all
redevelopment project costs have been paid as provided for in
this Section.

Whenever a municipality issues bonds for the purpose of
financing redevelopment project costs, such municipality may
provide by ordinance for the appointment of a trustee, which
may be any trust company within the State, and for the
establishment of such funds or accounts to be maintained by
such trustee as the municipality shall deem necessary to
provide for the security and payment of the bonds. If such
municipality provides for the appointment of a trustee, such
trustee shall be considered the assignee of any payments
assigned by the municipality pursuant to such ordinance and
this Section. Any amounts paid to such trustee as assignee
shall be deposited in the funds or accounts established
pursuant to such trust agreement, and shall be held by such
trustee in trust for the benefit of the holders of the bonds,
and such holders shall have a lien on and a security interest
in such funds or accounts so long as the bonds remain
outstanding and unpaid. Upon retirement of the bonds, the
trustee shall pay over any excess amounts held to the
municipality for deposit in the special tax allocation fund.

When such redevelopment projects costs, including without
limitation all municipal obligations financing redevelopment
project costs incurred under this Division, have been paid, all
surplus funds then remaining in the special tax allocation fund
shall be distributed by being paid by the municipal treasurer
to the Department of Revenue, the municipality and the county
collector; first to the Department of Revenue and the
municipality in direct proportion to the tax incremental
revenue received from the State and the municipality, but not
to exceed the total incremental revenue received from the State
or the municipality less any annual surplus distribution of
incremental revenue previously made; with any remaining funds
to be paid to the County Collector who shall immediately
thereafter pay said funds to the taxing districts in the
redevelopment project area in the same manner and proportion as
the most recent distribution by the county collector to the
affected districts of real property taxes from real property in
the redevelopment project area.

Upon the payment of all redevelopment project costs, the
retirement of obligations, the distribution of any excess
monies pursuant to this Section, and final closing of the books
and records of the redevelopment project area, the municipality
shall adopt an ordinance dissolving the special tax allocation
fund for the redevelopment project area and terminating the
designation of the redevelopment project area as a redevelopment project area. Title to real or personal property and public improvements acquired by or for the municipality as a result of the redevelopment project and plan shall vest in the municipality when acquired and shall continue to be held by the municipality after the redevelopment project area has been terminated. Municipalities shall notify affected taxing districts prior to November 1 if the redevelopment project area is to be terminated by December 31 of that same year. If a municipality extends estimated dates of completion of a redevelopment project and retirement of obligations to finance a redevelopment project, as allowed by this amendatory Act of 1993, that extension shall not extend the property tax increment allocation financing authorized by this Section. Thereafter the rates of the taxing districts shall be extended and taxes levied, collected and distributed in the manner applicable in the absence of the adoption of tax increment allocation financing.

Nothing in this Section shall be construed as relieving property in such redevelopment project areas from being assessed as provided in the Property Tax Code or as relieving owners of such property from paying a uniform rate of taxes, as required by Section 4 of Article IX of the Illinois Constitution.

(Source: P.A. 98-463, eff. 8-16-13.)
Sec. 11-74.6-35. Ordinance for tax increment allocation financing.

(a) A municipality, at the time a redevelopment project area is designated, may adopt tax increment allocation financing by passing an ordinance providing that the ad valorem taxes, if any, arising from the levies upon taxable real property within the redevelopment project area by taxing districts and tax rates determined in the manner provided in subsection (b) of Section 11-74.6-40 each year after the effective date of the ordinance until redevelopment project costs and all municipal obligations financing redevelopment project costs incurred under this Act have been paid shall be divided as follows:

(1) That portion of the taxes levied upon each taxable lot, block, tract or parcel of real property that is attributable to the lower of the current equalized assessed value or the initial equalized assessed value or the updated initial equalized assessed value of each taxable lot, block, tract or parcel of real property in the redevelopment project area shall be allocated to and when collected shall be paid by the county collector to the respective affected taxing districts in the manner required by law without regard to the adoption of tax increment allocation financing.

(2) That portion, if any, of those taxes that is
attributable to the increase in the current equalized
assessed value of each taxable lot, block, tract or parcel
of real property in the redevelopment project area, over
and above the initial equalized assessed value or the
updated initial equalized assessed value of each property
in the project area, shall be allocated to and when
collected shall be paid by the county collector to the
municipal treasurer who shall deposit that portion of those
taxes into a special fund called the special tax allocation
fund of the municipality for the purpose of paying
redevelopment project costs and obligations incurred in
the payment of those costs and obligations. In any county
with a population of 3,000,000 or more that has adopted a
procedure for collecting taxes that provides for one or
more of the installments of the taxes to be billed and
collected on an estimated basis, the municipal treasurer
shall be paid for deposit in the special tax allocation
fund of the municipality, from the taxes collected from
estimated bills issued for property in the redevelopment
project area, the difference between the amount actually
collected from each taxable lot, block, tract, or parcel of
real property within the redevelopment project area and an
amount determined by multiplying the rate at which taxes
were last extended against the taxable lot, block, track,
or parcel of real property in the manner provided in
subsection (b) of Section 11-74.6-40 by the initial
equalized assessed value or the updated initial equalized assessed value of the property divided by the number of installments in which real estate taxes are billed and collected within the county, provided that the payments on or before December 31, 1999 to a municipal treasurer shall be made only if each of the following conditions are met:

(A) The total equalized assessed value of the redevelopment project area as last determined was not less than 175% of the total initial equalized assessed value.

(B) Not more than 50% of the total equalized assessed value of the redevelopment project area as last determined is attributable to a piece of property assigned a single real estate index number.

(C) The municipal clerk has certified to the county clerk that the municipality has issued its obligations to which there has been pledged the incremental property taxes of the redevelopment project area or taxes levied and collected on any or all property in the municipality or the full faith and credit of the municipality to pay or secure payment for all or a portion of the redevelopment project costs. The certification shall be filed annually no later than September 1 for the estimated taxes to be distributed in the following year.

The conditions of paragraphs (A) through (C) do not apply
after December 31, 1999 to payments to a municipal treasurer made by a county with 3,000,000 or more inhabitants that has adopted an estimated billing procedure for collecting taxes. If a county that has adopted the estimated billing procedure makes an erroneous overpayment of tax revenue to the municipal treasurer, then the county may seek a refund of that overpayment. The county shall send the municipal treasurer a notice of liability for the overpayment on or before the mailing date of the next real estate tax bill within the county. The refund shall be limited to the amount of the overpayment.

(b) It is the intent of this Act that a municipality's own ad valorem tax arising from levies on taxable real property be included in the determination of incremental revenue in the manner provided in paragraph (b) of Section 11-74.6-40.

(c) If a municipality has adopted tax increment allocation financing for a redevelopment project area by ordinance and the county clerk thereafter certifies the total initial equalized assessed value or the total updated initial equalized assessed value of the taxable real property within such redevelopment project area in the manner provided in paragraph (a) or (b) of Section 11-74.6-40, each year after the date of the certification of the total initial equalized assessed value or the total updated initial equalized assessed value until redevelopment project costs and all municipal obligations financing redevelopment project costs have been paid, the ad
valorem taxes, if any, arising from the levies upon the taxable
real property in the redevelopment project area by taxing
districts and tax rates determined in the manner provided in
paragraph (b) of Section 11-74.6-40 shall be divided as
follows:

(1) That portion of the taxes levied upon each taxable
lot, block, tract or parcel of real property that is
attributable to the lower of the current equalized assessed
value or the initial equalized assessed value, or the
updated initial equalized assessed value of each parcel if
the updated initial equalized assessed value of that parcel
has been certified in accordance with Section 11-74.6-40,
whichever has been most recently certified, of each taxable
lot, block, tract, or parcel of real property existing at
the time tax increment allocation financing was adopted in
the redevelopment project area, shall be allocated to and
when collected shall be paid by the county collector to the
respective affected taxing districts in the manner
required by law without regard to the adoption of tax
increment allocation financing.

(2) That portion, if any, of those taxes that is
attributable to the increase in the current equalized
assessed value of each taxable lot, block, tract, or parcel
of real property in the redevelopment project area, over
and above the initial equalized assessed value of each
property existing at the time tax increment allocation
financing was adopted in the redevelopment project area, or
the updated initial equalized assessed value of each parcel
if the updated initial equalized assessed value of that
parcel has been certified in accordance with Section
11-74.6-40, shall be allocated to and when collected shall
be paid to the municipal treasurer, who shall deposit those
taxes into a special fund called the special tax allocation
fund of the municipality for the purpose of paying
redevelopment project costs and obligations incurred in
the payment thereof.

(d) The municipality may pledge in the ordinance the funds
in and to be deposited in the special tax allocation fund for
the payment of redevelopment project costs and obligations. No
part of the current equalized assessed value of each property
in the redevelopment project area attributable to any increase
above the total initial equalized assessed value or the total
initial updated equalized assessed value of the property, shall
be used in calculating the general General State aid formula
School Aid Formula, provided for in Section 18-8 of the School
Code, or the primary State aid formula, provided for in Section
18-8.15 of the School Code, until all redevelopment project
costs have been paid as provided for in this Section.

Whenever a municipality issues bonds for the purpose of
financing redevelopment project costs, that municipality may
provide by ordinance for the appointment of a trustee, which
may be any trust company within the State, and for the
establishment of any funds or accounts to be maintained by that
trustee, as the municipality deems necessary to provide for the
security and payment of the bonds. If the municipality provides
for the appointment of a trustee, the trustee shall be
considered the assignee of any payments assigned by the
municipality under that ordinance and this Section. Any amounts
paid to the trustee as assignee shall be deposited into the
funds or accounts established under the trust agreement, and
shall be held by the trustee in trust for the benefit of the
holders of the bonds. The holders of those bonds shall have a
lien on and a security interest in those funds or accounts
while the bonds remain outstanding and unpaid. Upon retirement
of the bonds, the trustee shall pay over any excess amounts
held to the municipality for deposit in the special tax
allocation fund.

When the redevelopment projects costs, including without
limitation all municipal obligations financing redevelopment
project costs incurred under this Law, have been paid, all
surplus funds then remaining in the special tax allocation fund
shall be distributed by being paid by the municipal treasurer
to the municipality and the county collector; first to the
municipality in direct proportion to the tax incremental
revenue received from the municipality, but not to exceed the
total incremental revenue received from the municipality,
minus any annual surplus distribution of incremental revenue
previously made. Any remaining funds shall be paid to the
county collector who shall immediately distribute that payment to the taxing districts in the redevelopment project area in the same manner and proportion as the most recent distribution by the county collector to the affected districts of real property taxes from real property situated in the redevelopment project area.

Upon the payment of all redevelopment project costs, retirement of obligations and the distribution of any excess moneys under this Section, the municipality shall adopt an ordinance dissolving the special tax allocation fund for the redevelopment project area and terminating the designation of the redevelopment project area as a redevelopment project area. Thereafter the tax levies of taxing districts shall be extended, collected and distributed in the same manner applicable before the adoption of tax increment allocation financing. Municipality shall notify affected taxing districts prior to November if the redevelopment project area is to be terminated by December 31 of that same year.

Nothing in this Section shall be construed as relieving property in a redevelopment project area from being assessed as provided in the Property Tax Code or as relieving owners of that property from paying a uniform rate of taxes, as required by Section 4 of Article IX of the Illinois Constitution.

(Source: P.A. 91-474, eff. 11-1-99.)

Section 940. The Economic Development Project Area Tax
Increment Allocation Act of 1995 is amended by changing Section 50 as follows:

(65 ILCS 110/50)

Sec. 50. Special tax allocation fund.

(a) If a county clerk has certified the "total initial equalized assessed value" of the taxable real property within an economic development project area in the manner provided in Section 45, each year after the date of the certification by the county clerk of the "total initial equalized assessed value", until economic development project costs and all municipal obligations financing economic development project costs have been paid, the ad valorem taxes, if any, arising from the levies upon the taxable real property in the economic development project area by taxing districts and tax rates determined in the manner provided in subsection (b) of Section 45 shall be divided as follows:

(1) That portion of the taxes levied upon each taxable lot, block, tract, or parcel of real property that is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each taxable lot, block, tract, or parcel of real property existing at the time tax increment financing was adopted shall be allocated to (and when collected shall be paid by the county collector to) the respective affected taxing districts in the manner required by law in the absence of
the adoption of tax increment allocation financing.

(2) That portion, if any, of the taxes that is attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the economic development project area, over and above the initial equalized assessed value of each property existing at the time tax increment financing was adopted, shall be allocated to (and when collected shall be paid to) the municipal treasurer, who shall deposit the taxes into a special fund (called the special tax allocation fund of the municipality) for the purpose of paying economic development project costs and obligations incurred in the payment of those costs.

(b) The municipality, by an ordinance adopting tax increment allocation financing, may pledge the monies in and to be deposited into the special tax allocation fund for the payment of obligations issued under this Act and for the payment of economic development project costs. No part of the current equalized assessed valuation of each property in the economic development project area attributable to any increase above the total initial equalized assessed value of those properties shall be used in calculating the general State school aid formula under Section 18-8 of the School Code or the primary State aid formula under Section 18-8.15 of the School Code, until all economic development projects costs have been paid as provided for in this Section.
(c) When the economic development projects costs, including without limitation all municipal obligations financing economic development project costs incurred under this Act, have been paid, all surplus monies then remaining in the special tax allocation fund shall be distributed by being paid by the municipal treasurer to the county collector, who shall immediately pay the monies to the taxing districts having taxable property in the economic development project area in the same manner and proportion as the most recent distribution by the county collector to those taxing districts of real property taxes from real property in the economic development project area.

(d) Upon the payment of all economic development project costs, retirement of obligations, and distribution of any excess monies under this Section and not later than 23 years from the date of the adoption of the ordinance establishing the economic development project area, the municipality shall adopt an ordinance dissolving the special tax allocation fund for the economic development project area and terminating the designation of the economic development project area as an economic development project area. Thereafter, the rates of the taxing districts shall be extended and taxes shall be levied, collected, and distributed in the manner applicable in the absence of the adoption of tax increment allocation financing.

(e) Nothing in this Section shall be construed as relieving property in the economic development project areas from being
assessed as provided in the Property Tax Code or as relieving
owners or lessees of that property from paying a uniform rate
of taxes as required by Section 4 of Article IX of the Illinois
Constitution.
(Source: P.A. 98-463, eff. 8-16-13.)

Section 945. The School Code is amended by changing
Sections 1A-8, 1B-5, 1B-6, 1B-7, 1B-8, 1C-1, 1C-2, 1D-1, 1E-20,
1F-20, 1F-62, 1H-20, 1H-70, 2-3.28, 2-3.33, 2-3.51.5, 2-3.66,
2-3.66b, 2-3.84, 2-3.109a, 3-14.21, 7-14A, 10-17a, 10-19,
10-22.5a, 10-22.20, 10-29, 11E-135, 13A-8, 13B-20.20, 13B-45,
13B-50, 13B-50.10, 13B-50.15, 14-7.02, 14-7.02b, 14-7.03,
14-13.01, 14C-1, 14C-12, 17-1, 17-1.2, 17-1.5, 17-2.11, 17-2A,
18-4.3, 18-8.05, 18-8.10, 18-9, 18-12, 26-16, 27-8.1, 27A-9,
27A-11, 29-5, 34-2.3, 34-8.4, 34-18, 34-18.30, 34-43.1, and
34-53 and by adding Sections 17-3.6 and 18-8.15 as follows:

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

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

(a) The State Superintendent of Education may require a
school district, including any district subject to Article 34A
of this Code, to share financial information relevant to a proper investigation of the district's financial condition and the delivery of appropriate State financial, technical, and consulting services to the district if the district (i) has been designated, through the State Board of Education's School District Financial Profile System, as on financial warning or financial watch status, (ii) has failed to file an annual financial report, annual budget, deficit reduction plan, or other financial information as required by law, (iii) has been identified, through the district's annual audit or other financial and management information, as in serious financial difficulty in the current or next school year, or (iv) is determined to be likely to fail to fully meet any regularly scheduled, payroll-period obligations when due or any debt service payments when due or both. In addition to financial, technical, and consulting services provided by the State Board of Education, at the request of a school district, the State Superintendent may provide for an independent financial consultant to assist the district review its financial condition and options.

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

(1) The district has issued school or teacher orders
(2) The district has issued tax anticipation warrants or tax anticipation notes in anticipation of a second year's taxes when warrants or notes in anticipation of current year taxes are still outstanding, as authorized by Sections 17-16, 34-23, 34-59 and 34-63 of this Code, or has issued short-term debt against 2 future revenue sources, such as, but not limited to, tax anticipation warrants and general State aid or primary State aid certificates or tax anticipation warrants and revenue anticipation notes.

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

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

(5) The district is likely to fail to fully meet any regularly scheduled, payroll-period obligations when due or any debt service payments when due or both.

No school district shall be certified by the State Board of Education to be in financial difficulty solely by reason of any of the above circumstances arising as a result of (i) the
failure of the county to make any distribution of property tax money due the district at the time such distribution is due or (ii) the failure of this State to make timely payments of general State aid, primary State aid, or any of the mandated categoricals; or if the district clearly demonstrates to the satisfaction of the State Board of Education at the time of its determination that such condition no longer exists. If the State Board of Education certifies that a district in a city with 500,000 inhabitants or more is in financial difficulty, the State Board shall so notify the Governor and the Mayor of the city in which the district is located. The State Board of Education may require school districts certified in financial difficulty, except those districts subject to Article 34A, to develop, adopt and submit a financial plan within 45 days after certification of financial difficulty. The financial plan shall be developed according to guidelines presented to the district by the State Board of Education within 14 days of certification. Such guidelines shall address the specific nature of each district's financial difficulties. Any proposed budget of the district shall be consistent with the financial plan submitted to and approved by the State Board of Education.

A district certified to be in financial difficulty, other than a district subject to Article 34A, shall report to the State Board of Education at such times and in such manner as the State Board may direct, concerning the district's compliance with each financial plan. The State Board may review
the district's operations, obtain budgetary data and financial statements, require the district to produce reports, and have access to any other information in the possession of the district that it deems relevant. The State Board may issue recommendations or directives within its powers to the district to assist in compliance with the financial plan. The district shall produce such budgetary data, financial statements, reports and other information and comply with such directives. If the State Board of Education determines that a district has failed to comply with its financial plan, the State Board of Education may rescind approval of the plan and appoint a Financial Oversight Panel for the district as provided in Section 1B-4. This action shall be taken only after the district has been given notice and an opportunity to appear before the State Board of Education to discuss its failure to comply with its financial plan.

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

Any financial profile compiled and distributed by the State Board of Education in Fiscal Year 2009 or any fiscal year thereafter shall incorporate such adjustments as may be needed
in the profile scores to reflect the financial effects of the
inability or refusal of the State of Illinois to make timely
disbursements of any general State aid, primary State aid, or
mandated categorical aid payments due school districts or to
fully reimburse school districts for mandated categorical
programs pursuant to reimbursement formulas provided in this
School Code.
(Source: P.A. 96-668, eff. 8-25-09; 96-1423, eff. 8-3-10;
97-429, eff. 8-16-11.)

(105 ILCS 5/1B-5) (from Ch. 122, par. 1B-5)
Sec. 1B-5. When a petition for emergency financial
assistance for a school district is allowed by the State Board
under Section 1B-4, the State Superintendent shall within 10
days thereafter appoint 3 members to serve at the State
Superintendent's pleasure on a Financial Oversight Panel for
the district. The State Superintendent shall designate one of
the members of the Panel to serve as its Chairman. In the event
of vacancy or resignation the State Superintendent shall
appoint a successor within 10 days of receiving notice thereof.
Members of the Panel shall be selected primarily on the
basis of their experience and education in financial
management, with consideration given to persons knowledgeable
in education finance. A member of the Panel may not be a board
member or employee of the district for which the Panel is
constituted, nor may a member have a direct financial interest
in that district.

Panel members shall serve without compensation, but may be reimbursed for travel and other necessary expenses incurred in the performance of their official duties by the State Board. The amount reimbursed Panel members for their expenses shall be charged to the school district as part of any emergency financial assistance and incorporated as a part of the terms and conditions for repayment of such assistance or shall be deducted from the district's general State aid or primary State aid as provided in Section 1B-8.

The first meeting of the Panel shall be called at the call of the Chairman. The Panel may elect such other officers as it deems appropriate. The Panel shall prescribe the times and places for its meetings and the manner in which regular and special meetings may be called, and shall comply with the Open Meetings Act.

Two members of the Panel shall constitute a quorum, and the affirmative vote of 2 members shall be necessary for any decision or action to be taken by the Panel.

The Panel and the State Superintendent shall cooperate with each other in the exercise of their respective powers. The Panel shall report not later than September 1 annually to the State Board and the State Superintendent with respect to its activities and the condition of the school district for the previous fiscal year.

Any Financial Oversight Panel established under this
Article shall remain in existence for not less than 3 years nor more than 10 years from the date the State Board grants the petition under Section 1B-4. If after 3 years the school district has repaid all of its obligations resulting from emergency State financial assistance provided under this Article and has improved its financial situation, the board of education may, not more frequently than once in any 12 month period, petition the State Board to dissolve the Financial Oversight Panel, terminate the oversight responsibility, and remove the district's certification under Section 1A-8 as a district in financial difficulty. In acting on such a petition the State Board shall give additional weight to the recommendations of the State Superintendent and the Financial Oversight Panel.

(Source: P.A. 88-618, eff. 9-9-94.)

(105 ILCS 5/1B-6) (from Ch. 122, par. 1B-6)

Sec. 1B-6. General powers. The purpose of the Financial Oversight Panel shall be to exercise financial control over the board of education, and, when approved by the State Board and the State Superintendent of Education, to furnish financial assistance so that the board can provide public education within the board's jurisdiction while permitting the board to meet its obligations to its creditors and the holders of its notes and bonds. Except as expressly limited by this Article, the Panel shall have all powers necessary to meet its
responsibilities and to carry out its purposes and the purposes of this Article, including, but not limited to, the following powers:

(a) to sue and be sued;
(b) to provide for its organization and internal management;
(c) to appoint a Financial Administrator to serve as the chief executive officer of the Panel. The Financial Administrator may be an individual, partnership, corporation, including an accounting firm, or other entity determined by the Panel to be qualified to serve; and to appoint other officers, agents, and employees of the Panel, define their duties and qualifications and fix their compensation and employee benefits;
(d) to approve the local board of education appointments to the positions of treasurer in a Class I county school unit and in each school district which forms a part of a Class II county school unit but which no longer is subject to the jurisdiction and authority of a township treasurer or trustees of schools of a township because the district has withdrawn from the jurisdiction and authority of the township treasurer and the trustees of schools of the township or because those offices have been abolished as provided in subsection (b) or (c) of Section 5-1, and chief school business official, if such official is not the superintendent of the district. Either the board or the Panel may remove such treasurer or chief school
(e) to approve any and all bonds, notes, teachers orders, tax anticipation warrants, and other evidences of indebtedness prior to issuance or sale by the school district; and notwithstanding any other provision of The School Code, as now or hereafter amended, no bonds, notes, teachers orders, tax anticipation warrants or other evidences of indebtedness shall be issued or sold by the school district or be legally binding upon or enforceable against the local board of education unless and until the approval of the Panel has been received;

(f) to approve all property tax levies of the school district and require adjustments thereto as the Panel deems necessary or advisable;

(g) to require and approve a school district financial plan;

(h) to approve and require revisions of the school district budget;

(i) to approve all contracts and other obligations as the Panel deems necessary and appropriate;

(j) to authorize emergency State financial assistance, including requirements regarding the terms and conditions of repayment of such assistance, and to require the board of education to levy a separate local property tax, subject to the limitations of Section 1B-8, sufficient to repay such assistance consistent with the terms and conditions of repayment and the district's approved financial plan and
(k) to request the regional superintendent to make appointments to fill all vacancies on the local school board as provided in Section 10-10;

(l) to recommend dissolution or reorganization of the school district to the General Assembly if in the Panel's judgment the circumstances so require;

(m) to direct a phased reduction in the oversight responsibilities of the Financial Administrator and of the Panel as the circumstances permit;

(n) to determine the amount of emergency State financial assistance to be made available to the school district, and to establish an operating budget for the Panel to be supported by funds available from such assistance, with the assistance and the budget required to be approved by the State Superintendent;

(o) to procure insurance against any loss in such amounts and from such insurers as it deems necessary;

(p) to engage the services of consultants for rendering professional and technical assistance and advice on matters within the Panel's power;

(q) to contract for and to accept any gifts, grants or loans of funds or property or financial or other aid in any form from the federal government, State government, unit of local government, school district or any agency or instrumentality thereof, or from any other private or public source, and to comply with the terms and conditions thereof;
(r) to pay the expenses of its operations based on the Panel's budget as approved by the State Superintendent from emergency financial assistance funds available to the district or from deductions from the district's general State aid or primary State aid;

(s) to do any and all things necessary or convenient to carry out its purposes and exercise the powers given to the Panel by this Article; and

(t) to recommend the creation of a school finance authority pursuant to Article 1F of this Code.

(Source: P.A. 91-357, eff. 7-29-99; 92-855, eff. 12-6-02.)

(105 ILCS 5/1B-7) (from Ch. 122, par. 1B-7)

Sec. 1B-7. Financial Administrator; Powers and Duties. The Financial Administrator appointed by the Financial Oversight Panel shall serve as the Panel's chief executive officer. The Financial Administrator shall exercise the powers and duties required by the Panel, including but not limited to the following:

(a) to provide guidance and recommendations to the local board and officials of the school district in developing the district's financial plan and budget prior to board action;

(b) to direct the local board to reorganize its financial accounts, budgetary systems, and internal accounting and financial controls, in whatever manner the Panel deems appropriate to achieve greater financial responsibility and to
reduce financial inefficiency, and to provide technical assistance to aid the district in accomplishing the reorganization;

(c) to make recommendations to the Financial Oversight Panel concerning the school district's financial plan and budget, and all other matters within the scope of the Panel's authority;

(d) to prepare and recommend to the Panel a proposal for emergency State financial assistance for the district, including recommended terms and conditions of repayment, and an operations budget for the Panel to be funded from the emergency assistance or from deductions from the district's general State aid or primary State aid;

(e) to require the local board to prepare and submit preliminary staffing and budgetary analyses annually prior to February 1 in such manner and form as the Financial Administrator shall prescribe; and

(f) subject to the direction of the Panel, to do all other things necessary or convenient to carry out its purposes and exercise the powers given to the Panel under this Article.

(Source: P.A. 88-618, eff. 9-9-94.)

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

Sec. 1B-8. There is created in the State Treasury a special fund to be known as the School District Emergency Financial Assistance Fund (the "Fund"). The School District Emergency
Financial Assistance Fund shall consist of appropriations, loan repayments, grants from the federal government, and donations from any public or private source. Moneys in the Fund may be appropriated only to the Illinois Finance Authority and the State Board for those purposes authorized under this Article and Articles 1F and 1H of this Code. The appropriation may be allocated and expended by the State Board for contractual services to provide technical assistance or consultation to school districts to assess their financial condition and to Financial Oversight Panels that petition for emergency financial assistance grants. The Illinois Finance Authority may provide loans to school districts which are the subject of an approved petition for emergency financial assistance under Section 1B-4, 1F-62, or 1H-65 of this Code. Neither the State Board of Education nor the Illinois Finance Authority may collect any fees for providing these services.

From the amount allocated to each such school district under this Article the State Board shall identify a sum sufficient to cover all approved costs of the Financial Oversight Panel established for the respective school district. If the State Board and State Superintendent of Education have not approved emergency financial assistance in conjunction with the appointment of a Financial Oversight Panel, the Panel's approved costs shall be paid from deductions from the district's general State aid or primary State aid.

The Financial Oversight Panel may prepare and file with the
State Superintendent a proposal for emergency financial assistance for the school district and for its operations budget. No expenditures from the Fund shall be authorized by the State Superintendent until he or she has approved the request of the Panel, either as submitted or in such lesser amount determined by the State Superintendent.

The maximum amount of an emergency financial assistance loan which may be allocated to any school district under this Article, including moneys necessary for the operations of the Panel, shall not exceed $4,000 times the number of pupils enrolled in the school district during the school year ending June 30 prior to the date of approval by the State Board of the petition for emergency financial assistance, as certified to the local board and the Panel by the State Superintendent. An emergency financial assistance grant shall not exceed $1,000 times the number of such pupils. A district may receive both a loan and a grant.

The payment of an emergency State financial assistance grant or loan shall be subject to appropriation by the General Assembly. Payment of the emergency State financial assistance loan is subject to the applicable provisions of the Illinois Finance Authority Act. Emergency State financial assistance allocated and paid to a school district under this Article may be applied to any fund or funds from which the local board of education of that district is authorized to make expenditures by law.
Any emergency financial assistance grant proposed by the Financial Oversight Panel and approved by the State Superintendent may be paid in its entirety during the initial year of the Panel's existence or spread in equal or declining amounts over a period of years not to exceed the period of the Panel's existence. An emergency financial assistance loan proposed by the Financial Oversight Panel and approved by the Illinois Finance Authority may be paid in its entirety during the initial year of the Panel's existence or spread in equal or declining amounts over a period of years not to exceed the period of the Panel's existence. All loans made by the Illinois Finance Authority for a school district shall be required to be repaid, with simple interest over the term of the loan at a rate equal to 50% of the one-year Constant Maturity Treasury (CMT) yield as last published by the Board of Governors of the Federal Reserve System before the date on which the district's loan is approved by the Illinois Finance Authority, not later than the date the Financial Oversight Panel ceases to exist. The Panel shall establish and the Illinois Finance Authority shall approve the terms and conditions, including the schedule, of repayments. The schedule shall provide for repayments commencing July 1 of each year or upon each fiscal year's receipt of moneys from a tax levy for emergency financial assistance. Repayment shall be incorporated into the annual budget of the school district and may be made from any fund or funds of the district in which there are moneys available. An
emergency financial assistance loan to the Panel or district shall not be considered part of the calculation of a district's debt for purposes of the limitation specified in Section 19-1 of this Code. Default on repayment is subject to the Illinois Grant Funds Recovery Act. When moneys are repaid as provided herein they shall not be made available to the local board for further use as emergency financial assistance under this Article at any time thereafter. All repayments required to be made by a school district shall be received by the State Board and deposited in the School District Emergency Financial Assistance Fund.

In establishing the terms and conditions for the repayment obligation of the school district the Panel shall annually determine whether a separate local property tax levy is required. The board of any school district with a tax rate for educational purposes for the prior year of less than 120% of the maximum rate for educational purposes authorized by Section 17-2 shall provide for a separate tax levy for emergency financial assistance repayment purposes. Such tax levy shall not be subject to referendum approval. The amount of the levy shall be equal to the amount necessary to meet the annual repayment obligations of the district as established by the Panel, or 20% of the amount levied for educational purposes for the prior year, whichever is less. However, no district shall be required to levy the tax if the district's operating tax rate as determined under Section 18-8, or 18-8.05, or 18-8.15
exceeds 200% of the district's tax rate for educational purposes for the prior year.
(Source: P.A. 97-429, eff. 8-16-11.)

(105 ILCS 5/1C-1)
Sec. 1C-1. Purpose. The purpose of this Article is to permit greater flexibility and efficiency in the distribution and use of certain State funds available to local education agencies for the improvement of the quality of educational services pursuant to locally established priorities.
Through fiscal year 2016, this Article does not apply to school districts having a population in excess of 500,000 inhabitants.
(Source: P.A. 88-555, eff. 7-27-94; 89-15, eff. 5-30-95; 89-397, eff. 8-20-95; 89-626, eff. 8-9-96.)

(105 ILCS 5/1C-2)
Sec. 1C-2. Block grants.
(a) For fiscal year 1999, and each fiscal year thereafter, the State Board of Education shall award to school districts block grants as described in subsection (c). The State Board of Education may adopt rules and regulations necessary to implement this Section. In accordance with Section 2-3.32, all state block grants are subject to an audit. Therefore, block grant receipts and block grant expenditures shall be recorded to the appropriate fund code.
(c) An Early Childhood Education Block Grant shall be created by combining the following programs: Preschool Education, Parental Training and Prevention Initiative. These funds shall be distributed to school districts and other entities on a competitive basis, except that the State Board of Education shall award to a school district having a population exceeding 500,000 inhabitants 37% of the funds in each fiscal year. Not less than 14% of this grant shall be used to fund programs for children ages 0-3, which percentage shall increase to at least 20% by Fiscal Year 2016. However, if, in a given fiscal year, the amount appropriated for the Early Childhood Education Block Grant is insufficient to increase the percentage of the grant to fund programs for children ages 0-3 without reducing the amount of the grant for existing providers of preschool education programs, then the percentage of the grant to fund programs for children ages 0-3 may be held steady instead of increased.

(Source: P.A. 98-645, eff. 7-1-14.)
educational services block grant, determined as provided in this Section, in lieu of distributing to the district separate State funding for the programs described in subsections (b) and (c). The provisions of this Section, however, do not apply to any federal funds that the district is entitled to receive. In accordance with Section 2-3.32, all block grants are subject to an audit. Therefore, block grant receipts and block grant expenditures shall be recorded to the appropriate fund code for the designated block grant.

(b) The general education block grant shall include the following programs: REI Initiative, Summer Bridges, Preschool At Risk, K-6 Comprehensive Arts, School Improvement Support, Urban Education, Scientific Literacy, Substance Abuse Prevention, Second Language Planning, Staff Development, Outcomes and Assessment, K-6 Reading Improvement, 7-12 Continued Reading Improvement, Truants' Optional Education, Hispanic Programs, Agriculture Education, Parental Education, Prevention Initiative, Report Cards, and Criminal Background Investigations. Notwithstanding any other provision of law, all amounts paid under the general education block grant from State appropriations to a school district in a city having a population exceeding 500,000 inhabitants shall be appropriated and expended by the board of that district for any of the programs included in the block grant or any of the board's lawful purposes.

(c) The educational services block grant shall include the
following programs: Regular and Vocational Transportation, State Lunch and Free Breakfast Program, Special Education (Personnel, Transportation, Orphanage, Private Tuition), funding for children requiring special education services, Summer School, Educational Service Centers, and Administrator's Academy. This subsection (c) does not relieve the district of its obligation to provide the services required under a program that is included within the educational services block grant. It is the intention of the General Assembly in enacting the provisions of this subsection (c) to relieve the district of the administrative burdens that impede efficiency and accompany single-program funding. The General Assembly encourages the board to pursue mandate waivers pursuant to Section 2-3.25g.

The funding program included in the educational services block grant for funding for children requiring special education services in each fiscal year shall be treated in that fiscal year as a payment to the school district in respect of services provided or costs incurred in the prior fiscal year, calculated in each case as provided in this Section. Nothing in this Section shall change the nature of payments for any program that, apart from this Section, would be or, prior to adoption or amendment of this Section, was on the basis of a payment in a fiscal year in respect of services provided or costs incurred in the prior fiscal year, calculated in each case as provided in this Section.
(d) For fiscal year 1996 through fiscal year 2016 and each fiscal year thereafter, the amount of the district's block grants shall be determined as follows: (i) with respect to each program that is included within each block grant, the district shall receive an amount equal to the same percentage of the current fiscal year appropriation made for that program as the percentage of the appropriation received by the district from the 1995 fiscal year appropriation made for that program, and (ii) the total amount that is due the district under the block grant shall be the aggregate of the amounts that the district is entitled to receive for the fiscal year with respect to each program that is included within the block grant that the State Board of Education shall award the district under this Section for that fiscal year. In the case of the Summer Bridges program, the amount of the district's block grant shall be equal to 44% of the amount of the current fiscal year appropriation made for that program.

(e) The district is not required to file any application or other claim in order to receive the block grants to which it is entitled under this Section. The State Board of Education shall make payments to the district of amounts due under the district's block grants on a schedule determined by the State Board of Education.

(f) A school district to which this Section applies shall report to the State Board of Education on its use of the block grants in such form and detail as the State Board of Education
may specify. In addition, the report must include the following description for the district, which must also be reported to the General Assembly: block grant allocation and expenditures by program; population and service levels by program; and administrative expenditures by program. The State Board of Education shall ensure that the reporting requirements for the district are the same as for all other school districts in the State.

(g) Through fiscal year 2016, this paragraph provides for the treatment of block grants under Article 1C for purposes of calculating the amount of block grants for a district under this Section. Those block grants under Article 1C are, for this purpose, treated as included in the amount of appropriation for the various programs set forth in paragraph (b) above. The appropriation in each current fiscal year for each block grant under Article 1C shall be treated for these purposes as appropriations for the individual program included in that block grant. The proportion of each block grant so allocated to each such program included in it shall be the proportion which the appropriation for that program was of all appropriations for such purposes now in that block grant, in fiscal 1995.

Payments to the school district under this Section with respect to each program for which payments to school districts generally, as of the date of this amendatory Act of the 92nd General Assembly, are on a reimbursement basis shall continue to be made to the district on a reimbursement basis, pursuant
to the provisions of this Code governing those programs.

(h) Notwithstanding any other provision of law, any school
district receiving a block grant under this Section may
classify all or a portion of the funds that it receives in a
particular fiscal year from any block grant authorized under
this Code or from general State aid pursuant to Section 18-8.05
of this Code (other than supplemental general State aid) as
funds received in connection with any funding program for which
it is entitled to receive funds from the State in that fiscal
year (including, without limitation, any funding program
referred to in subsection (c) of this Section), regardless of
the source or timing of the receipt. The district may not
classify more funds as funds received in connection with the
funding program than the district is entitled to receive in
that fiscal year for that program. Any classification by a
district must be made by a resolution of its board of
education. The resolution must identify the amount of any block
grant or general State aid to be classified under this
subsection (h) and must specify the funding program to which
the funds are to be treated as received in connection
therewith. This resolution is controlling as to the
classification of funds referenced therein. A certified copy of
the resolution must be sent to the State Superintendent of
Education. The resolution shall still take effect even though a
copy of the resolution has not been sent to the State
Superintendent of Education in a timely manner. No
classification under this subsection (h) by a district shall affect the total amount or timing of money the district is entitled to receive under this Code. No classification under this subsection (h) by a district shall in any way relieve the district from or affect any requirements that otherwise would apply with respect to the block grant as provided in this Section, including any accounting of funds by source, reporting expenditures by original source and purpose, reporting requirements, or requirements of provision of services.

(Source: P.A. 97-238, eff. 8-2-11; 97-324, eff. 8-12-11; 97-813, eff. 7-13-12.)

(105 ILCS 5/1E-20)

(This Section scheduled to be repealed in accordance with 105 ILCS 5/1E-165)

Sec. 1E-20. Members of Authority; meetings.

(a) When a petition for a School Finance Authority is allowed by the State Board under Section 1E-15 of this Code, the State Superintendent shall within 10 days thereafter appoint 5 members to serve on a School Finance Authority for the district. Of the initial members, 2 shall be appointed to serve a term of 2 years and 3 shall be appointed to serve a term of 3 years. Thereafter, each member shall serve for a term of 3 years and until his or her successor has been appointed. The State Superintendent shall designate one of the members of the Authority to serve as its Chairperson. In the event of vacancy
or resignation, the State Superintendent shall, within 10 days after receiving notice, appoint a successor to serve out that member's term. The State Superintendent may remove a member for incompetence, malfeasance, neglect of duty, or other just cause.

Members of the Authority shall be selected primarily on the basis of their experience and education in financial management, with consideration given to persons knowledgeable in education finance. Two members of the Authority shall be residents of the school district that the Authority serves. A member of the Authority may not be a member of the district's school board or an employee of the district nor may a member have a direct financial interest in the district.

Authority members shall serve without compensation, but may be reimbursed by the State Board for travel and other necessary expenses incurred in the performance of their official duties. Unless paid from bonds issued under Section 1E-65 of this Code, the amount reimbursed members for their expenses shall be charged to the school district as part of any emergency financial assistance and incorporated as a part of the terms and conditions for repayment of the assistance or shall be deducted from the district's general State aid or primary State aid as provided in Section 1B-8 of this Code.

The Authority may elect such officers as it deems appropriate.

(b) The first meeting of the Authority shall be held at the
call of the Chairperson. The Authority shall prescribe the
times and places for its meetings and the manner in which
regular and special meetings may be called and shall comply
with the Open Meetings Act.

Three members of the Authority shall constitute a quorum.
When a vote is taken upon any measure before the Authority, a
quorum being present, a majority of the votes of the members
voting on the measure shall determine the outcome.
(Source: P.A. 92-547, eff. 6-13-02.)

(105 ILCS 5/1F-20)
(This Section scheduled to be repealed in accordance with 105
ILCS 5/1F-165)

Sec. 1F-20. Members of Authority; meetings.

(a) Upon establishment of a School Finance Authority under
Section 1F-15 of this Code, the State Superintendent shall
within 15 days thereafter appoint 5 members to serve on a
School Finance Authority for the district. Of the initial
members, 2 shall be appointed to serve a term of 2 years and 3
shall be appointed to serve a term of 3 years. Thereafter, each
member shall serve for a term of 3 years and until his or her
successor has been appointed. The State Superintendent shall
designate one of the members of the Authority to serve as its
Chairperson. In the event of vacancy or resignation, the State
Superintendent shall, within 10 days after receiving notice,
appoint a successor to serve out that member's term. The State
Superintendent may remove a member for incompetence, malfeasance, neglect of duty, or other just cause.

Members of the Authority shall be selected primarily on the basis of their experience and education in financial management, with consideration given to persons knowledgeable in education finance. Two members of the Authority shall be residents of the school district that the Authority serves. A member of the Authority may not be a member of the district's school board or an employee of the district nor may a member have a direct financial interest in the district.

Authority members shall be paid a stipend approved by the State Superintendent of not more than $100 per meeting and may be reimbursed by the State Board for travel and other necessary expenses incurred in the performance of their official duties. Unless paid from bonds issued under Section 1F-65 of this Code, the amount reimbursed members for their expenses shall be charged to the school district as part of any emergency financial assistance and incorporated as a part of the terms and conditions for repayment of the assistance or shall be deducted from the district's general State aid or primary State aid as provided in Section 1B-8 of this Code.

The Authority may elect such officers as it deems appropriate.

(b) The first meeting of the Authority shall be held at the call of the Chairperson. The Authority shall prescribe the times and places for its meetings and the manner in which
regular and special meetings may be called and shall comply with the Open Meetings Act.

Three members of the Authority shall constitute a quorum. When a vote is taken upon any measure before the Authority, a quorum being present, a majority of the votes of the members voting on the measure shall determine the outcome.

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

(105 ILCS 5/1F-62)

(This Section scheduled to be repealed in accordance with 105 ILCS 5/1F-165)


(a) Moneys in the School District Emergency Financial Assistance Fund established under Section 1B-8 of this Code may be allocated and expended by the State Board as grants to provide technical and consulting services to school districts to assess their financial condition and by the Illinois Finance Authority for emergency financial assistance loans to a School Finance Authority that petitions for emergency financial assistance. An emergency financial assistance loan to a School Finance Authority or borrowing from sources other than the State shall not be considered as part of the calculation of a district's debt for purposes of the limitation specified in Section 19-1 of this Code. From the amount allocated to each School Finance Authority, the State Board shall identify a sum
sufficient to cover all approved costs of the School Finance Authority. If the State Board and State Superintendent have not approved emergency financial assistance in conjunction with the appointment of a School Finance Authority, the Authority's approved costs shall be paid from deductions from the district's general State aid or primary State aid.

The School Finance Authority may prepare and file with the State Superintendent a proposal for emergency financial assistance for the school district and for its operations budget. No expenditures shall be authorized by the State Superintendent until he or she has approved the proposal of the School Finance Authority, either as submitted or in such lesser amount determined by the State Superintendent.

(b) The amount of an emergency financial assistance loan that may be allocated to a School Finance Authority under this Article, including moneys necessary for the operations of the School Finance Authority, and borrowing from sources other than the State shall not exceed, in the aggregate, $4,000 times the number of pupils enrolled in the district during the school year ending June 30 prior to the date of approval by the State Board of the petition for emergency financial assistance, as certified to the school board and the School Finance Authority by the State Superintendent. However, this limitation does not apply to borrowing by the district secured by amounts levied by the district prior to establishment of the School Finance Authority. An emergency financial assistance grant shall not
exceed $1,000 times the number of such pupils. A district may receive both a loan and a grant.

(c) The payment of a State emergency financial assistance grant or loan shall be subject to appropriation by the General Assembly. State emergency financial assistance allocated and paid to a School Finance Authority under this Article may be applied to any fund or funds from which the School Finance Authority is authorized to make expenditures by law.

(d) Any State emergency financial assistance proposed by the School Finance Authority and approved by the State Superintendent may be paid in its entirety during the initial year of the School Finance Authority's existence or spread in equal or declining amounts over a period of years not to exceed the period of the School Finance Authority's existence. The State Superintendent shall not approve any loan to the School Finance Authority unless the School Finance Authority has been unable to borrow sufficient funds to operate the district.

All loan payments made from the School District Emergency Financial Assistance Fund to a School Finance Authority shall be required to be repaid not later than the date the School Finance Authority ceases to exist, with simple interest over the term of the loan at a rate equal to 50% of the one-year Constant Maturity Treasury (CMT) yield as last published by the Board of Governors of the Federal Reserve System before the date on which the School Finance Authority's loan is approved by the State Board.
The School Finance Authority shall establish and the Illinois Finance Authority shall approve the terms and conditions of the loan, including the schedule of repayments. The schedule shall provide for repayments commencing July 1 of each year or upon each fiscal year’s receipt of moneys from a tax levy for emergency financial assistance. Repayment shall be incorporated into the annual budget of the district and may be made from any fund or funds of the district in which there are moneys available. Default on repayment is subject to the Illinois Grant Funds Recovery Act. When moneys are repaid as provided in this Section, they shall not be made available to the School Finance Authority for further use as emergency financial assistance under this Article at any time thereafter. All repayments required to be made by a School Finance Authority shall be received by the State Board and deposited in the School District Emergency Financial Assistance Fund.

In establishing the terms and conditions for the repayment obligation of the School Finance Authority, the School Finance Authority shall annually determine whether a separate local property tax levy is required to meet that obligation. The School Finance Authority shall provide for a separate tax levy for emergency financial assistance repayment purposes. This tax levy shall not be subject to referendum approval. The amount of the levy shall not exceed the amount necessary to meet the annual emergency financial repayment obligations of the district, including principal and interest, as established
Sec. 1H-20. Members of Panel; meetings.

(a) Upon establishment of a Financial Oversight Panel under Section 1H-15 of this Code, the State Superintendent shall within 15 working days thereafter appoint 5 members to serve on a Financial Oversight Panel for the district. Members appointed to the Panel shall serve at the pleasure of the State Superintendent. The State Superintendent shall designate one of the members of the Panel to serve as its Chairperson. In the event of vacancy or resignation, the State Superintendent shall, within 10 days after receiving notice, appoint a successor to serve out that member's term.

(b) Members of the Panel shall be selected primarily on the basis of their experience and education in financial management, with consideration given to persons knowledgeable in education finance. Two members of the Panel shall be residents of the school district that the Panel serves. A member of the Panel may not be a member of the district's school board or an employee of the district nor may a member have a direct financial interest in the district.

(c) Panel members may be reimbursed by the State Board for travel and other necessary expenses incurred in the performance of their official duties. The amount reimbursed members for
their expenses shall be charged to the school district as part
of any emergency financial assistance and incorporated as a
part of the terms and conditions for repayment of the
assistance or shall be deducted from the district's general
State aid or primary State aid as provided in Section 1H-65 of
this Code.

(d) With the exception of the chairperson, who shall be
designated as provided in subsection (a) of this Section, the
Panel may elect such officers as it deems appropriate.

(e) The first meeting of the Panel shall be held at the
call of the Chairperson. The Panel shall prescribe the times
and places for its meetings and the manner in which regular and
special meetings may be called and shall comply with the Open
Meetings Act. The Panel shall also comply with the Freedom of
Information Act.

(f) Three members of the Panel shall constitute a quorum. A
majority of members present is required to pass a measure.

(Source: P.A. 97-429, eff. 8-16-11.)

(105 ILCS 5/1H-70)

Sec. 1H-70. Tax anticipation warrants, tax anticipation
notes, revenue anticipation certificates or notes, general
State aid or primary State aid anticipation certificates, and
lines of credit. With the approval of the State Superintendent
and provided that the district is unable to secure short-term
financing after 3 attempts, a Panel shall have the same power
as a district to do the following:

(1) issue tax anticipation warrants under the provisions of Section 17-16 of this Code against taxes levied by either the school board or the Panel pursuant to Section 1H-25 of this Code;

(2) issue tax anticipation notes under the provisions of the Tax Anticipation Note Act against taxes levied by either the school board or the Panel pursuant to Section 1H-25 of this Code;

(3) issue revenue anticipation certificates or notes under the provisions of the Revenue Anticipation Act;

(4) issue general State aid or primary State aid anticipation certificates under the provisions of Section 18-18 of this Code; and

(5) establish and utilize lines of credit under the provisions of Section 17-17 of this Code.

Tax anticipation warrants, tax anticipation notes, revenue anticipation certificates or notes, general State aid or primary State aid anticipation certificates, and lines of credit are considered borrowing from sources other than the State and are subject to Section 1H-65 of this Code.

(Source: P.A. 97-429, eff. 8-16-11.)

(105 ILCS 5/2-3.28) (from Ch. 122, par. 2-3.28)

Sec. 2-3.28. Rules and regulations of budget and accounting systems. To prescribe rules and regulations defining what shall
constitute a budget and accounting system required under this Act. The rules and regulations shall prescribe the minimum extent of verification, the type of audit, the extent of the audit report and shall require compliance with statutory requirements and standards and such requirements as the State Board of Education deems necessary for an adequate budget and accounting system. For the 2018-2019 school year and thereafter, the rules and regulations shall prescribe a system for accounting for revenues and expenditures at the individual school level that includes without limitation the following:

(1) accounting for expenditures for school administration, regular instruction, special education instruction, instructional programs for children of limited English-speaking ability, instructional support services, and pupil support services;

(2) salary expenditures reflecting actual staff salaries at each school;

(3) accounting for operations, including non-instructional pupil services, facilities, and business services; and

(4) such other requirements as the State Board of Education deems necessary to provide for a uniform and transparent system of accounting at the school level.

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

(105 ILCS 5/2-3.33) (from Ch. 122, par. 2-3.33)
Sec. 2-3.33. Recomputation of claims. To recompute within 3 years from the final date for filing of a claim any claim for reimbursement to any school district if the claim has been found to be incorrect and to adjust subsequent claims accordingly, and to recompute and adjust any such claims within 6 years from the final date for filing when there has been an adverse court or administrative agency decision on the merits affecting the tax revenues of the school district. However, no such adjustment shall be made regarding equalized assessed valuation unless the district's equalized assessed valuation is changed by greater than $250,000 or 2%. Any adjustments for claims recomputed for the 2015-2016 school year and prior school years shall be applied to the apportionment of primary State financial aid in Section 18-8.15 of this Code beginning in the 2016-2017 school year and thereafter.

Except in the case of an adverse court or administrative agency decision, no recomputation of a State aid claim shall be made pursuant to this Section as a result of a reduction in the assessed valuation of a school district from the assessed valuation of the district reported to the State Board of Education by the Department of Revenue under Section 18-8.05 or 18-8.15 of this Code unless the requirements of Section 16-15 of the Property Tax Code and Section 2-3.84 of this Code are complied with in all respects.

This paragraph applies to all requests for recomputation of a general State aid or primary State aid claim received after
June 30, 2003. In recomputing a general State aid or primary State aid claim that was originally calculated using an extension limitation equalized assessed valuation under paragraph (3) of subsection (G) of Section 18-8.05 of this Code or paragraph (2) of subsection (h) of Section 18-8.15 of this Code, a qualifying reduction in equalized assessed valuation shall be deducted from the extension limitation equalized assessed valuation that was used in calculating the original claim.

From the total amount of general State aid or primary State aid to be provided to districts, adjustments as a result of recomputation under this Section together with adjustments under Section 2-3.84 must not exceed $25 million, in the aggregate for all districts under both Sections combined, of the general State aid or primary State aid appropriation in any fiscal year; if necessary, amounts shall be prorated among districts. If it is necessary to prorate claims under this paragraph, then that portion of each prorated claim that is approved but not paid in the current fiscal year may be resubmitted as a valid claim in the following fiscal year.

(Source: P.A. 93-845, eff. 7-30-04.)

(105 ILCS 5/2-3.51.5)

Sec. 2-3.51.5. School Safety and Educational Improvement Block Grant Program. To improve the level of education and safety of students from kindergarten through grade 12 in school
districts and State-recognized, non-public schools. The State Board of Education is authorized to fund a School Safety and Educational Improvement Block Grant Program.

(1) For school districts, the program shall provide funding for school safety, textbooks and software, electronic textbooks and the technological equipment necessary to gain access to and use electronic textbooks, teacher training and curriculum development, school improvements, school report cards under Section 10-17a, and criminal history records checks under Sections 10-21.9 and 34-18.5. For State-recognized, non-public schools, the program shall provide funding for secular textbooks and software, criminal history records checks, and health and safety mandates to the extent that the funds are expended for purely secular purposes. A school district or laboratory school as defined in Section 18-8, 18-8.05, or 18-8.15 is not required to file an application in order to receive the categorical funding to which it is entitled under this Section. Funds for the School Safety and Educational Improvement Block Grant Program shall be distributed to school districts and laboratory schools based on the prior year's best 3 months average daily attendance. Funds for the School Safety and Educational Improvement Block Grant Program shall be distributed to State-recognized, non-public schools based on the average daily attendance figure for the previous school year provided to the State Board of Education. The State Board of Education shall develop an application that
requires State-recognized, non-public schools to submit average daily attendance figures. A State-recognized, non-public school must submit the application and average daily attendance figure prior to receiving funds under this Section. The State Board of Education shall promulgate rules and regulations necessary for the implementation of this program.

(2) Distribution of moneys to school districts and State-recognized, non-public schools shall be made in 2 semi-annual installments, one payment on or before October 30, and one payment prior to April 30, of each fiscal year.

(3) Grants under the School Safety and Educational Improvement Block Grant Program shall be awarded provided there is an appropriation for the program, and funding levels for each district shall be prorated according to the amount of the appropriation.

(4) The provisions of this Section are in the public interest, are for the public benefit, and serve secular public purposes.

(Source: P.A. 98-972, eff. 8-15-14.)

(105 ILCS 5/2-3.66) (from Ch. 122, par. 2-3.66)

Sec. 2-3.66. Truants' alternative and optional education programs. To establish projects to offer modified instructional programs or other services designed to prevent students from dropping out of school, including programs pursuant to Section 2-3.41, and to serve as a part time or full
time option in lieu of regular school attendance and to award
grants to local school districts, educational service regions
or community college districts from appropriated funds to
assist districts in establishing such projects. The education
agency may operate its own program or enter into a contract
with another not-for-profit entity to implement the program.
The projects shall allow dropouts, up to and including age 21,
potential dropouts, including truants, uninvolved, unmotivated
and disaffected students, as defined by State Board of
Education rules and regulations, to enroll, as an alternative
to regular school attendance, in an optional education program
which may be established by school board policy and is in
conformance with rules adopted by the State Board of Education.
Truants' Alternative and Optional Education programs funded
pursuant to this Section shall be planned by a student, the
student's parents or legal guardians, unless the student is 18
years or older, and school officials and shall culminate in an
individualized optional education plan. Such plan shall focus
on academic or vocational skills, or both, and may include, but
not be limited to, evening school, summer school, community
college courses, adult education, preparation courses for high
school equivalency testing, vocational training, work
experience, programs to enhance self concept and parenting
courses. School districts which are awarded grants pursuant to
this Section shall be authorized to provide day care services
to children of students who are eligible and desire to enroll
in programs established and funded under this Section, but only if and to the extent that such day care is necessary to enable those eligible students to attend and participate in the programs and courses which are conducted pursuant to this Section. School districts and regional offices of education may claim general State aid under Section 18-8.05 or primary State aid under Section 18-8.15 for students enrolled in truants' alternative and optional education programs, provided that such students are receiving services that are supplemental to a program leading to a high school diploma and are otherwise eligible to be claimed for general State aid under Section 18-8.05 or primary State aid under Section 18-8.15, as applicable.

(Source: P.A. 98-718, eff. 1-1-15.)

(105 ILCS 5/2-3.66b)

Sec. 2-3.66b. IHOPE Program.

(a) There is established the Illinois Hope and Opportunity Pathways through Education (IHOPE) Program. The State Board of Education shall implement and administer the IHOPE Program. The goal of the IHOPE Program is to develop a comprehensive system in this State to re-enroll significant numbers of high school dropouts in programs that will enable them to earn their high school diploma.

(b) The IHOPE Program shall award grants, subject to appropriation for this purpose, to educational service regions
and a school district organized under Article 34 of this Code from appropriated funds to assist in establishing instructional programs and other services designed to re-enroll high school dropouts. From any funds appropriated for the IHOPE Program, the State Board of Education may use up to 5% for administrative costs, including the performance of a program evaluation and the hiring of staff to implement and administer the program.

The IHOPE Program shall provide incentive grant funds for regional offices of education and a school district organized under Article 34 of this Code to develop partnerships with school districts, public community colleges, and community groups to build comprehensive plans to re-enroll high school dropouts in their regions or districts.

Programs funded through the IHOPE Program shall allow high school dropouts, up to and including age 21 notwithstanding Section 26-2 of this Code, to re-enroll in an educational program in conformance with rules adopted by the State Board of Education. Programs may include without limitation comprehensive year-round programming, evening school, summer school, community college courses, adult education, vocational training, work experience, programs to enhance self-concept, and parenting courses. Any student in the IHOPE Program who wishes to earn a high school diploma must meet the prerequisites to receiving a high school diploma specified in Section 27-22 of this Code and any other graduation
requirements of the student's district of residence. Any student who successfully completes the requirements for his or her graduation shall receive a diploma identifying the student as graduating from his or her district of residence.

(c) In order to be eligible for funding under the IHOPE Program, an interested regional office of education or a school district organized under Article 34 of this Code shall develop an IHOPE Plan to be approved by the State Board of Education. The State Board of Education shall develop rules for the IHOPE Program that shall set forth the requirements for the development of the IHOPE Plan. Each Plan shall involve school districts, public community colleges, and key community programs that work with high school dropouts located in an educational service region or the City of Chicago before the Plan is sent to the State Board for approval. No funds may be distributed to a regional office of education or a school district organized under Article 34 of this Code until the State Board has approved the Plan.

(d) A regional office of education or a school district organized under Article 34 of this Code may operate its own program funded by the IHOPE Program or enter into a contract with other not-for-profit entities, including school districts, public community colleges, and not-for-profit community-based organizations, to operate a program.

A regional office of education or a school district organized under Article 34 of this Code that receives an IHOPE
grant from the State Board of Education may provide funds under a sub-grant, as specified in the IHOPE Plan, to other not-for-profit entities to provide services according to the IHOPE Plan that was developed. These other entities may include school districts, public community colleges, or not-for-profit community-based organizations or a cooperative partnership among these entities.

(e) In order to distribute funding based upon the need to ensure delivery of programs that will have the greatest impact, IHOPE Program funding must be distributed based upon the proportion of dropouts in the educational service region or school district, in the case of a school district organized under Article 34 of this Code, to the total number of dropouts in this State. This formula shall employ the dropout data provided by school districts to the State Board of Education.

A regional office of education or a school district organized under Article 34 of this Code may claim State aid under Section 18-8.05 or 18-8.15 of this Code for students enrolled in a program funded by the IHOPE Program, provided that the State Board of Education has approved the IHOPE Plan and that these students are receiving services that are meeting the requirements of Section 27-22 of this Code for receipt of a high school diploma and are otherwise eligible to be claimed for general State aid under Section 18-8.05 of this Code or primary State aid under Section 18-8.15 of this Code, including provisions related to the minimum number of days of pupil
attendance pursuant to Section 10-19 of this Code and the minimum number of daily hours of school work and any exceptions thereto as defined by the State Board of Education in rules.

(f) IHOPE categories of programming may include the following:

(1) Full-time programs that are comprehensive, year-round programs.

(2) Part-time programs combining work and study scheduled at various times that are flexible to the needs of students.

(3) Online programs and courses in which students take courses and complete on-site, supervised tests that measure the student's mastery of a specific course needed for graduation. Students may take courses online and earn credit or students may prepare to take supervised tests for specific courses for credit leading to receipt of a high school diploma.

(4) Dual enrollment in which students attend high school classes in combination with community college classes or students attend community college classes while simultaneously earning high school credit and eventually a high school diploma.

(g) In order to have successful comprehensive programs re-enrolling and graduating low-skilled high school dropouts, programs funded through the IHOPE Program shall include all of the following components:
(1) Small programs (70 to 100 students) at a separate school site with a distinct identity. Programs may be larger with specific need and justification, keeping in mind that it is crucial to keep programs small to be effective.

(2) Specific performance-based goals and outcomes and measures of enrollment, attendance, skills, credits, graduation, and the transition to college, training, and employment.

(3) Strong, experienced leadership and teaching staff who are provided with ongoing professional development.

(4) Voluntary enrollment.

(5) High standards for student learning, integrating work experience, and education, including during the school year and after school, and summer school programs that link internships, work, and learning.

(6) Comprehensive programs providing extensive support services.

(7) Small teams of students supported by full-time paid mentors who work to retain and help those students graduate.

(8) A comprehensive technology learning center with Internet access and broad-based curriculum focusing on academic and career subject areas.

(9) Learning opportunities that incorporate action into study.
(h) Programs funded through the IHOPE Program must report data to the State Board of Education as requested. This information shall include, but is not limited to, student enrollment figures, attendance information, course completion data, graduation information, and post-graduation information, as available.

(i) Rules must be developed by the State Board of Education to set forth the fund distribution process to regional offices of education and a school district organized under Article 34 of this Code, the planning and the conditions upon which an IHOPE Plan would be approved by State Board, and other rules to develop the IHOPE Program.

(Source: P.A. 96-106, eff. 7-30-09.)

(105 ILCS 5/2-3.84) (from Ch. 122, par. 2-3.84)

Sec. 2-3.84. In calculating the amount of State aid to be apportioned to the various school districts in this State, the State Board of Education shall incorporate and deduct the total aggregate adjustments to assessments made by the State Property Tax Appeal Board or Cook County Board of Appeals, as reported pursuant to Section 16-15 of the Property Tax Code or Section 129.1 of the Revenue Act of 1939 by the Department of Revenue, from the equalized assessed valuation that is otherwise to be utilized in the initial calculation.

From the total amount of general State aid or primary State aid to be provided to districts, adjustments under this Section
together with adjustments as a result of recomputation under Section 2-3.33 must not exceed $25 million, in the aggregate for all districts under both Sections combined, of the general State aid or primary State aid appropriation in any fiscal year; if necessary, amounts shall be prorated among districts. If it is necessary to prorate claims under this paragraph, then that portion of each prorated claim that is approved but not paid in the current fiscal year may be resubmitted as a valid claim in the following fiscal year.

(Source: P.A. 93-845, eff. 7-30-04.)

(105 ILCS 5/2-3.109a)

Sec. 2-3.109a. Laboratory schools grant eligibility. A laboratory school as defined in Section 18-8 or 18-8.15 may apply for and be eligible to receive, subject to the same restrictions applicable to school districts, any grant administered by the State Board of Education that is available for school districts.

(Source: P.A. 90-566, eff. 1-2-98.)

(105 ILCS 5/3-14.21) (from Ch. 122, par. 3-14.21)

Sec. 3-14.21. Inspection of schools.

(a) The regional superintendent shall inspect and survey all public schools under his or her supervision and notify the board of education, or the trustees of schools in a district with trustees, in writing before July 30, whether or not the
several schools in their district have been kept as required by law, using forms provided by the State Board of Education which are based on the Health/Life Safety Code for Public Schools adopted under Section 2-3.12. The regional superintendent shall report his or her findings to the State Board of Education on forms provided by the State Board of Education.

(b) If the regional superintendent determines that a school board has failed in a timely manner to correct urgent items identified in a previous life-safety report completed under Section 2-3.12 or as otherwise previously ordered by the regional superintendent, the regional superintendent shall order the school board to adopt and submit to the regional superintendent a plan for the immediate correction of the building violations. This plan shall be adopted following a public hearing that is conducted by the school board on the violations and the plan and that is preceded by at least 7 days' prior notice of the hearing published in a newspaper of general circulation within the school district. If the regional superintendent determines in the next annual inspection that the plan has not been completed and that the violations have not been corrected, the regional superintendent shall submit a report to the State Board of Education with a recommendation that the State Board withhold from payments of general State aid or primary State aid due to the district an amount necessary to correct the outstanding violations. The State Board, upon notice to the school board and to the regional
superintendent, shall consider the report at a meeting of the State Board, and may order that a sufficient amount of general State aid or primary State aid be withheld from payments due to the district to correct the violations. This amount shall be paid to the regional superintendent who shall contract on behalf of the school board for the correction of the outstanding violations.

(c) The Office of the State Fire Marshal or a qualified fire official, as defined in Section 2-3.12 of this Code, to whom the State Fire Marshal has delegated his or her authority shall conduct an annual fire safety inspection of each school building in this State. The State Fire Marshal or the fire official shall coordinate its inspections with the regional superintendent. The inspection shall be based on the fire safety code authorized in Section 2-3.12 of this Code. Any violations shall be reported in writing to the regional superintendent and shall reference the specific code sections where a discrepancy has been identified within 15 days after the inspection has been conducted. The regional superintendent shall address those violations that are not corrected in a timely manner pursuant to subsection (b) of this Section. The inspection must be at no cost to the school district.

(d) If a municipality or, in the case of an unincorporated area, a county or, if applicable, a fire protection district wishes to perform new construction inspections under the jurisdiction of a regional superintendent, then the entity must
register this wish with the regional superintendent. These inspections must be based on the building code authorized in Section 2-3.12 of this Code. The inspections must be at no cost to the school district.

(Source: P.A. 96-734, eff. 8-25-09.)

(105 ILCS 5/7-14A) (from Ch. 122, par. 7-14A)

Sec. 7-14A. Annexation Compensation. There shall be no accounting made after a mere change in boundaries when no new district is created, except that those districts whose enrollment increases by 90% or more as a result of annexing territory detached from another district pursuant to this Article are eligible for supplementary State aid payments in accordance with Section 11E-135 of this Code. Eligible annexing districts shall apply to the State Board of Education for supplementary State aid payments by submitting enrollment figures for the year immediately preceding and the year immediately following the effective date of the boundary change for both the district gaining territory and the district losing territory. Copies of any intergovernmental agreements between the district gaining territory and the district losing territory detailing any transfer of fund balances and staff must also be submitted. In all instances of changes in boundaries, the district losing territory shall not count the average daily attendance of pupils living in the territory during the year preceding the effective date of the boundary change.
change in its claim for reimbursement under Section 18-8 or 18-8.15 for the school year following the effective date of the change in boundaries and the district receiving the territory shall count the average daily attendance of pupils living in the territory during the year preceding the effective date of the boundary change in its claim for reimbursement under Section 18-8 or 18-8.15 for the school year following the effective date of the change in boundaries. The changes to this Section made by this amendatory Act of the 95th General Assembly are intended to be retroactive and applicable to any annexation taking effect on or after July 1, 2004.

(Source: P.A. 95-707, eff. 1-11-08.)

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

Sec. 10-17a. State, school district, and school report cards.

(1) By October 31, 2013 and October 31 of each subsequent school year, the State Board of Education, through the State Superintendent of Education, shall prepare a State report card, school district report cards, and school report cards, and shall by the most economic means provide to each school district in this State, including special charter districts and districts subject to the provisions of Article 34, the report cards for the school district and each of its schools.

(2) In addition to any information required by federal law, the State Superintendent shall determine the indicators and
presentation of the school report card, which must include, at a minimum, the most current data possessed by the State Board of Education related to the following:

(A) school characteristics and student demographics, including average class size, average teaching experience, student racial/ethnic breakdown, and the percentage of students classified as low-income; the percentage of students classified as English learners; the percentage of students who have individualized education plans or 504 plans that provide for special education services; the percentage of students who annually transferred in or out of the school district; the per-pupil operating expenditure of the school district; and the per-pupil State average operating expenditure for the district type (elementary, high school, or unit);

(B) curriculum information, including, where applicable, Advanced Placement, International Baccalaureate or equivalent courses, dual enrollment courses, foreign language classes, school personnel resources (including Career Technical Education teachers), before and after school programs, extracurricular activities, subjects in which elective classes are offered, health and wellness initiatives (including the average number of days of Physical Education per week per student), approved programs of study, awards received, community partnerships, and special programs such as
programming for the gifted and talented, students with
disabilities, and work-study students;

(C) student outcomes, including, where applicable, the
percentage of students deemed proficient on assessments of
State standards, the percentage of students in the eighth
grade who pass Algebra, the percentage of students enrolled
in post-secondary institutions (including colleges,
universities, community colleges, trade/vocational
schools, and training programs leading to career
certification within 2 semesters of high school
graduation), the percentage of students graduating from
high school who are college and career ready, and the
percentage of graduates enrolled in community colleges,
colleges, and universities who are in one or more courses
that the community college, college, or university
identifies as a developmental course;

(D) student progress, including, where applicable, the
percentage of students in the ninth grade who have earned 5
credits or more without failing more than one core class, a
measure of students entering kindergarten ready to learn, a
measure of growth, and the percentage of students who enter
high school on track for college and career readiness;

(E) the school environment, including, where
applicable, the percentage of students with less than 10
absences in a school year, the percentage of teachers with
less than 10 absences in a school year for reasons other
than professional development, leaves taken pursuant to the federal Family Medical Leave Act of 1993, long-term disability, or parental leaves, the 3-year average of the percentage of teachers returning to the school from the previous year, the number of different principals at the school in the last 6 years, 2 or more indicators from any school climate survey selected or approved by the State and administered pursuant to Section 2-3.153 of this Code, with the same or similar indicators included on school report cards for all surveys selected or approved by the State pursuant to Section 2-3.153 of this Code, and the combined percentage of teachers rated as proficient or excellent in their most recent evaluation; and

(F) a school district's and its individual schools' balanced accountability measure, in accordance with Section 2-3.25a of this Code.

The school report card shall also provide information that allows for comparing the current outcome, progress, and environment data to the State average, to the school data from the past 5 years, and to the outcomes, progress, and environment of similar schools based on the type of school and enrollment of low-income students, special education students, and English learners.

(3) At the discretion of the State Superintendent, the school district report card shall include a subset of the information identified in paragraphs (A) through (E) of
subsection (2) of this Section, as well as information relating to the operating expense per pupil and other finances of the school district, and the State report card shall include a subset of the information identified in paragraphs (A) through (E) of subsection (2) of this Section. The school district report card shall include the total and per pupil normal cost amount the State contributed to the Teachers' Retirement System of the State of Illinois in the prior fiscal year for the district's employees, which shall be reported to the State Board of Education by the Teachers' Retirement System of the State of Illinois.

(4) Notwithstanding anything to the contrary in this Section, in consultation with key education stakeholders, the State Superintendent shall at any time have the discretion to amend or update any and all metrics on the school, district, or State report card.

(5) Annually, no more than 30 calendar days after receipt of the school district and school report cards from the State Superintendent of Education, each school district, including special charter districts and districts subject to the provisions of Article 34, shall present such report cards at a regular school board meeting subject to applicable notice requirements, post the report cards on the school district's Internet web site, if the district maintains an Internet web site, make the report cards available to a newspaper of general circulation serving the district, and, upon request, send the
report cards home to a parent (unless the district does not
maintain an Internet web site, in which case the report card
shall be sent home to parents without request). If the district
posts the report card on its Internet web site, the district
shall send a written notice home to parents stating (i) that
the report card is available on the web site, (ii) the address
of the web site, (iii) that a printed copy of the report card
will be sent to parents upon request, and (iv) the telephone
number that parents may call to request a printed copy of the
report card.

(6) Nothing contained in this amendatory Act of the 98th
General Assembly repeals, supersedes, invalidates, or
nullifies final decisions in lawsuits pending on the effective
date of this amendatory Act of the 98th General Assembly in
Illinois courts involving the interpretation of Public Act
97-8.

(Source: P.A. 98-463, eff. 8-16-13; 98-648, eff. 7-1-14; 99-30,
 eff. 7-10-15; 99-193, eff. 7-30-15; revised 10-21-15.)

(105 ILCS 5/10-19) (from Ch. 122, par. 10-19)
Sec. 10-19. Length of school term - experimental programs.
Each school board shall annually prepare a calendar for the
school term, specifying the opening and closing dates and
providing a minimum term of at least 185 days to insure 176
days of actual pupil attendance, computable under Section
18-8.05 or 18-8.15, except that for the 1980-1981 school year
only 175 days of actual pupil attendance shall be required because of the closing of schools pursuant to Section 24-2 on January 29, 1981 upon the appointment by the President of that day as a day of thanksgiving for the freedom of the Americans who had been held hostage in Iran. Any days allowed by law for teachers' institutes but not used as such or used as parental institutes as provided in Section 10-22.18d shall increase the minimum term by the school days not so used. Except as provided in Section 10-19.1, the board may not extend the school term beyond such closing date unless that extension of term is necessary to provide the minimum number of computable days. In case of such necessary extension school employees shall be paid for such additional time on the basis of their regular contracts. A school board may specify a closing date earlier than that set on the annual calendar when the schools of the district have provided the minimum number of computable days under this Section. Nothing in this Section prevents the board from employing superintendents of schools, principals and other nonteaching personnel for a period of 12 months, or in the case of superintendents for a period in accordance with Section 10-23.8, or prevents the board from employing other personnel before or after the regular school term with payment of salary proportionate to that received for comparable work during the school term.

A school board may make such changes in its calendar for the school term as may be required by any changes in the legal
school holidays prescribed in Section 24-2. A school board may make changes in its calendar for the school term as may be necessary to reflect the utilization of teachers' institute days as parental institute days as provided in Section 10-22.18d.

The calendar for the school term and any changes must be submitted to and approved by the regional superintendent of schools before the calendar or changes may take effect.

With the prior approval of the State Board of Education and subject to review by the State Board of Education every 3 years, any school board may, by resolution of its board and in agreement with affected exclusive collective bargaining agents, establish experimental educational programs, including but not limited to programs for e-learning days as authorized under Section 10-20.56 of this Code, self-directed learning, or outside of formal class periods, which programs when so approved shall be considered to comply with the requirements of this Section as respects numbers of days of actual pupil attendance and with the other requirements of this Act as respects courses of instruction.

(Source: P.A. 98-756, eff. 7-16-14; 99-194, eff. 7-30-15.)

(105 ILCS 5/10-22.5a) (from Ch. 122, par. 10-22.5a)

Sec. 10-22.5a. Attendance by dependents of United States military personnel, foreign exchange students, and certain nonresident pupils.
(a) To enter into written agreements with cultural exchange organizations, or with nationally recognized eleemosynary institutions that promote excellence in the arts, mathematics, or science. The written agreements may provide for tuition free attendance at the local district school by foreign exchange students, or by nonresident pupils of eleemosynary institutions. The local board of education, as part of the agreement, may require that the cultural exchange program or the eleemosynary institutions provide services to the district in exchange for the waiver of nonresident tuition.

To enter into written agreements with adjacent school districts to provide for tuition free attendance by a student of the adjacent district when requested for the student's health and safety by the student or parent and both districts determine that the student's health or safety will be served by such attendance. Districts shall not be required to enter into such agreements nor be required to alter existing transportation services due to the attendance of such non-resident pupils.

(a-5) If, at the time of enrollment, a dependent of United States military personnel is housed in temporary housing located outside of a school district, but will be living within the district within 60 days after the time of initial enrollment, the dependent must be allowed to enroll, subject to the requirements of this subsection (a-5), and must not be charged tuition. Any United States military personnel
attempting to enroll a dependent under this subsection (a-5) shall provide proof that the dependent will be living within the district within 60 days after the time of initial enrollment. Proof of residency may include, but is not limited to, postmarked mail addressed to the military personnel and sent to an address located within the district, a lease agreement for occupancy of a residence located within the district, or proof of ownership of a residence located within the district.

(b) Nonresident pupils and foreign exchange students attending school on a tuition free basis under such agreements and nonresident dependents of United States military personnel attending school on a tuition free basis may be counted for the purposes of determining the apportionment of State aid provided under Section 18-8.05 or 18-8.15 of this Code. No organization or institution participating in agreements authorized under this Section may exclude any individual for participation in its program on account of the person's race, color, sex, religion or nationality.

(Source: P.A. 98-739, eff. 7-16-14.)

(105 ILCS 5/10-22.20) (from Ch. 122, par. 10-22.20)

Sec. 10-22.20. Classes for adults and youths whose schooling has been interrupted; conditions for State reimbursement; use of child care facilities.

(a) To establish special classes for the instruction (1) of
persons of age 21 years or over and (2) of persons less than age 21 and not otherwise in attendance in public school, for the purpose of providing adults in the community and youths whose schooling has been interrupted with such additional basic education, vocational skill training, and other instruction as may be necessary to increase their qualifications for employment or other means of self-support and their ability to meet their responsibilities as citizens, including courses of instruction regularly accepted for graduation from elementary or high schools and for Americanization and high school equivalency testing review classes.

The board shall pay the necessary expenses of such classes out of school funds of the district, including costs of student transportation and such facilities or provision for child-care as may be necessary in the judgment of the board to permit maximum utilization of the courses by students with children, and other special needs of the students directly related to such instruction. The expenses thus incurred shall be subject to State reimbursement, as provided in this Section. The board may make a tuition charge for persons taking instruction who are not subject to State reimbursement, such tuition charge not to exceed the per capita cost of such classes.

The cost of such instruction, including the additional expenses herein authorized, incurred for recipients of financial aid under the Illinois Public Aid Code, or for persons for whom education and training aid has been authorized
under Section 9-8 of that Code, shall be assumed in its entirety from funds appropriated by the State to the Illinois Community College Board.

(b) The Illinois Community College Board shall establish the standards for the courses of instruction reimbursed under this Section. The Illinois Community College Board shall supervise the administration of the programs. The Illinois Community College Board shall determine the cost of instruction in accordance with standards established by the Illinois Community College Board, including therein other incidental costs as herein authorized, which shall serve as the basis of State reimbursement in accordance with the provisions of this Section. In the approval of programs and the determination of the cost of instruction, the Illinois Community College Board shall provide for the maximum utilization of federal funds for such programs. The Illinois Community College Board shall also provide for:

(1) the development of an index of need for program planning and for area funding allocations, as defined by the Illinois Community College Board;

(2) the method for calculating hours of instruction, as defined by the Illinois Community College Board, claimable for reimbursement and a method to phase in the calculation and for adjusting the calculations in cases where the services of a program are interrupted due to circumstances beyond the control of the program provider;
(3) a plan for the reallocation of funds to increase the amount allocated for grants based upon program performance as set forth in subsection (d) below; and

(4) the development of standards for determining grants based upon performance as set forth in subsection (d) below and a plan for the phased-in implementation of those standards.

For instruction provided by school districts and community college districts beginning July 1, 1996 and thereafter, reimbursement provided by the Illinois Community College Board for classes authorized by this Section shall be provided from funds appropriated for the reimbursement criteria set forth in subsection (c) below.

(c) Upon the annual approval of the Illinois Community College Board, reimbursement shall be first provided for transportation, child care services, and other special needs of the students directly related to instruction and then from the funds remaining an amount equal to the product of the total credit hours or units of instruction approved by the Illinois Community College Board, multiplied by the following:

(1) For adult basic education, the maximum reimbursement per credit hour or per unit of instruction shall be equal to (i) through fiscal year 2016, the general state aid per pupil foundation level established in subsection (B) of Section 18-8.05, divided by 60, or (ii) in fiscal year 2017 and thereafter, the foundation level
established pursuant to subsection (b) of Section 18-8.15 of this Code, divided by 60;

(2) The maximum reimbursement per credit hour or per unit of instruction in subparagraph (1) above shall be weighted for students enrolled in classes defined as vocational skills and approved by the Illinois Community College Board by 1.25;

(3) The maximum reimbursement per credit hour or per unit of instruction in subparagraph (1) above shall be multiplied by .90 for students enrolled in classes defined as adult secondary education programs and approved by the Illinois Community College Board;

(4) (Blank); and

(5) Funding for program years after 1999-2000 shall be determined by the Illinois Community College Board.

(d) Upon its annual approval, the Illinois Community College Board shall provide grants to eligible programs for supplemental activities to improve or expand services under the Adult Education Act. Eligible programs shall be determined based upon performance outcomes of students in the programs as set by the Illinois Community College Board.

(e) Reimbursement under this Section shall not exceed the actual costs of the approved program.

If the amount appropriated to the Illinois Community College Board for reimbursement under this Section is less than the amount required under this Act, the apportionment shall be
proportionately reduced.

School districts and community college districts may assess students up to $3.00 per credit hour, for classes other than Adult Basic Education level programs, if needed to meet program costs.

(f) An education plan shall be established for each adult or youth whose schooling has been interrupted and who is participating in the instructional programs provided under this Section.

Each school board and community college shall keep an accurate and detailed account of the students assigned to and receiving instruction under this Section who are subject to State reimbursement and shall submit reports of services provided commencing with fiscal year 1997 as required by the Illinois Community College Board.

For classes authorized under this Section, a credit hour or unit of instruction is equal to 15 hours of direct instruction for students enrolled in approved adult education programs at midterm and making satisfactory progress, in accordance with standards established by the Illinois Community College Board.

(g) Upon proof submitted to the Illinois Department of Human Services of the payment of all claims submitted under this Section, that Department shall apply for federal funds made available therefor and any federal funds so received shall be paid into the General Revenue Fund in the State Treasury.

School districts or community colleges providing classes
under this Section shall submit applications to the Illinois Community College Board for preapproval in accordance with the standards established by the Illinois Community College Board. Payments shall be made by the Illinois Community College Board based upon approved programs. Interim expenditure reports may be required by the Illinois Community College Board. Final claims for the school year shall be submitted to the regional superintendents for transmittal to the Illinois Community College Board. Final adjusted payments shall be made by September 30.

If a school district or community college district fails to provide, or is providing unsatisfactory or insufficient classes under this Section, the Illinois Community College Board may enter into agreements with public or private educational or other agencies other than the public schools for the establishment of such classes.

(h) If a school district or community college district establishes child-care facilities for the children of participants in classes established under this Section, it may extend the use of these facilities to students who have obtained employment and to other persons in the community whose children require care and supervision while the parent or other person in charge of the children is employed or otherwise absent from the home during all or part of the day. It may make the facilities available before and after as well as during regular school hours to school age and preschool age children.
who may benefit thereby, including children who require care
and supervision pending the return of their parent or other
person in charge of their care from employment or other
activity requiring absence from the home.

The Illinois Community College Board shall pay to the board
the cost of care in the facilities for any child who is a
recipient of financial aid under the Illinois Public Aid Code.

The board may charge for care of children for whom it
cannot make claim under the provisions of this Section. The
charge shall not exceed per capita cost, and to the extent
feasible, shall be fixed at a level which will permit
utilization by employed parents of low or moderate income. It
may also permit any other State or local governmental agency or
private agency providing care for children to purchase care.

After July 1, 1970 when the provisions of Section 10-20.20
become operative in the district, children in a child-care
facility shall be transferred to the kindergarten established
under that Section for such portion of the day as may be
required for the kindergarten program, and only the prorated
costs of care and training provided in the Center for the
remaining period shall be charged to the Illinois Department of
Human Services or other persons or agencies paying for such
care.

(i) The provisions of this Section shall also apply to
school districts having a population exceeding 500,000.

(j) In addition to claiming reimbursement under this
Section, a school district may claim general State aid under Section 18-8.05 or primary State aid under Section 18-8.15 for any student under age 21 who is enrolled in courses accepted for graduation from elementary or high school and who otherwise meets the requirements of Section 18-8.05 or 18-8.15, as applicable.

(Source: P.A. 98-718, eff. 1-1-15.)

(105 ILCS 5/10-29)

Sec. 10-29. Remote educational programs.

(a) For purposes of this Section, "remote educational program" means an educational program delivered to students in the home or other location outside of a school building that meets all of the following criteria:

(1) A student may participate in the program only after the school district, pursuant to adopted school board policy, and a person authorized to enroll the student under Section 10-20.12b of this Code determine that a remote educational program will best serve the student's individual learning needs. The adopted school board policy shall include, but not be limited to, all of the following:

(A) Criteria for determining that a remote educational program will best serve a student's individual learning needs. The criteria must include consideration of, at a minimum, a student's prior attendance, disciplinary record, and academic history.
(B) Any limitations on the number of students or grade levels that may participate in a remote educational program.

(C) A description of the process that the school district will use to approve participation in the remote educational program. The process must include without limitation a requirement that, for any student who qualifies to receive services pursuant to the federal Individuals with Disabilities Education Improvement Act of 2004, the student's participation in a remote educational program receive prior approval from the student's individualized education program team.

(D) A description of the process the school district will use to develop and approve a written remote educational plan that meets the requirements of subdivision (5) of this subsection (a).

(E) A description of the system the school district will establish to calculate the number of clock hours a student is participating in instruction in accordance with the remote educational program.

(F) A description of the process for renewing a remote educational program at the expiration of its term.

(G) Such other terms and provisions as the school district deems necessary to provide for the
establishment and delivery of a remote educational program.

(2) The school district has determined that the remote educational program's curriculum is aligned to State learning standards and that the program offers instruction and educational experiences consistent with those given to students at the same grade level in the district.

(3) The remote educational program is delivered by instructors that meet the following qualifications:

(A) they are certificated under Article 21 of this Code;

(B) they meet applicable highly qualified criteria under the federal No Child Left Behind Act of 2001; and

(C) they have responsibility for all of the following elements of the program: planning instruction, diagnosing learning needs, prescribing content delivery through class activities, assessing learning, reporting outcomes to administrators and parents and guardians, and evaluating the effects of instruction.

(4) During the period of time from and including the opening date to the closing date of the regular school term of the school district established pursuant to Section 10-19 of this Code, participation in a remote educational program may be claimed for general State aid purposes under Section 18-8.05 of this Code or primary State aid purposes
under Section 18-8.15 of this Code on any calendar day, notwithstanding whether the day is a day of pupil attendance or institute day on the school district's calendar or any other provision of law restricting instruction on that day. If the district holds year-round classes in some buildings, the district shall classify each student's participation in a remote educational program as either on a year-round or a non-year-round schedule for purposes of claiming general State aid or primary State aid. Outside of the regular school term of the district, the remote educational program may be offered as part of any summer school program authorized by this Code.

(5) Each student participating in a remote educational program must have a written remote educational plan that has been approved by the school district and a person authorized to enroll the student under Section 10-20.12b of this Code. The school district and a person authorized to enroll the student under Section 10-20.12b of this Code must approve any amendment to a remote educational plan. The remote educational plan must include, but is not limited to, all of the following:

(A) Specific achievement goals for the student aligned to State learning standards.

(B) A description of all assessments that will be used to measure student progress, which description shall indicate the assessments that will be
administered at an attendance center within the school district.

(C) A description of the progress reports that will be provided to the school district and the person or persons authorized to enroll the student under Section 10-20.12b of this Code.

(D) Expectations, processes, and schedules for interaction between a teacher and student.

(E) A description of the specific responsibilities of the student's family and the school district with respect to equipment, materials, phone and Internet service, and any other requirements applicable to the home or other location outside of a school building necessary for the delivery of the remote educational program.

(F) If applicable, a description of how the remote educational program will be delivered in a manner consistent with the student's individualized education program required by Section 614(d) of the federal Individuals with Disabilities Education Improvement Act of 2004 or plan to ensure compliance with Section 504 of the federal Rehabilitation Act of 1973.

(G) A description of the procedures and opportunities for participation in academic and extra-curricular activities and programs within the school district.
(H) The identification of a parent, guardian, or other responsible adult who will provide direct supervision of the program. The plan must include an acknowledgment by the parent, guardian, or other responsible adult that he or she may engage only in non-teaching duties not requiring instructional judgment or the evaluation of a student. The plan shall designate the parent, guardian, or other responsible adult as non-teaching personnel or volunteer personnel under subsection (a) of Section 10-22.34 of this Code.

(I) The identification of a school district administrator who will oversee the remote educational program on behalf of the school district and who may be contacted by the student's parents with respect to any issues or concerns with the program.

(J) The term of the student's participation in the remote educational program, which may not extend for longer than 12 months, unless the term is renewed by the district in accordance with subdivision (7) of this subsection (a).

(K) A description of the specific location or locations in which the program will be delivered. If the remote educational program is to be delivered to a student in any location other than the student's home, the plan must include a written determination by the school district that the location will provide a
learning environment appropriate for the delivery of
the program. The location or locations in which the
program will be delivered shall be deemed a long
distance teaching reception area under subsection (a)
of Section 10-22.34 of this Code.

(L) Certification by the school district that the
plan meets all other requirements of this Section.

(6) Students participating in a remote educational
program must be enrolled in a school district attendance
center pursuant to the school district's enrollment policy
or policies. A student participating in a remote
educational program must be tested as part of all
assessments administered by the school district pursuant
to Section 2-3.64a-5 of this Code at the attendance center
in which the student is enrolled and in accordance with the
attendance center's assessment policies and schedule. The
student must be included within all accountability
determinations for the school district and attendance
center under State and federal law.

(7) The term of a student's participation in a remote
educational program may not extend for longer than 12
months, unless the term is renewed by the school district.
The district may only renew a student's participation in a
remote educational program following an evaluation of the
student's progress in the program, a determination that the
student's continuation in the program will best serve the
student's individual learning needs, and an amendment to the student's written remote educational plan addressing any changes for the upcoming term of the program.

For purposes of this Section, a remote educational program does not include instruction delivered to students through an e-learning program approved under Section 10-20.56 of this Code.

(b) A school district may, by resolution of its school board, establish a remote educational program.

c) Clock hours of instruction by students in a remote educational program meeting the requirements of this Section may be claimed by the school district and shall be counted as school work for general State aid purposes in accordance with and subject to the limitations of Section 18-8.05 of this Code or primary State aid purposes in accordance with and subject to the limitations of Section 18-8.15 of this Code.

(d) The impact of remote educational programs on wages, hours, and terms and conditions of employment of educational employees within the school district shall be subject to local collective bargaining agreements.

(e) The use of a home or other location outside of a school building for a remote educational program shall not cause the home or other location to be deemed a public school facility.

(f) A remote educational program may be used, but is not required, for instruction delivered to a student in the home or other location outside of a school building that is not claimed
for general State aid purposes under Section 18-8.05 of this Code or primary State aid purposes under Section 18-8.15 of this Code.

(g) School districts that, pursuant to this Section, adopt a policy for a remote educational program must submit to the State Board of Education a copy of the policy and any amendments thereto, as well as data on student participation in a format specified by the State Board of Education. The State Board of Education may perform or contract with an outside entity to perform an evaluation of remote educational programs in this State.

(h) The State Board of Education may adopt any rules necessary to ensure compliance by remote educational programs with the requirements of this Section and other applicable legal requirements.

(Source: P.A. 98-972, eff. 8-15-14; 99-193, eff. 7-30-15; 99-194, eff. 7-30-15; revised 10-9-15.)

(105 ILCS 5/11E-135)

Sec. 11E-135. Incentives. For districts reorganizing under this Article and for a district or districts that annex all of the territory of one or more entire other school districts in accordance with Article 7 of this Code, the following payments shall be made from appropriations made for these purposes:

(a)(1) For a combined school district, as defined in Section 11E-20 of this Code, or for a unit district, as defined
in Section 11E-25 of this Code, for its first year of
existence, the general State aid and supplemental general State
aid calculated under Section 18-8.05 of this Code or the
primary State aid and supplemental grants calculated under
Section 18-8.15 of this Code, as applicable, shall be computed
for the new district and for the previously existing districts
for which property is totally included within the new district.
If the computation on the basis of the previously existing
districts is greater, a supplementary payment equal to the
difference shall be made for the first 4 years of existence of
the new district.

(2) For a school district that annexes all of the territory
of one or more entire other school districts as defined in
Article 7 of this Code, for the first year during which the
change of boundaries attributable to the annexation becomes
effective for all purposes, as determined under Section 7-9 of
this Code, the general State aid and supplemental general State
aid calculated under Section 18-8.05 of this Code or the
primary State aid and supplemental grants calculated under
Section 18-8.15 of this Code, as applicable, shall be computed
for the annexing district as constituted after the annexation
and for the annexing and each annexed district as constituted
prior to the annexation; and if the computation on the basis of
the annexing and annexed districts as constituted prior to the
annexation is greater, then a supplementary payment equal to
the difference shall be made for the first 4 years of existence
of the annexing school district as constituted upon the
annexation.

(3) For 2 or more school districts that annex all of the
territory of one or more entire other school districts, as
defined in Article 7 of this Code, for the first year during
which the change of boundaries attributable to the annexation
becomes effective for all purposes, as determined under Section
7-9 of this Code, the general State aid and supplemental
general State aid calculated under Section 18-8.05 of this Code
or the primary State aid and supplemental grants calculated
under Section 18-8.15 of this Code, as applicable, shall be
computed for each annexing district as constituted after the
annexation and for each annexing and annexed district as
constituted prior to the annexation; and if the aggregate of
the general State aid and supplemental general State aid or
primary State aid and supplemental grants, as applicable, as so
computed for the annexing districts as constituted after the
announcement is less than the aggregate of the general State aid
and supplemental general State aid or primary State aid and
supplemental grants, as applicable, as so computed for the
annexing and annexed districts, as constituted prior to the
announcement, then a supplementary payment equal to the
difference shall be made and allocated between or among the
annexing districts, as constituted upon the annexation, for the
first 4 years of their existence. The total difference payment
shall be allocated between or among the annexing districts in
the same ratio as the pupil enrollment from that portion of the
annexed district or districts that is annexed to each annexing
district bears to the total pupil enrollment from the entire
annexed district or districts, as such pupil enrollment is
determined for the school year last ending prior to the date
when the change of boundaries attributable to the annexation
becomes effective for all purposes. The amount of the total
difference payment and the amount thereof to be allocated to
the annexing districts shall be computed by the State Board of
Education on the basis of pupil enrollment and other data that
shall be certified to the State Board of Education, on forms
that it shall provide for that purpose, by the regional
superintendent of schools for each educational service region
in which the annexing and annexed districts are located.

(4) For a school district conversion, as defined in Section
11E-15 of this Code, or a multi-unit conversion, as defined in
subsection (b) of Section 11E-30 of this Code, if in their
first year of existence the newly created elementary districts
and the newly created high school district, from a school
district conversion, or the newly created elementary district
or districts and newly created combined high school - unit
district, from a multi-unit conversion, qualify for less
general State aid under Section 18-8.05 of this Code or primary
State aid under Section 18-8.15 of this Code than would have
been payable under Section 18-8.05 or 18-8.15, as applicable,
for that same year to the previously existing districts, then a
supplementary payment equal to that difference shall be made for the first 4 years of existence of the newly created districts. The aggregate amount of each supplementary payment shall be allocated among the newly created districts in the proportion that the deemed pupil enrollment in each district during its first year of existence bears to the actual aggregate pupil enrollment in all of the districts during their first year of existence. For purposes of each allocation:

(A) the deemed pupil enrollment of the newly created high school district from a school district conversion shall be an amount equal to its actual pupil enrollment for its first year of existence multiplied by 1.25;

(B) the deemed pupil enrollment of each newly created elementary district from a school district conversion shall be an amount equal to its actual pupil enrollment for its first year of existence reduced by an amount equal to the product obtained when the amount by which the newly created high school district's deemed pupil enrollment exceeds its actual pupil enrollment for its first year of existence is multiplied by a fraction, the numerator of which is the actual pupil enrollment of the newly created elementary district for its first year of existence and the denominator of which is the actual aggregate pupil enrollment of all of the newly created elementary districts for their first year of existence;

(C) the deemed high school pupil enrollment of the
newly created combined high school - unit district from a multi-unit conversion shall be an amount equal to its actual grades 9 through 12 pupil enrollment for its first year of existence multiplied by 1.25; and

(D) the deemed elementary pupil enrollment of each newly created district from a multi-unit conversion shall be an amount equal to each district's actual grade K through 8 pupil enrollment for its first year of existence, reduced by an amount equal to the product obtained when the amount by which the newly created combined high school - unit district's deemed high school pupil enrollment exceeds its actual grade 9 through 12 pupil enrollment for its first year of existence is multiplied by a fraction, the numerator of which is the actual grade K through 8 pupil enrollment of each newly created district for its first year of existence and the denominator of which is the actual aggregate grade K through 8 pupil enrollment of all such newly created districts for their first year of existence.

The aggregate amount of each supplementary payment under this subdivision (4) and the amount thereof to be allocated to the newly created districts shall be computed by the State Board of Education on the basis of pupil enrollment and other data, which shall be certified to the State Board of Education, on forms that it shall provide for that purpose, by the regional superintendent of schools for each educational
service region in which the newly created districts are located.

(5) For a partial elementary unit district, as defined in subsection (a) or (c) of Section 11E-30 of this Code, if, in the first year of existence, the newly created partial elementary unit district qualifies for less general State aid and supplemental general State aid under Section 18-8.05 of this Code or less primary State aid and supplemental grants under Section 18-8.15 of this Code, as applicable, than would have been payable under those Sections that Section for that same year to the previously existing districts that formed the partial elementary unit district, then a supplementary payment equal to that difference shall be made to the partial elementary unit district for the first 4 years of existence of that newly created district.

(6) For an elementary opt-in, as described in subsection (d) of Section 11E-30 of this Code, the general State aid or primary State aid difference shall be computed in accordance with paragraph (5) of this subsection (a) as if the elementary opt-in was included in an optional elementary unit district at the optional elementary unit district's original effective date. If the calculation in this paragraph (6) is less than that calculated in paragraph (5) of this subsection (a) at the optional elementary unit district's original effective date, then no adjustments may be made. If the calculation in this paragraph (6) is more than that calculated in paragraph (5) of
this subsection (a) at the optional elementary unit district's original effective date, then the excess must be paid as follows:

(A) If the effective date for the elementary opt-in is one year after the effective date for the optional elementary unit district, 100% of the calculated excess shall be paid to the optional elementary unit district in each of the first 4 years after the effective date of the elementary opt-in.

(B) If the effective date for the elementary opt-in is 2 years after the effective date for the optional elementary unit district, 75% of the calculated excess shall be paid to the optional elementary unit district in each of the first 4 years after the effective date of the elementary opt-in.

(C) If the effective date for the elementary opt-in is 3 years after the effective date for the optional elementary unit district, 50% of the calculated excess shall be paid to the optional elementary unit district in each of the first 4 years after the effective date of the elementary opt-in.

(D) If the effective date for the elementary opt-in is 4 years after the effective date for the optional elementary unit district, 25% of the calculated excess shall be paid to the optional elementary unit district in each of the first 4 years after the effective date of the elementary opt-in.
elementary opt-in.

(E) If the effective date for the elementary opt-in is 5 years after the effective date for the optional elementary unit district, the optional elementary unit district is not eligible for any additional incentives due to the elementary opt-in.

(6.5) For a school district that annexes territory detached from another school district whereby the enrollment of the annexing district increases by 90% or more as a result of the annexation, for the first year during which the change of boundaries attributable to the annexation becomes effective for all purposes as determined under Section 7-9 of this Code, the general State aid and supplemental general State aid or primary State aid and supplemental grants, as applicable, calculated under this Section shall be computed for the district gaining territory and the district losing territory as constituted after the annexation and for the same districts as constituted prior to the annexation; and if the aggregate of the general State aid and supplemental general State aid or primary State aid and supplemental grants, as applicable, as so computed for the district gaining territory and the district losing territory as constituted after the annexation is less than the aggregate of the general State aid and supplemental general State aid or primary State aid and supplemental grants, as applicable, as so computed for the district gaining territory and the district losing territory as constituted
prior to the annexation, then a supplementary payment shall be made to the annexing district for the first 4 years of existence after the annexation, equal to the difference multiplied by the ratio of student enrollment in the territory detached to the total student enrollment in the district losing territory for the year prior to the effective date of the annexation. The amount of the total difference and the proportion paid to the annexing district shall be computed by the State Board of Education on the basis of pupil enrollment and other data that must be submitted to the State Board of Education in accordance with Section 7-14A of this Code. The changes to this Section made by Public Act 95-707 are intended to be retroactive and applicable to any annexation taking effect on or after July 1, 2004. For annexations that are eligible for payments under this paragraph (6.5) and that are effective on or after July 1, 2004, but before January 11, 2008 (the effective date of Public Act 95-707), the first required yearly payment under this paragraph (6.5) shall be paid in the fiscal year of January 11, 2008 (the effective date of Public Act 95-707). Subsequent required yearly payments shall be paid in subsequent fiscal years until the payment obligation under this paragraph (6.5) is complete.

(7) Claims for financial assistance under this subsection (a) may not be recomputed except as expressly provided under Section 18-8.05 or 18-8.15 of this Code.

(8) Any supplementary payment made under this subsection
(a) must be treated as separate from all other payments made pursuant to Section 18-8.05 or 18-8.15 of this Code.

(b)(1) After the formation of a combined school district, as defined in Section 11E-20 of this Code, or a unit district, as defined in Section 11E-25 of this Code, a computation shall be made to determine the difference between the salaries effective in each of the previously existing districts on June 30, prior to the creation of the new district. For the first 4 years after the formation of the new district, a supplementary State aid reimbursement shall be paid to the new district equal to the difference between the sum of the salaries earned by each of the certificated members of the new district, while employed in one of the previously existing districts during the year immediately preceding the formation of the new district, and the sum of the salaries those certificated members would have been paid during the year immediately prior to the formation of the new district if placed on the salary schedule of the previously existing district with the highest salary schedule.

(2) After the territory of one or more school districts is annexed by one or more other school districts as defined in Article 7 of this Code, a computation shall be made to determine the difference between the salaries effective in each annexed district and in the annexing district or districts as they were each constituted on June 30 preceding the date when the change of boundaries attributable to the annexation became
effective for all purposes, as determined under Section 7-9 of this Code. For the first 4 years after the annexation, a supplementary State aid reimbursement shall be paid to each annexing district as constituted after the annexation equal to the difference between the sum of the salaries earned by each of the certificated members of the annexing district as constituted after the annexation, while employed in an annexed or annexing district during the year immediately preceding the annexation, and the sum of the salaries those certificated members would have been paid during the immediately preceding year if placed on the salary schedule of whichever of the annexing or annexed districts had the highest salary schedule during the immediately preceding year.

(3) For each new high school district formed under a school district conversion, as defined in Section 11E-15 of this Code, the State shall make a supplementary payment for 4 years equal to the difference between the sum of the salaries earned by each certified member of the new high school district, while employed in one of the previously existing districts, and the sum of the salaries those certified members would have been paid if placed on the salary schedule of the previously existing district with the highest salary schedule.

(4) For each newly created partial elementary unit district, the State shall make a supplementary payment for 4 years equal to the difference between the sum of the salaries earned by each certified member of the newly created partial
elementary unit district, while employed in one of the previously existing districts that formed the partial elementary unit district, and the sum of the salaries those certified members would have been paid if placed on the salary schedule of the previously existing district with the highest salary schedule. The salary schedules used in the calculation shall be those in effect in the previously existing districts for the school year prior to the creation of the new partial elementary unit district.

(5) For an elementary district opt-in, as described in subsection (d) of Section 11E-30 of this Code, the salary difference incentive shall be computed in accordance with paragraph (4) of this subsection (b) as if the opted-in elementary district was included in the optional elementary unit district at the optional elementary unit district's original effective date. If the calculation in this paragraph (5) is less than that calculated in paragraph (4) of this subsection (b) at the optional elementary unit district's original effective date, then no adjustments may be made. If the calculation in this paragraph (5) is more than that calculated in paragraph (4) of this subsection (b) at the optional elementary unit district's original effective date, then the excess must be paid as follows:

(A) If the effective date for the elementary opt-in is one year after the effective date for the optional elementary unit district, 100% of the calculated excess
shall be paid to the optional elementary unit district in each of the first 4 years after the effective date of the elementary opt-in.

(B) If the effective date for the elementary opt-in is 2 years after the effective date for the optional elementary unit district, 75% of the calculated excess shall be paid to the optional elementary unit district in each of the first 4 years after the effective date of the elementary opt-in.

(C) If the effective date for the elementary opt-in is 3 years after the effective date for the optional elementary unit district, 50% of the calculated excess shall be paid to the optional elementary unit district in each of the first 4 years after the effective date of the elementary opt-in.

(D) If the effective date for the elementary opt-in is 4 years after the effective date for the partial elementary unit district, 25% of the calculated excess shall be paid to the optional elementary unit district in each of the first 4 years after the effective date of the elementary opt-in.

(E) If the effective date for the elementary opt-in is 5 years after the effective date for the optional elementary unit district, the optional elementary unit district is not eligible for any additional incentives due to the elementary opt-in.
(5.5) After the formation of a cooperative high school by 2 or more school districts under Section 10-22.22c of this Code, a computation shall be made to determine the difference between the salaries effective in each of the previously existing high schools on June 30 prior to the formation of the cooperative high school. For the first 4 years after the formation of the cooperative high school, a supplementary State aid reimbursement shall be paid to the cooperative high school equal to the difference between the sum of the salaries earned by each of the certificated members of the cooperative high school while employed in one of the previously existing high schools during the year immediately preceding the formation of the cooperative high school and the sum of the salaries those certificated members would have been paid during the year immediately prior to the formation of the cooperative high school if placed on the salary schedule of the previously existing high school with the highest salary schedule.

(5.10) After the annexation of territory detached from another school district whereby the enrollment of the annexing district increases by 90% or more as a result of the annexation, a computation shall be made to determine the difference between the salaries effective in the district gaining territory and the district losing territory as they each were constituted on June 30 preceding the date when the change of boundaries attributable to the annexation became effective for all purposes as determined under Section 7-9 of
this Code. For the first 4 years after the annexation, a supplementary State aid reimbursement shall be paid to the annexing district equal to the difference between the sum of the salaries earned by each of the certificated members of the annexing district as constituted after the annexation while employed in the district gaining territory or the district losing territory during the year immediately preceding the annexation and the sum of the salaries those certificated members would have been paid during such immediately preceding year if placed on the salary schedule of whichever of the district gaining territory or district losing territory had the highest salary schedule during the immediately preceding year.

To be eligible for supplementary State aid reimbursement under this Section, the intergovernmental agreement to be submitted pursuant to Section 7-14A of this Code must show that staff members were transferred from the control of the district losing territory to the control of the district gaining territory in the annexation. The changes to this Section made by Public Act 95-707 are intended to be retroactive and applicable to any annexation taking effect on or after July 1, 2004. For annexations that are eligible for payments under this paragraph (5.10) and that are effective on or after July 1, 2004, but before January 11, 2008 (the effective date of Public Act 95-707), the first required yearly payment under this paragraph (5.10) shall be paid in the fiscal year of January 11, 2008 (the effective date of Public Act 95-707). Subsequent
required yearly payments shall be paid in subsequent fiscal
days until the payment obligation under this paragraph (5.10)
is complete.

(5.15) After the deactivation of a school facility in
accordance with Section 10-22.22b of this Code, a computation
shall be made to determine the difference between the salaries
effective in the sending school district and each receiving
school district on June 30 prior to the deactivation of the
school facility. For the lesser of the first 4 years after the
deactivation of the school facility or the length of the
deactivation agreement, including any renewals of the original
deactivation agreement, a supplementary State aid
reimbursement shall be paid to each receiving district equal to
the difference between the sum of the salaries earned by each
of the certificated members transferred to that receiving
district as a result of the deactivation while employed in the
sending district during the year immediately preceding the
deactivation and the sum of the salaries those certificated
members would have been paid during the year immediately
preceding the deactivation if placed on the salary schedule of
the sending or receiving district with the highest salary
schedule.

(6) The supplementary State aid reimbursement under this
subsection (b) shall be treated as separate from all other
payments made pursuant to Section 18-8.05 of this Code. In the
case of the formation of a new district or cooperative high
school or a deactivation, reimbursement shall begin during the first year of operation of the new district or cooperative high school or the first year of the deactivation, and in the case of an annexation of the territory of one or more school districts by one or more other school districts or the annexation of territory detached from a school district whereby the enrollment of the annexing district increases by 90% or more as a result of the annexation, reimbursement shall begin during the first year when the change in boundaries attributable to the annexation becomes effective for all purposes as determined pursuant to Section 7-9 of this Code, except that for an annexation of territory detached from a school district that is effective on or after July 1, 2004, but before January 11, 2008 (the effective date of Public Act 95-707), whereby the enrollment of the annexing district increases by 90% or more as a result of the annexation, reimbursement shall begin during the fiscal year of January 11, 2008 (the effective date of Public Act 95-707). Each year that the new, annexing, or receiving district or cooperative high school, as the case may be, is entitled to receive reimbursement, the number of eligible certified members who are employed on October 1 in the district or cooperative high school shall be certified to the State Board of Education on prescribed forms by October 15 and payment shall be made on or before November 15 of that year.

(c)(1) For the first year after the formation of a combined
school district, as defined in Section 11E-20 of this Code or a
unit district, as defined in Section 11E-25 of this Code, a
computation shall be made totaling each previously existing
district's audited fund balances in the educational fund,
working cash fund, operations and maintenance fund, and
transportation fund for the year ending June 30 prior to the
referendum for the creation of the new district. The new
district shall be paid supplementary State aid equal to the sum
of the differences between the deficit of the previously
existing district with the smallest deficit and the deficits of
each of the other previously existing districts.

(2) For the first year after the annexation of all of the
territory of one or more entire school districts by another
school district, as defined in Article 7 of this Code,
computations shall be made, for the year ending June 30 prior
to the date that the change of boundaries attributable to the
annexation is allowed by the affirmative decision issued by the
regional board of school trustees under Section 7-6 of this
Code, notwithstanding any effort to seek administrative review
of the decision, totaling the annexing district's and totaling
each annexed district's audited fund balances in their
respective educational, working cash, operations and
maintenance, and transportation funds. The annexing district
as constituted after the annexation shall be paid supplementary
State aid equal to the sum of the differences between the
deficit of whichever of the annexing or annexed districts as
constituted prior to the annexation had the smallest deficit and the deficits of each of the other districts as constituted prior to the annexation.

(3) For the first year after the annexation of all of the territory of one or more entire school districts by 2 or more other school districts, as defined by Article 7 of this Code, computations shall be made, for the year ending June 30 prior to the date that the change of boundaries attributable to the annexation is allowed by the affirmative decision of the regional board of school trustees under Section 7-6 of this Code, notwithstanding any action for administrative review of the decision, totaling each annexing and annexed district's audited fund balances in their respective educational, working cash, operations and maintenance, and transportation funds. The annexing districts as constituted after the annexation shall be paid supplementary State aid, allocated as provided in this paragraph (3), in an aggregate amount equal to the sum of the differences between the deficit of whichever of the annexing or annexed districts as constituted prior to the annexation had the smallest deficit and the deficits of each of the other districts as constituted prior to the annexation. The aggregate amount of the supplementary State aid payable under this paragraph (3) shall be allocated between or among the annexing districts as follows:

(A) the regional superintendent of schools for each educational service region in which an annexed district is
located prior to the annexation shall certify to the State
Board of Education, on forms that it shall provide for that
purpose, the value of all taxable property in each annexed
district, as last equalized or assessed by the Department
of Revenue prior to the annexation, and the equalized
assessed value of each part of the annexed district that
was annexed to or included as a part of an annexing
district;

(B) using equalized assessed values as certified by the
regional superintendent of schools under clause (A) of this
paragraph (3), the combined audited fund balance deficit of
each annexed district as determined under this Section
shall be apportioned between or among the annexing
districts in the same ratio as the equalized assessed value
of that part of the annexed district that was annexed to or
included as a part of an annexing district bears to the
total equalized assessed value of the annexed district; and

(C) the aggregate supplementary State aid payment
under this paragraph (3) shall be allocated between or
among, and shall be paid to, the annexing districts in the
same ratio as the sum of the combined audited fund balance
deficit of each annexing district as constituted prior to
the annexation, plus all combined audited fund balance
deficit amounts apportioned to that annexing district
under clause (B) of this subsection, bears to the aggregate
of the combined audited fund balance deficits of all of the
annexing and annexed districts as constituted prior to the
annexation.

(4) For the new elementary districts and new high school
district formed through a school district conversion, as
defined in Section 11E-15 of this Code or the new elementary
district or districts and new combined high school - unit
district formed through a multi-unit conversion, as defined in
subsection (b) of Section 11E-30 of this Code, a computation
shall be made totaling each previously existing district's
audited fund balances in the educational fund, working cash
fund, operations and maintenance fund, and transportation fund
for the year ending June 30 prior to the referendum
establishing the new districts. In the first year of the new
districts, the State shall make a one-time supplementary
payment equal to the sum of the differences between the deficit
of the previously existing district with the smallest deficit
and the deficits of each of the other previously existing
districts. A district with a combined balance among the 4 funds
that is positive shall be considered to have a deficit of zero.
The supplementary payment shall be allocated among the newly
formed high school and elementary districts in the manner
provided by the petition for the formation of the districts, in
the form in which the petition is approved by the regional
superintendent of schools or State Superintendent of Education
under Section 11E-50 of this Code.

(5) For each newly created partial elementary unit
district, as defined in subsection (a) or (c) of Section 11E-30 of this Code, a computation shall be made totaling the audited fund balances of each previously existing district that formed the new partial elementary unit district in the educational fund, working cash fund, operations and maintenance fund, and transportation fund for the year ending June 30 prior to the referendum for the formation of the partial elementary unit district. In the first year of the new partial elementary unit district, the State shall make a one-time supplementary payment to the new district equal to the sum of the differences between the deficit of the previously existing district with the smallest deficit and the deficits of each of the other previously existing districts. A district with a combined balance among the 4 funds that is positive shall be considered to have a deficit of zero.

(6) For an elementary opt-in as defined in subsection (d) of Section 11E-30 of this Code, the deficit fund balance incentive shall be computed in accordance with paragraph (5) of this subsection (c) as if the opted-in elementary was included in the optional elementary unit district at the optional elementary unit district's original effective date. If the calculation in this paragraph (6) is less than that calculated in paragraph (5) of this subsection (c) at the optional elementary unit district's original effective date, then no adjustments may be made. If the calculation in this paragraph (6) is more than that calculated in paragraph (5) of this
subsection (c) at the optional elementary unit district's original effective date, then the excess must be paid as follows:

(A) If the effective date for the elementary opt-in is one year after the effective date for the optional elementary unit district, 100% of the calculated excess shall be paid to the optional elementary unit district in the first year after the effective date of the elementary opt-in.

(B) If the effective date for the elementary opt-in is 2 years after the effective date for the optional elementary unit district, 75% of the calculated excess shall be paid to the optional elementary unit district in the first year after the effective date of the elementary opt-in.

(C) If the effective date for the elementary opt-in is 3 years after the effective date for the optional elementary unit district, 50% of the calculated excess shall be paid to the optional elementary unit district in the first year after the effective date of the elementary opt-in.

(D) If the effective date for the elementary opt-in is 4 years after the effective date for the optional elementary unit district, 25% of the calculated excess shall be paid to the optional elementary unit district in the first year after the effective date of the elementary opt-in.
opt-in.

(E) If the effective date for the elementary opt-in is 5 years after the effective date for the optional elementary unit district, the optional elementary unit district is not eligible for any additional incentives due to the elementary opt-in.

(6.5) For the first year after the annexation of territory detached from another school district whereby the enrollment of the annexing district increases by 90% or more as a result of the annexation, a computation shall be made totaling the audited fund balances of the district gaining territory and the audited fund balances of the district losing territory in the educational fund, working cash fund, operations and maintenance fund, and transportation fund for the year ending June 30 prior to the date that the change of boundaries attributable to the annexation is allowed by the affirmative decision of the regional board of school trustees under Section 7-6 of this Code, notwithstanding any action for administrative review of the decision. The annexing district as constituted after the annexation shall be paid supplementary State aid equal to the difference between the deficit of whichever district included in this calculation as constituted prior to the annexation had the smallest deficit and the deficit of each other district included in this calculation as constituted prior to the annexation, multiplied by the ratio of equalized assessed value of the territory detached to the total equalized

assessed value of the district losing territory. The regional superintendent of schools for the educational service region in which a district losing territory is located prior to the annexation shall certify to the State Board of Education the value of all taxable property in the district losing territory and the value of all taxable property in the territory being detached, as last equalized or assessed by the Department of Revenue prior to the annexation. To be eligible for supplementary State aid reimbursement under this Section, the intergovernmental agreement to be submitted pursuant to Section 7-14A of this Code must show that fund balances were transferred from the district losing territory to the district gaining territory in the annexation. The changes to this Section made by Public Act 95-707 are intended to be retroactive and applicable to any annexation taking effect on or after July 1, 2004. For annexations that are eligible for payments under this paragraph (6.5) and that are effective on or after July 1, 2004, but before January 11, 2008 (the effective date of Public Act 95-707), the required payment under this paragraph (6.5) shall be paid in the fiscal year of January 11, 2008 (the effective date of Public Act 95-707).

(7) For purposes of any calculation required under paragraph (1), (2), (3), (4), (5), (6), or (6.5) of this subsection (c), a district with a combined fund balance that is positive shall be considered to have a deficit of zero. For purposes of determining each district's audited fund balances
in its educational fund, working cash fund, operations and
maintenance fund, and transportation fund for the specified
year ending June 30, as provided in paragraphs (1), (2), (3),
(4), (5), (6), and (6.5) of this subsection (c), the balance of
each fund shall be deemed decreased by an amount equal to the
amount of the annual property tax theretofore levied in the
fund by the district for collection and payment to the district
during the calendar year in which the June 30 fell, but only to
the extent that the tax so levied in the fund actually was
received by the district on or before or comprised a part of
the fund on such June 30. For purposes of determining each
district's audited fund balances, a calculation shall be made
for each fund to determine the average for the 3 years prior to
the specified year ending June 30, as provided in paragraphs
(1), (2), (3), (4), (5), (6), and (6.5) of this subsection (c),
of the district's expenditures in the categories "purchased
services", "supplies and materials", and "capital outlay", as
those categories are defined in rules of the State Board of
Education. If this 3-year average is less than the district's
expenditures in these categories for the specified year ending
June 30, as provided in paragraphs (1), (2), (3), (4), (5),
(6), and (6.5) of this subsection (c), then the 3-year average
shall be used in calculating the amounts payable under this
Section in place of the amounts shown in these categories for
the specified year ending June 30, as provided in paragraphs
(1), (2), (3), (4), (5), (6), and (6.5) of this subsection (c).
Any deficit because of State aid not yet received may not be considered in determining the June 30 deficits. The same basis of accounting shall be used by all previously existing districts and by all annexing or annexed districts, as constituted prior to the annexation, in making any computation required under paragraphs (1), (2), (3), (4), (5), (6), and (6.5) of this subsection (c).

(8) The supplementary State aid payments under this subsection (c) shall be treated as separate from all other payments made pursuant to Section 18-8.05 of this Code.

(d)(1) Following the formation of a combined school district, as defined in Section 11E-20 of this Code, a new unit district, as defined in Section 11E-25 of this Code, a new elementary district or districts and a new high school district formed through a school district conversion, as defined in Section 11E-15 of this Code, a new partial elementary unit district, as defined in Section 11E-30 of this Code, or a new elementary district or districts formed through a multi-unit conversion, as defined in subsection (b) of Section 11E-30 of this Code, or the annexation of all of the territory of one or more entire school districts by one or more other school districts, as defined in Article 7 of this Code, a supplementary State aid reimbursement shall be paid for the number of school years determined under the following table to each new or annexing district equal to the sum of $4,000 for each certified employee who is employed by the district on a
full-time basis for the regular term of the school year:

<table>
<thead>
<tr>
<th>Reorganized District's Rank</th>
<th>Reorganized District's Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>by type of district (unit,</td>
<td>in Average Daily Attendance</td>
</tr>
<tr>
<td>high school, elementary)</td>
<td>By Quintile</td>
</tr>
<tr>
<td>in Equalized Assessed Value</td>
<td>Per Pupil by Quintile</td>
</tr>
<tr>
<td></td>
<td>3rd, 4th,</td>
</tr>
<tr>
<td></td>
<td>1st 2nd 3rd or 5th Quintile Quintile Quintile</td>
</tr>
<tr>
<td>1st Quintile</td>
<td>1 year 1 year 1 year</td>
</tr>
<tr>
<td>2nd Quintile</td>
<td>1 year 2 years 2 years</td>
</tr>
<tr>
<td>3rd Quintile</td>
<td>2 years 3 years 3 years</td>
</tr>
<tr>
<td>4th Quintile</td>
<td>2 years 3 years 3 years</td>
</tr>
<tr>
<td>5th Quintile</td>
<td>2 years 3 years 3 years</td>
</tr>
</tbody>
</table>

The State Board of Education shall make a one-time calculation of a reorganized district's quintile ranks. The average daily attendance used in this calculation shall be the best 3 months' average daily attendance for the district's first year. The equalized assessed value per pupil shall be the district's real property equalized assessed value used in calculating the district's first-year general State aid claim, under Section 18-8.05 of this Code, or first-year primary State aid claim, under Section 18-8.15 of this Code, as applicable, divided by the best 3 months' average daily attendance.
No annexing or resulting school district shall be entitled to supplementary State aid under this subsection (d) unless the district acquires at least 30% of the average daily attendance of the district from which the territory is being detached or divided.

If a district results from multiple reorganizations that would otherwise qualify the district for multiple payments under this subsection (d) in any year, then the district shall receive a single payment only for that year based solely on the most recent reorganization.

(2) For an elementary opt-in, as defined in subsection (d) of Section 11E-30 of this Code, the full-time certified staff incentive shall be computed in accordance with paragraph (1) of this subsection (d), equal to the sum of $4,000 for each certified employee of the elementary district that opts-in who is employed by the optional elementary unit district on a full-time basis for the regular term of the school year. The calculation from this paragraph (2) must be paid as follows:

(A) If the effective date for the elementary opt-in is one year after the effective date for the optional elementary unit district, 100% of the amount calculated in this paragraph (2) shall be paid to the optional elementary unit district for the number of years calculated in paragraph (1) of this subsection (d) at the optional elementary unit district's original effective date, starting in the second year after the effective date of the
elementary opt-in.

(B) If the effective date for the elementary opt-in is 2 years after the effective date for the optional elementary unit district, 75% of the amount calculated in this paragraph (2) shall be paid to the optional elementary unit district for the number of years calculated in paragraph (1) of this subsection (d) at the optional elementary unit district's original effective date, starting in the second year after the effective date of the elementary opt-in.

(C) If the effective date for the elementary opt-in is 3 years after the effective date for the optional elementary unit district, 50% of the amount calculated in this paragraph (2) shall be paid to the optional elementary unit district for the number of years calculated in paragraph (1) of this subsection (d) at the optional elementary unit district's original effective date, starting in the second year after the effective date of the elementary opt-in.

(D) If the effective date for the elementary opt-in is 4 years after the effective date for the optional elementary unit district, 25% of the amount calculated in this paragraph (2) shall be paid to the optional elementary unit district for the number of years calculated in paragraph (1) of this subsection (d) at the optional elementary unit district's original effective date,
starting in the second year after the effective date of the elementary opt-in.

(E) If the effective date for the elementary opt-in is 5 years after the effective date for the optional elementary unit district, the optional elementary unit district is not eligible for any additional incentives due to the elementary opt-in.

(2.5) Following the formation of a cooperative high school by 2 or more school districts under Section 10-22.22c of this Code, a supplementary State aid reimbursement shall be paid for 3 school years to the cooperative high school equal to the sum of $4,000 for each certified employee who is employed by the cooperative high school on a full-time basis for the regular term of any such school year. If a cooperative high school results from multiple agreements that would otherwise qualify the cooperative high school for multiple payments under this Section in any year, the cooperative high school shall receive a single payment for that year based solely on the most recent agreement.

(2.10) Following the annexation of territory detached from another school district whereby the enrollment of the annexing district increases 90% or more as a result of the annexation, a supplementary State aid reimbursement shall be paid to the annexing district equal to the sum of $4,000 for each certified employee who is employed by the annexing district on a full-time basis and shall be calculated in accordance with
subsection (a) of this Section. To be eligible for supplementary State aid reimbursement under this Section, the intergovernmental agreement to be submitted pursuant to Section 7-14A of this Code must show that certified staff members were transferred from the control of the district losing territory to the control of the district gaining territory in the annexation. The changes to this Section made by Public Act 95-707 are intended to be retroactive and applicable to any annexation taking effect on or after July 1, 2004. For annexations that are eligible for payments under this paragraph (2.10) and that are effective on or after July 1, 2004, but before January 11, 2008 (the effective date of Public Act 95-707), the first required yearly payment under this paragraph (2.10) shall be paid in the second fiscal year after January 11, 2008 (the effective date of Public Act 95-707). Any subsequent required yearly payments shall be paid in subsequent fiscal years until the payment obligation under this paragraph (2.10) is complete.

(2.15) Following the deactivation of a school facility in accordance with Section 10-22.22b of this Code, a supplementary State aid reimbursement shall be paid for the lesser of 3 school years or the length of the deactivation agreement, including any renewals of the original deactivation agreement, to each receiving school district equal to the sum of $4,000 for each certified employee who is employed by that receiving district on a full-time basis for the regular term of any such
school year who was originally transferred to the control of that receiving district as a result of the deactivation. Receiving districts are eligible for payments under this paragraph (2.15) based on the certified employees transferred to that receiving district as a result of the deactivation and are not required to receive at least 30% of the deactivating district's average daily attendance as required under paragraph (1) of this subsection (d) to be eligible for payments.

(3) The supplementary State aid reimbursement payable under this subsection (d) shall be separate from and in addition to all other payments made to the district pursuant to any other Section of this Article.

(4) During May of each school year for which a supplementary State aid reimbursement is to be paid to a new, annexing, or receiving school district or cooperative high school pursuant to this subsection (d), the school board or governing board shall certify to the State Board of Education, on forms furnished to the school board or governing board by the State Board of Education for purposes of this subsection (d), the number of certified employees for which the district or cooperative high school is entitled to reimbursement under this Section, together with the names, certificate numbers, and positions held by the certified employees.

(5) Upon certification by the State Board of Education to the State Comptroller of the amount of the supplementary State
aid reimbursement to which a school district or cooperative high school is entitled under this subsection (d), the State Comptroller shall draw his or her warrant upon the State Treasurer for the payment thereof to the school district or cooperative high school and shall promptly transmit the payment to the school district or cooperative high school through the appropriate school treasurer.

(Source: P.A. 95-331, eff. 8-21-07; 95-707, eff. 1-11-08; 95-903, eff. 8-25-08; 96-328, eff. 8-11-09.)

(105 ILCS 5/13A-8)

Sec. 13A-8. Funding.

(a) The State of Illinois shall provide funding for the alternative school programs within each educational service region and within the Chicago public school system by line item appropriation made to the State Board of Education for that purpose. This money, when appropriated, shall be provided to the regional superintendent and to the Chicago Board of Education, who shall establish a budget, including salaries, for their alternative school programs. Each program shall receive funding in the amount of $30,000 plus an amount based on the ratio of the region's or Chicago's best 3 months' average daily attendance in grades pre-kindergarten through 12 to the statewide totals of these amounts. For purposes of this calculation, the best 3 months' average daily attendance for each region or Chicago shall be calculated by adding to the
best 3 months' average daily attendance the number of low-income students identified in the most recently available federal census multiplied by one-half times the percentage of the region's or Chicago's low-income students to the State's total low-income students. The State Board of Education shall retain up to 1.1% of the appropriation to be used to provide technical assistance, professional development, and evaluations for the programs.

(a-5) Notwithstanding any other provisions of this Section, for the 1998-1999 fiscal year, the total amount distributed under subsection (a) for an alternative school program shall be not less than the total amount that was distributed under that subsection for that alternative school program for the 1997-1998 fiscal year. If an alternative school program is to receive a total distribution under subsection (a) for the 1998-1999 fiscal year that is less than the total distribution that the program received under that subsection for the 1997-1998 fiscal year, that alternative school program shall also receive, from a separate appropriation made for purposes of this subsection (a-5), a supplementary payment equal to the amount by which its total distribution under subsection (a) for the 1997-1998 fiscal year exceeds the amount of the total distribution that the alternative school program receives under that subsection for the 1998-1999 fiscal year. If the amount appropriated for supplementary payments to alternative school programs under this subsection (a-5) is
insufficient for that purpose, those supplementary payments
shall be prorated among the alternative school programs
entitled to receive those supplementary payments according to
the aggregate amount of the appropriation made for purposes of
this subsection (a-5).

(b) An alternative school program shall be entitled to
receive general State aid as calculated in subsection (K) of
Section 18-8.05 or primary State aid as calculated in
subsection (i) of Section 18-8.15 upon filing a claim as
provided therein. Any time that a student who is enrolled in an
alternative school program spends in work-based learning,
community service, or a similar alternative educational
setting shall be included in determining the student's minimum
number of clock hours of daily school work that constitute a
day of attendance for purposes of calculating general State aid
or primary State aid.

(c) An alternative school program may receive additional
funding from its school districts in such amount as may be
agreed upon by the parties and necessary to support the
program. In addition, an alternative school program is
authorized to accept and expend gifts, legacies, and grants,
including but not limited to federal grants, from any source
for purposes directly related to the conduct and operation of
the program.

(Source: P.A. 89-383, eff. 8-18-95; 89-629, eff. 8-9-96;
89-636, eff. 8-9-96; 90-14, eff. 7-1-97; 90-283, eff. 7-31-97;
Sec. 13B-20.20. Enrollment in other programs. High school equivalency testing preparation programs are not eligible for funding under this Article. A student may enroll in a program approved under Section 18-8.05 or 18-8.15 of this Code, as appropriate, or attend both the alternative learning opportunities program and the regular school program to enhance student performance and facilitate on-time graduation. (Source: P.A. 98-718, eff. 1-1-15.)

(105 ILCS 5/13B-45)

Sec. 13B-45. Days and hours of attendance. An alternative learning opportunities program shall provide students with at least the minimum number of days of pupil attendance required under Section 10-19 of this Code and the minimum number of daily hours of school work required under Section 18-8.05 or 18-8.15 of this Code, provided that the State Board may approve exceptions to these requirements if the program meets all of the following conditions:

(1) The district plan submitted under Section 13B-25.15 of this Code establishes that a program providing the required minimum number of days of attendance or daily hours of school work would not serve the needs of the program's students.
(2) Each day of attendance shall provide no fewer than 3 clock hours of school work, as defined under paragraph (1) of subsection (F) of Section 18-8.05 or subsection (f) of Section 18-8.15 of this Code.

(3) Each day of attendance that provides fewer than 5 clock hours of school work shall also provide supplementary services, including without limitation work-based learning, student assistance programs, counseling, case management, health and fitness programs, or life-skills or conflict resolution training, in order to provide a total daily program to the student of 5 clock hours. A program may claim general State aid or primary State aid for up to 2 hours of the time each day that a student is receiving supplementary services.

(4) Each program shall provide no fewer than 174 days of actual pupil attendance during the school term; however, approved evening programs that meet the requirements of Section 13B-45 of this Code may offer less than 174 days of actual pupil attendance during the school term.

(Source: P.A. 92-42, eff. 1-1-02.)

(105 ILCS 5/13B-50)

Sec. 13B-50. Eligibility to receive general State aid or primary State aid. In order to receive general State aid or primary State aid, alternative learning opportunities programs must meet the requirements for claiming general State aid as
specified in Section 18-8.05 of this Code or primary State aid
as specified in Section 18-8.15 of this Code, as applicable,
with the exception of the length of the instructional day,
which may be less than 5 hours of school work if the program
meets the criteria set forth under Sections 13B-50.5 and
13B-50.10 of this Code and if the program is approved by the
State Board.
(Source: P.A. 92-42, eff. 1-1-02.)

(105 ILCS 5/13B-50.10)

Sec. 13B-50.10. Additional criteria for general State aid
or primary State aid. In order to claim general State aid or
primary State aid, an alternative learning opportunities
program must meet the following criteria:

(1) Teacher professional development plans should include
education in the instruction of at-risk students.

(2) Facilities must meet the health, life, and safety
requirements in this Code.

(3) The program must comply with all other State and
federal laws applicable to education providers.
(Source: P.A. 92-42, eff. 1-1-02.)

(105 ILCS 5/13B-50.15)

Sec. 13B-50.15. Level of funding. Approved alternative
learning opportunities programs are entitled to claim general
State aid or primary State aid, subject to Sections 13B-50,
13B-50.5, and 13B-50.10 of this Code. Approved programs operated by regional offices of education are entitled to receive general State aid or primary State aid at the foundation level of support. A school district or consortium must ensure that an approved program receives supplemental general State aid, transportation reimbursements, and special education resources, if appropriate, for students enrolled in the program.

(Source: P.A. 92-42, eff. 1-1-02.)

(105 ILCS 5/14-7.02) (from Ch. 122, par. 14-7.02)

Sec. 14-7.02. Children attending private schools, public out-of-state schools, public school residential facilities or private special education facilities. The General Assembly recognizes that non-public schools or special education facilities provide an important service in the educational system in Illinois.

If because of his or her disability the special education program of a district is unable to meet the needs of a child and the child attends a non-public school or special education facility, a public out-of-state school or a special education facility owned and operated by a county government unit that provides special educational services required by the child and is in compliance with the appropriate rules and regulations of the State Superintendent of Education, the school district in which the child is a resident shall pay the actual cost of
tuition for special education and related services provided during the regular school term and during the summer school term if the child's educational needs so require, excluding room, board and transportation costs charged the child by that non-public school or special education facility, public out-of-state school or county special education facility, or $4,500 per year, whichever is less, and shall provide him any necessary transportation. "Nonpublic special education facility" shall include a residential facility, within or without the State of Illinois, which provides special education and related services to meet the needs of the child by utilizing private schools or public schools, whether located on the site or off the site of the residential facility.

The State Board of Education shall promulgate rules and regulations for determining when placement in a private special education facility is appropriate. Such rules and regulations shall take into account the various types of services needed by a child and the availability of such services to the particular child in the public school. In developing these rules and regulations the State Board of Education shall consult with the Advisory Council on Education of Children with Disabilities and hold public hearings to secure recommendations from parents, school personnel, and others concerned about this matter.

The State Board of Education shall also promulgate rules and regulations for transportation to and from a residential school. Transportation to and from home to a residential school
more than once each school term shall be subject to prior
approval by the State Superintendent in accordance with the
rules and regulations of the State Board.

A school district making tuition payments pursuant to this
Section is eligible for reimbursement from the State for the
amount of such payments actually made in excess of the district
per capita tuition charge for students not receiving special
education services. Such reimbursement shall be approved in
accordance with Section 14-12.01 and each district shall file
its claims, computed in accordance with rules prescribed by the
State Board of Education, on forms prescribed by the State
Superintendent of Education. Data used as a basis of
reimbursement claims shall be for the preceding regular school
term and summer school term. Each school district shall
transmit its claims to the State Board of Education on or
before August 15. The State Board of Education, before
approving any such claims, shall determine their accuracy and
whether they are based upon services and facilities provided
under approved programs. Upon approval the State Board shall
cause vouchers to be prepared showing the amount due for
payment of reimbursement claims to school districts, for
transmittal to the State Comptroller on the 30th day of
September, December, and March, respectively, and the final
voucher, no later than June 20. If the money appropriated by
the General Assembly for such purpose for any year is
insufficient, it shall be apportioned on the basis of the
No child shall be placed in a special education program pursuant to this Section if the tuition cost for special education and related services increases more than 10 percent over the tuition cost for the previous school year or exceeds $4,500 per year unless such costs have been approved by the Illinois Purchased Care Review Board. The Illinois Purchased Care Review Board shall consist of the following persons, or their designees: the Directors of Children and Family Services, Public Health, Public Aid, and the Governor's Office of Management and Budget; the Secretary of Human Services; the State Superintendent of Education; and such other persons as the Governor may designate. The Review Board shall also consist of one non-voting member who is an administrator of a private, nonpublic, special education school. The Review Board shall establish rules and regulations for its determination of allowable costs and payments made by local school districts for special education, room and board, and other related services provided by non-public schools or special education facilities and shall establish uniform standards and criteria which it shall follow. The Review Board shall approve the usual and customary rate or rates of a special education program that (i) is offered by an out-of-state, non-public provider of integrated autism specific educational and autism specific residential services, (ii) offers 2 or more levels of residential care, including at least one locked facility, and
(iii) serves 12 or fewer Illinois students.

The Review Board shall establish uniform definitions and criteria for accounting separately by special education, room and board and other related services costs. The Board shall also establish guidelines for the coordination of services and financial assistance provided by all State agencies to assure that no otherwise qualified child with a disability receiving services under Article 14 shall be excluded from participation in, be denied the benefits of or be subjected to discrimination under any program or activity provided by any State agency.

The Review Board shall review the costs for special education and related services provided by non-public schools or special education facilities and shall approve or disapprove such facilities in accordance with the rules and regulations established by it with respect to allowable costs.

The State Board of Education shall provide administrative and staff support for the Review Board as deemed reasonable by the State Superintendent of Education. This support shall not include travel expenses or other compensation for any Review Board member other than the State Superintendent of Education.

The Review Board shall seek the advice of the Advisory Council on Education of Children with Disabilities on the rules and regulations to be promulgated by it relative to providing special education services.

If a child has been placed in a program in which the actual per pupil costs of tuition for special education and related
services based on program enrollment, excluding room, board and transportation costs, exceed $4,500 and such costs have been approved by the Review Board, the district shall pay such total costs which exceed $4,500. A district making such tuition payments in excess of $4,500 pursuant to this Section shall be responsible for an amount in excess of $4,500 equal to the district per capita tuition charge and shall be eligible for reimbursement from the State for the amount of such payments actually made in excess of the districts per capita tuition charge for students not receiving special education services.

If a child has been placed in an approved individual program and the tuition costs including room and board costs have been approved by the Review Board, then such room and board costs shall be paid by the appropriate State agency subject to the provisions of Section 14-8.01 of this Act. Room and board costs not provided by a State agency other than the State Board of Education shall be provided by the State Board of Education on a current basis. In no event, however, shall the State's liability for funding of these tuition costs begin until after the legal obligations of third party payors have been subtracted from such costs. If the money appropriated by the General Assembly for such purpose for any year is insufficient, it shall be apportioned on the basis of the claims approved. Each district shall submit estimated claims to the State Superintendent of Education. Upon approval of such claims, the State Superintendent of Education shall direct the
State Comptroller to make payments on a monthly basis. The frequency for submitting estimated claims and the method of determining payment shall be prescribed in rules and regulations adopted by the State Board of Education. Such current state reimbursement shall be reduced by an amount equal to the proceeds which the child or child's parents are eligible to receive under any public or private insurance or assistance program. Nothing in this Section shall be construed as relieving an insurer or similar third party from an otherwise valid obligation to provide or to pay for services provided to a child with a disability.

If it otherwise qualifies, a school district is eligible for the transportation reimbursement under Section 14-13.01 and for the reimbursement of tuition payments under this Section whether the non-public school or special education facility, public out-of-state school or county special education facility, attended by a child who resides in that district and requires special educational services, is within or outside of the State of Illinois. However, a district is not eligible to claim transportation reimbursement under this Section unless the district certifies to the State Superintendent of Education that the district is unable to provide special educational services required by the child for the current school year.

Nothing in this Section authorizes the reimbursement of a school district for the amount paid for tuition of a child
attending a non-public school or special education facility, public out-of-state school or county special education facility unless the school district certifies to the State Superintendent of Education that the special education program of that district is unable to meet the needs of that child because of his disability and the State Superintendent of Education finds that the school district is in substantial compliance with Section 14-4.01. However, if a child is unilaterally placed by a State agency or any court in a non-public school or special education facility, public out-of-state school, or county special education facility, a school district shall not be required to certify to the State Superintendent of Education, for the purpose of tuition reimbursement, that the special education program of that district is unable to meet the needs of a child because of his or her disability.

Any educational or related services provided, pursuant to this Section in a non-public school or special education facility or a special education facility owned and operated by a county government unit shall be at no cost to the parent or guardian of the child. However, current law and practices relative to contributions by parents or guardians for costs other than educational or related services are not affected by this amendatory Act of 1978.

Reimbursement for children attending public school residential facilities shall be made in accordance with the
provisions of this Section.

Notwithstanding any other provision of law, any school district receiving a payment under this Section or under Section 14-7.02b, 14-13.01, or 29-5 of this Code may classify all or a portion of the funds that it receives in a particular fiscal year or from general State aid pursuant to Section 18-8.05 of this Code as funds received in connection with any funding program for which it is entitled to receive funds from the State in that fiscal year (including, without limitation, any funding program referenced in this Section), regardless of the source or timing of the receipt. The district may not classify more funds as funds received in connection with the funding program than the district is entitled to receive in that fiscal year for that program. Any classification by a district must be made by a resolution of its board of education. The resolution must identify the amount of any payments or general State aid to be classified under this paragraph and must specify the funding program to which the funds are to be treated as received in connection therewith. This resolution is controlling as to the classification of funds referenced therein. A certified copy of the resolution must be sent to the State Superintendent of Education. The resolution shall still take effect even though a copy of the resolution has not been sent to the State Superintendent of Education in a timely manner. No classification under this paragraph by a district shall affect the total amount or timing
of money the district is entitled to receive under this Code. No classification under this paragraph by a district shall in any way relieve the district from or affect any requirements that otherwise would apply with respect to that funding program, including any accounting of funds by source, reporting expenditures by original source and purpose, reporting requirements, or requirements of providing services.

Notwithstanding anything to the contrary contained in this Section, the State Board of Education shall award to a school district having a population exceeding 500,000 inhabitants 48.4% of the funds appropriated by the General Assembly for any fiscal year for purposes of payments to school districts under this Section.

(Source: P.A. 98-636, eff. 6-6-14; 98-1008, eff. 1-1-15; 99-78, eff. 7-20-15; 99-143, eff. 7-27-15.)
The appropriation for fiscal year 2005 through fiscal year 2016 and thereafter shall be based upon the IDEA child count of all students in the State, excluding students claimed under Sections 14-7.02 and 14-7.03 of this Code, on December 1 of the fiscal year 2 years preceding, multiplied by 17.5% of the general State aid foundation level of support established for that fiscal year under Section 18-8.05 of this Code.

Beginning with fiscal year 2005 and through fiscal year 2007, individual school districts shall not receive payments under this Section totaling less than they received under the funding authorized under Section 14-7.02a of this Code during fiscal year 2004, pursuant to the provisions of Section 14-7.02a as they were in effect before the effective date of this amendatory Act of the 93rd General Assembly. This base level funding shall be computed first.

Beginning with fiscal year 2008 through fiscal year 2016 and each fiscal year thereafter, individual school districts must not receive payments under this Section totaling less than they received in fiscal year 2007. This funding shall be computed last and shall be a separate calculation from any other calculation set forth in this Section. This amount is exempt from the requirements of Section 1D-1 of this Code.

Through fiscal year 2016, an amount equal to 85% of the funds remaining in the appropriation shall be allocated to school districts based upon the district's average daily
attendance reported for purposes of Section 18-8.05 of this Code for the preceding school year. Fifteen percent of the funds remaining in the appropriation shall be allocated to school districts based upon the district's low income eligible pupil count used in the calculation of general State aid under Section 18-8.05 of this Code for the same fiscal year. One hundred percent of the funds computed and allocated to districts under this Section shall be distributed and paid to school districts.

For individual students with disabilities whose program costs exceed 4 times the district's per capita tuition rate as calculated under Section 10-20.12a of this Code, the costs in excess of 4 times the district's per capita tuition rate shall be paid by the State Board of Education from unexpended IDEA discretionary funds originally designated for room and board reimbursement pursuant to Section 14-8.01 of this Code. The amount of tuition for these children shall be determined by the actual cost of maintaining classes for these children, using the per capita cost formula set forth in Section 14-7.01 of this Code, with the program and cost being pre-approved by the State Superintendent of Education. Reimbursement for individual students with disabilities whose program costs exceed 4 times the district's per capita tuition rate shall be claimed beginning with costs encumbered for the 2004-2005 school year and thereafter.

The State Board of Education shall prepare vouchers equal
to one-fourth the amount allocated to districts, for transmittal to the State Comptroller on the 30th day of September, December, and March, respectively, and the final voucher, no later than June 20. The Comptroller shall make payments pursuant to this Section to school districts as soon as possible after receipt of vouchers. If the money appropriated from the General Assembly for such purposes for any year is insufficient, it shall be apportioned on the basis of the payments due to school districts.

Nothing in this Section shall be construed to decrease or increase the percentage of all special education funds that are allocated annually under Article 1D of this Code or to alter the requirement that a school district provide special education services.

Nothing in this amendatory Act of the 93rd General Assembly shall eliminate any reimbursement obligation owed as of the effective date of this amendatory Act of the 93rd General Assembly to a school district with in excess of 500,000 inhabitants.

Except for reimbursement for individual students with disabilities whose program costs exceed 4 times the district's per capita tuition rate, no funding shall be provided to school districts under this Section after fiscal year 2016.

(Source: P.A. 93-1022, eff. 8-24-08; 95-705, eff. 1-8-08.)

(105 ILCS 5/14-7.03) (from Ch. 122, par. 14-7.03)
Sec. 14-7.03. Special Education Classes for Children from Orphanages, Foster Family Homes, Children's Homes, or in State Housing Units. If a school district maintains special education classes on the site of orphanages and children's homes, or if children from the orphanages, children's homes, foster family homes, other State agencies, or State residential units for children attend classes for children with disabilities in which the school district is a participating member of a joint agreement, or if the children from the orphanages, children's homes, foster family homes, other State agencies, or State residential units attend classes for the children with disabilities maintained by the school district, then reimbursement shall be paid to eligible districts in accordance with the provisions of this Section by the Comptroller as directed by the State Superintendent of Education.

The amount of tuition for such children shall be determined by the actual cost of maintaining such classes, using the per capita cost formula set forth in Section 14-7.01, such program and cost to be pre-approved by the State Superintendent of Education.

If a school district makes a claim for reimbursement under Section 18-3 or 18-4 of this Code, it shall not include in any claim filed under this Section a claim for such children. Payments authorized by law, including State or federal grants for education of children included in this Section, shall be deducted in determining the tuition amount.
Nothing in this Act shall be construed so as to prohibit reimbursement for the tuition of children placed in for profit facilities. Private facilities shall provide adequate space at the facility for special education classes provided by a school district or joint agreement for children with disabilities who are residents of the facility at no cost to the school district or joint agreement upon request of the school district or joint agreement. If such a private facility provides space at no cost to the district or joint agreement for special education classes provided to children with disabilities who are residents of the facility, the district or joint agreement shall not include any costs for the use of those facilities in its claim for reimbursement.

Reimbursement for tuition may include the cost of providing summer school programs for children with severe and profound disabilities served under this Section. Claims for that reimbursement shall be filed by November 1 and shall be paid on or before December 15 from appropriations made for the purposes of this Section.

The State Board of Education shall establish such rules and regulations as may be necessary to implement the provisions of this Section.

Claims filed on behalf of programs operated under this Section housed in a jail, detention center, or county-owned shelter care facility shall be on an individual student basis only for eligible students with disabilities. These claims
shall be in accordance with applicable rules.

Each district claiming reimbursement for a program operated as a group program shall have an approved budget on file with the State Board of Education prior to the initiation of the program's operation. On September 30, December 31, and March 31, the State Board of Education shall voucher payments to group programs based upon the approved budget during the year of operation. Final claims for group payments shall be filed on or before July 15. Final claims for group programs received at the State Board of Education on or before June 15 shall be vouchered by June 30. Final claims received at the State Board of Education between June 16 and July 15 shall be vouchered by August 30. Claims for group programs received after July 15 shall not be honored.

Each district claiming reimbursement for individual students shall have the eligibility of those students verified by the State Board of Education. On September 30, December 31, and March 31, the State Board of Education shall voucher payments for individual students based upon an estimated cost calculated from the prior year's claim. Final claims for individual students for the regular school term must be received at the State Board of Education by July 15. Claims for individual students received after July 15 shall not be honored. Final claims for individual students shall be vouchered by August 30.

Reimbursement shall be made based upon approved group
programs or individual students. The State Superintendent of Education shall direct the Comptroller to pay a specified amount to the district by the 30th day of September, December, March, June, or August, respectively. However, notwithstanding any other provisions of this Section or the School Code, beginning with fiscal year 1994 and each fiscal year thereafter, if the amount appropriated for any fiscal year is less than the amount required for purposes of this Section, the amount required to eliminate any insufficient reimbursement for each district claim under this Section shall be reimbursed on August 30 of the next fiscal year. Payments required to eliminate any insufficiency for prior fiscal year claims shall be made before any claims are paid for the current fiscal year.

The claim of a school district otherwise eligible to be reimbursed in accordance with Section 14-12.01 for the 1976-77 school year but for this amendatory Act of 1977 shall not be paid unless the district ceases to maintain such classes for one entire school year.

If a school district's current reimbursement payment for the 1977-78 school year only is less than the prior year's reimbursement payment owed, the district shall be paid the amount of the difference between the payments in addition to the current reimbursement payment, and the amount so paid shall be subtracted from the amount of prior year's reimbursement payment owed to the district.

Regional superintendents may operate special education
classes for children from orphanages, foster family homes, children's homes, or State housing units located within the educational services region upon consent of the school board otherwise so obligated. In electing to assume the powers and duties of a school district in providing and maintaining such a special education program, the regional superintendent may enter into joint agreements with other districts and may contract with public or private schools or the orphanage, foster family home, children's home, or State housing unit for provision of the special education program. The regional superintendent exercising the powers granted under this Section shall claim the reimbursement authorized by this Section directly from the State Board of Education.

Any child who is not a resident of Illinois who is placed in a child welfare institution, private facility, foster family home, State operated program, orphanage, or children's home shall have the payment for his educational tuition and any related services assured by the placing agent.

For each student with a disability who is placed in a residential facility by an Illinois public agency or by any court in this State, the costs for educating the student are eligible for reimbursement under this Section.

The district of residence of the student with a disability as defined in Section 14-1.11a is responsible for the actual costs of the student's special education program and is eligible for reimbursement under this Section when placement is
made by a State agency or the courts.

When a dispute arises over the determination of the district of residence under this Section, the district or districts may appeal the decision in writing to the State Superintendent of Education, who, upon review of materials submitted and any other items or information he or she may request for submission, shall issue a written decision on the matter. The decision of the State Superintendent of Education shall be final.

In the event a district does not make a tuition payment to another district that is providing the special education program and services, the State Board of Education shall immediately withhold 125% of the then remaining annual tuition cost from the State aid or categorical aid payment due to the school district that is determined to be the resident school district. All funds withheld by the State Board of Education shall immediately be forwarded to the school district where the student is being served.

When a child eligible for services under this Section 14-7.03 must be placed in a nonpublic facility, that facility shall meet the programmatic requirements of Section 14-7.02 and its regulations, and the educational services shall be funded only in accordance with this Section 14-7.03.

(Source: P.A. 98-739, eff. 7-16-14; 99-143, eff. 7-27-15.)

(105 ILCS 5/14-13.01) (from Ch. 122, par. 14-13.01)
Sec. 14-13.01. Reimbursement payable by State; amounts for personnel and transportation.

(a) Through fiscal year 2016, for staff working on behalf of children who have not been identified as eligible for special education and for eligible children with physical disabilities, including all eligible children whose placement has been determined under Section 14-8.02 in hospital or home instruction, 1/2 of the teacher's salary but not more than $1,000 annually per child or $9,000 per teacher, whichever is less.

(a-5) A child qualifies for home or hospital instruction if it is anticipated that, due to a medical condition, the child will be unable to attend school, and instead must be instructed at home or in the hospital, for a period of 2 or more consecutive weeks or on an ongoing intermittent basis. For purposes of this Section, "ongoing intermittent basis" means that the child's medical condition is of such a nature or severity that it is anticipated that the child will be absent from school due to the medical condition for periods of at least 2 days at a time multiple times during the school year totaling at least 10 days or more of absences. There shall be no requirement that a child be absent from school a minimum number of days before the child qualifies for home or hospital instruction. In order to establish eligibility for home or hospital services, a student's parent or guardian must submit to the child's school district of residence a written statement
from a physician licensed to practice medicine in all of its branches stating the existence of such medical condition, the impact on the child's ability to participate in education, and the anticipated duration or nature of the child's absence from school. Home or hospital instruction may commence upon receipt of a written physician's statement in accordance with this Section, but instruction shall commence not later than 5 school days after the school district receives the physician's statement. Special education and related services required by the child's IEP or services and accommodations required by the child's federal Section 504 plan must be implemented as part of the child's home or hospital instruction, unless the IEP team or federal Section 504 plan team determines that modifications are necessary during the home or hospital instruction due to the child's condition.

(a-10) Through fiscal year 2016, eligible children to be included in any reimbursement under this paragraph must regularly receive a minimum of one hour of instruction each school day, or in lieu thereof a minimum of 5 hours of instruction in each school week in order to qualify for full reimbursement under this Section. If the attending physician for such a child has certified that the child should not receive as many as 5 hours of instruction in a school week, however, reimbursement under this paragraph on account of that child shall be computed proportionate to the actual hours of instruction per week for that child divided by 5.
(a-15) The State Board of Education shall establish rules governing the required qualifications of staff providing home or hospital instruction.

(b) For children described in Section 14-1.02, 80% of the cost of transportation approved as a related service in the Individualized Education Program for each student in order to take advantage of special educational facilities. Transportation costs shall be determined in the same fashion as provided in Section 29-5 of this Code, provided that, notwithstanding anything to the contrary contained in this subsection (b) or Section 29-5 of this Code, the State Board of Education shall award to a school district having a population exceeding 500,000 inhabitants 30.7% of the funds appropriated by the General Assembly for any fiscal year for purposes of payment of transportation cost claims under this subsection (b). For purposes of this subsection (b), the dates for processing claims specified in Section 29-5 shall apply.

(c) Through fiscal year 2016, for each qualified worker, the annual sum of $9,000.

(d) Through fiscal year 2016, for one full time qualified director of the special education program of each school district which maintains a fully approved program of special education the annual sum of $9,000. Districts participating in a joint agreement special education program shall not receive such reimbursement if reimbursement is made for a director of the joint agreement program.
(g) Through fiscal year 2016, for readers, working with blind or partially seeing children 1/2 of their salary but not more than $400 annually per child. Readers may be employed to assist such children and shall not be required to be certified but prior to employment shall meet standards set up by the State Board of Education.

(h) Through fiscal year 2016, for non-certified employees, as defined by rules promulgated by the State Board of Education, who deliver services to students with IEPs, 1/2 of the salary paid or $3,500 per employee, whichever is less.

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

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

Notwithstanding any other provision of law, any school district receiving a payment under this Section or under Section 14-7.02, 14-7.02b, or 29-5 of this Code may classify
all or a portion of the funds that it receives in a particular fiscal year or from primary general State aid pursuant to Section 18-8.15 18-8.05 of this Code as funds received in connection with any funding program for which it is entitled to receive funds from the State in that fiscal year (including, without limitation, any funding program referenced in this Section), regardless of the source or timing of the receipt. The district may not classify more funds as funds received in connection with the funding program than the district is entitled to receive in that fiscal year for that program. Any classification by a district must be made by a resolution of its board of education. The resolution must identify the amount of any payments or primary general State aid to be classified under this paragraph and must specify the funding program to which the funds are to be treated as received in connection therewith. This resolution is controlling as to the classification of funds referenced therein. A certified copy of the resolution must be sent to the State Superintendent of Education. The resolution shall still take effect even though a copy of the resolution has not been sent to the State Superintendent of Education in a timely manner. No classification under this paragraph by a district shall affect the total amount or timing of money the district is entitled to receive under this Code. No classification under this paragraph by a district shall in any way relieve the district from or affect any requirements that otherwise would apply with respect
to that funding program, including any accounting of funds by 
source, reporting expenditures by original source and purpose, 
reporting requirements, or requirements of providing services. 
(Source: P.A. 96-257, eff. 8-11-09; 97-123, eff. 7-14-11.)

(105 ILCS 5/14C-1) (from Ch. 122, par. 14C-1)

Sec. 14C-1. The General Assembly finds that there are large 
numbers of children in this State who come from environments 
where the primary language is other than English. Experience 
has shown that public school classes in which instruction is 
given only in English are often inadequate for the education of 
children whose native tongue is another language. The General 
Assembly believes that a program of transitional bilingual 
education can meet the needs of these children and facilitate 
their integration into the regular public school curriculum. 
Therefore, pursuant to the policy of this State to ensure equal 
educational opportunity to every child, and in recognition of 
the educational needs of English learners, it is the purpose of 
this Act to provide for the establishment of transitional 
bilingual education programs in the public schools, to provide 
supplemental financial assistance through fiscal year 2016 to 
help local school districts meet the extra costs of such 
programs, and to allow this State to directly or indirectly 
provide technical assistance and professional development to 
support transitional bilingual education programs statewide. 
(Source: P.A. 99-30, eff. 7-10-15.)
Sec. 14C-12. Account of expenditures; Cost report; Reimbursement. Each school district with at least one English learner shall keep an accurate, detailed and separate account of all monies paid out by it for the programs in transitional bilingual education required or permitted by this Article, including transportation costs, and shall annually report thereon for the school year ending June 30 indicating the average per pupil expenditure. Through fiscal year 2016, each school district shall be reimbursed for the amount by which such costs exceed the average per pupil expenditure by such school district for the education of children of comparable age who are not in any special education program. No funding shall be provided to school districts under this Section after fiscal year 2016. In fiscal year 2017 and each fiscal year thereafter, all funding received by a school district from the State pursuant to Section 18-8.15 of this Code that is attributable to English learner pupils must be used for programs and services authorized under this Article. At least 60% of transitional bilingual education funding received from the State must be used for the instructional costs of programs and services authorized under this Article.

Applications for preapproval for reimbursement for costs of transitional bilingual education programs must be submitted
to the State Superintendent of Education at least 60 days before a transitional bilingual education program is started, unless a justifiable exception is granted by the State Superintendent of Education. Applications shall set forth a plan for transitional bilingual education established and maintained in accordance with this Article.

Through fiscal year 2016, reimbursement claims for transitional bilingual education programs shall be made as follows:

Each school district shall claim reimbursement on a current basis for the first 3 quarters of the fiscal year and file a final adjusted claim for the school year ended June 30 preceding computed in accordance with rules prescribed by the State Superintendent's Office. The State Superintendent of Education before approving any such claims shall determine their accuracy and whether they are based upon services and facilities provided under approved programs. Upon approval he shall transmit to the Comptroller the vouchers showing the amounts due for school district reimbursement claims. Upon receipt of the final adjusted claims the State Superintendent of Education shall make a final determination of the accuracy of such claims. If the money appropriated by the General Assembly for such purpose for any year is insufficient, it shall be apportioned on the basis of the claims approved.

Failure on the part of the school district to prepare and certify the final adjusted claims due under this Section may
constitute a forfeiture by the school district of its right to
be reimbursed by the State under this Section.
(Source: P.A. 96-1170, eff. 1-1-11.)

(105 ILCS 5/17-1) (from Ch. 122, par. 17-1)

Sec. 17-1. Annual Budget. The board of education of each
school district under 500,000 inhabitants shall, within or
before the first quarter of each fiscal year, adopt and file
with the State Board of Education an annual balanced budget
which it deems necessary to defray all necessary expenses and
liabilities of the district, and in such annual budget shall
specify the objects and purposes of each item and amount needed
for each object or purpose.

The budget shall be entered upon a School District Budget
form prepared and provided by the State Board of Education and
therein shall contain a statement of the cash on hand at the
beginning of the fiscal year, an estimate of the cash expected
to be received during such fiscal year from all sources, an
estimate of the expenditures contemplated for such fiscal year,
and a statement of the estimated cash expected to be on hand at
the end of such year. The estimate of taxes to be received may
be based upon the amount of actual cash receipts that may
reasonably be expected by the district during such fiscal year,
estimated from the experience of the district in prior years
and with due regard for other circumstances that may
substantially affect such receipts. Nothing in this Section
shall be construed as requiring any district to change or preventing any district from changing from a cash basis of financing to a surplus or deficit basis of financing; or as requiring any district to change or preventing any district from changing its system of accounting. For the 2018-2019 school year and thereafter, the budget shall conform to the school level accounting requirements adopted by the State Board of Education pursuant to Section 2-3.28 of this Code.

To the extent that a school district's budget is not balanced, the district shall also adopt and file with the State Board of Education a deficit reduction plan to balance the district's budget within 3 years. The deficit reduction plan must be filed at the same time as the budget, but the State Superintendent of Education may extend this deadline if the situation warrants.

If, as the result of an audit performed in compliance with Section 3-7 of this Code, the resulting Annual Financial Report required to be submitted pursuant to Section 3-15.1 of this Code reflects a deficit as defined for purposes of the preceding paragraph, then the district shall, within 30 days after acceptance of such audit report, submit a deficit reduction plan.

The board of education of each district shall fix a fiscal year therefor. If the beginning of the fiscal year of a district is subsequent to the time that the tax levy due to be made in such fiscal year shall be made, then such annual budget
shall be adopted prior to the time such tax levy shall be made.
The failure by a board of education of any district to adopt an
annual budget, or to comply in any respect with the provisions
of this Section, shall not affect the validity of any tax levy
of the district otherwise in conformity with the law. With
respect to taxes levied either before, on, or after the
effective date of this amendatory Act of the 91st General
Assembly, (i) a tax levy is made for the fiscal year in which
the levy is due to be made regardless of which fiscal year the
proceeds of the levy are expended or are intended to be
expended, and (ii) except as otherwise provided by law, a board
of education's adoption of an annual budget in conformity with
this Section is not a prerequisite to the adoption of a valid
tax levy and is not a limit on the amount of the levy.

Such budget shall be prepared in tentative form by some
person or persons designated by the board, and in such
tentative form shall be made conveniently available to public
inspection for at least 30 days prior to final action thereon.
At least 1 public hearing shall be held as to such budget prior
to final action thereon. Notice of availability for public
inspection and of such public hearing shall be given by
publication in a newspaper published in such district, at least
30 days prior to the time of such hearing. If there is no
newspaper published in such district, notice of such public
hearing shall be given by posting notices thereof in 5 of the
most public places in such district. It shall be the duty of
the secretary of such board to make such tentative budget available to public inspection, and to arrange for such public hearing. The board may from time to time make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget. The board may from time to time amend such budget by the same procedure as is herein provided for its original adoption.

Beginning July 1, 1976, the board of education, or regional superintendent, or governing board responsible for the administration of a joint agreement shall, by September 1 of each fiscal year thereafter, adopt an annual budget for the joint agreement in the same manner and subject to the same requirements as are provided in this Section.

The State Board of Education shall exercise powers and duties relating to budgets as provided in Section 2-3.27 of this Code and shall require school districts to submit their annual budgets, deficit reduction plans, and other financial information, including revenue and expenditure reports and borrowing and interfund transfer plans, in such form and within the timelines designated by the State Board of Education.

By fiscal year 1982 all school districts shall use the Program Budget Accounting System.

In the case of a school district receiving emergency State financial assistance under Article 1B, the school board shall also be subject to the requirements established under Article 1B with respect to the annual budget.
Sec. 17-1.2. Post annual budget on web site. If a school district has an Internet web site, the school district shall post its current annual budget, itemized by receipts and expenditures, on the district's Internet web site. For the 2018-2019 school year and thereafter, the budget shall include school level information conforming to the rules adopted by the State Board of Education pursuant to Section 2-3.28 of this Code. The school district shall notify the parents or guardians of its students that the budget has been posted on the district's web site and what the web site's address is.

Sec. 17-1.5. Limitation of administrative costs.
(a) It is the purpose of this Section to establish limitations on the growth of administrative expenditures in order to maximize the proportion of school district resources available for the instructional program, building maintenance, and safety services for the students of each district.
(b) Definitions. For the purposes of this Section: "Administrative expenditures" mean the annual expenditures of school districts properly attributable to expenditure functions defined by the rules of the State Board of Education.
as: 2320 (Executive Administration Services); 2330 (Special Area Administration Services); 2490 (Other Support Services - School Administration); 2510 (Direction of Business Support Services); 2570 (Internal Services); and 2610 (Direction of Central Support Services); provided, however, that "administrative expenditures" shall not include early retirement or other pension system obligations required by State law.

"School district" means all school districts having a population of less than 500,000.

(c) For the 1998-99 school year and each school year thereafter, each school district shall undertake budgetary and expenditure control actions so that the increase in administrative expenditures for that school year over the prior school year does not exceed 5%. School districts with administrative expenditures per pupil in the 25th percentile and below for all districts of the same type, as defined by the State Board of Education, may waive the limitation imposed under this Section for any year following a public hearing and with the affirmative vote of at least two-thirds of the members of the school board of the district. Any district waiving the limitation shall notify the State Board within 45 days of such action.

(d) School districts shall file with the State Board of Education by November 15, 1998 and by each November 15th thereafter a one-page report that lists (i) the actual
If a school district that is ineligible to waive the limitation imposed by subsection (c) of this Section by board action exceeds the limitation solely because of circumstances beyond the control of the district and the district has exhausted all available and reasonable remedies to comply with the limitation, the district may request a waiver pursuant to Section 2-3.25g. The waiver application shall specify the amount, nature, and reason for the relief requested, as well as all remedies the district has exhausted to comply with the limitation. Any emergency relief so requested shall apply only to the specific school year for which the request is made. The State Board of Education shall analyze all such waivers submitted and shall recommend that the General Assembly disapprove any such waiver requested that is not due solely to circumstances beyond the control of the district and for which the district has not exhausted all available and reasonable remedies to comply with the limitation. The State Superintendent shall have no authority to impose any sanctions pursuant to this Section for any expenditures for which a waiver has been requested until such waiver has been reviewed by the General Assembly.
If the report and information required under this subsection (d) are not provided by the school district in a timely manner, or are subsequently determined by the State Superintendent of Education to be incomplete or inaccurate, the State Superintendent shall notify the district in writing of reporting deficiencies. The school district shall, within 60 days of the notice, address the reporting deficiencies identified.

(e) If the State Superintendent determines that a school district has failed to comply with the administrative expenditure limitation imposed in subsection (c) of this Section, the State Superintendent shall notify the district of the violation and direct the district to undertake corrective action to bring the district's budget into compliance with the administrative expenditure limitation. The district shall, within 60 days of the notice, provide adequate assurance to the State Superintendent that appropriate corrective actions have been or will be taken. If the district fails to provide adequate assurance or fails to undertake the necessary corrective actions, the State Superintendent may impose progressive sanctions against the district that may culminate in withholding all subsequent payments of general State aid due the district under Section 18-8.05 of this Code or primary State aid due the district under Section 18-8.15 of this Code until the assurance is provided or the corrective actions taken.
(f) The State Superintendent shall publish a list each year of the school districts that violate the limitation imposed by subsection (c) of this Section and a list of the districts that waive the limitation by board action as provided in subsection (c) of this Section.

(Source: P.A. 90-548, eff. 1-1-98; 90-653, eff. 7-29-98.)

(105 ILCS 5/17-2.11) (from Ch. 122, par. 17-2.11)

Sec. 17-2.11. School board power to levy a tax or to borrow money and issue bonds for fire prevention, safety, energy conservation, accessibility, school security, and specified repair purposes.

(a) Whenever, as a result of any lawful order of any agency, other than a school board, having authority to enforce any school building code applicable to any facility that houses students, or any law or regulation for the protection and safety of the environment, pursuant to the Environmental Protection Act, any school district having a population of less than 500,000 inhabitants is required to alter or reconstruct any school building or permanent, fixed equipment; the district may, by proper resolution, levy a tax for the purpose of making such alteration or reconstruction, based on a survey report by an architect or engineer licensed in this State, upon all of the taxable property of the district at the value as assessed by the Department of Revenue and at a rate not to exceed 0.05% per year for a period sufficient to finance such alteration or
reconstruction, upon the following conditions:

(1) When there are not sufficient funds available in
the operations and maintenance fund of the school district,
the school facility occupation tax fund of the district, or
the fire prevention and safety fund of the district, as
determined by the district on the basis of rules adopted by
the State Board of Education, to make such alteration or
reconstruction or to purchase and install such permanent,
fixed equipment so ordered or determined as necessary.
Appropriate school district records must be made available
to the State Superintendent of Education, upon request, to
confirm this insufficiency.

(2) When a certified estimate of an architect or
engineer licensed in this State stating the estimated
amount necessary to make the alteration or reconstruction
or to purchase and install the equipment so ordered has
been secured by the school district, and the estimate has
been approved by the regional superintendent of schools
having jurisdiction over the district and the State
Superintendent of Education. Approval must not be granted
for any work that has already started without the prior
express authorization of the State Superintendent of
Education. If the estimate is not approved or is denied
approval by the regional superintendent of schools within 3
months after the date on which it is submitted to him or
her, the school board of the district may submit the
estimate directly to the State Superintendent of Education for approval or denial.

In the case of an emergency situation, where the estimated cost to effectuate emergency repairs is less than the amount specified in Section 10-20.21 of this Code, the school district may proceed with such repairs prior to approval by the State Superintendent of Education, but shall comply with the provisions of subdivision (2) of this subsection (a) as soon thereafter as may be as well as Section 10-20.21 of this Code. If the estimated cost to effectuate emergency repairs is greater than the amount specified in Section 10-20.21 of this Code, then the school district shall proceed in conformity with Section 10-20.21 of this Code and with rules established by the State Board of Education to address such situations. The rules adopted by the State Board of Education to deal with these situations shall stipulate that emergency situations must be expedited and given priority consideration. For purposes of this paragraph, an emergency is a situation that presents an imminent and continuing threat to the health and safety of students or other occupants of a facility, requires complete or partial evacuation of a building or part of a building, or consumes one or more of the 5 emergency days built into the adopted calendar of the school or schools or would otherwise be expected to cause such school or schools to fall short of the minimum school calendar requirements.

(b) Whenever any such district determines that it is
necessary for energy conservation purposes that any school
building or permanent, fixed equipment should be altered or
reconstructed and that such alterations or reconstruction will
be made with funds not necessary for the completion of approved
and recommended projects contained in any safety survey report
or amendments thereto authorized by Section 2-3.12 of this Act;
the district may levy a tax or issue bonds as provided in
subsection (a) of this Section.

(c) Whenever any such district determines that it is
necessary for accessibility purposes and to comply with the
school building code that any school building or equipment
should be altered or reconstructed and that such alterations or
reconstruction will be made with funds not necessary for the
completion of approved and recommended projects contained in
any safety survey report or amendments thereto authorized under
Section 2-3.12 of this Act, the district may levy a tax or
issue bonds as provided in subsection (a) of this Section.

(d) Whenever any such district determines that it is
necessary for school security purposes and the related
protection and safety of pupils and school personnel that any
school building or property should be altered or reconstructed
or that security systems and equipment (including but not
limited to intercom, early detection and warning, access
control and television monitoring systems) should be purchased
and installed, and that such alterations, reconstruction or
purchase and installation of equipment will be made with funds
not necessary for the completion of approved and recommended
projects contained in any safety survey report or amendment
thereto authorized by Section 2-3.12 of this Act and will deter
and prevent unauthorized entry or activities upon school
property by unknown or dangerous persons, assure early
detection and advance warning of any such actual or attempted
unauthorized entry or activities and help assure the continued
safety of pupils and school staff if any such unauthorized
entry or activity is attempted or occurs; the district may levy
a tax or issue bonds as provided in subsection (a) of this
Section.

(e) If a school district does not need funds for other fire
prevention and safety projects, including the completion of
approved and recommended projects contained in any safety
survey report or amendments thereto authorized by Section
2-3.12 of this Act, and it is determined after a public hearing
(which is preceded by at least one published notice (i)
occurring at least 7 days prior to the hearing in a newspaper
of general circulation within the school district and (ii)
setting forth the time, date, place, and general subject matter
of the hearing) that there is a substantial, immediate, and
otherwise unavoidable threat to the health, safety, or welfare
of pupils due to disrepair of school sidewalks, playgrounds,
parking lots, or school bus turnarounds and repairs must be
made; then the district may levy a tax or issue bonds as
provided in subsection (a) of this Section.
(f) For purposes of this Section a school district may replace a school building or build additions to replace portions of a building when it is determined that the effectuation of the recommendations for the existing building will cost more than the replacement costs. Such determination shall be based on a comparison of estimated costs made by an architect or engineer licensed in the State of Illinois. The new building or addition shall be equivalent in area (square feet) and comparable in purpose and grades served and may be on the same site or another site. Such replacement may only be done upon order of the regional superintendent of schools and the approval of the State Superintendent of Education.

(g) The filing of a certified copy of the resolution levying the tax when accompanied by the certificates of the regional superintendent of schools and State Superintendent of Education shall be the authority of the county clerk to extend such tax.

(h) The county clerk of the county in which any school district levying a tax under the authority of this Section is located, in reducing raised levies, shall not consider any such tax as a part of the general levy for school purposes and shall not include the same in the limitation of any other tax rate which may be extended.

Such tax shall be levied and collected in like manner as all other taxes of school districts, subject to the provisions contained in this Section.
(i) The tax rate limit specified in this Section may be increased to .10% upon the approval of a proposition to effect such increase by a majority of the electors voting on that proposition at a regular scheduled election. Such proposition may be initiated by resolution of the school board and shall be certified by the secretary to the proper election authorities for submission in accordance with the general election law.

(j) When taxes are levied by any school district for fire prevention, safety, energy conservation, and school security purposes as specified in this Section, and the purposes for which the taxes have been levied are accomplished and paid in full, and there remain funds on hand in the Fire Prevention and Safety Fund from the proceeds of the taxes levied, including interest earnings thereon, the school board by resolution shall use such excess and other board restricted funds, excluding bond proceeds and earnings from such proceeds, as follows:

(1) for other authorized fire prevention, safety, energy conservation, and school security purposes and for required safety inspections; or

(2) for transfer to the Operations and Maintenance Fund for the purpose of abating an equal amount of operations and maintenance purposes taxes.

Notwithstanding subdivision (2) of this subsection (j) and subsection (k) of this Section, through June 30, 2019 2016, the school board may, by proper resolution following a public hearing set by the school board or the president of the school
board (that is preceded (i) by at least one published notice over the name of the clerk or secretary of the board, occurring at least 7 days and not more than 30 days prior to the hearing, in a newspaper of general circulation within the school district and (ii) by posted notice over the name of the clerk or secretary of the board, at least 48 hours before the hearing, at the principal office of the school board or at the building where the hearing is to be held if a principal office does not exist, with both notices setting forth the time, date, place, and subject matter of the hearing), transfer surplus life safety taxes and interest earnings thereon to the Operations and Maintenance Fund for building repair work.

(k) If any transfer is made to the Operation and Maintenance Fund, the secretary of the school board shall within 30 days notify the county clerk of the amount of that transfer and direct the clerk to abate the taxes to be extended for the purposes of operations and maintenance authorized under Section 17-2 of this Act by an amount equal to such transfer.

(l) If the proceeds from the tax levy authorized by this Section are insufficient to complete the work approved under this Section, the school board is authorized to sell bonds without referendum under the provisions of this Section in an amount that, when added to the proceeds of the tax levy authorized by this Section, will allow completion of the approved work.

(m) Any bonds issued pursuant to this Section shall bear
interest at a rate not to exceed the maximum rate authorized by law at the time of the making of the contract, shall mature within 20 years from date, and shall be signed by the president of the school board and the treasurer of the school district.

(n) In order to authorize and issue such bonds, the school board shall adopt a resolution fixing the amount of bonds, the date thereof, the maturities thereof, rates of interest thereof, place of payment and denomination, which shall be in denominations of not less than $100 and not more than $5,000, and provide for the levy and collection of a direct annual tax upon all the taxable property in the school district sufficient to pay the principal and interest on such bonds to maturity. Upon the filing in the office of the county clerk of the county in which the school district is located of a certified copy of the resolution, it is the duty of the county clerk to extend the tax therefor in addition to and in excess of all other taxes heretofore or hereafter authorized to be levied by such school district.

(o) After the time such bonds are issued as provided for by this Section, if additional alterations or reconstructions are required to be made because of surveys conducted by an architect or engineer licensed in the State of Illinois, the district may levy a tax at a rate not to exceed .05% per year upon all the taxable property of the district or issue additional bonds, whichever action shall be the most feasible.

(p) This Section is cumulative and constitutes complete
authority for the issuance of bonds as provided in this Section notwithstanding any other statute or law to the contrary.

(q) With respect to instruments for the payment of money issued under this Section either before, on, or after the effective date of Public Act 86-004 (June 6, 1989), it is, and always has been, the intention of the General Assembly (i) that the Omnibus Bond Acts are, and always have been, supplementary grants of power to issue instruments in accordance with the Omnibus Bond Acts, regardless of any provision of this Act that may appear to be or to have been more restrictive than those Acts, (ii) that the provisions of this Section are not a limitation on the supplementary authority granted by the Omnibus Bond Acts, and (iii) that instruments issued under this Section within the supplementary authority granted by the Omnibus Bond Acts are not invalid because of any provision of this Act that may appear to be or to have been more restrictive than those Acts.

(r) When the purposes for which the bonds are issued have been accomplished and paid for in full and there remain funds on hand from the proceeds of the bond sale and interest earnings therefrom, the board shall, by resolution, use such excess funds in accordance with the provisions of Section 10-22.14 of this Act.

(s) Whenever any tax is levied or bonds issued for fire prevention, safety, energy conservation, and school security purposes, such proceeds shall be deposited and accounted for
Sec. 17-2A. Interfund Transfers.

(a) The school board of any district having a population of less than 500,000 inhabitants may, by proper resolution following a public hearing set by the school board or the president of the school board (that is preceded (i) by at least one published notice over the name of the clerk or secretary of the board, occurring at least 7 days and not more than 30 days prior to the hearing, in a newspaper of general circulation within the school district and (ii) by posted notice over the name of the clerk or secretary of the board, at least 48 hours before the hearing, at the principal office of the school board or at the building where the hearing is to be held if a principal office does not exist, with both notices setting forth the time, date, place, and subject matter of the hearing), transfer money from (1) the Educational Fund to the Operations and Maintenance Fund or the Transportation Fund, (2) the Operations and Maintenance Fund to the Educational Fund or the Transportation Fund, or (3) the Transportation Fund to the Educational Fund or the Operations and Maintenance Fund of said district, provided that, except during the period from July 1, 2003 through June 30, 2016, such transfer is made solely separately within the Fire Prevention and Safety Fund.

(Source: P.A. 98-26, eff. 6-21-13; 98-1066, eff. 8-26-14; 99-143, eff. 7-27-15.)

(105 ILCS 5/17-2A) (from Ch. 122, par. 17-2A)
for the purpose of meeting one-time, non-recurring expenses. Except during the period from July 1, 2003 through June 30, 2019 and except as otherwise provided in subsection (b) of this Section, any other permanent interfund transfers authorized by any provision or judicial interpretation of this Code for which the transferee fund is not precisely and specifically set forth in the provision of this Code authorizing such transfer shall be made to the fund of the school district most in need of the funds being transferred, as determined by resolution of the school board.

(b) Notwithstanding subsection (a) of this Section or any other provision of this Code to the contrary, the school board of any school district (i) that is subject to the Property Tax Extension Limitation Law, (ii) that has a population of less than 500,000 inhabitants, (iii) that is levying at its maximum tax rate, (iv) whose total equalized assessed valuation has declined 20% in the prior 2 years, (v) in which 80% or more of its students receive free or reduced-price lunch, and (vi) that had an equalized assessed valuation of less than $207 million but more than $203 million in the 2011 levy year may annually, until July 1, 2016, transfer money from any fund of the district, other than the Illinois Municipal Retirement Fund and the Bonds and Interest Fund, to the educational fund, the operations and maintenance fund, or the transportation fund of the district by proper resolution following a public hearing set by the school board or the president of the school board,
with notice as provided in subsection (a) of this Section, so long as the district meets the qualifications set forth in this subsection (b) on the effective date of this amendatory Act of the 98th General Assembly even if the district does not meet those qualifications at the time a given transfer is made.
(Source: P.A. 98-26, eff. 6-21-13; 98-131, eff. 1-1-14.)

(105 ILCS 5/17-3.6 new)

Sec. 17-3.6. Educational purposes tax rate for school districts subject to Property Tax Extension Limitation Law. Notwithstanding the provisions, requirements, or limitations of this Code or any other law, any tax levied for educational purposes by a school district subject to the Property Tax Extension Limitation Law for the 2015 levy year or any subsequent levy year may be extended at a rate exceeding the rate established for educational purposes by referendum or this Code, provided that the rate does not cause the school district to exceed the limiting rate applicable to the school district under the Property Tax Extension Limitation Law for that levy year.

(105 ILCS 5/18-4.3) (from Ch. 122, par. 18-4.3)

Sec. 18-4.3. Summer school grants. Through fiscal year 2016, grants shall be determined for pupil attendance in summer schools conducted under Sections 10-22.33A and 34-18 and approved under Section 2-3.25 in the following manner.
The amount of grant for each accredited summer school attendance pupil shall be obtained by dividing the total amount of apportionments determined under Section 18-8.05 by the actual number of pupils in average daily attendance used for such apportionments. The number of credited summer school attendance pupils shall be determined (a) by counting clock hours of class instruction by pupils enrolled in grades 1 through 12 in approved courses conducted at least 60 clock hours in summer sessions; (b) by dividing such total of clock hours of class instruction by 4 to produce days of credited pupil attendance; (c) by dividing such days of credited pupil attendance by the actual number of days in the regular term as used in computation in the general apportionment in Section 18-8.05; and (d) by multiplying by 1.25.

The amount of the grant for a summer school program approved by the State Superintendent of Education for children with disabilities, as defined in Sections 14-1.02 through 14-1.07, shall be determined in the manner contained above except that average daily membership shall be utilized in lieu of average daily attendance.

In the case of an apportionment based on summer school attendance or membership pupils, the claim therefor shall be presented as a separate claim for the particular school year in which such summer school session ends. On or before November 1 of each year the superintendent of each eligible school district shall certify to the State Superintendent of Education
the claim of the district for the summer session just ended. Failure on the part of the school board to so certify shall constitute a forfeiture of its right to such payment. The State Superintendent of Education shall transmit to the Comptroller no later than December 15th of each year vouchers for payment of amounts due school districts for summer school. The State Superintendent of Education shall direct the Comptroller to draw his warrants for payments thereof by the 30th day of December. If the money appropriated by the General Assembly for such purpose for any year is insufficient, it shall be apportioned on the basis of claims approved.

However, notwithstanding the foregoing provisions, for each fiscal year the money appropriated by the General Assembly for the purposes of this Section shall only be used for grants for approved summer school programs for those children with disabilities served pursuant to Section 14-7.02 or 14-7.02b of this Code.

No funding shall be provided to school districts under this Section after fiscal year 2016.

(Source: P.A. 93-1022, eff. 8-24-04.)

(105 ILCS 5/18-8.05)

Sec. 18-8.05. Basis for apportionment of general State financial aid and supplemental general State aid to the common schools for the 1998-1999 through the 2015-2016 and subsequent school years.
(A) General Provisions.

(1) The provisions of this Section relating to the calculation and apportionment of general State financial aid and supplemental general State aid apply to the 1998-1999 through the 2015-2016 and subsequent school years. The system of general State financial aid provided for in this Section is designed to assure that, through a combination of State financial aid and required local resources, the financial support provided each pupil in Average Daily Attendance equals or exceeds a prescribed per pupil Foundation Level. This formula approach imputes a level of per pupil Available Local Resources and provides for the basis to calculate a per pupil level of general State financial aid that, when added to Available Local Resources, equals or exceeds the Foundation Level. The amount of per pupil general State financial aid for school districts, in general, varies in inverse relation to Available Local Resources. Per pupil amounts are based upon each school district's Average Daily Attendance as that term is defined in this Section.

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

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

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

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

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

(d) (Blank).

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

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

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

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

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

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

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

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

(B) Foundation Level.

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

(2) For the 1998-1999 school year, the Foundation Level of
support is $4,225. For the 1999-2000 school year, the
Foundation Level of support is $4,325. For the 2000-2001 school
year, the Foundation Level of support is $4,425. For the
2001-2002 school year and 2002-2003 school year, the Foundation
Level of support is $4,560. For the 2003-2004 school year, the Foundation Level of support is $4,810. For the 2004-2005 school year, the Foundation Level of support is $4,964. For the 2005-2006 school year, the Foundation Level of support is $5,164. For the 2006-2007 school year, the Foundation Level of support is $5,334. For the 2007-2008 school year, the Foundation Level of support is $5,734. For the 2008-2009 school year, the Foundation Level of support is $5,959.

(3) For the 2009-2010 school year and each school year thereafter, the Foundation Level of support is $6,119 or such greater amount as may be established by law by the General Assembly.

(C) Average Daily Attendance.

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

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

(D) Available Local Resources.

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

(2) In determining a school district's revenue from local property taxes, the State Board of Education shall utilize the equalized assessed valuation of all taxable property of each school district as of September 30 of the previous year. The equalized assessed valuation utilized shall be obtained and determined as provided in subsection (G).
For school districts maintaining grades kindergarten through 12, local property tax revenues per pupil shall be calculated as the product of the applicable equalized assessed valuation for the district multiplied by 3.00%, and divided by the district's Average Daily Attendance figure. For school districts maintaining grades kindergarten through 8, local property tax revenues per pupil shall be calculated as the product of the applicable equalized assessed valuation for the district multiplied by 2.30%, and divided by the district's Average Daily Attendance figure. For school districts maintaining grades 9 through 12, local property tax revenues per pupil shall be the applicable equalized assessed valuation of the district multiplied by 1.05%, and divided by the district's Average Daily Attendance figure.

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

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

(E) Computation of General State Aid.

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

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

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

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

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

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

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

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

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

Except as otherwise provided in this Section, days of attendance by pupils shall be counted only for sessions of not less than 5 clock hours of school work per day under direct supervision of: (i) teachers, or (ii) non-teaching personnel or volunteer personnel when engaging in non-teaching duties and supervising in those instances specified in subsection (a) of Section 10-22.34 and paragraph 10 of Section 34-18, with pupils of legal school age and in kindergarten and grades 1 through 12. Days of attendance by pupils through verified participation in an e-learning program approved by the State Board of Education under Section 10-20.56 of the Code shall be considered as full days of attendance for purposes of this Section.

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

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

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

(b) (Blank).

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

(d) A session of 3 or more clock hours may be counted
as a day of attendance (1) when the remainder of the school
day or at least 2 hours in the evening of that day is
utilized for an in-service training program for teachers,
up to a maximum of 5 days per school year, provided a
district conducts an in-service training program for
teachers in accordance with Section 10-22.39 of this Code;
or, in lieu of 4 such days, 2 full days may be used, in
which event each such day may be counted as a day required
for a legal school calendar pursuant to Section 10-19 of
this Code; (1.5) when, of the 5 days allowed under item
(1), a maximum of 4 days are used for parent-teacher
conferences, or, in lieu of 4 such days, 2 full days are
used, in which case each such day may be counted as a calendar day required under Section 10-19 of this Code, provided that the full-day, parent-teacher conference consists of (i) a minimum of 5 clock hours of parent-teacher conferences, (ii) both a minimum of 2 clock hours of parent-teacher conferences held in the evening following a full day of student attendance, as specified in subsection (F)(1)(c), and a minimum of 3 clock hours of parent-teacher conferences held on the day immediately following evening parent-teacher conferences, or (iii) multiple parent-teacher conferences held in the evenings following full days of student attendance, as specified in subsection (F)(1)(c), in which the time used for the parent-teacher conferences is equivalent to a minimum of 5 clock hours; and (2) when days in addition to those provided in items (1) and (1.5) are scheduled by a school pursuant to its school improvement plan adopted under Article 34 or its revised or amended school improvement plan adopted under Article 2, provided that (i) such sessions of 3 or more clock hours are scheduled to occur at regular intervals, (ii) the remainder of the school days in which such sessions occur are utilized for in-service training programs or other staff development activities for teachers, and (iii) a sufficient number of minutes of school work under the direct supervision of teachers are added to the school days between such regularly scheduled
sessions to accumulate not less than the number of minutes by which such sessions of 3 or more clock hours fall short of 5 clock hours. Any full days used for the purposes of this paragraph shall not be considered for computing average daily attendance. Days scheduled for in-service training programs, staff development activities, or parent-teacher conferences may be scheduled separately for different grade levels and different attendance centers of the district.

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

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

(g) For children with disabilities who are below the age of 6 years and who cannot attend 2 or more clock hours because of their disability or immaturity, a session of not less than one clock hour may be counted as 1/2 day of attendance; however for such children whose educational needs so require a session of 4 or more clock hours may be
(h) A recognized kindergarten which provides for only 1/2 day of attendance by each pupil shall not have more than 1/2 day of attendance counted in any one day. However, kindergartens may count 2 1/2 days of attendance in any 5 consecutive school days. When a pupil attends such a kindergarten for 2 half days on any one school day, the pupil shall have the following day as a day absent from school, unless the school district obtains permission in writing from the State Superintendnet of Education.

Attendance at kindergartens which provide for a full day of attendance by each pupil shall be counted the same as attendance by first grade pupils. Only the first year of attendance in one kindergarten shall be counted, except in case of children who entered the kindergarten in their fifth year whose educational development requires a second year of kindergarten as determined under the rules and regulations of the State Board of Education.

(i) On the days when the assessment that includes a college and career ready determination is administered under subsection (c) of Section 2-3.64a-5 of this Code, the day of attendance for a pupil whose school day must be shortened to accommodate required testing procedures may be less than 5 clock hours and shall be counted towards the 176 days of actual pupil attendance required under Section 10-19 of this Code, provided that a sufficient number of
minutes of school work in excess of 5 clock hours are first completed on other school days to compensate for the loss of school work on the examination days.

(j) Pupils enrolled in a remote educational program established under Section 10-29 of this Code may be counted on the basis of one-fifth day of attendance for every clock hour of instruction attended in the remote educational program, provided that, in any month, the school district may not claim for a student enrolled in a remote educational program more days of attendance than the maximum number of days of attendance the district can claim (i) for students enrolled in a building holding year-round classes if the student is classified as participating in the remote educational program on a year-round schedule or (ii) for students enrolled in a building not holding year-round classes if the student is not classified as participating in the remote educational program on a year-round schedule.

(G) Equalized Assessed Valuation Data.

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

The Department of Revenue shall add to the equalized
assessed value of all taxable property of each school district
situated entirely or partially within a county that is or was
subject to the provisions of Section 15-176 or 15-177 of the
Property Tax Code (a) an amount equal to the total amount by
which the homestead exemption allowed under Section 15-176 or
15-177 of the Property Tax Code for real property situated in
that school district exceeds the total amount that would have
been allowed in that school district if the maximum reduction
under Section 15-176 was (i) $4,500 in Cook County or $3,500 in
all other counties in tax year 2003 or (ii) $5,000 in all
counties in tax year 2004 and thereafter and (b) an amount
equal to the aggregate amount for the taxable year of all
additional exemptions under Section 15-175 of the Property Tax
Code for owners with a household income of $30,000 or less. The
county clerk of any county that is or was subject to the
provisions of Section 15-176 or 15-177 of the Property Tax Code
shall annually calculate and certify to the Department of
Revenue for each school district all homestead exemption
amounts under Section 15-176 or 15-177 of the Property Tax Code
and all amounts of additional exemptions under Section 15-175
of the Property Tax Code for owners with a household income of
$30,000 or less. It is the intent of this paragraph that if the general homestead exemption for a parcel of property is determined under Section 15-176 or 15-177 of the Property Tax Code rather than Section 15-175, then the calculation of Available Local Resources shall not be affected by the difference, if any, between the amount of the general homestead exemption allowed for that parcel of property under Section 15-176 or 15-177 of the Property Tax Code and the amount that would have been allowed had the general homestead exemption for that parcel of property been determined under Section 15-175 of the Property Tax Code. It is further the intent of this paragraph that if additional exemptions are allowed under Section 15-175 of the Property Tax Code for owners with a household income of less than $30,000, then the calculation of Available Local Resources shall not be affected by the difference, if any, because of those additional exemptions.

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

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

(a) For the purposes of calculating State aid under this Section, with respect to any part of a school district within a redevelopment project area in respect to which a municipality has adopted tax increment allocation financing pursuant to the Tax Increment Allocation
Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11 of the Illinois Municipal Code or the Industrial Jobs Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the Illinois Municipal Code, no part of the current equalized assessed valuation of real property located in any such project area which is attributable to an increase above the total initial equalized assessed valuation of such property shall be used as part of the equalized assessed valuation of the district, until such time as all redevelopment project costs have been paid, as provided in Section 11-74.4-8 of the Tax Increment Allocation Redevelopment Act or in Section 11-74.6-35 of the Industrial Jobs Recovery Law. For the purpose of the equalized assessed valuation of the district, the total initial equalized assessed valuation or the current equalized assessed valuation, whichever is lower, shall be used until such time as all redevelopment project costs have been paid.

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

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

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

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

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

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

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

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

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

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

If a school district is subject to property tax extension limitations as imposed under the Property Tax Extension Limitation Law, the State Board of Education shall calculate the Extension Limitation Equalized Assessed Valuation of that district. For the 1999-2000 school year, the Extension Limitation Equalized Assessed Valuation of a school district as calculated by the State Board of Education shall be equal to the product of the district's 1996 Equalized Assessed Valuation and the district's Extension Limitation Ratio. Except as otherwise provided in this paragraph for a school district that has approved or does approve an increase in its limiting rate, for the 2000-2001 school year and each school year thereafter, the Extension Limitation Equalized Assessed Valuation of a school district as calculated by the State Board of Education shall be equal to the product of the Equalized Assessed Valuation last used in the calculation of general State aid and the district's Extension Limitation Ratio. If the Extension
Limitation Equalized Assessed Valuation of a school district as calculated under this subsection (G)(3) is less than the district's equalized assessed valuation as calculated pursuant to subsections (G)(1) and (G)(2), then for purposes of calculating the district's general State aid for the Budget Year pursuant to subsection (E), that Extension Limitation Equalized Assessed Valuation shall be utilized to calculate the district's Available Local Resources under subsection (D). For the 2009-2010 school year and each school year thereafter, if a school district has approved or does approve an increase in its limiting rate, pursuant to Section 18-190 of the Property Tax Code, affecting the Base Tax Year, the Extension Limitation Equalized Assessed Valuation of the school district, as calculated by the State Board of Education, shall be equal to the product of the Equalized Assessed Valuation last used in the calculation of general State aid times an amount equal to one plus the percentage increase, if any, in the Consumer Price Index for all Urban Consumers for all items published by the United States Department of Labor for the 12-month calendar year preceding the Base Tax Year, plus the Equalized Assessed Valuation of new property, annexed property, and recovered tax increment value and minus the Equalized Assessed Valuation of disconnected property. New property and recovered tax increment value shall have the meanings set forth in the Property Tax Extension Limitation Law.

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

(3.5) For the 2010-2011 school year and each school year thereafter, if a school district's boundaries span multiple counties, then the Department of Revenue shall send to the State Board of Education, for the purpose of calculating general State aid, the limiting rate and individual rates by purpose for the county that contains the majority of the school district's Equalized Assessed Valuation.

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

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

(H) Supplemental General State Aid.

(1) In addition to the general State aid a school district
is allotted pursuant to subsection (E), qualifying school
districts shall receive a grant, paid in conjunction with a
district's payments of general State aid, for supplemental
general State aid based upon the concentration level of
children from low-income households within the school
district. Supplemental State aid grants provided for school
districts under this subsection shall be appropriated for
distribution to school districts as part of the same line item
in which the general State financial aid of school districts is
appropriated under this Section.

(1.5) This paragraph (1.5) applies only to those school
years preceding the 2003-2004 school year. For purposes of this
subsection (H), the term "Low-Income Concentration Level"
shall be the low-income eligible pupil count from the most
recently available federal census divided by the Average Daily
Attendance of the school district. If, however, (i) the
percentage decrease from the 2 most recent federal censuses in
the low-income eligible pupil count of a high school district
with fewer than 400 students exceeds by 75% or more the
percentage change in the total low-income eligible pupil count
of contiguous elementary school districts, whose boundaries
are coterminous with the high school district, or (ii) a high
school district within 2 counties and serving 5 elementary
school districts, whose boundaries are coterminous with the
high school district, has a percentage decrease from the 2 most
recent federal censuses in the low-income eligible pupil count
and there is a percentage increase in the total low-income
eligible pupil count of a majority of the elementary school
districts in excess of 50% from the 2 most recent federal
censuses, then the high school district's low-income eligible
pupil count from the earlier federal census shall be the number
used as the low-income eligible pupil count for the high school
district, for purposes of this subsection (H). The changes made
to this paragraph (1) by Public Act 92-28 shall apply to supplemental general State aid grants for school years preceding the 2003-2004 school year that are paid in fiscal year 1999 or thereafter and to any State aid payments made in fiscal year 1994 through fiscal year 1998 pursuant to subsection 1(n) of Section 18-8 of this Code (which was repealed on July 1, 1998), and any high school district that is affected by Public Act 92-28 is entitled to a recomputation of its supplemental general State aid grant or State aid paid in any of those fiscal years. This recomputation shall not be affected by any other funding.

(1.10) This paragraph (1.10) applies to the 2003-2004 school year and each school year thereafter through the 2015-2016 school year. For purposes of this subsection (H), the term "Low-Income Concentration Level" shall, for each fiscal year, be the low-income eligible pupil count as of July 1 of the immediately preceding fiscal year (as determined by the Department of Human Services based on the number of pupils who are eligible for at least one of the following low income programs: Medicaid, the Children's Health Insurance Program, TANF, or Food Stamps, excluding pupils who are eligible for services provided by the Department of Children and Family Services, averaged over the 2 immediately preceding fiscal years for fiscal year 2004 and over the 3 immediately preceding fiscal years for each fiscal year thereafter) divided by the Average Daily Attendance of the school district.
(2) Supplemental general State aid pursuant to this subsection (H) shall be provided as follows for the 1998-1999, 1999-2000, and 2000-2001 school years only:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For the 2003-2004 school year and each school year thereafter through the 2008-2009 school year only, the grant shall be no less than the grant for the 2002-2003 school year. For the 2009-2010 school year only, the grant shall be no less than the grant for the 2002-2003 school year multiplied by 0.66. For the 2010-2011 school year only, the grant shall be no less than the grant for the 2002-2003 school year multiplied by 0.33. Notwithstanding the provisions of this paragraph to the contrary, if for any school year supplemental general State aid grants are prorated as provided in paragraph (1) of this subsection (H), then the grants under this paragraph shall be
prorated.

For the 2003-2004 school year only, the grant shall be no
greater than the grant received during the 2002-2003 school
year added to the product of 0.25 multiplied by the difference
between the grant amount calculated under subsection (a) or (b)
of this paragraph (2.10), whichever is applicable, and the
grant received during the 2002-2003 school year. For the
2004-2005 school year only, the grant shall be no greater than
the grant received during the 2002-2003 school year added to
the product of 0.50 multiplied by the difference between the
grant amount calculated under subsection (a) or (b) of this
paragraph (2.10), whichever is applicable, and the grant
received during the 2002-2003 school year. For the 2005-2006
school year only, the grant shall be no greater than the grant
received during the 2002-2003 school year added to the product
of 0.75 multiplied by the difference between the grant amount
calculated under subsection (a) or (b) of this paragraph
(2.10), whichever is applicable, and the grant received during
the 2002-2003 school year.

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

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

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

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

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

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

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

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

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

If the district fails to distribute State aid to attendance centers in accordance with an approved plan, the plan for the following year shall allocate funds, in addition to the funds otherwise required by this subsection, to those attendance centers which were underfunded during the previous year in amounts equal to such underfunding.
For purposes of determining compliance with this subsection in relation to the requirements of attendance center funding, each district subject to the provisions of this subsection shall submit as a separate document by December 1 of each year a report of expenditure data for the prior year in addition to any modification of its current plan. If it is determined that there has been a failure to comply with the expenditure provisions of this subsection regarding contravention or supplanting, the State Superintendent of Education shall, within 60 days of receipt of the report, notify the district and any affected local school council. The district shall within 45 days of receipt of that notification inform the State Superintendent of Education of the remedial or corrective action to be taken, whether by amendment of the current plan, if feasible, or by adjustment in the plan for the following year. Failure to provide the expenditure report or the notification of remedial or corrective action in a timely manner shall result in a withholding of the affected funds.

The State Board of Education shall promulgate rules and regulations to implement the provisions of this subsection. No funds shall be released under this subdivision (H)(4) to any district that has not submitted a plan that has been approved by the State Board of Education.
(K) Grants to Laboratory and Alternative Schools.

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

As used in this Section, "laboratory school" means a public school which is created and operated by a public university and approved by the State Board of Education. The governing board of a public university which receives funds from the State Board under this subsection (K) or subsection (i) of Section 18-8.15 of this Code may not increase the number of students enrolled in its laboratory school from a single district, if that district is already sending 50 or more students, except under a mutual agreement between the school board of a student's district of residence and the university which operates the laboratory school. A laboratory school may not have more than 1,000 students, excluding students with disabilities in a special education program.

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

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

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

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

(2) (Blank).

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

(M) Education Funding Advisory Board.

The Education Funding Advisory Board, hereinafter in this
subsection (M) referred to as the "Board", is hereby created.
The Board shall consist of 5 members who are appointed by the
Governor, by and with the advice and consent of the Senate. The
members appointed shall include representatives of education,
business, and the general public. One of the members so
appointed shall be designated by the Governor at the time the
appointment is made as the chairperson of the Board. The
initial members of the Board may be appointed any time after
the effective date of this amendatory Act of 1997. The regular term of each member of the Board shall be for 4 years from the third Monday of January of the year in which the term of the member's appointment is to commence, except that of the 5 initial members appointed to serve on the Board, the member who is appointed as the chairperson shall serve for a term that commences on the date of his or her appointment and expires on the third Monday of January, 2002, and the remaining 4 members, by lots drawn at the first meeting of the Board that is held after all 5 members are appointed, shall determine 2 of their number to serve for terms that commence on the date of their respective appointments and expire on the third Monday of January, 2001, and 2 of their number to serve for terms that commence on the date of their respective appointments and expire on the third Monday of January, 2000. All members appointed to serve on the Board shall serve until their respective successors are appointed and confirmed. Vacancies shall be filled in the same manner as original appointments. If a vacancy in membership occurs at a time when the Senate is not in session, the Governor shall make a temporary appointment until the next meeting of the Senate, when he or she shall appoint, by and with the advice and consent of the Senate, a person to fill that membership for the unexpired term. If the Senate is not in session when the initial appointments are made, those appointments shall be made as in the case of vacancies.
The Education Funding Advisory Board shall be deemed established, and the initial members appointed by the Governor to serve as members of the Board shall take office, on the date that the Governor makes his or her appointment of the fifth initial member of the Board, whether those initial members are then serving pursuant to appointment and confirmation or pursuant to temporary appointments that are made by the Governor as in the case of vacancies.

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

For school years after the 2000-2001 school year through the 2015-2016 school year, the Education Funding Advisory Board, in consultation with the State Board of Education, shall make recommendations as provided in this subsection (M) to the General Assembly for the foundation level under subdivision (B)(3) of this Section and for the supplemental general State aid grant level under subsection (H) of this Section for districts with high concentrations of children from poverty. The recommended foundation level shall be determined based on a methodology which incorporates the basic education expenditures of low-spending schools exhibiting high academic performance. The Education Funding Advisory Board shall make such recommendations to the General Assembly on January 1 of odd numbered years, beginning January 1, 2001. After the
2015-2016 school year, the Education Funding Advisory Board shall make recommendations pursuant to subsection (k) of Section 18-8.15 of this Code.

(N) (Blank).

(O) References.

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

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

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

(Q) State Fiscal Year 2015 Payments.

For payments made for State fiscal year 2015, the State Board of Education shall, for each school district, calculate
that district's pro-rata share of a minimum sum of $13,600,000 or additional amounts as needed from the total net General State Aid funding as calculated under this Section that shall be deemed attributable to the provision of special educational facilities and services, as defined in Section 14-1.08 of this Code, in a manner that ensures compliance with maintenance of State financial support requirements under the federal Individuals with Disabilities Education Act. Each school district must use such funds only for the provision of special educational facilities and services, as defined in Section 14-1.08 of this Code, and must comply with any expenditure verification procedures adopted by the State Board of Education.

(Source: P.A. 98-972, eff. 8-15-14; 99-2, eff. 3-26-15; 99-194, eff. 7-30-15.)

(105 ILCS 5/18-8.10)
Sec. 18-8.10. Fast growth grants.
(a) If there has been an increase in a school district's student population over the most recent 2 school years of (i) over 1.5% in a district with over 10,000 pupils in average daily attendance (as defined in Section 18-8.05 or 18-8.15 of this Code) or (ii) over 7.5% in any other district, then the district is eligible for a grant under this Section, subject to appropriation.
(b) The State Board of Education shall determine a per
pupil grant amount for each school district. The total grant amount for a district for any given school year shall equal the per pupil grant amount multiplied by the difference between the number of pupils in average daily attendance for the 2 most recent school years.

(c) Funds for grants under this Section must be appropriated to the State Board of Education in a separate line item for this purpose. If the amount appropriated in any fiscal year is insufficient to pay all grants for a school year, then the amount appropriated shall be prorated among eligible districts. As soon as possible after funds have been appropriated to the State Board of Education, the State Board of Education shall distribute the grants to eligible districts.

(d) If a school district intentionally reports incorrect average daily attendance numbers to receive a grant under this Section, then the district shall be denied State aid in the same manner as State aid is denied for intentional incorrect reporting of average daily attendance numbers under Section 18-8.05 or 18-8.15 of this Code.

(Source: P.A. 93-1042, eff. 10-8-04.)

(105 ILCS 5/18-8.15 new)

Sec. 18-8.15. Basis for apportionment of primary State financial aid to the common schools for the 2016-2017 and subsequent school years.

(a) General provisions.
(1) The provisions of this Section apply to the 2016-2017 and subsequent school years. The system of primary State financial aid provided for in this Section is designed to ensure that, through a combination of State financial aid and required local resources, the financial support provided each pupil in attendance equals or exceeds a prescribed per pupil Foundation Level, with adjustments to the Foundation Level based on each school district's pupil characteristics. This formula approach imputes a level of per pupil Available Local Resources and provides for the basis to calculate a per pupil level of primary State financial aid that, when added to Available Local Resources, equals or exceeds the school district's adjusted Foundation Level. The amount of per pupil primary State financial aid for school districts, in general, varies in inverse relation to Available Local Resources.

(2) To address decreases in State funding resulting from this amendatory Act of the 99th General Assembly, the amount of primary State aid provided to a school district shall be subject to increase through supplemental grants as provided in subsection (h) of this Section. Any supplemental grants provided for school districts under subsection (h) of this Section shall be appropriated for distribution to school districts as part of the same line item in which the primary State financial aid of school districts is appropriated under this Section.

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

(A) Any school district that fails, for any given school year, to maintain school as required by law or to maintain a recognized school is not eligible to receive financial assistance under this Section. In case of non-recognition of one or more attendance centers in a school district otherwise operating recognized schools, the claim of the district shall be reduced in the proportion that the enrollment in the attendance center or centers bears to the enrollment in the school district. A "recognized school" means any public school that meets the standards established for recognition by the State Board of Education. A school district or attendance center not having recognition status at the end of a school term is entitled to receive State aid payments due upon a legal claim that was filed while it was recognized.

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

(C) If a school district operates a full-year school under Section 10-19.1 of this Code, the primary State aid to the school district shall be determined by the State Board of Education in accordance with this Section as near as may be applicable.

(4) Subject to the requirements of subsection (j) of this
Section, the school board of any district receiving any of the grants provided for in this Section may apply those funds to any fund so received for which that school board is authorized to make expenditures by law.

(5) As used in this Section, the following terms, when capitalized, shall have the meanings ascribed in this paragraph:

(5):

"Additional Weight" means a number added to 1.0 to calculate the District Weighted Average in accordance with subsection (b) of this Section. Each Additional Weight is calculated using the Weighting Factors and Weighting Percentages in paragraph (5) of subsection (b) of this Section.

"Adequacy Grant Loss" means the product of (i) the absolute value of the lesser loss of a school district's Base Year Loss or Current Year Loss and (ii) the school district's Prior Year ADA.

"Adequacy Target" means, for a particular school district, the product of $8,672 and the school district's District Weighted Average.

"Adequacy Target Percent" means, for a particular school district, the percentage figure resulting from dividing the school district's operating expense per pupil by its Adequacy Target.

"Adjusted Flat Grant Level" means, for each school district not subject to property tax extension limitations as imposed under the Property Tax Extension Limitation Law, the Flat Grant
Level multiplied by the percentage, if any, of which the school district's combined tax rate for educational and operations and maintenance purposes is of the maximum combined tax rates for educational and operations and maintenance purposes specified for that type of school district under Section 17-2 of this Code. For a school district subject to property tax extension limitations as imposed under the Property Tax Extension Limitation Law or a school district whose combined tax rate for educational and operations and maintenance purposes is at least the maximum combined tax rates for educational and operations and maintenance purposes specified for that type of school district under Section 17-2 of this Code, the Adjusted Flat Grant Level is equal to the Flat Grant Level.

"Advanced Standing Pupil" means a pupil in grades 9 through 12 who has completed (i) one or more Advanced Placement courses and received a score of 3 or higher on an Advanced Placement examination or (ii) a course providing dual credit through an Illinois public community college or university in which the student was awarded at least 3 credit hours of postsecondary education credit.

"Alternative School" means a public school that is created and operated by a regional superintendent of schools and approved by the State Board of Education.

"Available Local Resources Per Pupil" means a computation of local financial support, calculated on the basis of Average Daily Attendance and derived as provided pursuant to subsection
(d) of this Section.

"Average Daily Attendance" or "ADA" means the count of pupils in attendance derived as provided pursuant to subsection (c) of this Section.

"Base Tax Year" means the property tax levy year used to calculate the Budget Year allocation of primary State aid.

"Base Tax Year's Extension" means the product of the equalized assessed valuation utilized by the county clerk in the Base Tax Year multiplied by the limiting rate as calculated by the county clerk and defined in the Property Tax Extension Limitation Law.

"Base Year Loss" means the amount, if any, by which a school district's per-pupil primary State aid allotment in the 2016-2017 school year is less than its Per-pupil Hold Harmless State Funding, after accounting for any supplemental grants to the school district pursuant to paragraphs (2) and (3) of subsection (h) of this Section.

"Budget Year" means the school year for which primary State aid is calculated and awarded under subsection (e) of this Section.

"Career Pathway Completer" means a pupil who has graduated from high school and completed a Career Pathway Program in accordance with requirements established by the State Board of Education.

"Career Pathway Participant" means a pupil in grades 10 through 12 participating in a Career Pathway Program in
accordance with requirements established by the State Board of Education.

"Career Pathway Program" means a series of connected education and training strategies and support services meeting the requirements of this definition and other requirements established by the State Board of Education that enable individuals to secure credentials and degrees with labor market value, prepare for employment within an occupational area, and advance to higher levels of future education and employment in that area. Career pathway programs must incorporate (i) rigorous academics that prepare students for success in community colleges and universities, as well as in apprenticeship and other postsecondary training programs; (ii) career-based learning through at least 2 years of sequenced coursework or equivalent competencies emphasizing practical application within a particular sector and occupational area; (iii) professional learning, via job shadowing, apprenticeships, internships, or other professional skill-building opportunities; (iv) support services that include academic and career counseling and planning; and (v) opportunities for attainment of stackable credentials and degrees with labor market value.

"Corporate Personal Property Replacement Taxes" means funds paid to school districts pursuant to "An Act in relation to the abolition of ad valorem personal property tax and the replacement of revenues lost thereby, and amending and

"Current Year Loss" means the amount, if any, by which a school district's per-pupil primary State aid allotment in any school year after the 2016-2017 school year is less than its Per-pupil Hold Harmless State Funding, after accounting for any supplemental grants to the school district pursuant to paragraphs (2) and (3) of subsection (h) of this Section.

"DHS Low-income Eligible Count" means the low-income eligible pupil count as determined by the Department of Human Services (based on the number of pupils who are eligible for at least one of the following low-income programs: Medicaid, the Children's Health Insurance Program, TANF, or the Supplemental Nutrition Assistance Program, excluding pupils who are eligible for services provided by the Department of Children and Family Services) averaged over the 3 immediately preceding fiscal years, based on the count as of July 1 of each fiscal year.

"District Weighted Average" means a figure used to derive a school district's Per-pupil Aid level, calculated pursuant to subsection (b) of this Section.

"English Learner Pupil" means an English learner, as defined in Section 14C-2 of this Code, participating in a program of transitional bilingual education or a transitional program of instruction meeting the requirements of Article 14C
of this Code.

"Extension Limitation Equalized Assessed Valuation" means a figure calculated by the State Board of Education pursuant to paragraph (2) of subsection (h) of this Section for school districts subject to property tax extension limitations as imposed under the Property Tax Extension Limitation Law.

"Extension Limitation Ratio" means a numerical ratio in which the numerator is the Base Tax Year's Tax Extension and the denominator is the Preceding Tax Year's Tax Extension.

"Flat Grant Level" means a dollar amount equal to 3.0% of a school district's Weighted Foundation Level.

"Foundation Level" means a prescribed level of per pupil financial support, as provided for in subsection (b) of this Section.

"Gifted Pupil" means a pupil in kindergarten through grade 8 receiving services through a program for gifted and talented children that has been approved by a school board and that is described on a school district's Internet website.

"Hold Harmless State Funding" means the amount of State funds allotted to a school district, Laboratory School, or Alternative School during the 2015-2016 school year pursuant to the following Sections of this Code, as calculated by the State Board of Education: Sections 18-8.05; 14-7.02b; 14-7.03, but only with respect to reimbursement for children from foster family homes; 14-13.01, except for reimbursement of the cost of transportation pursuant to that Section; 14C-12; and 18-4.3.
For a school district organized under Article 34 of this Code, "Hold Harmless State Funding" also includes the funds allotted to the school district pursuant to Section 1D-1 of this Code attributable to funding programs authorized by the Sections of this Code listed in this definition. "Laboratory School" means a public school that is created and operated by a public university and approved by the State Board of Education. "Low-income Pupil" means a pupil from a household with a household income level at or below 185% of the poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2). "Operating Tax Rate" means all school district property taxes extended for all purposes, except bond and interest, summer school, rent, capital improvement, and vocational education building purposes. "Per-pupil Aid" means a school district's Weighted Foundation Level less its Available Local Resources Per Pupil. "Per-pupil Hold Harmless State Funding" means a school district's Hold Harmless State Funding, divided by the school district's Average Daily Attendance figure as calculated pursuant to subsection (F) of Section 18-8.05 of this Code during the 2015-2016 school year. "Preceding Tax Year" means the property tax levy year immediately preceding the Base Tax Year.
"Preceding Tax Year's Tax Extension" means the product of the equalized assessed valuation utilized by the county clerk in the Preceding Tax Year multiplied by the Operating Tax Rate.

"Prior Year ADA" means the number of pupils within the count of pupils in attendance used for Average Daily Attendance calculations for the school year immediately preceding the school year for which primary State aid is calculated and awarded under subsection (e) of this Section.

"PTELL EAV floor school district" means either (i) a school district with an Adequacy Target Percent of 100% or higher (as calculated pursuant to paragraph (4) of subsection (h) of this Section, notwithstanding any limitations in that paragraph on the school years in which adequacy grants are administered) or (ii) a school district with an Adequacy Target Percent of less than 100% if the school district has an Operating Tax Rate that is 95% or lower than the applicable statewide weighted-average Operating Tax Rate for that type of school district (as calculated pursuant to paragraph (4) of subsection (h) of this Section, notwithstanding any limitations in that paragraph on the school years in which adequacy grants are administered).

"PTELL PSA Adjustment" means the amount of primary State aid a school district would receive under subsection (e) of this Section if the Extension Limitation Equalized Assessed Valuation was used for calculating the school district's primary State aid for the Budget Year instead of the district's equalized assessed valuation as calculated pursuant to
paragraphs (1) and (2) of subsection (g) of this Section.

"Residential Boarding School Program" means a residential school for students in jeopardy of academic failure and impacted by one or more adverse childhood experiences. A residential program includes:

(A) a remedial, regular, and gifted curriculum for school grades 2 through 8;

(B) a residential component focused on social and emotional well-being, safety, and life skills;

(C) extracurricular activities, including a military leadership program, vocational education program, music and art, athletics, and cultural events;

(D) health and mental health services;

(E) tutoring and a learning resource center that provides individualized and small group instruction;

(F) community service, volunteering, and service learning activities;

(G) a parent partnering program, which includes family therapy (if needed), home visits, and parental support and education and promotes familial integration into all aspects of programming;

(H) programs that are preventative for students, diverting them from such outcomes as:

   (i) reliance on social service programs;

   (ii) dangerous behaviors;

   (iii) untreated or unmanaged mental and medical
illnesses;

(iv) unemployment;

(v) crime; and

(vi) involvement with the justice system;

(I) year-round programming, including summer camp and academic enrichment; and

(J) Professional development focused on language arts and reading standards, mathematics standards, science standards, technology standards, and developmental or life skill standards using innovative and best practices for all students.

"Special Education Summer School Pupil" means a child with disabilities participating in a summer school program meeting the fiscal year 2016 eligibility requirements for a summer school grant under Section 18-4.3 of this Code.

"Statewide weighted-average" means an average calculation for all school districts in this State in which a weighting is assigned to each school district's quantity in the average calculation based on its Prior Year ADA.

"Total Primary State Aid" means the amount of primary State aid allotted to a school district pursuant to subsection (e) of this Section and any supplemental grants allotted pursuant to paragraphs (2), (3), and (4) of subsection (h) of this Section.

"Weighted Foundation Level" means the Foundation Level multiplied by the District Weighted Average.

"Weighted Foundation Level Budget" means, for a particular
school district, the Weighted Foundation Level multiplied by
the ADA.

"Weighting Factor" means, for each Additional Weight
classification in paragraph (5) of subsection (b) of this
Section, the amount multiplied by the Weighting Percentage to
calculate the Additional Weight figure.

"Weighting Percentage" means, for each Additional Weight
classification in paragraph (5) of subsection (b) of this
Section, the amount multiplied by the Weighting Factor to
calculate the Additional Weight figure.

(b) Foundation Level; weighting for district pupil
characteristics.

(1) The Foundation Level is a figure established by this
State representing the minimum level of per pupil financial
support that should be available to provide for the basic
education of each pupil in Average Daily Attendance in a public
school in this State. Then, for each school district, the
Foundation Level is weighted in accordance with the Additional
Weights set forth in paragraph (5) of this subsection (b) to
account for the pupil characteristics within that school
district, and, if applicable, a Regionalization Factor
determined pursuant to paragraph (6) of this subsection (b) is
applied to account for regional variation in wages. As set
forth in this Section, each school district is assumed to exert
a sufficient local taxing effort such that, in combination with
the aggregate of primary State financial aid provided the
district, an aggregate of State and local resources are available to meet the basic education needs of pupils in the district.

(2) Subject to paragraph (3) of this subsection (b), for the 2016-2017 school year and each school year thereafter, the Foundation Level of support is $6,119 or such greater amount as may be established by law by the General Assembly.

(3) If the appropriation in any fiscal year for primary State aid and the supplemental grants provided for in paragraphs (2) and (3) of subsection (h) of this Section is insufficient to pay the amounts required under the calculations set forth in this Section, then the State Board of Education shall adjust the Foundation Level to an amount so that the appropriation is sufficient to pay all primary State aid and the supplemental grants provided for in paragraphs (2) through (4) of subsection (h) of this Section.

(4) For each school district, the Foundation Level shall be adjusted by multiplying the Foundation Level by a District Weighted Average figure, resulting in the school district's Weighted Foundation Level. The District Weighted Average figure for a particular school district shall be a number equal to 1.0 plus each of the Additional Weights described in paragraph (5) of this subsection (b) applicable to that district. In addition, if applicable for a particular school district pursuant to paragraph (6) of this subsection (b), the 1.0 figure and each Additional Weight shall be multiplied by a
Regionalization Factor to determine its District Weighted Average calculation. For each Additional Weight, the figure included in the District Weighted Average prior to the application of any Regionalization Factor is the product of the Weighting Factor multiplied by the Weighting Percentage, as both are specified in paragraph (5) of this subsection (b). For each school district, the State Board of Education shall publicly report the district's District Weighted Average, Weighted Foundation Level, Additional Weights, Regionalization Factor multiplier, amount of the Weighted Foundation Level Budget attributable to each Additional Weight on an aggregate and per-student basis, and amount of primary State aid received attributable to each Additional Weight on an aggregate and per-student basis.

(5) Additional Weights:

(A) English Learner Pupils:

(i) Weighting Factor of 0.20; and

(ii) Weighting Percentage equal to the Prior Year ADA of English Learner Pupils, divided by the Prior Year ADA for all pupils.

(B) Low-Income Pupils: The higher of the weights determined through the following 2 methods:

(i) Regular low-income method:

(I) Weighting Factor of 0.25; and

(II) Weighting Percentage equal to the DHS Low-income Eligible Count, divided by the Prior
Year ADA for all pupils.

(ii) Low-income concentration method:

(I) Weighting Factor of 0.80 multiplied by the Weighting Percentage as calculated in accordance with the regular low-income method, provided that the Weighting Factor pursuant to this method shall not exceed 0.75; and

(II) Weighting Percentage equal to the Weighting Percentage as calculated in accordance with the regular low-income method.

(C) Children with disabilities:

(i) Weighting Factor of 1.0; and

(ii) Weighting Percentage equal to the higher of the percentages in the following items as applicable to each school district:

(I) a Weighting Percentage established by the State Board of Education prior to the start of each State fiscal year representative of the statewide weighted-average percentage of students with disabilities based on the most recent data collected by the State Board of Education; and

(II) Weighting Percentage under this item (II) for any school district that demonstrates, in accordance with requirements established by the State Board of Education, that the percentage of its students with disabilities exceeds the
representative statewide weighted-average percentage established pursuant to item (I) of this clause (ii). For any such school district, the Weighting Percentage shall equal the lesser of (i) the Prior Year ADA of the district's students with disabilities (as verified by the State Board of Education) divided by the Prior Year ADA for all pupils and (ii) the representative statewide weighted-average percentage established pursuant to item (I) of this clause (ii) plus 5 percentage points.

(D) Special Education Summer School Pupils:

(i) Weighting Factor of 0.03; and

(ii) Weighting Percentage equal to the Prior Year ADA of Special Education Summer School Pupils, divided by the Prior Year ADA for all pupils.

(E) Gifted Pupils:

(i) Weighting Factor of 0.01; and

(ii) Weighting Percentage equal to the Prior Year ADA of Gifted Pupils, divided by the Prior Year ADA for all pupils, provided that the Prior Year ADA of Gifted Pupils used for such calculation shall not exceed 5% of the Prior Year ADA for pupils in kindergarten through grade 8.

(F) Pupils in Kindergarten Providing a Full Day of Attendance Through Grade 3:
(i) Weighting Factor of 0.05; and
(ii) Weighting Percentage equal to the Prior Year ADA of pupils in kindergarten providing a full day of attendance through grade 3, divided by the Prior Year ADA for all pupils.

(G) Pupils in Grade 9:
(i) Weighting Factor of 0.15; and
(ii) Weighting Percentage equal to the Prior Year ADA of pupils in grade 9, divided by the Prior Year ADA for all pupils.

(H) In the 2018-2019 school year and subsequent school years, Advanced Standing Pupils, Career Pathway Participants, and Career Pathway Completers:
(i) For Advanced Standing Pupils:
(I) Weighting Factor of 0.02; and
(II) Weighting Percentage equal to the Prior Year ADA of Advanced Standing Pupils, divided by the Prior Year ADA for all pupils.
(ii) For Career Pathway Participants:
(I) Weighting Factor of 0.02; and
(II) Weighting Percentage equal to the Prior Year ADA of Career Pathway Participants, divided by the Prior Year ADA for all pupils.
(iii) For Career Pathway Completers:
(I) Weighting Factor of 0.02; and
(II) Weighting Percentage equal to the Prior Year ADA of Career Pathway Completers, divided by the Prior Year ADA for all pupils.
Year ADA of Career Pathway Completers, divided by the Prior Year ADA for all pupils.

(6) For each school district with a Regionalization Index Value higher than the statewide weighted-average Regionalization Index Value, the base value of 1.0 and each Additional Weight included in the calculation of its District Weighted Average shall be multiplied by a Regionalization Factor calculated in accordance with this paragraph (6). The Regionalization Factor shall equal the school district's Regionalization Index Value divided by the statewide weighted-average Regionalization Index Value for the most recent year that the data is compiled. For purposes of this paragraph (6), "Regionalization Index Value" means the Comparable Wage Index developed for the National Center for Education Statistics and published for each school district. This Index measures systematic, regional variations in the salaries of college graduates who are not educators. The State Board of Education may contract for the calculation of the Comparable Wage Index using the same methodology if the Comparable Wage Index developed for the National Center for Education Statistics becomes unavailable. For any school district that does not have a Comparable Wage Index, the State Board of Education shall estimate a Regionalization Index Value using reasonably available information.

(c) Average Daily Attendance.

(1) For purposes of calculating primary State aid pursuant
to subsection (e) of this Section, an Average Daily Attendance figure shall be utilized. The Average Daily Attendance figure for formula calculation purposes shall be the monthly average of the total number of pupils in attendance for each school district, as further averaged for the best 3 months of pupil attendance for each school district. In compiling the figures for the number of pupils in attendance, school districts and the State Board of Education shall, for purposes of primary State aid funding, conform attendance figures to the requirements of subsection (f) of this Section.

(2) The Average Daily Attendance figures utilized in subsections (d) and (e) of this Section shall be the requisite attendance data for the school year immediately preceding the school year for which primary State aid is being calculated or the average of the attendance data for the 3 preceding school years, whichever is greater. The Average Daily Attendance figures utilized for subsection (b) of this Section shall be the requisite attendance data for the school year immediately preceding the school year for which primary State aid is being calculated.

(d) Available Local Resources Per Pupil.

(1) For purposes of calculating primary State aid pursuant to subsection (e) of this Section, a representation of Available Local Resources Per Pupil, as that term is defined and determined in this subsection (d), shall be utilized. Available Local Resources Per Pupil shall include a calculated
dollar amount representing school district revenues from local property taxes and from Corporate Personal Property Replacement Taxes, expressed on the basis of pupils in Average Daily Attendance.

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

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

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

(4) The Corporate Personal Property Replacement Taxes paid to each school district during the calendar year one year before the calendar year in which a school year begins, divided by the Average Daily Attendance figure for that district, shall be added to the local property tax revenues per pupil as derived by the application of paragraph (3) of this subsection (d). The sum of these per pupil figures for each school district shall constitute Available Local Resources Per Pupil as that term is utilized in subsection (e) of this Section in the calculation of primary State aid.

(e) Computation of primary State aid.

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

(2) Subject to paragraph (4) of this subsection (e), for any school district for which the Per-pupil Aid is more than the Flat Grant Level, primary State aid for that district shall
be in an amount equal to its Per-pupil Aid multiplied by its Average Daily Attendance figure.

(3) Subject to paragraph (4) of this subsection (e), for any school district for which the Per-pupil Aid is equal to or less than the Flat Grant Level, primary State aid for that district shall be in an amount equal to the Adjusted Flat Grant Level multiplied by the district's Average Daily Attendance figure.

(4) From financial assistance provided to school districts under this Section, the State Board of Education shall withhold the following amounts for the following purposes:

(A) For each school district with an Additional Weight for Pupils of Limited English-speaking Ability, the State Board of Education shall withhold an amount not exceeding one and one-half percent of the district's Weighted Foundation Level Budget attributable to Pupils of Limited English-speaking Ability for (i) State Board of Education staff for administration and (ii) contractual services by a not-for-profit entity for technical assistance, professional development, and other support to school districts and educators for services for these pupils. To be eligible to receive the contract under clause (ii) of this subdivision (A), the not-for-profit entity must have experience providing such services in a school district having a population exceeding 500,000; one or more school districts in any of the counties of Lake, McHenry, DuPage,
Kane, and Will; and one or more school districts elsewhere in this State.

(B) The State Board of Education shall withhold an amount not exceeding one-half percent of each school district's Weighted Foundation Level Budget attributable to children with disabilities and Special Education Summer School Pupils for State Board of Education staff and contractual services for administration, professional development, and support to school districts for services for children with disabilities. The State Board of Education shall use a portion of the withheld amounts for developing or supporting electronic individualized educational programs.

(f) Compilation of Average Daily Attendance.

(1) Each school district shall, on or before July 1 of each year, submit to the State Board of Education, in a manner prescribed by the State Board of Education, attendance figures for the school year that began in the preceding calendar year. The attendance information so transmitted shall identify the Average Daily Attendance figures for each month of the school year. School districts shall calculate Average Daily Attendance as provided in subdivisions (A), (B), and (C) of this paragraph (1).

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

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

(C) In districts in which some buildings, but not all, hold year-round classes, for the non-year-round buildings, days of attendance in August shall be added to the month of September and any days of attendance in June shall be added to the month of May. The Average Daily Attendance for the year-round buildings shall be computed as provided in subdivision (B) of this paragraph (1). To calculate the Average Daily Attendance for the district, the Average Daily Attendance for the year-round buildings shall be multiplied by the days in session for the non-year-round buildings for each month and added to the monthly attendance of the non-year-round buildings.

(2) For the 2016-2017 school year, days of attendance by pupils shall be counted in accordance with paragraphs (1) and (2) of subsection (F) of Section 18-8.05 of this Code. For the 2017-2018 and subsequent school years, days of attendance by pupils shall be counted in accordance with administrative rules adopted by the State Board of Education that address, without limitation, days of partial attendance, days utilized for in-service training and parent-teacher conferences, partial-day kindergarten, hospitalized or homebound students,
days when assessments are administered, remote educational programs, virtual learning, work-based learning, dual credit programs, and competency-based education. Such rules shall be adopted by the State Board of Education by no later than April 1, 2017.

(g) Equalized assessed valuation data.

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

The Department of Revenue shall add to the equalized assessed value of all taxable property of each school district situated entirely or partially within a county that is or was subject to the provisions of Section 15-176 or 15-177 of the Property Tax Code (A) an amount equal to the total amount by which the homestead exemption allowed under Section 15-176 or 15-177 of the Property Tax Code for real property situated in that school district exceeds the total amount that would have been allowed in that school district if the maximum reduction under Section 15-176 was $5,000 and (B) an amount equal to the
aggregate amount for the taxable year of all additional
exemptions under Section 15-175 of the Property Tax Code for
owners with a household income of $30,000 or less. The county
clerk of any county that is or was subject to the provisions of
Section 15-176 or 15-177 of the Property Tax Code shall
annually calculate and certify to the Department of Revenue for
each school district all homestead exemption amounts under
Section 15-176 or 15-177 of the Property Tax Code and all
amounts of additional exemptions under Section 15-175 of the
Property Tax Code for owners with a household income of $30,000
or less. It is the intent of this paragraph that if the general
homestead exemption for a parcel of property is determined
under Section 15-176 or 15-177 of the Property Tax Code rather
than Section 15-175, then the calculation of Available Local
Resources Per Pupil shall not be affected by the difference, if
any, between the amount of the general homestead exemption
allowed for that parcel of property under Section 15-176 or
15-177 of the Property Tax Code and the amount that would have
been allowed had the general homestead exemption for that
parcel of property been determined under Section 15-175 of the
Property Tax Code. It is further the intent of this paragraph
that if additional exemptions are allowed under Section 15-175
of the Property Tax Code for owners with a household income of
less than $30,000, then the calculation of Available Local
Resources Per Pupil shall not be affected by the difference, if
any, because of those additional exemptions.
This equalized assessed valuation, as adjusted further by the requirements of this subsection (g), shall be utilized in the calculation of Available Local Resources Per Pupil.

(2) The equalized assessed valuation in paragraph (1) of this subsection (g) shall be adjusted, as applicable, in the following manner:

(A) For the purposes of calculating primary State aid under this Section, with respect to any part of a school district within a redevelopment project area in respect to which a municipality has adopted tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11 of the Illinois Municipal Code, or the Industrial Jobs Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the Illinois Municipal Code, no part of the current equalized assessed valuation of real property located in any such project area that is attributable to an increase above the total initial equalized assessed valuation of such property shall be used as part of the equalized assessed valuation of the district, until such time as all redevelopment project costs have been paid, as provided in Section 11-74.4-8 of the Tax Increment Allocation Redevelopment Act or in Section 11-74.6-35 of the Industrial Jobs Recovery Law. For the purpose of the equalized assessed valuation of the district, the total initial equalized assessed valuation or the current
equalized assessed valuation, whichever is lower, shall be used until such time as all redevelopment project costs have been paid.

(B) The real property equalized assessed valuation for a school district shall be adjusted by subtracting from the real property value as equalized or assessed by the Department of Revenue for the district an amount computed by dividing the amount of any abatement of taxes under Section 18-170 of the Property Tax Code by 3.00% for a district maintaining grades kindergarten through 12, by 2.30% for a district maintaining grades kindergarten through 8, or by 1.05% for a district maintaining grades 9 through 12 and adjusted by an amount computed by dividing the amount of any abatement of taxes under subsection (a) of Section 18-165 of the Property Tax Code by the same percentage rates for district type as specified in this subdivision (B).

(3) If a school district's boundaries span multiple counties, then the Department of Revenue shall send to the State Board of Education, for the purpose of calculating primary State aid, the limiting rate and individual rates by purpose for the county that contains the majority of the school district's Equalized Assessed Valuation.

(h) Supplemental grants.

(1) The Total Primary State Aid a school district is allotted pursuant to this Section shall be subject to
adjustment as provided in this subsection (h). Any supplemental
grants allotted to school districts pursuant to this subsection
(h) shall be paid in conjunction with the school district's
payments of primary State aid. When calculating the
supplemental grants for a particular school district under this
Section, the State Board of Education shall first calculate the
supplemental grant, if any, under paragraph (2) of this
subsection (h) for school districts subject to property tax
extension limitations. The State Board of Education shall next
calculate the supplemental grant under paragraph (3) of this
subsection (h) if the school district has a per-pupil loss
exceeding $1,000. The State Board of Education shall then
calculate the amount of the adequacy grant, if any, to the
school district under paragraph (4) of this subsection (h).
Finally, the State Board of Education shall calculate the
supplemental grants specified in paragraph (5) of this
subsection (h).

(2) If a school district is subject to property tax
extension limitations as imposed under the Property Tax
Extension Limitation Law, a school district shall receive a
supplemental grant pursuant to this paragraph (2) to account
for the difference between its Extension Limitation Equalized
Assessed Valuation and the school district's equalized
assessed valuation as calculated under paragraphs (1) and (2)
of subsection (g) of this Section. The State Board of Education
shall calculate the Extension Limitation Equalized Assessed
Valuation of each district subject to property tax extension limitations as imposed under the Property Tax Extension Limitation Law. Except as otherwise provided in this paragraph (2) for a school district that has approved or does approve an increase in its limiting rate, the "Extension Limitation Equalized Assessed Valuation" of a school district as calculated by the State Board of Education shall be equal to the product of the equalized assessed valuation last used in the calculation of general State aid under Section 18-8.05 of this Code or primary State aid under this Section and the district's Extension Limitation Ratio. If a school district has approved or does approve an increase in its limiting rate, pursuant to Section 18-190 of the Property Tax Code, affecting the Base Tax Year, the Extension Limitation Equalized Assessed Valuation of the school district, as calculated by the State Board of Education, shall be equal to the product of the equalized assessed valuation last used in the calculation of general State aid pursuant to Section 18-8.05 of this Code or primary State aid pursuant to this Section times an amount equal to one plus the percentage increase, if any, in the Consumer Price Index for all Urban Consumers for all items published by the United States Department of Labor for the 12-month calendar year preceding the Base Tax Year, plus the equalized assessed valuation of new property, annexed property, and recovered tax increment value and minus the equalized assessed valuation of disconnected property. New
property and recovered tax increment value shall have the meanings set forth in the Property Tax Extension Limitation Law. Notwithstanding anything to the contrary contained in this paragraph (2), a PTELL EAV floor school district's Extension Limitation Equalized Assessed Valuation shall not be less than 85% of the district's equalized assessed valuation as calculated pursuant to paragraphs (1) and (2) of subsection (g) of this Section.

If the Extension Limitation Equalized Assessed Valuation of a school district as calculated under this paragraph (2) is less than the district's equalized assessed valuation as calculated pursuant to paragraphs (1) and (2) of subsection (g) of this Section, then the school district shall receive a supplemental grant equal to its PTELL PSA Adjustment as calculated by the State Board of Education.

(3) Notwithstanding anything to the contrary contained in this Section, if, for any school year through and including the 2023-2024 school year, a school district's per-pupil primary State aid allotment is less than its Per-pupil Hold Harmless State Funding by an amount exceeding $1,000, then the amount of primary State aid allotted to the school district shall be increased by a supplemental grant pursuant to this paragraph (3). The primary State aid supplemental grant shall equal an amount sufficient to raise the school district's per-pupil primary State aid allotment to an amount that is $1,000 less than the school district's Per-pupil Hold Harmless State
Funding. For purposes of this paragraph (3), a school district's per-pupil primary State aid allotment shall be calculated by the State Board of Education as the sum of the primary State aid allotted to the school district pursuant to subsection (e) of this Section and any supplemental grants pursuant to this paragraph (3) and paragraph (2) of this subsection (h), divided by the school district's Average Daily Attendance figure.

(4) Through and including the 2023-2024 school year, the State Board of Education shall administer the distribution of adequacy grants in accordance with this paragraph (4). Each school district with an Adequacy Target percent of less than 110% shall receive a supplemental adequacy grant calculated in accordance with subdivision (A) of this paragraph (4), subject to appropriations for such grants and the tax rate eligibility requirements and grant adjustment provisions of subdivision (B) of this paragraph (4). For purposes of calculating a school district's Adequacy Target percent, a school district's operating expense per pupil shall be the most recent figure calculated by the State Board of Education as of the start of the fiscal year for which the calculations in this paragraph (4) apply.

(A) Subject to subdivision (B) of this paragraph (4):

(i) a school district with an Adequacy Target percent of not more than 100% shall receive a supplemental adequacy grant equal to its Adequacy
Grant Loss;

(ii) a school district with an Adequacy Target percent of more than 100% but less than 110% shall receive a supplemental adequacy grant equal to the product of its Adequacy Grant Loss and a percent figure calculated as follows: 110% less the school district's Adequacy Target percent, with the resulting percent figure multiplied by 10; and

(iii) a school district with an Adequacy Target percent of 110% or higher shall not receive a supplemental adequacy grant pursuant to this paragraph (A).

(B) Beginning with the 2018-2019 school year, the State Board of Education shall calculate a statewide weighted-average Operating Tax Rate for each of the following school district types: school districts maintaining grades kindergarten through 12, school districts maintaining grades kindergarten through 8, and school districts maintaining grades 9 through 12. If a school district's Operating Tax Rate is at least 85% of the applicable statewide weighted-average Operating Tax Rate, the school district shall receive the full amount of the supplemental adequacy grant determined pursuant to subdivision (A) of this paragraph (4). If a school district's Operating Tax Rate is 75% or lower of the applicable statewide weighted-average Operating Tax Rate,
the school district shall not receive any supplemental adequacy grant under this paragraph (4). If a school district's Operating Tax Rate is more than 75% but less than 85% of the applicable statewide weighted-average Operating Tax Rate, the school district shall receive a supplemental adequacy grant equal to the product of (i) the amount of the total supplemental adequacy grant determined pursuant to subdivision (A) of this paragraph (4) and (ii) the percentage of which the school district's Operating Tax Rate is of the applicable statewide weighted-average Operating Tax Rate less 75%, with the resulting percent figure multiplied by 10.

(5) Notwithstanding anything to the contrary contained in this Section, the Total Primary State Aid allotted to a school district for the 2016-2017 through the 2019-2020 school years shall be subject to increase through supplemental grants as follows:

If, for the 2016-2017 school year, the Total Primary State Aid is less than Hold Harmless State Funding, then the amount of primary State aid allotted to the school district shall be increased by a supplemental grant in the amount of 100% of the difference between Hold Harmless State Funding and Total Primary State Aid.

If, for the 2017-2018 school year, the Total Primary State Aid remains less than Hold Harmless State Funding, then the amount of primary State aid allotted to the school
district shall be increased by a supplemental grant in the amount of 75% of the difference between Hold Harmless State Funding and Total Primary State Aid.

If, for the 2018-2019 school year, the Total Primary State Aid remains less than Hold Harmless State Funding, then the amount of primary State aid allotted to the school district shall be increased by a supplemental grant in the amount of 50% of the difference between Hold Harmless State Funding and Total Primary State Aid.

If, for the 2019-2020 school year, the Total Primary State Aid remains less than Hold Harmless State Funding, then the amount of primary State aid allotted to the school district shall be increased by a supplemental grant in the amount of 25% of the difference between Hold Harmless State Funding and Total Primary State Aid.

(i) Grants to Laboratory and Alternative Schools. In calculating the amount to be paid to the governing board of a public university that operates a Laboratory School or to any Alternative School that is operated by a regional superintendent of schools, the State Board of Education shall require, by rule, such reporting requirements as it deems necessary. Each Laboratory and Alternative School shall file, on forms provided by the State Superintendent of Education, an annual State aid claim that states the Average Daily Attendance of the school's students by month. The best 3 months' Average Daily Attendance shall be computed for each school. The primary
State aid entitlement shall be computed by multiplying the applicable Average Daily Attendance by 105% of the Foundation Level. If, for any of the 2016-2017 through 2019-2020 school years, the primary State aid entitlement for a Laboratory School or Alternative School calculated under this subsection (i) is less than the Hold Harmless State Funding, the school shall receive a supplemental grant as follows: 100% of the difference in the 2016-2017 school year, 75% of the difference in the 2017-2018 school year, 50% of the difference in the 2018-2019 school year, and 25% of the difference in the 2019-2020 school year.

(j) District improvement plans, attendance center distributions, and special education maintenance of State financial support.

(1) Each school district making insufficient annual progress, as determined by the State Board of Education, in the educational performance of Low-income Pupils, English Learner Pupils, or children with disabilities shall demonstrate, in accordance with requirements adopted by the State Board of Education, how local and State funds will be used for strategies that give priority to meeting the educational needs of each such category of pupils for which the school district is making insufficient annual progress. For each such category of pupils, budget information submitted in accordance with State Board of Education requirements must demonstrate that the combined amount of local funds and primary State aid funds
budgeted for strategies that give priority to that category of pupils is proportionate or higher, on either an aggregate or per-pupil basis, to the proportion of the Weighted Foundation Level Budget attributable to that category of pupils. The State Board of Education may adopt exceptions to the requirement for proportionate or higher budgeting to address small pupil subgroup populations, changes in pupil enrollment, or extraordinary expenditures required for any school year. The State Board of Education may also adopt exceptions to the requirement for proportionate or higher budgeting for any school district to implement district-wide or school-wide strategies if the school district or school has a high percentage of pupils in any particular category relative to statewide averages and the district can demonstrate in its plan that a district-wide or school-wide strategy is more likely to achieve the district's educational objectives for a category of pupils than a targeted strategy. If a school district fails to adhere to proportionate or higher budgeting in accordance with this paragraph (1), the school district must take corrective action in accordance with requirements adopted by the State Board of Education. If corrective action is not taken, the State Board of Education shall deduct, from primary State aid payments otherwise due the district, an amount equal to the amount by which the district failed to adhere to the proportionate or higher requirement.

(2) School districts with an Average Daily Attendance of
50,000 or more shall be required to distribute, from funds available pursuant to this Section, no less than $261,000,000 in accordance with the following requirements:

(A) The required amounts shall be distributed to the attendance centers within the district in proportion to the number of Low-income Pupils enrolled at each attendance center during the current school year.

(B) The distribution of these portions of primary State aid among attendance centers according to these requirements shall not be compensated for or contravened by adjustments of the total of other funds appropriated to any attendance centers, and the board of education shall utilize funding from one or several sources in order to fully implement this paragraph (2) annually prior to the opening of school.

(C) Each attendance center shall be provided, by the school district, with a distribution of other funds to which the attendance center is entitled under law in order that the primary State aid provided by application of this paragraph (2) supplements rather than supplants the other funds provided by the school district to the attendance centers.

(D) Funds received by an attendance center pursuant to this paragraph (2) shall be used by the attendance center at the discretion of the principal and local school council for programs to improve educational opportunities at
qualifying schools through the following programs and services: early childhood education, reduced class size or improved adult to student classroom ratios, enrichment programs, remedial assistance, attendance improvement, and other educationally beneficial expenditures that supplement the regular and basic programs as determined by the State Board of Education. Funds provided shall not be expended for any political or lobbying purposes as defined by rule of the State Board.

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

Upon notification by the State Board of Education that
the district has not submitted a plan prior to July 15 or a modified plan within the time period specified in this subdivision (E), the State aid funds affected by that plan or modified plan shall be withheld by the State Board of Education until a plan or modified plan is submitted.

If the district fails to distribute State aid to attendance centers in accordance with an approved plan, the plan for the following year shall allocate funds, in addition to the funds otherwise required by this paragraph (2), to those attendance centers that were underfunded during the previous year in amounts equal to such underfunding.

For purposes of determining compliance with this paragraph (2) in relation to the requirements of attendance center funding, each district subject to the provisions of this paragraph (2) shall submit as a separate document, on or before December 1 of each year, a report of expenditure data for the prior year in addition to any modification of its current plan. If it is determined that there has been a failure to comply with the expenditure provisions of this paragraph (2) regarding contravention or supplanting, the State Superintendent of Education shall, within 60 days after receipt of the report, notify the district and any affected local school council. The district shall, within 45 days after receipt of that notification, inform the State Superintendent of Education of the remedial or corrective action to be taken, whether by
amendment of the current plan, if feasible, or by adjustment in the plan for the following year. Failure to provide the expenditure report or the notification of remedial or corrective action in a timely manner shall result in a withholding of the affected funds.

The State Board of Education shall adopt rules to implement the provisions of this paragraph (2). No funds shall be released under this paragraph (2) to any district that has not submitted a plan that has been approved by the State Board of Education.

(3) Each fiscal year, the State Board of Education shall calculate for each school district an amount of its Total Primary State Aid funding that shall be deemed attributable to the provision of special educational facilities and services, as defined in Section 14-1.08 of this Code, in a manner that ensures compliance with maintenance of State financial support requirements under the federal Individuals with Disabilities Education Act. A school district must use such funds only for the provision of special educational facilities and services, as defined in Section 14-1.08 of this Code, and must comply with any expenditure verification procedures adopted by the State Board of Education.

(k) Education Funding Advisory Board. For the 2018-2019 and subsequent school years, the Education Funding Advisory Board established pursuant to subsection (M) of Section 18-8.05 of this Code, in consultation with the State Board of Education,
shall make recommendations as provided in this subsection (k) to the General Assembly for the Foundation Level under paragraph (2) of subsection (b) of this Section. The recommended foundation level shall be determined based on consideration of 2 separate methodologies:

(1) a methodology that incorporates the basic education expenditures of low-spending schools exhibiting high academic performance; and

(2) an evidence-based methodology that identifies an educational program that includes research-based educational strategies and uses the cost of that program to determine the cost of education.

The Education Funding Advisory Board shall make its recommendations to the General Assembly on or before January 31 of even-numbered years, beginning on or before January 31, 2018.

(l) Primary State Aid Review Committee. The State Superintendent of Education shall appoint a committee of no more than 20 members, consisting of school administrators, school business officials, school financing experts, parents, teachers, and concerned citizens to review the administration of primary State aid in this State and the impact on school district finances of this amendatory Act of the 99th General Assembly. The State Superintendent of Education shall ensure that the membership of the Committee includes representatives from school districts reflecting the geographic and
socio-economic diversity of this State. The Committee shall make periodic recommendations to the State Superintendent of Education and the General Assembly concerning the administration of primary State aid, any administrative rules needed for the implementation of this Section, and suggestions for amending this Section or other Sections of this Code to achieve a school funding system that provides adequate, equitable, transparent, and accountable distribution of funds to school districts that will prepare students for success after high school. By no later than January 31, 2018 and January 31 of each odd-numbered year thereafter, the Committee shall submit a report with recommendations to the State Superintendent and General Assembly. The report submitted by no later than January 31, 2018 must address all of the following:

1. Methods for considering the adequacy of funding available to school districts that are relatively underperforming within this State's accountability system.
2. Whether to include funding for State career and technical education and transportation within the primary State aid formula.
3. Whether to account for municipal impact fees, distributions from a special tax allocation fund established in relation to tax increment allocation financing, available fund balances maintained by a financial institution, and other similar funds received or maintained by school districts in the calculation of
Available Local Resources Per Pupil.

(4) Methods for reducing State liability for PTELL PSA Adjustments.

(5) Methods for accounting for disability types within the calculation of the Weighting Factor for students with disabilities, rather than using the same Weighting Factor for all students with disabilities.

(6) Methods for accounting for grade levels within the calculation of District Weighted Average.

(7) Whether to adjust the method of calculating Average Daily Attendance for Primary State Aid formula calculation purposes, including whether to utilize an average of more than 3 months of pupil attendance.

(8) Recommendations for revisions to the Primary State Aid formula as the result of the adequacy study detailed in subsection (m) of this Section.

The report submitted by no later than January 31, 2019 must address the validity and reliability of data sources available to determine low-income status, including an analysis of the validity of both the DHS Low-income Eligible Count and the count of Low-income Pupils.

(m) Adequacy study. Subject to the availability of funding through appropriations made specifically for this purpose, by no later than 10 months after the first meeting of the Primary State Aid Review Committee established pursuant to subsection (l) of this Section, the State Board of Education shall
contract with a public or private entity to conduct a study of
the adequacy of education funding in this State, in
consultation with the Primary State Aid Review Committee, which
study must be completed by no later than 10 months from the
contract's effective date. At a minimum, the adequacy study
shall:

(1) determine the adequate per pupil cost to deliver an
educational program to each child in each school district
in this State based on the fundamental goal of this State
to develop all children to the limits of their capacities
by providing for an efficient system of high quality public
educational institutions and services that this State has
the primary responsibility for financing;

(2) consider identifiable and prototypical educational
expenses based on the school district type and student
population size, including, but not limited to, full-time
equivalent staffing for services to meet all student needs,
with delineation among regular education, special
education, English learners, low-income students, and
gifted students, including Career Pathway Participants and
Advanced Standing Pupils;

(3) identify a base funding level for students without
special needs necessary to meet adequate growth;

(4) include per pupil weights for students with special
needs to be applied to the base funding level;

(5) include an analysis of the effect of concentrations
of poverty on adequacy targets;

(6) include an analysis of the assumed school district
tax rates that should be included within the funding
formula;

(7) in collaboration with the Illinois Early Learning
Council, include an analysis of what level of Preschool for
All Children funding would be necessary to serve all
children ages 0-5 years in the highest-priority service
tier (as specified in paragraph (4.5) of subsection (a) of
Section 2-3.71 of this Code) and an analysis of the
potential cost savings that that level of Preschool for All
Children investment would have on the kindergarten through
grade 12 system;

(8) include a scalable approach to required
appropriations that would result in full funding of an
equitable and adequate educational opportunity for all
children by the 2020-2021 school year;

(9) recommend the adequate per pupil amount of local
revenue that must be minimally committed by each school
district to the system of high quality educational
institutions and services within their communities and
identify the specific amount that would be required for
this State to contribute to each district to ensure an
equitable and adequate educational opportunity for all
students; and

(10) make further recommendations on the apportionment
of revenue sources so that adequacy can be achieved as quickly as reasonably possible within this State.

(n) Average Daily Attendance count adjustment for residential boarding school within identified school district. For the purposes of providing unique educational opportunities to dependents or youths who are academic underperformers or who could become academic underperformers due to circumstances, but who have the potential to progress to high-performers who are high school and college bound, a school district may include eligible students that attend a Residential Boarding School Program within that same district within the district's Average Daily Attendance count should both parties deem appropriate.

As used in this subsection (n), "eligible student" means a student who is entitled to attend school, is at risk of academic failure, is currently enrolled in grades 1 through 8, is from a family who is low income, and meets at least one of the following additional risk factors:

(1) The student is in foster care or has been declared an adjudicated dependent by the court.

(2) The student's head of household is not the student's custodial parent.

(3) The student has been residing in a household that receives a housing voucher or has been determined eligible for public housing assistance or is homeless.

(4) The student is from an impoverished community.
(5) A member of the student's immediate family has been incarcerated.

(6) The student has experienced or is experiencing traumatic events identified as adverse childhood experiences that directly impact his or her educational success, such as:

(A) abuse or neglect;
(B) bullying or exclusion;
(C) poverty or homelessness;
(D) discrimination;
(E) a household with substance abuse;
(F) witnessing or being a victim of violence;
(G) household mental illness; and
(H) divorce, deportation, or other family separation.

(o) References. On and after July 1, 2016, references in other laws to general State aid funds or calculations under Section 18-8.05 of this Code shall be deemed to be references to primary State aid funds or calculations under this Section.

(105 ILCS 5/18-9) (from Ch. 122, par. 18-9)

Sec. 18-9. Requirement for special equalization and supplementary State aid. If property comprising an aggregate assessed valuation equal to 6% or more of the total assessed valuation of all taxable property in a school district is owned by a person or corporation that is the subject of bankruptcy
proceedings or that has been adjudged bankrupt and, as a result thereof, has not paid taxes on the property, then the district may amend its general State aid or primary State aid claim (i) back to the inception of the bankruptcy, not to exceed 6 years, in which time those taxes were not paid and (ii) for each succeeding year that those taxes remain unpaid, by adding to the claim an amount determined by multiplying the assessed valuation of the property on which taxes have not been paid due to the bankruptcy by the lesser of the total tax rate for the district for the tax year for which the taxes are unpaid or the applicable rate used in calculating the district's general State aid under paragraph (3) of subsection (D) of Section 18-8.05 of this Code or primary State aid under paragraph (3) of subsection (d) of Section 18-8.15 of this Code, as applicable. If at any time a district that receives additional State aid under this Section receives tax revenue from the property for the years that taxes were not paid, the district's next claim for State aid shall be reduced in an amount equal to the taxes paid on the property, not to exceed the additional State aid received under this Section. Claims under this Section shall be filed on forms prescribed by the State Superintendent of Education, and the State Superintendent of Education, upon receipt of a claim, shall adjust the claim in accordance with the provisions of this Section. Supplementary State aid for each succeeding year under this Section shall be paid beginning with the first general State aid or primary
State aid claim paid after the district has filed a completed claim in accordance with this Section.

(Source: P.A. 95-496, eff. 8-28-07.)

(105 ILCS 5/18-12) (from Ch. 122, par. 18-12)

Sec. 18-12. Dates for filing State aid claims. The school board of each school district shall require teachers, principals, or superintendents to furnish from records kept by them such data as it needs in preparing and certifying to the regional superintendent its school district report of claims provided in Sections 18-8.05 through 18-9 as required by the State Superintendent of Education. The district claim shall be based on the latest available equalized assessed valuation and tax rates, as provided in Section 18-8.05 or 18-8.15 and shall use the average daily attendance as determined by the method outlined in Section 18-8.05 or 18-8.15 and shall be certified and filed with the regional superintendent by June 21 for districts with an official school calendar end date before June 15 or within 2 weeks following the official school calendar end date for districts with a school year end date of June 15 or later. The regional superintendent shall certify and file with the State Superintendent of Education district State aid claims by July 1 for districts with an official school calendar end date before June 15 or no later than July 15 for districts with an official school calendar end date of June 15 or later. Failure to so file by these deadlines constitutes a forfeiture.
of the right to receive payment by the State until such claim is filed and vouchered for payment. The regional superintendent of schools shall certify the county report of claims by July 15; and the State Superintendent of Education shall voucher for payment those claims to the State Comptroller as provided in Section 18-11.

Except as otherwise provided in this Section, if any school district fails to provide the minimum school term specified in Section 10-19, the State aid claim for that year shall be reduced by the State Superintendent of Education in an amount equivalent to 1/176 or .56818% for each day less than the number of days required by this Code.

If the State Superintendent of Education determines that the failure to provide the minimum school term was occasioned by an act or acts of God, or was occasioned by conditions beyond the control of the school district which posed a hazardous threat to the health and safety of pupils, the State aid claim need not be reduced.

If a school district is precluded from providing the minimum hours of instruction required for a full day of attendance due to an adverse weather condition or a condition beyond the control of the school district that poses a hazardous threat to the health and safety of students, then the partial day of attendance may be counted if (i) the school district has provided at least one hour of instruction prior to the closure of the school district, (ii) a school building has
provided at least one hour of instruction prior to the closure
of the school building, or (iii) the normal start time of the
school district is delayed.

If, prior to providing any instruction, a school district
must close one or more but not all school buildings after
consultation with a local emergency response agency or due to a
condition beyond the control of the school district, then the
school district may claim attendance for up to 2 school days
based on the average attendance of the 3 school days
immediately preceding the closure of the affected school
building or, if approved by the State Board of Education,
utilize the provisions of an e-learning program for the
affected school building as prescribed in Section 10-20.56 of
this Code. The partial or no day of attendance described in
this Section and the reasons therefore shall be certified
within a month of the closing or delayed start by the school
district superintendent to the regional superintendent of
schools for forwarding to the State Superintendent of Education
for approval.

Other than the utilization of any e-learning days as
prescribed in Section 10-20.56 of this Code, no exception to
the requirement of providing a minimum school term may be
approved by the State Superintendent of Education pursuant to
this Section unless a school district has first used all
emergency days provided for in its regular calendar.

If the State Superintendent of Education declares that an
energy shortage exists during any part of the school year for the State or a designated portion of the State, a district may operate the school attendance centers within the district 4 days of the week during the time of the shortage by extending each existing school day by one clock hour of school work, and the State aid claim shall not be reduced, nor shall the employees of that district suffer any reduction in salary or benefits as a result thereof. A district may operate all attendance centers on this revised schedule, or may apply the schedule to selected attendance centers, taking into consideration such factors as pupil transportation schedules and patterns and sources of energy for individual attendance centers.

Electronically submitted State aid claims shall be submitted by duly authorized district or regional individuals over a secure network that is password protected. The electronic submission of a State aid claim must be accompanied with an affirmation that all of the provisions of Sections 18-8.05 through 18-9, 10-22.5, and 24-4 of this Code are met in all respects.

(Source: P.A. 99-194, eff. 7-30-15.)

(105 ILCS 5/26-16)

Sec. 26-16. Graduation incentives program.

(a) The General Assembly finds that it is critical to provide options for children to succeed in school. The purpose
of this Section is to provide incentives for and encourage all Illinois students who have experienced or are experiencing difficulty in the traditional education system to enroll in alternative programs.

(b) Any student who is below the age of 20 years is eligible to enroll in a graduation incentives program if he or she:

(1) is considered a dropout pursuant to Section 26-2a of this Code;
(2) has been suspended or expelled pursuant to Section 10-22.6 or 34-19 of this Code;
(3) is pregnant or is a parent;
(4) has been assessed as chemically dependent; or
(5) is enrolled in a bilingual education or LEP program.

(c) The following programs qualify as graduation incentives programs for students meeting the criteria established in this Section:

(1) Any public elementary or secondary education graduation incentives program established by a school district or by a regional office of education.
(2) Any alternative learning opportunities program established pursuant to Article 13B of this Code.
(3) Vocational or job training courses approved by the State Superintendent of Education that are available through the Illinois public community college system.
Students may apply for reimbursement of 50% of tuition costs for one course per semester or a maximum of 3 courses per school year. Subject to available funds, students may apply for reimbursement of up to 100% of tuition costs upon a showing of employment within 6 months after completion of a vocational or job training program. The qualifications for reimbursement shall be established by the State Superintendent of Education by rule.

(4) Job and career programs approved by the State Superintendent of Education that are available through Illinois-accredited private business and vocational schools. Subject to available funds, pupils may apply for reimbursement of up to 100% of tuition costs upon a showing of employment within 6 months after completion of a job or career program. The State Superintendent of Education shall establish, by rule, the qualifications for reimbursement, criteria for determining reimbursement amounts, and limits on reimbursement.

(5) Adult education courses that offer preparation for high school equivalency testing.

(d) Graduation incentives programs established by school districts are entitled to claim general State aid and primary State aid, subject to Sections 13B-50, 13B-50.5, and 13B-50.10 of this Code. Graduation incentives programs operated by regional offices of education are entitled to receive general State aid and primary State aid at the foundation level of
support per pupil enrolled. A school district must ensure that its graduation incentives program receives supplemental general State aid, transportation reimbursements, and special education resources, if appropriate, for students enrolled in the program.

(Source: P.A. 98-718, eff. 1-1-15.)

(105 ILCS 5/27-8.1) (from Ch. 122, par. 27-8.1)

Sec. 27-8.1. Health examinations and immunizations.

(1) In compliance with rules and regulations which the Department of Public Health shall promulgate, and except as hereinafter provided, all children in Illinois shall have a health examination as follows: within one year prior to entering kindergarten or the first grade of any public, private, or parochial elementary school; upon entering the sixth and ninth grades of any public, private, or parochial school; prior to entrance into any public, private, or parochial nursery school; and, irrespective of grade, immediately prior to or upon entrance into any public, private, or parochial school or nursery school, each child shall present proof of having been examined in accordance with this Section and the rules and regulations promulgated hereunder. Any child who received a health examination within one year prior to entering the fifth grade for the 2007-2008 school year is not required to receive an additional health examination in order to comply with the provisions of Public Act 95-422 when he or
she attends school for the 2008-2009 school year, unless the child is attending school for the first time as provided in this paragraph.

A tuberculosis skin test screening shall be included as a required part of each health examination included under this Section if the child resides in an area designated by the Department of Public Health as having a high incidence of tuberculosis. Additional health examinations of pupils, including eye examinations, may be required when deemed necessary by school authorities. Parents are encouraged to have their children undergo eye examinations at the same points in time required for health examinations.

(1.5) In compliance with rules adopted by the Department of Public Health and except as otherwise provided in this Section, all children in kindergarten and the second and sixth grades of any public, private, or parochial school shall have a dental examination. Each of these children shall present proof of having been examined by a dentist in accordance with this Section and rules adopted under this Section before May 15th of the school year. If a child in the second or sixth grade fails to present proof by May 15th, the school may hold the child's report card until one of the following occurs: (i) the child presents proof of a completed dental examination or (ii) the child presents proof that a dental examination will take place within 60 days after May 15th. The Department of Public Health shall establish, by rule, a waiver for children who show an
undue burden or a lack of access to a dentist. Each public, private, and parochial school must give notice of this dental examination requirement to the parents and guardians of students at least 60 days before May 15th of each school year.

(1.10) Except as otherwise provided in this Section, all children enrolling in kindergarten in a public, private, or parochial school on or after the effective date of this amendatory Act of the 95th General Assembly and any student enrolling for the first time in a public, private, or parochial school on or after the effective date of this amendatory Act of the 95th General Assembly shall have an eye examination. Each of these children shall present proof of having been examined by a physician licensed to practice medicine in all of its branches or a licensed optometrist within the previous year, in accordance with this Section and rules adopted under this Section, before October 15th of the school year. If the child fails to present proof by October 15th, the school may hold the child's report card until one of the following occurs: (i) the child presents proof of a completed eye examination or (ii) the child presents proof that an eye examination will take place within 60 days after October 15th. The Department of Public Health shall establish, by rule, a waiver for children who show an undue burden or a lack of access to a physician licensed to practice medicine in all of its branches who provides eye examinations or to a licensed optometrist. Each public, private, and parochial school must give notice of this eye
examination requirement to the parents and guardians of students in compliance with rules of the Department of Public Health. Nothing in this Section shall be construed to allow a school to exclude a child from attending because of a parent's or guardian's failure to obtain an eye examination for the child.

(2) The Department of Public Health shall promulgate rules and regulations specifying the examinations and procedures that constitute a health examination, which shall include the collection of data relating to obesity (including at a minimum, date of birth, gender, height, weight, blood pressure, and date of exam), and a dental examination and may recommend by rule that certain additional examinations be performed. The rules and regulations of the Department of Public Health shall specify that a tuberculosis skin test screening shall be included as a required part of each health examination included under this Section if the child resides in an area designated by the Department of Public Health as having a high incidence of tuberculosis. The Department of Public Health shall specify that a diabetes screening as defined by rule shall be included as a required part of each health examination. Diabetes testing is not required.

Physicians licensed to practice medicine in all of its branches, licensed advanced practice nurses, or licensed physician assistants shall be responsible for the performance of the health examinations, other than dental examinations, eye
examinations, and vision and hearing screening, and shall sign all report forms required by subsection (4) of this Section that pertain to those portions of the health examination for which the physician, advanced practice nurse, or physician assistant is responsible. If a registered nurse performs any part of a health examination, then a physician licensed to practice medicine in all of its branches must review and sign all required report forms. Licensed dentists shall perform all dental examinations and shall sign all report forms required by subsection (4) of this Section that pertain to the dental examinations. Physicians licensed to practice medicine in all its branches or licensed optometrists shall perform all eye examinations required by this Section and shall sign all report forms required by subsection (4) of this Section that pertain to the eye examination. For purposes of this Section, an eye examination shall at a minimum include history, visual acuity, subjective refraction to best visual acuity near and far, internal and external examination, and a glaucoma evaluation, as well as any other tests or observations that in the professional judgment of the doctor are necessary. Vision and hearing screening tests, which shall not be considered examinations as that term is used in this Section, shall be conducted in accordance with rules and regulations of the Department of Public Health, and by individuals whom the Department of Public Health has certified. In these rules and regulations, the Department of Public Health shall require that
individuals conducting vision screening tests give a child's parent or guardian written notification, before the vision screening is conducted, that states, "Vision screening is not a substitute for a complete eye and vision evaluation by an eye doctor. Your child is not required to undergo this vision screening if an optometrist or ophthalmologist has completed and signed a report form indicating that an examination has been administered within the previous 12 months."

(3) Every child shall, at or about the same time as he or she receives a health examination required by subsection (1) of this Section, present to the local school proof of having received such immunizations against preventable communicable diseases as the Department of Public Health shall require by rules and regulations promulgated pursuant to this Section and the Communicable Disease Prevention Act.

(4) The individuals conducting the health examination, dental examination, or eye examination shall record the fact of having conducted the examination, and such additional information as required, including for a health examination data relating to obesity (including at a minimum, date of birth, gender, height, weight, blood pressure, and date of exam), on uniform forms which the Department of Public Health and the State Board of Education shall prescribe for statewide use. The examiner shall summarize on the report form any condition that he or she suspects indicates a need for special services, including for a health examination factors relating
to obesity. The individuals confirming the administration of
required immunizations shall record as indicated on the form
that the immunizations were administered.

(5) If a child does not submit proof of having had either
the health examination or the immunization as required, then
the child shall be examined or receive the immunization, as the
case may be, and present proof by October 15 of the current
school year, or by an earlier date of the current school year
established by a school district. To establish a date before
October 15 of the current school year for the health
examination or immunization as required, a school district must
give notice of the requirements of this Section 60 days prior
to the earlier established date. If for medical reasons one or
more of the required immunizations must be given after October
15 of the current school year, or after an earlier established
date of the current school year, then the child shall present,
by October 15, or by the earlier established date, a schedule
for the administration of the immunizations and a statement of
the medical reasons causing the delay, both the schedule and
the statement being issued by the physician, advanced practice
nurse, physician assistant, registered nurse, or local health
department that will be responsible for administration of the
remaining required immunizations. If a child does not comply by
October 15, or by the earlier established date of the current
school year, with the requirements of this subsection, then the
local school authority shall exclude that child from school
until such time as the child presents proof of having had the health examination as required and presents proof of having received those required immunizations which are medically possible to receive immediately. During a child's exclusion from school for noncompliance with this subsection, the child's parents or legal guardian shall be considered in violation of Section 26-1 and subject to any penalty imposed by Section 26-10. This subsection (5) does not apply to dental examinations and eye examinations. If the student is an out-of-state transfer student and does not have the proof required under this subsection (5) before October 15 of the current year or whatever date is set by the school district, then he or she may only attend classes if he or she has proof that an appointment for the required vaccinations has been scheduled with a party authorized to submit proof of the required vaccinations. If the proof of vaccination required under this subsection (5) is not submitted within 30 days after the student is permitted to attend classes, then the student is not to be permitted to attend classes until proof of the vaccinations has been properly submitted. No school district or employee of a school district shall be held liable for any injury or illness to another person that results from admitting an out-of-state transfer student to class that has an appointment scheduled pursuant to this subsection (5).

(6) Every school shall report to the State Board of Education by November 15, in the manner which that agency shall
require, the number of children who have received the necessary
immunizations and the health examination (other than a dental
examination or eye examination) as required, indicating, of
those who have not received the immunizations and examination
as required, the number of children who are exempt from health
eexamination and immunization requirements on religious or
medical grounds as provided in subsection (8). On or before
December 1 of each year, every public school district and
registered nonpublic school shall make publicly available the
immunization data they are required to submit to the State
Board of Education by November 15. The immunization data made
publicly available must be identical to the data the school
district or school has reported to the State Board of
Education.

Every school shall report to the State Board of Education
by June 30, in the manner that the State Board requires, the
number of children who have received the required dental
examination, indicating, of those who have not received the
required dental examination, the number of children who are
exempt from the dental examination on religious grounds as
provided in subsection (8) of this Section and the number of
children who have received a waiver under subsection (1.5) of
this Section.

Every school shall report to the State Board of Education
by June 30, in the manner that the State Board requires, the
number of children who have received the required eye
examination, indicating, of those who have not received the
required eye examination, the number of children who are exempt
from the eye examination as provided in subsection (8) of this
Section, the number of children who have received a waiver
under subsection (1.10) of this Section, and the total number
of children in noncompliance with the eye examination
requirement.

The reported information under this subsection (6) shall be
provided to the Department of Public Health by the State Board
of Education.

(7) Upon determining that the number of pupils who are
required to be in compliance with subsection (5) of this
Section is below 90% of the number of pupils enrolled in the
school district, 10% of each State aid payment made pursuant to
Section 18-8.05 or 18-8.15 to the school district for such year
may be withheld by the State Board of Education until the
number of students in compliance with subsection (5) is the
applicable specified percentage or higher.

(8) Children of parents or legal guardians who object to
health, dental, or eye examinations or any part thereof, to
immunizations, or to vision and hearing screening tests on
religious grounds shall not be required to undergo the
examinations, tests, or immunizations to which they so object
if such parents or legal guardians present to the appropriate
local school authority a signed Certificate of Religious
Exemption detailing the grounds for objection and the specific
immunizations, tests, or examinations to which they object. The grounds for objection must set forth the specific religious belief that conflicts with the examination, test, immunization, or other medical intervention. The signed certificate shall also reflect the parent's or legal guardian's understanding of the school's exclusion policies in the case of a vaccine-preventable disease outbreak or exposure. The certificate must also be signed by the authorized examining health care provider responsible for the performance of the child's health examination confirming that the provider provided education to the parent or legal guardian on the benefits of immunization and the health risks to the student and to the community of the communicable diseases for which immunization is required in this State. However, the health care provider's signature on the certificate reflects only that education was provided and does not allow a health care provider grounds to determine a religious exemption. Those receiving immunizations required under this Code shall be provided with the relevant vaccine information statements that are required to be disseminated by the federal National Childhood Vaccine Injury Act of 1986, which may contain information on circumstances when a vaccine should not be administered, prior to administering a vaccine. A healthcare provider may consider including without limitation the nationally accepted recommendations from federal agencies such as the Advisory Committee on Immunization Practices, the
information outlined in the relevant vaccine information statement, and vaccine package inserts, along with the healthcare provider's clinical judgment, to determine whether any child may be more susceptible to experiencing an adverse vaccine reaction than the general population, and, if so, the healthcare provider may exempt the child from an immunization or adopt an individualized immunization schedule. The Certificate of Religious Exemption shall be created by the Department of Public Health and shall be made available and used by parents and legal guardians by the beginning of the 2015-2016 school year. Parents or legal guardians must submit the Certificate of Religious Exemption to their local school authority prior to entering kindergarten, sixth grade, and ninth grade for each child for which they are requesting an exemption. The religious objection stated need not be directed by the tenets of an established religious organization. However, general philosophical or moral reluctance to allow physical examinations, eye examinations, immunizations, vision and hearing screenings, or dental examinations does not provide a sufficient basis for an exception to statutory requirements. The local school authority is responsible for determining if the content of the Certificate of Religious Exemption constitutes a valid religious objection. The local school authority shall inform the parent or legal guardian of exclusion procedures, in accordance with the Department's rules under Part 690 of Title 77 of the Illinois Administrative
Code, at the time the objection is presented.

If the physical condition of the child is such that any one or more of the immunizing agents should not be administered, the examining physician, advanced practice nurse, or physician assistant responsible for the performance of the health examination shall endorse that fact upon the health examination form.

Exempting a child from the health, dental, or eye examination does not exempt the child from participation in the program of physical education training provided in Sections 27-5 through 27-7 of this Code.

(9) For the purposes of this Section, "nursery schools" means those nursery schools operated by elementary school systems or secondary level school units or institutions of higher learning.

(Source: P.A. 98-673, eff. 6-30-14; 99-173, eff. 7-29-15; 99-249, eff. 8-3-15; revised 10-21-15.)

(105 ILCS 5/27A-9)

Sec. 27A-9. Term of charter; renewal.

(a) A charter may be granted for a period not less than 5 and not more than 10 school years. A charter may be renewed in incremental periods not to exceed 5 school years.

(b) A charter school renewal proposal submitted to the local school board or the Commission, as the chartering entity, shall contain:
(1) A report on the progress of the charter school in achieving the goals, objectives, pupil performance standards, content standards, and other terms of the initial approved charter proposal; and

(2) A financial statement that discloses the costs of administration, instruction, and other spending categories for the charter school that is understandable to the general public and that will allow comparison of those costs to other schools or other comparable organizations, in a format required by the State Board.

(c) A charter may be revoked or not renewed if the local school board or the Commission, as the chartering entity, clearly demonstrates that the charter school did any of the following, or otherwise failed to comply with the requirements of this law:

(1) Committed a material violation of any of the conditions, standards, or procedures set forth in the charter.

(2) Failed to meet or make reasonable progress toward achievement of the content standards or pupil performance standards identified in the charter.

(3) Failed to meet generally accepted standards of fiscal management.

(4) Violated any provision of law from which the charter school was not exempted.

In the case of revocation, the local school board or the
Commission, as the charting entity, shall notify the charter school in writing of the reason why the charter is subject to revocation. The charter school shall submit a written plan to the local school board or the Commission, whichever is applicable, to rectify the problem. The plan shall include a timeline for implementation, which shall not exceed 2 years or the date of the charter's expiration, whichever is earlier. If the local school board or the Commission, as the charting entity, finds that the charter school has failed to implement the plan of remediation and adhere to the timeline, then the charting entity shall revoke the charter. Except in situations of an emergency where the health, safety, or education of the charter school's students is at risk, the revocation shall take place at the end of a school year.

Nothing in this amendatory Act of the 96th General Assembly shall be construed to prohibit an implementation timetable that is less than 2 years in duration.

(d) (Blank).

(e) Notice of a local school board's decision to deny, revoke or not to renew a charter shall be provided to the Commission and the State Board. The Commission may reverse a local board's decision if the Commission finds that the charter school or charter school proposal (i) is in compliance with this Article, and (ii) is in the best interests of the students it is designed to serve. The Commission may condition the granting of an appeal on the acceptance by the charter school
of funding in an amount less than that requested in the proposal submitted to the local school board. Final decisions of the Commission shall be subject to judicial review under the Administrative Review Law.

(f) Notwithstanding other provisions of this Article, if the Commission on appeal reverses a local board's decision or if a charter school is approved by referendum, the Commission shall act as the authorized chartering entity for the charter school. The Commission shall approve the charter and shall perform all functions under this Article otherwise performed by the local school board. The State Board shall determine whether the charter proposal approved by the Commission is consistent with the provisions of this Article and, if the approved proposal complies, certify the proposal pursuant to this Article. The State Board shall report the aggregate number of charter school pupils resident in a school district to that district and shall notify the district of the amount of funding to be paid by the State Board to the charter school enrolling such students. The Commission shall require the charter school to maintain accurate records of daily attendance that shall be deemed sufficient to file claims under Section 18-8.05 or 18-8.15 notwithstanding any other requirements of that Section regarding hours of instruction and teacher certification. The State Board shall withhold from funds otherwise due the district the funds authorized by this Article to be paid to the charter school and shall pay such amounts to the charter
(g) For charter schools authorized by the Commission, the Commission shall quarterly certify to the State Board the student enrollment for each of its charter schools.

(h) For charter schools authorized by the Commission, the State Board shall pay directly to a charter school any federal or State aid attributable to a student with a disability attending the school.

(Source: P.A. 97-152, eff. 7-20-11; 98-739, eff. 7-16-14.)

(105 ILCS 5/27A-11)

Sec. 27A-11. Local financing.

(a) For purposes of the School Code, pupils enrolled in a charter school shall be included in the pupil enrollment of the school district within which the pupil resides. Each charter school (i) shall determine the school district in which each pupil who is enrolled in the charter school resides, (ii) shall report the aggregate number of pupils resident of a school district who are enrolled in the charter school to the school district in which those pupils reside, and (iii) shall maintain accurate records of daily attendance that shall be deemed sufficient to file claims under Section 18-8 or 18-8.15 notwithstanding any other requirements of that Section regarding hours of instruction and teacher certification.

(b) Except for a charter school established by referendum under Section 27A-6.5, as part of a charter school contract,
the charter school and the local school board shall agree on
funding and any services to be provided by the school district
to the charter school. Agreed funding that a charter school is
to receive from the local school board for a school year shall
be paid in equal quarterly installments with the payment of the
installment for the first quarter being made not later than
July 1, unless the charter establishes a different payment
schedule. However, if a charter school dismisses a pupil from
the charter school after receiving a quarterly payment, the
charter school shall return to the school district, on a
quarterly basis, the prorated portion of public funding
provided for the education of that pupil for the time the
student is not enrolled at the charter school. Likewise, if a
pupil transfers to a charter school between quarterly payments,
the school district shall provide, on a quarterly basis, a
prorated portion of the public funding to the charter school to
provide for the education of that pupil.

All services centrally or otherwise provided by the school
district including, but not limited to, rent, food services,
custodial services, maintenance, curriculum, media services,
libraries, transportation, and warehousing shall be subject to
negotiation between a charter school and the local school board
and paid for out of the revenues negotiated pursuant to this
subsection (b); provided that the local school board shall not
attempt, by negotiation or otherwise, to obligate a charter
school to provide pupil transportation for pupils for whom a
district is not required to provide transportation under the
criteria set forth in subsection (a)(13) of Section 27A-7.

In no event shall the funding be less than 75% or more than
125% of the school district's per capita student tuition
multiplied by the number of students residing in the district
who are enrolled in the charter school.

It is the intent of the General Assembly that funding and
service agreements under this subsection (b) shall be neither a
financial incentive nor a financial disincentive to the
establishment of a charter school.

The charter school may set and collect reasonable fees.
Fees collected from students enrolled at a charter school shall
be retained by the charter school.

(c) Notwithstanding subsection (b) of this Section, the
proportionate share of State and federal resources generated by
students with disabilities or staff serving them shall be
directed to charter schools enrolling those students by their
school districts or administrative units. The proportionate
share of moneys generated under other federal or State
categorical aid programs shall be directed to charter schools
serving students eligible for that aid.

(d) The governing body of a charter school is authorized to
accept gifts, donations, or grants of any kind made to the
charter school and to expend or use gifts, donations, or grants
in accordance with the conditions prescribed by the donor;
however, a gift, donation, or grant may not be accepted by the
governing body if it is subject to any condition contrary to applicable law or contrary to the terms of the contract between the charter school and the local school board. Charter schools shall be encouraged to solicit and utilize community volunteer speakers and other instructional resources when providing instruction on the Holocaust and other historical events.

(e) (Blank).

(f) The Commission shall provide technical assistance to persons and groups preparing or revising charter applications.

(g) At the non-renewal or revocation of its charter, each charter school shall refund to the local board of education all unspent funds.

(h) A charter school is authorized to incur temporary, short term debt to pay operating expenses in anticipation of receipt of funds from the local school board.

(Source: P.A. 98-640, eff. 6-9-14; 98-739, eff. 7-16-14; 99-78, eff. 7-20-15.)

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

Sec. 29-5. Reimbursement by State for transportation. Any school district, maintaining a school, transporting resident pupils to another school district's vocational program, offered through a joint agreement approved by the State Board of Education, as provided in Section 10-22.22 or transporting its resident pupils to a school which meets the standards for recognition as established by the State Board of Education
which provides transportation meeting the standards of safety, comfort, convenience, efficiency and operation prescribed by the State Board of Education for resident pupils in kindergarten or any of grades 1 through 12 who: (a) reside at least 1 1/2 miles as measured by the customary route of travel, from the school attended; or (b) reside in areas where conditions are such that walking constitutes a hazard to the safety of the child when determined under Section 29-3; and (c) are transported to the school attended from pick-up points at the beginning of the school day and back again at the close of the school day or transported to and from their assigned attendance centers during the school day, shall be reimbursed by the State as hereinafter provided in this Section.

The State will pay the cost of transporting eligible pupils less the assessed valuation in a dual school district maintaining secondary grades 9 to 12 inclusive times a qualifying rate of .05%; in elementary school districts maintaining grades K to 8 times a qualifying rate of .06%; and in unit districts maintaining grades K to 12, including optional elementary unit districts and combined high school - unit districts, times a qualifying rate of .07%; provided that for optional elementary unit districts and combined high school - unit districts, assessed valuation for high school purposes, as defined in Article 11E of this Code, must be used. To be eligible to receive reimbursement in excess of 4/5 of the cost to transport eligible pupils, a school district shall have a
Transportation Fund tax rate of at least .12%. If a school district does not have a .12% Transportation Fund tax rate, the amount of its claim in excess of 4/5 of the cost of transporting pupils shall be reduced by the sum arrived at by subtracting the Transportation Fund tax rate from .12% and multiplying that amount by the districts equalized or assessed valuation, provided, that in no case shall said reduction result in reimbursement of less than 4/5 of the cost to transport eligible pupils.

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

When calculating the reimbursement for transportation costs, the State Board of Education may not deduct the number of pupils enrolled in early education programs from the number of pupils eligible for reimbursement if the pupils enrolled in the early education programs are transported at the same time as other eligible pupils.

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

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

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

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

Claims for reimbursement under this Section shall not be
paid for the transportation of pupils for whom transportation
costs are claimed for payment under other Sections of this Act.

The allowable direct cost of transporting pupils for
regular, vocational, and special education pupil
transportation shall be limited to the sum of the cost of
physical examinations required for employment as a school bus
driver; the salaries of full or part-time drivers and school
bus maintenance personnel; employee benefits excluding
Illinois municipal retirement payments, social security
payments, unemployment insurance payments and workers'
compensation insurance premiums; expenditures to independent
carriers who operate school buses; payments to other school
districts for pupil transportation services; pre-approved
contractual expenditures for computerized bus scheduling; the
cost of gasoline, oil, tires, and other supplies necessary for
the operation of school buses; the cost of converting buses'
gasoline engines to more fuel efficient engines or to engines
which use alternative energy sources; the cost of travel to
meetings and workshops conducted by the regional superintendent or the State Superintendent of Education pursuant to the standards established by the Secretary of State under Section 6-106 of the Illinois Vehicle Code to improve the driving skills of school bus drivers; the cost of maintenance of school buses including parts and materials used; expenditures for leasing transportation vehicles, except interest and service charges; the cost of insurance and licenses for transportation vehicles; expenditures for the rental of transportation equipment; plus a depreciation allowance of 20% for 5 years for school buses and vehicles approved for transporting pupils to and from school and a depreciation allowance of 10% for 10 years for other transportation equipment so used. Each school year, if a school district has made expenditures to the Regional Transportation Authority or any of its service boards, a mass transit district, or an urban transportation district under an intergovernmental agreement with the district to provide for the transportation of pupils and if the public transit carrier received direct payment for services or passes from a school district within its service area during the 2000-2001 school year, then the allowable direct cost of transporting pupils for regular, vocational, and special education pupil transportation shall also include the expenditures that the district has made to the public transit carrier. In addition to the above allowable costs school districts shall also claim all
transportation supervisory salary costs, including Illinois municipal retirement payments, and all transportation related building and building maintenance costs without limitation.

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

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

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

On or before August 15, annually, the chief school administrator for the district shall certify to the State Superintendent of Education the district's claim for reimbursement for the school year ending on June 30 next preceding. The State Superintendent of Education shall check and approve the claims and prepare the vouchers showing the amounts due for district reimbursement claims. Each fiscal year, the State Superintendent of Education shall prepare and transmit the first 3 vouchers to the Comptroller on the 30th day of September, December and March, respectively, and the final voucher, no later than June 20.

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

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

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

Notwithstanding any other provision of law, any school district receiving a payment under this Section or under Section 14-7.02, 14-7.02b, or 14-13.01 of this Code may classify all or a portion of the funds that it receives in a particular fiscal year or from general State aid pursuant to Section 18-8.05 of this Code as funds received in connection with any funding program for which it is entitled to receive funds from the State in that fiscal year (including, without limitation, any funding program referenced in this Section), regardless of the source or timing of the receipt. The district may not classify more funds as funds received in connection with the funding program than the district is entitled to receive in that fiscal year for that program. Any classification by a district must be made by a resolution of its board of education. The resolution must identify the amount of any payments or general State aid to be classified under this paragraph and must specify the funding program to which the funds are to be treated as received in connection therewith. This resolution is controlling as to the classification of funds referenced therein. A certified copy of the resolution must be sent to the State Superintendent of
Education. The resolution shall still take effect even though a
copy of the resolution has not been sent to the State
Superintendent of Education in a timely manner. No
classification under this paragraph by a district shall affect
the total amount or timing of money the district is entitled to
receive under this Code. No classification under this paragraph
by a district shall in any way relieve the district from or
affect any requirements that otherwise would apply with respect
to that funding program, including any accounting of funds by
source, reporting expenditures by original source and purpose,
reporting requirements, or requirements of providing services.

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

Notwithstanding anything to the contrary contained in this
Section, the State Board of Education shall award to a school
district having a population exceeding 500,000 inhabitants
3.9% of the funds appropriated by the General Assembly for any
fiscal year for purposes of payments to school districts under
this Section.
(Source: P.A. 95-903, eff. 8-25-08; 96-1264, eff. 1-1-11.)

(105 ILCS 5/34-2.3) (from Ch. 122, par. 34-2.3)

Sec. 34-2.3. Local school councils - Powers and duties.
Each local school council shall have and exercise, consistent
with the provisions of this Article and the powers and duties
of the board of education, the following powers and duties:

1. (A) To annually evaluate the performance of the
principal of the attendance center using a Board approved
principal evaluation form, which shall include the evaluation
of (i) student academic improvement, as defined by the school
improvement plan, (ii) student absenteeism rates at the school,
(iii) instructional leadership, (iv) the effective
implementation of programs, policies, or strategies to improve
student academic achievement, (v) school management, and (vi)
any other factors deemed relevant by the local school council,
including, without limitation, the principal's communication
skills and ability to create and maintain a student-centered
learning environment, to develop opportunities for
professional development, and to encourage parental
involvement and community partnerships to achieve school
improvement;

(B) to determine in the manner provided by subsection (c)
of Section 34-2.2 and subdivision 1.5 of this Section whether
the performance contract of the principal shall be renewed; and

(C) to directly select, in the manner provided by
subsection (c) of Section 34-2.2, a new principal (including a
new principal to fill a vacancy) -- without submitting any list
of candidates for that position to the general superintendent
as provided in paragraph 2 of this Section -- to serve under a
4 year performance contract; provided that (i) the
determination of whether the principal's performance contract is to be renewed, based upon the evaluation required by subdivision 1.5 of this Section, shall be made no later than 150 days prior to the expiration of the current performance-based contract of the principal, (ii) in cases where such performance contract is not renewed -- a direct selection of a new principal -- to serve under a 4 year performance contract shall be made by the local school council no later than 45 days prior to the expiration of the current performance contract of the principal, and (iii) a selection by the local school council of a new principal to fill a vacancy under a 4 year performance contract shall be made within 90 days after the date such vacancy occurs. A Council shall be required, if requested by the principal, to provide in writing the reasons for the council's not renewing the principal's contract.

1.5. The local school council's determination of whether to renew the principal's contract shall be based on an evaluation to assess the educational and administrative progress made at the school during the principal's current performance-based contract. The local school council shall base its evaluation on (i) student academic improvement, as defined by the school improvement plan, (ii) student absenteeism rates at the school, (iii) instructional leadership, (iv) the effective implementation of programs, policies, or strategies to improve student academic achievement, (v) school management, and (vi)
any other factors deemed relevant by the local school council,
including, without limitation, the principal's communication
skills and ability to create and maintain a student-centered
learning environment, to develop opportunities for
professional development, and to encourage parental
involvement and community partnerships to achieve school
improvement. If a local school council fails to renew the
performance contract of a principal rated by the general
superintendent, or his or her designee, in the previous years'
evaluations as meeting or exceeding expectations, the
principal, within 15 days after the local school council's
decision not to renew the contract, may request a review of the
local school council's principal non-retention decision by a
hearing officer appointed by the American Arbitration
Association. A local school council member or members or the
general superintendent may support the principal's request for
review. During the period of the hearing officer's review of
the local school council's decision on whether or not to retain
the principal, the local school council shall maintain all
authority to search for and contract with a person to serve as
interim or acting principal, or as the principal of the
attendance center under a 4-year performance contract,
provided that any performance contract entered into by the
local school council shall be voidable or modified in
accordance with the decision of the hearing officer. The
principal may request review only once while at that attendance
center. If a local school council renews the contract of a principal who failed to obtain a rating of "meets" or "exceeds expectations" in the general superintendent's evaluation for the previous year, the general superintendent, within 15 days after the local school council's decision to renew the contract, may request a review of the local school council's principal retention decision by a hearing officer appointed by the American Arbitration Association. The general superintendent may request a review only once for that principal at that attendance center. All requests to review the retention or non-retention of a principal shall be submitted to the general superintendent, who shall, in turn, forward such requests, within 14 days of receipt, to the American Arbitration Association. The general superintendent shall send a contemporaneous copy of the request that was forwarded to the American Arbitration Association to the principal and to each local school council member and shall inform the local school council of its rights and responsibilities under the arbitration process, including the local school council's right to representation and the manner and process by which the Board shall pay the costs of the council's representation. If the local school council retains the principal and the general superintendent requests a review of the retention decision, the local school council and the general superintendent shall be considered parties to the arbitration, a hearing officer shall be chosen between those 2 parties pursuant to procedures
promulgated by the State Board of Education, and the principal may retain counsel and participate in the arbitration. If the local school council does not retain the principal and the principal requests a review of the retention decision, the local school council and the principal shall be considered parties to the arbitration and a hearing officer shall be chosen between those 2 parties pursuant to procedures promulgated by the State Board of Education. The hearing shall begin (i) within 45 days after the initial request for review is submitted by the principal to the general superintendent or (ii) if the initial request for review is made by the general superintendent, within 45 days after that request is mailed to the American Arbitration Association. The hearing officer shall render a decision within 45 days after the hearing begins and within 90 days after the initial request for review. The Board shall contract with the American Arbitration Association for all of the hearing officer's reasonable and necessary costs. In addition, the Board shall pay any reasonable costs incurred by a local school council for representation before a hearing officer.

1.10. The hearing officer shall conduct a hearing, which shall include (i) a review of the principal's performance, evaluations, and other evidence of the principal's service at the school, (ii) reasons provided by the local school council for its decision, and (iii) documentation evidencing views of interested persons, including, without limitation, students,
parents, local school council members, school faculty and
staff, the principal, the general superintendent or his or her
designee, and members of the community. The burden of proof in
establishing that the local school council's decision was
arbitrary and capricious shall be on the party requesting the
arbitration, and this party shall sustain the burden by a
preponderance of the evidence. The hearing officer shall set
the local school council decision aside if that decision, in
light of the record developed at the hearing, is arbitrary and
capricious. The decision of the hearing officer may not be
appealed to the Board or the State Board of Education. If the
hearing officer decides that the principal shall be retained,
the retention period shall not exceed 2 years.

2. In the event (i) the local school council does not renew
the performance contract of the principal, or the principal
fails to receive a satisfactory rating as provided in
subsection (h) of Section 34-8.3, or the principal is removed
for cause during the term of his or her performance contract in
the manner provided by Section 34-85, or a vacancy in the
position of principal otherwise occurs prior to the expiration
of the term of a principal's performance contract, and (ii) the
local school council fails to directly select a new principal
to serve under a 4 year performance contract, the local school
council in such event shall submit to the general
superintendent a list of 3 candidates -- listed in the local
school council's order of preference -- for the position of
principal, one of which shall be selected by the general superintendent to serve as principal of the attendance center. If the general superintendent fails or refuses to select one of the candidates on the list to serve as principal within 30 days after being furnished with the candidate list, the general superintendent shall select and place a principal on an interim basis (i) for a period not to exceed one year or (ii) until the local school council selects a new principal with 7 affirmative votes as provided in subsection (c) of Section 34-2.2, whichever occurs first. If the local school council fails or refuses to select and appoint a new principal, as specified by subsection (c) of Section 34-2.2, the general superintendent may select and appoint a new principal on an interim basis for an additional year or until a new contract principal is selected by the local school council. There shall be no discrimination on the basis of race, sex, creed, color or disability unrelated to ability to perform in connection with the submission of candidates for, and the selection of a candidate to serve as principal of an attendance center. No person shall be directly selected, listed as a candidate for, or selected to serve as principal of an attendance center (i) if such person has been removed for cause from employment by the Board or (ii) if such person does not hold a valid administrative certificate issued or exchanged under Article 21 and endorsed as required by that Article for the position of principal. A principal whose performance contract is not
renewed as provided under subsection (c) of Section 34-2.2 may
nevertheless, if otherwise qualified and certified as herein
provided and if he or she has received a satisfactory rating as
provided in subsection (h) of Section 34-8.3, be included by a
local school council as one of the 3 candidates listed in order
of preference on any candidate list from which one person is to
be selected to serve as principal of the attendance center
under a new performance contract. The initial candidate list
required to be submitted by a local school council to the
general superintendent in cases where the local school council
does not renew the performance contract of its principal and
does not directly select a new principal to serve under a 4
year performance contract shall be submitted not later than 30
days prior to the expiration of the current performance
contract. In cases where the local school council fails or
refuses to submit the candidate list to the general
superintendent no later than 30 days prior to the expiration of
the incumbent principal's contract, the general superintendent
may appoint a principal on an interim basis for a period not to
exceed one year, during which time the local school council
shall be able to select a new principal with 7 affirmative
votes as provided in subsection (c) of Section 34-2.2. In cases
where a principal is removed for cause or a vacancy otherwise
occurs in the position of principal and the vacancy is not
filled by direct selection by the local school council, the
candidate list shall be submitted by the local school council
to the general superintendent within 90 days after the date
such removal or vacancy occurs. In cases where the local school
council fails or refuses to submit the candidate list to the
general superintendent within 90 days after the date of the
vacancy, the general superintendent may appoint a principal on
an interim basis for a period of one year, during which time
the local school council shall be able to select a new
principal with 7 affirmative votes as provided in subsection
(c) of Section 34-2.2.

2.5. Whenever a vacancy in the office of a principal occurs
for any reason, the vacancy shall be filled in the manner
provided by this Section by the selection of a new principal to
serve under a 4 year performance contract.

3. To establish additional criteria to be included as part
of the performance contract of its principal, provided that
such additional criteria shall not discriminate on the basis of
race, sex, creed, color or disability unrelated to ability to
perform, and shall not be inconsistent with the uniform 4 year
performance contract for principals developed by the board as
provided in Section 34-8.1 of the School Code or with other
provisions of this Article governing the authority and
responsibility of principals.

4. To approve the expenditure plan prepared by the
principal with respect to all funds allocated and distributed
to the attendance center by the Board. The expenditure plan
shall be administered by the principal. Notwithstanding any
other provision of this Act or any other law, any expenditure plan approved and administered under this Section 34-2.3 shall be consistent with and subject to the terms of any contract for services with a third party entered into by the Chicago School Reform Board of Trustees or the board under this Act.

Via a supermajority vote of 7 members of the local school council or 8 members of a high school local school council, the Council may transfer allocations pursuant to Section 34-2.3 within funds; provided that such a transfer is consistent with applicable law and collective bargaining agreements.

Beginning in fiscal year 1991 and in each fiscal year thereafter, the Board may reserve up to 1% of its total fiscal year budget for distribution on a prioritized basis to schools throughout the school system in order to assure adequate programs to meet the needs of special student populations as determined by the Board. This distribution shall take into account the needs catalogued in the Systemwide Plan and the various local school improvement plans of the local school councils. Information about these centrally funded programs shall be distributed to the local school councils so that their subsequent planning and programming will account for these provisions.

Beginning in fiscal year 1991 and in each fiscal year thereafter, from other amounts available in the applicable fiscal year budget, the board shall allocate a lump sum amount to each local school based upon such formula as the board shall
determine taking into account the special needs of the student body. The local school principal shall develop an expenditure plan in consultation with the local school council, the professional personnel leadership committee and with all other school personnel, which reflects the priorities and activities as described in the school's local school improvement plan and is consistent with applicable law and collective bargaining agreements and with board policies and standards; however, the local school council shall have the right to request waivers of board policy from the board of education and waivers of employee collective bargaining agreements pursuant to Section 34-8.1a.

The expenditure plan developed by the principal with respect to amounts available from the fund for prioritized special needs programs and the allocated lump sum amount must be approved by the local school council.

The lump sum allocation shall take into account the following principles:

a. Teachers: Each school shall be allocated funds equal to the amount appropriated in the previous school year for compensation for teachers (regular grades kindergarten through 12th grade) plus whatever increases in compensation have been negotiated contractually or through longevity as provided in the negotiated agreement. Adjustments shall be made due to layoff or reduction in force, lack of funds or work, change in subject
requirements, enrollment changes, or contracts with third parties for the performance of services or to rectify any inconsistencies with system-wide allocation formulas or for other legitimate reasons.

b. Other personnel: Funds for other teacher certificated and uncertificated personnel paid through non-categorical funds shall be provided according to system-wide formulas based on student enrollment and the special needs of the school as determined by the Board.

c. Non-compensation items: Appropriations for all non-compensation items shall be based on system-wide formulas based on student enrollment and on the special needs of the school or factors related to the physical plant, including but not limited to textbooks, electronic textbooks and the technological equipment necessary to gain access to and use electronic textbooks, supplies, electricity, equipment, and routine maintenance.

d. Funds for categorical programs: Schools shall receive personnel and funds based on, and shall use such personnel and funds in accordance with State and Federal requirements applicable to each categorical program provided to meet the special needs of the student body (including but not limited to, Federal Chapter I, Bilingual, and Special Education).

d.1. Funds for State Title I: Each school shall receive funds based on State and Board requirements applicable to
each State Title I pupil provided to meet the special needs
of the student body. Each school shall receive the
proportion of funds as provided in Section 18-8 or 18-8.15
to which they are entitled. These funds shall be spent only
with the budgetary approval of the Local School Council as
provided in Section 34-2.3.

e. The Local School Council shall have the right to
request the principal to close positions and open new ones
consistent with the provisions of the local school
improvement plan provided that these decisions are
consistent with applicable law and collective bargaining
agreements. If a position is closed, pursuant to this
paragraph, the local school shall have for its use the
system-wide average compensation for the closed position.

f. Operating within existing laws and collective
bargaining agreements, the local school council shall have
the right to direct the principal to shift expenditures
within funds.

  g. (Blank).

Any funds unexpended at the end of the fiscal year shall be
available to the board of education for use as part of its
budget for the following fiscal year.

5. To make recommendations to the principal concerning
textbook selection and concerning curriculum developed
pursuant to the school improvement plan which is consistent
with systemwide curriculum objectives in accordance with
Sections 34-8 and 34-18 of the School Code and in conformity with the collective bargaining agreement.

6. To advise the principal concerning the attendance and disciplinary policies for the attendance center, subject to the provisions of this Article and Article 26, and consistent with the uniform system of discipline established by the board pursuant to Section 34-19.

7. To approve a school improvement plan developed as provided in Section 34-2.4. The process and schedule for plan development shall be publicized to the entire school community, and the community shall be afforded the opportunity to make recommendations concerning the plan. At least twice a year the principal and local school council shall report publicly on progress and problems with respect to plan implementation.

8. To evaluate the allocation of teaching resources and other certificated and uncertificated staff to the attendance center to determine whether such allocation is consistent with and in furtherance of instructional objectives and school programs reflective of the school improvement plan adopted for the attendance center; and to make recommendations to the board, the general superintendent and the principal concerning any reallocation of teaching resources or other staff whenever the council determines that any such reallocation is appropriate because the qualifications of any existing staff at the attendance center do not adequately match or support instructional objectives or school programs which reflect the
school improvement plan.

9. To make recommendations to the principal and the general superintendent concerning their respective appointments, after August 31, 1989, and in the manner provided by Section 34-8 and Section 34-8.1, of persons to fill any vacant, additional or newly created positions for teachers at the attendance center or at attendance centers which include the attendance center served by the local school council.

10. To request of the Board the manner in which training and assistance shall be provided to the local school council. Pursuant to Board guidelines a local school council is authorized to direct the Board of Education to contract with personnel or not-for-profit organizations not associated with the school district to train or assist council members. If training or assistance is provided by contract with personnel or organizations not associated with the school district, the period of training or assistance shall not exceed 30 hours during a given school year; person shall not be employed on a continuous basis longer than said period and shall not have been employed by the Chicago Board of Education within the preceding six months. Council members shall receive training in at least the following areas:

1. school budgets;

2. educational theory pertinent to the attendance center's particular needs, including the development of the school improvement plan and the principal's
performance contract; and

3. personnel selection.

Council members shall, to the greatest extent possible, complete such training within 90 days of election.

11. In accordance with systemwide guidelines contained in the System-Wide Educational Reform Goals and Objectives Plan, criteria for evaluation of performance shall be established for local school councils and local school council members. If a local school council persists in noncompliance with systemwide requirements, the Board may impose sanctions and take necessary corrective action, consistent with Section 34-8.3.

12. Each local school council shall comply with the Open Meetings Act and the Freedom of Information Act. Each local school council shall issue and transmit to its school community a detailed annual report accounting for its activities programmatically and financially. Each local school council shall convene at least 2 well-publicized meetings annually with its entire school community. These meetings shall include presentation of the proposed local school improvement plan, of the proposed school expenditure plan, and the annual report, and shall provide an opportunity for public comment.

13. Each local school council is encouraged to involve additional non-voting members of the school community in facilitating the council's exercise of its responsibilities.

14. The local school council may adopt a school uniform or dress code policy that governs the attendance center and that
is necessary to maintain the orderly process of a school function or prevent endangerment of student health or safety, consistent with the policies and rules of the Board of Education. A school uniform or dress code policy adopted by a local school council: (i) shall not be applied in such manner as to discipline or deny attendance to a transfer student or any other student for noncompliance with that policy during such period of time as is reasonably necessary to enable the student to acquire a school uniform or otherwise comply with the dress code policy that is in effect at the attendance center into which the student's enrollment is transferred; and (ii) shall include criteria and procedures under which the local school council will accommodate the needs of or otherwise provide appropriate resources to assist a student from an indigent family in complying with an applicable school uniform or dress code policy. A student whose parents or legal guardians object on religious grounds to the student's compliance with an applicable school uniform or dress code policy shall not be required to comply with that policy if the student's parents or legal guardians present to the local school council a signed statement of objection detailing the grounds for the objection.

15. All decisions made and actions taken by the local school council in the exercise of its powers and duties shall comply with State and federal laws, all applicable collective bargaining agreements, court orders and rules properly
promulgated by the Board.

15a. To grant, in accordance with board rules and policies, the use of assembly halls and classrooms when not otherwise needed, including lighting, heat, and attendants, for public lectures, concerts, and other educational and social activities.

15b. To approve, in accordance with board rules and policies, receipts and expenditures for all internal accounts of the attendance center, and to approve all fund-raising activities by nonschool organizations that use the school building.

16. (Blank).

17. Names and addresses of local school council members shall be a matter of public record.

(Source: P.A. 96-1403, eff. 7-29-10.)

(105 ILCS 5/34-8.4)

Sec. 34-8.4. Intervention. The Chicago Schools Academic Accountability Council may recommend to the Chicago School Reform Board of Trustees that any school placed on remediation or probation under Section 34-8.3 or schools that for the 3 consecutive school years of 1992-1993, 1993-1994, and 1994-1995 have met the State Board of Education's category of "does not meet expectations" be made subject to intervention under this Section 34-8.4. In addition to any powers created under this Section, the Trustees shall have all powers created
under Section 34-8.3 with respect to schools subjected to intervention.

Prior to subjecting a school to intervention, the Trustees shall conduct a public hearing and make findings of facts concerning the recommendation of the Chicago Schools Academic Accountability Council and the factors causing the failure of the school to adequately perform. The Trustees shall afford an opportunity at the hearing for interested persons to comment about the intervention recommendation. After the hearing has been held and completion of findings of fact, the Trustees shall make a determination whether to subject the school to intervention.

If the Trustees determine that a school shall be subject to intervention under this Section, the Trustees shall develop an intervention implementation plan and shall cause a performance evaluation to be made of each employee at the school. Upon consideration of such evaluations, and consistent with the intervention implementation plan, the Trustees may reassign, layoff, or dismiss any employees at the attendance center, notwithstanding the provisions of Sections 24A-5 and 34-85.

The chief educational officer shall appoint a principal for the school and shall set the terms and conditions of the principal's contract, which in no case may be longer than 2 years. The principal shall select all teachers and non-certified personnel for the school as may be necessary. Any provision of Section 34-8.1 that conflicts with this Section
shall not apply to a school subjected to intervention under this Section.

If pursuant to this Section, the general superintendent, with the approval of the board, orders new local school council elections, the general superintendent shall carry out the responsibilities of the local school council for a school subject to intervention until the new local school council members are elected and trained.

Each school year, 5% of the supplemental general State aid or supplemental grant funds distributed to a school subject to intervention during that school year under subsection 5(i)(1)(a) of part A of Section 18-8 or subsection (H) of Section 18-8.05, or paragraph (2) of subsection (j) of Section 18-8.15 shall be used for employee performance incentives. The Trustees shall prepare a report evaluating the results of any interventions undertaken pursuant to this Section and shall make recommendations concerning implementation of special programs for dealing with underperforming schools on an ongoing basis. This report shall be submitted to the State Superintendent of Education and Mayor of the City of Chicago by January 1, 1999.

(Source: P.A. 89-15, eff. 5-30-95; 89-698, eff. 1-14-97; 90-548, eff. 1-1-98.)
general supervision and jurisdiction over the public education and the public school system of the city, and, except as otherwise provided by this Article, shall have power:

1. To make suitable provision for the establishment and maintenance throughout the year or for such portion thereof as it may direct, not less than 9 months, of schools of all grades and kinds, including normal schools, high schools, night schools, schools for defectives and delinquents, parental and truant schools, schools for the blind, the deaf and persons with physical disabilities, schools or classes in manual training, constructural and vocational teaching, domestic arts and physical culture, vocation and extension schools and lecture courses, and all other educational courses and facilities, including establishing, equipping, maintaining and operating playgrounds and recreational programs, when such programs are conducted in, adjacent to, or connected with any public school under the general supervision and jurisdiction of the board; provided that the calendar for the school term and any changes must be submitted to and approved by the State Board of Education before the calendar or changes may take effect, and provided that in allocating funds from year to year for the operation of all attendance centers within the district, the board shall ensure that supplemental general State aid or supplemental grant funds are allocated and applied in accordance with Section 18-8.
18-8.05, or 18-8.15. To admit to such schools without charge foreign exchange students who are participants in an organized exchange student program which is authorized by the board. The board shall permit all students to enroll in apprenticeship programs in trade schools operated by the board, whether those programs are union-sponsored or not. No student shall be refused admission into or be excluded from any course of instruction offered in the common schools by reason of that student's sex. No student shall be denied equal access to physical education and interscholastic athletic programs supported from school district funds or denied participation in comparable physical education and athletic programs solely by reason of the student's sex. Equal access to programs supported from school district funds and comparable programs will be defined in rules promulgated by the State Board of Education in consultation with the Illinois High School Association. Notwithstanding any other provision of this Article, neither the board of education nor any local school council or other school official shall recommend that children with disabilities be placed into regular education classrooms unless those children with disabilities are provided with supplementary services to assist them so that they benefit from the regular classroom instruction and are included on the teacher's regular education class register;
2. To furnish lunches to pupils, to make a reasonable charge therefor, and to use school funds for the payment of such expenses as the board may determine are necessary in conducting the school lunch program;

3. To co-operate with the circuit court;

4. To make arrangements with the public or quasi-public libraries and museums for the use of their facilities by teachers and pupils of the public schools;

5. To employ dentists and prescribe their duties for the purpose of treating the pupils in the schools, but accepting such treatment shall be optional with parents or guardians;

6. To grant the use of assembly halls and classrooms when not otherwise needed, including light, heat, and attendants, for free public lectures, concerts, and other educational and social interests, free of charge, under such provisions and control as the principal of the affected attendance center may prescribe;

7. To apportion the pupils to the several schools; provided that no pupil shall be excluded from or segregated in any such school on account of his color, race, sex, or nationality. The board shall take into consideration the prevention of segregation and the elimination of separation of children in public schools because of color, race, sex, or nationality. Except that children may be committed to or attend parental and social adjustment
schools established and maintained either for boys or girls only. All records pertaining to the creation, alteration or revision of attendance areas shall be open to the public. Nothing herein shall limit the board's authority to establish multi-area attendance centers or other student assignment systems for desegregation purposes or otherwise, and to apportion the pupils to the several schools. Furthermore, beginning in school year 1994-95, pursuant to a board plan adopted by October 1, 1993, the board shall offer, commencing on a phased-in basis, the opportunity for families within the school district to apply for enrollment of their children in any attendance center within the school district which does not have selective admission requirements approved by the board. The appropriate geographical area in which such open enrollment may be exercised shall be determined by the board of education. Such children may be admitted to any such attendance center on a space available basis after all children residing within such attendance center's area have been accommodated. If the number of applicants from outside the attendance area exceed the space available, then successful applicants shall be selected by lottery. The board of education's open enrollment plan must include provisions that allow low income students to have access to transportation needed to exercise school choice. Open enrollment shall be in compliance with the provisions of
the Consent Decree and Desegregation Plan cited in Section 34-1.01;

8. To approve programs and policies for providing transportation services to students. Nothing herein shall be construed to permit or empower the State Board of Education to order, mandate, or require busing or other transportation of pupils for the purpose of achieving racial balance in any school;

9. Subject to the limitations in this Article, to establish and approve system-wide curriculum objectives and standards, including graduation standards, which reflect the multi-cultural diversity in the city and are consistent with State law, provided that for all purposes of this Article courses or proficiency in American Sign Language shall be deemed to constitute courses or proficiency in a foreign language; and to employ principals and teachers, appointed as provided in this Article, and fix their compensation. The board shall prepare such reports related to minimal competency testing as may be requested by the State Board of Education, and in addition shall monitor and approve special education and bilingual education programs and policies within the district to assure that appropriate services are provided in accordance with applicable State and federal laws to children requiring services and education in those areas;

10. To employ non-teaching personnel or utilize
volunteer personnel for: (i) non-teaching duties not
requiring instructional judgment or evaluation of pupils,
including library duties; and (ii) supervising study
halls, long distance teaching reception areas used
incident to instructional programs transmitted by
electronic media such as computers, video, and audio,
detention and discipline areas, and school-sponsored
extracurricular activities. The board may further utilize
volunteer non-certificated personnel or employ
non-certificated personnel to assist in the instruction of
pupils under the immediate supervision of a teacher holding
a valid certificate, directly engaged in teaching subject
matter or conducting activities; provided that the teacher
shall be continuously aware of the non-certificated
persons' activities and shall be able to control or modify
them. The general superintendent shall determine
qualifications of such personnel and shall prescribe rules
for determining the duties and activities to be assigned to
such personnel;

10.5. To utilize volunteer personnel from a regional
School Crisis Assistance Team (S.C.A.T.), created as part
of the Safe to Learn Program established pursuant to
Section 25 of the Illinois Violence Prevention Act of 1995,
to provide assistance to schools in times of violence or
other traumatic incidents within a school community by
providing crisis intervention services to lessen the
effects of emotional trauma on individuals and the community; the School Crisis Assistance Team Steering Committee shall determine the qualifications for volunteers;

11. To provide television studio facilities in not to exceed one school building and to provide programs for educational purposes, provided, however, that the board shall not construct, acquire, operate, or maintain a television transmitter; to grant the use of its studio facilities to a licensed television station located in the school district; and to maintain and operate not to exceed one school radio transmitting station and provide programs for educational purposes;

12. To offer, if deemed appropriate, outdoor education courses, including field trips within the State of Illinois, or adjacent states, and to use school educational funds for the expense of the said outdoor educational programs, whether within the school district or not;

13. During that period of the calendar year not embraced within the regular school term, to provide and conduct courses in subject matters normally embraced in the program of the schools during the regular school term and to give regular school credit for satisfactory completion by the student of such courses as may be approved for credit by the State Board of Education;

14. To insure against any loss or liability of the
board, the former School Board Nominating Commission, Local School Councils, the Chicago Schools Academic Accountability Council, or the former Subdistrict Councils or of any member, officer, agent or employee thereof, resulting from alleged violations of civil rights arising from incidents occurring on or after September 5, 1967 or from the wrongful or negligent act or omission of any such person whether occurring within or without the school premises, provided the officer, agent or employee was, at the time of the alleged violation of civil rights or wrongful act or omission, acting within the scope of his employment or under direction of the board, the former School Board Nominating Commission, the Chicago Schools Academic Accountability Council, Local School Councils, or the former Subdistrict Councils; and to provide for or participate in insurance plans for its officers and employees, including but not limited to retirement annuities, medical, surgical and hospitalization benefits in such types and amounts as may be determined by the board; provided, however, that the board shall contract for such insurance only with an insurance company authorized to do business in this State. Such insurance may include provision for employees who rely on treatment by prayer or spiritual means alone for healing, in accordance with the tenets and practice of a recognized religious denomination;
15. To contract with the corporate authorities of any municipality or the county board of any county, as the case may be, to provide for the regulation of traffic in parking areas of property used for school purposes, in such manner as is provided by Section 11-209 of The Illinois Vehicle Code, approved September 29, 1969, as amended;

16. (a) To provide, on an equal basis, access to a high school campus and student directory information to the official recruiting representatives of the armed forces of Illinois and the United States for the purposes of informing students of the educational and career opportunities available in the military if the board has provided such access to persons or groups whose purpose is to acquaint students with educational or occupational opportunities available to them. The board is not required to give greater notice regarding the right of access to recruiting representatives than is given to other persons and groups. In this paragraph 16, "directory information" means a high school student's name, address, and telephone number.

(b) If a student or his or her parent or guardian submits a signed, written request to the high school before the end of the student's sophomore year (or if the student is a transfer student, by another time set by the high school) that indicates that the student or his or her parent or guardian does not want the student's directory
information to be provided to official recruiting representatives under subsection (a) of this Section, the high school may not provide access to the student's directory information to these recruiting representatives. The high school shall notify its students and their parents or guardians of the provisions of this subsection (b).

(c) A high school may require official recruiting representatives of the armed forces of Illinois and the United States to pay a fee for copying and mailing a student's directory information in an amount that is not more than the actual costs incurred by the high school.

(d) Information received by an official recruiting representative under this Section may be used only to provide information to students concerning educational and career opportunities available in the military and may not be released to a person who is not involved in recruiting students for the armed forces of Illinois or the United States;

17. (a) To sell or market any computer program developed by an employee of the school district, provided that such employee developed the computer program as a direct result of his or her duties with the school district or through the utilization of the school district resources or facilities. The employee who developed the computer program shall be entitled to share in the proceeds of such sale or marketing of the computer program. The distribution
of such proceeds between the employee and the school
district shall be as agreed upon by the employee and the
school district, except that neither the employee nor the
school district may receive more than 90% of such proceeds.
The negotiation for an employee who is represented by an
exclusive bargaining representative may be conducted by
such bargaining representative at the employee's request.

(b) For the purpose of this paragraph 17:

(1) "Computer" means an internally programmed,
genral purpose digital device capable of
automatically accepting data, processing data and
supplying the results of the operation.

(2) "Computer program" means a series of coded
instructions or statements in a form acceptable to a
computer, which causes the computer to process data in
order to achieve a certain result.

(3) "Proceeds" means profits derived from
marketing or sale of a product after deducting the
expenses of developing and marketing such product;

18. To delegate to the general superintendent of
schools, by resolution, the authority to approve contracts
and expenditures in amounts of $10,000 or less;

19. Upon the written request of an employee, to
withhold from the compensation of that employee any dues,
payments or contributions payable by such employee to any
labor organization as defined in the Illinois Educational
Labor Relations Act. Under such arrangement, an amount shall be withheld from each regular payroll period which is equal to the pro rata share of the annual dues plus any payments or contributions, and the board shall transmit such withholdings to the specified labor organization within 10 working days from the time of the withholding;

19a. Upon receipt of notice from the comptroller of a municipality with a population of 500,000 or more, a county with a population of 3,000,000 or more, the Cook County Forest Preserve District, the Chicago Park District, the Metropolitan Water Reclamation District, the Chicago Transit Authority, or a housing authority of a municipality with a population of 500,000 or more that a debt is due and owing the municipality, the county, the Cook County Forest Preserve District, the Chicago Park District, the Metropolitan Water Reclamation District, the Chicago Transit Authority, or the housing authority by an employee of the Chicago Board of Education, to withhold, from the compensation of that employee, the amount of the debt that is due and owing and pay the amount withheld to the municipality, the county, the Cook County Forest Preserve District, the Chicago Park District, the Metropolitan Water Reclamation District, the Chicago Transit Authority, or the housing authority; provided, however, that the amount deducted from any one salary or wage payment shall not exceed 25% of the net amount of the payment. Before the
Board deducts any amount from any salary or wage of an employee under this paragraph, the municipality, the county, the Cook County Forest Preserve District, the Chicago Park District, the Metropolitan Water Reclamation District, the Chicago Transit Authority, or the housing authority shall certify that (i) the employee has been afforded an opportunity for a hearing to dispute the debt that is due and owing the municipality, the county, the Cook County Forest Preserve District, the Chicago Park District, the Metropolitan Water Reclamation District, the Chicago Transit Authority, or the housing authority and (ii) the employee has received notice of a wage deduction order and has been afforded an opportunity for a hearing to object to the order. For purposes of this paragraph, "net amount" means that part of the salary or wage payment remaining after the deduction of any amounts required by law to be deducted and "debt due and owing" means (i) a specified sum of money owed to the municipality, the county, the Cook County Forest Preserve District, the Chicago Park District, the Metropolitan Water Reclamation District, the Chicago Transit Authority, or the housing authority for services, work, or goods, after the period granted for payment has expired, or (ii) a specified sum of money owed to the municipality, the county, the Cook County Forest Preserve District, the Chicago Park District, the Metropolitan Water Reclamation District, the Chicago
Transit Authority, or the housing authority pursuant to a court order or order of an administrative hearing officer after the exhaustion of, or the failure to exhaust, judicial review;

20. The board is encouraged to employ a sufficient number of certified school counselors to maintain a student/counselor ratio of 250 to 1 by July 1, 1990. Each counselor shall spend at least 75% of his work time in direct contact with students and shall maintain a record of such time;

21. To make available to students vocational and career counseling and to establish 5 special career counseling days for students and parents. On these days representatives of local businesses and industries shall be invited to the school campus and shall inform students of career opportunities available to them in the various businesses and industries. Special consideration shall be given to counseling minority students as to career opportunities available to them in various fields. For the purposes of this paragraph, minority student means a person who is any of the following:

(a) American Indian or Alaska Native (a person having origins in any of the original peoples of North and South America, including Central America, and who maintains tribal affiliation or community attachment).

(b) Asian (a person having origins in any of the
original peoples of the Far East, Southeast Asia, or the
Indian subcontinent, including, but not limited to,
Cambodia, China, India, Japan, Korea, Malaysia, Pakistan,
the Philippine Islands, Thailand, and Vietnam).

(c) Black or African American (a person having origins
in any of the black racial groups of Africa). Terms such as
"Haitian" or "Negro" can be used in addition to "Black or
African American".

(d) Hispanic or Latino (a person of Cuban, Mexican,
Puerto Rican, South or Central American, or other Spanish
culture or origin, regardless of race).

(e) Native Hawaiian or Other Pacific Islander (a person
having origins in any of the original peoples of Hawaii,
Guam, Samoa, or other Pacific Islands).

Counseling days shall not be in lieu of regular school
days;

22. To report to the State Board of Education the
annual student dropout rate and number of students who
graduate from, transfer from or otherwise leave bilingual
programs;

23. Except as otherwise provided in the Abused and
Neglected Child Reporting Act or other applicable State or
federal law, to permit school officials to withhold, from
any person, information on the whereabouts of any child
removed from school premises when the child has been taken
into protective custody as a victim of suspected child
abuse. School officials shall direct such person to the
Department of Children and Family Services, or to the local
law enforcement agency if appropriate;

24. To develop a policy, based on the current state of
existing school facilities, projected enrollment and
efficient utilization of available resources, for capital
improvement of schools and school buildings within the
district, addressing in that policy both the relative
priority for major repairs, renovations and additions to
school facilities, and the advisability or necessity of
building new school facilities or closing existing schools
to meet current or projected demographic patterns within
the district;

25. To make available to the students in every high
school attendance center the ability to take all courses
necessary to comply with the Board of Higher Education's
college entrance criteria effective in 1993;

26. To encourage mid-career changes into the teaching
profession, whereby qualified professionals become
certified teachers, by allowing credit for professional
employment in related fields when determining point of
entry on teacher pay scale;

27. To provide or contract out training programs for
administrative personnel and principals with revised or
expanded duties pursuant to this Act in order to assure
they have the knowledge and skills to perform their duties;
28. To establish a fund for the prioritized special needs programs, and to allocate such funds and other lump sum amounts to each attendance center in a manner consistent with the provisions of part 4 of Section 34-2.3. Nothing in this paragraph shall be construed to require any additional appropriations of State funds for this purpose;

29. (Blank);

30. Notwithstanding any other provision of this Act or any other law to the contrary, to contract with third parties for services otherwise performed by employees, including those in a bargaining unit, and to layoff those employees upon 14 days written notice to the affected employees. Those contracts may be for a period not to exceed 5 years and may be awarded on a system-wide basis. The board may not operate more than 30 contract schools, provided that the board may operate an additional 5 contract turnaround schools pursuant to item (5.5) of subsection (d) of Section 34-8.3 of this Code;

31. To promulgate rules establishing procedures governing the layoff or reduction in force of employees and the recall of such employees, including, but not limited to, criteria for such layoffs, reductions in force or recall rights of such employees and the weight to be given to any particular criterion. Such criteria shall take into account factors including, but not be limited to, qualifications, certifications, experience, performance
ratings or evaluations, and any other factors relating to an employee's job performance;

32. To develop a policy to prevent nepotism in the hiring of personnel or the selection of contractors;

33. To enter into a partnership agreement, as required by Section 34-3.5 of this Code, and, notwithstanding any other provision of law to the contrary, to promulgate policies, enter into contracts, and take any other action necessary to accomplish the objectives and implement the requirements of that agreement; and

34. To establish a Labor Management Council to the board comprised of representatives of the board, the chief executive officer, and those labor organizations that are the exclusive representatives of employees of the board and to promulgate policies and procedures for the operation of the Council.

The specifications of the powers herein granted are not to be construed as exclusive but the board shall also exercise all other powers that they may be requisite or proper for the maintenance and the development of a public school system, not inconsistent with the other provisions of this Article or provisions of this Code which apply to all school districts.

In addition to the powers herein granted and authorized to be exercised by the board, it shall be the duty of the board to review or to direct independent reviews of special education expenditures and services. The board shall file a report of
such review with the General Assembly on or before May 1, 1990.
(Source: P.A. 99-143, eff. 7-27-15.)

(105 ILCS 5/34-18.30)
Sec. 34-18.30. Dependents of military personnel; no tuition charge. If, at the time of enrollment, a dependent of United States military personnel is housed in temporary housing located outside of the school district, but will be living within the district within 60 days after the time of initial enrollment, the dependent must be allowed to enroll, subject to the requirements of this Section, and must not be charged tuition. Any United States military personnel attempting to enroll a dependent under this Section shall provide proof that the dependent will be living within the district within 60 days after the time of initial enrollment. Proof of residency may include, but is not limited to, postmarked mail addressed to the military personnel and sent to an address located within the district, a lease agreement for occupancy of a residence located within the district, or proof of ownership of a residence located within the district. Non-resident dependents of United States military personnel attending school on a tuition-free basis may be counted for the purposes of determining the apportionment of State aid provided under Section 18-8.05 or 18-8.15 of this Code.
(Source: P.A. 95-331, eff. 8-21-07.)
Sec. 34-43.1. (A) Limitation of noninstructional costs. It is the purpose of this Section to establish for the Board of Education and the general superintendent of schools requirements and standards which maximize the proportion of school district resources in direct support of educational, program, and building maintenance and safety services for the pupils of the district, and which correspondingly minimize the amount and proportion of such resources associated with centralized administration, administrative support services, and other noninstructional services.

For the 1989-90 school year and for all subsequent school years, the Board of Education shall undertake budgetary and expenditure control actions which limit the administrative expenditures of the Board of Education to levels, as provided for in this Section, which represent an average of the administrative expenses of all school districts in this State not subject to Article 34.

(B) Certification of expenses by the State Superintendent of Education. The State Superintendent of Education shall annually certify, on or before May 1, to the Board of Education and the School Finance Authority, for the applicable school year, the following information:

(1) the annual expenditures of all school districts of the State not subject to Article 34 properly attributable to expenditure functions defined by the rules and
regulations of the State Board of Education as: 2210 (Improvement of Instructional Services); 2300 (Support Services - General Administration) excluding, however, 2320 (Executive Administrative Services); 2490 (Other Support Services - School Administration); 2500 (Support Services - Business); 2600 (Support Services - Central);

(2) the total annual expenditures of all school districts not subject to Article 34 attributable to the Education Fund, the Operations, Building and Maintenance Fund, the Transportation Fund and the Illinois Municipal Retirement Fund of the several districts, as defined by the rules and regulations of the State Board of Education; and

(3) a ratio, to be called the statewide average of administrative expenditures, derived by dividing the expenditures certified pursuant to paragraph (B)(1) by the expenditures certified pursuant to paragraph (B)(2).

For purposes of the annual certification of expenditures and ratios required by this Section, the "applicable year" of certification shall initially be the 1986-87 school year and, in sequent years, each succeeding school year.

The State Superintendent of Education shall consult with the Board of Education to ascertain whether particular expenditure items allocable to the administrative functions enumerated in paragraph (B)(1) are appropriately or necessarily higher in the applicable school district than in the rest of the State due to noncomparable factors. The State
Superintendent shall also review the relevant cost proportions in other large urban school districts. The State Superintendent shall also review the expenditure categories in paragraph (B)(1) to ascertain whether they contain school-level expenses. If he or she finds that adjustments to the formula are appropriate or necessary to establish a more fair and comparable standard for administrative cost for the Board of Education or to exclude school-level expenses, the State Superintendent shall recommend to the School Finance Authority rules and regulations adjusting particular subcategories in this subsection (B) or adjusting certain costs in determining the budget and expenditure items properly attributable to the functions or otherwise adjust the formula.

(C) Administrative expenditure limitations. The annual budget of the Board of Education, as adopted and implemented, and the related annual expenditures for the school year, shall reflect a limitation on administrative outlays as required by the following provisions, taking into account any adjustments established by the State Superintendent of Education: (1) the budget and expenditures of the Board of Education for the 1989-90 school year shall reflect a ratio of administrative expenditures to total expenditures equal to or less than the statewide average of administrative expenditures for the 1986-87 school year as certified by the State Superintendent of Education pursuant to paragraph (B)(3); (2) for the 1990-91 school year and for all subsequent school years, the budget and
expenditures of the Board of Education shall reflect a ratio of administrative expenditures to total expenditures equal to or less than the statewide average of administrative expenditures certified by the State Superintendent of Education for the applicable year pursuant to paragraph (B)(3); (3) if for any school year the budget of the Board of Education reflects a ratio of administrative expenditures to total expenditures which exceeds the applicable statewide average, the Board of Education shall reduce expenditure items allocable to the administrative functions enumerated in paragraph (B)(1) such that the Board of Education's ratio of administrative expenditures to total expenditures is equal to or less than the applicable statewide average ratio.

For purposes of this Section, the ratio of administrative expenditures to the total expenditures of the Board of Education, as applied to the budget of the Board of Education, shall mean: the budgeted expenditure items of the Board of Education properly attributable to the expenditure functions identified in paragraph (B)(1) divided by the total budgeted expenditures of the Board of Education properly attributable to the Board of Education funds corresponding to those funds identified in paragraph (B)(2), exclusive of any monies budgeted for payment to the Public School Teachers' Pension and Retirement System, attributable to payments due from the General Funds of the State of Illinois.

The annual expenditure of the Board of Education for 2320
(Executive Administrative Services) for the 1989-90 school year shall be no greater than the 2320 expenditure for the 1988-89 school year. The annual expenditure of the Board of Education for 2320 for the 1990-91 school year and each subsequent school year shall be no greater than the 2320 expenditure for the immediately preceding school year or the 1988-89 school year, whichever is less. This annual expenditure limitation may be adjusted in each year in an amount not to exceed any change effective during the applicable school year in salary to be paid under the collective bargaining agreement with instructional personnel to which the Board is a party and in benefit costs either required by law or such collective bargaining agreement.

(D) Cost control measures. In undertaking actions to control or reduce expenditure items necessitated by the administrative expenditure limitations of this Section, the Board of Education shall give priority consideration to reductions or cost controls with the least effect upon direct services to students or instructional services for pupils, and upon the safety and well-being of pupils, and, as applicable, with the particular costs or functions to which the Board of Education is higher than the statewide average.

For purposes of assuring that the cost control priorities of this subsection (D) are met, the State Superintendent of Education shall, with the assistance of the Board of Education, review the cost allocation practices of the Board of Education,
and the State Superintendent of Education shall thereafter recommend to the School Finance Authority rules and regulations which define administrative areas which most impact upon the direct and instructional needs of students and upon the safety and well-being of the pupils of the district. No position closed shall be reopened using State or federal categorical funds.

(E) Report of Audited Information. For the 1988-89 school year and for all subsequent school years, the Board of Education shall file with the State Board of Education the Annual Financial Report and its audit, as required by the rules of the State Board of Education. Such reports shall be filed no later than February 15 following the end of the school year of the Board of Education, beginning with the report to be filed no later than February 15, 1990 for the 1988-89 school year.

As part of the required Annual Financial Report, the Board of Education shall provide a detailed accounting of the central level, district, bureau and department costs and personnel included within expenditure functions included in paragraph (B)(1). The nature and detail of the reporting required for these functions shall be prescribed by the State Board of Education in rules and regulations. A copy of this detailed accounting shall also be provided annually to the School Finance Authority and the public. This report shall contain a reconciliation to the board of education's adopted budget for that fiscal year, specifically delineating administrative
functions.

If the information required under this Section is not provided by the Board of Education in a timely manner, or is initially or subsequently determined by the State Superintendent of Education to be incomplete or inaccurate, the State Superintendent shall, in writing, notify the Board of Education of reporting deficiencies. The Board of Education shall, within 60 days of such notice, address the reporting deficiencies identified. If the State Superintendent of Education does not receive satisfactory response to these reporting deficiencies within 60 days, the next payment of general State aid or primary State aid due the Board of Education under Section 18-8 or Section 18-8.15, as applicable, and all subsequent payments, shall be withheld by the State Superintendent of Education until the enumerated deficiencies have been addressed.

Utilizing the Annual Financial Report, the State Superintendent of Education shall certify on or before May 1 to the School Finance Authority the Board of Education's ratio of administrative expenditures to total expenditures for the 1988-89 school year and for each succeeding school year. Such certification shall indicate the extent to which the administrative expenditure ratio of the Board of Education conformed to the limitations required in subsection (C) of this Section, taking into account any adjustments of the limitations which may have been recommended by the State Superintendent of
Education to the School Finance Authority. In deriving the administrative expenditure ratio of the Chicago Board of Education, the State Superintendent of Education shall utilize the definition of this ratio prescribed in subsection (C) of this Section, except that the actual expenditures of the Board of Education shall be substituted for budgeted expenditure items.

(F) Approval and adjustments to administrative expenditure limitations. The School Finance Authority organized under Article 34A shall monitor the Board of Education's adherence to the requirements of this Section. As part of its responsibility the School Finance Authority shall determine whether the Board of Education's budget for the next school year, and the expenditures for a prior school year, comply with the limitation of administrative expenditures required by this Section. The Board of Education and the State Board of Education shall provide such information as is required by the School Finance Authority in order for the Authority to determine compliance with the provisions of this Section. If the Authority determines that the budget proposed by the Board of Education does not meet the cost control requirements of this Section, the Board of Education shall undertake budgetary reductions, consistent with the requirements of this Section, to bring the proposed budget into compliance with such cost control limitations.

If, in formulating cost control and cost reduction
alternatives, the Board of Education believes that meeting the
cost control requirements of this Section related to the budget
for the ensuing year would impair the education, safety, or
well-being of the pupils of the school district, the Board of
Education may request that the School Finance Authority make
adjustments to the limitations required by this Section. The
Board of Education shall specify the amount, nature, and
reasons for the relief required and shall also identify cost
reductions which can be made in expenditure functions not
enumerated in paragraph (B)(1), which would serve the purposes
of this Section.

The School Finance Authority shall consult with the State
Superintendent of Education concerning the reasonableness from
an educational administration perspective of the adjustments
sought by the Board of Education. The School Finance Authority
shall provide an opportunity for the public to comment upon the
reasonableness of the Board's request. If, after such
consultation, the School Finance Authority determines that all
or a portion of the adjustments sought by the Board of
Education are reasonably appropriate or necessary, the
Authority may grant such relief from the provisions of this
Section which the Authority deems appropriate. Adjustments so
granted apply only to the specific school year for which the
request was made.

In the event that the School Finance Authority determines
that the Board of Education has failed to achieve the required
administrative expenditure limitations for a prior school year, or if the Authority determines that the Board of Education has not met the requirements of subsection (F), the Authority shall make recommendations to the Board of Education concerning appropriate corrective actions. If the Board of Education fails to provide adequate assurance to the Authority that appropriate corrective actions have been or will be taken, the Authority may, within 60 days thereafter, require the board to adjust its current budget to correct for the prior year's shortage or may recommend to the members of the General Assembly and the Governor such sanctions or remedial actions as will serve to deter any further such failures on the part of the Board of Education.

To assist the Authority in its monitoring responsibilities, the Board of Education shall provide such reports and information as are from time to time required by the Authority.

(G) Independent reviews of administrative expenditures. The School Finance Authority may direct independent reviews of the administrative and administrative support expenditures and services and other non-instructional expenditure functions of the Board of Education. The Board of Education shall afford full cooperation to the School Finance Authority in such review activity. The purpose of such reviews shall be to verify specific targets for improved operating efficiencies of the Board of Education, to identify other areas of potential
efficiencies, and to assure full and proper compliance by the
Board of Education with all requirements of this Section.

In the conduct of reviews under this subsection, the
Authority may request the assistance and consultation of the
State Superintendent of Education with regard to questions of
efficiency and effectiveness in educational administration.

(H) Reports to Governor and General Assembly. On or before
May 1, 1991 and no less frequently than yearly thereafter, the
School Finance Authority shall provide to the Governor, the
State Board of Education, and the members of the General
Assembly an annual report, as outlined in Section 34A-606,
which includes the following information: (1) documenting the
compliance or non-compliance of the Board of Education with the
requirements of this Section; (2) summarizing the costs,
findings, and recommendations of any reviews directed by the
School Finance Authority, and the response to such
recommendations made by the Board of Education; and (3)
recommending sanctions or legislation necessary to fulfill the
intent of this Section.

(Source: P.A. 86-124; 86-1477.)

(105 ILCS 5/34-53) (from Ch. 122, par. 34-53)

Sec. 34-53. Tax levies; Purpose; Rates. For the purpose of
establishing and supporting free schools for not fewer than 9
months in each year and defraying their expenses the board may
levy annually, upon all taxable property of such district for
educational purposes a tax for the fiscal years 1996 and each succeeding fiscal year at a rate of not to exceed the sum of (i) 2.81% 3.07% (or such other rate as may be set by law independent of the rate difference described in (ii) below) and (ii) the difference between .50% and the rate per cent of taxes extended for a School Finance Authority organized under Article 34A of the School Code, for the calendar year in which the applicable fiscal year of the board begins as determined by the county clerk and certified to the board pursuant to Section 18-110 of the Property Tax Code, of the value as equalized or assessed by the Department of Revenue for the year in which such levy is made.

For fiscal year 2017 and each succeeding fiscal year, for the purpose of making an employer contribution to the Public School Teachers' Pension and Retirement Fund of Chicago, the board shall levy annually, upon all taxable property located within the district, a tax at the rate of 0.26%. The proceeds from this additional tax shall be paid directly to the Pension Fund. The changes made to this Section by this amendatory Act of the 99th General Assembly: (1) do not authorize an increase in the district's maximum aggregate extension or limiting rate under the Property Tax Extension Limitation Law; and (2) constitute a continuation of the existing total maximum rate under this Section and are not a new rate for the purposes of the Property Tax Extension Limitation Law.

Nothing in this amendatory Act of 1995 shall in any way
impair or restrict the levy or extension of taxes pursuant to any tax levies for any purposes of the board lawfully made prior to the adoption of this amendatory Act of 1995.

Notwithstanding any other provision of this Code and in addition to any other methods provided for increasing the tax rate the board may, by proper resolution, cause a proposition to increase the annual tax rate for educational purposes to be submitted to the voters of such district at any general or special election. The maximum rate for educational purposes shall not exceed 4.00%. The election called for such purpose shall be governed by Article 9 of this Act. If at such election a majority of the votes cast on the proposition is in favor thereof, the Board of Education may thereafter until such authority is revoked in a like manner, levy annually the tax so authorized.

For purposes of this Article, educational purposes for fiscal years beginning in 1995 and each subsequent year shall also include, but not be limited to, in addition to those purposes authorized before this amendatory Act of 1995, constructing, acquiring, leasing (other than from the Public Building Commission of Chicago), operating, maintaining, improving, repairing, and renovating land, buildings, furnishings, and equipment for school houses and buildings, and related incidental expenses, and provision of special education, furnishing free textbooks and instructional aids and school supplies, establishing, equipping, maintaining, and
operating supervised playgrounds under the control of the board, school extracurricular activities, and stadia, social center, and summer swimming pool programs open to the public in connection with any public school; making an employer contribution to the Public School Teachers' Pension and Retirement Fund as required by Section 17-129 of the Illinois Pension Code; and providing an agricultural science school, including site development and improvements, maintenance repairs, and supplies. Educational purposes also includes student transportation expenses.

All collections of all taxes levied for fiscal years ending before 1996 under this Section or under Sections 34-53.2, 34-53.3, 34-58, 34-60, or 34-62 of this Article as in effect prior to this amendatory Act of 1995 may be used for any educational purposes as defined by this amendatory Act of 1995 and need not be used for the particular purposes for which they were levied. The levy and extension of taxes pursuant to this Section as amended by this amendatory Act of 1995 shall not constitute a new or increased tax rate within the meaning of the Property Tax Extension Limitation Law or the One-year Property Tax Extension Limitation Law.

The rate at which taxes may be levied for the fiscal year beginning September 1, 1996, for educational purposes shall be the full rate authorized by this Section for such taxes for fiscal years ending after 1995.

(Source: P.A. 88-511; 88-670, eff. 12-2-94; 89-15, eff.
Section 950. The Educational Opportunity for Military Children Act is amended by changing Section 25 as follows:

(105 ILCS 70/25)

Sec. 25. Tuition for children of active duty military personnel who are transfer students. If a student who is a child of active duty military personnel is (i) placed with a non-custodial parent and (ii) as a result of placement, must attend a non-resident school district, then the student must not be charged the tuition of the school that the student attends as a result of placement with the non-custodial parent and the student must be counted in the calculation of average daily attendance under Section 18-8.05 or 18-8.15 of the School Code.

(Source: P.A. 98-673, eff. 6-30-14.)

Section 955. The Illinois Public Aid Code is amended by changing Section 5-16.4 as follows:

(305 ILCS 5/5-16.4)

Sec. 5-16.4. Medical Assistance Provider Payment Fund.

(a) There is created in the State treasury the Medical Assistance Provider Payment Fund. Interest earned by the Fund shall be credited to the Fund.
(b) The Fund is created for the purpose of disbursing moneys as follows:

(1) For medical services provided to recipients of aid under Articles V, VI, and XII.

(2) For payment of administrative expenses incurred by the Illinois Department or its agent in performing the activities authorized by this Section.

(3) For making transfers to the General Obligation Bond Retirement and Interest Fund, as those transfers are authorized in the proceedings authorizing debt under the Medicaid Liability Liquidity Borrowing Act, but transfers made under this paragraph (3) may not exceed the principal amount of debt issued under that Act.

Disbursements from the Fund, other than transfers to the General Obligation Bond Retirement and Interest Fund (which shall be made in accordance with the provisions of the Medicaid Liability Liquidity Borrowing Act), shall be by warrants drawn by the State Comptroller upon receipt of vouchers duly executed and certified by the Illinois Department.

(c) The Fund shall consist of the following:

(1) All federal matching funds received by the Illinois Department as a result of expenditures made by the Illinois Department that are attributable to moneys deposited into the Fund.

(2) Proceeds from any short-term borrowing directed to the Fund by the Governor pursuant to the Medicaid Liability
Liquidity Borrowing Act.

(3) Amounts transferred into the Fund under subsection 
(d) of this Section.

(4) All other moneys received for the Fund from any 
other source, including interest earned on those moneys.

(d) Beginning July 1, 1995, on the 13th and 26th days of 
each month the State Comptroller and Treasurer shall transfer 
from the General Revenue Fund to the Medical Assistance 
Provider Payment Fund an amount equal to 1/48th of the annual 
Medical Assistance appropriation to the Department of 
Healthcare and Family Services (formerly Illinois Department 
of Public Aid) from the Medical Assistance Provider Payment 
Fund, plus cumulative deficiencies from those prior transfers. 
In addition to those transfers, the State Comptroller and 
Treasurer may transfer from the General Revenue Fund to the 
Medical Assistance Provider Payment Fund as much as is 
necessary to pay claims pursuant to the new twice-monthly 
payment schedule established in Section 5-16.5 and to avoid 
interest liabilities under the State Prompt Payment Act. No 
transfers made pursuant to this subsection shall interfere with 
the timely payment of the general State aid or primary State 
aid payment made pursuant to Section 18-11 of the School Code.
(Source: P.A. 95-331, eff. 8-21-07.)

Section 995. Savings clause. Any repeal or amendment made 
by this Act shall not affect or impair any of the following:
suits pending or rights existing at the time this Act takes
effect; any grant or conveyance made or right acquired or cause
of action now existing under any Section, Article, or Act
repealed or amended by this Act; the validity of any bonds or
other obligations issued or sold and constituting valid
obligations of the issuing authority at the time this Act takes
effect; the validity of any contract; the validity of any tax
levied under any law in effect prior to the effective date of
this Act; or any offense committed, act done, penalty,
punishment, or forfeiture incurred or any claim, right, power,
or remedy accrued under any law in effect prior to the
effective date of this Act.

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