



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB5812

by Rep. William Davis

SYNOPSIS AS INTRODUCED:

105 ILCS 5/2-3.170
105 ILCS 5/18-8.15
105 ILCS 5/18-8.05 rep.

Amends the School Code. With regard to property tax relief pool grants, provides that each year, the State Board of Education shall set a threshold above which a school district may apply for property tax relief. Provides that the intended relief may not be greater than 1% of the EAV for a unit district, 0.69% of the EAV for an elementary school district, or 0.31% of the EAV for a high school district; defines "EAV". Provides that the total property tax relief allowable to a school district shall be calculated based on the total amount of reduction in the school district's aggregate extension. With regard to evidence-based funding, provides that when a school district withdraws from a special education cooperative, the portion of the base funding minimum that is attributable to the school district may be redistributed to the school district upon withdrawal. Provides that the school district and the cooperative must include the amount of the base funding minimum that is to be re-apportioned in their withdrawal agreement and notify the State Board of Education of the change with a copy of the agreement upon withdrawal. Repeals a provision governing the basis for apportionment of general State financial aid and supplemental general State aid to the common schools for the 1998-1999 through the 2016-2017 school years. Makes other changes. Effective immediately.

LRB100 20901 AXK 36411 b

FISCAL NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

1 AN ACT concerning education.

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

4 Section 5. The School Code is amended by changing Sections
5 2-3.170 and 18-8.15 as follows:

6 (105 ILCS 5/2-3.170)

7 Sec. 2-3.170. Property tax relief pool grants.

8 (a) As used in this Section,

9 "EAV" means equalized assessed valuation as defined under
10 Section 18-8.15 of this Code.

11 "Property tax multiplier" equals one minus the square of
12 the school district's Local Capacity Percentage, as defined in
13 Section 18-8.15 of this Code.

14 "State Board" means the State Board of Education.

15 "Unit equivalent tax rate" means the Adjusted Operating Tax
16 Rate, as defined in Section 18-8.15 of this Code, multiplied by
17 a factor of 1 for unit school districts, 13/9 for elementary
18 school districts, and 13/4 for high school districts.

19 (b) Subject to appropriation, the State Board shall provide
20 grants to eligible school districts that provide tax relief to
21 the school district's residents, which may be no greater than
22 1% of EAV for a unit district, 0.69% of EAV for an elementary
23 school district, or 0.31% of EAV for a high school district ~~up~~

1 ~~to a limit of 1% of the school district's equalized assessed~~
2 ~~value,~~ as provided in this Section.

3 (b-5) Each year, the State Board shall set a threshold
4 above which any school district in this State may apply for
5 property tax relief under this Section. School districts may
6 apply for this relief concurrently to setting their levy for
7 the fiscal year. The intended relief may not be greater than 1%
8 of the EAV for a unit district, 0.69% of the EAV for an
9 elementary school district, or 0.31% of the EAV for a high
10 school district. The State Board shall process applications for
11 relief, providing a grant to those districts with the highest
12 unit equivalent tax rate first, in an amount equal to the
13 intended relief multiplied by the property tax multiplier. The
14 State Board shall provide grants to school districts in order
15 of priority until the property tax relief pool is exhausted.

16 If a school district receives the State Board's approval of
17 a grant under this Section by March 1 of the fiscal year, the
18 school district shall present a duly authorized and approved
19 abatement resolution by March 30 of the fiscal year to the
20 county clerk, authorizing the county clerk to lower the school
21 district's levy by the amount designated in its application to
22 the State Board. When the preceding requisites are satisfied,
23 the county clerk shall reduce the amount collected for the
24 school district by the amount indicated in the school
25 district's abatement resolution for that fiscal year.

26 (c) Each ~~By August 1 of each~~ year, the State Board shall

1 publish an estimated threshold unit equivalent tax rate. School
2 districts whose adjusted operating tax rate, as defined in this
3 Section, is greater than the estimated threshold unit
4 equivalent tax rate are eligible for relief under this Section.
5 This estimated tax rate shall be based on the most recent
6 available data provided by school districts pursuant to Section
7 18-8.15 of this Code. The State Board shall estimate this
8 property tax rate based on the amount appropriated to the grant
9 program and the assumption that a set of school districts,
10 based on criteria established by the State Board, will apply
11 for grants under this Section. The criteria shall be based on
12 reasonable assumptions about when school districts will apply
13 for the grant.

14 (d) School districts seeking grants under this Section
15 shall apply to the State Board ~~by October 1 of~~ each year. All
16 applications to the State Board for grants shall include the
17 amount of the tax relief intended by the school district grant
18 requested.

19 (e) Each ~~By December 1 of each~~ year, based on the most
20 recent available data provided by school districts pursuant to
21 Section 18-8.15 of this Code, the State Board shall calculate
22 the unit equivalent tax rate, based on the applications
23 received by the State Board, above which the appropriations are
24 sufficient to provide relief and publish a list of the school
25 districts eligible for relief. The State Board shall first
26 provide grants to those districts with the highest unit

1 equivalent tax rates.

2 (f) The State Board shall publish a final list of grant
3 recipients and provide payment of the grants by March 1 ~~January~~
4 ~~15~~ of each year.

5 (g) If notice of payment from the State Board is received
6 by a ~~the~~ school district by March 1 ~~on-time,~~ then by March 30,
7 the school district shall file an abatement of ~~reduce~~ its
8 property tax levy in an amount equal to the grant received
9 under this Section divided by the property tax multiplier.
10 Payment of all grant amounts shall be made by June 1 each
11 fiscal year. The State Superintendent of Education shall
12 establish the timeline in such cases in which notice cannot be
13 made by March 1.

14 (h) The total property tax relief allowable to a school
15 district under this Section shall be calculated based on the
16 total amount of reduction in the school district's aggregate
17 extension. The total grant shall be equal to the reduction,
18 multiplied by the property tax multiplier. The reduction shall
19 be limited to the lesser of (i) 1% of a district's EAV for a
20 unit school district, 0.69% for an elementary school district,
21 or 0.31% for a high school district or (ii) the amount that the
22 unit equivalent tax rate is greater than the threshold unit
23 equivalent tax rate determined by the State Board, multiplied
24 by the school district's EAV. If clause (ii) of this subsection
25 (h) is the lesser value and the difference between the school
26 district's unit equivalent tax rate and the threshold unit

1 equivalent tax rate is less than 1%, then the difference is
2 multiplied by 1 for a unit school district, by 0.69 for an
3 elementary school district, or by 0.31 for a high school
4 district. ~~The total grant to a school district under this~~
5 ~~Section shall be calculated based on the total amount of~~
6 ~~reduction in the school district's aggregate extension, up to a~~
7 ~~limit of 1% of a district's equalized assessed value for a unit~~
8 ~~school district, 0.69% for an elementary school district, and~~
9 ~~0.31% for a high school district, multiplied by the property~~
10 ~~tax multiplier or the amount that the unit equivalent tax rate~~
11 ~~is greater than the rate determined by the State Board,~~
12 ~~whichever is less.~~

13 (i) If the State Board does not expend all appropriations
14 allocated pursuant to this Section, then any remaining funds
15 shall be allocated pursuant to Section 18-8.15 of this Code.

16 (j) The State Board shall prioritize payments under Section
17 18-8.15 of this Code over payments under this Section, if
18 necessary.

19 (k) Any grants received by a school district shall be
20 included in future calculations of that school district's Base
21 Funding Minimum under Section 18-8.15 of this Code.

22 (l) In the tax year following receipt of a Property Tax
23 Pool Relief Grant, the aggregate levy of any school district
24 receiving a grant under this Section, for purposes of the
25 Property Tax Extension Limitation Law, shall include the tax
26 relief the school district provided in the previous taxable

1 year under this Section.

2 (Source: P.A. 100-465, eff. 8-31-17.)

3 (105 ILCS 5/18-8.15)

4 Sec. 18-8.15. Evidence-based funding for student success
5 for the 2017-2018 and subsequent school years.

6 (a) General provisions.

7 (1) The purpose of this Section is to ensure that, by
8 June 30, 2027 and beyond, this State has a kindergarten
9 through grade 12 public education system with the capacity
10 to ensure the educational development of all persons to the
11 limits of their capacities in accordance with Section 1 of
12 Article X of the Constitution of the State of Illinois. To
13 accomplish that objective, this Section creates a method of
14 funding public education that is evidence-based; is
15 sufficient to ensure every student receives a meaningful
16 opportunity to learn irrespective of race, ethnicity,
17 sexual orientation, gender, or community-income level; and
18 is sustainable and predictable. When fully funded under
19 this Section, every school shall have the resources, based
20 on what the evidence indicates is needed, to:

21 (A) provide all students with a high quality
22 education that offers the academic, enrichment, social
23 and emotional support, technical, and career-focused
24 programs that will allow them to become competitive
25 workers, responsible parents, productive citizens of

1 this State, and active members of our national
2 democracy;

3 (B) ensure all students receive the education they
4 need to graduate from high school with the skills
5 required to pursue post-secondary education and
6 training for a rewarding career;

7 (C) reduce, with a goal of eliminating, the
8 achievement gap between at-risk and non-at-risk
9 students by raising the performance of at-risk
10 students and not by reducing standards; and

11 (D) ensure this State satisfies its obligation to
12 assume the primary responsibility to fund public
13 education and simultaneously relieve the
14 disproportionate burden placed on local property taxes
15 to fund schools.

16 (2) The evidence-based funding formula under this
17 Section shall be applied to all Organizational Units in
18 this State. The evidence-based funding formula outlined in
19 this Act is based on the formula outlined in Senate Bill 1
20 of the 100th General Assembly, as passed by both
21 legislative chambers. As further defined and described in
22 this Section, there are 4 major components of the
23 evidence-based funding model:

24 (A) First, the model calculates a unique adequacy
25 target for each Organizational Unit in this State that
26 considers the costs to implement research-based

1 activities, the unit's student demographics, and
2 regional wage difference.

3 (B) Second, the model calculates each
4 Organizational Unit's local capacity, or the amount
5 each Organizational Unit is assumed to contribute
6 towards its adequacy target from local resources.

7 (C) Third, the model calculates how much funding
8 the State currently contributes to the Organizational
9 Unit, and adds that to the unit's local capacity to
10 determine the unit's overall current adequacy of
11 funding.

12 (D) Finally, the model's distribution method
13 allocates new State funding to those Organizational
14 Units that are least well-funded, considering both
15 local capacity and State funding, in relation to their
16 adequacy target.

17 (3) An Organizational Unit receiving any funding under
18 this Section may apply those funds to any fund so received
19 for which that Organizational Unit is authorized to make
20 expenditures by law.

21 (4) As used in this Section, the following terms shall
22 have the meanings ascribed in this paragraph (4):

23 "Adequacy Target" is defined in paragraph (1) of
24 subsection (b) of this Section.

25 "Adjusted EAV" is defined in paragraph (4) of
26 subsection (d) of this Section.

1 "Adjusted Local Capacity Target" is defined in
2 paragraph (3) of subsection (c) of this Section.

3 "Adjusted Operating Tax Rate" means a tax rate for all
4 Organizational Units, for which the State Superintendent
5 shall calculate and subtract for the Operating Tax Rate a
6 transportation rate based on total expenses for
7 transportation services under this Code, as reported on the
8 most recent Annual Financial Report in Pupil
9 Transportation Services, function 2550 in both the
10 Education and Transportation funds and functions 4110 and
11 4120 in the Transportation fund, less any corresponding
12 fiscal year State of Illinois scheduled payments excluding
13 net adjustments for prior years for regular, vocational, or
14 special education transportation reimbursement pursuant to
15 Section 29-5 or subsection (b) of Section 14-13.01 of this
16 Code divided by the Adjusted EAV. If an Organizational
17 Unit's corresponding fiscal year State of Illinois
18 scheduled payments excluding net adjustments for prior
19 years for regular, vocational, or special education
20 transportation reimbursement pursuant to Section 29-5 or
21 subsection (b) of Section 14-13.01 of this Code exceed the
22 total transportation expenses, as defined in this
23 paragraph, no transportation rate shall be subtracted from
24 the Operating Tax Rate.

25 "Allocation Rate" is defined in paragraph (3) of
26 subsection (g) of this Section.

1 "Alternative School" means a public school that is
2 created and operated by a regional superintendent of
3 schools and approved by the State Board.

4 "Applicable Tax Rate" is defined in paragraph (1) of
5 subsection (d) of this Section.

6 "Assessment" means any of those benchmark, progress
7 monitoring, formative, diagnostic, and other assessments,
8 in addition to the State accountability assessment, that
9 assist teachers' needs in understanding the skills and
10 meeting the needs of the students they serve.

11 "Assistant principal" means a school administrator
12 duly endorsed to be employed as an assistant principal in
13 this State.

14 "At-risk student" means a student who is at risk of not
15 meeting the Illinois Learning Standards or not graduating
16 from elementary or high school and who demonstrates a need
17 for vocational support or social services beyond that
18 provided by the regular school program. All students
19 included in an Organizational Unit's Low-Income Count, as
20 well as all English learner and disabled students attending
21 the Organizational Unit, shall be considered at-risk
22 students under this Section.

23 "Average Student Enrollment" or "ASE" for fiscal year
24 2018 means, for an Organizational Unit ~~in a given school~~
25 ~~year~~, the greater of the average number of students (grades
26 K through 12) reported to the State Board as enrolled in

1 the Organizational Unit on October 1 in the immediately
2 preceding school year and March 1, plus the ~~special~~
3 ~~education~~ pre-kindergarten students who receive special
4 education services of ~~with services of at least more than 2~~
5 or more hours a day as reported to the State Board on
6 December 1~~7~~ in the immediately preceding school year, or
7 the average number of students (grades K through 12)
8 reported to the State Board as enrolled in the
9 Organizational Unit on October 1 ~~and March 1~~, plus the
10 ~~special education~~ pre-kindergarten students who receive
11 special education services of ~~with services of at least~~
12 ~~more than 2~~ or more hours a day as reported to the State
13 Board on December 1, for each of the immediately preceding
14 3 school years. For fiscal year 2019 and each subsequent
15 fiscal year, "Average Student Enrollment" or "ASE" means,
16 for an Organizational Unit, the greater of the average
17 number of students (grades K through 12) reported to the
18 State Board as enrolled in the Organizational Unit on
19 October 1 and March 1 in the immediately preceding school
20 year, plus the pre-kindergarten students who receive
21 special education services as reported to the State Board
22 on October 1 and March 1 in the immediately preceding
23 school year, or the average number of students (grades K
24 through 12) reported to the State Board as enrolled in the
25 Organizational Unit on October 1 and March 1, plus the
26 pre-kindergarten students who receive special education

1 services as reported to the State Board on October 1 and
2 March 1, for each of the immediately preceding 3 school
3 years. For the purposes of this definition, "enrolled in
4 the Organizational Unit" means the number of students
5 reported to the State Board who are enrolled in schools
6 within the Organizational Unit that the student attends or
7 would attend if not placed or transferred to another school
8 or program to receive needed services. For the purposes of
9 calculating "ASE", all students, grades K through 12,
10 excluding those attending kindergarten for a half day,
11 shall be counted as 1.0. All students attending
12 kindergarten for a half day shall be counted as 0.5, unless
13 in 2017 by June 15 or by March 1 in subsequent years, the
14 school district reports to the State Board of Education the
15 intent to implement full-day kindergarten district-wide
16 for all students, then all students attending kindergarten
17 shall be counted as 1.0. Special education
18 pre-kindergarten students shall be counted as 0.5 each. If
19 the State Board does not collect or has not collected both
20 an October 1 and March 1 enrollment count by grade or a
21 December 1 collection of special education
22 pre-kindergarten students as of the effective date of this
23 amendatory Act of the 100th General Assembly, it shall
24 establish such collection for all future years. For any
25 year where a count by grade level was collected only once,
26 that count shall be used as the single count available for

1 computing a 3-year average ASE. School districts shall
2 submit the data for the ASE calculation to the State Board
3 within 45 days of the dates required in this Section for
4 submission of enrollment data in order for it to be
5 included in the ASE calculation. For fiscal year 2018 only,
6 the ASE calculation shall include only enrollment taken on
7 October 1.

8 "Base Funding Guarantee" is defined in paragraph (10)
9 of subsection (g) of this Section.

10 "Base Funding Minimum" is defined in subsection (e) of
11 this Section.

12 "Base Tax Year" means the property tax levy year used
13 to calculate the Budget Year allocation of primary State
14 aid.

15 "Base Tax Year's Extension" means the product of the
16 equalized assessed valuation utilized by the county clerk
17 in the Base Tax Year multiplied by the limiting rate as
18 calculated by the county clerk and defined in PTELL.

19 "Bilingual Education Allocation" means the amount of
20 an Organizational Unit's final Adequacy Target
21 attributable to bilingual education divided by the
22 Organizational Unit's final Adequacy Target, the product
23 of which shall be multiplied by the amount of new funding
24 received pursuant to this Section. An Organizational
25 Unit's final Adequacy Target attributable to bilingual
26 education shall include all additional investments in

1 English learner students' adequacy elements.

2 "Budget Year" means the school year for which primary
3 State aid is calculated and awarded under this Section.

4 "Central office" means individual administrators and
5 support service personnel charged with managing the
6 instructional programs, business and operations, and
7 security of the Organizational Unit.

8 "Comparable Wage Index" or "CWI" means a regional cost
9 differentiation metric that measures systemic, regional
10 variations in the salaries of college graduates who are not
11 educators. The CWI utilized for this Section shall, for the
12 first 3 years of Evidence-Based Funding implementation, be
13 the CWI initially developed by the National Center for
14 Education Statistics, as most recently updated by Texas A &
15 M University. In the fourth and subsequent years of
16 Evidence-Based Funding implementation, the State
17 Superintendent shall re-determine the CWI using a similar
18 methodology to that identified in the Texas A & M
19 University study, with adjustments made no less frequently
20 than once every 5 years.

21 "Computer technology and equipment" means computers
22 servers, notebooks, network equipment, copiers, printers,
23 instructional software, security software, curriculum
24 management courseware, and other similar materials and
25 equipment.

26 "Computer technology and equipment investment

1 allocation" means the final Adequacy Target amount of an
2 Organizational Unit assigned to Tier 1 or Tier 2 in the
3 prior school year attributable to the additional \$285.50
4 per student computer technology and equipment investment
5 grant divided by the Organizational Unit's final Adequacy
6 Target, the result of which shall be multiplied by the
7 amount of new funding received pursuant to this Section. An
8 Organizational Unit assigned to a Tier 1 or Tier 2 final
9 Adequacy Target attributable to the received computer
10 technology and equipment investment grant shall include
11 all additional investments in computer technology and
12 equipment adequacy elements.

13 "Core subject" means mathematics; science; reading,
14 English, writing, and language arts; history and social
15 studies; world languages; and subjects taught as Advanced
16 Placement in high schools.

17 "Core teacher" means a regular classroom teacher in
18 elementary schools and teachers of a core subject in middle
19 and high schools.

20 "Core Intervention teacher (tutor)" means a licensed
21 teacher providing one-on-one or small group tutoring to
22 students struggling to meet proficiency in core subjects.

23 "CPPRT" means corporate personal property replacement
24 tax funds paid to an Organizational Unit during the
25 calendar year one year before the calendar year in which a
26 school year begins, pursuant to "An Act in relation to the

1 abolition of ad valorem personal property tax and the
2 replacement of revenues lost thereby, and amending and
3 repealing certain Acts and parts of Acts in connection
4 therewith", certified August 14, 1979, as amended (Public
5 Act 81-1st S.S.-1).

6 "EAV" means equalized assessed valuation as defined in
7 paragraph (2) of subsection (d) of this Section and
8 calculated in accordance with paragraph (3) of subsection
9 (d) of this Section.

10 "ECI" means the Bureau of Labor Statistics' national
11 employment cost index for civilian workers in educational
12 services in elementary and secondary schools on a
13 cumulative basis for the 12-month calendar year preceding
14 the fiscal year of the Evidence-Based Funding calculation.

15 "EIS Data" means the employment information system
16 data maintained by the State Board on educators within
17 Organizational Units.

18 "Employee benefits" means health, dental, and vision
19 insurance offered to employees of an Organizational Unit,
20 the costs associated with statutorily required payment of
21 the normal cost of the Organizational Unit's teacher
22 pensions, Social Security employer contributions, and
23 Illinois Municipal Retirement Fund employer contributions.

24 "English learner" or "EL" means a child included in the
25 definition of "English learners" under Section 14C-2 of
26 this Code participating in a program of transitional

1 bilingual education or a transitional program of
2 instruction meeting the requirements and program
3 application procedures of Article 14C of this Code. For the
4 purposes of collecting the number of EL students enrolled,
5 the same collection and calculation methodology as defined
6 above for "ASE" shall apply to English learners, with the
7 exception that EL student enrollment shall include
8 students in grades pre-kindergarten through 12.

9 "Essential Elements" means those elements, resources,
10 and educational programs that have been identified through
11 academic research as necessary to improve student success,
12 improve academic performance, close achievement gaps, and
13 provide for other per student costs related to the delivery
14 and leadership of the Organizational Unit, as well as the
15 maintenance and operations of the unit, and which are
16 specified in paragraph (2) of subsection (b) of this
17 Section.

18 "Evidence-Based Funding" means State funding provided
19 to an Organizational Unit pursuant to this Section.

20 "Extended day" means academic and enrichment programs
21 provided to students outside the regular school day before
22 and after school or during non-instructional times during
23 the school day.

24 "Extension Limitation Ratio" means a numerical ratio
25 in which the numerator is the Base Tax Year's Extension and
26 the denominator is the Preceding Tax Year's Extension.

1 "Final Percent of Adequacy" is defined in paragraph (4)
2 of subsection (f) of this Section.

3 "Final Resources" is defined in paragraph (3) of
4 subsection (f) of this Section.

5 "Full-time equivalent" or "FTE" means the full-time
6 equivalency compensation for staffing the relevant
7 position at an Organizational Unit.

8 "Funding Gap" is defined in paragraph (1) of subsection
9 (g).

10 "Guidance counselor" means a licensed guidance
11 counselor who provides guidance and counseling support for
12 students within an Organizational Unit.

13 "Hybrid District" means a partial elementary unit
14 district created pursuant to Article 11E of this Code.

15 "Instructional assistant" means a core or special
16 education, non-licensed employee who assists a teacher in
17 the classroom and provides academic support to students.

18 "Instructional facilitator" means a qualified teacher
19 or licensed teacher leader who facilitates and coaches
20 continuous improvement in classroom instruction; provides
21 instructional support to teachers in the elements of
22 research-based instruction or demonstrates the alignment
23 of instruction with curriculum standards and assessment
24 tools; develops or coordinates instructional programs or
25 strategies; develops and implements training; chooses
26 standards-based instructional materials; provides teachers

1 with an understanding of current research; serves as a
2 mentor, site coach, curriculum specialist, or lead
3 teacher; or otherwise works with fellow teachers, in
4 collaboration, to use data to improve instructional
5 practice or develop model lessons.

6 "Instructional materials" means relevant instructional
7 materials for student instruction, including, but not
8 limited to, textbooks, consumable workbooks, laboratory
9 equipment, library books, and other similar materials.

10 "Laboratory School" means a public school that is
11 created and operated by a public university and approved by
12 the State Board.

13 "Librarian" means a teacher with an endorsement as a
14 library information specialist or another individual whose
15 primary responsibility is overseeing library resources
16 within an Organizational Unit.

17 "Limiting rate for Hybrid Districts" means the
18 combined elementary school and high school limited rates.

19 "Local Capacity" is defined in paragraph (1) of
20 subsection (c) of this Section.

21 "Local Capacity Percentage" is defined in subparagraph
22 (A) of paragraph (2) of subsection (c) of this Section.

23 "Local Capacity Ratio" is defined in subparagraph (B)
24 of paragraph (2) of subsection (c) of this Section.

25 "Local Capacity Target" is defined in paragraph (2) of
26 subsection (c) of this Section.

1 "Low-Income Count" means, for an Organizational Unit
2 in a fiscal year, the higher of the average number of
3 students for the prior school year or the immediately
4 preceding 3 school years who, as of July 1 of the
5 immediately preceding fiscal year (as determined by the
6 Department of Human Services), are eligible for at least
7 one of the following low income programs: Medicaid, the
8 Children's Health Insurance Program, TANF, or the
9 Supplemental Nutrition Assistance Program, excluding
10 pupils who are eligible for services provided by the
11 Department of Children and Family Services. Until such time
12 that grade level low-income populations become available,
13 grade level low-income populations shall be determined by
14 applying the low-income percentage to total student
15 enrollments by grade level. The low-income percentage is
16 determined by dividing the Low-Income Count by the Average
17 Student Enrollment.

18 "Maintenance and operations" means custodial services,
19 facility and ground maintenance, facility operations,
20 facility security, routine facility repairs, and other
21 similar services and functions.

22 "Minimum Funding Level" is defined in paragraph (9) of
23 subsection (g) of this Section.

24 "New Property Tax Relief Pool Funds" means, for any
25 given fiscal year, all State funds appropriated under
26 Section 2-3.170 of the School Code.

1 "New State Funds" means, for a given school year, all
2 State funds appropriated for Evidence-Based Funding in
3 excess of the amount needed to fund the Base Funding
4 Minimum for all Organizational Units in that school year.

5 "Net State Contribution Target" means, for a given
6 school year, the amount of State funds that would be
7 necessary to fully meet the Adequacy Target of an
8 Operational Unit minus the Preliminary Resources available
9 to each unit.

10 "Nurse" means an individual licensed as a certified
11 school nurse, in accordance with the rules established for
12 nursing services by the State Board, who is an employee of
13 and is available to provide health care-related services
14 for students of an Organizational Unit.

15 "Operating Tax Rate" means the rate utilized in the
16 previous year to extend property taxes for all purposes,
17 except, Bond and Interest, Summer School, Rent, Capital
18 Improvement, and Vocational Education Building purposes.
19 For Hybrid Districts, the Operating Tax Rate shall be the
20 combined elementary and high school rates utilized in the
21 previous year to extend property taxes for all purposes,
22 except, Bond and Interest, Summer School, Rent, Capital
23 Improvement, and Vocational Education Building purposes.

24 "Organizational Unit" means a Laboratory School,~~an~~
25 ~~Alternative School,~~ or any public school district that is
26 recognized as such by the State Board and that contains

1 elementary schools typically serving kindergarten through
2 5th grades, middle schools typically serving 6th through
3 8th grades, or high schools typically serving 9th through
4 12th grades. The General Assembly acknowledges that the
5 actual grade levels served by a particular Organizational
6 Unit may vary slightly from what is typical.

7 "Organizational Unit CWI" is determined by calculating
8 the CWI in the region and original county in which an
9 Organizational Unit's primary administrative office is
10 located as set forth in this paragraph, provided that if
11 the Organizational Unit CWI as calculated in accordance
12 with this paragraph is less than 0.9, the Organizational
13 Unit CWI shall be increased to 0.9. Each county's current
14 CWI value shall be adjusted based on the CWI value of that
15 county's neighboring Illinois counties, to create a
16 "weighted adjusted index value". This shall be calculated
17 by summing the CWI values of all of a county's adjacent
18 Illinois counties and dividing by the number of adjacent
19 Illinois counties, then taking the weighted value of the
20 original county's CWI value and the adjacent Illinois
21 county average. To calculate this weighted value, if the
22 number of adjacent Illinois counties is greater than 2, the
23 original county's CWI value will be weighted at 0.25 and
24 the adjacent Illinois county average will be weighted at
25 0.75. If the number of adjacent Illinois counties is 2, the
26 original county's CWI value will be weighted at 0.33 and

1 the adjacent Illinois county average will be weighted at
2 0.66. The greater of the county's current CWI value and its
3 weighted adjusted index value shall be used as the
4 Organizational Unit CWI.

5 "Preceding Tax Year" means the property tax levy year
6 immediately preceding the Base Tax Year.

7 "Preceding Tax Year's Extension" means the product of
8 the equalized assessed valuation utilized by the county
9 clerk in the Preceding Tax Year multiplied by the Operating
10 Tax Rate.

11 "Preliminary Percent of Adequacy" is defined in
12 paragraph (2) of subsection (f) of this Section.

13 "Preliminary Resources" is defined in paragraph (2) of
14 subsection (f) of this Section.

15 "Principal" means a school administrator duly endorsed
16 to be employed as a principal in this State.

17 "Professional development" means training programs for
18 licensed staff in schools, including, but not limited to,
19 programs that assist in implementing new curriculum
20 programs, provide data focused or academic assessment data
21 training to help staff identify a student's weaknesses and
22 strengths, target interventions, improve instruction,
23 encompass instructional strategies for English learner,
24 gifted, or at-risk students, address inclusivity, cultural
25 sensitivity, or implicit bias, or otherwise provide
26 professional support for licensed staff.

1 "Prototypical" means 450 special education
2 pre-kindergarten and kindergarten through grade 5 students
3 for an elementary school, 450 grade 6 through 8 students
4 for a middle school, and 600 grade 9 through 12 students
5 for a high school.

6 "PTELL" means the Property Tax Extension Limitation
7 Law.

8 "PTELL EAV" is defined in paragraph (4) of subsection
9 (d) of this Section.

10 "Pupil support staff" means a nurse, psychologist,
11 social worker, family liaison personnel, or other staff
12 member who provides support to at-risk or struggling
13 students.

14 "Real Receipts" is defined in paragraph (1) of
15 subsection (d) of this Section.

16 "Regionalization Factor" means, for a particular
17 Organizational Unit, the figure derived by dividing the
18 Organizational Unit CWI by the Statewide Weighted CWI.

19 "School site staff" means the primary school secretary
20 and any additional clerical personnel assigned to a school.

21 "Special education" means special educational
22 facilities and services, as defined in Section 14-1.08 of
23 this Code.

24 "Special Education Allocation" means the amount of an
25 Organizational Unit's final Adequacy Target attributable
26 to special education divided by the Organizational Unit's

1 final Adequacy Target, the product of which shall be
2 multiplied by the amount of new funding received pursuant
3 to this Section. An Organizational Unit's final Adequacy
4 Target attributable to special education shall include all
5 special education investment adequacy elements.

6 "Specialist teacher" means a teacher who provides
7 instruction in subject areas not included in core subjects,
8 including, but not limited to, art, music, physical
9 education, health, driver education, career-technical
10 education, and such other subject areas as may be mandated
11 by State law or provided by an Organizational Unit.

12 "Specially Funded Unit" means an Alternative School,
13 safe school, Department of Juvenile Justice school,
14 special education cooperative or entity recognized by the
15 State Board as a special education cooperative,
16 State-approved charter school, or alternative learning
17 opportunities program that received direct funding from
18 the State Board during the 2016-2017 school year through
19 any of the funding sources included within the calculation
20 of the Base Funding Minimum or Glenwood Academy.

21 "Supplemental Grant Funding" means supplemental
22 general State aid funding received by an Organization Unit
23 during the 2016-2017 school year pursuant to subsection (H)
24 of Section 18-8.05 of this Code (now repealed).

25 "State Adequacy Level" is the sum of the Adequacy
26 Targets of all Organizational Units.

1 "State Board" means the State Board of Education.

2 "State Superintendent" means the State Superintendent
3 of Education.

4 "Statewide Weighted CWI" means a figure determined by
5 multiplying each Organizational Unit CWI times the ASE for
6 that Organizational Unit creating a weighted value,
7 summing all Organizational Unit's weighted values, and
8 dividing by the total ASE of all Organizational Units,
9 thereby creating an average weighted index.

10 "Student activities" means non-credit producing
11 after-school programs, including, but not limited to,
12 clubs, bands, sports, and other activities authorized by
13 the school board of the Organizational Unit.

14 "Substitute teacher" means an individual teacher or
15 teaching assistant who is employed by an Organizational
16 Unit and is temporarily serving the Organizational Unit on
17 a per diem or per period-assignment basis replacing another
18 staff member.

19 "Summer school" means academic and enrichment programs
20 provided to students during the summer months outside of
21 the regular school year.

22 "Supervisory aide" means a non-licensed staff member
23 who helps in supervising students of an Organizational
24 Unit, but does so outside of the classroom, in situations
25 such as, but not limited to, monitoring hallways and
26 playgrounds, supervising lunchrooms, or supervising

1 students when being transported in buses serving the
2 Organizational Unit.

3 "Target Ratio" is defined in paragraph (4) of
4 subsection (g).

5 "Tier 1", "Tier 2", "Tier 3", and "Tier 4" are defined
6 in paragraph (3) of subsection (g).

7 "Tier 1 Aggregate Funding", "Tier 2 Aggregate
8 Funding", "Tier 3 Aggregate Funding", and "Tier 4 Aggregate
9 Funding" are defined in paragraph (1) of subsection (g).

10 (b) Adequacy Target calculation.

11 (1) Each Organizational Unit's Adequacy Target is the
12 sum of the Organizational Unit's cost of providing
13 Essential Elements, as calculated in accordance with this
14 subsection (b), with the salary amounts in the Essential
15 Elements multiplied by a Regionalization Factor calculated
16 pursuant to paragraph (3) of this subsection (b).

17 (2) The Essential Elements are attributable on a pro
18 rata basis related to defined subgroups of the ASE of each
19 Organizational Unit as specified in this paragraph (2),
20 with investments and FTE positions pro rata funded based on
21 ASE counts in excess or less than the thresholds set forth
22 in this paragraph (2). The method for calculating
23 attributable pro rata costs and the defined subgroups
24 thereto are as follows:

25 (A) Core class size investments. Each
26 Organizational Unit shall receive the funding required

1 to support that number of FTE core teacher positions as
2 is needed to keep the respective class sizes of the
3 Organizational Unit to the following maximum numbers:

4 (i) For grades kindergarten through 3, the
5 Organizational Unit shall receive funding required
6 to support one FTE core teacher position for every
7 15 Low-Income Count students in those grades and
8 one FTE core teacher position for every 20
9 non-Low-Income Count students in those grades.

10 (ii) For grades 4 through 12, the
11 Organizational Unit shall receive funding required
12 to support one FTE core teacher position for every
13 20 Low-Income Count students in those grades and
14 one FTE core teacher position for every 25
15 non-Low-Income Count students in those grades.

16 The number of non-Low-Income Count students in a
17 grade shall be determined by subtracting the
18 Low-Income students in that grade from the ASE of the
19 Organizational Unit for that grade.

20 (B) Specialist teacher investments. Each
21 Organizational Unit shall receive the funding needed
22 to cover that number of FTE specialist teacher
23 positions that correspond to the following
24 percentages:

25 (i) if the Organizational Unit operates an
26 elementary or middle school, then 20.00% of the

1 number of the Organizational Unit's core teachers,
2 as determined under subparagraph (A) of this
3 paragraph (2); and

4 (ii) if such Organizational Unit operates a
5 high school, then 33.33% of the number of the
6 Organizational Unit's core teachers.

7 (C) Instructional facilitator investments. Each
8 Organizational Unit shall receive the funding needed
9 to cover one FTE instructional facilitator position
10 for every 200 combined ASE of pre-kindergarten
11 children with disabilities and all kindergarten
12 through grade 12 students of the Organizational Unit.

13 (D) Core intervention teacher (tutor) investments.
14 Each Organizational Unit shall receive the funding
15 needed to cover one FTE teacher position for each
16 prototypical elementary, middle, and high school.

17 (E) Substitute teacher investments. Each
18 Organizational Unit shall receive the funding needed
19 to cover substitute teacher costs that is equal to
20 5.70% of the minimum pupil attendance days required
21 under Section 10-19 of this Code for all full-time
22 equivalent core, specialist, and intervention
23 teachers, school nurses, special education teachers
24 and instructional assistants, instructional
25 facilitators, and summer school and extended-day
26 teacher positions, as determined under this paragraph

1 (2), at a salary rate of 33.33% of the average salary
2 for grade K through 12 teachers and 33.33% of the
3 average salary of each instructional assistant
4 position.

5 (F) Core guidance counselor investments. Each
6 Organizational Unit shall receive the funding needed
7 to cover one FTE guidance counselor for each 450
8 combined ASE of pre-kindergarten children with
9 disabilities and all kindergarten through grade 5
10 students, plus one FTE guidance counselor for each 250
11 grades 6 through 8 ASE middle school students, plus one
12 FTE guidance counselor for each 250 grades 9 through 12
13 ASE high school students.

14 (G) Nurse investments. Each Organizational Unit
15 shall receive the funding needed to cover one FTE nurse
16 for each 750 combined ASE of pre-kindergarten children
17 with disabilities and all kindergarten through grade
18 12 students across all grade levels it serves.

19 (H) Supervisory aide investments. Each
20 Organizational Unit shall receive the funding needed
21 to cover one FTE for each 225 combined ASE of
22 pre-kindergarten children with disabilities and all
23 kindergarten through grade 5 students, plus one FTE for
24 each 225 ASE middle school students, plus one FTE for
25 each 200 ASE high school students.

26 (I) Librarian investments. Each Organizational

1 Unit shall receive the funding needed to cover one FTE
2 librarian for each prototypical elementary school,
3 middle school, and high school and one FTE aide or
4 media technician for every 300 combined ASE of
5 pre-kindergarten children with disabilities and all
6 kindergarten through grade 12 students.

7 (J) Principal investments. Each Organizational
8 Unit shall receive the funding needed to cover one FTE
9 principal position for each prototypical elementary
10 school, plus one FTE principal position for each
11 prototypical middle school, plus one FTE principal
12 position for each prototypical high school.

13 (K) Assistant principal investments. Each
14 Organizational Unit shall receive the funding needed
15 to cover one FTE assistant principal position for each
16 prototypical elementary school, plus one FTE assistant
17 principal position for each prototypical middle
18 school, plus one FTE assistant principal position for
19 each prototypical high school.

20 (L) School site staff investments. Each
21 Organizational Unit shall receive the funding needed
22 for one FTE position for each 225 ASE of
23 pre-kindergarten children with disabilities and all
24 kindergarten through grade 5 students, plus one FTE
25 position for each 225 ASE middle school students, plus
26 one FTE position for each 200 ASE high school students.

1 (M) Gifted investments. Each Organizational Unit
2 shall receive \$40 per kindergarten through grade 12
3 ASE.

4 (N) Professional development investments. Each
5 Organizational Unit shall receive \$125 per student of
6 the combined ASE of pre-kindergarten children with
7 disabilities and all kindergarten through grade 12
8 students for trainers and other professional
9 development-related expenses for supplies and
10 materials.

11 (O) Instructional material investments. Each
12 Organizational Unit shall receive \$190 per student of
13 the combined ASE of pre-kindergarten children with
14 disabilities and all kindergarten through grade 12
15 students to cover instructional material costs.

16 (P) Assessment investments. Each Organizational
17 Unit shall receive \$25 per student of the combined ASE
18 of pre-kindergarten children with disabilities and all
19 kindergarten through grade 12 students student to
20 cover assessment costs.

21 (Q) Computer technology and equipment investments.
22 Each Organizational Unit shall receive \$285.50 per
23 student of the combined ASE of pre-kindergarten
24 children with disabilities and all kindergarten
25 through grade 12 students to cover computer technology
26 and equipment costs. For the 2018-2019 school year and

1 subsequent school years, Organizational Units assigned
2 to Tier 1 and Tier 2 in the prior school year shall
3 ~~Organizational Units selected by the State Board~~
4 ~~through a request for proposals process shall, upon the~~
5 ~~State Board's approval of an Organizational Unit's~~
6 ~~one to one computing technology plan,~~ receive an
7 additional \$285.50 per student of the combined ASE of
8 pre-kindergarten children with disabilities and all
9 kindergarten through grade 12 students to cover
10 computer technology and equipment costs in the
11 Organization Unit's Adequacy Target. The State Board
12 may establish additional requirements for
13 Organizational Unit expenditures of funds received
14 pursuant to this subparagraph (Q), including a
15 requirement that funds received pursuant to this
16 subparagraph (Q) may be used only for serving the
17 technology needs of the district. It is the intent of
18 this amendatory Act of the 100th General Assembly that
19 all Tier 1 and Tier 2 districts ~~that apply for the~~
20 ~~technology grant~~ receive the addition to their
21 Adequacy Target in the following year, subject to
22 compliance with the requirements of the State Board.

23 (R) Student activities investments. Each
24 Organizational Unit shall receive the following
25 funding amounts to cover student activities: \$100 per
26 kindergarten through grade 5 ASE student in elementary

1 school, plus \$200 per ASE student in middle school,
2 plus \$675 per ASE student in high school.

3 (S) Maintenance and operations investments. Each
4 Organizational Unit shall receive \$1,038 per student
5 of the combined ASE of pre-kindergarten children with
6 disabilities and all kindergarten through grade 12 for
7 day-to-day maintenance and operations expenditures,
8 including salary, supplies, and materials, as well as
9 purchased services, but excluding employee benefits.
10 The proportion of salary for the application of a
11 Regionalization Factor and the calculation of benefits
12 is equal to \$352.92.

13 (T) Central office investments. Each
14 Organizational Unit shall receive \$742 per student of
15 the combined ASE of pre-kindergarten children with
16 disabilities and all kindergarten through grade 12
17 students to cover central office operations, including
18 administrators and classified personnel charged with
19 managing the instructional programs, business and
20 operations of the school district, and security
21 personnel. The proportion of salary for the
22 application of a Regionalization Factor and the
23 calculation of benefits is equal to \$368.48.

24 (U) Employee benefit investments. Each
25 Organizational Unit shall receive 30% of the total of
26 all salary-calculated elements of the Adequacy Target,

1 excluding substitute teachers and student activities
2 investments, to cover benefit costs. For central
3 office and maintenance and operations investments, the
4 benefit calculation shall be based upon the salary
5 proportion of each investment. If at any time the
6 responsibility for funding the employer normal cost of
7 teacher pensions is assigned to school districts, then
8 that amount certified by the Teachers' Retirement
9 System of the State of Illinois to be paid by the
10 Organizational Unit for the preceding school year
11 shall be added to the benefit investment. For any
12 fiscal year in which a school district organized under
13 Article 34 of this Code is responsible for paying the
14 employer normal cost of teacher pensions, then that
15 amount of its employer normal cost plus the amount for
16 retiree health insurance as certified by the Public
17 School Teachers' Pension and Retirement Fund of
18 Chicago to be paid by the school district for the
19 preceding school year that is statutorily required to
20 cover employer normal costs and the amount for retiree
21 health insurance shall be added to the 30% specified in
22 this subparagraph (U). The Teachers' Retirement System
23 of the State of Illinois and the Public School
24 Teachers' Pension and Retirement Fund of Chicago shall
25 submit such information as the State Superintendent
26 may require for the calculations set forth in this

1 subparagraph (U) .

2 (V) Additional investments in low-income students.

3 In addition to and not in lieu of all other funding
4 under this paragraph (2), each Organizational Unit
5 shall receive funding based on the average teacher
6 salary for grades K through 12 to cover the costs of:

7 (i) one FTE intervention teacher (tutor)
8 position for every 125 Low-Income Count students;

9 (ii) one FTE pupil support staff position for
10 every 125 Low-Income Count students;

11 (iii) one FTE extended day teacher position
12 for every 120 Low-Income Count students; and

13 (iv) one FTE summer school teacher position
14 for every 120 Low-Income Count students.

15 (W) Additional investments in English learner
16 students. In addition to and not in lieu of all other
17 funding under this paragraph (2), each Organizational
18 Unit shall receive funding based on the average teacher
19 salary for grades K through 12 to cover the costs of:

20 (i) one FTE intervention teacher (tutor)
21 position for every 125 English learner students;

22 (ii) one FTE pupil support staff position for
23 every 125 English learner students;

24 (iii) one FTE extended day teacher position
25 for every 120 English learner students;

26 (iv) one FTE summer school teacher position

1 for every 120 English learner students; and
2 (v) one FTE core teacher position for every 100
3 English learner students.

4 (X) Special education investments. Each
5 Organizational Unit shall receive funding based on the
6 average teacher salary for grades K through 12 to cover
7 special education as follows:

8 (i) one FTE teacher position for every 141
9 combined ASE of pre-kindergarten children with
10 disabilities and all kindergarten through grade 12
11 students;

12 (ii) one FTE instructional assistant for every
13 141 combined ASE of pre-kindergarten children with
14 disabilities and all kindergarten through grade 12
15 students; and

16 (iii) one FTE psychologist position for every
17 1,000 combined ASE of pre-kindergarten children
18 with disabilities and all kindergarten through
19 grade 12 students.

20 (3) For calculating the salaries included within the
21 Essential Elements, the State Superintendent shall
22 annually calculate average salaries to the nearest dollar
23 using the employment information system data maintained by
24 the State Board, limited to public schools only and
25 excluding special education and vocational cooperatives,
26 schools operated by the Department of Juvenile Justice, and

1 charter schools, for the following positions:

2 (A) Teacher for grades K through 8.

3 (B) Teacher for grades 9 through 12.

4 (C) Teacher for grades K through 12.

5 (D) Guidance counselor for grades K through 8.

6 (E) Guidance counselor for grades 9 through 12.

7 (F) Guidance counselor for grades K through 12.

8 (G) Social worker.

9 (H) Psychologist.

10 (I) Librarian.

11 (J) Nurse.

12 (K) Principal.

13 (L) Assistant principal.

14 For the purposes of this paragraph (3), "teacher"
15 includes core teachers, specialist and elective teachers,
16 instructional facilitators, tutors, special education
17 teachers, pupil support staff teachers, English learner
18 teachers, extended-day teachers, and summer school
19 teachers. Where specific grade data is not required for the
20 Essential Elements, the average salary for corresponding
21 positions shall apply. For substitute teachers, the
22 average teacher salary for grades K through 12 shall apply.

23 For calculating the salaries included within the
24 Essential Elements for positions not included within EIS
25 Data, the following salaries shall be used in the first
26 year of implementation of Evidence-Based Funding:

- 1 (i) school site staff, \$30,000; and
2 (ii) non-instructional assistant, instructional
3 assistant, library aide, library media tech, or
4 supervisory aide: \$25,000.

5 In the second and subsequent years of implementation of
6 Evidence-Based Funding, the amounts in items (i) and (ii)
7 of this paragraph (3) shall annually increase by the ECI.

8 The salary amounts for the Essential Elements
9 determined pursuant to subparagraphs (A) through (L), (S)
10 and (T), and (V) through (X) of paragraph (2) of subsection
11 (b) of this Section shall be multiplied by a
12 Regionalization Factor.

13 (c) Local capacity calculation.

14 (1) Each Organizational Unit's Local Capacity
15 represents an amount of funding it is assumed to contribute
16 toward its Adequacy Target for purposes of the
17 Evidence-Based Funding formula calculation. "Local
18 Capacity" means either (i) the Organizational Unit's Local
19 Capacity Target as calculated in accordance with paragraph
20 (2) of this subsection (c) if its Real Receipts are equal
21 to or less than its Local Capacity Target or (ii) the
22 Organizational Unit's Adjusted Local Capacity, as
23 calculated in accordance with paragraph (3) of this
24 subsection (c) if Real Receipts are more than its Local
25 Capacity Target.

26 (2) "Local Capacity Target" means, for an

1 Organizational Unit, that dollar amount that is obtained by
2 multiplying its Adequacy Target by its Local Capacity
3 Ratio.

4 (A) An Organizational Unit's Local Capacity
5 Percentage is the conversion of the Organizational
6 Unit's Local Capacity Ratio, as such ratio is
7 determined in accordance with subparagraph (B) of this
8 paragraph (2), into a cumulative distribution
9 resulting in a percentile ranking ~~normal curve~~
10 ~~equivalent score~~ to determine each Organizational
11 Unit's relative position to all other Organizational
12 Units in this State. The calculation of Local Capacity
13 Percentage is described in subparagraph (C) of this
14 paragraph (2).

15 (B) An Organizational Unit's Local Capacity Ratio
16 in a given year is the percentage obtained by dividing
17 its Adjusted EAV or PTELL EAV, whichever is less, by
18 its Adequacy Target, with the resulting ratio further
19 adjusted as follows:

20 (i) for Organizational Units serving grades
21 kindergarten through 12 and Hybrid Districts, no
22 further adjustments shall be made;

23 (ii) for Organizational Units serving grades
24 kindergarten through 8, the ratio shall be
25 multiplied by 9/13;

26 (iii) for Organizational Units serving grades

1 9 through 12, the Local Capacity Ratio shall be
2 multiplied by 4/13; and

3 (iv) for an Organizational Unit with a
4 different grade configuration than those specified
5 in items (i) through (iii) of this subparagraph
6 (B), the State Superintendent shall determine a
7 comparable adjustment based on the grades served.

8 (C) The Local Capacity Percentage is equal to the
9 percentile ranking of the district. Local Capacity
10 Percentage converts each Organizational Unit's Local
11 Capacity Ratio to a cumulative distribution resulting
12 in a percentile ranking ~~normal curve equivalent score~~
13 to determine each Organizational Unit's relative
14 position to all other Organizational Units in this
15 State. The Local Capacity Percentage cumulative
16 distribution resulting in a percentile ranking ~~normal~~
17 ~~curve equivalent score~~ for each Organizational Unit
18 shall be calculated using the standard normal
19 distribution of the score in relation to the weighted
20 mean and weighted standard deviation and Local
21 Capacity Ratios of all Organizational Units. If the
22 value assigned to any Organizational Unit is in excess
23 of 90%, the value shall be adjusted to 90%. For
24 Laboratory Schools, the Local Capacity Percentage
25 shall be set at 10% in recognition of the absence of
26 EAV and resources from the public university that are

1 allocated to the Laboratory School. The weighted mean
2 for the Local Capacity Percentage shall be determined
3 by multiplying each Organizational Unit's Local
4 Capacity Ratio times the ASE for the unit creating a
5 weighted value, summing the weighted values of all
6 Organizational Units, and dividing by the total ASE of
7 all Organizational Units. The weighted standard
8 deviation shall be determined by taking the square root
9 of the weighted variance of all Organizational Units'
10 Local Capacity Ratio, where the variance is calculated
11 by squaring the difference between each unit's Local
12 Capacity Ratio and the weighted mean, then multiplying
13 the variance for each unit times the ASE for the unit
14 to create a weighted variance for each unit, then
15 summing all units' weighted variance and dividing by
16 the total ASE of all units.

17 (D) For any Organizational Unit, the
18 Organizational Unit's Adjusted Local Capacity Target
19 shall be reduced by either (i) the school board's
20 remaining contribution pursuant to paragraph (ii) of
21 subsection (b-4) of Section 16-158 of the Illinois
22 Pension Code in a given year, or (ii) the board of
23 education's remaining contribution pursuant to
24 paragraph (iv) of subsection (b) of Section 17-129 of
25 the Illinois Pension Code absent the employer normal
26 cost portion of the required contribution and amount

1 allowed pursuant to subdivision (3) of Section
2 17-142.1 of the Illinois Pension Code in a given year.
3 In the preceding sentence, item (i) shall be certified
4 to the State Board of Education by the Teachers'
5 Retirement System of the State of Illinois and item
6 (ii) shall be certified to the State Board of Education
7 by the Public School Teachers' Pension and Retirement
8 Fund of the City of Chicago.

9 (3) If an Organizational Unit's Real Receipts are more
10 than its Local Capacity Target, then its Local Capacity
11 shall equal an Adjusted Local Capacity Target as calculated
12 in accordance with this paragraph (3). The Adjusted Local
13 Capacity Target is calculated as the sum of the
14 Organizational Unit's Local Capacity Target and its Real
15 Receipts Adjustment. The Real Receipts Adjustment equals
16 the Organizational Unit's Real Receipts less its Local
17 Capacity Target, with the resulting figure multiplied by
18 the Local Capacity Percentage.

19 As used in this paragraph (3), "Real Percent of
20 Adequacy" means the sum of an Organizational Unit's Real
21 Receipts, CPPRT, and Base Funding Minimum, with the
22 resulting figure divided by the Organizational Unit's
23 Adequacy Target.

24 (d) Calculation of Real Receipts, EAV, and Adjusted EAV for
25 purposes of the Local Capacity calculation.

26 (1) An Organizational Unit's Real Receipts are the

1 product of its Applicable Tax Rate and its Adjusted EAV. An
2 Organizational Unit's Applicable Tax Rate is its Adjusted
3 Operating Tax Rate for property within the Organizational
4 Unit.

5 (2) The State Superintendent shall calculate the
6 Equalized Assessed Valuation, or EAV, of all taxable
7 property of each Organizational Unit as of September 30 of
8 the previous year in accordance with paragraph (3) of this
9 subsection (d). The State Superintendent shall then
10 determine the Adjusted EAV of each Organizational Unit in
11 accordance with paragraph (4) of this subsection (d), which
12 Adjusted EAV figure shall be used for the purposes of
13 calculating Local Capacity.

14 (3) To calculate Real Receipts and EAV, the Department
15 of Revenue shall supply to the State Superintendent the
16 value as equalized or assessed by the Department of Revenue
17 of all taxable property of every Organizational Unit,
18 together with (i) the applicable tax rate used in extending
19 taxes for the funds of the Organizational Unit as of
20 September 30 of the previous year and (ii) the limiting
21 rate for all Organizational Units subject to property tax
22 extension limitations as imposed under PTELL.

23 (A) The Department of Revenue shall add to the
24 equalized assessed value of all taxable property of
25 each Organizational Unit situated entirely or
26 partially within a county that is or was subject to the

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

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

15 (B) With respect to any part of an Organizational
16 Unit within a redevelopment project area in respect to
17 which a municipality has adopted tax increment
18 allocation financing pursuant to the Tax Increment
19 Allocation Redevelopment Act, Division 74.4 of Article
20 11 of the Illinois Municipal Code, or the Industrial
21 Jobs Recovery Law, Division 74.6 of Article 11 of the
22 Illinois Municipal Code, no part of the current EAV of
23 real property located in any such project area which is
24 attributable to an increase above the total initial EAV
25 of such property shall be used as part of the EAV of
26 the Organizational Unit, until such time as all

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

9 (B-5) The real property equalized assessed
10 valuation for a school district shall be adjusted by
11 subtracting from the real property value, as equalized
12 or assessed by the Department of Revenue, for the
13 district an amount computed by dividing the amount of
14 any abatement of taxes under Section 18-170 of the
15 Property Tax Code by 3.00% for a district maintaining
16 grades kindergarten through 12, by 2.30% for a district
17 maintaining grades kindergarten through 8, or by 1.05%
18 for a district maintaining grades 9 through 12 and
19 adjusted by an amount computed by dividing the amount
20 of any abatement of taxes under subsection (a) of
21 Section 18-165 of the Property Tax Code by the same
22 percentage rates for district type as specified in this
23 subparagraph (B-5).

24 (C) For Organizational Units that are Hybrid
25 Districts, the State Superintendent shall use the
26 lesser of the adjusted equalized assessed valuation

1 for property within the partial elementary unit
2 district for elementary purposes, as defined in
3 Article 11E of this Code, or the adjusted equalized
4 assessed valuation for property within the partial
5 elementary unit district for high school purposes, as
6 defined in Article 11E of this Code.

7 (4) An Organizational Unit's Adjusted EAV shall be the
8 average of its EAV over the immediately preceding 3 years
9 or its EAV in the immediately preceding year if the EAV in
10 the immediately preceding year has declined by 10% or more
11 compared to the 3-year average. In the event of
12 Organizational Unit reorganization, consolidation, or
13 annexation, the Organizational Unit's Adjusted EAV for the
14 first 3 years after such change shall be as follows: the
15 most current EAV shall be used in the first year, the
16 average of a 2-year EAV or its EAV in the immediately
17 preceding year if the EAV declines by 10% or more compared
18 to the 2-year average for the second year, and a 3-year
19 average EAV or its EAV in the immediately preceding year if
20 the adjusted EAV declines by 10% or more compared to the
21 3-year average for the third year. For any school district
22 whose EAV in the immediately preceding year is used in
23 calculations, in the following year, the Adjusted EAV shall
24 be the average of its EAV over the immediately preceding 2
25 years or the immediately preceding year if that year
26 represents a decline of 10% or more compared to the 2-year

1 average.

2 "PTELL EAV" means a figure calculated by the State
3 Board for Organizational Units subject to PTELL as
4 described in this paragraph (4) for the purposes of
5 calculating an Organizational Unit's Local Capacity Ratio.
6 Except as otherwise provided in this paragraph (4), the
7 PTELL EAV of an Organizational Unit shall be equal to the
8 product of the equalized assessed valuation last used in
9 the calculation of general State aid under Section 18-8.05
10 of this Code (now repealed) or Evidence-Based Funding under
11 this Section and the Organizational Unit's Extension
12 Limitation Ratio. If an Organizational Unit has approved or
13 does approve an increase in its limiting rate, pursuant to
14 Section 18-190 of the Property Tax Code, affecting the Base
15 Tax Year, the PTELL EAV shall be equal to the product of
16 the equalized assessed valuation last used in the
17 calculation of general State aid under Section 18-8.05 of
18 this Code (now repealed) or Evidence-Based Funding under
19 this Section multiplied by an amount equal to one plus the
20 percentage increase, if any, in the Consumer Price Index
21 for All Urban Consumers for all items published by the
22 United States Department of Labor for the 12-month calendar
23 year preceding the Base Tax Year, plus the equalized
24 assessed valuation of new property, annexed property, and
25 recovered tax increment value and minus the equalized
26 assessed valuation of disconnected property.

1 As used in this paragraph (4), "new property" and
2 "recovered tax increment value" shall have the meanings set
3 forth in the Property Tax Extension Limitation Law.

4 (e) Base Funding Minimum calculation.

5 (1) For the 2017-2018 school year, the Base Funding
6 Minimum of an Organizational Unit ~~or, other than~~ a
7 Specially Funded Unit, shall be the amount of State funds
8 distributed to the Organizational Unit or Specially Funded
9 Unit during the 2016-2017 school year prior to any
10 adjustments and specified appropriation amounts described
11 in this paragraph (1) from the following Sections, as
12 calculated by the State Superintendent: Section 18-8.05 of
13 this Code (now repealed) ~~(general State aid)~~; Section 5 of
14 Article 224 of Public Act 99-524 (equity grants); Section
15 14-7.02b of this Code (funding for children requiring
16 special education services); Section 14-13.01 of this Code
17 (special education facilities and staffing), except for
18 reimbursement of the cost of transportation pursuant to
19 Section 14-13.01; Section 14C-12 of this Code (English
20 learners); and Section 18-4.3 of this Code (summer school),
21 based on an appropriation level of \$13,121,600. For a
22 school district organized under Article 34 of this Code,
23 the Base Funding Minimum also includes (i) the funds
24 allocated to the school district pursuant to Section 1D-1
25 of this Code attributable to funding programs authorized by
26 the Sections of this Code listed in the preceding sentence;

1 and (ii) the difference between (I) the funds allocated to
2 the school district pursuant to Section 1D-1 of this Code
3 attributable to the funding programs authorized by Section
4 14-7.02 (non-public special education reimbursement),
5 subsection (b) of Section 14-13.01 (special education
6 transportation), Section 29-5 (transportation), Section
7 2-3.80 (agricultural education), Section 2-3.66 (truants'
8 alternative education), Section 2-3.62 (educational
9 service centers), and Section 14-7.03 (special education -
10 orphanage) of this Code and Section 15 of the Childhood
11 Hunger Relief Act (free breakfast program) and (II) the
12 school district's actual expenditures for its non-public
13 special education, special education transportation,
14 transportation programs, agricultural education, truants'
15 alternative education, services that would otherwise be
16 performed by a regional office of education, special
17 education orphanage expenditures, and free breakfast, as
18 most recently calculated and reported pursuant to
19 subsection (f) of Section 1D-1 of this Code. ~~For Specially~~
20 ~~Funded Units, the Base Funding Minimum shall be the total~~
21 ~~amount of State funds allotted to the Specially Funded Unit~~
22 ~~during the 2016-2017 school year.~~ The Base Funding Minimum
23 for Glenwood Academy shall be \$625,500.

24 (2) For the 2018-2019 and subsequent school years, the
25 Base Funding Minimum of Organizational Units and Specially
26 Funded Units shall be the sum of (i) the amount of

1 Evidence-Based Funding for the prior school year, ~~and~~ (ii)
2 the Base Funding Minimum for the prior school year, and
3 (iii) any amount received by a school district pursuant to
4 Section 7 of Article 97 of Public Act 100-21.

5 (f) Percent of Adequacy and Final Resources calculation.

6 (1) The Evidence-Based Funding formula establishes a
7 Percent of Adequacy for each Organizational Unit in order
8 to place such units into tiers for the purposes of the
9 funding distribution system described in subsection (g) of
10 this Section. Initially, an Organizational Unit's
11 Preliminary Resources and Preliminary Percent of Adequacy
12 are calculated pursuant to paragraph (2) of this subsection
13 (f). Then, an Organizational Unit's Final Resources and
14 Final Percent of Adequacy are calculated to account for the
15 Organizational Unit's poverty concentration levels
16 pursuant to paragraphs (3) and (4) of this subsection (f).

17 (2) An Organizational Unit's Preliminary Resources are
18 equal to the sum of its Local Capacity Target, CPPRT, and
19 Base Funding Minimum. An Organizational Unit's Preliminary
20 Percent of Adequacy is the lesser of (i) its Preliminary
21 Resources divided by its Adequacy Target or (ii) 100%.

22 (3) Except for Specially Funded Units, an
23 Organizational Unit's Final Resources are equal the sum of
24 its Local Capacity, CPPRT, and Adjusted Base Funding
25 Minimum. The Base Funding Minimum of each Specially Funded
26 Unit shall serve as its Final Resources, except that the

1 Base Funding Minimum for State-approved charter schools
2 shall not include any portion of general State aid
3 allocated in the prior year based on the per capita tuition
4 charge times the charter school enrollment.

5 (4) An Organizational Unit's Final Percent of Adequacy
6 is its Final Resources divided by its Adequacy Target. An
7 Organizational Unit's Adjusted Base Funding Minimum is
8 equal to its Base Funding Minimum less its Supplemental
9 Grant Funding, with the resulting figure added to the
10 product of its Supplemental Grant Funding and Preliminary
11 Percent of Adequacy.

12 (g) Evidence-Based Funding formula distribution system.

13 (1) In each school year under the Evidence-Based
14 Funding formula, each Organizational Unit receives funding
15 equal to the sum of its Base Funding Minimum and the unit's
16 allocation of New State Funds determined pursuant to this
17 subsection (g). To allocate New State Funds, the
18 Evidence-Based Funding formula distribution system first
19 places all Organizational Units into one of 4 tiers in
20 accordance with paragraph (3) of this subsection (g), based
21 on the Organizational Unit's Final Percent of Adequacy. New
22 State Funds are allocated to each of the 4 tiers as
23 follows: Tier 1 Aggregate Funding equals 50% of all New
24 State Funds, Tier 2 Aggregate Funding equals 49% of all New
25 State Funds, Tier 3 Aggregate Funding equals 0.9% of all
26 New State Funds, and Tier 4 Aggregate Funding equals 0.1%

1 of all New State Funds. Each Organizational Unit within
2 Tier 1 or Tier 2 receives an allocation of New State Funds
3 equal to its tier Funding Gap, as defined in the following
4 sentence, multiplied by the tier's Allocation Rate
5 determined pursuant to paragraph (4) of this subsection
6 (g). For Tier 1, an Organizational Unit's Funding Gap
7 equals the tier's Target Ratio, as specified in paragraph
8 (5) of this subsection (g), multiplied by the
9 Organizational Unit's Adequacy Target, with the resulting
10 amount reduced by the Organizational Unit's Final
11 Resources. For Tier 2, an Organizational Unit's Funding Gap
12 equals the tier's Target Ratio, as described in paragraph
13 (5) of this subsection (g), multiplied by the
14 Organizational Unit's Adequacy Target, with the resulting
15 amount reduced by the Organizational Unit's Final
16 Resources and its Tier 1 funding allocation. To determine
17 the Organizational Unit's Funding Gap, the resulting
18 amount is then multiplied by a factor equal to one minus
19 the Organizational Unit's Local Capacity Target
20 percentage. Each Organizational Unit within Tier 3 or Tier
21 4 receives an allocation of New State Funds equal to the
22 product of its Adequacy Target and the tier's Allocation
23 Rate, as specified in paragraph (4) of this subsection (g).

24 (2) To ensure equitable distribution of dollars for all
25 Tier 2 Organizational Units, no Tier 2 Organizational Unit
26 shall receive fewer dollars per ASE than any Tier 3

1 Organizational Unit. Each Tier 2 and Tier 3 Organizational
2 Unit shall have its funding allocation divided by its ASE.
3 Any Tier 2 Organizational Unit with a funding allocation
4 per ASE below the greatest Tier 3 allocation per ASE shall
5 get a funding allocation equal to the greatest Tier 3
6 funding allocation per ASE multiplied by the
7 Organizational Unit's ASE. Each Tier 2 Organizational
8 Unit's Tier 2 funding allocation shall be multiplied by the
9 percentage calculated by dividing the original Tier 2
10 Aggregate Funding by the sum of all Tier 2 Organizational
11 Unit's Tier 2 funding allocation after adjusting
12 districts' funding below Tier 3 levels.

13 (3) Organizational Units are placed into one of 4 tiers
14 as follows:

15 (A) Tier 1 consists of all Organizational Units,
16 except for Specially Funded Units, with a Percent of
17 Adequacy less than the Tier 1 Target Ratio. The Tier 1
18 Target Ratio is the ratio level that allows for Tier 1
19 Aggregate Funding to be distributed, with the Tier 1
20 Allocation Rate determined pursuant to paragraph (4)
21 of this subsection (g).

22 (B) Tier 2 consists of all Tier 1 Units and all
23 other Organizational Units, except for Specially
24 Funded Units, with a Percent of Adequacy of less than
25 0.90.

26 (C) Tier 3 consists of all Organizational Units,

1 except for Specially Funded Units, with a Percent of
2 Adequacy of at least 0.90 and less than 1.0.

3 (D) Tier 4 consists of all Organizational Units
4 with a Percent of Adequacy of at least 1.0 ~~and~~
5 ~~Specially Funded Units, excluding Glenwood Academy.~~

6 (4) The Allocation Rates for Tiers 1 through 4 is
7 determined as follows:

8 (A) The Tier 1 Allocation Rate is 30%.

9 (B) The Tier 2 Allocation Rate is the result of the
10 following equation: Tier 2 Aggregate Funding, divided
11 by the sum of the Funding Gaps for all Tier 2
12 Organizational Units, unless the result of such
13 equation is higher than 1.0. If the result of such
14 equation is higher than 1.0, then the Tier 2 Allocation
15 Rate is 1.0.

16 (C) The Tier 3 Allocation Rate is the result of the
17 following equation: Tier 3 Aggregate Funding, divided
18 by the sum of the Adequacy Targets of all Tier 3
19 Organizational Units.

20 (D) The Tier 4 Allocation Rate is the result of the
21 following equation: Tier 4 Aggregate Funding, divided
22 by the sum of the Adequacy Targets of all Tier 4
23 Organizational Units.

24 (5) A tier's Target Ratio is determined as follows:

25 (A) The Tier 1 Target Ratio is the ratio level that
26 allows for Tier 1 Aggregate Funding to be distributed

1 with the Tier 1 Allocation Rate.

2 (B) The Tier 2 Target Ratio is 0.90.

3 (C) The Tier 3 Target Ratio is 1.0.

4 (6) If, at any point, the Tier 1 Target Ratio is
5 greater than 90%, than all Tier 1 funding shall be
6 allocated to Tier 2 and no Tier 1 Organizational Unit's
7 funding may be identified.

8 (7) In the event that all Tier 2 Organizational Units
9 receive funding at the Tier 2 Target Ratio level, any
10 remaining New State Funds shall be allocated to Tier 3 and
11 Tier 4 Organizational Units.

12 (8) If any Specially Funded Units, excluding Glenwood
13 Academy, recognized by the State Board do not qualify for
14 direct funding following the implementation of this
15 amendatory Act of the 100th General Assembly from any of
16 the funding sources included within the definition of Base
17 Funding Minimum, the unqualified portion of the Base
18 Funding Minimum shall be transferred to one or more
19 appropriate Organizational Units as determined by the
20 State Superintendent based on the prior year ASE of the
21 Organizational Units.

22 (8.5) If a school district withdraws from a special
23 education cooperative, the portion of the Base Funding
24 Minimum that is attributable to the school district may be
25 redistributed to the school district upon withdrawal. The
26 school district and the cooperative must include the amount

1 of the Base Funding Minimum that is to be re-apportioned in
2 their withdrawal agreement and notify the State Board of
3 the change with a copy of the agreement upon withdrawal.

4 (9) The Minimum Funding Level is intended to establish
5 a target for State funding that will keep pace with
6 inflation and continue to advance equity through the
7 Evidence-Based Funding formula. The target for State
8 funding of New Property Tax Relief Pool Funds is
9 \$50,000,000 for State fiscal year 2019 and subsequent State
10 fiscal years. The Minimum Funding Level is equal to
11 \$350,000,000. In addition to any New State Funds, no more
12 than \$50,000,000 New Property Tax Relief Pool Funds may be
13 counted towards the Minimum Funding Level. If the sum of
14 New State Funds and applicable New Property Tax Relief Pool
15 Funds are less than the Minimum Funding Level, than funding
16 for tiers shall be reduced in the following manner:

17 (A) First, Tier 4 funding shall be reduced by an
18 amount equal to the difference between the Minimum
19 Funding Level and New State Funds until such time as
20 Tier 4 funding is exhausted.

21 (B) Next, Tier 3 funding shall be reduced by an
22 amount equal to the difference between the Minimum
23 Funding Level and New State Funds and the reduction in
24 Tier 4 funding until such time as Tier 3 funding is
25 exhausted.

26 (C) Next, Tier 2 funding shall be reduced by an

1 amount equal to the difference between the Minimum
2 Funding level and new State Funds and the reduction
3 Tier 4 and Tier 3.

4 (D) Finally, Tier 1 funding shall be reduced by an
5 amount equal to the difference between the Minimum
6 Funding level and New State Funds and the reduction in
7 Tier 2, 3, and 4 funding. In addition, the Allocation
8 Rate for Tier 1 shall be reduced to a percentage equal
9 to the Tier 1 allocation rate set by paragraph (4) of
10 this subsection (g) 50%, multiplied by the result of
11 New State Funds divided by the Minimum Funding Level.

12 (9.5) For State fiscal year 2019 and subsequent State
13 fiscal years, if New State Funds exceed \$300,000,000, then
14 any amount in excess of \$300,000,000 shall be dedicated for
15 purposes of Section 2-3.170 of this Code up to a maximum of
16 \$50,000,000.

17 (10) In the event of a decrease in the amount of the
18 appropriation for this Section in any fiscal year after
19 implementation of this Section, the Organizational Units
20 receiving Tier 1 and Tier 2 funding, as determined under
21 paragraph (3) of this subsection (g), shall be held
22 harmless by establishing a Base Funding Guarantee equal to
23 the per pupil kindergarten through grade 12 funding
24 received in accordance with this Section in the prior
25 fiscal year. Reductions shall be made to the Base Funding
26 Minimum of Organizational Units in Tier 3 and Tier 4 on a

1 per pupil basis equivalent to the total number of the ASE
2 in Tier 3-funded and Tier 4-funded Organizational Units
3 divided by the total reduction in State funding. The Base
4 Funding Minimum as reduced shall continue to be applied to
5 Tier 3 and Tier 4 Organizational Units and adjusted by the
6 relative formula when increases in appropriations for this
7 Section resume. In no event may State funding reductions to
8 Organizational Units in Tier 3 or Tier 4 exceed an amount
9 that would be less than the Base Funding Minimum
10 established in the first year of implementation of this
11 Section. If additional reductions are required, all school
12 districts shall receive a reduction by a per pupil amount
13 equal to the aggregate additional appropriation reduction
14 divided by the total ASE of all Organizational Units.

15 (11) The State Superintendent shall make minor
16 adjustments to the distribution formula set forth in this
17 subsection (g) to account for the rounding of percentages
18 to the nearest tenth of a percentage and dollar amounts to
19 the nearest whole dollar.

20 (h) State Superintendent administration of funding and
21 district submission requirements.

22 (1) The State Superintendent shall, in accordance with
23 appropriations made by the General Assembly, meet the
24 funding obligations created under this Section.

25 (2) The State Superintendent shall calculate the
26 Adequacy Target for each Organizational Unit and Net State

1 Contribution Target for each Organizational Unit under
2 this Section. The State Superintendent shall also certify
3 the actual amounts of the New State Funds payable for each
4 eligible Organizational Unit based on the equitable
5 distribution calculation to the unit's treasurer, as soon
6 as possible after such amounts are calculated, including
7 any applicable adjusted charge-off increase. No
8 Evidence-Based Funding shall be distributed within an
9 Organizational Unit without the approval of the unit's
10 school board.

11 (3) Annually, the State Superintendent shall calculate
12 and report to each Organizational Unit the unit's aggregate
13 financial adequacy amount, which shall be the sum of the
14 Adequacy Target for each Organizational Unit. The State
15 Superintendent shall calculate and report separately for
16 each Organizational Unit the unit's total State funds
17 allocated for its students with disabilities. The State
18 Superintendent shall calculate and report separately for
19 each Organizational Unit the amount of funding and
20 applicable FTE calculated for each Essential Element of the
21 unit's Adequacy Target.

22 (4) Annually, the State Superintendent shall calculate
23 and report to each Organizational Unit the amount the unit
24 must expend on special education and bilingual education
25 and computer technology and equipment for Organizational
26 Units assigned to Tier 1 or Tier 2 that received an

1 additional \$285.50 per student computer technology and
2 equipment investment grant to their Adequacy Target
3 pursuant to the unit's Base Funding Minimum, Special
4 Education Allocation, ~~and~~ Bilingual Education Allocation,
5 and computer technology and equipment investment
6 allocation.

7 (5) Moneys distributed under this Section shall be
8 calculated on a school year basis, but paid on a fiscal
9 year basis, with payments beginning in August and extending
10 through June. Unless otherwise provided, the moneys
11 appropriated for each fiscal year shall be distributed in
12 22 equal payments at least 2 times monthly to each
13 Organizational Unit. The State Board shall publish a yearly
14 distribution schedule at its meeting in June. If moneys
15 appropriated for any fiscal year are distributed other than
16 monthly, the distribution shall be on the same basis for
17 each Organizational Unit.

18 (6) Any school district that fails, for any given
19 school year, to maintain school as required by law or to
20 maintain a recognized school is not eligible to receive
21 Evidence-Based Funding. In case of non-recognition of one
22 or more attendance centers in a school district otherwise
23 operating recognized schools, the claim of the district
24 shall be reduced in the proportion that the enrollment in
25 the attendance center or centers bears to the enrollment of
26 the school district. "Recognized school" means any public

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

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

9 (8) Each fiscal year, the State Superintendent shall
10 calculate for each Organizational Unit an amount of its
11 Base Funding Minimum and Evidence-Based Funding that shall
12 be deemed attributable to the provision of special
13 educational facilities and services, as defined in Section
14 14-1.08 of this Code, in a manner that ensures compliance
15 with maintenance of State financial support requirements
16 under the federal Individuals with Disabilities Education
17 Act. An Organizational Unit must use such funds only for
18 the provision of special educational facilities and
19 services, as defined in Section 14-1.08 of this Code, and
20 must comply with any expenditure verification procedures
21 adopted by the State Board.

22 (9) All Organizational Units in this State must submit
23 annual spending plans by the end of September of each year
24 to the State Board as part of the annual budget process,
25 which shall describe how each Organizational Unit will
26 utilize the Base Minimum Funding and Evidence-Based

1 funding it receives from this State under this Section with
2 specific identification of the intended utilization of
3 Low-Income, English learner, and special education
4 resources. Additionally, the annual spending plans of each
5 Organizational Unit shall describe how the Organizational
6 Unit expects to achieve student growth and how the
7 Organizational Unit will achieve State education goals, as
8 defined by the State Board. The State Superintendent may,
9 from time to time, identify additional requisites for
10 Organizational Units to satisfy when compiling the annual
11 spending plans required under this subsection (h). The
12 format and scope of annual spending plans shall be
13 developed by the State Superintendent in conjunction with
14 the Professional Review Panel. School districts that serve
15 students under Article 14C of this Code shall continue to
16 submit information as required under Section 14C-12 of this
17 Code.

18 (10) No later than January 1, 2018, the State
19 Superintendent shall develop a 5-year strategic plan for
20 all Organizational Units to help in planning for adequacy
21 funding under this Section. The State Superintendent shall
22 submit the plan to the Governor and the General Assembly,
23 as provided in Section 3.1 of the General Assembly
24 Organization Act. The plan shall include recommendations
25 for:

26 (A) a framework for collaborative, professional,

1 innovative, and 21st century learning environments
2 using the Evidence-Based Funding model;

3 (B) ways to prepare and support this State's
4 educators for successful instructional careers;

5 (C) application and enhancement of the current
6 financial accountability measures, the approved State
7 plan to comply with the federal Every Student Succeeds
8 Act, and the Illinois Balanced Accountability Measures
9 in relation to student growth and elements of the
10 Evidence-Based Funding model; and

11 (D) implementation of an effective school adequacy
12 funding system based on projected and recommended
13 funding levels from the General Assembly.

14 (i) Professional Review Panel.

15 (1) A Professional Review Panel is created to study and
16 review the implementation and effect of the Evidence-Based
17 Funding model under this Section and to recommend continual
18 recalibration and future study topics and modifications to
19 the Evidence-Based Funding model. The Panel shall elect a
20 chairperson and vice chairperson by a majority vote of the
21 Panel and shall advance recommendations based on a majority
22 vote of the Panel. A minority opinion may also accompany
23 any recommendation of the majority of the Panel. The Panel
24 shall be appointed by the State Superintendent, except as
25 otherwise provided in paragraph (2) of this subsection (i)
26 and include the following members:

1 (A) Two appointees that represent district
2 superintendents, recommended by a statewide
3 organization that represents district superintendents.

4 (B) Two appointees that represent school boards,
5 recommended by a statewide organization that
6 represents school boards.

7 (C) Two appointees from districts that represent
8 school business officials, recommended by a statewide
9 organization that represents school business
10 officials.

11 (D) Two appointees that represent school
12 principals, recommended by a statewide organization
13 that represents school principals.

14 (E) Two appointees that represent teachers,
15 recommended by a statewide organization that
16 represents teachers.

17 (F) Two appointees that represent teachers,
18 recommended by another statewide organization that
19 represents teachers.

20 (G) Two appointees that represent regional
21 superintendents of schools, recommended by
22 organizations that represent regional superintendents.

23 (H) Two independent experts selected solely by the
24 State Superintendent.

25 (I) Two independent experts recommended by public
26 universities in this State.

1 (J) One member recommended by a statewide
2 organization that represents parents.

3 (K) Two representatives recommended by collective
4 impact organizations that represent major metropolitan
5 areas or geographic areas in Illinois.

6 (L) One member from a statewide organization
7 focused on research-based education policy to support
8 a school system that prepares all students for college,
9 a career, and democratic citizenship.

10 (M) One representative from a school district
11 organized under Article 34 of this Code.

12 The State Superintendent shall ensure that the
13 membership of the Panel includes representatives from
14 school districts and communities reflecting the
15 geographic, socio-economic, racial, and ethnic diversity
16 of this State. The State Superintendent shall additionally
17 ensure that the membership of the Panel includes
18 representatives with expertise in bilingual education and
19 special education. Staff from the State Board shall staff
20 the Panel.

21 (2) In addition to those Panel members appointed by the
22 State Superintendent, 4 members of the General Assembly
23 shall be appointed as follows: one member of the House of
24 Representatives appointed by the Speaker of the House of
25 Representatives, one member of the Senate appointed by the
26 President of the Senate, one member of the House of

1 Representatives appointed by the Minority Leader of the
2 House of Representatives, and one member of the Senate
3 appointed by the Minority Leader of the Senate. There shall
4 be one additional member appointed by the Governor. All
5 members appointed by legislative leaders or the Governor
6 shall be non-voting, ex officio members.

7 (3) On an annual basis, the State Superintendent shall
8 recalibrate the following per pupil elements of the
9 Adequacy Target and applied to the formulas, based on the
10 Panel's study of average expenses as reported in the most
11 recent annual financial report:

12 (A) gifted under subparagraph (M) of paragraph (2)
13 of subsection (b) of this Section;

14 (B) instructional materials under subparagraph (O)
15 of paragraph (2) of subsection (b) of this Section;

16 (C) assessment under subparagraph (P) of paragraph
17 (2) of subsection (b) of this Section;

18 (D) student activities under subparagraph (R) of
19 paragraph (2) of subsection (b) of this Section;

20 (E) maintenance and operations under subparagraph
21 (S) of paragraph (2) of subsection (b) of this Section;
22 and

23 (F) central office under subparagraph (T) of
24 paragraph (2) of subsection (b) of this Section.

25 (4) On a periodic basis, the Panel shall study all the
26 following elements and make recommendations to the State

1 Board, the General Assembly, and the Governor for
2 modification of this Section:

3 (A) The format and scope of annual spending plans
4 referenced in paragraph (9) of subsection (h) of this
5 Section.

6 (B) The Comparable Wage Index under this Section,
7 to be studied by the Panel and reestablished by the
8 State Superintendent every 5 years.

9 (C) Maintenance and operations. Within 5 years
10 after the implementation of this Section, the Panel
11 shall make recommendations for the further study of
12 maintenance and operations costs, including capital
13 maintenance costs, and recommend any additional
14 reporting data required from Organizational Units.

15 (D) "At-risk student" definition. Within 5 years
16 after the implementation of this Section, the Panel
17 shall make recommendations for the further study and
18 determination of an "at-risk student" definition.
19 Within 5 years after the implementation of this
20 Section, the Panel shall evaluate and make
21 recommendations regarding adequate funding for poverty
22 concentration under the Evidence-Based Funding model.

23 (E) Benefits. Within 5 years after the
24 implementation of this Section, the Panel shall make
25 recommendations for further study of benefit costs.

26 (F) Technology. The per pupil target for

1 technology shall be reviewed every 3 years to determine
2 whether current allocations are sufficient to develop
3 21st century learning in all classrooms in this State
4 and supporting a one-to-one technological device
5 program in each school. Recommendations shall be made
6 no later than 3 years after the implementation of this
7 Section.

8 (G) Local Capacity Target. Within 3 years after the
9 implementation of this Section, the Panel shall make
10 recommendations for any additional data desired to
11 analyze possible modifications to the Local Capacity
12 Target, to be based on measures in addition to solely
13 EAV and to be completed within 5 years after
14 implementation of this Section.

15 (H) Funding for Alternative Schools, Laboratory
16 Schools, safe schools, and alternative learning
17 opportunities programs. By the beginning of the
18 2021-2022 school year, the Panel shall study and make
19 recommendations regarding the funding levels for
20 Alternative Schools, Laboratory Schools, safe schools,
21 and alternative learning opportunities programs in
22 this State.

23 (I) Funding for college and career acceleration
24 strategies. By the beginning of the 2021-2022 school
25 year, the Panel shall study and make recommendations
26 regarding funding levels to support college and career

1 acceleration strategies in high school that have been
2 demonstrated to result in improved secondary and
3 postsecondary outcomes, including Advanced Placement,
4 dual-credit opportunities, and college and career
5 pathway systems.

6 (J) Special education investments. By the
7 beginning of the 2021-2022 school year, the Panel shall
8 study and make recommendations on whether and how to
9 account for disability types within the special
10 education funding category.

11 (K) Early childhood investments. In collaboration
12 with the Illinois Early Learning Council, the Panel
13 shall include an analysis of what level of Preschool
14 for All Children funding would be necessary to serve
15 all children ages 0 through 5 years in the
16 highest-priority service tier, as specified in
17 paragraph (4.5) of subsection (a) of Section 2-3.71 of
18 this Code, and an analysis of the potential cost
19 savings that that level of Preschool for All Children
20 investment would have on the kindergarten through
21 grade 12 system.

22 (5) Within 5 years after the implementation of this
23 Section, the Panel shall complete an evaluative study of
24 the entire Evidence-Based Funding model, including an
25 assessment of whether or not the formula is achieving State
26 goals. The Panel shall report to the State Board, the

1 General Assembly, and the Governor on the findings of the
2 study.

3 (6) Within 3 years after the implementation of this
4 Section, the Panel shall evaluate and provide
5 recommendations to the Governor and the General Assembly on
6 the hold-harmless provisions of this Section found in the
7 Base Funding Minimum.

8 (j) References. Beginning July 1, 2017, references in other
9 laws to general State aid funds or calculations under Section
10 18-8.05 of this Code (now repealed) shall be deemed to be
11 references to evidence-based model formula funds or
12 calculations under this Section.

13 (Source: P.A. 100-465, eff. 8-31-17; 100-578, eff. 1-31-18.)

14 (105 ILCS 5/18-8.05 rep.)

15 Section 10. The School Code is amended by repealing Section
16 18-8.05.

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.