



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB2189

Introduced 2/26/2021, by Sen. Elgie R. Sims, Jr.

SYNOPSIS AS INTRODUCED:

40 ILCS 5/16-158	from Ch. 108 1/2, par. 16-158
40 ILCS 5/17-127	from Ch. 108 1/2, par. 17-127
105 ILCS 5/18-8.15	

Amends the evidence-based funding formula provisions of the School Code to make changes concerning the employee benefit investments calculation and the Adjusted Base Funding Minimum calculation in relation to the employer normal cost of teacher pensions and the Base Funding Minimum calculation in relation to excess State payments. Amends the Downstate and Chicago Teacher Articles of the Illinois Pension Code to make related changes. Effective immediately.

LRB102 15095 CMG 20450 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning education.

2 WHEREAS, This Act may be referred to as the Acceleration
3 of School Funding Equity Act of 2021; and

4 WHEREAS, The General Assembly overhauled this State's
5 outdated and inequitable funding system in 2017 with the
6 enactment of an evidence-based funding formula via Public Act
7 100-465, which consolidated several funding streams into a
8 single formula; and

9 WHEREAS, This new, modernized formula considers how much
10 each school district needs to adequately educate its students,
11 how much local capacity each district has to fund its schools,
12 and how close each district is to reaching adequate funding,
13 all while holding harmless all districts; and

14 WHEREAS, The State pays most employer costs of teacher
15 pensions, which is among the most inequitable ways this State
16 supports school districts because those districts with higher
17 teacher salaries and more teachers receive a greater State
18 subsidy for the cost of teacher pensions than those districts
19 with lower teacher salaries and fewer teachers; and

20 WHEREAS, The current structure for State support of
21 teacher pension costs provides school districts funded above
22 100% adequacy a benefit of \$328 more per pupil than it provides

1 to school districts funded below 80% of adequacy; and

2 WHEREAS, The evidence-based funding formula depends on new
3 funding being invested each year in order to close the
4 adequacy gap; however, no increased tier funding was
5 appropriated in fiscal year 2021; and

6 WHEREAS, By applying the same principles found in the
7 evidence-based funding formula, the inequitable teacher
8 pension funding structure can be improved to accelerate
9 equity, accelerate the timeline for bringing the school
10 funding system closer to adequacy, and protect teacher pension
11 funding; therefore

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

14 Section 5. The Illinois Pension Code is amended by
15 changing Sections 16-158 and 17-127 as follows:

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

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

19 (a) The State shall make contributions to the System by
20 means of appropriations from the Common School Fund and other
21 State funds of amounts which, together with other employer

1 contributions, employee contributions, investment income, and
2 other income, will be sufficient to meet the cost of
3 maintaining and administering the System on a 90% funded basis
4 in accordance with actuarial recommendations.

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

10 (a-1) Annually, on or before November 15 until November
11 15, 2011, the Board shall certify to the Governor the amount of
12 the required State contribution for the coming fiscal year.
13 The certification under this subsection (a-1) shall include a
14 copy of the actuarial recommendations upon which it is based
15 and shall specifically identify the System's projected State
16 normal cost for that fiscal year.

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

23 On or before July 1, 2005, the Board shall recalculate and
24 recertify to the Governor the amount of the required State
25 contribution to the System for State fiscal year 2006, taking
26 into account the changes in required State contributions made

1 by Public Act 94-4.

2 On or before April 1, 2011, the Board shall recalculate
3 and recertify to the Governor the amount of the required State
4 contribution to the System for State fiscal year 2011,
5 applying the changes made by Public Act 96-889 to the System's
6 assets and liabilities as of June 30, 2009 as though Public Act
7 96-889 was approved on that date.

8 (a-5) On or before November 1 of each year, beginning
9 November 1, 2012, the Board shall submit to the State Actuary,
10 the Governor, and the General Assembly a proposed
11 certification of the amount of the required State contribution
12 to the System for the next fiscal year, along with all of the
13 actuarial assumptions, calculations, and data upon which that
14 proposed certification is based. On or before January 1 of
15 each year, beginning January 1, 2013, the State Actuary shall
16 issue a preliminary report concerning the proposed
17 certification and identifying, if necessary, recommended
18 changes in actuarial assumptions that the Board must consider
19 before finalizing its certification of the required State
20 contributions. On or before January 15, 2013 and each January
21 15 thereafter, the Board shall certify to the Governor and the
22 General Assembly the amount of the required State contribution
23 for the next fiscal year. The Board's certification must note
24 any deviations from the State Actuary's recommended changes,
25 the reason or reasons for not following the State Actuary's
26 recommended changes, and the fiscal impact of not following

1 the State Actuary's recommended changes on the required State
2 contribution.

3 (a-10) By November 1, 2017, the Board shall recalculate
4 and recertify to the State Actuary, the Governor, and the
5 General Assembly the amount of the State contribution to the
6 System for State fiscal year 2018, taking into account the
7 changes in required State contributions made by Public Act
8 100-23. The State Actuary shall review the assumptions and
9 valuations underlying the Board's revised certification and
10 issue a preliminary report concerning the proposed
11 recertification and identifying, if necessary, recommended
12 changes in actuarial assumptions that the Board must consider
13 before finalizing its certification of the required State
14 contributions. The Board's final certification must note any
15 deviations from the State Actuary's recommended changes, the
16 reason or reasons for not following the State Actuary's
17 recommended changes, and the fiscal impact of not following
18 the State Actuary's recommended changes on the required State
19 contribution.

20 (a-15) On or after June 15, 2019, but no later than June
21 30, 2019, the Board shall recalculate and recertify to the
22 Governor and the General Assembly the amount of the State
23 contribution to the System for State fiscal year 2019, taking
24 into account the changes in required State contributions made
25 by Public Act 100-587. The recalculation shall be made using
26 assumptions adopted by the Board for the original fiscal year

1 2019 certification. The monthly voucher for the 12th month of
2 fiscal year 2019 shall be paid by the Comptroller after the
3 recertification required pursuant to this subsection is
4 submitted to the Governor, Comptroller, and General Assembly.
5 The recertification submitted to the General Assembly shall be
6 filed with the Clerk of the House of Representatives and the
7 Secretary of the Senate in electronic form only, in the manner
8 that the Clerk and the Secretary shall direct.

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

12 (b-1) Beginning in State fiscal year 1996, on the 15th day
13 of each month, or as soon thereafter as may be practicable, the
14 Board shall submit vouchers for payment of State contributions
15 to the System, in a total monthly amount of one-twelfth of the
16 required annual State contribution certified under subsection
17 (a-1). From March 5, 2004 (the effective date of Public Act
18 93-665) through June 30, 2004, the Board shall not submit
19 vouchers for the remainder of fiscal year 2004 in excess of the
20 fiscal year 2004 certified contribution amount determined
21 under this Section after taking into consideration the
22 transfer to the System under subsection (a) of Section 6z-61
23 of the State Finance Act. These vouchers shall be paid by the
24 State Comptroller and Treasurer by warrants drawn on the funds
25 appropriated to the System for that fiscal year.

26 If in any month the amount remaining unexpended from all

1 other appropriations to the System for the applicable fiscal
2 year (including the appropriations to the System under Section
3 8.12 of the State Finance Act and Section 1 of the State
4 Pension Funds Continuing Appropriation Act) is less than the
5 amount lawfully vouchered under this subsection, the
6 difference shall be paid from the Common School Fund under the
7 continuing appropriation authority provided in Section 1.1 of
8 the State Pension Funds Continuing Appropriation Act.

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

12 (b-3) For State fiscal years 2012 through 2045, the
13 minimum contribution to the System to be made by the State for
14 each fiscal year shall be an amount determined by the System to
15 be sufficient to bring the total assets of the System up to 90%
16 of the total actuarial liabilities of the System by the end of
17 State fiscal year 2045. In making these determinations, the
18 required State contribution shall be calculated each year as a
19 level percentage of payroll over the years remaining to and
20 including fiscal year 2045 and shall be determined under the
21 projected unit credit actuarial cost method.

22 For each of State fiscal years 2018, 2019, and 2020, the
23 State shall make an additional contribution to the System
24 equal to 2% of the total payroll of each employee who is deemed
25 to have elected the benefits under Section 1-161 or who has
26 made the election under subsection (c) of Section 1-161.

1 A change in an actuarial or investment assumption that
2 increases or decreases the required State contribution and
3 first applies in State fiscal year 2018 or thereafter shall be
4 implemented in equal annual amounts over a 5-year period
5 beginning in the State fiscal year in which the actuarial
6 change first applies to the required State contribution.

7 A change in an actuarial or investment assumption that
8 increases or decreases the required State contribution and
9 first applied to the State contribution in fiscal year 2014,
10 2015, 2016, or 2017 shall be implemented:

11 (i) as already applied in State fiscal years before
12 2018; and

13 (ii) in the portion of the 5-year period beginning in
14 the State fiscal year in which the actuarial change first
15 applied that occurs in State fiscal year 2018 or
16 thereafter, by calculating the change in equal annual
17 amounts over that 5-year period and then implementing it
18 at the resulting annual rate in each of the remaining
19 fiscal years in that 5-year period.

20 For State fiscal years 1996 through 2005, the State
21 contribution to the System, as a percentage of the applicable
22 employee payroll, shall be increased in equal annual
23 increments so that by State fiscal year 2011, the State is
24 contributing at the rate required under this Section; except
25 that in the following specified State fiscal years, the State
26 contribution to the System shall not be less than the

1 following indicated percentages of the applicable employee
2 payroll, even if the indicated percentage will produce a State
3 contribution in excess of the amount otherwise required under
4 this subsection and subsection (a), and notwithstanding any
5 contrary certification made under subsection (a-1) before May
6 27, 1998 (the effective date of Public Act 90-582): 10.02% in
7 FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY
8 2002; 12.86% in FY 2003; and 13.56% in FY 2004.

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

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

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

22 Notwithstanding any other provision of this Article, the
23 total required State contribution for State fiscal year 2010
24 is \$2,089,268,000 and shall be made from the proceeds of bonds
25 sold in fiscal year 2010 pursuant to Section 7.2 of the General
26 Obligation Bond Act, less (i) the pro rata share of bond sale

1 expenses determined by the System's share of total bond
2 proceeds, (ii) any amounts received from the Common School
3 Fund in fiscal year 2010, and (iii) any reduction in bond
4 proceeds due to the issuance of discounted bonds, if
5 applicable.

6 Notwithstanding any other provision of this Article, the
7 total required State contribution for State fiscal year 2011
8 is the amount recertified by the System on or before April 1,
9 2011 pursuant to subsection (a-1) of this Section and shall be
10 made from the proceeds of bonds sold in fiscal year 2011
11 pursuant to Section 7.2 of the General Obligation Bond Act,
12 less (i) the pro rata share of bond sale expenses determined by
13 the System's share of total bond proceeds, (ii) any amounts
14 received from the Common School Fund in fiscal year 2011, and
15 (iii) any reduction in bond proceeds due to the issuance of
16 discounted bonds, if applicable. This amount shall include, in
17 addition to the amount certified by the System, an amount
18 necessary to meet employer contributions required by the State
19 as an employer under paragraph (e) of this Section, which may
20 also be used by the System for contributions required by
21 paragraph (a) of Section 16-127.

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

26 Amounts received by the System pursuant to Section 25 of

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

12 Notwithstanding any other provision of this Section, the
13 required State contribution for State fiscal year 2005 and for
14 fiscal year 2008 and each fiscal year thereafter, as
15 calculated under this Section and certified under subsection
16 (a-1), shall not exceed an amount equal to (i) the amount of
17 the required State contribution that would have been
18 calculated under this Section for that fiscal year if the
19 System had not received any payments under subsection (d) of
20 Section 7.2 of the General Obligation Bond Act, minus (ii) the
21 portion of the State's total debt service payments for that
22 fiscal year on the bonds issued in fiscal year 2003 for the
23 purposes of that Section 7.2, as determined and certified by
24 the Comptroller, that is the same as the System's portion of
25 the total moneys distributed under subsection (d) of Section
26 7.2 of the General Obligation Bond Act. In determining this

1 maximum for State fiscal years 2008 through 2010, however, the
2 amount referred to in item (i) shall be increased, as a
3 percentage of the applicable employee payroll, in equal
4 increments calculated from the sum of the required State
5 contribution for State fiscal year 2007 plus the applicable
6 portion of the State's total debt service payments for fiscal
7 year 2007 on the bonds issued in fiscal year 2003 for the
8 purposes of Section 7.2 of the General Obligation Bond Act, so
9 that, by State fiscal year 2011, the State is contributing at
10 the rate otherwise required under this Section.

11 (b-4) Beginning in fiscal year 2018, each employer under
12 this Article shall pay to the System a required contribution
13 determined as a percentage of projected payroll and sufficient
14 to produce an annual amount equal to:

15 (i) for each of fiscal years 2018, 2019, and 2020, the
16 defined benefit normal cost of the defined benefit plan,
17 less the employee contribution, for each employee of that
18 employer who has elected or who is deemed to have elected
19 the benefits under Section 1-161 or who has made the
20 election under subsection (b) of Section 1-161; for fiscal
21 year 2021 and each fiscal year thereafter, the defined
22 benefit normal cost of the defined benefit plan, less the
23 employee contribution, plus 2%, for each employee of that
24 employer who has elected or who is deemed to have elected
25 the benefits under Section 1-161 or who has made the
26 election under subsection (b) of Section 1-161; plus

1 (ii) the amount required for that fiscal year to
2 amortize any unfunded actuarial accrued liability
3 associated with the present value of liabilities
4 attributable to the employer's account under Section
5 16-158.3, determined as a level percentage of payroll over
6 a 30-year rolling amortization period.

7 In determining contributions required under item (i) of
8 this subsection, the System shall determine an aggregate rate
9 for all employers, expressed as a percentage of projected
10 payroll.

11 In determining the contributions required under item (ii)
12 of this subsection, the amount shall be computed by the System
13 on the basis of the actuarial assumptions and tables used in
14 the most recent actuarial valuation of the System that is
15 available at the time of the computation.

16 The contributions required under this subsection (b-4)
17 shall be paid by an employer concurrently with that employer's
18 payroll payment period. The State, as the actual employer of
19 an employee, shall make the required contributions under this
20 subsection.

21 (b-5) Beginning in fiscal year 2022, by February 15 of
22 each year or upon a date mutually agreed upon by the System and
23 the State Superintendent of Education, the System shall
24 certify to the State Superintendent of Education the amount
25 attributable to each employer under this Article for the
26 State-paid employer normal cost paid on behalf of the

1 employer's employees determined as a percentage of projected
2 payroll and sufficient to produce an annual amount equal to:

3 (1) for fiscal year 2022, the normal cost of each
4 member employed by the employer, other than a member
5 covered by subsection (b-4) of this Section, less the
6 employee contribution; and

7 (2) for fiscal year 2023 and each fiscal year
8 thereafter, the amount required for that fiscal year to
9 amortize any unfunded actuarial accrued liability accrued
10 from differences between estimated and actual normal cost
11 rates paid by the employer determined as a level
12 percentage of payroll over a 30-year rolling amortization
13 period.

14 In determining the amounts required to be calculated under
15 item (1) of this subsection (b-5), the System shall determine
16 an aggregate rate for all employers, expressed as a percentage
17 of projected payroll. In determining the amounts required to
18 be calculated under item (2) of this subsection (b-5), the
19 amount shall be computed by the System on the basis of
20 actuarial assumptions and tables used in the most recent
21 actuarial valuation of the System that is available at the
22 time of the computation.

23 (c) Payment of the required State contributions and of all
24 pensions, retirement annuities, death benefits, refunds, and
25 other benefits granted under or assumed by this System, and
26 all expenses in connection with the administration and

1 operation thereof, are obligations of the State.

2 If members are paid from special trust or federal funds
3 which are administered by the employing unit, whether school
4 district or other unit, the employing unit shall pay to the
5 System from such funds the full accruing retirement costs
6 based upon that service, which, beginning July 1, 2017, shall
7 be at a rate, expressed as a percentage of salary, equal to the
8 total employer's normal cost, expressed as a percentage of
9 payroll, as determined by the System. Employer contributions,
10 based on salary paid to members from federal funds, may be
11 forwarded by the distributing agency of the State of Illinois
12 to the System prior to allocation, in an amount determined in
13 accordance with guidelines established by such agency and the
14 System. Any contribution for fiscal year 2015 collected as a
15 result of the change made by Public Act 98-674 shall be
16 considered a State contribution under subsection (b-3) of this
17 Section.

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

25 However, with respect to benefits granted under Section
26 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)

1 of Section 16-106, the employer's contribution shall be 12%
2 (rather than 20%) of the member's highest annual salary rate
3 for each year of creditable service granted, and the employer
4 shall also pay the required employee contribution on behalf of
5 the teacher. For the purposes of Sections 16-133.4 and
6 16-133.5, a teacher as defined in paragraph (8) of Section
7 16-106 who is serving in that capacity while on leave of
8 absence from another employer under this Article shall not be
9 considered an employee of the employer from which the teacher
10 is on leave.

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

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

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

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

25 These employer contributions are intended to offset a
26 portion of the cost to the System of the increases in

1 retirement benefits resulting from Public Act 90-582.

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

9 The additional 1% employee contribution required under
10 Section 16-152 by Public Act 90-582 is the responsibility of
11 the teacher and not the teacher's employer, unless the
12 employer agrees, through collective bargaining or otherwise,
13 to make the contribution on behalf of the teacher.

14 If an employer is required by a contract in effect on May
15 1, 1998 between the employer and an employee organization to
16 pay, on behalf of all its full-time employees covered by this
17 Article, all mandatory employee contributions required under
18 this Article, then the employer shall be excused from paying
19 the employer contribution required under this subsection (e)
20 for the balance of the term of that contract. The employer and
21 the employee organization shall jointly certify to the System
22 the existence of the contractual requirement, in such form as
23 the System may prescribe. This exclusion shall cease upon the
24 termination, extension, or renewal of the contract at any time
25 after May 1, 1998.

26 (f) If ~~June 4, 2018 (Public Act 100-587)~~ the amount of a

1 teacher's salary for any school year used to determine final
2 average salary exceeds the member's annual full-time salary
3 rate with the same employer for the previous school year by
4 more than 6%, the teacher's employer shall pay to the System,
5 in addition to all other payments required under this Section
6 and in accordance with guidelines established by the System,
7 the present value of the increase in benefits resulting from
8 the portion of the increase in salary that is in excess of 6%.
9 This present value shall be computed by the System on the basis
10 of the actuarial assumptions and tables used in the most
11 recent actuarial valuation of the System that is available at
12 the time of the computation. If a teacher's salary for the
13 2005-2006 school year is used to determine final average
14 salary under this subsection (f), then the changes made to
15 this subsection (f) by Public Act 94-1057 shall apply in
16 calculating whether the increase in his or her salary is in
17 excess of 6%. For the purposes of this Section, change in
18 employment under Section 10-21.12 of the School Code on or
19 after June 1, 2005 shall constitute a change in employer. The
20 System may require the employer to provide any pertinent
21 information or documentation. The changes made to this
22 subsection (f) by Public Act 94-1111 apply without regard to
23 whether the teacher was in service on or after its effective
24 date.

25 Whenever it determines that a payment is or may be
26 required under this subsection, the System shall calculate the

1 amount of the payment and bill the employer for that amount.
2 The bill shall specify the calculations used to determine the
3 amount due. If the employer disputes the amount of the bill, it
4 may, within 30 days after receipt of the bill, apply to the
5 System in writing for a recalculation. The application must
6 specify in detail the grounds of the dispute and, if the
7 employer asserts that the calculation is subject to subsection
8 (g) or (h) of this Section, must include an affidavit setting
9 forth and attesting to all facts within the employer's
10 knowledge that are pertinent to the applicability of that
11 subsection. Upon receiving a timely application for
12 recalculation, the System shall review the application and, if
13 appropriate, recalculate the amount due.

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

23 (f-1) (Blank). ~~June 4, 2018 (Public Act 100-587)~~

24 (g) This subsection (g) applies only to payments made or
25 salary increases given on or after June 1, 2005 but before July
26 1, 2011. The changes made by Public Act 94-1057 shall not

1 require the System to refund any payments received before July
2 31, 2006 (the effective date of Public Act 94-1057).

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

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

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

22 When assessing payment for any amount due under subsection
23 (f), the System shall exclude a salary increase resulting from
24 a promotion (i) for which the employee is required to hold a
25 certificate or supervisory endorsement issued by the State
26 Teacher Certification Board that is a different certification

1 or supervisory endorsement than is required for the teacher's
2 previous position and (ii) to a position that has existed and
3 been filled by a member for no less than one complete academic
4 year and the salary increase from the promotion is an increase
5 that results in an amount no greater than the lesser of the
6 average salary paid for other similar positions in the
7 district requiring the same certification or the amount
8 stipulated in the collective bargaining agreement for a
9 similar position requiring the same certification.

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

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

26 (i) The System shall prepare a report and file copies of

1 the report with the Governor and the General Assembly by
2 January 1, 2007 that contains all of the following
3 information:

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

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

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

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

16 (i-5) For school years beginning on or after July 1, 2017,
17 if the amount of a participant's salary for any school year
18 exceeds the amount of the salary set for the Governor, the
19 participant's employer shall pay to the System, in addition to
20 all other payments required under this Section and in
21 accordance with guidelines established by the System, an
22 amount determined by the System to be equal to the employer
23 normal cost, as established by the System and expressed as a
24 total percentage of payroll, multiplied by the amount of
25 salary in excess of the amount of the salary set for the
26 Governor. This amount shall be computed by the System on the

1 basis of the actuarial assumptions and tables used in the most
2 recent actuarial valuation of the System that is available at
3 the time of the computation. The System may require the
4 employer to provide any pertinent information or
5 documentation.

6 Whenever it determines that a payment is or may be
7 required under this subsection, the System shall calculate the
8 amount of the payment and bill the employer for that amount.
9 The bill shall specify the calculations used to determine the
10 amount due. If the employer disputes the amount of the bill, it
11 may, within 30 days after receipt of the bill, apply to the
12 System in writing for a recalculation. The application must
13 specify in detail the grounds of the dispute. Upon receiving a
14 timely application for recalculation, the System shall review
15 the application and, if appropriate, recalculate the amount
16 due.

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

26 (j) For purposes of determining the required State

1 contribution to the System, the value of the System's assets
2 shall be equal to the actuarial value of the System's assets,
3 which shall be calculated as follows:

4 As of June 30, 2008, the actuarial value of the System's
5 assets shall be equal to the market value of the assets as of
6 that date. In determining the actuarial value of the System's
7 assets for fiscal years after June 30, 2008, any actuarial
8 gains or losses from investment return incurred in a fiscal
9 year shall be recognized in equal annual amounts over the
10 5-year period following that fiscal year.

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

16 (Source: P.A. 100-23, eff. 7-6-17; 100-340, eff. 8-25-17;
17 100-587, eff. 6-4-18; 100-624, eff. 7-20-18; 100-863, eff.
18 8-14-18; 101-10, eff. 6-5-19; 101-81, eff. 7-12-19; revised
19 8-13-19.)

20 (40 ILCS 5/17-127) (from Ch. 108 1/2, par. 17-127)

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

22 (a) The revenues for the Fund shall consist of: (1)
23 amounts paid into the Fund by contributors thereto and from
24 employer contributions and State appropriations in accordance
25 with this Article; (2) amounts contributed to the Fund by an

1 Employer; (3) amounts contributed to the Fund pursuant to any
2 law now in force or hereafter to be enacted; (4) contributions
3 from any other source; and (5) the earnings on investments.

4 (b) The General Assembly finds that for many years the
5 State has contributed to the Fund an annual amount that is
6 between 20% and 30% of the amount of the annual State
7 contribution to the Article 16 retirement system, and the
8 General Assembly declares that it is its goal and intention to
9 continue this level of contribution to the Fund in the future.

10 (c) Beginning in State fiscal year 1999, the State shall
11 include in its annual contribution to the Fund an additional
12 amount equal to 0.544% of the Fund's total teacher payroll;
13 except that this additional contribution need not be made in a
14 fiscal year if the Board has certified in the previous fiscal
15 year that the Fund is at least 90% funded, based on actuarial
16 determinations. These additional State contributions are
17 intended to offset a portion of the cost to the Fund of the
18 increases in retirement benefits resulting from this
19 amendatory Act of 1998.

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

24 (1) For State fiscal year 2018, the State shall
25 contribute \$221,300,000 for the employer normal cost for
26 fiscal year 2018 and the amount allowed under paragraph

1 (3) of Section 17-142.1 of this Code to defray health
2 insurance costs. Funds for this paragraph (1) shall come
3 from funds appropriated for Evidence-Based Funding
4 pursuant to Section 18-8.15 of the School Code.

5 (2) Beginning in State fiscal year 2019, the State
6 shall contribute for each fiscal year an amount to be
7 determined by the Fund, equal to the employer normal cost
8 for that fiscal year, plus the amount allowed pursuant to
9 paragraph (3) of Section 17-142.1 to defray health
10 insurance costs.

11 (e) The Board shall determine the amount of State
12 contributions required for each fiscal year on the basis of
13 the actuarial tables and other assumptions adopted by the
14 Board and the recommendations of the actuary. On or before
15 November 1 of each year, beginning November 1, 2017, the Board
16 shall submit to the State Actuary, the Governor, and the
17 General Assembly a proposed certification of the amount of the
18 required State contribution to the Fund for the next fiscal
19 year, along with all of the actuarial assumptions,
20 calculations, and data upon which that proposed certification
21 is based.

22 On or before January 1 of each year, beginning January 1,
23 2018, the State Actuary shall issue a preliminary report
24 concerning the proposed certification and identifying, if
25 necessary, recommended changes in actuarial assumptions that
26 the Board must consider before finalizing its certification of

1 the required State contributions.

2 (f) On or before January 15 of each year, ~~2018 and each~~
3 ~~January 15 thereafter~~, the Board shall certify to the
4 Governor, the State Superintendent of Education, and the
5 General Assembly the amount of the required State contribution
6 for the next fiscal year. The certification shall include a
7 copy of the actuarial recommendations upon which it is based
8 and shall specifically identify the Fund's projected employer
9 normal cost for that fiscal year. The Board's certification
10 must note any deviations from the State Actuary's recommended
11 changes, the reason or reasons for not following the State
12 Actuary's recommended changes, and the fiscal impact of not
13 following the State Actuary's recommended changes on the
14 required State contribution.

15 For the purposes of this Article, including issuing
16 vouchers, and for the purposes of subsection (h) of Section
17 1.1 of the State Pension Funds Continuing Appropriation Act,
18 the State contribution specified for State fiscal year 2018
19 shall be deemed to have been certified, by operation of law and
20 without official action by the Board or the State Actuary, in
21 the amount provided in subsection (c) and subsection (d) of
22 this Section.

23 (g) For State fiscal year 2018, the State Board of
24 Education shall submit vouchers, as directed by the Board, for
25 payment of State contributions to the Fund for the required
26 annual State contribution under subsection (d) of this

1 Section. These vouchers shall be paid by the State Comptroller
2 and Treasurer by warrants drawn on the amount appropriated to
3 the State Board of Education from the Common School Fund in
4 Section 5 of Article 97 of Public Act 100-21. If State
5 appropriations for State fiscal year 2018 are less than the
6 amount lawfully vouchered under this subsection, the
7 difference shall be paid from the Common School Fund under the
8 continuing appropriation authority provided in Section 1.1 of
9 the State Pension Funds Continuing Appropriation Act.

10 (h) For State fiscal year 2018, the Board shall submit
11 vouchers for the payment of State contributions to the Fund
12 for the required annual State contribution under subsection
13 (c) of this Section. Beginning in State fiscal year 2019, the
14 Board shall submit vouchers for payment of State contributions
15 to the Fund for the required annual State contribution under
16 subsections (c) and (d) of this Section. These vouchers shall
17 be paid by the State Comptroller and Treasurer by warrants
18 drawn on the funds appropriated to the Fund for that fiscal
19 year. If State appropriations to the Fund for the applicable
20 fiscal year are less than the amount lawfully vouchered under
21 this subsection, the difference shall be paid from the Common
22 School Fund under the continuing appropriation authority
23 provided in Section 1.1 of the State Pension Funds Continuing
24 Appropriation Act.

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

1 Section 10. The School Code is amended by changing Section
2 18-8.15 as follows:

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
11 the limits of their capacities in accordance with Section
12 1 of Article X of the Constitution of the State of
13 Illinois. To accomplish that objective, this Section
14 creates a method of funding public education that is
15 evidence-based; is sufficient to ensure every student
16 receives a meaningful opportunity to learn irrespective of
17 race, ethnicity, sexual orientation, gender, or
18 community-income level; and is sustainable and
19 predictable. When fully funded under this Section, every
20 school shall have the resources, based on what the
21 evidence indicates is needed, to:

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

1 workers, responsible parents, productive citizens of
2 this State, and active members of our national
3 democracy;

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

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

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

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

25 (A) First, the model calculates a unique Adequacy
26 Target for each Organizational Unit in this State that

1 considers the costs to implement research-based
2 activities, the unit's student demographics, and
3 regional wage differences.

4 (B) Second, the model calculates each
5 Organizational Unit's Local Capacity, or the amount
6 each Organizational Unit is assumed to contribute
7 toward its Adequacy Target from local resources.

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

13 (D) Finally, the model's distribution method
14 allocates new State funding to those Organizational
15 Units that are least well-funded, considering both
16 Local Capacity and State funding, in relation to their
17 Adequacy Target.

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

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

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

26 "Adjusted EAV" is defined in paragraph (4) of

1 subsection (d) of this Section.

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

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

26 "Allocation Rate" is defined in paragraph (3) of

1 subsection (g) of this Section.

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

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

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

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

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

24 "Average Student Enrollment" or "ASE" for fiscal year
25 2018 means, for an Organizational Unit, the greater of the
26 average number of students (grades K through 12) reported

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

1 years. For the purposes of this definition, "enrolled in
2 the Organizational Unit" means the number of students
3 reported to the State Board who are enrolled in schools
4 within the Organizational Unit that the student attends or
5 would attend if not placed or transferred to another
6 school or program to receive needed services. For the
7 purposes of calculating "ASE", all students, grades K
8 through 12, excluding those attending kindergarten for a
9 half day and students attending an alternative education
10 program operated by a regional office of education or
11 intermediate service center, shall be counted as 1.0. All
12 students attending kindergarten for a half day shall be
13 counted as 0.5, unless in 2017 by June 15 or by March 1 in
14 subsequent years, the school district reports to the State
15 Board of Education the intent to implement full-day
16 kindergarten district-wide for all students, then all
17 students attending kindergarten shall be counted as 1.0.
18 Special education pre-kindergarten students shall be
19 counted as 0.5 each. If the State Board does not collect or
20 has not collected both an October 1 and March 1 enrollment
21 count by grade or a December 1 collection of special
22 education pre-kindergarten students as of August 31, 2017
23 (the effective date of Public Act 100-465), it shall
24 establish such collection for all future years. For any
25 year in which a count by grade level was collected only
26 once, that count shall be used as the single count

1 available for computing a 3-year average ASE. Funding for
2 programs operated by a regional office of education or an
3 intermediate service center must be calculated using the
4 Evidence-Based Funding formula under this Section for the
5 2019-2020 school year and each subsequent school year
6 until separate adequacy formulas are developed and adopted
7 for each type of program. ASE for a program operated by a
8 regional office of education or an intermediate service
9 center must be determined by the March 1 enrollment for
10 the program. For the 2019-2020 school year, the ASE used
11 in the calculation must be the first-year ASE and, in that
12 year only, the assignment of students served by a regional
13 office of education or intermediate service center shall
14 not result in a reduction of the March enrollment for any
15 school district. For the 2020-2021 school year, the ASE
16 must be the greater of the current-year ASE or the 2-year
17 average ASE. Beginning with the 2021-2022 school year, the
18 ASE must be the greater of the current-year ASE or the
19 3-year average ASE. School districts shall submit the data
20 for the ASE calculation to the State Board within 45 days
21 of the dates required in this Section for submission of
22 enrollment data in order for it to be included in the ASE
23 calculation. For fiscal year 2018 only, the ASE
24 calculation shall include only enrollment taken on October
25 1.

26 "Base Funding Guarantee" is defined in paragraph (10)

1 of subsection (g) of this Section.

2 "Base Funding Minimum" is defined in subsection (e) of
3 this Section.

4 "Base Tax Year" means the property tax levy year used
5 to calculate the Budget Year allocation of primary State
6 aid.

7 "Base Tax Year's Extension" means the product of the
8 equalized assessed valuation utilized by the county clerk
9 in the Base Tax Year multiplied by the limiting rate as
10 calculated by the county clerk and defined in PTELL.

11 "Bilingual Education Allocation" means the amount of
12 an Organizational Unit's final Adequacy Target
13 attributable to bilingual education divided by the
14 Organizational Unit's final Adequacy Target, the product
15 of which shall be multiplied by the amount of new funding
16 received pursuant to this Section. An Organizational
17 Unit's final Adequacy Target attributable to bilingual
18 education shall include all additional investments in
19 English learner students' adequacy elements.

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

22 "Central office" means individual administrators and
23 support service personnel charged with managing the
24 instructional programs, business and operations, and
25 security of the Organizational Unit.

26 "Comparable Wage Index" or "CWI" means a regional cost

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

13 "Computer technology and equipment" means computers
14 servers, notebooks, network equipment, copiers, printers,
15 instructional software, security software, curriculum
16 management courseware, and other similar materials and
17 equipment.

18 "Computer technology and equipment investment
19 allocation" means the final Adequacy Target amount of an
20 Organizational Unit assigned to Tier 1 or Tier 2 in the
21 prior school year attributable to the additional \$285.50
22 per student computer technology and equipment investment
23 grant divided by the Organizational Unit's final Adequacy
24 Target, the result of which shall be multiplied by the
25 amount of new funding received pursuant to this Section.
26 An Organizational Unit assigned to a Tier 1 or Tier 2 final

1 Adequacy Target attributable to the received computer
2 technology and equipment investment grant shall include
3 all additional investments in computer technology and
4 equipment adequacy elements.

5 "Core subject" means mathematics; science; reading,
6 English, writing, and language arts; history and social
7 studies; world languages; and subjects taught as Advanced
8 Placement in high schools.

9 "Core teacher" means a regular classroom teacher in
10 elementary schools and teachers of a core subject in
11 middle and high schools.

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

15 "CPPRT" means corporate personal property replacement
16 tax funds paid to an Organizational Unit during the
17 calendar year one year before the calendar year in which a
18 school year begins, pursuant to "An Act in relation to the
19 abolition of ad valorem personal property tax and the
20 replacement of revenues lost thereby, and amending and
21 repealing certain Acts and parts of Acts in connection
22 therewith", certified August 14, 1979, as amended (Public
23 Act 81-1st S.S.-1).

24 "EAV" means equalized assessed valuation as defined in
25 paragraph (2) of subsection (d) of this Section and
26 calculated in accordance with paragraph (3) of subsection

1 (d) of this Section.

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

7 "EIS Data" means the employment information system
8 data maintained by the State Board on educators within
9 Organizational Units.

10 "Employee benefits" means health, dental, and vision
11 insurance offered to employees of an Organizational Unit,
12 the costs associated with the statutorily required payment
13 of the normal cost of the Organizational Unit's teacher
14 pensions, as set forth in subparagraph (U) of paragraph
15 (2) of subsection (b) of this Section, Social Security
16 employer contributions, and Illinois Municipal Retirement
17 Fund employer contributions.

18 "English learner" or "EL" means a child included in
19 the definition of "English learners" under Section 14C-2
20 of this Code participating in a program of transitional
21 bilingual education or a transitional program of
22 instruction meeting the requirements and program
23 application procedures of Article 14C of this Code. For
24 the purposes of collecting the number of EL students
25 enrolled, the same collection and calculation methodology
26 as defined above for "ASE" shall apply to English

1 learners, with the exception that EL student enrollment
2 shall include students in grades pre-kindergarten through
3 12.

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

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

15 "Extended day" means academic and enrichment programs
16 provided to students outside the regular school day before
17 and after school or during non-instructional times during
18 the school day.

19 "Extension Limitation Ratio" means a numerical ratio
20 in which the numerator is the Base Tax Year's Extension
21 and the denominator is the Preceding Tax Year's Extension.

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

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

26 "Full-time equivalent" or "FTE" means the full-time

1 equivalency compensation for staffing the relevant
2 position at an Organizational Unit.

3 "Funding Gap" is defined in paragraph (1) of
4 subsection (g).

5 "Guidance counselor" means a licensed guidance
6 counselor who provides guidance and counseling support for
7 students within an Organizational Unit.

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

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

13 "Instructional facilitator" means a qualified teacher
14 or licensed teacher leader who facilitates and coaches
15 continuous improvement in classroom instruction; provides
16 instructional support to teachers in the elements of
17 research-based instruction or demonstrates the alignment
18 of instruction with curriculum standards and assessment
19 tools; develops or coordinates instructional programs or
20 strategies; develops and implements training; chooses
21 standards-based instructional materials; provides
22 teachers with an understanding of current research; serves
23 as a mentor, site coach, curriculum specialist, or lead
24 teacher; or otherwise works with fellow teachers, in
25 collaboration, to use data to improve instructional
26 practice or develop model lessons.

1 "Instructional materials" means relevant
2 instructional materials for student instruction,
3 including, but not limited to, textbooks, consumable
4 workbooks, laboratory equipment, library books, and other
5 similar materials.

6 "Laboratory School" means a public school that is
7 created and operated by a public university and approved
8 by the State Board.

9 "Librarian" means a teacher with an endorsement as a
10 library information specialist or another individual whose
11 primary responsibility is overseeing library resources
12 within an Organizational Unit.

13 "Limiting rate for Hybrid Districts" means the
14 combined elementary school and high school limiting rates.

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

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

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

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

23 "Low-Income Count" means, for an Organizational Unit
24 in a fiscal year, the higher of the average number of
25 students for the prior school year or the immediately
26 preceding 3 school years who, as of July 1 of the

1 immediately preceding fiscal year (as determined by the
2 Department of Human Services), are eligible for at least
3 one of the following low-income programs: Medicaid, the
4 Children's Health Insurance Program, Temporary Assistance
5 for Needy Families (TANF), or the Supplemental Nutrition
6 Assistance Program, excluding pupils who are eligible for
7 services provided by the Department of Children and Family
8 Services. Until such time that grade level low-income
9 populations become available, grade level low-income
10 populations shall be determined by applying the low-income
11 percentage to total student enrollments by grade level.
12 The low-income percentage is determined by dividing the
13 Low-Income Count by the Average Student Enrollment. The
14 low-income percentage for programs operated by a regional
15 office of education or an intermediate service center must
16 be set to the weighted average of the low-income
17 percentages of all of the school districts in the service
18 region. The weighted low-income percentage is the result
19 of multiplying the low-income percentage of each school
20 district served by the regional office of education or
21 intermediate service center by each school district's
22 Average Student Enrollment, summarizing those products and
23 dividing the total by the total Average Student Enrollment
24 for the service region.

25 "Maintenance and operations" means custodial services,
26 facility and ground maintenance, facility operations,

1 facility security, routine facility repairs, and other
2 similar services and functions.

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

5 "New Property Tax Relief Pool Funds" means, for any
6 given fiscal year, all State funds appropriated under
7 Section 2-3.170 of this ~~the School~~ Code.

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

12 "Net State Contribution Target" means, for a given
13 school year, the amount of State funds that would be
14 necessary to fully meet the Adequacy Target of an
15 Operational Unit minus the Preliminary Resources available
16 to each unit.

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

22 "Operating Tax Rate" means the rate utilized in the
23 previous year to extend property taxes for all purposes,
24 except Bond and Interest, Summer School, Rent, Capital
25 Improvement, and Vocational Education Building purposes.
26 For Hybrid Districts, the Operating Tax Rate shall be the

1 combined elementary and high school rates utilized in the
2 previous year to extend property taxes for all purposes,
3 except Bond and Interest, Summer School, Rent, Capital
4 Improvement, and Vocational Education Building purposes.

5 "Organizational Unit" means a Laboratory School or any
6 public school district that is recognized as such by the
7 State Board and that contains elementary schools typically
8 serving kindergarten through 5th grades, middle schools
9 typically serving 6th through 8th grades, high schools
10 typically serving 9th through 12th grades, a program
11 established under Section 2-3.66 or 2-3.41, or a program
12 operated by a regional office of education or an
13 intermediate service center under Article 13A or 13B. The
14 General Assembly acknowledges that the actual grade levels
15 served by a particular Organizational Unit may vary
16 slightly from what is typical.

17 "Organizational Unit CWI" is determined by calculating
18 the CWI in the region and original county in which an
19 Organizational Unit's primary administrative office is
20 located as set forth in this paragraph, provided that if
21 the Organizational Unit CWI as calculated in accordance
22 with this paragraph is less than 0.9, the Organizational
23 Unit CWI shall be increased to 0.9. Each county's current
24 CWI value shall be adjusted based on the CWI value of that
25 county's neighboring Illinois counties, to create a
26 "weighted adjusted index value". This shall be calculated

1 by summing the CWI values of all of a county's adjacent
2 Illinois counties and dividing by the number of adjacent
3 Illinois counties, then taking the weighted value of the
4 original county's CWI value and the adjacent Illinois
5 county average. To calculate this weighted value, if the
6 number of adjacent Illinois counties is greater than 2,
7 the original county's CWI value will be weighted at 0.25
8 and the adjacent Illinois county average will be weighted
9 at 0.75. If the number of adjacent Illinois counties is 2,
10 the original county's CWI value will be weighted at 0.33
11 and the adjacent Illinois county average will be weighted
12 at 0.66. The greater of the county's current CWI value and
13 its weighted adjusted index value shall be used as the
14 Organizational Unit CWI.

15 "Preceding Tax Year" means the property tax levy year
16 immediately preceding the Base Tax Year.

17 "Preceding Tax Year's Extension" means the product of
18 the equalized assessed valuation utilized by the county
19 clerk in the Preceding Tax Year multiplied by the
20 Operating Tax Rate.

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

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

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

1 "Professional development" means training programs for
2 licensed staff in schools, including, but not limited to,
3 programs that assist in implementing new curriculum
4 programs, provide data focused or academic assessment data
5 training to help staff identify a student's weaknesses and
6 strengths, target interventions, improve instruction,
7 encompass instructional strategies for English learner,
8 gifted, or at-risk students, address inclusivity, cultural
9 sensitivity, or implicit bias, or otherwise provide
10 professional support for licensed staff.

11 "Prototypical" means 450 special education
12 pre-kindergarten and kindergarten through grade 5 students
13 for an elementary school, 450 grade 6 through 8 students
14 for a middle school, and 600 grade 9 through 12 students
15 for a high school.

16 "PTELL" means the Property Tax Extension Limitation
17 Law.

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

20 "Pupil support staff" means a nurse, psychologist,
21 social worker, family liaison personnel, or other staff
22 member who provides support to at-risk or struggling
23 students.

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

26 "Regionalization Factor" means, for a particular

1 Organizational Unit, the figure derived by dividing the
2 Organizational Unit CWI by the Statewide Weighted CWI.

3 "School site staff" means the primary school secretary
4 and any additional clerical personnel assigned to a
5 school.

6 "Special education" means special educational
7 facilities and services, as defined in Section 14-1.08 of
8 this Code.

9 "Special Education Allocation" means the amount of an
10 Organizational Unit's final Adequacy Target attributable
11 to special education divided by the Organizational Unit's
12 final Adequacy Target, the product of which shall be
13 multiplied by the amount of new funding received pursuant
14 to this Section. An Organizational Unit's final Adequacy
15 Target attributable to special education shall include all
16 special education investment adequacy elements.

17 "Specialist teacher" means a teacher who provides
18 instruction in subject areas not included in core
19 subjects, including, but not limited to, art, music,
20 physical education, health, driver education,
21 career-technical education, and such other subject areas
22 as may be mandated by State law or provided by an
23 Organizational Unit.

24 "Specially Funded Unit" means an Alternative School,
25 safe school, Department of Juvenile Justice school,
26 special education cooperative or entity recognized by the

1 State Board as a special education cooperative,
2 State-approved charter school, or alternative learning
3 opportunities program that received direct funding from
4 the State Board during the 2016-2017 school year through
5 any of the funding sources included within the calculation
6 of the Base Funding Minimum or Glenwood Academy.

7 "Supplemental Grant Funding" means supplemental
8 general State aid funding received by an Organizational
9 Unit during the 2016-2017 school year pursuant to
10 subsection (H) of Section 18-8.05 of this Code (now
11 repealed).

12 "State Adequacy Level" is the sum of the Adequacy
13 Targets of all Organizational Units.

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

15 "State Superintendent" means the State Superintendent
16 of Education.

17 "Statewide Weighted CWI" means a figure determined by
18 multiplying each Organizational Unit CWI times the ASE for
19 that Organizational Unit creating a weighted value,
20 summing all Organizational Units' weighted values, and
21 dividing by the total ASE of all Organizational Units,
22 thereby creating an average weighted index.

23 "Student activities" means non-credit producing
24 after-school programs, including, but not limited to,
25 clubs, bands, sports, and other activities authorized by
26 the school board of the Organizational Unit.

1 "Substitute teacher" means an individual teacher or
2 teaching assistant who is employed by an Organizational
3 Unit and is temporarily serving the Organizational Unit on
4 a per diem or per period-assignment basis to replace
5 another staff member.

6 "Summer school" means academic and enrichment programs
7 provided to students during the summer months outside of
8 the regular school year.

9 "Supervisory aide" means a non-licensed staff member
10 who helps in supervising students of an Organizational
11 Unit, but does so outside of the classroom, in situations
12 such as, but not limited to, monitoring hallways and
13 playgrounds, supervising lunchrooms, or supervising
14 students when being transported in buses serving the
15 Organizational Unit.

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

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

20 "Tier 1 Aggregate Funding", "Tier 2 Aggregate
21 Funding", "Tier 3 Aggregate Funding", and "Tier 4
22 Aggregate Funding" are defined in paragraph (1) of
23 subsection (g).

24 (b) Adequacy Target calculation.

25 (1) Each Organizational Unit's Adequacy Target is the
26 sum of the Organizational Unit's cost of providing

1 Essential Elements, as calculated in accordance with this
2 subsection (b), with the salary amounts in the Essential
3 Elements multiplied by a Regionalization Factor calculated
4 pursuant to paragraph (3) of this subsection (b).

5 (2) The Essential Elements are attributable on a pro
6 rata basis related to defined subgroups of the ASE of each
7 Organizational Unit as specified in this paragraph (2),
8 with investments and FTE positions pro rata funded based
9 on ASE counts in excess of or less than the thresholds set
10 forth in this paragraph (2). The method for calculating
11 attributable pro rata costs and the defined subgroups
12 thereto are as follows:

13 (A) Core class size investments. Each
14 Organizational Unit shall receive the funding required
15 to support that number of FTE core teacher positions
16 as is needed to keep the respective class sizes of the
17 Organizational Unit to the following maximum numbers:

18 (i) For grades kindergarten through 3, the
19 Organizational Unit shall receive funding required
20 to support one FTE core teacher position for every
21 15 Low-Income Count students in those grades and
22 one FTE core teacher position for every 20
23 non-Low-Income Count students in those grades.

24 (ii) For grades 4 through 12, the
25 Organizational Unit shall receive funding required
26 to support one FTE core teacher position for every

1 20 Low-Income Count students in those grades and
2 one FTE core teacher position for every 25
3 non-Low-Income Count students in those grades.

4 The number of non-Low-Income Count students in a
5 grade shall be determined by subtracting the
6 Low-Income students in that grade from the ASE of the
7 Organizational Unit for that grade.

8 (B) Specialist teacher investments. Each
9 Organizational Unit shall receive the funding needed
10 to cover that number of FTE specialist teacher
11 positions that correspond to the following
12 percentages:

13 (i) if the Organizational Unit operates an
14 elementary or middle school, then 20.00% of the
15 number of the Organizational Unit's core teachers,
16 as determined under subparagraph (A) of this
17 paragraph (2); and

18 (ii) if such Organizational Unit operates a
19 high school, then 33.33% of the number of the
20 Organizational Unit's core teachers.

21 (C) Instructional facilitator investments. Each
22 Organizational Unit shall receive the funding needed
23 to cover one FTE instructional facilitator position
24 for every 200 combined ASE of pre-kindergarten
25 children with disabilities and all kindergarten
26 through grade 12 students of the Organizational Unit.

1 (D) Core intervention teacher (tutor) investments.
2 Each Organizational Unit shall receive the funding
3 needed to cover one FTE teacher position for each
4 prototypical elementary, middle, and high school.

5 (E) Substitute teacher investments. Each
6 Organizational Unit shall receive the funding needed
7 to cover substitute teacher costs that is equal to
8 5.70% of the minimum pupil attendance days required
9 under Section 10-19 of this Code for all full-time
10 equivalent core, specialist, and intervention
11 teachers, school nurses, special education teachers
12 and instructional assistants, instructional
13 facilitators, and summer school and extended day
14 teacher positions, as determined under this paragraph
15 (2), at a salary rate of 33.33% of the average salary
16 for grade K through 12 teachers and 33.33% of the
17 average salary of each instructional assistant
18 position.

19 (F) Core guidance counselor investments. Each
20 Organizational Unit shall receive the funding needed
21 to cover one FTE guidance counselor for each 450
22 combined ASE of pre-kindergarten children with
23 disabilities and all kindergarten through grade 5
24 students, plus one FTE guidance counselor for each 250
25 grades 6 through 8 ASE middle school students, plus
26 one FTE guidance counselor for each 250 grades 9

1 through 12 ASE high school students.

2 (G) Nurse investments. Each Organizational Unit
3 shall receive the funding needed to cover one FTE
4 nurse for each 750 combined ASE of pre-kindergarten
5 children with disabilities and all kindergarten
6 through grade 12 students across all grade levels it
7 serves.

8 (H) Supervisory aide investments. Each
9 Organizational Unit shall receive the funding needed
10 to cover one FTE for each 225 combined ASE of
11 pre-kindergarten children with disabilities and all
12 kindergarten through grade 5 students, plus one FTE
13 for each 225 ASE middle school students, plus one FTE
14 for each 200 ASE high school students.

15 (I) Librarian investments. Each Organizational
16 Unit shall receive the funding needed to cover one FTE
17 librarian for each prototypical elementary school,
18 middle school, and high school and one FTE aide or
19 media technician for every 300 combined ASE of
20 pre-kindergarten children with disabilities and all
21 kindergarten through grade 12 students.

22 (J) Principal investments. Each Organizational
23 Unit shall receive the funding needed to cover one FTE
24 principal position for each prototypical elementary
25 school, plus one FTE principal position for each
26 prototypical middle school, plus one FTE principal

1 position for each prototypical high school.

2 (K) Assistant principal investments. Each
3 Organizational Unit shall receive the funding needed
4 to cover one FTE assistant principal position for each
5 prototypical elementary school, plus one FTE assistant
6 principal position for each prototypical middle
7 school, plus one FTE assistant principal position for
8 each prototypical high school.

9 (L) School site staff investments. Each
10 Organizational Unit shall receive the funding needed
11 for one FTE position for each 225 ASE of
12 pre-kindergarten children with disabilities and all
13 kindergarten through grade 5 students, plus one FTE
14 position for each 225 ASE middle school students, plus
15 one FTE position for each 200 ASE high school
16 students.

17 (M) Gifted investments. Each Organizational Unit
18 shall receive \$40 per kindergarten through grade 12
19 ASE.

20 (N) Professional development investments. Each
21 Organizational Unit shall receive \$125 per student of
22 the combined ASE of pre-kindergarten children with
23 disabilities and all kindergarten through grade 12
24 students for trainers and other professional
25 development-related expenses for supplies and
26 materials.

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

6 (P) Assessment investments. Each Organizational
7 Unit shall receive \$25 per student of the combined ASE
8 of pre-kindergarten children with disabilities and all
9 kindergarten through grade 12 students to cover
10 assessment costs.

11 (Q) Computer technology and equipment investments.
12 Each Organizational Unit shall receive \$285.50 per
13 student of the combined ASE of pre-kindergarten
14 children with disabilities and all kindergarten
15 through grade 12 students to cover computer technology
16 and equipment costs. For the 2018-2019 school year and
17 subsequent school years, Organizational Units assigned
18 to Tier 1 and Tier 2 in the prior school year shall
19 receive an additional \$285.50 per student of the
20 combined ASE of pre-kindergarten children with
21 disabilities and all kindergarten through grade 12
22 students to cover computer technology and equipment
23 costs in the Organizational Unit's Adequacy Target.
24 The State Board may establish additional requirements
25 for Organizational Unit expenditures of funds received
26 pursuant to this subparagraph (Q), including a

1 requirement that funds received pursuant to this
2 subparagraph (Q) may be used only for serving the
3 technology needs of the district. It is the intent of
4 Public Act 100-465 that all Tier 1 and Tier 2 districts
5 receive the addition to their Adequacy Target in the
6 following year, subject to compliance with the
7 requirements of the State Board.

8 (R) Student activities investments. Each
9 Organizational Unit shall receive the following
10 funding amounts to cover student activities: \$100 per
11 kindergarten through grade 5 ASE student in elementary
12 school, plus \$200 per ASE student in middle school,
13 plus \$675 per ASE student in high school.

14 (S) Maintenance and operations investments. Each
15 Organizational Unit shall receive \$1,038 per student
16 of the combined ASE of pre-kindergarten children with
17 disabilities and all kindergarten through grade 12
18 students for day-to-day maintenance and operations
19 expenditures, including salary, supplies, and
20 materials, as well as purchased services, but
21 excluding employee benefits. The proportion of salary
22 for the application of a Regionalization Factor and
23 the calculation of benefits is equal to \$352.92.

24 (T) Central office investments. Each
25 Organizational Unit shall receive \$742 per student of
26 the combined ASE of pre-kindergarten children with

1 disabilities and all kindergarten through grade 12
2 students to cover central office operations, including
3 administrators and classified personnel charged with
4 managing the instructional programs, business and
5 operations of the school district, and security
6 personnel. The proportion of salary for the
7 application of a Regionalization Factor and the
8 calculation of benefits is equal to \$368.48.

9 (U) Employee benefit investments. Each
10 Organizational Unit shall receive 30% of the total of
11 all salary-calculated elements of the Adequacy Target,
12 excluding substitute teachers and student activities
13 investments, to cover benefit costs. For central
14 office and maintenance and operations investments, the
15 benefit calculation shall be based upon the salary
16 proportion of each investment.

17 For fiscal year 2022 and each fiscal year
18 thereafter, the State Superintendent shall calculate
19 the employer normal cost of teacher pensions of each
20 Organizational Unit, other than a school district
21 organized under Article 34 of this Code, by
22 determining the proportion of the total adequate
23 pensionable payroll attributable to the district's
24 adequate pensionable payroll, in which the adequate
25 pensionable payroll is calculated using the applicable
26 Regionalization Factor multiplied by the salaries of

1 the positions set forth in paragraph (3) of this
2 subsection (b) and the administrators and classified
3 personnel described in subparagraph (T) of this
4 paragraph (2) that are covered by Article 16 of the
5 Illinois Pension Code, and multiplying that proportion
6 by the total employer normal cost amount most recently
7 certified by the Teachers' Retirement System of the
8 State of Illinois pursuant to subsection (b-5) of
9 Section 16-158 of the Illinois Pension Code. The
10 amount calculated by the State Superintendent as the
11 employer normal cost of teacher pensions for the
12 Organizational Unit shall be added to the employee
13 benefit investments specified under this subparagraph
14 (U).

15 For fiscal year 2022 and each fiscal year
16 thereafter, the amount most recently certified by the
17 Public School Teachers' Pension and Retirement Fund of
18 Chicago pursuant to subsection (f) of Section 17-127
19 of the Illinois Pension Code as the employer normal
20 cost of teacher pensions for a school district
21 organized under Article 34 of this Code shall be added
22 to the employee benefit investments specified under
23 this subparagraph (U).

24 ~~If at any time the responsibility for funding the~~
25 ~~employer normal cost of teacher pensions is assigned~~
26 ~~to school districts, then that amount certified by the~~

1 ~~Teachers' Retirement System of the State of Illinois~~
2 ~~to be paid by the Organizational Unit for the~~
3 ~~preceding school year shall be added to the benefit~~
4 ~~investment. For any fiscal year in which a school~~
5 ~~district organized under Article 34 of this Code is~~
6 ~~responsible for paying the employer normal cost of~~
7 ~~teacher pensions, then that amount of its employer~~
8 ~~normal cost plus the amount for retiree health~~
9 ~~insurance as certified by the Public School Teachers'~~
10 ~~Pension and Retirement Fund of Chicago to be paid by~~
11 ~~the school district for the preceding school year that~~
12 ~~is statutorily required to cover employer normal costs~~
13 ~~and the amount for retiree health insurance shall be~~
14 ~~added to the 30% specified in this subparagraph (U).~~
15 The Teachers' Retirement System of the State of
16 Illinois and the Public School Teachers' Pension and
17 Retirement Fund of Chicago shall submit such
18 information as the State Superintendent may require
19 for the calculations set forth in this subparagraph
20 (U).

21 (V) Additional investments in low-income students.
22 In addition to and not in lieu of all other funding
23 under this paragraph (2), each Organizational Unit
24 shall receive funding based on the average teacher
25 salary for grades K through 12 to cover the costs of:

26 (i) one FTE intervention teacher (tutor)

1 position for every 125 Low-Income Count students;

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

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

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

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

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

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

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

20 (iv) one FTE summer school teacher position
21 for every 120 English learner students; and

22 (v) one FTE core teacher position for every
23 100 English learner students.

24 (X) Special education investments. Each
25 Organizational Unit shall receive funding based on the
26 average teacher salary for grades K through 12 to

1 cover special education as follows:

2 (i) one FTE teacher position for every 141
3 combined ASE of pre-kindergarten children with
4 disabilities and all kindergarten through grade 12
5 students;

6 (ii) one FTE instructional assistant for every
7 141 combined ASE of pre-kindergarten children with
8 disabilities and all kindergarten through grade 12
9 students; and

10 (iii) one FTE psychologist position for every
11 1,000 combined ASE of pre-kindergarten children
12 with disabilities and all kindergarten through
13 grade 12 students.

14 (3) For calculating the salaries included within the
15 Essential Elements, the State Superintendent shall
16 annually calculate average salaries to the nearest dollar
17 using the employment information system data maintained by
18 the State Board, limited to public schools only and
19 excluding special education and vocational cooperatives,
20 schools operated by the Department of Juvenile Justice,
21 and charter schools, for the following positions:

22 (A) Teacher for grades K through 8.

23 (B) Teacher for grades 9 through 12.

24 (C) Teacher for grades K through 12.

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

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

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

2 (G) Social worker.

3 (H) Psychologist.

4 (I) Librarian.

5 (J) Nurse.

6 (K) Principal.

7 (L) Assistant principal.

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

18 For calculating the salaries included within the
19 Essential Elements for positions not included within EIS
20 Data, the following salaries shall be used in the first
21 year of implementation of Evidence-Based Funding:

22 (i) school site staff, \$30,000; and

23 (ii) non-instructional assistant, instructional
24 assistant, library aide, library media tech, or
25 supervisory aide: \$25,000.

26 In the second and subsequent years of implementation

1 of Evidence-Based Funding, the amounts in items (i) and
2 (ii) of this paragraph (3) shall annually increase by the
3 ECI.

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

9 (c) Local Capacity calculation.

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

22 (2) "Local Capacity Target" means, for an
23 Organizational Unit, that dollar amount that is obtained
24 by multiplying its Adequacy Target by its Local Capacity
25 Ratio.

26 (A) An Organizational Unit's Local Capacity

1 Percentage is the conversion of the Organizational
2 Unit's Local Capacity Ratio, as such ratio is
3 determined in accordance with subparagraph (B) of this
4 paragraph (2), into a cumulative distribution
5 resulting in a percentile ranking to determine each
6 Organizational Unit's relative position to all other
7 Organizational Units in this State. The calculation of
8 Local Capacity Percentage is described in subparagraph
9 (C) of this paragraph (2).

10 (B) An Organizational Unit's Local Capacity Ratio
11 in a given year is the percentage obtained by dividing
12 its Adjusted EAV or PTELL EAV, whichever is less, by
13 its Adequacy Target, with the resulting ratio further
14 adjusted as follows:

15 (i) for Organizational Units serving grades
16 kindergarten through 12 and Hybrid Districts, no
17 further adjustments shall be made;

18 (ii) for Organizational Units serving grades
19 kindergarten through 8, the ratio shall be
20 multiplied by 9/13;

21 (iii) for Organizational Units serving grades
22 9 through 12, the Local Capacity Ratio shall be
23 multiplied by 4/13; and

24 (iv) for an Organizational Unit with a
25 different grade configuration than those specified
26 in items (i) through (iii) of this subparagraph

1 (B), the State Superintendent shall determine a
2 comparable adjustment based on the grades served.

3 (C) The Local Capacity Percentage is equal to the
4 percentile ranking of the district. Local Capacity
5 Percentage converts each Organizational Unit's Local
6 Capacity Ratio to a cumulative distribution resulting
7 in a percentile ranking to determine each
8 Organizational Unit's relative position to all other
9 Organizational Units in this State. The Local Capacity
10 Percentage cumulative distribution resulting in a
11 percentile ranking for each Organizational Unit shall
12 be calculated using the standard normal distribution
13 of the score in relation to the weighted mean and
14 weighted standard deviation and Local Capacity Ratios
15 of all Organizational Units. If the value assigned to
16 any Organizational Unit is in excess of 90%, the value
17 shall be adjusted to 90%. For Laboratory Schools, the
18 Local Capacity Percentage shall be set at 10% in
19 recognition of the absence of EAV and resources from
20 the public university that are allocated to the
21 Laboratory School. For programs operated by a regional
22 office of education or an intermediate service center,
23 the Local Capacity Percentage must be set at 10% in
24 recognition of the absence of EAV and resources from
25 school districts that are allocated to the regional
26 office of education or intermediate service center.

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

16 (D) For any Organizational Unit, the
17 Organizational Unit's Adjusted Local Capacity Target
18 shall be reduced by either (i) the school board's
19 remaining contribution pursuant to paragraph (ii) of
20 subsection (b-4) of Section 16-158 of the Illinois
21 Pension Code in a given year or (ii) the board of
22 education's remaining contribution pursuant to
23 paragraph (iv) of subsection (b) of Section 17-129 of
24 the Illinois Pension Code absent the employer normal
25 cost portion of the required contribution and amount
26 allowed pursuant to subdivision (3) of Section

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

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

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

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

25 (1) An Organizational Unit's Real Receipts are the
26 product of its Applicable Tax Rate and its Adjusted EAV.

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

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

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

22 (A) The Department of Revenue shall add to the
23 equalized assessed value of all taxable property of
24 each Organizational Unit situated entirely or
25 partially within a county that is or was subject to the
26 provisions of Section 15-176 or 15-177 of the Property

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

1 EAV shall not be affected by the difference, if any,
2 between the amount of the general homestead exemption
3 allowed for that parcel of property under Section
4 15-176 or 15-177 of the Property Tax Code and the
5 amount that would have been allowed had the general
6 homestead exemption for that parcel of property been
7 determined under Section 15-175 of the Property Tax
8 Code. It is further the intent of this subparagraph
9 (A) that if additional exemptions are allowed under
10 Section 15-175 of the Property Tax Code for owners
11 with a household income of less than \$30,000, then the
12 calculation of EAV shall not be affected by the
13 difference, if any, because of those additional
14 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 that is
24 attributable to an increase above the total initial
25 EAV of such property shall be used as part of the EAV
26 of 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
5 of the EAV of the Organizational Unit, the total
6 initial EAV or the current EAV, whichever is lower,
7 shall be used until such time as all redevelopment
8 project costs 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
17 district maintaining grades kindergarten through 8, or
18 by 1.05% for a district maintaining grades 9 through
19 12 and adjusted by an amount computed by dividing the
20 amount of any abatement of taxes under subsection (a)
21 of Section 18-165 of the Property Tax Code by the same
22 percentage rates for district type as specified in
23 this 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
20 if 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
24 shall be the average of its EAV over the immediately
25 preceding 2 years or the immediately preceding year if
26 that year represents a decline of 10% or more compared to

1 the 2-year 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
11 under this Section and the Organizational Unit's Extension
12 Limitation Ratio. If an Organizational Unit has approved
13 or does approve an increase in its limiting rate, pursuant
14 to Section 18-190 of the Property Tax Code, affecting the
15 Base Tax Year, the PTELL EAV shall be equal to the product
16 of 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
23 calendar year preceding the Base Tax Year, plus the
24 equalized assessed valuation of new property, annexed
25 property, and recovered tax increment value and minus the
26 equalized assessed valuation of disconnected property.

1 As used in this paragraph (4), "new property" and
2 "recovered tax increment value" shall have the meanings
3 set 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 a Specially Funded
7 Unit shall be the amount of State funds distributed to the
8 Organizational Unit or Specially Funded Unit during the
9 2016-2017 school year prior to any adjustments and
10 specified appropriation amounts described in this
11 paragraph (1) from the following Sections, as calculated
12 by the State Superintendent: Section 18-8.05 of this Code
13 (now repealed); Section 5 of Article 224 of Public Act
14 99-524 (equity grants); Section 14-7.02b of this Code
15 (funding for children requiring special education
16 services); Section 14-13.01 of this Code (special
17 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
21 school), based on an appropriation level of \$13,121,600.
22 For a school district organized under Article 34 of this
23 Code, 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
26 by the Sections of this Code listed in the preceding

1 sentence and (ii) the difference between (I) the funds
2 allocated to the school district pursuant to Section 1D-1
3 of this Code attributable to the funding programs
4 authorized by Section 14-7.02 (non-public special
5 education reimbursement), subsection (b) of Section
6 14-13.01 (special education transportation), Section 29-5
7 (transportation), Section 2-3.80 (agricultural
8 education), Section 2-3.66 (truants' alternative
9 education), Section 2-3.62 (educational service centers),
10 and Section 14-7.03 (special education - orphanage) of
11 this Code and Section 15 of the Childhood Hunger Relief
12 Act (free breakfast program) and (II) the school
13 district's actual expenditures for its non-public special
14 education, special education transportation,
15 transportation programs, agricultural education, truants'
16 alternative education, services that would otherwise be
17 performed by a regional office of education, special
18 education orphanage expenditures, and free breakfast, as
19 most recently calculated and reported pursuant to
20 subsection (f) of Section 1D-1 of this Code. The Base
21 Funding Minimum for Glenwood Academy shall be \$625,500.
22 For programs operated by a regional office of education or
23 an intermediate service center, the Base Funding Minimum
24 must be the total amount of State funds allocated to those
25 programs in the 2018-2019 school year and amounts provided
26 pursuant to Article 34 of Public Act 100-586 and Section

1 3-16 of this Code. All programs established after June 5,
2 2019 (the effective date of Public Act 101-10) and
3 administered by a regional office of education or an
4 intermediate service center must have an initial Base
5 Funding Minimum set to an amount equal to the first-year
6 ASE multiplied by the amount of per pupil funding received
7 in the previous school year by the lowest funded similar
8 existing program type. If the enrollment for a program
9 operated by a regional office of education or an
10 intermediate service center is zero, then it may not
11 receive Base Funding Minimum funds for that program in the
12 next fiscal year, and those funds must be distributed to
13 Organizational Units under subsection (g).

14 (2) For the 2018-2019 and subsequent school years, the
15 Base Funding Minimum of Organizational Units and Specially
16 Funded Units shall be the sum of (i) the amount of
17 Evidence-Based Funding for the prior school year, (ii) the
18 Base Funding Minimum for the prior school year, and (iii)
19 any amount received by a school district pursuant to
20 Section 7 of Article 97 of Public Act 100-21.

21 (3) Subject to approval by the General Assembly as
22 provided in this paragraph (3), an Organizational Unit
23 that meets all of the following criteria, as determined by
24 the State Board, shall have District Intervention Money
25 added to its Base Funding Minimum at the time the Base
26 Funding Minimum is calculated by the State Board:

1 (A) The Organizational Unit is operating under an
2 Independent Authority under Section 2-3.25f-5 of this
3 Code for a minimum of 4 school years or is subject to
4 the control of the State Board pursuant to a court
5 order for a minimum of 4 school years.

6 (B) The Organizational Unit was designated as a
7 Tier 1 or Tier 2 Organizational Unit in the previous
8 school year under paragraph (3) of subsection (g) of
9 this Section.

10 (C) The Organizational Unit demonstrates
11 sustainability through a 5-year financial and
12 strategic plan.

13 (D) The Organizational Unit has made sufficient
14 progress and achieved sufficient stability in the
15 areas of governance, academic growth, and finances.

16 As part of its determination under this paragraph (3),
17 the State Board may consider the Organizational Unit's
18 summative designation, any accreditations of the
19 Organizational Unit, or the Organizational Unit's
20 financial profile, as calculated by the State Board.

21 If the State Board determines that an Organizational
22 Unit has met the criteria set forth in this paragraph (3),
23 it must submit a report to the General Assembly, no later
24 than January 2 of the fiscal year in which the State Board
25 makes its determination, on the amount of District
26 Intervention Money to add to the Organizational Unit's

1 Base Funding Minimum. The General Assembly must review the
2 State Board's report and may approve or disapprove, by
3 joint resolution, the addition of District Intervention
4 Money. If the General Assembly fails to act on the report
5 within 40 calendar days from the receipt of the report,
6 the addition of District Intervention Money is deemed
7 approved. If the General Assembly approves the amount of
8 District Intervention Money to be added to the
9 Organizational Unit's Base Funding Minimum, the District
10 Intervention Money must be added to the Base Funding
11 Minimum annually thereafter.

12 For the first 4 years following the initial year that
13 the State Board determines that an Organizational Unit has
14 met the criteria set forth in this paragraph (3) and has
15 received funding under this Section, the Organizational
16 Unit must annually submit to the State Board, on or before
17 November 30, a progress report regarding its financial and
18 strategic plan under subparagraph (C) of this paragraph
19 (3). The plan shall include the financial data from the
20 past 4 annual financial reports or financial audits that
21 must be presented to the State Board by November 15 of each
22 year and the approved budget financial data for the
23 current year. The plan shall be developed according to the
24 guidelines presented to the Organizational Unit by the
25 State Board. The plan shall further include financial
26 projections for the next 3 fiscal years and include a

1 discussion and financial summary of the Organizational
2 Unit's facility needs. If the Organizational Unit does not
3 demonstrate sufficient progress toward its 5-year plan or
4 if it has failed to file an annual financial report, an
5 annual budget, a financial plan, a deficit reduction plan,
6 or other financial information as required by law, the
7 State Board may establish a Financial Oversight Panel
8 under Article 1H of this Code. However, if the
9 Organizational Unit already has a Financial Oversight
10 Panel, the State Board may extend the duration of the
11 Panel.

12 (4) In this paragraph (4):

13 "Excess state payment" means any amount of an
14 Organizational Unit's Adjusted Base Funding Minimum that
15 is in excess of the expected State payment.

16 "Expected State payment" means the amount an
17 Organizational Unit would receive from the State if the
18 Evidence-Based Funding formula under this Section were
19 fully funded, calculated for each Organizational Unit by
20 taking the difference of the Organizational Unit's
21 regionalized Adequacy Target and its preliminary Local
22 Capacity Target.

23 For the 2022-2023 school year and subsequent school
24 years, the Base Funding Minimum of Organizational Units
25 shall exclude any excess State payment specified and
26 determined by the State Superintendent pursuant to this

1 paragraph (4). For the 2022-2023 school year, the State
2 Superintendent shall exclude 33% of any excess State
3 payment amount from the Base Funding Minimum of the
4 Organizational Unit. For the 2024-2025 school year and
5 subsequent school years, the State Superintendent shall
6 exclude 100% of any excess State payment amount from the
7 Base Funding Minimum of the Organizational Unit. Each
8 school year, the State Superintendent shall distribute the
9 total amount of excess State payment amounts excluded
10 pursuant to this paragraph (4) as New State Funds pursuant
11 to subsection (g) of this Section. For the 2023-2024
12 school year, the State Superintendent shall exclude 66% of
13 any excess State payment amount from the Base Funding
14 Minimum of the Organizational Unit. If the amount of
15 excess State payment exceeds the amount of an
16 Organizational Unit's Base Funding Minimum payment, the
17 State Board shall deduct the remaining amount of excess
18 State payment from other funds due to the Organizational
19 Unit, provided that it may not reduce the Organizational
20 Unit's receipts to less than zero.

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

22 (1) The Evidence-Based Funding formula establishes a
23 Percent of Adequacy for each Organizational Unit in order
24 to place such units into tiers for the purposes of the
25 funding distribution system described in subsection (g) of
26 this Section. Initially, an Organizational Unit's

1 Preliminary Resources and Preliminary Percent of Adequacy
2 are calculated pursuant to paragraph (2) of this
3 subsection (f). Then, an Organizational Unit's Final
4 Resources and Final Percent of Adequacy are calculated to
5 account for the Organizational Unit's poverty
6 concentration levels pursuant to paragraphs (3) and (4) of
7 this subsection (f).

8 (2) An Organizational Unit's Preliminary Resources are
9 equal to the sum of its Local Capacity Target, CPPRT, and
10 Base Funding Minimum. An Organizational Unit's Preliminary
11 Percent of Adequacy is the lesser of (i) its Preliminary
12 Resources divided by its Adequacy Target or (ii) 100%.

13 (3) Except for Specially Funded Units, an
14 Organizational Unit's Final Resources are equal to the sum
15 of its Local Capacity, CPPRT, and Adjusted Base Funding
16 Minimum. The Base Funding Minimum of each Specially Funded
17 Unit shall serve as its Final Resources, except that the
18 Base Funding Minimum for State-approved charter schools
19 shall not include any portion of general State aid
20 allocated in the prior year based on the per capita
21 tuition charge times the charter school enrollment.

22 (4) An Organizational Unit's Final Percent of Adequacy
23 is its Final Resources divided by its Adequacy Target. An
24 Organizational Unit's Adjusted Base Funding Minimum is
25 equal to its Base Funding Minimum less its Supplemental
26 Grant Funding, with the resulting figure added to the

1 product of its Supplemental Grant Funding and Preliminary
2 Percent of Adequacy. Beginning in fiscal year 2022, an
3 Organizational Unit's Adjusted Base Funding Minimum is
4 equal to its Base Funding Minimum less its Supplemental
5 Grant Funding, with the resulting figure added to the
6 product of its Supplemental Grant Funding and Preliminary
7 Percent of Adequacy, plus the amount of the State-paid
8 employer normal cost paid on behalf of the Organizational
9 Unit's employees as certified under subsection (b-5) of
10 Section 16-158 or subsection (f) of Section 17-127 of the
11 Illinois Pension Code.

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),
21 based on the Organizational Unit's Final Percent of
22 Adequacy. New State Funds are allocated to each of the 4
23 tiers as follows: Tier 1 Aggregate Funding equals 50% of
24 all New State Funds, Tier 2 Aggregate Funding equals 49%
25 of all New State Funds, Tier 3 Aggregate Funding equals
26 0.9% of all New State Funds, and Tier 4 Aggregate Funding

1 equals 0.1% of all New State Funds. Each Organizational
2 Unit within Tier 1 or Tier 2 receives an allocation of New
3 State Funds equal to its tier Funding Gap, as defined in
4 the following sentence, multiplied by the tier's
5 Allocation Rate determined pursuant to paragraph (4) of
6 this subsection (g). For Tier 1, an Organizational Unit's
7 Funding Gap equals the tier's Target Ratio, as specified
8 in paragraph (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
12 Gap equals the tier's Target Ratio, as described in
13 paragraph (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
24 (g).

25 (2) To ensure equitable distribution of dollars for
26 all Tier 2 Organizational Units, no Tier 2 Organizational

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

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

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

23 (B) Tier 2 consists of all Tier 1 Units and all
24 other Organizational Units, except for Specially
25 Funded Units, with a Percent of Adequacy of less than
26 0.90.

1 (C) Tier 3 consists of all Organizational Units,
2 except for Specially Funded Units, with a Percent of
3 Adequacy of at least 0.90 and less than 1.0.

4 (D) Tier 4 consists of all Organizational Units
5 with a Percent of Adequacy of at least 1.0.

6 (4) The Allocation Rates for Tiers 1 through 4 are
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
15 Allocation 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%, then ~~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 Public Act
15 100-465 from any of the funding sources included within
16 the definition of Base Funding Minimum, the unqualified
17 portion of the Base Funding Minimum shall be transferred
18 to one or more appropriate Organizational Units as
19 determined by the State Superintendent based on the prior
20 year ASE of the Organizational Units.

21 (8.5) If a school district withdraws from a special
22 education cooperative, the portion of the Base Funding
23 Minimum that is attributable to the school district may be
24 redistributed to the school district upon withdrawal. The
25 school district and the cooperative must include the
26 amount of the Base Funding Minimum that is to be

1 reappropriated in their withdrawal agreement and notify the
2 State Board of the change with a copy of the agreement upon
3 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
10 State 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 toward the Minimum Funding Level. If the sum of
14 New State Funds and applicable New Property Tax Relief
15 Pool Funds are less than the Minimum Funding Level, then
16 funding for tiers shall be reduced in the following
17 manner:

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

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

1 (C) Next, Tier 2 funding shall be reduced by an
2 amount equal to the difference between the Minimum
3 Funding Level and New State Funds and the reduction in
4 Tier 4 and Tier 3.

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

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

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

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

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

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

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

26 (2) The State Superintendent shall calculate the

1 Adequacy Target for each Organizational Unit and Net State
2 Contribution Target for each Organizational Unit under
3 this Section. No Evidence-Based Funding shall be
4 distributed within an Organizational Unit without the
5 approval of the unit's school board.

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

17 (4) Annually, the State Superintendent shall calculate
18 and report to each Organizational Unit the amount the unit
19 must expend on special education and bilingual education
20 and computer technology and equipment for Organizational
21 Units assigned to Tier 1 or Tier 2 that received an
22 additional \$285.50 per student computer technology and
23 equipment investment grant to their Adequacy Target
24 pursuant to the unit's Base Funding Minimum, Special
25 Education Allocation, Bilingual Education Allocation, and
26 computer technology and equipment investment allocation.

1 (5) Moneys distributed under this Section shall be
2 calculated on a school year basis, but paid on a fiscal
3 year basis, with payments beginning in August and
4 extending through June. Unless otherwise provided, the
5 moneys appropriated for each fiscal year shall be
6 distributed in 22 equal payments at least 2 times monthly
7 to each Organizational Unit. If moneys appropriated for
8 any fiscal year are distributed other than monthly, the
9 distribution shall be on the same basis for each
10 Organizational Unit.

11 (6) Any school district that fails, for any given
12 school year, to maintain school as required by law or to
13 maintain a recognized school is not eligible to receive
14 Evidence-Based Funding. In case of non-recognition of one
15 or more attendance centers in a school district otherwise
16 operating recognized schools, the claim of the district
17 shall be reduced in the proportion that the enrollment in
18 the attendance center or centers bears to the enrollment
19 of the school district. "Recognized school" means any
20 public school that meets the standards for recognition by
21 the State Board. A school district or attendance center
22 not having recognition status at the end of a school term
23 is entitled to receive State aid payments due upon a legal
24 claim that was filed while it was recognized.

25 (7) School district claims filed under this Section
26 are subject to Sections 18-9 and 18-12 of this Code,

1 except as otherwise provided in this Section.

2 (8) Each fiscal year, the State Superintendent shall
3 calculate for each Organizational Unit an amount of its
4 Base Funding Minimum and Evidence-Based Funding that shall
5 be deemed attributable to the provision of special
6 educational facilities and services, as defined in Section
7 14-1.08 of this Code, in a manner that ensures compliance
8 with maintenance of State financial support requirements
9 under the federal Individuals with Disabilities Education
10 Act. An Organizational Unit must use such funds only for
11 the provision of special educational facilities and
12 services, as defined in Section 14-1.08 of this Code, and
13 must comply with any expenditure verification procedures
14 adopted by the State Board.

15 (9) All Organizational Units in this State must submit
16 annual spending plans by the end of September of each year
17 to the State Board as part of the annual budget process,
18 which shall describe how each Organizational Unit will
19 utilize the Base Funding Minimum and Evidence-Based
20 Funding it receives from this State under this Section
21 with specific identification of the intended utilization
22 of Low-Income, English learner, and special education
23 resources. Additionally, the annual spending plans of each
24 Organizational Unit shall describe how the Organizational
25 Unit expects to achieve student growth and how the
26 Organizational Unit will achieve State education goals, as

1 defined by the State Board. The State Superintendent may,
2 from time to time, identify additional requisites for
3 Organizational Units to satisfy when compiling the annual
4 spending plans required under this subsection (h). The
5 format and scope of annual spending plans shall be
6 developed by the State Superintendent and the State Board
7 of Education. School districts that serve students under
8 Article 14C of this Code shall continue to submit
9 information as required under Section 14C-12 of this Code.

10 (10) No later than January 1, 2018, the State
11 Superintendent shall develop a 5-year strategic plan for
12 all Organizational Units to help in planning for adequacy
13 funding under this Section. The State Superintendent shall
14 submit the plan to the Governor and the General Assembly,
15 as provided in Section 3.1 of the General Assembly
16 Organization Act. The plan shall include recommendations
17 for:

18 (A) a framework for collaborative, professional,
19 innovative, and 21st century learning environments
20 using the Evidence-Based Funding model;

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

23 (C) application and enhancement of the current
24 financial accountability measures, the approved State
25 plan to comply with the federal Every Student Succeeds
26 Act, and the Illinois Balanced Accountability Measures

1 in relation to student growth and elements of the
2 Evidence-Based Funding model; and

3 (D) implementation of an effective school adequacy
4 funding system based on projected and recommended
5 funding levels from the General Assembly.

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

11 (A) Gifted under subparagraph (M) of paragraph (2)
12 of subsection (b).

13 (B) Instructional materials under subparagraph (O)
14 of paragraph (2) of subsection (b).

15 (C) Assessment under subparagraph (P) of paragraph
16 (2) of subsection (b).

17 (D) Student activities under subparagraph (R) of
18 paragraph (2) of subsection (b).

19 (E) Maintenance and operations under subparagraph
20 (S) of paragraph (2) of subsection (b).

21 (F) Central office under subparagraph (T) of
22 paragraph (2) of subsection (b).

23 (i) Professional Review Panel.

24 (1) A Professional Review Panel is created to study
25 and review topics related to the implementation and effect
26 of Evidence-Based Funding, as assigned by a joint

1 resolution or Public Act of the General Assembly or a
2 motion passed by the State Board of Education. The Panel
3 must provide recommendations to and serve the Governor,
4 the General Assembly, and the State Board. The State
5 Superintendent or his or her designee must serve as a
6 voting member and chairperson of the Panel. The State
7 Superintendent must appoint a vice chairperson from the
8 membership of the Panel. The Panel must advance
9 recommendations based on a three-fifths majority vote of
10 Panel members present and voting. A minority opinion may
11 also accompany any recommendation of the Panel. The Panel
12 shall be appointed by the State Superintendent, except as
13 otherwise provided in paragraph (2) of this subsection (i)
14 and include the following members:

15 (A) Two appointees that represent district
16 superintendents, recommended by a statewide
17 organization that represents district superintendents.

18 (B) Two appointees that represent school boards,
19 recommended by a statewide organization that
20 represents school boards.

21 (C) Two appointees from districts that represent
22 school business officials, recommended by a statewide
23 organization that represents school business
24 officials.

25 (D) Two appointees that represent school
26 principals, recommended by a statewide organization

1 that represents school principals.

2 (E) Two appointees that represent teachers,
3 recommended by a statewide organization that
4 represents teachers.

5 (F) Two appointees that represent teachers,
6 recommended by another statewide organization that
7 represents teachers.

8 (G) Two appointees that represent regional
9 superintendents of schools, recommended by
10 organizations that represent regional superintendents.

11 (H) Two independent experts selected solely by the
12 State Superintendent.

13 (I) Two independent experts recommended by public
14 universities in this State.

15 (J) One member recommended by a statewide
16 organization that represents parents.

17 (K) Two representatives recommended by collective
18 impact organizations that represent major metropolitan
19 areas or geographic areas in Illinois.

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

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

26 The State Superintendent shall ensure that the

1 membership of the Panel includes representatives from
2 school districts and communities reflecting the
3 geographic, socio-economic, racial, and ethnic diversity
4 of this State. The State Superintendent shall additionally
5 ensure that the membership of the Panel includes
6 representatives with expertise in bilingual education and
7 special education. Staff from the State Board shall staff
8 the Panel.

9 (2) In addition to those Panel members appointed by
10 the State Superintendent, 4 members of the General
11 Assembly shall be appointed as follows: one member of the
12 House of Representatives appointed by the Speaker of the
13 House of Representatives, one member of the Senate
14 appointed by the President of the Senate, one member of
15 the House of Representatives appointed by the Minority
16 Leader of the House of Representatives, and one member of
17 the Senate appointed by the Minority Leader of the Senate.
18 There shall be one additional member appointed by the
19 Governor. All members appointed by legislative leaders or
20 the Governor shall be non-voting, ex officio members.

21 (3) The Panel must study topics at the direction of
22 the General Assembly or State Board of Education, as
23 provided under paragraph (1). The Panel may also study the
24 following topics at the direction of the chairperson:

25 (A) The format and scope of annual spending plans
26 referenced in paragraph (9) of subsection (h) of this

1 Section.

2 (B) The Comparable Wage Index under this Section.

3 (C) Maintenance and operations, including capital
4 maintenance and construction costs.

5 (D) "At-risk student" definition.

6 (E) Benefits.

7 (F) Technology.

8 (G) Local Capacity Target.

9 (H) Funding for Alternative Schools, Laboratory
10 Schools, safe schools, and alternative learning
11 opportunities programs.

12 (I) Funding for college and career acceleration
13 strategies.

14 (J) Special education investments.

15 (K) Early childhood investments, in collaboration
16 with the Illinois Early Learning Council.

17 (4) (Blank).

18 (5) Within 5 years after the implementation of this
19 Section, and every 5 years thereafter, the Panel shall
20 complete an evaluative study of the entire Evidence-Based
21 Funding model, including an assessment of whether or not
22 the formula is achieving State goals. The Panel shall
23 report to the State Board, the General Assembly, and the
24 Governor on the findings of the study.

25 (6) (Blank).

26 (j) References. Beginning July 1, 2017, references in

1 other laws to general State aid funds or calculations under
2 Section 18-8.05 of this Code (now repealed) shall be deemed to
3 be references to evidence-based model formula funds or
4 calculations under this Section.

5 (Source: P.A. 100-465, eff. 8-31-17; 100-578, eff. 1-31-18;
6 100-582, eff. 3-23-18; 101-10, eff. 6-5-19; 101-17, eff.
7 6-14-19; 101-643, eff. 6-18-20; revised 8-21-20.)

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.