



Sen. Andy Manar

**Filed: 5/13/2014**

09800SB0016sam003

LRB098 04277 NHT 59435 a

1 AMENDMENT TO SENATE BILL 16

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 16 by replacing  
3 everything after the enacting clause with the following:

4 "Section 1. This Act may be referred to as the School  
5 Funding Reform Act of 2014.

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

8 (20 ILCS 620/7) (from Ch. 67 1/2, par. 1007)

9 Sec. 7. Creation of special tax allocation fund. If a  
10 municipality has adopted tax increment allocation financing  
11 for an economic development project area by ordinance, the  
12 county clerk has thereafter certified the "total initial  
13 equalized assessed value" of the taxable real property within  
14 such economic development project area in the manner provided  
15 in Section 6 of this Act, and the Department has approved and

1 certified the economic development project area, each year  
2 after the date of the certification by the county clerk of the  
3 "total initial equalized assessed value" until economic  
4 development project costs and all municipal obligations  
5 financing economic development project costs have been paid,  
6 the ad valorem taxes, if any, arising from the levies upon the  
7 taxable real property in the economic development project area  
8 by taxing districts and tax rates determined in the manner  
9 provided in subsection (b) of Section 6 of this Act shall be  
10 divided as follows:

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

21 (2) That portion, if any, of those taxes which is  
22 attributable to the increase in the current equalized assessed  
23 valuation of each taxable lot, block, tract, or parcel of real  
24 property in the economic development project area, over and  
25 above the initial equalized assessed value of each property  
26 existing at the time tax increment allocation financing was

1 adopted, shall be allocated to and when collected shall be paid  
2 to the municipal treasurer, who shall deposit those taxes into  
3 a special fund called the special tax allocation fund of the  
4 municipality for the purpose of paying economic development  
5 project costs and obligations incurred in the payment thereof.

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

19 When the economic development project costs, including  
20 without limitation all municipal obligations financing  
21 economic development project costs incurred under this Act,  
22 have been paid, all surplus funds then remaining in the special  
23 tax allocation fund shall be distributed by being paid by the  
24 municipal treasurer to the county collector, who shall  
25 immediately thereafter pay those funds to the taxing districts  
26 having taxable property in the economic development project

1 area in the same manner and proportion as the most recent  
2 distribution by the county collector to those taxing districts  
3 of real property taxes from real property in the economic  
4 development project area.

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

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

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

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

1 (30 ILCS 105/13.2) (from Ch. 127, par. 149.2)

2 Sec. 13.2. Transfers among line item appropriations.

3 (a) Transfers among line item appropriations from the same  
4 treasury fund for the objects specified in this Section may be  
5 made in the manner provided in this Section when the balance  
6 remaining in one or more such line item appropriations is  
7 insufficient for the purpose for which the appropriation was  
8 made.

9 (a-1) No transfers may be made from one agency to another  
10 agency, nor may transfers be made from one institution of  
11 higher education to another institution of higher education  
12 except as provided by subsection (a-4).

13 (a-2) Except as otherwise provided in this Section,  
14 transfers may be made only among the objects of expenditure  
15 enumerated in this Section, except that no funds may be  
16 transferred from any appropriation for personal services, from  
17 any appropriation for State contributions to the State  
18 Employees' Retirement System, from any separate appropriation  
19 for employee retirement contributions paid by the employer, nor  
20 from any appropriation for State contribution for employee  
21 group insurance. During State fiscal year 2005, an agency may  
22 transfer amounts among its appropriations within the same  
23 treasury fund for personal services, employee retirement  
24 contributions paid by employer, and State Contributions to  
25 retirement systems; notwithstanding and in addition to the  
26 transfers authorized in subsection (c) of this Section, the

1 fiscal year 2005 transfers authorized in this sentence may be  
2 made in an amount not to exceed 2% of the aggregate amount  
3 appropriated to an agency within the same treasury fund. During  
4 State fiscal year 2007, the Departments of Children and Family  
5 Services, Corrections, Human Services, and Juvenile Justice  
6 may transfer amounts among their respective appropriations  
7 within the same treasury fund for personal services, employee  
8 retirement contributions paid by employer, and State  
9 contributions to retirement systems. During State fiscal year  
10 2010, the Department of Transportation may transfer amounts  
11 among their respective appropriations within the same treasury  
12 fund for personal services, employee retirement contributions  
13 paid by employer, and State contributions to retirement  
14 systems. During State fiscal years 2010 and 2014 only, an  
15 agency may transfer amounts among its respective  
16 appropriations within the same treasury fund for personal  
17 services, employee retirement contributions paid by employer,  
18 and State contributions to retirement systems.  
19 Notwithstanding, and in addition to, the transfers authorized  
20 in subsection (c) of this Section, these transfers may be made  
21 in an amount not to exceed 2% of the aggregate amount  
22 appropriated to an agency within the same treasury fund.

23 (a-3) Further, if an agency receives a separate  
24 appropriation for employee retirement contributions paid by  
25 the employer, any transfer by that agency into an appropriation  
26 for personal services must be accompanied by a corresponding

1 transfer into the appropriation for employee retirement  
2 contributions paid by the employer, in an amount sufficient to  
3 meet the employer share of the employee contributions required  
4 to be remitted to the retirement system.

5 (a-4) Long-Term Care Rebalancing. The Governor may  
6 designate amounts set aside for institutional services  
7 appropriated from the General Revenue Fund or any other State  
8 fund that receives monies for long-term care services to be  
9 transferred to all State agencies responsible for the  
10 administration of community-based long-term care programs,  
11 including, but not limited to, community-based long-term care  
12 programs administered by the Department of Healthcare and  
13 Family Services, the Department of Human Services, and the  
14 Department on Aging, provided that the Director of Healthcare  
15 and Family Services first certifies that the amounts being  
16 transferred are necessary for the purpose of assisting persons  
17 in or at risk of being in institutional care to transition to  
18 community-based settings, including the financial data needed  
19 to prove the need for the transfer of funds. The total amounts  
20 transferred shall not exceed 4% in total of the amounts  
21 appropriated from the General Revenue Fund or any other State  
22 fund that receives monies for long-term care services for each  
23 fiscal year. A notice of the fund transfer must be made to the  
24 General Assembly and posted at a minimum on the Department of  
25 Healthcare and Family Services website, the Governor's Office  
26 of Management and Budget website, and any other website the

1 Governor sees fit. These postings shall serve as notice to the  
2 General Assembly of the amounts to be transferred. Notice shall  
3 be given at least 30 days prior to transfer.

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

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

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

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



1           The State Treasurer is authorized to make transfers among  
2 line item appropriations from the Capital Litigation Trust  
3 Fund, with respect to costs incurred in fiscal years 2002 and  
4 2003 only, when the balance remaining in one or more such line  
5 item appropriations is insufficient for the purpose for which  
6 the appropriation was made, provided that no such transfer may  
7 be made unless the amount transferred is no longer required for  
8 the purpose for which that appropriation was made.

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

19           The State Board of Education is authorized to make  
20 transfers between the following line item appropriations  
21 within the same treasury fund: Disabled Student  
22 Services/Materials (Section 14-13.01 of the School Code),  
23 Disabled Student Transportation Reimbursement (Section  
24 14-13.01 of the School Code), Disabled Student Tuition -  
25 Private Tuition (Section 14-7.02 of the School Code),  
26 Extraordinary Special Education (Section 14-7.02b of the

1 School Code), Reimbursement for Free Lunch/Breakfast Program,  
2 Summer School Payments (Section 18-4.3 of the School Code), and  
3 Transportation - Regular/Vocational Reimbursement (Section  
4 29-5 of the School Code). Such transfers shall be made only  
5 when the balance remaining in one or more such line item  
6 appropriations is insufficient for the purpose for which the  
7 appropriation was made and provided that no such transfer may  
8 be made unless the amount transferred is no longer required for  
9 the purpose for which that appropriation was made.

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

14 (c) The sum of such transfers for an agency in a fiscal  
15 year shall not exceed 2% of the aggregate amount appropriated  
16 to it within the same treasury fund for the following objects:  
17 Personal Services; Extra Help; Student and Inmate  
18 Compensation; State Contributions to Retirement Systems; State  
19 Contributions to Social Security; State Contribution for  
20 Employee Group Insurance; Contractual Services; Travel;  
21 Commodities; Printing; Equipment; Electronic Data Processing;  
22 Operation of Automotive Equipment; Telecommunications  
23 Services; Travel and Allowance for Committed, Paroled and  
24 Discharged Prisoners; Library Books; Federal Matching Grants  
25 for Student Loans; Refunds; Workers' Compensation,  
26 Occupational Disease, and Tort Claims; and, in appropriations

1 to institutions of higher education, Awards and Grants.  
2 Notwithstanding the above, any amounts appropriated for  
3 payment of workers' compensation claims to an agency to which  
4 the authority to evaluate, administer and pay such claims has  
5 been delegated by the Department of Central Management Services  
6 may be transferred to any other expenditure object where such  
7 amounts exceed the amount necessary for the payment of such  
8 claims.

9 (c-1) Special provisions for State fiscal year 2003.  
10 Notwithstanding any other provision of this Section to the  
11 contrary, for State fiscal year 2003 only, transfers among line  
12 item appropriations to an agency from the same treasury fund  
13 may be made provided that the sum of such transfers for an  
14 agency in State fiscal year 2003 shall not exceed 3% of the  
15 aggregate amount appropriated to that State agency for State  
16 fiscal year 2003 for the following objects: personal services,  
17 except that no transfer may be approved which reduces the  
18 aggregate appropriations for personal services within an  
19 agency; extra help; student and inmate compensation; State  
20 contributions to retirement systems; State contributions to  
21 social security; State contributions for employee group  
22 insurance; contractual services; travel; commodities;  
23 printing; equipment; electronic data processing; operation of  
24 automotive equipment; telecommunications services; travel and  
25 allowance for committed, paroled, and discharged prisoners;  
26 library books; federal matching grants for student loans;

1 refunds; workers' compensation, occupational disease, and tort  
2 claims; and, in appropriations to institutions of higher  
3 education, awards and grants.

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

14 (d) Transfers among appropriations made to agencies of the  
15 Legislative and Judicial departments and to the  
16 constitutionally elected officers in the Executive branch  
17 require the approval of the officer authorized in Section 10 of  
18 this Act to approve and certify vouchers. Transfers among  
19 appropriations made to the University of Illinois, Southern  
20 Illinois University, Chicago State University, Eastern  
21 Illinois University, Governors State University, Illinois  
22 State University, Northeastern Illinois University, Northern  
23 Illinois University, Western Illinois University, the Illinois  
24 Mathematics and Science Academy and the Board of Higher  
25 Education require the approval of the Board of Higher Education  
26 and the Governor. Transfers among appropriations to all other

1 agencies require the approval of the Governor.

2 The officer responsible for approval shall certify that the  
3 transfer is necessary to carry out the programs and purposes  
4 for which the appropriations were made by the General Assembly  
5 and shall transmit to the State Comptroller a certified copy of  
6 the approval which shall set forth the specific amounts  
7 transferred so that the Comptroller may change his records  
8 accordingly. The Comptroller shall furnish the Governor with  
9 information copies of all transfers approved for agencies of  
10 the Legislative and Judicial departments and transfers  
11 approved by the constitutionally elected officials of the  
12 Executive branch other than the Governor, showing the amounts  
13 transferred and indicating the dates such changes were entered  
14 on the Comptroller's records.

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

24 (1) Disabled Student Personnel Reimbursement (Section  
25 14-13.01 of the School Code);

26 (2) Disabled Student Transportation Reimbursement

1 (subsection (b) of Section 14-13.01 of the School Code);

2 (3) Disabled Student Tuition - Private Tuition  
3 (Section 14-7.02 of the School Code);

4 (4) Extraordinary Special Education (Section 14-7.02b  
5 of the School Code);

6 (5) Reimbursement for Free Lunch/Breakfast Programs;

7 (6) Summer School Payments (Section 18-4.3 of the  
8 School Code);

9 (7) Transportation - Regular/Vocational Reimbursement  
10 (Section 29-5 of the School Code);

11 (8) Regular Education Reimbursement (Section 18-3 of  
12 the School Code); and

13 (9) Special Education Reimbursement (Section 14-7.03  
14 of the School Code).

15 (Source: P.A. 97-689, eff. 7-1-12; 98-24, eff. 6-19-13.)

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

18 (35 ILCS 200/18-200)

19 Sec. 18-200. School Code. A school district's State aid  
20 shall not be reduced under the computation under subsections  
21 5(a) through 5(h) of Part A of Section 18-8 of the School Code  
22 or under subsection (e) of Section 18-8.15 of the School Code  
23 due to the operating tax rate falling from above the minimum  
24 requirement of that Section of the School Code to below the

1 minimum requirement of that Section of the School Code due to  
2 the operation of this Law.

3 (Source: P.A. 87-17; 88-455.)

4 (35 ILCS 200/18-249)

5 Sec. 18-249. Miscellaneous provisions.

6 (a) Certification of new property. For the 1994 levy year,  
7 the chief county assessment officer shall certify to the county  
8 clerk, after all changes by the board of review or board of  
9 appeals, as the case may be, the assessed value of new property  
10 by taxing district for the 1994 levy year under rules  
11 promulgated by the Department.

12 (b) School Code. A school district's State aid shall not be  
13 reduced under the computation under subsections 5(a) through  
14 5(h) of Part A of Section 18-8 of the School Code or under  
15 subsection (e) of Section 18-8.15 of the School Code due to the  
16 operating tax rate falling from above the minimum requirement  
17 of that Section of the School Code to below the minimum  
18 requirement of that Section of the School Code due to the  
19 operation of this Law.

20 (c) Rules. The Department shall make and promulgate  
21 reasonable rules relating to the administration of the purposes  
22 and provisions of Sections 18-246 through 18-249 as may be  
23 necessary or appropriate.

24 (Source: P.A. 89-1, eff. 2-12-95.)

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

3           (50 ILCS 470/33)

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

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

22           (b) Upon approval of a STAR bond district, the political  
23 subdivision shall immediately transmit to the county clerk of  
24 the county in which the district is located a certified copy of  
25 the ordinance creating the district, a legal description of the



1 district, a map of the district, identification of the year  
2 that the county clerk shall use for determining the total  
3 initial equalized assessed value of the district consistent  
4 with subsection (c), and a list of the parcel or tax  
5 identification number of each parcel of property included in  
6 the district.

7 (c) Upon approval of a STAR bond district, the county clerk  
8 immediately thereafter shall determine (i) the most recently  
9 ascertained equalized assessed value of each lot, block, tract,  
10 or parcel of real property within the STAR bond district, from  
11 which shall be deducted the homestead exemptions under Article  
12 15 of the Property Tax Code, which value shall be the initial  
13 equalized assessed value of each such piece of property, and  
14 (ii) the total equalized assessed value of all taxable real  
15 property within the district by adding together the most  
16 recently ascertained equalized assessed value of each taxable  
17 lot, block, tract, or parcel of real property within the  
18 district, from which shall be deducted the homestead exemptions  
19 under Article 15 of the Property Tax Code, and shall certify  
20 that amount as the total initial equalized assessed value of  
21 the taxable real property within the STAR bond district.

22 (d) In reference to any STAR bond district created within  
23 any political subdivision, and in respect to which the county  
24 clerk has certified the total initial equalized assessed value  
25 of the property in the area, the political subdivision may  
26 thereafter request the clerk in writing to adjust the initial

1 equalized value of all taxable real property within the STAR  
2 bond district by deducting therefrom the exemptions under  
3 Article 15 of the Property Tax Code applicable to each lot,  
4 block, tract, or parcel of real property within the STAR bond  
5 district. The county clerk shall immediately, after the written  
6 request to adjust the total initial equalized value is  
7 received, determine the total homestead exemptions in the STAR  
8 bond district as provided under Article 15 of the Property Tax  
9 Code by adding together the homestead exemptions provided by  
10 said Article on each lot, block, tract, or parcel of real  
11 property within the STAR bond district and then shall deduct  
12 the total of said exemptions from the total initial equalized  
13 assessed value. The county clerk shall then promptly certify  
14 that amount as the total initial equalized assessed value as  
15 adjusted of the taxable real property within the STAR bond  
16 district.

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

25 (f) Beginning with the assessment year in which the first  
26 destination user in the first STAR bond project in a STAR bond

1 district makes its first retail sales and for each assessment  
2 year thereafter until final maturity of the last STAR bonds  
3 issued in the district, the county clerk or other person  
4 authorized by law shall determine the increase in equalized  
5 assessed value of all real property within the STAR bond  
6 district by subtracting the initial equalized assessed value of  
7 all property in the district certified under subsection (c)  
8 from the current equalized assessed value of all property in  
9 the district. Each year, the property taxes arising from the  
10 increase in equalized assessed value in the STAR bond district  
11 shall be determined for each taxing district and shall be  
12 certified to the county collector.

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

24 (h) The Department shall pay to the regional superintendent  
25 of schools whose educational service region includes Franklin  
26 and Williamson Counties, for each year for which money is

1 remitted to the Department and paid into the STAR Bonds School  
2 Improvement and Operations Trust Fund, the money in the Fund as  
3 provided in this Section. The amount paid to each school  
4 district shall be allocated proportionately, based on each  
5 qualifying school district's fall enrollment for the  
6 then-current school year, such that the school district with  
7 the largest fall enrollment receives the largest proportionate  
8 share of money paid out of the Fund or by any other method or  
9 formula that the regional superintendent of schools deems fit,  
10 equitable, and in the public interest. The regional  
11 superintendent may allocate moneys to school districts that are  
12 outside of his or her educational service region or to other  
13 regional superintendents.

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

18 (i) In any year that an assessment appeal is filed, the  
19 extension of taxes on any assessment so appealed shall not be  
20 delayed. In the case of an assessment that is altered, any  
21 taxes extended upon the unauthorized assessment or part thereof  
22 shall be abated, or, if already paid, shall be refunded with  
23 interest as provided in Section 23-20 of the Property Tax Code.  
24 In the case of an assessment appeal, the county collector shall  
25 notify the Department that an assessment appeal has been filed  
26 and the amount of the tax that would have been deposited in the

1 STAR Bonds School Improvement and Operations Trust Fund. The  
2 county collector shall hold that amount in a separate fund  
3 until the appeal process is final. After the appeal process is  
4 finalized, the county collector shall transmit to the  
5 Department the amount of tax that remains, if any, after all  
6 required refunds are made. The Department shall pay any amount  
7 deposited into the Trust Fund under this Section in the same  
8 proportion as determined for payments for that taxable year  
9 under subsection (h).

10 (j) In any year that ad valorem taxes are allocated to the  
11 STAR Bonds School Improvement and Operations Trust Fund, that  
12 allocation shall not reduce or otherwise impact the school aid  
13 provided to any school district under the general State school  
14 aid formula provided for in Section 18-8.05 of the School Code  
15 or the primary State aid formula provided for in Section  
16 18-8.15 of the School Code.

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

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

21 (55 ILCS 85/7) (from Ch. 34, par. 7007)

22 Sec. 7. Creation of special tax allocation fund. If a  
23 county has adopted property tax allocation financing by  
24 ordinance for an economic development project area, the

1 Department has approved and certified the economic development  
2 project area, and the county clerk has thereafter certified the  
3 "total initial equalized value" of the taxable real property  
4 within such economic development project area in the manner  
5 provided in subsection (b) of Section 6 of this Act, each year  
6 after the date of the certification by the county clerk of the  
7 "initial equalized assessed value" until economic development  
8 project costs and all county obligations financing economic  
9 development project costs have been paid, the ad valorem taxes,  
10 if any, arising from the levies upon the taxable real property  
11 in the economic development project area by taxing districts  
12 and tax rates determined in the manner provided in subsection  
13 (b) of Section 6 of this Act shall be divided as follows:

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

24 (2) That portion, if any, of those taxes which is  
25 attributable to the increase in the current equalized  
26 assessed valuation of each taxable lot, block, tract, or

1 parcel of real property in the economic development project  
2 are, over and above the initial equalized assessed value of  
3 each property existing at the time property tax allocation  
4 financing was adopted shall be allocated to and when  
5 collected shall be paid to the county treasurer, who shall  
6 deposit those taxes into a special fund called the special  
7 tax allocation fund of the county for the purpose of paying  
8 economic development project costs and obligations  
9 incurred in the payment thereof.

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

23 Whenever a county issues bonds for the purpose of financing  
24 economic development project costs, the county may provide by  
25 ordinance for the appointment of a trustee, which may be any  
26 trust company within the State, and for the establishment of

1 the funds or accounts to be maintained by such trustee as the  
2 county shall deem necessary to provide for the security and  
3 payment of the bonds. If the county provides for the  
4 appointment of a trustee, the trustee shall be considered the  
5 assignee of any payments assigned by the county pursuant to the  
6 ordinance and this Section. Any amounts paid to the trustee as  
7 assignee shall be deposited in the funds or accounts  
8 established pursuant to the trust agreement, and shall be held  
9 by the trustee in trust for the benefit of the holders of the  
10 bonds, and the holders shall have a lien on and a security  
11 interest in those bonds or accounts so long as the bonds remain  
12 outstanding and unpaid. Upon retirement of the bonds, the  
13 trustee shall pay over any excess amounts held to the county  
14 for deposit in the special tax allocation fund.

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



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

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

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

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

23           (55 ILCS 90/50) (from Ch. 34, par. 8050)

24           Sec. 50. Special tax allocation fund.

1 (a) If a county clerk has certified the "total initial  
2 equalized assessed value" of the taxable real property within  
3 an economic development project area in the manner provided in  
4 Section 45, each year after the date of the certification by  
5 the county clerk of the "total initial equalized assessed  
6 value", until economic development project costs and all county  
7 obligations financing economic development project costs have  
8 been paid, the ad valorem taxes, if any, arising from the  
9 levies upon the taxable real property in the economic  
10 development project area by taxing districts and tax rates  
11 determined in the manner provided in subsection (b) of Section  
12 45 shall be divided as follows:

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

23 (2) That portion, if any, of the taxes that is  
24 attributable to the increase in the current equalized  
25 assessed valuation of each taxable lot, block, tract, or  
26 parcel of real property in the economic development project

1 area, over and above the initial equalized assessed value  
2 of each property existing at the time tax increment  
3 financing was adopted, shall be allocated to (and when  
4 collected shall be paid to) the county treasurer, who shall  
5 deposit the taxes into a special fund (called the special  
6 tax allocation fund of the county) for the purpose of  
7 paying economic development project costs and obligations  
8 incurred in the payment of those costs.

9 (b) The county, by an ordinance adopting tax increment  
10 allocation financing, may pledge the monies in and to be  
11 deposited into the special tax allocation fund for the payment  
12 of obligations issued under this Act and for the payment of  
13 economic development project costs. No part of the current  
14 equalized assessed valuation of each property in the economic  
15 development project area attributable to any increase above the  
16 total initial equalized assessed value of those properties  
17 shall be used in calculating the general State ~~school~~ aid  
18 formula under Section 18-8 of the School Code or the primary  
19 State aid formula under Section 18-8.15 of the School Code  
20 until all economic development projects costs have been paid as  
21 provided for in this Section.

22 (c) When the economic development projects costs,  
23 including without limitation all county obligations financing  
24 economic development project costs incurred under this Act,  
25 have been paid, all surplus monies then remaining in the  
26 special tax allocation fund shall be distributed by being paid

1 by the county treasurer to the county collector, who shall  
2 immediately pay the monies to the taxing districts having  
3 taxable property in the economic development project area in  
4 the same manner and proportion as the most recent distribution  
5 by the county collector to those taxing districts of real  
6 property taxes from real property in the economic development  
7 project area.

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

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

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

25 Section 935. The Illinois Municipal Code is amended by

1 changing Sections 11-74.4-3, 11-74.4-8, and 11-74.6-35 as  
2 follows:

3 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)

4 Sec. 11-74.4-3. Definitions. The following terms, wherever  
5 used or referred to in this Division 74.4 shall have the  
6 following respective meanings, unless in any case a different  
7 meaning clearly appears from the context.

8 (a) For any redevelopment project area that has been  
9 designated pursuant to this Section by an ordinance adopted  
10 prior to November 1, 1999 (the effective date of Public Act  
11 91-478), "blighted area" shall have the meaning set forth in  
12 this Section prior to that date.

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

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

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

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

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

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

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

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

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

24          (H) Inadequate utilities. Underground and overhead  
25 utilities such as storm sewers and storm drainage,  
26 sanitary sewers, water lines, and gas, telephone, and

1 electrical services that are shown to be inadequate.  
2 Inadequate utilities are those that are: (i) of  
3 insufficient capacity to serve the uses in the  
4 redevelopment project area, (ii) deteriorated,  
5 antiquated, obsolete, or in disrepair, or (iii)  
6 lacking within the redevelopment project area.

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

26 (J) Deleterious land use or layout. The existence



1 of incompatible land-use relationships, buildings  
2 occupied by inappropriate mixed-uses, or uses  
3 considered to be noxious, offensive, or unsuitable for  
4 the surrounding area.

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

17 (L) Lack of community planning. The proposed  
18 redevelopment project area was developed prior to or  
19 without the benefit or guidance of a community plan.  
20 This means that the development occurred prior to the  
21 adoption by the municipality of a comprehensive or  
22 other community plan or that the plan was not followed  
23 at the time of the area's development. This factor must  
24 be documented by evidence of adverse or incompatible  
25 land-use relationships, inadequate street layout,  
26 improper subdivision, parcels of inadequate shape and

1 size to meet contemporary development standards, or  
2 other evidence demonstrating an absence of effective  
3 community planning.

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

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

25 (A) Obsolete platting of vacant land that results  
26 in parcels of limited or narrow size or configurations

1 of parcels of irregular size or shape that would be  
2 difficult to develop on a planned basis and in a manner  
3 compatible with contemporary standards and  
4 requirements, or platting that failed to create  
5 rights-of-ways for streets or alleys or that created  
6 inadequate right-of-way widths for streets, alleys, or  
7 other public rights-of-way or that omitted easements  
8 for public utilities.

9 (B) Diversity of ownership of parcels of vacant  
10 land sufficient in number to retard or impede the  
11 ability to assemble the land for development.

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

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

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

1 the development or redevelopment of the redevelopment  
2 project area.

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

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

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

26 (B) The area consists of unused rail yards, rail

1 tracks, or railroad rights-of-way.

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

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

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

26 (F) The area qualified as a blighted improved area

1 immediately prior to becoming vacant, unless there has  
2 been substantial private investment in the immediately  
3 surrounding area.

4 (b) For any redevelopment project area that has been  
5 designated pursuant to this Section by an ordinance adopted  
6 prior to November 1, 1999 (the effective date of Public Act  
7 91-478), "conservation area" shall have the meaning set forth  
8 in this Section prior to that date.

9 On and after November 1, 1999, "conservation area" means  
10 any improved area within the boundaries of a redevelopment  
11 project area located within the territorial limits of the  
12 municipality in which 50% or more of the structures in the area  
13 have an age of 35 years or more. Such an area is not yet a  
14 blighted area but because of a combination of 3 or more of the  
15 following factors is detrimental to the public safety, health,  
16 morals or welfare and such an area may become a blighted area:

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

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

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

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

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

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

24           (7) Lack of ventilation, light, or sanitary  
25 facilities. The absence of adequate ventilation for light  
26 or air circulation in spaces or rooms without windows, or

1 that require the removal of dust, odor, gas, smoke, or  
2 other noxious airborne materials. Inadequate natural light  
3 and ventilation means the absence or inadequacy of  
4 skylights or windows for interior spaces or rooms and  
5 improper window sizes and amounts by room area to window  
6 area ratios. Inadequate sanitary facilities refers to the  
7 absence or inadequacy of garbage storage and enclosure,  
8 bathroom facilities, hot water and kitchens, and  
9 structural inadequacies preventing ingress and egress to  
10 and from all rooms and units within a building.

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

19 (9) Excessive land coverage and overcrowding of  
20 structures and community facilities. The over-intensive  
21 use of property and the crowding of buildings and accessory  
22 facilities onto a site. Examples of problem conditions  
23 warranting the designation of an area as one exhibiting  
24 excessive land coverage are: the presence of buildings  
25 either improperly situated on parcels or located on parcels  
26 of inadequate size and shape in relation to present-day



1 standards of development for health and safety and the  
2 presence of multiple buildings on a single parcel. For  
3 there to be a finding of excessive land coverage, these  
4 parcels must exhibit one or more of the following  
5 conditions: insufficient provision for light and air  
6 within or around buildings, increased threat of spread of  
7 fire due to the close proximity of buildings, lack of  
8 adequate or proper access to a public right-of-way, lack of  
9 reasonably required off-street parking, or inadequate  
10 provision for loading and service.

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

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

1 demonstrating an absence of effective community planning.

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

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

23 (c) "Industrial park" means an area in a blighted or  
24 conservation area suitable for use by any manufacturing,  
25 industrial, research or transportation enterprise, of  
26 facilities to include but not be limited to factories, mills,

1 processing plants, assembly plants, packing plants,  
2 fabricating plants, industrial distribution centers,  
3 warehouses, repair overhaul or service facilities, freight  
4 terminals, research facilities, test facilities or railroad  
5 facilities.

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

17 (e) "Labor surplus municipality" means a municipality in  
18 which, at any time during the 6 months before the municipality  
19 by ordinance designates an industrial park conservation area,  
20 the unemployment rate was over 6% and was also 100% or more of  
21 the national average unemployment rate for that same time as  
22 published in the United States Department of Labor Bureau of  
23 Labor Statistics publication entitled "The Employment  
24 Situation" or its successor publication. For the purpose of  
25 this subsection, if unemployment rate statistics for the  
26 municipality are not available, the unemployment rate in the

1 municipality shall be deemed to be the same as the unemployment  
2 rate in the principal county in which the municipality is  
3 located.

4 (f) "Municipality" shall mean a city, village,  
5 incorporated town, or a township that is located in the  
6 unincorporated portion of a county with 3 million or more  
7 inhabitants, if the county adopted an ordinance that approved  
8 the township's redevelopment plan.

9 (g) "Initial Sales Tax Amounts" means the amount of taxes  
10 paid under the Retailers' Occupation Tax Act, Use Tax Act,  
11 Service Use Tax Act, the Service Occupation Tax Act, the  
12 Municipal Retailers' Occupation Tax Act, and the Municipal  
13 Service Occupation Tax Act by retailers and servicemen on  
14 transactions at places located in a State Sales Tax Boundary  
15 during the calendar year 1985.

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

23 (h) "Municipal Sales Tax Increment" means an amount equal  
24 to the increase in the aggregate amount of taxes paid to a  
25 municipality from the Local Government Tax Fund arising from  
26 sales by retailers and servicemen within the redevelopment

1 project area or State Sales Tax Boundary, as the case may be,  
2 for as long as the redevelopment project area or State Sales  
3 Tax Boundary, as the case may be, exist over and above the  
4 aggregate amount of taxes as certified by the Illinois  
5 Department of Revenue and paid under the Municipal Retailers'  
6 Occupation Tax Act and the Municipal Service Occupation Tax Act  
7 by retailers and servicemen, on transactions at places of  
8 business located in the redevelopment project area or State  
9 Sales Tax Boundary, as the case may be, during the base year  
10 which shall be the calendar year immediately prior to the year  
11 in which the municipality adopted tax increment allocation  
12 financing. For purposes of computing the aggregate amount of  
13 such taxes for base years occurring prior to 1985, the  
14 Department of Revenue shall determine the Initial Sales Tax  
15 Amounts for such taxes and deduct therefrom an amount equal to  
16 4% of the aggregate amount of taxes per year for each year the  
17 base year is prior to 1985, but not to exceed a total deduction  
18 of 12%. The amount so determined shall be known as the  
19 "Adjusted Initial Sales Tax Amounts". For purposes of  
20 determining the Municipal Sales Tax Increment, the Department  
21 of Revenue shall for each period subtract from the amount paid  
22 to the municipality from the Local Government Tax Fund arising  
23 from sales by retailers and servicemen on transactions located  
24 in the redevelopment project area or the State Sales Tax  
25 Boundary, as the case may be, the certified Initial Sales Tax  
26 Amounts, the Adjusted Initial Sales Tax Amounts or the Revised

1 Initial Sales Tax Amounts for the Municipal Retailers'  
2 Occupation Tax Act and the Municipal Service Occupation Tax  
3 Act. For the State Fiscal Year 1989, this calculation shall be  
4 made by utilizing the calendar year 1987 to determine the tax  
5 amounts received. For the State Fiscal Year 1990, this  
6 calculation shall be made by utilizing the period from January  
7 1, 1988, until September 30, 1988, to determine the tax amounts  
8 received from retailers and servicemen pursuant to the  
9 Municipal Retailers' Occupation Tax and the Municipal Service  
10 Occupation Tax Act, which shall have deducted therefrom  
11 nine-twelfths of the certified Initial Sales Tax Amounts, the  
12 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales  
13 Tax Amounts as appropriate. For the State Fiscal Year 1991,  
14 this calculation shall be made by utilizing the period from  
15 October 1, 1988, to June 30, 1989, to determine the tax amounts  
16 received from retailers and servicemen pursuant to the  
17 Municipal Retailers' Occupation Tax and the Municipal Service  
18 Occupation Tax Act which shall have deducted therefrom  
19 nine-twelfths of the certified Initial Sales Tax Amounts,  
20 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales  
21 Tax Amounts as appropriate. For every State Fiscal Year  
22 thereafter, the applicable period shall be the 12 months  
23 beginning July 1 and ending June 30 to determine the tax  
24 amounts received which shall have deducted therefrom the  
25 certified Initial Sales Tax Amounts, the Adjusted Initial Sales  
26 Tax Amounts or the Revised Initial Sales Tax Amounts, as the

1 case may be.

2 (i) "Net State Sales Tax Increment" means the sum of the  
3 following: (a) 80% of the first \$100,000 of State Sales Tax  
4 Increment annually generated within a State Sales Tax Boundary;  
5 (b) 60% of the amount in excess of \$100,000 but not exceeding  
6 \$500,000 of State Sales Tax Increment annually generated within  
7 a State Sales Tax Boundary; and (c) 40% of all amounts in  
8 excess of \$500,000 of State Sales Tax Increment annually  
9 generated within a State Sales Tax Boundary. If, however, a  
10 municipality established a tax increment financing district in  
11 a county with a population in excess of 3,000,000 before  
12 January 1, 1986, and the municipality entered into a contract  
13 or issued bonds after January 1, 1986, but before December 31,  
14 1986, to finance redevelopment project costs within a State  
15 Sales Tax Boundary, then the Net State Sales Tax Increment  
16 means, for the fiscal years beginning July 1, 1990, and July 1,  
17 1991, 100% of the State Sales Tax Increment annually generated  
18 within a State Sales Tax Boundary; and notwithstanding any  
19 other provision of this Act, for those fiscal years the  
20 Department of Revenue shall distribute to those municipalities  
21 100% of their Net State Sales Tax Increment before any  
22 distribution to any other municipality and regardless of  
23 whether or not those other municipalities will receive 100% of  
24 their Net State Sales Tax Increment. For Fiscal Year 1999, and  
25 every year thereafter until the year 2007, for any municipality  
26 that has not entered into a contract or has not issued bonds

1 prior to June 1, 1988 to finance redevelopment project costs  
2 within a State Sales Tax Boundary, the Net State Sales Tax  
3 Increment shall be calculated as follows: By multiplying the  
4 Net State Sales Tax Increment by 90% in the State Fiscal Year  
5 1999; 80% in the State Fiscal Year 2000; 70% in the State  
6 Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the  
7 State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30%  
8 in the State Fiscal Year 2005; 20% in the State Fiscal Year  
9 2006; and 10% in the State Fiscal Year 2007. No payment shall  
10 be made for State Fiscal Year 2008 and thereafter.

11 Municipalities that issued bonds in connection with a  
12 redevelopment project in a redevelopment project area within  
13 the State Sales Tax Boundary prior to July 29, 1991, or that  
14 entered into contracts in connection with a redevelopment  
15 project in a redevelopment project area before June 1, 1988,  
16 shall continue to receive their proportional share of the  
17 Illinois Tax Increment Fund distribution until the date on  
18 which the redevelopment project is completed or terminated. If,  
19 however, a municipality that issued bonds in connection with a  
20 redevelopment project in a redevelopment project area within  
21 the State Sales Tax Boundary prior to July 29, 1991 retires the  
22 bonds prior to June 30, 2007 or a municipality that entered  
23 into contracts in connection with a redevelopment project in a  
24 redevelopment project area before June 1, 1988 completes the  
25 contracts prior to June 30, 2007, then so long as the  
26 redevelopment project is not completed or is not terminated,



1 the Net State Sales Tax Increment shall be calculated,  
2 beginning on the date on which the bonds are retired or the  
3 contracts are completed, as follows: By multiplying the Net  
4 State Sales Tax Increment by 60% in the State Fiscal Year 2002;  
5 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year  
6 2004; 30% in the State Fiscal Year 2005; 20% in the State  
7 Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No  
8 payment shall be made for State Fiscal Year 2008 and  
9 thereafter. Refunding of any bonds issued prior to July 29,  
10 1991, shall not alter the Net State Sales Tax Increment.

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

23 (k) "Net State Utility Tax Increment" means the sum of the  
24 following: (a) 80% of the first \$100,000 of State Utility Tax  
25 Increment annually generated by a redevelopment project area;  
26 (b) 60% of the amount in excess of \$100,000 but not exceeding

1 \$500,000 of the State Utility Tax Increment annually generated  
2 by a redevelopment project area; and (c) 40% of all amounts in  
3 excess of \$500,000 of State Utility Tax Increment annually  
4 generated by a redevelopment project area. For the State Fiscal  
5 Year 1999, and every year thereafter until the year 2007, for  
6 any municipality that has not entered into a contract or has  
7 not issued bonds prior to June 1, 1988 to finance redevelopment  
8 project costs within a redevelopment project area, the Net  
9 State Utility Tax Increment shall be calculated as follows: By  
10 multiplying the Net State Utility Tax Increment by 90% in the  
11 State Fiscal Year 1999; 80% in the State Fiscal Year 2000; 70%  
12 in the State Fiscal Year 2001; 60% in the State Fiscal Year  
13 2002; 50% in the State Fiscal Year 2003; 40% in the State  
14 Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the  
15 State Fiscal Year 2006; and 10% in the State Fiscal Year 2007.  
16 No payment shall be made for the State Fiscal Year 2008 and  
17 thereafter.

18 Municipalities that issue bonds in connection with the  
19 redevelopment project during the period from June 1, 1988 until  
20 3 years after the effective date of this Amendatory Act of 1988  
21 shall receive the Net State Utility Tax Increment, subject to  
22 appropriation, for 15 State Fiscal Years after the issuance of  
23 such bonds. For the 16th through the 20th State Fiscal Years  
24 after issuance of the bonds, the Net State Utility Tax  
25 Increment shall be calculated as follows: By multiplying the  
26 Net State Utility Tax Increment by 90% in year 16; 80% in year

1 17; 70% in year 18; 60% in year 19; and 50% in year 20.  
2 Refunding of any bonds issued prior to June 1, 1988, shall not  
3 alter the revised Net State Utility Tax Increment payments set  
4 forth above.

5 (l) "Obligations" mean bonds, loans, debentures, notes,  
6 special certificates or other evidence of indebtedness issued  
7 by the municipality to carry out a redevelopment project or to  
8 refund outstanding obligations.

9 (m) "Payment in lieu of taxes" means those estimated tax  
10 revenues from real property in a redevelopment project area  
11 derived from real property that has been acquired by a  
12 municipality which according to the redevelopment project or  
13 plan is to be used for a private use which taxing districts  
14 would have received had a municipality not acquired the real  
15 property and adopted tax increment allocation financing and  
16 which would result from levies made after the time of the  
17 adoption of tax increment allocation financing to the time the  
18 current equalized value of real property in the redevelopment  
19 project area exceeds the total initial equalized value of real  
20 property in said area.

21 (n) "Redevelopment plan" means the comprehensive program  
22 of the municipality for development or redevelopment intended  
23 by the payment of redevelopment project costs to reduce or  
24 eliminate those conditions the existence of which qualified the  
25 redevelopment project area as a "blighted area" or  
26 "conservation area" or combination thereof or "industrial park

1 conservation area," and thereby to enhance the tax bases of the  
2 taxing districts which extend into the redevelopment project  
3 area. On and after November 1, 1999 (the effective date of  
4 Public Act 91-478), no redevelopment plan may be approved or  
5 amended that includes the development of vacant land (i) with a  
6 golf course and related clubhouse and other facilities or (ii)  
7 designated by federal, State, county, or municipal government  
8 as public land for outdoor recreational activities or for  
9 nature preserves and used for that purpose within 5 years prior  
10 to the adoption of the redevelopment plan. For the purpose of  
11 this subsection, "recreational activities" is limited to mean  
12 camping and hunting. Each redevelopment plan shall set forth in  
13 writing the program to be undertaken to accomplish the  
14 objectives and shall include but not be limited to:

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

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

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

25 (D) the sources of funds to pay costs;

26 (E) the nature and term of the obligations to be

1 issued;

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

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

7 (H) a commitment to fair employment practices and an  
8 affirmative action plan;

9 (I) if it concerns an industrial park conservation  
10 area, the plan shall also include a general description of  
11 any proposed developer, user and tenant of any property, a  
12 description of the type, structure and general character of  
13 the facilities to be developed, a description of the type,  
14 class and number of new employees to be employed in the  
15 operation of the facilities to be developed; and

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

19 The provisions of items (B) and (C) of this subsection (n)  
20 shall not apply to a municipality that before March 14, 1994  
21 (the effective date of Public Act 88-537) had fixed, either by  
22 its corporate authorities or by a commission designated under  
23 subsection (k) of Section 11-74.4-4, a time and place for a  
24 public hearing as required by subsection (a) of Section  
25 11-74.4-5. No redevelopment plan shall be adopted unless a  
26 municipality complies with all of the following requirements:

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

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

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

22           A municipality may by municipal ordinance amend an  
23 existing redevelopment plan to conform to this paragraph  
24 (3) as amended by Public Act 91-478, which municipal  
25 ordinance may be adopted without further hearing or notice  
26 and without complying with the procedures provided in this

1 Act pertaining to an amendment to or the initial approval  
2 of a redevelopment plan and project and designation of a  
3 redevelopment project area.

4 (3.5) The municipality finds, in the case of an  
5 industrial park conservation area, also that the  
6 municipality is a labor surplus municipality and that the  
7 implementation of the redevelopment plan will reduce  
8 unemployment, create new jobs and by the provision of new  
9 facilities enhance the tax base of the taxing districts  
10 that extend into the redevelopment project area.

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

20 (5) If the redevelopment plan will not result in  
21 displacement of residents from 10 or more inhabited  
22 residential units, and the municipality certifies in the  
23 plan that such displacement will not result from the plan,  
24 a housing impact study need not be performed. If, however,  
25 the redevelopment plan would result in the displacement of  
26 residents from 10 or more inhabited residential units, or

1 if the redevelopment project area contains 75 or more  
2 inhabited residential units and no certification is made,  
3 then the municipality shall prepare, as part of the  
4 separate feasibility report required by subsection (a) of  
5 Section 11-74.4-5, a housing impact study.

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

19 Part II of the housing impact study shall identify the  
20 inhabited residential units in the proposed redevelopment  
21 project area that are to be or may be removed. If inhabited  
22 residential units are to be removed, then the housing  
23 impact study shall identify (i) the number and location of  
24 those units that will or may be removed, (ii) the  
25 municipality's plans for relocation assistance for those  
26 residents in the proposed redevelopment project area whose



1 residences are to be removed, (iii) the availability of  
2 replacement housing for those residents whose residences  
3 are to be removed, and shall identify the type, location,  
4 and cost of the housing, and (iv) the type and extent of  
5 relocation assistance to be provided.

6 (6) On and after November 1, 1999, the housing impact  
7 study required by paragraph (5) shall be incorporated in  
8 the redevelopment plan for the redevelopment project area.

9 (7) On and after November 1, 1999, no redevelopment  
10 plan shall be adopted, nor an existing plan amended, nor  
11 shall residential housing that is occupied by households of  
12 low-income and very low-income persons in currently  
13 existing redevelopment project areas be removed after  
14 November 1, 1999 unless the redevelopment plan provides,  
15 with respect to inhabited housing units that are to be  
16 removed for households of low-income and very low-income  
17 persons, affordable housing and relocation assistance not  
18 less than that which would be provided under the federal  
19 Uniform Relocation Assistance and Real Property  
20 Acquisition Policies Act of 1970 and the regulations under  
21 that Act, including the eligibility criteria. Affordable  
22 housing may be either existing or newly constructed  
23 housing. For purposes of this paragraph (7), "low-income  
24 households", "very low-income households", and "affordable  
25 housing" have the meanings set forth in the Illinois  
26 Affordable Housing Act. The municipality shall make a good

1 faith effort to ensure that this affordable housing is  
2 located in or near the redevelopment project area within  
3 the municipality.

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

11 (9) For redevelopment project areas designated prior  
12 to November 1, 1999, the redevelopment plan may be amended  
13 without further joint review board meeting or hearing,  
14 provided that the municipality shall give notice of any  
15 such changes by mail to each affected taxing district and  
16 registrant on the interested party registry, to authorize  
17 the municipality to expend tax increment revenues for  
18 redevelopment project costs defined by paragraphs (5) and  
19 (7.5), subparagraphs (E) and (F) of paragraph (11), and  
20 paragraph (11.5) of subsection (q) of Section 11-74.4-3, so  
21 long as the changes do not increase the total estimated  
22 redevelopment project costs set out in the redevelopment  
23 plan by more than 5% after adjustment for inflation from  
24 the date the plan was adopted.

25 (o) "Redevelopment project" means any public and private  
26 development project in furtherance of the objectives of a

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

11 (p) "Redevelopment project area" means an area designated  
12 by the municipality, which is not less in the aggregate than 1  
13 1/2 acres and in respect to which the municipality has made a  
14 finding that there exist conditions which cause the area to be  
15 classified as an industrial park conservation area or a  
16 blighted area or a conservation area, or a combination of both  
17 blighted areas and conservation areas.

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

1 review board created to review the proposed redevelopment  
2 project area.

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

10 (1) Costs of studies, surveys, development of plans,  
11 and specifications, implementation and administration of  
12 the redevelopment plan including but not limited to staff  
13 and professional service costs for architectural,  
14 engineering, legal, financial, planning or other services,  
15 provided however that no charges for professional services  
16 may be based on a percentage of the tax increment  
17 collected; except that on and after November 1, 1999 (the  
18 effective date of Public Act 91-478), no contracts for  
19 professional services, excluding architectural and  
20 engineering services, may be entered into if the terms of  
21 the contract extend beyond a period of 3 years. In  
22 addition, "redevelopment project costs" shall not include  
23 lobbying expenses. After consultation with the  
24 municipality, each tax increment consultant or advisor to a  
25 municipality that plans to designate or has designated a  
26 redevelopment project area shall inform the municipality

1 in writing of any contracts that the consultant or advisor  
2 has entered into with entities or individuals that have  
3 received, or are receiving, payments financed by tax  
4 increment revenues produced by the redevelopment project  
5 area with respect to which the consultant or advisor has  
6 performed, or will be performing, service for the  
7 municipality. This requirement shall be satisfied by the  
8 consultant or advisor before the commencement of services  
9 for the municipality and thereafter whenever any other  
10 contracts with those individuals or entities are executed  
11 by the consultant or advisor;

12 (1.5) After July 1, 1999, annual administrative costs  
13 shall not include general overhead or administrative costs  
14 of the municipality that would still have been incurred by  
15 the municipality if the municipality had not designated a  
16 redevelopment project area or approved a redevelopment  
17 plan;

18 (1.6) The cost of marketing sites within the  
19 redevelopment project area to prospective businesses,  
20 developers, and investors;

21 (2) Property assembly costs, including but not limited  
22 to acquisition of land and other property, real or  
23 personal, or rights or interests therein, demolition of  
24 buildings, site preparation, site improvements that serve  
25 as an engineered barrier addressing ground level or below  
26 ground environmental contamination, including, but not

1 limited to parking lots and other concrete or asphalt  
2 barriers, and the clearing and grading of land;

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

14 (4) Costs of the construction of public works or  
15 improvements, including any direct or indirect costs  
16 relating to Green Globes or LEED certified construction  
17 elements or construction elements with an equivalent  
18 certification, except that on and after November 1, 1999,  
19 redevelopment project costs shall not include the cost of  
20 constructing a new municipal public building principally  
21 used to provide offices, storage space, or conference  
22 facilities or vehicle storage, maintenance, or repair for  
23 administrative, public safety, or public works personnel  
24 and that is not intended to replace an existing public  
25 building as provided under paragraph (3) of subsection (q)  
26 of Section 11-74.4-3 unless either (i) the construction of

1 the new municipal building implements a redevelopment  
2 project that was included in a redevelopment plan that was  
3 adopted by the municipality prior to November 1, 1999 or  
4 (ii) the municipality makes a reasonable determination in  
5 the redevelopment plan, supported by information that  
6 provides the basis for that determination, that the new  
7 municipal building is required to meet an increase in the  
8 need for public safety purposes anticipated to result from  
9 the implementation of the redevelopment plan;

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

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

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

1 redevelopment plan and project.

2 (7.5) For redevelopment project areas designated (or  
3 redevelopment project areas amended to add or increase the  
4 number of tax-increment-financing assisted housing units)  
5 on or after November 1, 1999, an elementary, secondary, or  
6 unit school district's increased costs attributable to  
7 assisted housing units located within the redevelopment  
8 project area for which the developer or redeveloper  
9 receives financial assistance through an agreement with  
10 the municipality or because the municipality incurs the  
11 cost of necessary infrastructure improvements within the  
12 boundaries of the assisted housing sites necessary for the  
13 completion of that housing as authorized by this Act, and  
14 which costs shall be paid by the municipality from the  
15 Special Tax Allocation Fund when the tax increment revenue  
16 is received as a result of the assisted housing units and  
17 shall be calculated annually as follows:

18 (A) for foundation districts, excluding any school  
19 district in a municipality with a population in excess  
20 of 1,000,000, by multiplying the district's increase  
21 in attendance resulting from the net increase in new  
22 students enrolled in that school district who reside in  
23 housing units within the redevelopment project area  
24 that have received financial assistance through an  
25 agreement with the municipality or because the  
26 municipality incurs the cost of necessary



1 infrastructure improvements within the boundaries of  
2 the housing sites necessary for the completion of that  
3 housing as authorized by this Act since the designation  
4 of the redevelopment project area by the most recently  
5 available per capita tuition cost as defined in Section  
6 10-20.12a of the School Code less any increase in  
7 general State aid as defined in Section 18-8.05 of the  
8 School Code or primary State aid as defined in Section  
9 18-8.15 of the School Code attributable to these added  
10 new students subject to the following annual  
11 limitations:

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

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

24 (iii) for secondary school districts with a  
25 district average 1995-96 Per Capita Tuition Charge  
26 of less than \$5,900, no more than 8% of the total

1 amount of property tax increment revenue produced  
2 by those housing units that have received tax  
3 increment finance assistance under this Act.

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

26 (i) for unit school districts, no more than 40%

1 of the total amount of property tax increment  
2 revenue produced by those housing units that have  
3 received tax increment finance assistance under  
4 this Act;

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

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

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

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

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

1 schools by the municipality or developer; and

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

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

22 (7.7) For redevelopment project areas designated (or  
23 redevelopment project areas amended to add or increase the  
24 number of tax-increment-financing assisted housing units)  
25 on or after January 1, 2005 (the effective date of Public  
26 Act 93-961), a public library district's increased costs

1       attributable to assisted housing units located within the  
2       redevelopment project area for which the developer or  
3       redeveloper receives financial assistance through an  
4       agreement with the municipality or because the  
5       municipality incurs the cost of necessary infrastructure  
6       improvements within the boundaries of the assisted housing  
7       sites necessary for the completion of that housing as  
8       authorized by this Act shall be paid to the library  
9       district by the municipality from the Special Tax  
10      Allocation Fund when the tax increment revenue is received  
11      as a result of the assisted housing units. This paragraph  
12      (7.7) applies only if (i) the library district is located  
13      in a county that is subject to the Property Tax Extension  
14      Limitation Law or (ii) the library district is not located  
15      in a county that is subject to the Property Tax Extension  
16      Limitation Law but the district is prohibited by any other  
17      law from increasing its tax levy rate without a prior voter  
18      referendum.

19       The amount paid to a library district under this  
20      paragraph (7.7) shall be calculated by multiplying (i) the  
21      net increase in the number of persons eligible to obtain a  
22      library card in that district who reside in housing units  
23      within the redevelopment project area that have received  
24      financial assistance through an agreement with the  
25      municipality or because the municipality incurs the cost of  
26      necessary infrastructure improvements within the

1 boundaries of the housing sites necessary for the  
2 completion of that housing as authorized by this Act since  
3 the designation of the redevelopment project area by (ii)  
4 the per-patron cost of providing library services so long  
5 as it does not exceed \$120. The per-patron cost shall be  
6 the Total Operating Expenditures Per Capita for the library  
7 in the previous fiscal year. The municipality may deduct  
8 from the amount that it must pay to a library district  
9 under this paragraph any amount that it has voluntarily  
10 paid to the library district from the tax increment  
11 revenue. The amount paid to a library district under this  
12 paragraph (7.7) shall be no more than 2% of the amount  
13 produced by the assisted housing units and deposited into  
14 the Special Tax Allocation Fund.

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

21 Any library district seeking payment under this  
22 paragraph (7.7) shall, after July 1 and before September 30  
23 of each year, provide the municipality with convincing  
24 evidence to support its claim for reimbursement before the  
25 municipality shall be required to approve or make the  
26 payment to the library district. If the library district

1 fails to provide the information during this period in any  
2 year, it shall forfeit any claim to reimbursement for that  
3 year. Library districts may adopt a resolution waiving the  
4 right to all or a portion of the reimbursement otherwise  
5 required by this paragraph (7.7). By acceptance of such  
6 reimbursement, the library district shall forfeit any  
7 right to directly or indirectly set aside, modify, or  
8 contest in any manner whatsoever the establishment of the  
9 redevelopment project area or projects;

10 (8) Relocation costs to the extent that a municipality  
11 determines that relocation costs shall be paid or is  
12 required to make payment of relocation costs by federal or  
13 State law or in order to satisfy subparagraph (7) of  
14 subsection (n);

15 (9) Payment in lieu of taxes;

16 (10) Costs of job training, retraining, advanced  
17 vocational education or career education, including but  
18 not limited to courses in occupational, semi-technical or  
19 technical fields leading directly to employment, incurred  
20 by one or more taxing districts, provided that such costs  
21 (i) are related to the establishment and maintenance of  
22 additional job training, advanced vocational education or  
23 career education programs for persons employed or to be  
24 employed by employers located in a redevelopment project  
25 area; and (ii) when incurred by a taxing district or taxing  
26 districts other than the municipality, are set forth in a

1 written agreement by or among the municipality and the  
2 taxing district or taxing districts, which agreement  
3 describes the program to be undertaken, including but not  
4 limited to the number of employees to be trained, a  
5 description of the training and services to be provided,  
6 the number and type of positions available or to be  
7 available, itemized costs of the program and sources of  
8 funds to pay for the same, and the term of the agreement.  
9 Such costs include, specifically, the payment by community  
10 college districts of costs pursuant to Sections 3-37, 3-38,  
11 3-40 and 3-40.1 of the Public Community College Act and by  
12 school districts of costs pursuant to Sections 10-22.20a  
13 and 10-23.3a of The School Code;

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

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

20 (B) such payments in any one year may not exceed  
21 30% of the annual interest costs incurred by the  
22 redeveloper with regard to the redevelopment project  
23 during that year;

24 (C) if there are not sufficient funds available in  
25 the special tax allocation fund to make the payment  
26 pursuant to this paragraph (11) then the amounts so due



1 shall accrue and be payable when sufficient funds are  
2 available in the special tax allocation fund;

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

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

17 (F) Instead of the eligible costs provided by  
18 subparagraphs (B) and (D) of paragraph (11), as  
19 modified by this subparagraph, and notwithstanding any  
20 other provisions of this Act to the contrary, the  
21 municipality may pay from tax increment revenues up to  
22 50% of the cost of construction of new housing units to  
23 be occupied by low-income households and very  
24 low-income households as defined in Section 3 of the  
25 Illinois Affordable Housing Act. The cost of  
26 construction of those units may be derived from the

1 proceeds of bonds issued by the municipality under this  
2 Act or other constitutional or statutory authority or  
3 from other sources of municipal revenue that may be  
4 reimbursed from tax increment revenues or the proceeds  
5 of bonds issued to finance the construction of that  
6 housing.

7 The eligible costs provided under this  
8 subparagraph (F) of paragraph (11) shall be an eligible  
9 cost for the construction, renovation, and  
10 rehabilitation of all low and very low-income housing  
11 units, as defined in Section 3 of the Illinois  
12 Affordable Housing Act, within the redevelopment  
13 project area. If the low and very low-income units are  
14 part of a residential redevelopment project that  
15 includes units not affordable to low and very  
16 low-income households, only the low and very  
17 low-income units shall be eligible for benefits under  
18 subparagraph (F) of paragraph (11). The standards for  
19 maintaining the occupancy by low-income households and  
20 very low-income households, as defined in Section 3 of  
21 the Illinois Affordable Housing Act, of those units  
22 constructed with eligible costs made available under  
23 the provisions of this subparagraph (F) of paragraph  
24 (11) shall be established by guidelines adopted by the  
25 municipality. The responsibility for annually  
26 documenting the initial occupancy of the units by

1 low-income households and very low-income households,  
2 as defined in Section 3 of the Illinois Affordable  
3 Housing Act, shall be that of the then current owner of  
4 the property. For ownership units, the guidelines will  
5 provide, at a minimum, for a reasonable recapture of  
6 funds, or other appropriate methods designed to  
7 preserve the original affordability of the ownership  
8 units. For rental units, the guidelines will provide,  
9 at a minimum, for the affordability of rent to low and  
10 very low-income households. As units become available,  
11 they shall be rented to income-eligible tenants. The  
12 municipality may modify these guidelines from time to  
13 time; the guidelines, however, shall be in effect for  
14 as long as tax increment revenue is being used to pay  
15 for costs associated with the units or for the  
16 retirement of bonds issued to finance the units or for  
17 the life of the redevelopment project area, whichever  
18 is later.

19 (11.5) If the redevelopment project area is located  
20 within a municipality with a population of more than  
21 100,000, the cost of day care services for children of  
22 employees from low-income families working for businesses  
23 located within the redevelopment project area and all or a  
24 portion of the cost of operation of day care centers  
25 established by redevelopment project area businesses to  
26 serve employees from low-income families working in

1 businesses located in the redevelopment project area. For  
2 the purposes of this paragraph, "low-income families"  
3 means families whose annual income does not exceed 80% of  
4 the municipal, county, or regional median income, adjusted  
5 for family size, as the annual income and municipal,  
6 county, or regional median income are determined from time  
7 to time by the United States Department of Housing and  
8 Urban Development.

9 (12) Unless explicitly stated herein the cost of  
10 construction of new privately-owned buildings shall not be  
11 an eligible redevelopment project cost.

12 (13) After November 1, 1999 (the effective date of  
13 Public Act 91-478), none of the redevelopment project costs  
14 enumerated in this subsection shall be eligible  
15 redevelopment project costs if those costs would provide  
16 direct financial support to a retail entity initiating  
17 operations in the redevelopment project area while  
18 terminating operations at another Illinois location within  
19 10 miles of the redevelopment project area but outside the  
20 boundaries of the redevelopment project area municipality.  
21 For purposes of this paragraph, termination means a closing  
22 of a retail operation that is directly related to the  
23 opening of the same operation or like retail entity owned  
24 or operated by more than 50% of the original ownership in a  
25 redevelopment project area, but it does not mean closing an  
26 operation for reasons beyond the control of the retail

1       entity, as documented by the retail entity, subject to a  
2       reasonable finding by the municipality that the current  
3       location contained inadequate space, had become  
4       economically obsolete, or was no longer a viable location  
5       for the retailer or serviceman.

6       (14) No cost shall be a redevelopment project cost in a  
7       redevelopment project area if used to demolish, remove, or  
8       substantially modify a historic resource, after August 26,  
9       2008 (the effective date of Public Act 95-934), unless no  
10      prudent and feasible alternative exists. "Historic  
11      resource" for the purpose of this item (14) means (i) a  
12      place or structure that is included or eligible for  
13      inclusion on the National Register of Historic Places or  
14      (ii) a contributing structure in a district on the National  
15      Register of Historic Places. This item (14) does not apply  
16      to a place or structure for which demolition, removal, or  
17      modification is subject to review by the preservation  
18      agency of a Certified Local Government designated as such  
19      by the National Park Service of the United States  
20      Department of the Interior.

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

1 well as the purposes permitted by this Act.

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

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

14 (s) "State Sales Tax Increment" means an amount equal to  
15 the increase in the aggregate amount of taxes paid by retailers  
16 and servicemen, other than retailers and servicemen subject to  
17 the Public Utilities Act, on transactions at places of business  
18 located within a State Sales Tax Boundary pursuant to the  
19 Retailers' Occupation Tax Act, the Use Tax Act, the Service Use  
20 Tax Act, and the Service Occupation Tax Act, except such  
21 portion of such increase that is paid into the State and Local  
22 Sales Tax Reform Fund, the Local Government Distributive Fund,  
23 the Local Government Tax Fund and the County and Mass Transit  
24 District Fund, for as long as State participation exists, over  
25 and above the Initial Sales Tax Amounts, Adjusted Initial Sales  
26 Tax Amounts or the Revised Initial Sales Tax Amounts for such

1 taxes as certified by the Department of Revenue and paid under  
2 those Acts by retailers and servicemen on transactions at  
3 places of business located within the State Sales Tax Boundary  
4 during the base year which shall be the calendar year  
5 immediately prior to the year in which the municipality adopted  
6 tax increment allocation financing, less 3.0% of such amounts  
7 generated under the Retailers' Occupation Tax Act, Use Tax Act  
8 and Service Use Tax Act and the Service Occupation Tax Act,  
9 which sum shall be appropriated to the Department of Revenue to  
10 cover its costs of administering and enforcing this Section.  
11 For purposes of computing the aggregate amount of such taxes  
12 for base years occurring prior to 1985, the Department of  
13 Revenue shall compute the Initial Sales Tax Amount for such  
14 taxes and deduct therefrom an amount equal to 4% of the  
15 aggregate amount of taxes per year for each year the base year  
16 is prior to 1985, but not to exceed a total deduction of 12%.  
17 The amount so determined shall be known as the "Adjusted  
18 Initial Sales Tax Amount". For purposes of determining the  
19 State Sales Tax Increment the Department of Revenue shall for  
20 each period subtract from the tax amounts received from  
21 retailers and servicemen on transactions located in the State  
22 Sales Tax Boundary, the certified Initial Sales Tax Amounts,  
23 Adjusted Initial Sales Tax Amounts or Revised Initial Sales Tax  
24 Amounts for the Retailers' Occupation Tax Act, the Use Tax Act,  
25 the Service Use Tax Act and the Service Occupation Tax Act. For  
26 the State Fiscal Year 1989 this calculation shall be made by

1 utilizing the calendar year 1987 to determine the tax amounts  
2 received. For the State Fiscal Year 1990, this calculation  
3 shall be made by utilizing the period from January 1, 1988,  
4 until September 30, 1988, to determine the tax amounts received  
5 from retailers and servicemen, which shall have deducted  
6 therefrom nine-twelfths of the certified Initial Sales Tax  
7 Amounts, Adjusted Initial Sales Tax Amounts or the Revised  
8 Initial Sales Tax Amounts as appropriate. For the State Fiscal  
9 Year 1991, this calculation shall be made by utilizing the  
10 period from October 1, 1988, until June 30, 1989, to determine  
11 the tax amounts received from retailers and servicemen, which  
12 shall have deducted therefrom nine-twelfths of the certified  
13 Initial State Sales Tax Amounts, Adjusted Initial Sales Tax  
14 Amounts or the Revised Initial Sales Tax Amounts as  
15 appropriate. For every State Fiscal Year thereafter, the  
16 applicable period shall be the 12 months beginning July 1 and  
17 ending on June 30, to determine the tax amounts received which  
18 shall have deducted therefrom the certified Initial Sales Tax  
19 Amounts, Adjusted Initial Sales Tax Amounts or the Revised  
20 Initial Sales Tax Amounts. Municipalities intending to receive  
21 a distribution of State Sales Tax Increment must report a list  
22 of retailers to the Department of Revenue by October 31, 1988  
23 and by July 31, of each year thereafter.

24 (t) "Taxing districts" means counties, townships, cities  
25 and incorporated towns and villages, school, road, park,  
26 sanitary, mosquito abatement, forest preserve, public health,



1 fire protection, river conservancy, tuberculosis sanitarium  
2 and any other municipal corporations or districts with the  
3 power to levy taxes.

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

8 (v) As used in subsection (a) of Section 11-74.4-3 of this  
9 Act, "vacant land" means any parcel or combination of parcels  
10 of real property without industrial, commercial, and  
11 residential buildings which has not been used for commercial  
12 agricultural purposes within 5 years prior to the designation  
13 of the redevelopment project area, unless the parcel is  
14 included in an industrial park conservation area or the parcel  
15 has been subdivided; provided that if the parcel was part of a  
16 larger tract that has been divided into 3 or more smaller  
17 tracts that were accepted for recording during the period from  
18 1950 to 1990, then the parcel shall be deemed to have been  
19 subdivided, and all proceedings and actions of the municipality  
20 taken in that connection with respect to any previously  
21 approved or designated redevelopment project area or amended  
22 redevelopment project area are hereby validated and hereby  
23 declared to be legally sufficient for all purposes of this Act.  
24 For purposes of this Section and only for land subject to the  
25 subdivision requirements of the Plat Act, land is subdivided  
26 when the original plat of the proposed Redevelopment Project

1 Area or relevant portion thereof has been properly certified,  
2 acknowledged, approved, and recorded or filed in accordance  
3 with the Plat Act and a preliminary plat, if any, for any  
4 subsequent phases of the proposed Redevelopment Project Area or  
5 relevant portion thereof has been properly approved and filed  
6 in accordance with the applicable ordinance of the  
7 municipality.

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

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

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

23 (Source: P.A. 96-328, eff. 8-11-09; 96-630, eff. 1-1-10;  
24 96-680, eff. 8-25-09; 96-1000, eff. 7-2-10; 97-101, eff.  
25 1-1-12.)

1 (65 ILCS 5/11-74.4-8) (from Ch. 24, par. 11-74.4-8)

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

22 (a) That portion of taxes levied upon each taxable lot,  
23 block, tract or parcel of real property which is attributable  
24 to the lower of the current equalized assessed value or the  
25 initial equalized assessed value of each such taxable lot,  
26 block, tract or parcel of real property in the redevelopment

1 project area shall be allocated to and when collected shall be  
2 paid by the county collector to the respective affected taxing  
3 districts in the manner required by law in the absence of the  
4 adoption of tax increment allocation financing.

5 (b) Except from a tax levied by a township to retire bonds  
6 issued to satisfy court-ordered damages, that portion, if any,  
7 of such taxes which is attributable to the increase in the  
8 current equalized assessed valuation of each taxable lot,  
9 block, tract or parcel of real property in the redevelopment  
10 project area over and above the initial equalized assessed  
11 value of each property in the project area shall be allocated  
12 to and when collected shall be paid to the municipal treasurer  
13 who shall deposit said taxes into a special fund called the  
14 special tax allocation fund of the municipality for the purpose  
15 of paying redevelopment project costs and obligations incurred  
16 in the payment thereof. In any county with a population of  
17 3,000,000 or more that has adopted a procedure for collecting  
18 taxes that provides for one or more of the installments of the  
19 taxes to be billed and collected on an estimated basis, the  
20 municipal treasurer shall be paid for deposit in the special  
21 tax allocation fund of the municipality, from the taxes  
22 collected from estimated bills issued for property in the  
23 redevelopment project area, the difference between the amount  
24 actually collected from each taxable lot, block, tract, or  
25 parcel of real property within the redevelopment project area  
26 and an amount determined by multiplying the rate at which taxes

1 were last extended against the taxable lot, block, track, or  
2 parcel of real property in the manner provided in subsection  
3 (c) of Section 11-74.4-9 by the initial equalized assessed  
4 value of the property divided by the number of installments in  
5 which real estate taxes are billed and collected within the  
6 county; provided that the payments on or before December 31,  
7 1999 to a municipal treasurer shall be made only if each of the  
8 following conditions are met:

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

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

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

1 31, 1992.

2 (4) The municipality has not requested that the total  
3 initial equalized assessed value of real property be  
4 adjusted as provided in subsection (b) of Section  
5 11-74.4-9.

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

18 It is the intent of this Division that after the effective  
19 date of this amendatory Act of 1988 a municipality's own ad  
20 valorem tax arising from levies on taxable real property be  
21 included in the determination of incremental revenue in the  
22 manner provided in paragraph (c) of Section 11-74.4-9. If the  
23 municipality does not extend such a tax, it shall annually  
24 deposit in the municipality's Special Tax Increment Fund an  
25 amount equal to 10% of the total contributions to the fund from  
26 all other taxing districts in that year. The annual 10% deposit

1 required by this paragraph shall be limited to the actual  
2 amount of municipally produced incremental tax revenues  
3 available to the municipality from taxpayers located in the  
4 redevelopment project area in that year if: (a) the plan for  
5 the area restricts the use of the property primarily to  
6 industrial purposes, (b) the municipality establishing the  
7 redevelopment project area is a home-rule community with a 1990  
8 population of between 25,000 and 50,000, (c) the municipality  
9 is wholly located within a county with a 1990 population of  
10 over 750,000 and (d) the redevelopment project area was  
11 established by the municipality prior to June 1, 1990. This  
12 payment shall be in lieu of a contribution of ad valorem taxes  
13 on real property. If no such payment is made, any redevelopment  
14 project area of the municipality shall be dissolved.

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

1 provided in paragraph (c) of Section 11-74.4-9 shall be divided  
2 as follows:

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

16 (2) That portion, if any, of such taxes which is  
17 attributable to the increase in the current equalized  
18 assessed valuation of each taxable lot, block, tract, or  
19 parcel of real property in the redevelopment project area,  
20 over and above the initial equalized assessed value of each  
21 property existing at the time tax increment financing was  
22 adopted, minus the total current homestead exemptions  
23 pertaining to each piece of property provided by Article 15  
24 of the Property Tax Code in the redevelopment project area,  
25 shall be allocated to and when collected shall be paid to  
26 the municipal Treasurer, who shall deposit said taxes into



1 a special fund called the special tax allocation fund of  
2 the municipality for the purpose of paying redevelopment  
3 project costs and obligations incurred in the payment  
4 thereof.

5 The municipality may pledge in the ordinance the funds in  
6 and to be deposited in the special tax allocation fund for the  
7 payment of such costs and obligations. No part of the current  
8 equalized assessed valuation of each property in the  
9 redevelopment project area attributable to any increase above  
10 the total initial equalized assessed value, or the total  
11 initial equalized assessed value as adjusted, of such  
12 properties shall be used in calculating the general State  
13 ~~school~~ aid formula, provided for in Section 18-8 of the School  
14 Code, or the primary State aid formula, provided for in Section  
15 18-8.15 of the School Code, until such time as all  
16 redevelopment project costs have been paid as provided for in  
17 this Section.

18 Whenever a municipality issues bonds for the purpose of  
19 financing redevelopment project costs, such municipality may  
20 provide by ordinance for the appointment of a trustee, which  
21 may be any trust company within the State, and for the  
22 establishment of such funds or accounts to be maintained by  
23 such trustee as the municipality shall deem necessary to  
24 provide for the security and payment of the bonds. If such  
25 municipality provides for the appointment of a trustee, such  
26 trustee shall be considered the assignee of any payments

1 assigned by the municipality pursuant to such ordinance and  
2 this Section. Any amounts paid to such trustee as assignee  
3 shall be deposited in the funds or accounts established  
4 pursuant to such trust agreement, and shall be held by such  
5 trustee in trust for the benefit of the holders of the bonds,  
6 and such holders shall have a lien on and a security interest  
7 in such funds or accounts so long as the bonds remain  
8 outstanding and unpaid. Upon retirement of the bonds, the  
9 trustee shall pay over any excess amounts held to the  
10 municipality for deposit in the special tax allocation fund.

11 When such redevelopment projects costs, including without  
12 limitation all municipal obligations financing redevelopment  
13 project costs incurred under this Division, have been paid, all  
14 surplus funds then remaining in the special tax allocation fund  
15 shall be distributed by being paid by the municipal treasurer  
16 to the Department of Revenue, the municipality and the county  
17 collector; first to the Department of Revenue and the  
18 municipality in direct proportion to the tax incremental  
19 revenue received from the State and the municipality, but not  
20 to exceed the total incremental revenue received from the State  
21 or the municipality less any annual surplus distribution of  
22 incremental revenue previously made; with any remaining funds  
23 to be paid to the County Collector who shall immediately  
24 thereafter pay said funds to the taxing districts in the  
25 redevelopment project area in the same manner and proportion as  
26 the most recent distribution by the county collector to the

1 affected districts of real property taxes from real property in  
2 the redevelopment project area.

3       Upon the payment of all redevelopment project costs, the  
4 retirement of obligations, the distribution of any excess  
5 monies pursuant to this Section, and final closing of the books  
6 and records of the redevelopment project area, the municipality  
7 shall adopt an ordinance dissolving the special tax allocation  
8 fund for the redevelopment project area and terminating the  
9 designation of the redevelopment project area as a  
10 redevelopment project area. Title to real or personal property  
11 and public improvements acquired by or for the municipality as  
12 a result of the redevelopment project and plan shall vest in  
13 the municipality when acquired and shall continue to be held by  
14 the municipality after the redevelopment project area has been  
15 terminated. Municipalities shall notify affected taxing  
16 districts prior to November 1 if the redevelopment project area  
17 is to be terminated by December 31 of that same year. If a  
18 municipality extends estimated dates of completion of a  
19 redevelopment project and retirement of obligations to finance  
20 a redevelopment project, as allowed by this amendatory Act of  
21 1993, that extension shall not extend the property tax  
22 increment allocation financing authorized by this Section.  
23 Thereafter the rates of the taxing districts shall be extended  
24 and taxes levied, collected and distributed in the manner  
25 applicable in the absence of the adoption of tax increment  
26 allocation financing.

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

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

8           (65 ILCS 5/11-74.6-35)

9           Sec. 11-74.6-35. Ordinance for tax increment allocation  
10 financing.

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

22           (1) That portion of the taxes levied upon each taxable  
23 lot, block, tract or parcel of real property that is  
24 attributable to the lower of the current equalized assessed  
25 value or the initial equalized assessed value or the

1 updated initial equalized assessed value of each taxable  
2 lot, block, tract or parcel of real property in the  
3 redevelopment project area shall be allocated to and when  
4 collected shall be paid by the county collector to the  
5 respective affected taxing districts in the manner  
6 required by law without regard to the adoption of tax  
7 increment allocation financing.

8 (2) That portion, if any, of those taxes that is  
9 attributable to the increase in the current equalized  
10 assessed value of each taxable lot, block, tract or parcel  
11 of real property in the redevelopment project area, over  
12 and above the initial equalized assessed value or the  
13 updated initial equalized assessed value of each property  
14 in the project area, shall be allocated to and when  
15 collected shall be paid by the county collector to the  
16 municipal treasurer who shall deposit that portion of those  
17 taxes into a special fund called the special tax allocation  
18 fund of the municipality for the purpose of paying  
19 redevelopment project costs and obligations incurred in  
20 the payment of those costs and obligations. In any county  
21 with a population of 3,000,000 or more that has adopted a  
22 procedure for collecting taxes that provides for one or  
23 more of the installments of the taxes to be billed and  
24 collected on an estimated basis, the municipal treasurer  
25 shall be paid for deposit in the special tax allocation  
26 fund of the municipality, from the taxes collected from

1 estimated bills issued for property in the redevelopment  
2 project area, the difference between the amount actually  
3 collected from each taxable lot, block, tract, or parcel of  
4 real property within the redevelopment project area and an  
5 amount determined by multiplying the rate at which taxes  
6 were last extended against the taxable lot, block, track,  
7 or parcel of real property in the manner provided in  
8 subsection (b) of Section 11-74.6-40 by the initial  
9 equalized assessed value or the updated initial equalized  
10 assessed value of the property divided by the number of  
11 installments in which real estate taxes are billed and  
12 collected within the county, provided that the payments on  
13 or before December 31, 1999 to a municipal treasurer shall  
14 be made only if each of the following conditions are met:

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

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

23 (C) The municipal clerk has certified to the county  
24 clerk that the municipality has issued its obligations  
25 to which there has been pledged the incremental  
26 property taxes of the redevelopment project area or

1 taxes levied and collected on any or all property in  
2 the municipality or the full faith and credit of the  
3 municipality to pay or secure payment for all or a  
4 portion of the redevelopment project costs. The  
5 certification shall be filed annually no later than  
6 September 1 for the estimated taxes to be distributed  
7 in the following year.

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

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

24 (c) If a municipality has adopted tax increment allocation  
25 financing for a redevelopment project area by ordinance and the  
26 county clerk thereafter certifies the total initial equalized

1 assessed value or the total updated initial equalized assessed  
2 value of the taxable real property within such redevelopment  
3 project area in the manner provided in paragraph (a) or (b) of  
4 Section 11-74.6-40, each year after the date of the  
5 certification of the total initial equalized assessed value or  
6 the total updated initial equalized assessed value until  
7 redevelopment project costs and all municipal obligations  
8 financing redevelopment project costs have been paid, the ad  
9 valorem taxes, if any, arising from the levies upon the taxable  
10 real property in the redevelopment project area by taxing  
11 districts and tax rates determined in the manner provided in  
12 paragraph (b) of Section 11-74.6-40 shall be divided as  
13 follows:

14 (1) That portion of the taxes levied upon each taxable  
15 lot, block, tract or parcel of real property that is  
16 attributable to the lower of the current equalized assessed  
17 value or the initial equalized assessed value, or the  
18 updated initial equalized assessed value of each parcel if  
19 the updated initial equalized assessed value of that parcel  
20 has been certified in accordance with Section 11-74.6-40,  
21 whichever has been most recently certified, of each taxable  
22 lot, block, tract, or parcel of real property existing at  
23 the time tax increment allocation financing was adopted in  
24 the redevelopment project area, shall be allocated to and  
25 when collected shall be paid by the county collector to the  
26 respective affected taxing districts in the manner



1 required by law without regard to the adoption of tax  
2 increment allocation financing.

3 (2) That portion, if any, of those taxes that is  
4 attributable to the increase in the current equalized  
5 assessed value of each taxable lot, block, tract, or parcel  
6 of real property in the redevelopment project area, over  
7 and above the initial equalized assessed value of each  
8 property existing at the time tax increment allocation  
9 financing was adopted in the redevelopment project area, or  
10 the updated initial equalized assessed value of each parcel  
11 if the updated initial equalized assessed value of that  
12 parcel has been certified in accordance with Section  
13 11-74.6-40, shall be allocated to and when collected shall  
14 be paid to the municipal treasurer, who shall deposit those  
15 taxes into a special fund called the special tax allocation  
16 fund of the municipality for the purpose of paying  
17 redevelopment project costs and obligations incurred in  
18 the payment thereof.

19 (d) The municipality may pledge in the ordinance the funds  
20 in and to be deposited in the special tax allocation fund for  
21 the payment of redevelopment project costs and obligations. No  
22 part of the current equalized assessed value of each property  
23 in the redevelopment project area attributable to any increase  
24 above the total initial equalized assessed value or the total  
25 initial updated equalized assessed value of the property, shall  
26 be used in calculating the general ~~General~~ State aid formula

1 ~~School Aid Formula~~, provided for in Section 18-8 of the School  
2 Code, or the primary State aid formula, provided for in Section  
3 18-8.15 of the School Code, until all redevelopment project  
4 costs have been paid as provided for in this Section.

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

24 When the redevelopment projects costs, including without  
25 limitation all municipal obligations financing redevelopment  
26 project costs incurred under this Law, have been paid, all

1 surplus funds then remaining in the special tax allocation fund  
2 shall be distributed by being paid by the municipal treasurer  
3 to the municipality and the county collector; first to the  
4 municipality in direct proportion to the tax incremental  
5 revenue received from the municipality, but not to exceed the  
6 total incremental revenue received from the municipality,  
7 minus any annual surplus distribution of incremental revenue  
8 previously made. Any remaining funds shall be paid to the  
9 county collector who shall immediately distribute that payment  
10 to the taxing districts in the redevelopment project area in  
11 the same manner and proportion as the most recent distribution  
12 by the county collector to the affected districts of real  
13 property taxes from real property situated in the redevelopment  
14 project area.

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

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

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

7           Section 940. The Economic Development Project Area Tax  
8 Increment Allocation Act of 1995 is amended by changing Section  
9 50 as follows:

10           (65 ILCS 110/50)

11           Sec. 50. Special tax allocation fund.

12           (a) If a county clerk has certified the "total initial  
13 equalized assessed value" of the taxable real property within  
14 an economic development project area in the manner provided in  
15 Section 45, each year after the date of the certification by  
16 the county clerk of the "total initial equalized assessed  
17 value", until economic development project costs and all  
18 municipal obligations financing economic development project  
19 costs have been paid, the ad valorem taxes, if any, arising  
20 from the levies upon the taxable real property in the economic  
21 development project area by taxing districts and tax rates  
22 determined in the manner provided in subsection (b) of Section  
23 45 shall be divided as follows:

24           (1) That portion of the taxes levied upon each taxable

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

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

22 (b) The municipality, by an ordinance adopting tax  
23 increment allocation financing, may pledge the monies in and to  
24 be deposited into the special tax allocation fund for the  
25 payment of obligations issued under this Act and for the  
26 payment of economic development project costs. No part of the

1 current equalized assessed valuation of each property in the  
2 economic development project area attributable to any increase  
3 above the total initial equalized assessed value of those  
4 properties shall be used in calculating the general State  
5 ~~school~~ aid formula under Section 18-8 of the School Code or the  
6 primary State aid formula under Section 18-8.15 of the School  
7 Code, until all economic development projects costs have been  
8 paid as provided for in this Section.

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

21 (d) Upon the payment of all economic development project  
22 costs, retirement of obligations, and distribution of any  
23 excess monies under this Section and not later than 23 years  
24 from the date of the adoption of the ordinance establishing the  
25 economic development project area, the municipality shall  
26 adopt an ordinance dissolving the special tax allocation fund

1 for the economic development project area and terminating the  
2 designation of the economic development project area as an  
3 economic development project area. Thereafter, the rates of the  
4 taxing districts shall be extended and taxes shall be levied,  
5 collected, and distributed in the manner applicable in the  
6 absence of the adoption of tax increment allocation financing.

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

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

14 Section 945. The School Code is amended by changing  
15 Sections 1A-8, 1B-5, 1B-6, 1B-7, 1B-8, 1C-1, 1C-2, 1D-1, 1E-20,  
16 1F-20, 1F-62, 1H-20, 1H-70, 2-3.28, 2-3.33, 2-3.51.5, 2-3.66,  
17 2-3.66b, 2-3.84, 2-3.109a, 3-14.21, 7-14A, 10-19, 10-22.5a,  
18 10-22.20, 10-29, 11E-135, 13A-8, 13B-20.20, 13B-45, 13B-50,  
19 13B-50.10, 13B-50.15, 14-7.02, 14-7.02b, 14-7.03, 14-13.01,  
20 14C-12, 17-1, 17-1.2, 17-1.5, 17-2.11, 17-2A, 18-4.3, 18-8.05,  
21 18-8.10, 18-9, 18-12, 26-16, 27-8.1, 27A-9, 27A-11, 29-5,  
22 34-2.3, 34-8.4, 34-18, 34-18.30, and 34-43.1 and by adding  
23 Sections 14-7.02c and 18-8.15 as follows:

24 (105 ILCS 5/1A-8) (from Ch. 122, par. 1A-8)

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

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



1 consultant to assist the district review its financial  
2 condition and options.

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

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

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

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

26 (4) The district refuses to provide financial

1 information or cooperate with the State Superintendent in  
2 an investigation of the district's financial condition.

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

6 No school district shall be certified by the State Board of  
7 Education to be in financial difficulty solely by reason of any  
8 of the above circumstances arising as a result of (i) the  
9 failure of the county to make any distribution of property tax  
10 money due the district at the time such distribution is due or  
11 (ii) the failure of this State to make timely payments of  
12 general State aid, primary State aid, or any of the mandated  
13 categoricals; or if the district clearly demonstrates to the  
14 satisfaction of the State Board of Education at the time of its  
15 determination that such condition no longer exists. If the  
16 State Board of Education certifies that a district in a city  
17 with 500,000 inhabitants or more is in financial difficulty,  
18 the State Board shall so notify the Governor and the Mayor of  
19 the city in which the district is located. The State Board of  
20 Education may require school districts certified in financial  
21 difficulty, except those districts subject to Article 34A, to  
22 develop, adopt and submit a financial plan within 45 days after  
23 certification of financial difficulty. The financial plan  
24 shall be developed according to guidelines presented to the  
25 district by the State Board of Education within 14 days of  
26 certification. Such guidelines shall address the specific

1 nature of each district's financial difficulties. Any proposed  
2 budget of the district shall be consistent with the financial  
3 plan submitted to and approved by the State Board of Education.

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

25 No bonds, notes, teachers orders, tax anticipation  
26 warrants or other evidences of indebtedness shall be issued or

1 sold by a school district or be legally binding upon or  
2 enforceable against a local board of education of a district  
3 certified to be in financial difficulty unless and until the  
4 financial plan required under this Section has been approved by  
5 the State Board of Education.

6 Any financial profile compiled and distributed by the State  
7 Board of Education in Fiscal Year 2009 or any fiscal year  
8 thereafter shall incorporate such adjustments as may be needed  
9 in the profile scores to reflect the financial effects of the  
10 inability or refusal of the State of Illinois to make timely  
11 disbursements of any general State aid, primary State aid, or  
12 mandated categorical aid payments due school districts or to  
13 fully reimburse school districts for mandated categorical  
14 programs pursuant to reimbursement formulas provided in this  
15 School Code.

16 (Source: P.A. 96-668, eff. 8-25-09; 96-1423, eff. 8-3-10;  
17 97-429, eff. 8-16-11.)

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

19 Sec. 1B-5. When a petition for emergency financial  
20 assistance for a school district is allowed by the State Board  
21 under Section 1B-4, the State Superintendent shall within 10  
22 days thereafter appoint 3 members to serve at the State  
23 Superintendent's pleasure on a Financial Oversight Panel for  
24 the district. The State Superintendent shall designate one of  
25 the members of the Panel to serve as its Chairman. In the event

1 of vacancy or resignation the State Superintendent shall  
2 appoint a successor within 10 days of receiving notice thereof.

3 Members of the Panel shall be selected primarily on the  
4 basis of their experience and education in financial  
5 management, with consideration given to persons knowledgeable  
6 in education finance. A member of the Panel may not be a board  
7 member or employee of the district for which the Panel is  
8 constituted, nor may a member have a direct financial interest  
9 in that district.

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

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

25 Two members of the Panel shall constitute a quorum, and the  
26 affirmative vote of 2 members shall be necessary for any

1 decision or action to be taken by the Panel.

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

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

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

24 (105 ILCS 5/1B-6) (from Ch. 122, par. 1B-6)

25 Sec. 1B-6. General powers. The purpose of the Financial

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

12 (a) to sue and be sued;

13 (b) to provide for its organization and internal  
14 management;

15 (c) to appoint a Financial Administrator to serve as the  
16 chief executive officer of the Panel. The Financial  
17 Administrator may be an individual, partnership, corporation,  
18 including an accounting firm, or other entity determined by the  
19 Panel to be qualified to serve; and to appoint other officers,  
20 agents, and employees of the Panel, define their duties and  
21 qualifications and fix their compensation and employee  
22 benefits;

23 (d) to approve the local board of education appointments to  
24 the positions of treasurer in a Class I county school unit and  
25 in each school district which forms a part of a Class II county  
26 school unit but which no longer is subject to the jurisdiction

1 and authority of a township treasurer or trustees of schools of  
2 a township because the district has withdrawn from the  
3 jurisdiction and authority of the township treasurer and the  
4 trustees of schools of the township or because those offices  
5 have been abolished as provided in subsection (b) or (c) of  
6 Section 5-1, and chief school business official, if such  
7 official is not the superintendent of the district. Either the  
8 board or the Panel may remove such treasurer or chief school  
9 business official;

10 (e) to approve any and all bonds, notes, teachers orders,  
11 tax anticipation warrants, and other evidences of indebtedness  
12 prior to issuance or sale by the school district; and  
13 notwithstanding any other provision of The School Code, as now  
14 or hereafter amended, no bonds, notes, teachers orders, tax  
15 anticipation warrants or other evidences of indebtedness shall  
16 be issued or sold by the school district or be legally binding  
17 upon or enforceable against the local board of education unless  
18 and until the approval of the Panel has been received;

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

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

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

26 (i) to approve all contracts and other obligations as the



1 Panel deems necessary and appropriate;

2 (j) to authorize emergency State financial assistance,  
3 including requirements regarding the terms and conditions of  
4 repayment of such assistance, and to require the board of  
5 education to levy a separate local property tax, subject to the  
6 limitations of Section 1B-8, sufficient to repay such  
7 assistance consistent with the terms and conditions of  
8 repayment and the district's approved financial plan and  
9 budget;

10 (k) to request the regional superintendent to make  
11 appointments to fill all vacancies on the local school board as  
12 provided in Section 10-10;

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

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

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

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

26 (p) to engage the services of consultants for rendering

1 professional and technical assistance and advice on matters  
2 within the Panel's power;

3 (q) to contract for and to accept any gifts, grants or  
4 loans of funds or property or financial or other aid in any  
5 form from the federal government, State government, unit of  
6 local government, school district or any agency or  
7 instrumentality thereof, or from any other private or public  
8 source, and to comply with the terms and conditions thereof;

9 (r) to pay the expenses of its operations based on the  
10 Panel's budget as approved by the State Superintendent from  
11 emergency financial assistance funds available to the district  
12 or from deductions from the district's general State aid or  
13 primary State aid;

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

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

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

20 (105 ILCS 5/1B-7) (from Ch. 122, par. 1B-7)

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

1 following:

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

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

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

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

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

26 (f) subject to the direction of the Panel, to do all other

1 things necessary or convenient to carry out its purposes and  
2 exercise the powers given to the Panel under this Article.

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

4 (105 ILCS 5/1B-8) (from Ch. 122, par. 1B-8)

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

24 From the amount allocated to each such school district  
25 under this Article the State Board shall identify a sum

1 sufficient to cover all approved costs of the Financial  
2 Oversight Panel established for the respective school  
3 district. If the State Board and State Superintendent of  
4 Education have not approved emergency financial assistance in  
5 conjunction with the appointment of a Financial Oversight  
6 Panel, the Panel's approved costs shall be paid from deductions  
7 from the district's general State aid or primary State aid.

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

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

26 The payment of an emergency State financial assistance

1 grant or loan shall be subject to appropriation by the General  
2 Assembly. Payment of the emergency State financial assistance  
3 loan is subject to the applicable provisions of the Illinois  
4 Finance Authority Act. Emergency State financial assistance  
5 allocated and paid to a school district under this Article may  
6 be applied to any fund or funds from which the local board of  
7 education of that district is authorized to make expenditures  
8 by law.

9 Any emergency financial assistance grant proposed by the  
10 Financial Oversight Panel and approved by the State  
11 Superintendent may be paid in its entirety during the initial  
12 year of the Panel's existence or spread in equal or declining  
13 amounts over a period of years not to exceed the period of the  
14 Panel's existence. An emergency financial assistance loan  
15 proposed by the Financial Oversight Panel and approved by the  
16 Illinois Finance Authority may be paid in its entirety during  
17 the initial year of the Panel's existence or spread in equal or  
18 declining amounts over a period of years not to exceed the  
19 period of the Panel's existence. All loans made by the Illinois  
20 Finance Authority for a school district shall be required to be  
21 repaid, with simple interest over the term of the loan at a  
22 rate equal to 50% of the one-year Constant Maturity Treasury  
23 (CMT) yield as last published by the Board of Governors of the  
24 Federal Reserve System before the date on which the district's  
25 loan is approved by the Illinois Finance Authority, not later  
26 than the date the Financial Oversight Panel ceases to exist.

1 The Panel shall establish and the Illinois Finance Authority  
2 shall approve the terms and conditions, including the schedule,  
3 of repayments. The schedule shall provide for repayments  
4 commencing July 1 of each year or upon each fiscal year's  
5 receipt of moneys from a tax levy for emergency financial  
6 assistance. Repayment shall be incorporated into the annual  
7 budget of the school district and may be made from any fund or  
8 funds of the district in which there are moneys available. An  
9 emergency financial assistance loan to the Panel or district  
10 shall not be considered part of the calculation of a district's  
11 debt for purposes of the limitation specified in Section 19-1  
12 of this Code. Default on repayment is subject to the Illinois  
13 Grant Funds Recovery Act. When moneys are repaid as provided  
14 herein they shall not be made available to the local board for  
15 further use as emergency financial assistance under this  
16 Article at any time thereafter. All repayments required to be  
17 made by a school district shall be received by the State Board  
18 and deposited in the School District Emergency Financial  
19 Assistance Fund.

20 In establishing the terms and conditions for the repayment  
21 obligation of the school district the Panel shall annually  
22 determine whether a separate local property tax levy is  
23 required. The board of any school district with a tax rate for  
24 educational purposes for the prior year of less than 120% of  
25 the maximum rate for educational purposes authorized by Section  
26 17-2 shall provide for a separate tax levy for emergency

1 financial assistance repayment purposes. Such tax levy shall  
2 not be subject to referendum approval. The amount of the levy  
3 shall be equal to the amount necessary to meet the annual  
4 repayment obligations of the district as established by the  
5 Panel, or 20% of the amount levied for educational purposes for  
6 the prior year, whichever is less. However, no district shall  
7 be required to levy the tax if the district's operating tax  
8 rate as determined under Section 18-8, ~~or~~ 18-8.05, or 18-8.15  
9 exceeds 200% of the district's tax rate for educational  
10 purposes for the prior year.

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

12 (105 ILCS 5/1C-1)

13 Sec. 1C-1. Purpose. The purpose of this Article is to  
14 permit greater flexibility and efficiency in the distribution  
15 and use of certain State funds available to local education  
16 agencies for the improvement of the quality of educational  
17 services pursuant to locally established priorities.

18 Through fiscal year 2014, this ~~This~~ Article does not apply  
19 to school districts having a population in excess of 500,000  
20 inhabitants.

21 (Source: P.A. 88-555, eff. 7-27-94; 89-15, eff. 5-30-95;  
22 89-397, eff. 8-20-95; 89-626, eff. 8-9-96.)

23 (105 ILCS 5/1C-2)

24 Sec. 1C-2. Block grants.



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

9 (b) (Blank).

10 (c) An Early Childhood Education Block Grant shall be  
11 created by combining the following programs: Preschool  
12 Education, Parental Training and Prevention Initiative. These  
13 funds shall be distributed to school districts and other  
14 entities on a competitive basis, except that the State Board of  
15 Education shall award to a school district having a population  
16 exceeding 500,000 inhabitants 37% of the funds in each fiscal  
17 year. Not less than 11% of this grant shall be used to fund  
18 programs for children ages 0-3, which percentage shall increase  
19 to at least 20% by Fiscal Year 2015. However, if, in a given  
20 fiscal year, the amount appropriated for the Early Childhood  
21 Education Block Grant is insufficient to increase the  
22 percentage of the grant to fund programs for children ages 0-3  
23 without reducing the amount of the grant for existing providers  
24 of preschool education programs, then the percentage of the  
25 grant to fund programs for children ages 0-3 may be held steady  
26 instead of increased.

1 (Source: P.A. 95-793, eff. 1-1-09; 96-423, eff. 8-13-09.)

2 (105 ILCS 5/1D-1)

3 Sec. 1D-1. Block grant funding.

4 (a) For fiscal year 1996 through fiscal year 2014 ~~and each~~  
5 ~~fiscal year thereafter~~, the State Board of Education shall  
6 award to a school district having a population exceeding  
7 500,000 inhabitants a general education block grant and an  
8 educational services block grant, determined as provided in  
9 this Section, in lieu of distributing to the district separate  
10 State funding for the programs described in subsections (b) and  
11 (c). The provisions of this Section, however, do not apply to  
12 any federal funds that the district is entitled to receive. In  
13 accordance with Section 2-3.32, all block grants are subject to  
14 an audit. Therefore, block grant receipts and block grant  
15 expenditures shall be recorded to the appropriate fund code for  
16 the designated block grant.

17 (b) The general education block grant shall include the  
18 following programs: REI Initiative, Summer Bridges, Preschool  
19 At Risk, K-6 Comprehensive Arts, School Improvement Support,  
20 Urban Education, Scientific Literacy, Substance Abuse  
21 Prevention, Second Language Planning, Staff Development,  
22 Outcomes and Assessment, K-6 Reading Improvement, 7-12  
23 Continued Reading Improvement, Truants' Optional Education,  
24 Hispanic Programs, Agriculture Education, Parental Education,  
25 Prevention Initiative, Report Cards, and Criminal Background

1 Investigations. Notwithstanding any other provision of law,  
2 all amounts paid under the general education block grant from  
3 State appropriations to a school district in a city having a  
4 population exceeding 500,000 inhabitants shall be appropriated  
5 and expended by the board of that district for any of the  
6 programs included in the block grant or any of the board's  
7 lawful purposes.

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

23 The funding program included in the educational services  
24 block grant for funding for children requiring special  
25 education services in each fiscal year shall be treated in that  
26 fiscal year as a payment to the school district in respect of

1 services provided or costs incurred in the prior fiscal year,  
2 calculated in each case as provided in this Section. Nothing in  
3 this Section shall change the nature of payments for any  
4 program that, apart from this Section, would be or, prior to  
5 adoption or amendment of this Section, was on the basis of a  
6 payment in a fiscal year in respect of services provided or  
7 costs incurred in the prior fiscal year, calculated in each  
8 case as provided in this Section.

9 (d) For fiscal year 1996 through fiscal year 2014 ~~and each~~  
10 ~~fiscal year thereafter~~, the amount of the district's block  
11 grants shall be determined as follows: (i) with respect to each  
12 program that is included within each block grant, the district  
13 shall receive an amount equal to the same percentage of the  
14 current fiscal year appropriation made for that program as the  
15 percentage of the appropriation received by the district from  
16 the 1995 fiscal year appropriation made for that program, and  
17 (ii) the total amount that is due the district under the block  
18 grant shall be the aggregate of the amounts that the district  
19 is entitled to receive for the fiscal year with respect to each  
20 program that is included within the block grant that the State  
21 Board of Education shall award the district under this Section  
22 for that fiscal year. In the case of the Summer Bridges  
23 program, the amount of the district's block grant shall be  
24 equal to 44% of the amount of the current fiscal year  
25 appropriation made for that program.

26 (e) The district is not required to file any application or

1 other claim in order to receive the block grants to which it is  
2 entitled under this Section. The State Board of Education shall  
3 make payments to the district of amounts due under the  
4 district's block grants on a schedule determined by the State  
5 Board of Education.

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

17 (g) Through fiscal year 2014, this ~~This~~ paragraph provides  
18 for the treatment of block grants under Article 1C for purposes  
19 of calculating the amount of block grants for a district under  
20 this Section. Those block grants under Article 1C are, for this  
21 purpose, treated as included in the amount of appropriation for  
22 the various programs set forth in paragraph (b) above. The  
23 appropriation in each current fiscal year for each block grant  
24 under Article 1C shall be treated for these purposes as  
25 appropriations for the individual program included in that  
26 block grant. The proportion of each block grant so allocated to

1 each such program included in it shall be the proportion which  
2 the appropriation for that program was of all appropriations  
3 for such purposes now in that block grant, in fiscal 1995.

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

10 (h) Notwithstanding any other provision of law, any school  
11 district receiving a block grant under this Section may  
12 classify all or a portion of the funds that it receives in a  
13 particular fiscal year from any block grant authorized under  
14 this Code or from general State aid pursuant to Section 18-8.05  
15 of this Code (other than supplemental general State aid) as  
16 funds received in connection with any funding program for which  
17 it is entitled to receive funds from the State in that fiscal  
18 year (including, without limitation, any funding program  
19 referred to in subsection (c) of this Section), regardless of  
20 the source or timing of the receipt. The district may not  
21 classify more funds as funds received in connection with the  
22 funding program than the district is entitled to receive in  
23 that fiscal year for that program. Any classification by a  
24 district must be made by a resolution of its board of  
25 education. The resolution must identify the amount of any block  
26 grant or general State aid to be classified under this

1 subsection (h) and must specify the funding program to which  
2 the funds are to be treated as received in connection  
3 therewith. This resolution is controlling as to the  
4 classification of funds referenced therein. A certified copy of  
5 the resolution must be sent to the State Superintendent of  
6 Education. The resolution shall still take effect even though a  
7 copy of the resolution has not been sent to the State  
8 Superintendent of Education in a timely manner. No  
9 classification under this subsection (h) by a district shall  
10 affect the total amount or timing of money the district is  
11 entitled to receive under this Code. No classification under  
12 this subsection (h) by a district shall in any way relieve the  
13 district from or affect any requirements that otherwise would  
14 apply with respect to the block grant as provided in this  
15 Section, including any accounting of funds by source, reporting  
16 expenditures by original source and purpose, reporting  
17 requirements, or requirements of provision of services.

18 (Source: P.A. 97-238, eff. 8-2-11; 97-324, eff. 8-12-11;  
19 97-813, eff. 7-13-12.)

20 (105 ILCS 5/1E-20)

21 (This Section scheduled to be repealed in accordance with  
22 105 ILCS 5/1E-165)

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

24 (a) When a petition for a School Finance Authority is  
25 allowed by the State Board under Section 1E-15 of this Code,

1 the State Superintendent shall within 10 days thereafter  
2 appoint 5 members to serve on a School Finance Authority for  
3 the district. Of the initial members, 2 shall be appointed to  
4 serve a term of 2 years and 3 shall be appointed to serve a term  
5 of 3 years. Thereafter, each member shall serve for a term of 3  
6 years and until his or her successor has been appointed. The  
7 State Superintendent shall designate one of the members of the  
8 Authority to serve as its Chairperson. In the event of vacancy  
9 or resignation, the State Superintendent shall, within 10 days  
10 after receiving notice, appoint a successor to serve out that  
11 member's term. The State Superintendent may remove a member for  
12 incompetence, malfeasance, neglect of duty, or other just  
13 cause.

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

22 Authority members shall serve without compensation, but  
23 may be reimbursed by the State Board for travel and other  
24 necessary expenses incurred in the performance of their  
25 official duties. Unless paid from bonds issued under Section  
26 1E-65 of this Code, the amount reimbursed members for their



1 expenses shall be charged to the school district as part of any  
2 emergency financial assistance and incorporated as a part of  
3 the terms and conditions for repayment of the assistance or  
4 shall be deducted from the district's general State aid or  
5 primary State aid as provided in Section 1B-8 of this Code.

6 The Authority may elect such officers as it deems  
7 appropriate.

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

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

17 (Source: P.A. 92-547, eff. 6-13-02.)

18 (105 ILCS 5/1F-20)

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

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

22 (a) Upon establishment of a School Finance Authority under  
23 Section 1F-15 of this Code, the State Superintendent shall  
24 within 15 days thereafter appoint 5 members to serve on a  
25 School Finance Authority for the district. Of the initial

1 members, 2 shall be appointed to serve a term of 2 years and 3  
2 shall be appointed to serve a term of 3 years. Thereafter, each  
3 member shall serve for a term of 3 years and until his or her  
4 successor has been appointed. The State Superintendent shall  
5 designate one of the members of the Authority to serve as its  
6 Chairperson. In the event of vacancy or resignation, the State  
7 Superintendent shall, within 10 days after receiving notice,  
8 appoint a successor to serve out that member's term. The State  
9 Superintendent may remove a member for incompetence,  
10 malfeasance, neglect of duty, or other just cause.

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

19 Authority members shall be paid a stipend approved by the  
20 State Superintendent of not more than \$100 per meeting and may  
21 be reimbursed by the State Board for travel and other necessary  
22 expenses incurred in the performance of their official duties.  
23 Unless paid from bonds issued under Section 1F-65 of this Code,  
24 the amount reimbursed members for their expenses shall be  
25 charged to the school district as part of any emergency  
26 financial assistance and incorporated as a part of the terms

1 and conditions for repayment of the assistance or shall be  
2 deducted from the district's general State aid or primary State  
3 aid as provided in Section 1B-8 of this Code.

4 The Authority may elect such officers as it deems  
5 appropriate.

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

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

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

16 (105 ILCS 5/1F-62)

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

19 Sec. 1F-62. School District Emergency Financial Assistance  
20 Fund; grants and loans.

21 (a) Moneys in the School District Emergency Financial  
22 Assistance Fund established under Section 1B-8 of this Code may  
23 be allocated and expended by the State Board as grants to  
24 provide technical and consulting services to school districts  
25 to assess their financial condition and by the Illinois Finance

1 Authority for emergency financial assistance loans to a School  
2 Finance Authority that petitions for emergency financial  
3 assistance. An emergency financial assistance loan to a School  
4 Finance Authority or borrowing from sources other than the  
5 State shall not be considered as part of the calculation of a  
6 district's debt for purposes of the limitation specified in  
7 Section 19-1 of this Code. From the amount allocated to each  
8 School Finance Authority, the State Board shall identify a sum  
9 sufficient to cover all approved costs of the School Finance  
10 Authority. If the State Board and State Superintendent have not  
11 approved emergency financial assistance in conjunction with  
12 the appointment of a School Finance Authority, the Authority's  
13 approved costs shall be paid from deductions from the  
14 district's general State aid or primary State aid.

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

22 (b) The amount of an emergency financial assistance loan  
23 that may be allocated to a School Finance Authority under this  
24 Article, including moneys necessary for the operations of the  
25 School Finance Authority, and borrowing from sources other than  
26 the State shall not exceed, in the aggregate, \$4,000 times the

1 number of pupils enrolled in the district during the school  
2 year ending June 30 prior to the date of approval by the State  
3 Board of the petition for emergency financial assistance, as  
4 certified to the school board and the School Finance Authority  
5 by the State Superintendent. However, this limitation does not  
6 apply to borrowing by the district secured by amounts levied by  
7 the district prior to establishment of the School Finance  
8 Authority. An emergency financial assistance grant shall not  
9 exceed \$1,000 times the number of such pupils. A district may  
10 receive both a loan and a grant.

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

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

26 All loan payments made from the School District Emergency

1 Financial Assistance Fund to a School Finance Authority shall  
2 be required to be repaid not later than the date the School  
3 Finance Authority ceases to exist, with simple interest over  
4 the term of the loan at a rate equal to 50% of the one-year  
5 Constant Maturity Treasury (CMT) yield as last published by the  
6 Board of Governors of the Federal Reserve System before the  
7 date on which the School Finance Authority's loan is approved  
8 by the State Board.

9 The School Finance Authority shall establish and the  
10 Illinois Finance Authority shall approve the terms and  
11 conditions of the loan, including the schedule of repayments.  
12 The schedule shall provide for repayments commencing July 1 of  
13 each year or upon each fiscal year's receipt of moneys from a  
14 tax levy for emergency financial assistance. Repayment shall be  
15 incorporated into the annual budget of the district and may be  
16 made from any fund or funds of the district in which there are  
17 moneys available. Default on repayment is subject to the  
18 Illinois Grant Funds Recovery Act. When moneys are repaid as  
19 provided in this Section, they shall not be made available to  
20 the School Finance Authority for further use as emergency  
21 financial assistance under this Article at any time thereafter.  
22 All repayments required to be made by a School Finance  
23 Authority shall be received by the State Board and deposited in  
24 the School District Emergency Financial Assistance Fund.

25 In establishing the terms and conditions for the repayment  
26 obligation of the School Finance Authority, the School Finance

1 Authority shall annually determine whether a separate local  
2 property tax levy is required to meet that obligation. The  
3 School Finance Authority shall provide for a separate tax levy  
4 for emergency financial assistance repayment purposes. This  
5 tax levy shall not be subject to referendum approval. The  
6 amount of the levy shall not exceed the amount necessary to  
7 meet the annual emergency financial repayment obligations of  
8 the district, including principal and interest, as established  
9 by the School Finance Authority.

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

11 (105 ILCS 5/1H-20)

12 Sec. 1H-20. Members of Panel; meetings.

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

23 (b) Members of the Panel shall be selected primarily on the  
24 basis of their experience and education in financial  
25 management, with consideration given to persons knowledgeable

1 in education finance. Two members of the Panel shall be  
2 residents of the school district that the Panel serves. A  
3 member of the Panel may not be a member of the district's  
4 school board or an employee of the district nor may a member  
5 have a direct financial interest in the district.

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

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

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

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

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



1 (105 ILCS 5/1H-70)

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

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

13 (2) issue tax anticipation notes under the provisions  
14 of the Tax Anticipation Note Act against taxes levied by  
15 either the school board or the Panel pursuant to Section  
16 1H-25 of this Code;

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

19 (4) issue general State aid or primary State aid  
20 anticipation certificates under the provisions of Section  
21 18-18 of this Code; and

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

24 Tax anticipation warrants, tax anticipation notes, revenue  
25 anticipation certificates or notes, general State aid or

1 primary State aid anticipation certificates, and lines of  
2 credit are considered borrowing from sources other than the  
3 State and are subject to Section 1H-65 of this Code.

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

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

6 Sec. 2-3.28. Rules and regulations of budget and accounting  
7 systems. To prescribe rules and regulations defining what shall  
8 constitute a budget and accounting system required under this  
9 Act. The rules and regulations shall prescribe the minimum  
10 extent of verification, the type of audit, the extent of the  
11 audit report and shall require compliance with statutory  
12 requirements and standards and such requirements as the State  
13 Board of Education deems necessary for an adequate budget and  
14 accounting system. For the 2015-2016 school year and  
15 thereafter, the rules and regulations shall prescribe a system  
16 for accounting for revenues and expenditures at the individual  
17 school level that includes without limitation the following:

18 (1) accounting for expenditures for school  
19 administration, regular instruction, special education  
20 instruction, instructional support services, and pupil  
21 support services;

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

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

1           services; and

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

5           (Source: P.A. 81-1508.)

6           (105 ILCS 5/2-3.33) (from Ch. 122, par. 2-3.33)

7           Sec. 2-3.33. Recomputation of claims. To recompute within  
8           3 years from the final date for filing of a claim any claim for  
9           reimbursement to any school district if the claim has been  
10          found to be incorrect and to adjust subsequent claims  
11          accordingly, and to recompute and adjust any such claims within  
12          6 years from the final date for filing when there has been an  
13          adverse court or administrative agency decision on the merits  
14          affecting the tax revenues of the school district. However, no  
15          such adjustment shall be made regarding equalized assessed  
16          valuation unless the district's equalized assessed valuation  
17          is changed by greater than \$250,000 or 2%. Any adjustments for  
18          claims recomputed for the 2013-2014 school year and prior  
19          school years shall be applied to the apportionment of primary  
20          State financial aid in Section 18-8.15 of this Code beginning  
21          in the 2014-2015 school year and thereafter.

22          Except in the case of an adverse court or administrative  
23          agency decision, no recomputation of a State aid claim shall be  
24          made pursuant to this Section as a result of a reduction in the  
25          assessed valuation of a school district from the assessed

1 valuation of the district reported to the State Board of  
2 Education by the Department of Revenue under Section 18-8.05 or  
3 18-8.15 of this Code unless the requirements of Section 16-15  
4 of the Property Tax Code and Section 2-3.84 of this Code are  
5 complied with in all respects.

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

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

1 resubmitted as a valid claim in the following fiscal year.

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

3 (105 ILCS 5/2-3.51.5)

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

10 (1) For school districts, the program shall provide funding  
11 for school safety, textbooks and software, electronic  
12 textbooks and the technological equipment necessary to gain  
13 access to and use electronic textbooks, teacher training and  
14 curriculum development, school improvements, remediation  
15 programs under subsection (a) of Section 2-3.64, school report  
16 cards under Section 10-17a, and criminal history records checks  
17 under Sections 10-21.9 and 34-18.5. For State-recognized,  
18 non-public schools, the program shall provide funding for  
19 secular textbooks and software, criminal history records  
20 checks, and health and safety mandates to the extent that the  
21 funds are expended for purely secular purposes. A school  
22 district or laboratory school as defined in Section 18-8, ~~or~~  
23 18-8.05, or 18-8.15 is not required to file an application in  
24 order to receive the categorical funding to which it is  
25 entitled under this Section. Funds for the School Safety and

1 Educational Improvement Block Grant Program shall be  
2 distributed to school districts and laboratory schools based on  
3 the prior year's best 3 months average daily attendance. Funds  
4 for the School Safety and Educational Improvement Block Grant  
5 Program shall be distributed to State-recognized, non-public  
6 schools based on the average daily attendance figure for the  
7 previous school year provided to the State Board of Education.  
8 The State Board of Education shall develop an application that  
9 requires State-recognized, non-public schools to submit  
10 average daily attendance figures. A State-recognized,  
11 non-public school must submit the application and average daily  
12 attendance figure prior to receiving funds under this Section.  
13 The State Board of Education shall promulgate rules and  
14 regulations necessary for the implementation of this program.

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

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

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

1 (Source: P.A. 95-707, eff. 1-11-08; 96-1403, eff. 7-29-10.)

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

3 Sec. 2-3.66. Truants' alternative and optional education  
4 programs. To establish projects to offer modified  
5 instructional programs or other services designed to prevent  
6 students from dropping out of school, including programs  
7 pursuant to Section 2-3.41, and to serve as a part time or full  
8 time option in lieu of regular school attendance and to award  
9 grants to local school districts, educational service regions  
10 or community college districts from appropriated funds to  
11 assist districts in establishing such projects. The education  
12 agency may operate its own program or enter into a contract  
13 with another not-for-profit entity to implement the program.  
14 The projects shall allow dropouts, up to and including age 21,  
15 potential dropouts, including truants, uninvolved, unmotivated  
16 and disaffected students, as defined by State Board of  
17 Education rules and regulations, to enroll, as an alternative  
18 to regular school attendance, in an optional education program  
19 which may be established by school board policy and is in  
20 conformance with rules adopted by the State Board of Education.  
21 Truants' Alternative and Optional Education programs funded  
22 pursuant to this Section shall be planned by a student, the  
23 student's parents or legal guardians, unless the student is 18  
24 years or older, and school officials and shall culminate in an  
25 individualized optional education plan. Such plan shall focus

1 on academic or vocational skills, or both, and may include, but  
2 not be limited to, evening school, summer school, community  
3 college courses, adult education, preparation courses for the  
4 high school level test of General Educational Development,  
5 vocational training, work experience, programs to enhance self  
6 concept and parenting courses. School districts which are  
7 awarded grants pursuant to this Section shall be authorized to  
8 provide day care services to children of students who are  
9 eligible and desire to enroll in programs established and  
10 funded under this Section, but only if and to the extent that  
11 such day care is necessary to enable those eligible students to  
12 attend and participate in the programs and courses which are  
13 conducted pursuant to this Section. School districts and  
14 regional offices of education may claim general State aid under  
15 Section 18-8.05 or primary State aid under Section 18-8.15 for  
16 students enrolled in truants' alternative and optional  
17 education programs, provided that such students are receiving  
18 services that are supplemental to a program leading to a high  
19 school diploma and are otherwise eligible to be claimed for  
20 general State aid under Section 18-8.05 or primary State aid  
21 under Section 18-8.15, as applicable.

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

23 (105 ILCS 5/2-3.66b)

24 Sec. 2-3.66b. IHOPE Program.

25 (a) There is established the Illinois Hope and Opportunity



1 Pathways through Education (IHOPE) Program. The State Board of  
2 Education shall implement and administer the IHOPE Program. The  
3 goal of the IHOPE Program is to develop a comprehensive system  
4 in this State to re-enroll significant numbers of high school  
5 dropouts in programs that will enable them to earn their high  
6 school diploma.

7 (b) The IHOPE Program shall award grants, subject to  
8 appropriation for this purpose, to educational service regions  
9 and a school district organized under Article 34 of this Code  
10 from appropriated funds to assist in establishing  
11 instructional programs and other services designed to  
12 re-enroll high school dropouts. From any funds appropriated for  
13 the IHOPE Program, the State Board of Education may use up to  
14 5% for administrative costs, including the performance of a  
15 program evaluation and the hiring of staff to implement and  
16 administer the program.

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

23 Programs funded through the IHOPE Program shall allow high  
24 school dropouts, up to and including age 21 notwithstanding  
25 Section 26-2 of this Code, to re-enroll in an educational  
26 program in conformance with rules adopted by the State Board of

1 Education. Programs may include without limitation  
2 comprehensive year-round programming, evening school, summer  
3 school, community college courses, adult education, vocational  
4 training, work experience, programs to enhance self-concept,  
5 and parenting courses. Any student in the IHOPE Program who  
6 wishes to earn a high school diploma must meet the  
7 prerequisites to receiving a high school diploma specified in  
8 Section 27-22 of this Code and any other graduation  
9 requirements of the student's district of residence. Any  
10 student who successfully completes the requirements for his or  
11 her graduation shall receive a diploma identifying the student  
12 as graduating from his or her district of residence.

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

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

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

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

24 A regional office of education or a school district  
25 organized under Article 34 of this Code may claim State aid  
26 under Section 18-8.05 or 18-8.15 of this Code for students

1 enrolled in a program funded by the IHOPE Program, provided  
2 that the State Board of Education has approved the IHOPE Plan  
3 and that these students are receiving services that are meeting  
4 the requirements of Section 27-22 of this Code for receipt of a  
5 high school diploma and are otherwise eligible to be claimed  
6 for general State aid under Section 18-8.05 of this Code or  
7 primary State aid under Section 18-8.15 of this Code, including  
8 provisions related to the minimum number of days of pupil  
9 attendance pursuant to Section 10-19 of this Code and the  
10 minimum number of daily hours of school work and any exceptions  
11 thereto as defined by the State Board of Education in rules.

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

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

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

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

26 (4) Dual enrollment in which students attend high

1 school classes in combination with community college  
2 classes or students attend community college classes while  
3 simultaneously earning high school credit and eventually a  
4 high school diploma.

5 (g) In order to have successful comprehensive programs  
6 re-enrolling and graduating low-skilled high school dropouts,  
7 programs funded through the IHOPE Program shall include all of  
8 the following components:

9 (1) Small programs (70 to 100 students) at a separate  
10 school site with a distinct identity. Programs may be  
11 larger with specific need and justification, keeping in  
12 mind that it is crucial to keep programs small to be  
13 effective.

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

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

20 (4) Voluntary enrollment.

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

25 (6) Comprehensive programs providing extensive support  
26 services.

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

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

7           (9) Learning opportunities that incorporate action  
8           into study.

9           (h) Programs funded through the IHOPE Program must report  
10          data to the State Board of Education as requested. This  
11          information shall include, but is not limited to, student  
12          enrollment figures, attendance information, course completion  
13          data, graduation information, and post-graduation information,  
14          as available.

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

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

22                 (105 ILCS 5/2-3.84) (from Ch. 122, par. 2-3.84)

23                 Sec. 2-3.84. In calculating the amount of State aid to be  
24                 apportioned to the various school districts in this State, the  
25                 State Board of Education shall incorporate and deduct the total

1 aggregate adjustments to assessments made by the State Property  
2 Tax Appeal Board or Cook County Board of Appeals, as reported  
3 pursuant to Section 16-15 of the Property Tax Code or Section  
4 129.1 of the Revenue Act of 1939 by the Department of Revenue,  
5 from the equalized assessed valuation that is otherwise to be  
6 utilized in the initial calculation.

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

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

19 (105 ILCS 5/2-3.109a)

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

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

2 (105 ILCS 5/3-14.21) (from Ch. 122, par. 3-14.21)

3 Sec. 3-14.21. Inspection of schools.

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

14 (b) If the regional superintendent determines that a school  
15 board has failed in a timely manner to correct urgent items  
16 identified in a previous life-safety report completed under  
17 Section 2-3.12 or as otherwise previously ordered by the  
18 regional superintendent, the regional superintendent shall  
19 order the school board to adopt and submit to the regional  
20 superintendent a plan for the immediate correction of the  
21 building violations. This plan shall be adopted following a  
22 public hearing that is conducted by the school board on the  
23 violations and the plan and that is preceded by at least 7  
24 days' prior notice of the hearing published in a newspaper of  
25 general circulation within the school district. If the regional



1 superintendent determines in the next annual inspection that  
2 the plan has not been completed and that the violations have  
3 not been corrected, the regional superintendent shall submit a  
4 report to the State Board of Education with a recommendation  
5 that the State Board withhold from payments of general State  
6 aid or primary State aid due to the district an amount  
7 necessary to correct the outstanding violations. The State  
8 Board, upon notice to the school board and to the regional  
9 superintendent, shall consider the report at a meeting of the  
10 State Board, and may order that a sufficient amount of general  
11 State aid or primary State aid be withheld from payments due to  
12 the district to correct the violations. This amount shall be  
13 paid to the regional superintendent who shall contract on  
14 behalf of the school board for the correction of the  
15 outstanding violations.

16 (c) The Office of the State Fire Marshal or a qualified  
17 fire official, as defined in Section 2-3.12 of this Code, to  
18 whom the State Fire Marshal has delegated his or her authority  
19 shall conduct an annual fire safety inspection of each school  
20 building in this State. The State Fire Marshal or the fire  
21 official shall coordinate its inspections with the regional  
22 superintendent. The inspection shall be based on the fire  
23 safety code authorized in Section 2-3.12 of this Code. Any  
24 violations shall be reported in writing to the regional  
25 superintendent and shall reference the specific code sections  
26 where a discrepancy has been identified within 15 days after

1 the inspection has been conducted. The regional superintendent  
2 shall address those violations that are not corrected in a  
3 timely manner pursuant to subsection (b) of this Section. The  
4 inspection must be at no cost to the school district.

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

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

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

15 Sec. 7-14A. Annexation Compensation. There shall be no  
16 accounting made after a mere change in boundaries when no new  
17 district is created, except that those districts whose  
18 enrollment increases by 90% or more as a result of annexing  
19 territory detached from another district pursuant to this  
20 Article are eligible for supplementary State aid payments in  
21 accordance with Section 11E-135 of this Code. Eligible annexing  
22 districts shall apply to the State Board of Education for  
23 supplementary State aid payments by submitting enrollment  
24 figures for the year immediately preceding and the year  
25 immediately following the effective date of the boundary change

1 for both the district gaining territory and the district losing  
2 territory. Copies of any intergovernmental agreements between  
3 the district gaining territory and the district losing  
4 territory detailing any transfer of fund balances and staff  
5 must also be submitted. In all instances of changes in  
6 boundaries, the district losing territory shall not count the  
7 average daily attendance of pupils living in the territory  
8 during the year preceding the effective date of the boundary  
9 change in its claim for reimbursement under Section 18-8 or  
10 18-8.15 for the school year following the effective date of the  
11 change in boundaries and the district receiving the territory  
12 shall count the average daily attendance of pupils living in  
13 the territory during the year preceding the effective date of  
14 the boundary change in its claim for reimbursement under  
15 Section 18-8 or 18-8.15 for the school year following the  
16 effective date of the change in boundaries. The changes to this  
17 Section made by this amendatory Act of the 95th General  
18 Assembly are intended to be retroactive and applicable to any  
19 annexation taking effect on or after July 1, 2004.

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

21 (105 ILCS 5/10-19) (from Ch. 122, par. 10-19)

22 Sec. 10-19. Length of school term - experimental programs.  
23 Each school board shall annually prepare a calendar for the  
24 school term, specifying the opening and closing dates and  
25 providing a minimum term of at least 185 days to insure 176

1 days of actual pupil attendance, computable under Section  
2 18-8.05 or 18-8.15, except that for the 1980-1981 school year  
3 only 175 days of actual pupil attendance shall be required  
4 because of the closing of schools pursuant to Section 24-2 on  
5 January 29, 1981 upon the appointment by the President of that  
6 day as a day of thanksgiving for the freedom of the Americans  
7 who had been held hostage in Iran. Any days allowed by law for  
8 teachers' institutes ~~institute~~ but not used as such or used as  
9 parental institutes as provided in Section 10-22.18d shall  
10 increase the minimum term by the school days not so used.  
11 Except as provided in Section 10-19.1, the board may not extend  
12 the school term beyond such closing date unless that extension  
13 of term is necessary to provide the minimum number of  
14 computable days. In case of such necessary extension school  
15 employees shall be paid for such additional time on the basis  
16 of their regular contracts. A school board may specify a  
17 closing date earlier than that set on the annual calendar when  
18 the schools of the district have provided the minimum number of  
19 computable days under this Section. Nothing in this Section  
20 prevents the board from employing superintendents of schools,  
21 principals and other nonteaching personnel for a period of 12  
22 months, or in the case of superintendents for a period in  
23 accordance with Section 10-23.8, or prevents the board from  
24 employing other personnel before or after the regular school  
25 term with payment of salary proportionate to that received for  
26 comparable work during the school term.

1           A school board may make such changes in its calendar for  
2 the school term as may be required by any changes in the legal  
3 school holidays prescribed in Section 24-2. A school board may  
4 make changes in its calendar for the school term as may be  
5 necessary to reflect the utilization of teachers' institute  
6 days as parental institute days as provided in Section  
7 10-22.18d.

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

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

22           (Source: P.A. 93-1036, eff. 9-14-04; revised 11-12-13.)

23           (105 ILCS 5/10-22.5a) (from Ch. 122, par. 10-22.5a)

24           Sec. 10-22.5a. Attendance by dependents of United States  
25 military personnel, foreign exchange students, and certain

1 nonresident pupils.

2 (a) To enter into written agreements with cultural exchange  
3 organizations, or with nationally recognized eleemosynary  
4 institutions that promote excellence in the arts, mathematics,  
5 or science. The written agreements may provide for tuition free  
6 attendance at the local district school by foreign exchange  
7 students, or by nonresident pupils of eleemosynary  
8 institutions. The local board of education, as part of the  
9 agreement, may require that the cultural exchange program or  
10 the eleemosynary institutions provide services to the district  
11 in exchange for the waiver of nonresident tuition.

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

21 (a-5) If, at the time of enrollment, a dependent of United  
22 States military personnel is housed in temporary housing  
23 located outside of a school district, but will be living within  
24 the district within 60 days after the time of initial  
25 enrollment, the dependent must be allowed to enroll, subject to  
26 the requirements of this subsection (a-5), and must not be

1 charged tuition. Any United States military personnel  
2 attempting to enroll a dependent under this subsection (a-5)  
3 shall provide proof that the dependent will be living within  
4 the district within 60 days after the time of initial  
5 enrollment. Proof of residency may include, but is not limited  
6 to, postmarked mail addressed to the military personnel and  
7 sent to an address located within the district, a lease  
8 agreement for occupancy of a residence located within the  
9 district, or proof of ownership of a residence located within  
10 the district.

11 (b) Nonresident pupils and foreign exchange students  
12 attending school on a tuition free basis under such agreements  
13 and nonresident dependents of United States military personnel  
14 attending school on a tuition free basis may be counted for the  
15 purposes of determining the apportionment of State aid provided  
16 under Section 18-8.05 or 18-8.15 of this Code, provided that  
17 any cultural exchange organization or eleemosynary  
18 institutions wishing to participate in an agreement authorized  
19 under this Section must be approved in writing by the State  
20 Board of Education. The State Board of Education may establish  
21 reasonable rules to determine the eligibility of cultural  
22 exchange organizations or eleemosynary institutions wishing to  
23 participate in agreements authorized under this Section. No  
24 organization or institution participating in agreements  
25 authorized under this Section may exclude any individual for  
26 participation in its program on account of the person's race,

1 color, sex, religion or nationality.

2 (Source: P.A. 93-740, eff. 7-15-04.)

3 (105 ILCS 5/10-22.20) (from Ch. 122, par. 10-22.20)

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

7 (a) To establish special classes for the instruction (1) of  
8 persons of age 21 years or over, and (2) of persons less than  
9 age 21 and not otherwise in attendance in public school, for  
10 the purpose of providing adults in the community, and youths  
11 whose schooling has been interrupted, with such additional  
12 basic education, vocational skill training, and other  
13 instruction as may be necessary to increase their  
14 qualifications for employment or other means of self-support  
15 and their ability to meet their responsibilities as citizens  
16 including courses of instruction regularly accepted for  
17 graduation from elementary or high schools and for  
18 Americanization and General Educational Development Review  
19 classes.

20 The board shall pay the necessary expenses of such classes  
21 out of school funds of the district, including costs of student  
22 transportation and such facilities or provision for child-care  
23 as may be necessary in the judgment of the board to permit  
24 maximum utilization of the courses by students with children,  
25 and other special needs of the students directly related to



1 such instruction. The expenses thus incurred shall be subject  
2 to State reimbursement, as provided in this Section. The board  
3 may make a tuition charge for persons taking instruction who  
4 are not subject to State reimbursement, such tuition charge not  
5 to exceed the per capita cost of such classes.

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

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

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

4           (2) the method for calculating hours of instruction, as  
5 defined by the Illinois Community College Board, claimable  
6 for reimbursement and a method to phase in the calculation  
7 and for adjusting the calculations in cases where the  
8 services of a program are interrupted due to circumstances  
9 beyond the control of the program provider;

10          (3) a plan for the reallocation of funds to increase  
11 the amount allocated for grants based upon program  
12 performance as set forth in subsection (d) below; and

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

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

23          (c) Upon the annual approval of the Illinois Community  
24 College Board, reimbursement shall be first provided for  
25 transportation, child care services, and other special needs of  
26 the students directly related to instruction and then from the

1 funds remaining an amount equal to the product of the total  
2 credit hours or units of instruction approved by the Illinois  
3 Community College Board, multiplied by the following:

4 (1) For adult basic education, the maximum  
5 reimbursement per credit hour or per unit of instruction  
6 shall be equal to (i) through fiscal year 2014, the general  
7 state aid per pupil foundation level established in  
8 subsection (B) of Section 18-8.05, divided by 60, or (ii)  
9 in fiscal year 2015 and thereafter, the foundation level  
10 established pursuant to subsection (b) of Section 18-8.15  
11 of this Code, divided by 60;

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

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

22 (4) (Blank); and

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

25 (d) Upon its annual approval, the Illinois Community  
26 College Board shall provide grants to eligible programs for

1 supplemental activities to improve or expand services under the  
2 Adult Education Act. Eligible programs shall be determined  
3 based upon performance outcomes of students in the programs as  
4 set by the Illinois Community College Board.

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

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

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

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

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

25 For classes authorized under this Section, a credit hour or  
26 unit of instruction is equal to 15 hours of direct instruction

1 for students enrolled in approved adult education programs at  
2 midterm and making satisfactory progress, in accordance with  
3 standards established by the Illinois Community College Board.

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

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

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

26 (h) If a school district or community college district

1 establishes child-care facilities for the children of  
2 participants in classes established under this Section, it may  
3 extend the use of these facilities to students who have  
4 obtained employment and to other persons in the community whose  
5 children require care and supervision while the parent or other  
6 person in charge of the children is employed or otherwise  
7 absent from the home during all or part of the day. It may make  
8 the facilities available before and after as well as during  
9 regular school hours to school age and preschool age children  
10 who may benefit thereby, including children who require care  
11 and supervision pending the return of their parent or other  
12 person in charge of their care from employment or other  
13 activity requiring absence from the home.

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

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

24 After July 1, 1970 when the provisions of Section 10-20.20  
25 become operative in the district, children in a child-care  
26 facility shall be transferred to the kindergarten established

1 under that Section for such portion of the day as may be  
2 required for the kindergarten program, and only the prorated  
3 costs of care and training provided in the Center for the  
4 remaining period shall be charged to the Illinois Department of  
5 Human Services or other persons or agencies paying for such  
6 care.

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

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

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

17 (105 ILCS 5/10-29)

18 Sec. 10-29. Remote educational programs.

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

23 (1) A student may participate in the program only after  
24 the school district, pursuant to adopted school board  
25 policy, and a person authorized to enroll the student under

1 Section 10-20.12b of this Code determine that a remote  
2 educational program will best serve the student's  
3 individual learning needs. The adopted school board policy  
4 shall include, but not be limited to, all of the following:

5 (A) Criteria for determining that a remote  
6 educational program will best serve a student's  
7 individual learning needs. The criteria must include  
8 consideration of, at a minimum, a student's prior  
9 attendance, disciplinary record, and academic history.

10 (B) Any limitations on the number of students or  
11 grade levels that may participate in a remote  
12 educational program.

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

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



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

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

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

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

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

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

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

23 (C) they have responsibility for all of the  
24 following elements of the program: planning  
25 instruction, diagnosing learning needs, prescribing  
26 content delivery through class activities, assessing

1 learning, reporting outcomes to administrators and  
2 parents and guardians, and evaluating the effects of  
3 instruction.

4 (4) During the period of time from and including the  
5 opening date to the closing date of the regular school term  
6 of the school district established pursuant to Section  
7 10-19 of this Code, participation in a remote educational  
8 program may be claimed for general State aid purposes under  
9 Section 18-8.05 of this Code or primary State aid purposes  
10 under Section 18-8.15 of this Code on any calendar day,  
11 notwithstanding whether the day is a day of pupil  
12 attendance or institute day on the school district's  
13 calendar or any other provision of law restricting  
14 instruction on that day. If the district holds year-round  
15 classes in some buildings, the district shall classify each  
16 student's participation in a remote educational program as  
17 either on a year-round or a non-year-round schedule for  
18 purposes of claiming general State aid or primary State  
19 aid. Outside of the regular school term of the district,  
20 the remote educational program may be offered as part of  
21 any summer school program authorized by this Code.

22 (5) Each student participating in a remote educational  
23 program must have a written remote educational plan that  
24 has been approved by the school district and a person  
25 authorized to enroll the student under Section 10-20.12b of  
26 this Code. The school district and a person authorized to

1 enroll the student under Section 10-20.12b of this Code  
2 must approve any amendment to a remote educational plan.  
3 The remote educational plan must include, but is not  
4 limited to, all of the following:

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

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

12 (C) A description of the progress reports that will  
13 be provided to the school district and the person or  
14 persons authorized to enroll the student under Section  
15 10-20.12b of this Code.

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

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

25 (F) If applicable, a description of how the remote  
26 educational program will be delivered in a manner

1 consistent with the student's individualized education  
2 program required by Section 614(d) of the federal  
3 Individuals with Disabilities Education Improvement  
4 Act of 2004 or plan to ensure compliance with Section  
5 504 of the federal Rehabilitation Act of 1973.

6 (G) A description of the procedures and  
7 opportunities for participation in academic and  
8 extra-curricular activities and programs within the  
9 school district.

10 (H) The identification of a parent, guardian, or  
11 other responsible adult who will provide direct  
12 supervision of the program. The plan must include an  
13 acknowledgment by the parent, guardian, or other  
14 responsible adult that he or she may engage only in  
15 non-teaching duties not requiring instructional  
16 judgment or the evaluation of a student. The plan shall  
17 designate the parent, guardian, or other responsible  
18 adult as non-teaching personnel or volunteer personnel  
19 under subsection (a) of Section 10-22.34 of this Code.

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

25 (J) The term of the student's participation in the  
26 remote educational program, which may not extend for

1 longer than 12 months, unless the term is renewed by  
2 the district in accordance with subdivision (7) of this  
3 subsection (a).

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

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

17 (6) Students participating in a remote educational  
18 program must be enrolled in a school district attendance  
19 center pursuant to the school district's enrollment policy  
20 or policies. A student participating in a remote  
21 educational program must be tested as part of all  
22 assessments administered by the school district pursuant  
23 to Section 2-3.64 of this Code at the attendance center in  
24 which the student is enrolled and in accordance with the  
25 attendance center's assessment policies and schedule. The  
26 student must be included within all adequate yearly

1 progress and other accountability determinations for the  
2 school district and attendance center under State and  
3 federal law.

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

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

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

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

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

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

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

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

22 (Source: P.A. 96-684, eff. 8-25-09; 97-339, eff. 8-12-11.)

23 (105 ILCS 5/11E-135)

24 Sec. 11E-135. Incentives. For districts reorganizing under  
25 this Article and for a district or districts that annex all of

1 the territory of one or more entire other school districts in  
2 accordance with Article 7 of this Code, the following payments  
3 shall be made from appropriations made for these purposes:

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

17 (2) For a school district that annexes all of the territory  
18 of one or more entire other school districts as defined in  
19 Article 7 of this Code, for the first year during which the  
20 change of boundaries attributable to the annexation becomes  
21 effective for all purposes, as determined under Section 7-9 of  
22 this Code, the general State aid and supplemental general State  
23 aid calculated under Section 18-8.05 of this Code or the  
24 primary State aid and supplemental grants calculated under  
25 Section 18-8.15 of this Code, as applicable, shall be computed  
26 for the annexing district as constituted after the annexation



1 and for the annexing and each annexed district as constituted  
2 prior to the annexation; and if the computation on the basis of  
3 the annexing and annexed districts as constituted prior to the  
4 annexation is greater, then a supplementary payment equal to  
5 the difference shall be made for the first 4 years of existence  
6 of the annexing school district as constituted upon the  
7 annexation.

8 (3) For 2 or more school districts that annex all of the  
9 territory of one or more entire other school districts, as  
10 defined in Article 7 of this Code, for the first year during  
11 which the change of boundaries attributable to the annexation  
12 becomes effective for all purposes, as determined under Section  
13 7-9 of this Code, the general State aid and supplemental  
14 general State aid calculated under Section 18-8.05 of this Code  
15 or the primary State aid and supplemental grants calculated  
16 under Section 18-8.15 of this Code, as applicable, shall be  
17 computed for each annexing district as constituted after the  
18 annexation and for each annexing and annexed district as  
19 constituted prior to the annexation; and if the aggregate of  
20 the general State aid and supplemental general State aid or  
21 primary State aid and supplemental grants, as applicable, as so  
22 computed for the annexing districts as constituted after the  
23 annexation is less than the aggregate of the general State aid  
24 and supplemental general State aid or primary State aid and  
25 supplemental grants, as applicable, as so computed for the  
26 annexing and annexed districts, as constituted prior to the

1 annexation, then a supplementary payment equal to the  
2 difference shall be made and allocated between or among the  
3 annexing districts, as constituted upon the annexation, for the  
4 first 4 years of their existence. The total difference payment  
5 shall be allocated between or among the annexing districts in  
6 the same ratio as the pupil enrollment from that portion of the  
7 annexed district or districts that is annexed to each annexing  
8 district bears to the total pupil enrollment from the entire  
9 annexed district or districts, as such pupil enrollment is  
10 determined for the school year last ending prior to the date  
11 when the change of boundaries attributable to the annexation  
12 becomes effective for all purposes. The amount of the total  
13 difference payment and the amount thereof to be allocated to  
14 the annexing districts shall be computed by the State Board of  
15 Education on the basis of pupil enrollment and other data that  
16 shall be certified to the State Board of Education, on forms  
17 that it shall provide for that purpose, by the regional  
18 superintendent of schools for each educational service region  
19 in which the annexing and annexed districts are located.

20 (4) For a school district conversion, as defined in Section  
21 11E-15 of this Code, or a multi-unit conversion, as defined in  
22 subsection (b) of Section 11E-30 of this Code, if in their  
23 first year of existence the newly created elementary districts  
24 and the newly created high school district, from a school  
25 district conversion, or the newly created elementary district  
26 or districts and newly created combined high school - unit

1 district, from a multi-unit conversion, qualify for less  
2 general State aid under Section 18-8.05 of this Code or primary  
3 State aid under Section 18-8.15 of this Code than would have  
4 been payable under Section 18-8.05 or 18-8.15, as applicable,  
5 for that same year to the previously existing districts, then a  
6 supplementary payment equal to that difference shall be made  
7 for the first 4 years of existence of the newly created  
8 districts. The aggregate amount of each supplementary payment  
9 shall be allocated among the newly created districts in the  
10 proportion that the deemed pupil enrollment in each district  
11 during its first year of existence bears to the actual  
12 aggregate pupil enrollment in all of the districts during their  
13 first year of existence. For purposes of each allocation:

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

18 (B) the deemed pupil enrollment of each newly created  
19 elementary district from a school district conversion  
20 shall be an amount equal to its actual pupil enrollment for  
21 its first year of existence reduced by an amount equal to  
22 the product obtained when the amount by which the newly  
23 created high school district's deemed pupil enrollment  
24 exceeds its actual pupil enrollment for its first year of  
25 existence is multiplied by a fraction, the numerator of  
26 which is the actual pupil enrollment of the newly created

1 elementary district for its first year of existence and the  
2 denominator of which is the actual aggregate pupil  
3 enrollment of all of the newly created elementary districts  
4 for their first year of existence;

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

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

25 The aggregate amount of each supplementary payment under  
26 this subdivision (4) and the amount thereof to be allocated to

1 the newly created districts shall be computed by the State  
2 Board of Education on the basis of pupil enrollment and other  
3 data, which shall be certified to the State Board of Education,  
4 on forms that it shall provide for that purpose, by the  
5 regional superintendent of schools for each educational  
6 service region in which the newly created districts are  
7 located.

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

21 (6) For an elementary opt-in, as described in subsection  
22 (d) of Section 11E-30 of this Code, the general State aid or  
23 primary State aid difference shall be computed in accordance  
24 with paragraph (5) of this subsection (a) as if the elementary  
25 opt-in was included in an optional elementary unit district at  
26 the optional elementary unit district's original effective

1 date. If the calculation in this paragraph (6) is less than  
2 that calculated in paragraph (5) of this subsection (a) at the  
3 optional elementary unit district's original effective date,  
4 then no adjustments may be made. If the calculation in this  
5 paragraph (6) is more than that calculated in paragraph (5) of  
6 this subsection (a) at the optional elementary unit district's  
7 original effective date, then the excess must be paid as  
8 follows:

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

15 (B) If the effective date for the elementary opt-in is  
16 2 years after the effective date for the optional  
17 elementary unit district, 75% of the calculated excess  
18 shall be paid to the optional elementary unit district in  
19 each of the first 4 years after the effective date of the  
20 elementary opt-in.

21 (C) If the effective date for the elementary opt-in is  
22 3 years after the effective date for the optional  
23 elementary unit district, 50% of the calculated excess  
24 shall be paid to the optional elementary unit district in  
25 each of the first 4 years after the effective date of the  
26 elementary opt-in.

1 (D) If the effective date for the elementary opt-in is  
2 4 years after the effective date for the optional  
3 elementary unit district, 25% of the calculated excess  
4 shall be paid to the optional elementary unit district in  
5 each of the first 4 years after the effective date of the  
6 elementary opt-in.

7 (E) If the effective date for the elementary opt-in is  
8 5 years after the effective date for the optional  
9 elementary unit district, the optional elementary unit  
10 district is not eligible for any additional incentives due  
11 to the elementary opt-in.

12 (6.5) For a school district that annexes territory detached  
13 from another school district whereby the enrollment of the  
14 annexing district increases by 90% or more as a result of the  
15 annexation, for the first year during which the change of  
16 boundaries attributable to the annexation becomes effective  
17 for all purposes as determined under Section 7-9 of this Code,  
18 the general State aid and supplemental general State aid or  
19 primary State aid and supplemental grants, as applicable,  
20 calculated under this Section shall be computed for the  
21 district gaining territory and the district losing territory as  
22 constituted after the annexation and for the same districts as  
23 constituted prior to the annexation; and if the aggregate of  
24 the general State aid and supplemental general State aid or  
25 primary State aid and supplemental grants, as applicable, as so  
26 computed for the district gaining territory and the district

1 losing territory as constituted after the annexation is less  
2 than the aggregate of the general State aid and supplemental  
3 general State aid or primary State aid and supplemental grants,  
4 as applicable, as so computed for the district gaining  
5 territory and the district losing territory as constituted  
6 prior to the annexation, then a supplementary payment shall be  
7 made to the annexing district for the first 4 years of  
8 existence after the annexation, equal to the difference  
9 multiplied by the ratio of student enrollment in the territory  
10 detached to the total student enrollment in the district losing  
11 territory for the year prior to the effective date of the  
12 annexation. The amount of the total difference and the  
13 proportion paid to the annexing district shall be computed by  
14 the State Board of Education on the basis of pupil enrollment  
15 and other data that must be submitted to the State Board of  
16 Education in accordance with Section 7-14A of this Code. The  
17 changes to this Section made by Public Act 95-707 are intended  
18 to be retroactive and applicable to any annexation taking  
19 effect on or after July 1, 2004. For annexations that are  
20 eligible for payments under this paragraph (6.5) and that are  
21 effective on or after July 1, 2004, but before January 11, 2008  
22 (the effective date of Public Act 95-707), the first required  
23 yearly payment under this paragraph (6.5) shall be paid in the  
24 fiscal year of January 11, 2008 (the effective date of Public  
25 Act 95-707). Subsequent required yearly payments shall be paid  
26 in subsequent fiscal years until the payment obligation under



1 this paragraph (6.5) is complete.

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

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

8 (b) (1) After the formation of a combined school district,  
9 as defined in Section 11E-20 of this Code, or a unit district,  
10 as defined in Section 11E-25 of this Code, a computation shall  
11 be made to determine the difference between the salaries  
12 effective in each of the previously existing districts on June  
13 30, prior to the creation of the new district. For the first 4  
14 years after the formation of the new district, a supplementary  
15 State aid reimbursement shall be paid to the new district equal  
16 to the difference between the sum of the salaries earned by  
17 each of the certificated members of the new district, while  
18 employed in one of the previously existing districts during the  
19 year immediately preceding the formation of the new district,  
20 and the sum of the salaries those certificated members would  
21 have been paid during the year immediately prior to the  
22 formation of the new district if placed on the salary schedule  
23 of the previously existing district with the highest salary  
24 schedule.

25 (2) After the territory of one or more school districts is  
26 annexed by one or more other school districts as defined in

1 Article 7 of this Code, a computation shall be made to  
2 determine the difference between the salaries effective in each  
3 annexed district and in the annexing district or districts as  
4 they were each constituted on June 30 preceding the date when  
5 the change of boundaries attributable to the annexation became  
6 effective for all purposes, as determined under Section 7-9 of  
7 this Code. For the first 4 years after the annexation, a  
8 supplementary State aid reimbursement shall be paid to each  
9 annexing district as constituted after the annexation equal to  
10 the difference between the sum of the salaries earned by each  
11 of the certificated members of the annexing district as  
12 constituted after the annexation, while employed in an annexed  
13 or annexing district during the year immediately preceding the  
14 annexation, and the sum of the salaries those certificated  
15 members would have been paid during the immediately preceding  
16 year if placed on the salary schedule of whichever of the  
17 annexing or annexed districts had the highest salary schedule  
18 during the immediately preceding year.

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

1 existing district with the highest salary schedule.

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

15 (5) For an elementary district opt-in, as described in  
16 subsection (d) of Section 11E-30 of this Code, the salary  
17 difference incentive shall be computed in accordance with  
18 paragraph (4) of this subsection (b) as if the opted-in  
19 elementary district was included in the optional elementary  
20 unit district at the optional elementary unit district's  
21 original effective date. If the calculation in this paragraph  
22 (5) is less than that calculated in paragraph (4) of this  
23 subsection (b) at the optional elementary unit district's  
24 original effective date, then no adjustments may be made. If  
25 the calculation in this paragraph (5) is more than that  
26 calculated in paragraph (4) of this subsection (b) at the

1 optional elementary unit district's original effective date,  
2 then the excess must be paid as follows:

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

9 (B) If the effective date for the elementary opt-in is  
10 2 years after the effective date for the optional  
11 elementary unit district, 75% of the calculated excess  
12 shall be paid to the optional elementary unit district in  
13 each of the first 4 years after the effective date of the  
14 elementary opt-in.

15 (C) If the effective date for the elementary opt-in is  
16 3 years after the effective date for the optional  
17 elementary unit district, 50% of the calculated excess  
18 shall be paid to the optional elementary unit district in  
19 each of the first 4 years after the effective date of the  
20 elementary opt-in.

21 (D) If the effective date for the elementary opt-in is  
22 4 years after the effective date for the partial elementary  
23 unit district, 25% of the calculated excess shall be paid  
24 to the optional elementary unit district in each of the  
25 first 4 years after the effective date of the elementary  
26 opt-in.

1           (E) If the effective date for the elementary opt-in is  
2           5 years after the effective date for the optional  
3           elementary unit district, the optional elementary unit  
4           district is not eligible for any additional incentives due  
5           to the elementary opt-in.

6           (5.5) After the formation of a cooperative high school by 2  
7           or more school districts under Section 10-22.22c of this Code,  
8           a computation shall be made to determine the difference between  
9           the salaries effective in each of the previously existing high  
10          schools on June 30 prior to the formation of the cooperative  
11          high school. For the first 4 years after the formation of the  
12          cooperative high school, a supplementary State aid  
13          reimbursement shall be paid to the cooperative high school  
14          equal to the difference between the sum of the salaries earned  
15          by each of the certificated members of the cooperative high  
16          school while employed in one of the previously existing high  
17          schools during the year immediately preceding the formation of  
18          the cooperative high school and the sum of the salaries those  
19          certificated members would have been paid during the year  
20          immediately prior to the formation of the cooperative high  
21          school if placed on the salary schedule of the previously  
22          existing high school with the highest salary schedule.

23          (5.10) After the annexation of territory detached from  
24          another school district whereby the enrollment of the annexing  
25          district increases by 90% or more as a result of the  
26          annexation, a computation shall be made to determine the

1 difference between the salaries effective in the district  
2 gaining territory and the district losing territory as they  
3 each were constituted on June 30 preceding the date when the  
4 change of boundaries attributable to the annexation became  
5 effective for all purposes as determined under Section 7-9 of  
6 this Code. For the first 4 years after the annexation, a  
7 supplementary State aid reimbursement shall be paid to the  
8 annexing district equal to the difference between the sum of  
9 the salaries earned by each of the certificated members of the  
10 annexing district as constituted after the annexation while  
11 employed in the district gaining territory or the district  
12 losing territory during the year immediately preceding the  
13 annexation and the sum of the salaries those certificated  
14 members would have been paid during such immediately preceding  
15 year if placed on the salary schedule of whichever of the  
16 district gaining territory or district losing territory had the  
17 highest salary schedule during the immediately preceding year.  
18 To be eligible for supplementary State aid reimbursement under  
19 this Section, the intergovernmental agreement to be submitted  
20 pursuant to Section 7-14A of this Code must show that staff  
21 members were transferred from the control of the district  
22 losing territory to the control of the district gaining  
23 territory in the annexation. The changes to this Section made  
24 by Public Act 95-707 are intended to be retroactive and  
25 applicable to any annexation taking effect on or after July 1,  
26 2004. For annexations that are eligible for payments under this

1 paragraph (5.10) and that are effective on or after July 1,  
2 2004, but before January 11, 2008 (the effective date of Public  
3 Act 95-707), the first required yearly payment under this  
4 paragraph (5.10) shall be paid in the fiscal year of January  
5 11, 2008 (the effective date of Public Act 95-707). Subsequent  
6 required yearly payments shall be paid in subsequent fiscal  
7 years until the payment obligation under this paragraph (5.10)  
8 is complete.

9 (5.15) After the deactivation of a school facility in  
10 accordance with Section 10-22.22b of this Code, a computation  
11 shall be made to determine the difference between the salaries  
12 effective in the sending school district and each receiving  
13 school district on June 30 prior to the deactivation of the  
14 school facility. For the lesser of the first 4 years after the  
15 deactivation of the school facility or the length of the  
16 deactivation agreement, including any renewals of the original  
17 deactivation agreement, a supplementary State aid  
18 reimbursement shall be paid to each receiving district equal to  
19 the difference between the sum of the salaries earned by each  
20 of the certificated members transferred to that receiving  
21 district as a result of the deactivation while employed in the  
22 sending district during the year immediately preceding the  
23 deactivation and the sum of the salaries those certificated  
24 members would have been paid during the year immediately  
25 preceding the deactivation if placed on the salary schedule of  
26 the sending or receiving district with the highest salary

1 schedule.

2 (6) The supplementary State aid reimbursement under this  
3 subsection (b) shall be treated as separate from all other  
4 payments made pursuant to Section 18-8.05 of this Code. In the  
5 case of the formation of a new district or cooperative high  
6 school or a deactivation, reimbursement shall begin during the  
7 first year of operation of the new district or cooperative high  
8 school or the first year of the deactivation, and in the case  
9 of an annexation of the territory of one or more school  
10 districts by one or more other school districts or the  
11 annexation of territory detached from a school district whereby  
12 the enrollment of the annexing district increases by 90% or  
13 more as a result of the annexation, reimbursement shall begin  
14 during the first year when the change in boundaries  
15 attributable to the annexation becomes effective for all  
16 purposes as determined pursuant to Section 7-9 of this Code,  
17 except that for an annexation of territory detached from a  
18 school district that is effective on or after July 1, 2004, but  
19 before January 11, 2008 (the effective date of Public Act  
20 95-707), whereby the enrollment of the annexing district  
21 increases by 90% or more as a result of the annexation,  
22 reimbursement shall begin during the fiscal year of January 11,  
23 2008 (the effective date of Public Act 95-707). Each year that  
24 the new, annexing, or receiving district or cooperative high  
25 school, as the case may be, is entitled to receive  
26 reimbursement, the number of eligible certified members who are



1 employed on October 1 in the district or cooperative high  
2 school shall be certified to the State Board of Education on  
3 prescribed forms by October 15 and payment shall be made on or  
4 before November 15 of that year.

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

17 (2) For the first year after the annexation of all of the  
18 territory of one or more entire school districts by another  
19 school district, as defined in Article 7 of this Code,  
20 computations shall be made, for the year ending June 30 prior  
21 to the date that the change of boundaries attributable to the  
22 annexation is allowed by the affirmative decision issued by the  
23 regional board of school trustees under Section 7-6 of this  
24 Code, notwithstanding any effort to seek administrative review  
25 of the decision, totaling the annexing district's and totaling  
26 each annexed district's audited fund balances in their

1     respective educational, working cash, operations and  
2     maintenance, and transportation funds. The annexing district  
3     as constituted after the annexation shall be paid supplementary  
4     State aid equal to the sum of the differences between the  
5     deficit of whichever of the annexing or annexed districts as  
6     constituted prior to the annexation had the smallest deficit  
7     and the deficits of each of the other districts as constituted  
8     prior to the annexation.

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

1 aggregate amount of the supplementary State aid payable under  
2 this paragraph (3) shall be allocated between or among the  
3 annexing districts as follows:

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

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

23 (C) the aggregate supplementary State aid payment  
24 under this paragraph (3) shall be allocated between or  
25 among, and shall be paid to, the annexing districts in the  
26 same ratio as the sum of the combined audited fund balance

1 deficit of each annexing district as constituted prior to  
2 the annexation, plus all combined audited fund balance  
3 deficit amounts apportioned to that annexing district  
4 under clause (B) of this subsection, bears to the aggregate  
5 of the combined audited fund balance deficits of all of the  
6 annexing and annexed districts as constituted prior to the  
7 annexation.

8 (4) For the new elementary districts and new high school  
9 district formed through a school district conversion, as  
10 defined in Section 11E-15 of this Code or the new elementary  
11 district or districts and new combined high school - unit  
12 district formed through a multi-unit conversion, as defined in  
13 subsection (b) of Section 11E-30 of this Code, a computation  
14 shall be made totaling each previously existing district's  
15 audited fund balances in the educational fund, working cash  
16 fund, operations and maintenance fund, and transportation fund  
17 for the year ending June 30 prior to the referendum  
18 establishing the new districts. In the first year of the new  
19 districts, the State shall make a one-time supplementary  
20 payment equal to the sum of the differences between the deficit  
21 of the previously existing district with the smallest deficit  
22 and the deficits of each of the other previously existing  
23 districts. A district with a combined balance among the 4 funds  
24 that is positive shall be considered to have a deficit of zero.  
25 The supplementary payment shall be allocated among the newly  
26 formed high school and elementary districts in the manner

1 provided by the petition for the formation of the districts, in  
2 the form in which the petition is approved by the regional  
3 superintendent of schools or State Superintendent of Education  
4 under Section 11E-50 of this Code.

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

21 (6) For an elementary opt-in as defined in subsection (d)  
22 of Section 11E-30 of this Code, the deficit fund balance  
23 incentive shall be computed in accordance with paragraph (5) of  
24 this subsection (c) as if the opted-in elementary was included  
25 in the optional elementary unit district at the optional  
26 elementary unit district's original effective date. If the

1 calculation in this paragraph (6) is less than that calculated  
2 in paragraph (5) of this subsection (c) at the optional  
3 elementary unit district's original effective date, then no  
4 adjustments may be made. If the calculation in this paragraph  
5 (6) is more than that calculated in paragraph (5) of this  
6 subsection (c) at the optional elementary unit district's  
7 original effective date, then the excess must be paid as  
8 follows:

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

15 (B) If the effective date for the elementary opt-in is  
16 2 years after the effective date for the optional  
17 elementary unit district, 75% of the calculated excess  
18 shall be paid to the optional elementary unit district in  
19 the first year after the effective date of the elementary  
20 opt-in.

21 (C) If the effective date for the elementary opt-in is  
22 3 years after the effective date for the optional  
23 elementary unit district, 50% of the calculated excess  
24 shall be paid to the optional elementary unit district in  
25 the first year after the effective date of the elementary  
26 opt-in.

1 (D) If the effective date for the elementary opt-in is  
2 4 years after the effective date for the optional  
3 elementary unit district, 25% of the calculated excess  
4 shall be paid to the optional elementary unit district in  
5 the first year after the effective date of the elementary  
6 opt-in.

7 (E) If the effective date for the elementary opt-in is  
8 5 years after the effective date for the optional  
9 elementary unit district, the optional elementary unit  
10 district is not eligible for any additional incentives due  
11 to the elementary opt-in.

12 (6.5) For the first year after the annexation of territory  
13 detached from another school district whereby the enrollment of  
14 the annexing district increases by 90% or more as a result of  
15 the annexation, a computation shall be made totaling the  
16 audited fund balances of the district gaining territory and the  
17 audited fund balances of the district losing territory in the  
18 educational fund, working cash fund, operations and  
19 maintenance fund, and transportation fund for the year ending  
20 June 30 prior to the date that the change of boundaries  
21 attributable to the annexation is allowed by the affirmative  
22 decision of the regional board of school trustees under Section  
23 7-6 of this Code, notwithstanding any action for administrative  
24 review of the decision. The annexing district as constituted  
25 after the annexation shall be paid supplementary State aid  
26 equal to the difference between the deficit of whichever

1 district included in this calculation as constituted prior to  
2 the annexation had the smallest deficit and the deficit of each  
3 other district included in this calculation as constituted  
4 prior to the annexation, multiplied by the ratio of equalized  
5 assessed value of the territory detached to the total equalized  
6 assessed value of the district losing territory. The regional  
7 superintendent of schools for the educational service region in  
8 which a district losing territory is located prior to the  
9 annexation shall certify to the State Board of Education the  
10 value of all taxable property in the district losing territory  
11 and the value of all taxable property in the territory being  
12 detached, as last equalized or assessed by the Department of  
13 Revenue prior to the annexation. To be eligible for  
14 supplementary State aid reimbursement under this Section, the  
15 intergovernmental agreement to be submitted pursuant to  
16 Section 7-14A of this Code must show that fund balances were  
17 transferred from the district losing territory to the district  
18 gaining territory in the annexation. The changes to this  
19 Section made by Public Act 95-707 are intended to be  
20 retroactive and applicable to any annexation taking effect on  
21 or after July 1, 2004. For annexations that are eligible for  
22 payments under this paragraph (6.5) and that are effective on  
23 or after July 1, 2004, but before January 11, 2008 (the  
24 effective date of Public Act 95-707), the required payment  
25 under this paragraph (6.5) shall be paid in the fiscal year of  
26 January 11, 2008 (the effective date of Public Act 95-707).



1           (7) For purposes of any calculation required under  
2 paragraph (1), (2), (3), (4), (5), (6), or (6.5) of this  
3 subsection (c), a district with a combined fund balance that is  
4 positive shall be considered to have a deficit of zero. For  
5 purposes of determining each district's audited fund balances  
6 in its educational fund, working cash fund, operations and  
7 maintenance fund, and transportation fund for the specified  
8 year ending June 30, as provided in paragraphs (1), (2), (3),  
9 (4), (5), (6), and (6.5) of this subsection (c), the balance of  
10 each fund shall be deemed decreased by an amount equal to the  
11 amount of the annual property tax theretofore levied in the  
12 fund by the district for collection and payment to the district  
13 during the calendar year in which the June 30 fell, but only to  
14 the extent that the tax so levied in the fund actually was  
15 received by the district on or before or comprised a part of  
16 the fund on such June 30. For purposes of determining each  
17 district's audited fund balances, a calculation shall be made  
18 for each fund to determine the average for the 3 years prior to  
19 the specified year ending June 30, as provided in paragraphs  
20 (1), (2), (3), (4), (5), (6), and (6.5) of this subsection (c),  
21 of the district's expenditures in the categories "purchased  
22 services", "supplies and materials", and "capital outlay", as  
23 those categories are defined in rules of the State Board of  
24 Education. If this 3-year average is less than the district's  
25 expenditures in these categories for the specified year ending  
26 June 30, as provided in paragraphs (1), (2), (3), (4), (5),

1 (6), and (6.5) of this subsection (c), then the 3-year average  
2 shall be used in calculating the amounts payable under this  
3 Section in place of the amounts shown in these categories for  
4 the specified year ending June 30, as provided in paragraphs  
5 (1), (2), (3), (4), (5), (6), and (6.5) of this subsection (c).  
6 Any deficit because of State aid not yet received may not be  
7 considered in determining the June 30 deficits. The same basis  
8 of accounting shall be used by all previously existing  
9 districts and by all annexing or annexed districts, as  
10 constituted prior to the annexation, in making any computation  
11 required under paragraphs (1), (2), (3), (4), (5), (6), and  
12 (6.5) of this subsection (c).

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

16 (d)(1) Following the formation of a combined school  
17 district, as defined in Section 11E-20 of this Code, a new unit  
18 district, as defined in Section 11E-25 of this Code, a new  
19 elementary district or districts and a new high school district  
20 formed through a school district conversion, as defined in  
21 Section 11E-15 of this Code, a new partial elementary unit  
22 district, as defined in Section 11E-30 of this Code, or a new  
23 elementary district or districts formed through a multi-unit  
24 conversion, as defined in subsection (b) of Section 11E-30 of  
25 this Code, or the annexation of all of the territory of one or  
26 more entire school districts by one or more other school

1 districts, as defined in Article 7 of this Code, a  
 2 supplementary State aid reimbursement shall be paid for the  
 3 number of school years determined under the following table to  
 4 each new or annexing district equal to the sum of \$4,000 for  
 5 each certified employee who is employed by the district on a  
 6 full-time basis for the regular term of the school year:

7	Reorganized District's Rank	Reorganized District's Rank		
8	by type of district (unit,	in Average Daily Attendance		
9	high school, elementary)	By Quintile		
10	in Equalized Assessed Value			
11	Per Pupil by Quintile			
12				3rd, 4th,
13		1st	2nd	or 5th
14		Quintile	Quintile	Quintile
15	1st Quintile	1 year	1 year	1 year
16	2nd Quintile	1 year	2 years	2 years
17	3rd Quintile	2 years	3 years	3 years
18	4th Quintile	2 years	3 years	3 years
19	5th Quintile	2 years	3 years	3 years

20 The State Board of Education shall make a one-time calculation  
 21 of a reorganized district's quintile ranks. The average daily  
 22 attendance used in this calculation shall be the best 3 months'  
 23 average daily attendance for the district's first year. The  
 24 equalized assessed value per pupil shall be the district's real

1 property equalized assessed value used in calculating the  
2 district's first-year general State aid claim, under Section  
3 18-8.05 of this Code, or first-year primary State aid claim,  
4 under Section 18-8.15 of this Code, as applicable, divided by  
5 the best 3 months' average daily attendance.

6 No annexing or resulting school district shall be entitled  
7 to supplementary State aid under this subsection (d) unless the  
8 district acquires at least 30% of the average daily attendance  
9 of the district from which the territory is being detached or  
10 divided.

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

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

24 (A) If the effective date for the elementary opt-in is  
25 one year after the effective date for the optional  
26 elementary unit district, 100% of the amount calculated in

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

7           (B) If the effective date for the elementary opt-in is  
8           2 years after the effective date for the optional  
9           elementary unit district, 75% of the amount calculated in  
10          this paragraph (2) shall be paid to the optional elementary  
11          unit district for the number of years calculated in  
12          paragraph (1) of this subsection (d) at the optional  
13          elementary unit district's original effective date,  
14          starting in the second year after the effective date of the  
15          elementary opt-in.

16          (C) If the effective date for the elementary opt-in is  
17          3 years after the effective date for the optional  
18          elementary unit district, 50% of the amount calculated in  
19          this paragraph (2) shall be paid to the optional elementary  
20          unit district for the number of years calculated in  
21          paragraph (1) of this subsection (d) at the optional  
22          elementary unit district's original effective date,  
23          starting in the second year after the effective date of the  
24          elementary opt-in.

25          (D) If the effective date for the elementary opt-in is  
26          4 years after the effective date for the optional

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

8 (E) If the effective date for the elementary opt-in is  
9 5 years after the effective date for the optional  
10 elementary unit district, the optional elementary unit  
11 district is not eligible for any additional incentives due  
12 to the elementary opt-in.

13 (2.5) Following the formation of a cooperative high school  
14 by 2 or more school districts under Section 10-22.22c of this  
15 Code, a supplementary State aid reimbursement shall be paid for  
16 3 school years to the cooperative high school equal to the sum  
17 of \$4,000 for each certified employee who is employed by the  
18 cooperative high school on a full-time basis for the regular  
19 term of any such school year. If a cooperative high school  
20 results from multiple agreements that would otherwise qualify  
21 the cooperative high school for multiple payments under this  
22 Section in any year, the cooperative high school shall receive  
23 a single payment for that year based solely on the most recent  
24 agreement.

25 (2.10) Following the annexation of territory detached from  
26 another school district whereby the enrollment of the annexing

1 district increases 90% or more as a result of the annexation, a  
2 supplementary State aid reimbursement shall be paid to the  
3 annexing district equal to the sum of \$4,000 for each certified  
4 employee who is employed by the annexing district on a  
5 full-time basis and shall be calculated in accordance with  
6 subsection (a) of this Section. To be eligible for  
7 supplementary State aid reimbursement under this Section, the  
8 intergovernmental agreement to be submitted pursuant to  
9 Section 7-14A of this Code must show that certified staff  
10 members were transferred from the control of the district  
11 losing territory to the control of the district gaining  
12 territory in the annexation. The changes to this Section made  
13 by Public Act 95-707 are intended to be retroactive and  
14 applicable to any annexation taking effect on or after July 1,  
15 2004. For annexations that are eligible for payments under this  
16 paragraph (2.10) and that are effective on or after July 1,  
17 2004, but before January 11, 2008 (the effective date of Public  
18 Act 95-707), the first required yearly payment under this  
19 paragraph (2.10) shall be paid in the second fiscal year after  
20 January 11, 2008 (the effective date of Public Act 95-707). Any  
21 subsequent required yearly payments shall be paid in subsequent  
22 fiscal years until the payment obligation under this paragraph  
23 (2.10) is complete.

24 (2.15) Following the deactivation of a school facility in  
25 accordance with Section 10-22.22b of this Code, a supplementary  
26 State aid reimbursement shall be paid for the lesser of 3

1 school years or the length of the deactivation agreement,  
2 including any renewals of the original deactivation agreement,  
3 to each receiving school district equal to the sum of \$4,000  
4 for each certified employee who is employed by that receiving  
5 district on a full-time basis for the regular term of any such  
6 school year who was originally transferred to the control of  
7 that receiving district as a result of the deactivation.  
8 Receiving districts are eligible for payments under this  
9 paragraph (2.15) based on the certified employees transferred  
10 to that receiving district as a result of the deactivation and  
11 are not required to receive at least 30% of the deactivating  
12 district's average daily attendance as required under  
13 paragraph (1) of this subsection (d) to be eligible for  
14 payments.

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

19 (4) During May of each school year for which a  
20 supplementary State aid reimbursement is to be paid to a new,  
21 annexing, or receiving school district or cooperative high  
22 school pursuant to this subsection (d), the school board or  
23 governing board shall certify to the State Board of Education,  
24 on forms furnished to the school board or governing board by  
25 the State Board of Education for purposes of this subsection  
26 (d), the number of certified employees for which the district



1 or cooperative high school is entitled to reimbursement under  
2 this Section, together with the names, certificate numbers, and  
3 positions held by the certified employees.

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

13 (Source: P.A. 95-331, eff. 8-21-07; 95-707, eff. 1-11-08;  
14 95-903, eff. 8-25-08; 96-328, eff. 8-11-09.)

15 (105 ILCS 5/13A-8)

16 Sec. 13A-8. Funding.

17 (a) The State of Illinois shall provide funding for the  
18 alternative school programs within each educational service  
19 region and within the Chicago public school system by line item  
20 appropriation made to the State Board of Education for that  
21 purpose. This money, when appropriated, shall be provided to  
22 the regional superintendent and to the Chicago Board of  
23 Education, who shall establish a budget, including salaries,  
24 for their alternative school programs. Each program shall  
25 receive funding in the amount of \$30,000 plus an amount based

1 on the ratio of the region's or Chicago's best 3 months'  
2 average daily attendance in grades pre-kindergarten through 12  
3 to the statewide totals of these amounts. For purposes of this  
4 calculation, the best 3 months' average daily attendance for  
5 each region or Chicago shall be calculated by adding to the  
6 best 3 months' average daily attendance the number of  
7 low-income students identified in the most recently available  
8 federal census multiplied by one-half times the percentage of  
9 the region's or Chicago's low-income students to the State's  
10 total low-income students. The State Board of Education shall  
11 retain up to 1.1% of the appropriation to be used to provide  
12 technical assistance, professional development, and  
13 evaluations for the programs.

14 (a-5) Notwithstanding any other provisions of this  
15 Section, for the 1998-1999 fiscal year, the total amount  
16 distributed under subsection (a) for an alternative school  
17 program shall be not less than the total amount that was  
18 distributed under that subsection for that alternative school  
19 program for the 1997-1998 fiscal year. If an alternative school  
20 program is to receive a total distribution under subsection (a)  
21 for the 1998-1999 fiscal year that is less than the total  
22 distribution that the program received under that subsection  
23 for the 1997-1998 fiscal year, that alternative school program  
24 shall also receive, from a separate appropriation made for  
25 purposes of this subsection (a-5), a supplementary payment  
26 equal to the amount by which its total distribution under

1 subsection (a) for the 1997-1998 fiscal year exceeds the amount  
2 of the total distribution that the alternative school program  
3 receives under that subsection for the 1998-1999 fiscal year.  
4 If the amount appropriated for supplementary payments to  
5 alternative school programs under this subsection (a-5) is  
6 insufficient for that purpose, those supplementary payments  
7 shall be prorated among the alternative school programs  
8 entitled to receive those supplementary payments according to  
9 the aggregate amount of the appropriation made for purposes of  
10 this subsection (a-5).

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

22 (c) An alternative school program may receive additional  
23 funding from its school districts in such amount as may be  
24 agreed upon by the parties and necessary to support the  
25 program. In addition, an alternative school program is  
26 authorized to accept and expend gifts, legacies, and grants,

1 including but not limited to federal grants, from any source  
2 for purposes directly related to the conduct and operation of  
3 the program.

4 (Source: P.A. 89-383, eff. 8-18-95; 89-629, eff. 8-9-96;  
5 89-636, eff. 8-9-96; 90-14, eff. 7-1-97; 90-283, eff. 7-31-97;  
6 90-802, eff. 12-15-98.)

7 (105 ILCS 5/13B-20.20)

8 Sec. 13B-20.20. Enrollment in other programs. General  
9 Educational Development preparation programs are not eligible  
10 for funding under this Article. A student may enroll in a  
11 program approved under Section 18-8.05 or 18-8.15 of this Code,  
12 as appropriate, or attend both the alternative learning  
13 opportunities program and the regular school program to enhance  
14 student performance and facilitate on-time graduation.

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

16 (105 ILCS 5/13B-45)

17 Sec. 13B-45. Days and hours of attendance. An alternative  
18 learning opportunities program shall provide students with at  
19 least the minimum number of days of pupil attendance required  
20 under Section 10-19 of this Code and the minimum number of  
21 daily hours of school work required under Section 18-8.05 or  
22 18-8.15 of this Code, provided that the State Board may approve  
23 exceptions to these requirements if the program meets all of  
24 the following conditions:

1           (1) The district plan submitted under Section  
2 13B-25.15 of this Code establishes that a program providing  
3 the required minimum number of days of attendance or daily  
4 hours of school work would not serve the needs of the  
5 program's students.

6           (2) Each day of attendance shall provide no fewer than  
7 3 clock hours of school work, as defined under paragraph  
8 (1) of subsection (F) of Section 18-8.05 or subsection (f)  
9 of Section 18-8.15 of this Code.

10          (3) Each day of attendance that provides fewer than 5  
11 clock hours of school work shall also provide supplementary  
12 services, including without limitation work-based  
13 learning, student assistance programs, counseling, case  
14 management, health and fitness programs, or life-skills or  
15 conflict resolution training, in order to provide a total  
16 daily program to the student of 5 clock hours. A program  
17 may claim general State aid or primary State aid for up to  
18 2 hours of the time each day that a student is receiving  
19 supplementary services.

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

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

1 (105 ILCS 5/13B-50)

2 Sec. 13B-50. Eligibility to receive general State aid or  
3 primary State aid. In order to receive general State aid or  
4 primary State aid, alternative learning opportunities programs  
5 must meet the requirements for claiming general State aid as  
6 specified in Section 18-8.05 of this Code or primary State aid  
7 as specified in Section 18-8.15 of this Code, as applicable,  
8 with the exception of the length of the instructional day,  
9 which may be less than 5 hours of school work if the program  
10 meets the criteria set forth under Sections 13B-50.5 and  
11 13B-50.10 of this Code and if the program is approved by the  
12 State Board.

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

14 (105 ILCS 5/13B-50.10)

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

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

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

23 (3) The program must comply with all other State and  
24 federal laws applicable to education providers.

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

1 (105 ILCS 5/13B-50.15)

2 Sec. 13B-50.15. Level of funding. Approved alternative  
3 learning opportunities programs are entitled to claim general  
4 State aid or primary State aid, subject to Sections 13B-50,  
5 13B-50.5, and 13B-50.10 of this Code. Approved programs  
6 operated by regional offices of education are entitled to  
7 receive general State aid or primary State aid at the  
8 foundation level of support. A school district or consortium  
9 must ensure that an approved program receives supplemental  
10 general State aid, transportation reimbursements, and special  
11 education resources, if appropriate, for students enrolled in  
12 the program.

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

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

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

21 If because of his or her disability the special education  
22 program of a district is unable to meet the needs of a child  
23 and the child attends a nonpublic ~~non-public school or~~ special  
24 education facility, a public out-of-state school, or a special

1 education facility owned and operated by a county government  
2 unit that provides special educational services required by the  
3 child and is in compliance with the appropriate rules and  
4 regulations of the State Superintendent of Education, the  
5 school district in which the child is a resident shall pay the  
6 actual cost of tuition for special education and related  
7 services provided during the regular school term and during the  
8 summer school term if the child's educational needs so require,  
9 excluding room and board charged by the nonpublic, ~~board and~~  
10 ~~transportation costs charged the child by that non-public~~  
11 ~~school or~~ special education facility, public out-of-state  
12 school, or county special education facility, ~~or \$4,500 per~~  
13 ~~year, whichever is less,~~ and shall provide him or her any  
14 necessary transportation. "Nonpublic special education  
15 facility" shall include a residential facility, within or  
16 outside ~~without~~ the State of Illinois, which provides special  
17 education and related services to meet the needs of the child  
18 by utilizing private schools or public schools, whether located  
19 on the site or off the site of the residential facility.

20 The State Board of Education shall promulgate rules and  
21 regulations for determining when placement in a private special  
22 education facility is appropriate. Such rules and regulations  
23 shall take into account the various types of services needed by  
24 a child and the availability of such services to the particular  
25 child in the public school. In developing these rules and  
26 regulations the State Board of Education shall consult with the



1 Advisory Council on Education of Children with Disabilities and  
2 hold public hearings to secure recommendations from parents,  
3 school personnel, and others concerned about this matter.

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

10 A school district making tuition payments pursuant to this  
11 Section is eligible for reimbursement from the State in  
12 accordance with Section 14-7.02c of this Code. ~~for the amount~~  
13 ~~of such payments actually made in excess of the district per~~  
14 ~~capita tuition charge for students not receiving special~~  
15 ~~education services. Such reimbursement shall be approved in~~  
16 ~~accordance with Section 14 12.01 and each district shall file~~  
17 ~~its claims, computed in accordance with rules prescribed by the~~  
18 ~~State Board of Education, on forms prescribed by the State~~  
19 ~~Superintendent of Education. Data used as a basis of~~  
20 ~~reimbursement claims shall be for the preceding regular school~~  
21 ~~term and summer school term. Each school district shall~~  
22 ~~transmit its claims to the State Board of Education on or~~  
23 ~~before August 15. The State Board of Education, before~~  
24 ~~approving any such claims, shall determine their accuracy and~~  
25 ~~whether they are based upon services and facilities provided~~  
26 ~~under approved programs. Upon approval the State Board shall~~

1 ~~cause vouchers to be prepared showing the amount due for~~  
2 ~~payment of reimbursement claims to school districts, for~~  
3 ~~transmittal to the State Comptroller on the 30th day of~~  
4 ~~September, December, and March, respectively, and the final~~  
5 ~~voucher, no later than June 20. If the money appropriated by~~  
6 ~~the General Assembly for such purpose for any year is~~  
7 ~~insufficient, it shall be apportioned on the basis of the~~  
8 ~~claims approved.~~

9 No child shall be placed in a special education program  
10 pursuant to this Section unless ~~if~~ the tuition cost for special  
11 education and related services has ~~increases more than 10~~  
12 ~~percent over the tuition cost for the previous school year or~~  
13 ~~exceeds \$4,500 per year unless such costs have been approved by~~  
14 the Illinois Purchased Care Review Board. The Illinois  
15 Purchased Care Review Board shall consist of the following  
16 persons, or their designees: the Directors of Children and  
17 Family Services, Public Health, Healthcare and Family Services  
18 ~~Public Aid~~, and the Governor's Office of Management and Budget;  
19 the Secretary of Human Services; the State Superintendent of  
20 Education; and such other persons as the Governor may  
21 designate. The Review Board shall establish rules and  
22 regulations for its determination of allowable costs and  
23 payments made by local school districts for special education,  
24 room and board, and other related services provided by  
25 nonpublic ~~non public schools or~~ special education facilities  
26 and shall establish uniform standards and criteria which it

1 shall follow.

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

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

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

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

26       If a child has been placed in a program in which the actual

1 per pupil costs of tuition for special education and related  
2 services based on program enrollment, ~~excluding room, board and~~  
3 ~~transportation costs, exceed \$4,500 and such costs~~ have been  
4 approved by the Review Board, the district shall pay such total  
5 costs ~~which exceed \$4,500. A district making such tuition~~  
6 ~~payments in excess of \$4,500 pursuant to this Section shall be~~  
7 ~~responsible for an amount in excess of \$4,500 equal to the~~  
8 ~~district per capita tuition charge and shall be eligible for~~  
9 ~~reimbursement from the State for the amount of such payments~~  
10 ~~actually made in excess of the districts per capita tuition~~  
11 ~~charge for students not receiving special education services.~~

12 If a child has been placed in an approved individual  
13 program and the tuition costs including room and board costs  
14 have been approved by the Review Board, then such room and  
15 board costs shall be paid by the appropriate State agency  
16 subject to the provisions of Section 14-8.01 of this Act. Room  
17 and board costs not provided by a State agency other than the  
18 State Board of Education shall be provided by the State Board  
19 of Education on a current basis. In no event, however, shall  
20 the State's liability for funding of the ~~these~~ tuition costs,  
21 including room and board costs, begin until after the legal  
22 obligations of third party payees ~~payors~~ have been subtracted  
23 from such costs. If the money appropriated by the General  
24 Assembly for such purpose for any year is insufficient, it  
25 shall be apportioned on the basis of the claims approved. Each  
26 district shall submit room and board ~~estimated~~ claims to the

1 State Superintendent of Education. Upon approval of such  
2 claims, the State Superintendent of Education shall direct the  
3 State Comptroller to make payments on submitted claims ~~a~~  
4 ~~monthly basis~~. The frequency for submitting ~~estimated~~ claims  
5 and the method of determining payment shall be prescribed in  
6 rules and regulations adopted by the State Board of Education.  
7 Such current state reimbursement shall be reduced by an amount  
8 equal to the proceeds which the child or child's parents or  
9 legal guardian are eligible to receive under any public or  
10 private insurance or assistance program. Nothing in this  
11 Section shall be construed as relieving an insurer or similar  
12 third party from an otherwise valid obligation to provide or to  
13 pay for services provided to a disabled child.

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

1           Nothing in this Section authorizes the reimbursement of a  
2 school district for the amount paid for tuition of a child  
3 attending a nonpublic ~~non-public school or~~ special education  
4 facility, public out-of-state school, or county special  
5 education facility unless the school district certifies to the  
6 State Superintendent of Education that the special education  
7 program of that district is unable to meet the needs of that  
8 child because of his disability and the State Superintendent of  
9 Education finds that the school district is in substantial  
10 compliance with Section 14-4.01. However, if a child is  
11 unilaterally placed by a State agency or any court in a  
12 nonpublic ~~non-public school or~~ special education facility,  
13 public out-of-state school, or county special education  
14 facility, a school district shall not be required to certify to  
15 the State Superintendent of Education, for the purpose of  
16 tuition reimbursement, that the special education program of  
17 that district is unable to meet the needs of a child because of  
18 his or her disability.

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

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

4       ~~Notwithstanding any other provision of law, any school~~  
5 ~~district receiving a payment under this Section or under~~  
6 ~~Section 14-7.02b, 14-13.01, or 29-5 of this Code may classify~~  
7 ~~all or a portion of the funds that it receives in a particular~~  
8 ~~fiscal year or from general State aid pursuant to Section~~  
9 ~~18-8.05 of this Code as funds received in connection with any~~  
10 ~~funding program for which it is entitled to receive funds from~~  
11 ~~the State in that fiscal year (including, without limitation,~~  
12 ~~any funding program referenced in this Section), regardless of~~  
13 ~~the source or timing of the receipt. The district may not~~  
14 ~~classify more funds as funds received in connection with the~~  
15 ~~funding program than the district is entitled to receive in~~  
16 ~~that fiscal year for that program. Any classification by a~~  
17 ~~district must be made by a resolution of its board of~~  
18 ~~education. The resolution must identify the amount of any~~  
19 ~~payments or general State aid to be classified under this~~  
20 ~~paragraph and must specify the funding program to which the~~  
21 ~~funds are to be treated as received in connection therewith.~~  
22 ~~This resolution is controlling as to the classification of~~  
23 ~~funds referenced therein. A certified copy of the resolution~~  
24 ~~must be sent to the State Superintendent of Education. The~~  
25 ~~resolution shall still take effect even though a copy of the~~  
26 ~~resolution has not been sent to the State Superintendent of~~

1 ~~Education in a timely manner. No classification under this~~  
2 ~~paragraph by a district shall affect the total amount or timing~~  
3 ~~of money the district is entitled to receive under this Code.~~  
4 ~~No classification under this paragraph by a district shall in~~  
5 ~~any way relieve the district from or affect any requirements~~  
6 ~~that otherwise would apply with respect to that funding~~  
7 ~~program, including any accounting of funds by source, reporting~~  
8 ~~expenditures by original source and purpose, reporting~~  
9 ~~requirements, or requirements of providing services.~~

10 (Source: P.A. 93-1022, eff. 8-24-04; 94-177, eff. 7-12-05.)

11 (105 ILCS 5/14-7.02b)

12 Sec. 14-7.02b. Funding for children requiring special  
13 education services. Payments to school districts for children  
14 requiring special education services documented in their  
15 individualized education program regardless of the program  
16 from which these services are received, excluding children  
17 claimed under Sections 14-7.02 and 14-7.03 of this Code, shall  
18 be made in accordance with this Section. Funds received under  
19 this Section may be used only for the provision of special  
20 educational facilities and services as defined in Section  
21 14-1.08 of this Code.

22 The appropriation for fiscal year 2005 through fiscal year  
23 2014 and thereafter shall be based upon the IDEA child count of  
24 all students in the State, excluding students claimed under  
25 Sections 14-7.02 and 14-7.03 of this Code, on December 1 of the



1 fiscal year 2 years preceding, multiplied by 17.5% of the  
2 general State aid foundation level of support established for  
3 that fiscal year under Section 18-8.05 of this Code.

4 Beginning with fiscal year 2005 and through fiscal year  
5 2007, individual school districts shall not receive payments  
6 under this Section totaling less than they received under the  
7 funding authorized under Section 14-7.02a of this Code during  
8 fiscal year 2004, pursuant to the provisions of Section  
9 14-7.02a as they were in effect before the effective date of  
10 this amendatory Act of the 93rd General Assembly. This base  
11 level funding shall be computed first.

12 Beginning with fiscal year 2008 through fiscal year 2014  
13 ~~and each fiscal year thereafter~~, individual school districts  
14 must not receive payments under this Section totaling less than  
15 they received in fiscal year 2007. This funding shall be  
16 computed last and shall be a separate calculation from any  
17 other calculation set forth in this Section. This amount is  
18 exempt from the requirements of Section 1D-1 of this Code.

19 Through fiscal year 2014, an ~~An~~ amount equal to 85% of the  
20 funds remaining in the appropriation shall be allocated to  
21 school districts based upon the district's average daily  
22 attendance reported for purposes of Section 18-8.05 of this  
23 Code for the preceding school year. Fifteen percent of the  
24 funds remaining in the appropriation shall be allocated to  
25 school districts based upon the district's low income eligible  
26 pupil count used in the calculation of general State aid under

1 Section 18-8.05 of this Code for the same fiscal year. One  
2 hundred percent of the funds computed and allocated to  
3 districts under this Section shall be distributed and paid to  
4 school districts.

5 Through fiscal year 2014, for ~~For~~ individual students with  
6 disabilities whose program costs exceed 4 times the district's  
7 per capita tuition rate as calculated under Section 10-20.12a  
8 of this Code, the costs in excess of 4 times the district's per  
9 capita tuition rate shall be paid by the State Board of  
10 Education from unexpended IDEA discretionary funds originally  
11 designated for room and board reimbursement pursuant to Section  
12 14-8.01 of this Code. The amount of tuition for these children  
13 shall be determined by the actual cost of maintaining classes  
14 for these children, using the per capita cost formula set forth  
15 in Section 14-7.01 of this Code, with the program and cost  
16 being pre-approved by the State Superintendent of Education.  
17 Reimbursement for individual students with disabilities whose  
18 program costs exceed 4 times the district's per capita tuition  
19 rate shall be claimed beginning with costs encumbered for the  
20 2004-2005 school year through the 2013-2014 school year ~~and~~  
21 ~~thereafter~~.

22 Through fiscal year 2014, the ~~The~~ State Board of Education  
23 shall prepare vouchers equal to one-fourth the amount allocated  
24 to districts, for transmittal to the State Comptroller on the  
25 30th day of September, December, and March, respectively, and  
26 the final voucher, no later than June 20. Through fiscal year

1 2014, the ~~The~~ Comptroller shall make payments pursuant to this  
2 Section to school districts as soon as possible after receipt  
3 of vouchers. If the money appropriated from the General  
4 Assembly for such purposes for any year is insufficient, it  
5 shall be apportioned on the basis of the payments due to school  
6 districts.

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

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

17 No funding shall be provided to school districts under this  
18 Section after fiscal year 2014.

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

20 (105 ILCS 5/14-7.02c new)

21 Sec. 14-7.02c. Funding for children with excess cost.

22 (a) Payments to school districts and State-authorized  
23 charter schools for children requiring special education  
24 services as documented in their individualized educational  
25 programs, regardless of the program from which these services

1 are received, excluding children claimed under Section 14-7.03  
2 of this Code, shall be made in accordance with this Section.  
3 Funds received under this Section may be used only for the  
4 provision of special educational facilities and services, as  
5 defined in Section 14-1.08 of this Code, and tuition payments  
6 to nonpublic special education facilities, as defined in  
7 Section 14-7.02 of this Code.

8 (b) Each school district and State-authorized charter  
9 school shall keep an accurate, detailed, and separate account  
10 of all expenditures for the maintenance of each of the types of  
11 facilities, classes, and schools authorized by this Article for  
12 the instruction and care of pupils attending them and for the  
13 cost of their transportation. Such account of expenditures  
14 shall conform to any administrative rules adopted by the State  
15 Board of Education.

16 (c) The amount of tuition for children, excluding children  
17 designated under Section 14-7.02 of this Code, shall be  
18 determined using the per capita cost formula set forth in  
19 Section 14-7.01 of this Code and rules adopted by the State  
20 Board of Education.

21 (d) The amount of tuition for children attending public  
22 out-of-state schools or nonpublic special education facilities  
23 designated under Section 14-7.02 of this Code shall be  
24 determined in accordance with the costs approved by the  
25 Illinois Purchased Care Review Board in Section 14-7.02 of this  
26 Code, with the program being pre-approved by the State

1 Superintendent of Education.

2 (e) Each school district or State-authorized charter  
3 school shall transmit its claims in a manner prescribed by the  
4 State Superintendent of Education on or before August 15 of  
5 each year. Tuition payments shall be claimed for the preceding  
6 regular school term and summer term following. The State Board  
7 of Education shall determine the accuracy of the claims and  
8 whether they are based upon services and facilities provided  
9 under approved programs as defined in this Code.

10 (f) For children identified under Section 14-7.02 of this  
11 Code, the State Board of Education shall reimburse each school  
12 district the tuition amount approved by the Illinois Purchased  
13 Care Review Board and paid for the regular and following summer  
14 term, less (i) the amount of primary State aid paid to the  
15 school district attributable to the additional weight for  
16 children with disabilities for the period claimed and (ii) 2.33  
17 times the per capita tuition charge of the resident district  
18 for claims transmitted for the 2014-2015 school year, 2.66  
19 times the per capita tuition charge for claims transmitted for  
20 the 2015-2016 school year, and 3 times the per capita tuition  
21 charge for claims transmitted in the 2016-2017 school year and  
22 every school year thereafter.

23 (g) For children, excluding those children identified  
24 under Sections 14-7.02 and 14-7.03 of this Code, the State  
25 Board of Education shall reimburse each school district the  
26 education costs for each child, plus a maximum of 20% of

1 transportation costs if approved as a related service in the  
2 individualized educational program, for the regular and  
3 following summer term, less (i) the amount of primary State aid  
4 paid to the school district attributable to the additional  
5 weight for children with disabilities for the period claimed  
6 and (ii) 3.66 times the per capita tuition charge of the  
7 resident district for claims transmitted in the 2014-2015  
8 school year, 3.33 times the per capita tuition charge for  
9 claims transmitted in the 2015-2016 school year, and 3 times  
10 the per capita tuition charge for claims transmitted in the  
11 2016-2017 school year and every school year thereafter.

12 (h) The per capita tuition charge under this Section shall  
13 be set in accordance with the calculation set forth in Section  
14 18-3 of this Code. The maximum State reimbursement for children  
15 claimed under this Section is \$100,000.

16 (i) The State Board of Education shall prepare vouchers for  
17 the amount due to each school district and transmit them to the  
18 Office of the Comptroller on or before September 30, December  
19 31, and March 31, respectively, and the final voucher no later  
20 than June 20. If, after preparation and transmission of the  
21 September 30 vouchers, any claim has been adjusted by the State  
22 Superintendent of Education, then subsequent vouchers shall be  
23 recomputed to compensate for any overpayment or underpayment  
24 previously made. Notwithstanding anything to the contrary  
25 contained in this Section, the State Board of Education shall  
26 award to a school district having a population exceeding

1 500,000 inhabitants 48.4% of the funds appropriated by the  
2 General Assembly for any fiscal year for purposes of payments  
3 of claims of school districts under this Section. If the money  
4 appropriated by the General Assembly for such purposes for any  
5 year is insufficient, it shall be apportioned on the basis of  
6 the claims approved.

7 (j) Notwithstanding any other provision of law, any school  
8 district receiving a payment under this Section may classify  
9 all or a portion of the funds that it receives in a particular  
10 fiscal year or from primary State aid under Section 18-8.15 of  
11 this Code as funds received in connection with any funding  
12 program for which it is entitled to receive funds from this  
13 State in that fiscal year (including without limitation any  
14 funding program referenced in this Section), regardless of the  
15 source or timing of the receipt. The school district may not  
16 classify more funds as funds received in connection with the  
17 funding program than the school district is entitled to receive  
18 in that fiscal year for that program. Any classification by a  
19 school district shall be made by resolution of its school  
20 board. The resolution shall identify the amount of any payments  
21 or primary State aid to be classified under this Section and  
22 shall specify the funding program to which the funds are to be  
23 treated as received. The resolution shall control the  
24 classification of referenced funds. A certified copy of the  
25 resolution shall be sent to the State Superintendent of  
26 Education. The resolution shall take effect without regard to

1 whether a copy of the resolution has been sent to the State  
2 Superintendent of Education in a timely manner. No  
3 classification under this Section by a school district shall  
4 affect the total amount or timing of money the school district  
5 is entitled to receive under this Code. No classification under  
6 this Section by a school district shall in any way relieve the  
7 school district from or affect any requirements that otherwise  
8 would apply with respect to that funding program, including any  
9 accounting of funds by source, reporting expenditures by  
10 original source and purpose, reporting requirements, or  
11 requirements of providing services.

12 (105 ILCS 5/14-7.03) (from Ch. 122, par. 14-7.03)

13 Sec. 14-7.03. Special Education Classes for Children from  
14 Orphanages, ~~Foster Family Homes~~, Children's Homes, or in State  
15 Housing Units. If a school district maintains special education  
16 classes on the site of orphanages and children's homes, or if  
17 children from the orphanages, children's homes, ~~foster family~~  
18 ~~homes~~, other State agencies, or State residential units for  
19 children attend classes for children with disabilities in which  
20 the school district is a participating member of a joint  
21 agreement, or if the children from the orphanages, children's  
22 homes, ~~foster family homes~~, other State agencies, or State  
23 residential units attend classes for the children with  
24 disabilities maintained by the school district, then  
25 reimbursement shall be paid to eligible districts in accordance



1 with the provisions of this Section by the Comptroller as  
2 directed by the State Superintendent of Education.

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

8 On forms prepared by the State Superintendent of Education,  
9 the district shall certify ~~to the regional superintendent~~ the  
10 following:

11 (1) The name of the home or State residential unit with  
12 the name of the owner or proprietor and address of those  
13 maintaining it;

14 (2) That no service charges or other payments  
15 authorized by law were collected in lieu of taxes therefrom  
16 or on account thereof during either of the calendar years  
17 included in the school year for which claim is being made;

18 (3) The number of children qualifying under this Act in  
19 special education classes for instruction on the site of  
20 the orphanages and children's homes;

21 (4) The number of children attending special education  
22 classes for children with disabilities in which the  
23 district is a participating member of a special education  
24 joint agreement;

25 (5) The number of children attending special education  
26 classes for children with disabilities maintained by the

1 district;

2 (6) The computed amount of tuition payment claimed as  
3 due, as approved by the State Superintendent of Education,  
4 for maintaining these classes.

5 If a school district makes a claim for reimbursement under  
6 Section 18-3 ~~or 18-4~~ of this Code, ~~Act~~ it shall not include in  
7 any claim filed under this Section a claim for such children.  
8 Payments authorized by law, including State or federal grants  
9 for education of children included in this Section, shall be  
10 deducted in determining the tuition amount.

11 Nothing in this Act shall be construed so as to prohibit  
12 reimbursement for the tuition of children placed in for profit  
13 facilities. Private facilities shall provide adequate space at  
14 the facility for special education classes provided by a school  
15 district or joint agreement for children with disabilities who  
16 are residents of the facility at no cost to the school district  
17 or joint agreement upon request of the school district or joint  
18 agreement. If such a private facility provides space at no cost  
19 to the district or joint agreement for special education  
20 classes provided to children with disabilities who are  
21 residents of the facility, the district or joint agreement  
22 shall not include any costs for the use of those facilities in  
23 its claim for reimbursement.

24 Reimbursement for tuition may include the cost of providing  
25 summer school programs for children with severe and profound  
26 disabilities served under this Section. Claims for that

1 reimbursement shall be filed by November 1 and shall be paid on  
2 or before December 15 from appropriations made for the purposes  
3 of this Section.

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

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

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

25 Each district claiming reimbursement for individual  
26 students shall have the eligibility of those students verified

1 by the State Board of Education. On September 30, December 31,  
2 and March 31, the State Board of Education shall voucher  
3 payments for individual students based upon an estimated cost  
4 calculated from the prior year's claim. Final claims for  
5 individual students for the regular school term must be  
6 received at the State Board of Education by July 15. Claims for  
7 individual students received after July 15 shall not be  
8 honored. Final claims for individual students shall be  
9 vouchered by August 30.

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

24 The claim of a school district otherwise eligible to be  
25 reimbursed in accordance with Section 14-12.01 for the 1976-77  
26 school year but for this amendatory Act of 1977 shall not be

1 paid unless the district ceases to maintain such classes for  
2 one entire school year.

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

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

24 Any child who is not a resident of Illinois who is placed  
25 in a child welfare institution, private facility, ~~foster family~~  
26 ~~home,~~ State operated program, orphanage, or children's home

1 shall have the payment for his educational tuition and any  
2 related services assured by the placing agent.

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

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

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

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

1 shall immediately be forwarded to the school district where the  
2 student is being served.

3 When a child eligible for services under this Section  
4 14-7.03 must be placed in a nonpublic facility, that facility  
5 shall meet the programmatic requirements of Section 14-7.02 and  
6 its regulations, and the educational services shall be funded  
7 only in accordance with this Section 14-7.03.

8 (Source: P.A. 95-313, eff. 8-20-07; 95-844, eff. 8-15-08.)

9 (105 ILCS 5/14-13.01) (from Ch. 122, par. 14-13.01)

10 Sec. 14-13.01. Reimbursement payable by State; amounts for  
11 personnel and transportation.

12 (a) Through fiscal year 2014, for ~~For~~ staff working on  
13 behalf of children who have not been identified as eligible for  
14 special education and for eligible children with physical  
15 disabilities, including all eligible children whose placement  
16 has been determined under Section 14-8.02 in hospital or home  
17 instruction, 1/2 of the teacher's salary but not more than  
18 \$1,000 annually per child or \$9,000 per teacher, whichever is  
19 less.

20 (a-5) A child qualifies for home or hospital instruction if  
21 it is anticipated that, due to a medical condition, the child  
22 will be unable to attend school, and instead must be instructed  
23 at home or in the hospital, for a period of 2 or more  
24 consecutive weeks or on an ongoing intermittent basis. For  
25 purposes of this Section, "ongoing intermittent basis" means

1 that the child's medical condition is of such a nature or  
2 severity that it is anticipated that the child will be absent  
3 from school due to the medical condition for periods of at  
4 least 2 days at a time multiple times during the school year  
5 totaling at least 10 days or more of absences. There shall be  
6 no requirement that a child be absent from school a minimum  
7 number of days before the child qualifies for home or hospital  
8 instruction. In order to establish eligibility for home or  
9 hospital services, a student's parent or guardian must submit  
10 to the child's school district of residence a written statement  
11 from a physician licensed to practice medicine in all of its  
12 branches stating the existence of such medical condition, the  
13 impact on the child's ability to participate in education, and  
14 the anticipated duration or nature of the child's absence from  
15 school. Home or hospital instruction may commence upon receipt  
16 of a written physician's statement in accordance with this  
17 Section, but instruction shall commence not later than 5 school  
18 days after the school district receives the physician's  
19 statement. Special education and related services required by  
20 the child's IEP or services and accommodations required by the  
21 child's federal Section 504 plan must be implemented as part of  
22 the child's home or hospital instruction, unless the IEP team  
23 or federal Section 504 plan team determines that modifications  
24 are necessary during the home or hospital instruction due to  
25 the child's condition.

26 (a-10) Through fiscal year 2014, eligible ~~Eligible~~



1 children to be included in any reimbursement under this  
2 paragraph must regularly receive a minimum of one hour of  
3 instruction each school day, or in lieu thereof of a minimum of  
4 5 hours of instruction in each school week in order to qualify  
5 for full reimbursement under this Section. If the attending  
6 physician for such a child has certified that the child should  
7 not receive as many as 5 hours of instruction in a school week,  
8 however, reimbursement under this paragraph on account of that  
9 child shall be computed proportionate to the actual hours of  
10 instruction per week for that child divided by 5.

11 (a-15) The State Board of Education shall establish rules  
12 governing the required qualifications of staff providing home  
13 or hospital instruction.

14 (b) For children described in Section 14-1.02, 80% of the  
15 cost of transportation approved as a related service in the  
16 Individualized Education Program for each student in order to  
17 take advantage of special educational facilities.  
18 Transportation costs shall be determined in the same fashion as  
19 provided in Section 29-5 of this Code, notwithstanding any  
20 limitation in Section 29-5 of this Code on the fiscal years for  
21 which reimbursement may be claimed, provided that,  
22 notwithstanding anything to the contrary contained in this  
23 subsection (b) or Section 29-5 of this Code, the State Board of  
24 Education shall award to a school district having a population  
25 exceeding 500,000 inhabitants 30.7% of the funds appropriated  
26 by the General Assembly for any fiscal year for purposes of

1 payment of transportation cost claims under this subsection  
2 (b). For purposes of this subsection (b), the dates for  
3 processing claims specified in Section 29-5 shall apply.

4 (c) Through fiscal year 2014, for ~~For~~ each qualified  
5 worker, the annual sum of \$9,000.

6 (d) Through fiscal year 2014, for ~~For~~ one full time  
7 qualified director of the special education program of each  
8 school district which maintains a fully approved program of  
9 special education the annual sum of \$9,000. Districts  
10 participating in a joint agreement special education program  
11 shall not receive such reimbursement if reimbursement is made  
12 for a director of the joint agreement program.

13 (e) (Blank).

14 (f) (Blank).

15 (g) Through fiscal year 2014, for ~~For~~ readers, working with  
16 blind or partially seeing children 1/2 of their salary but not  
17 more than \$400 annually per child. Readers may be employed to  
18 assist such children and shall not be required to be certified  
19 but prior to employment shall meet standards set up by the  
20 State Board of Education.

21 (h) Through fiscal year 2014, for ~~For~~ non-certified  
22 employees, as defined by rules promulgated by the State Board  
23 of Education, who deliver services to students with IEPs, 1/2  
24 of the salary paid or \$3,500 per employee, whichever is less.

25 (i) The State Board of Education shall set standards and  
26 prescribe rules for determining the allocation of

1 reimbursement under this section on less than a full time basis  
2 and for less than a school year.

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

10 Notwithstanding any other provision of law, any school  
11 district receiving a payment under this Section or under  
12 Section 14-7.02c ~~14-7.02, 14-7.02b, or 29-5~~ of this Code may  
13 classify all or a portion of the funds that it receives in a  
14 particular fiscal year or from primary ~~general~~ State aid  
15 pursuant to Section 18-8.15 ~~18-8.05~~ of this Code as funds  
16 received in connection with any funding program for which it is  
17 entitled to receive funds from the State in that fiscal year  
18 (including, without limitation, any funding program referenced  
19 in this Section), regardless of the source or timing of the  
20 receipt. The district may not classify more funds as funds  
21 received in connection with the funding program than the  
22 district is entitled to receive in that fiscal year for that  
23 program. Any classification by a district must be made by a  
24 resolution of its board of education. The resolution must  
25 identify the amount of any payments or primary ~~general~~ State  
26 aid to be classified under this paragraph and must specify the

1 funding program to which the funds are to be treated as  
2 received in connection therewith. This resolution is  
3 controlling as to the classification of funds referenced  
4 therein. A certified copy of the resolution must be sent to the  
5 State Superintendent of Education. The resolution shall still  
6 take effect even though a copy of the resolution has not been  
7 sent to the State Superintendent of Education in a timely  
8 manner. No classification under this paragraph by a district  
9 shall affect the total amount or timing of money the district  
10 is entitled to receive under this Code. No classification under  
11 this paragraph by a district shall in any way relieve the  
12 district from or affect any requirements that otherwise would  
13 apply with respect to that funding program, including any  
14 accounting of funds by source, reporting expenditures by  
15 original source and purpose, reporting requirements, or  
16 requirements of providing services.

17 (Source: P.A. 96-257, eff. 8-11-09; 97-123, eff. 7-14-11.)

18 (105 ILCS 5/14C-12) (from Ch. 122, par. 14C-12)

19 Sec. 14C-12. Account of expenditures; Cost report;  
20 Reimbursement. Each school district shall keep an accurate,  
21 detailed and separate account of all monies paid out by it for  
22 the programs in transitional bilingual education required or  
23 permitted by this Article, including transportation costs, and  
24 shall annually report thereon for the school year ending June  
25 30 indicating the average per pupil expenditure. Through fiscal

1 year 2014, each ~~Each~~ school district shall be reimbursed for  
2 the amount by which such costs exceed the average per pupil  
3 expenditure by such school district for the education of  
4 children of comparable age who are not in any special education  
5 program. Through fiscal year 2014, at ~~At~~ least 60% of  
6 transitional bilingual education funding received from the  
7 State must be used for the instructional costs of transitional  
8 bilingual education.

9 Through fiscal year 2014, applications ~~Applications~~ for  
10 preapproval for reimbursement for costs of transitional  
11 bilingual education programs must be submitted to the State  
12 Superintendent of Education at least 60 days before a  
13 transitional bilingual education program is started, unless a  
14 justifiable exception is granted by the State Superintendent of  
15 Education. Applications shall set forth a plan for transitional  
16 bilingual education established and maintained in accordance  
17 with this Article.

18 Through fiscal year 2014, reimbursement ~~Reimbursement~~  
19 claims for transitional bilingual education programs shall be  
20 made as follows:

21 Each school district shall claim reimbursement on a current  
22 basis for the first 3 quarters of the fiscal year and file a  
23 final adjusted claim for the school year ended June 30  
24 preceding computed in accordance with rules prescribed by the  
25 State Superintendent's Office. The State Superintendent of  
26 Education before approving any such claims shall determine

1 their accuracy and whether they are based upon services and  
2 facilities provided under approved programs. Upon approval he  
3 shall transmit to the Comptroller the vouchers showing the  
4 amounts due for school district reimbursement claims. Upon  
5 receipt of the final adjusted claims the State Superintendent  
6 of Education shall make a final determination of the accuracy  
7 of such claims. If the money appropriated by the General  
8 Assembly for such purpose for any year is insufficient, it  
9 shall be apportioned on the basis of the claims approved.

10 Failure on the part of the school district to prepare and  
11 certify the final adjusted claims due under this Section may  
12 constitute a forfeiture by the school district of its right to  
13 be reimbursed by the State under this Section.

14 (Source: P.A. 96-1170, eff. 1-1-11.)

15 (105 ILCS 5/17-1) (from Ch. 122, par. 17-1)

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

24 The budget shall be entered upon a School District Budget  
25 form prepared and provided by the State Board of Education and

1       therein shall contain a statement of the cash on hand at the  
2       beginning of the fiscal year, an estimate of the cash expected  
3       to be received during such fiscal year from all sources, an  
4       estimate of the expenditures contemplated for such fiscal year,  
5       and a statement of the estimated cash expected to be on hand at  
6       the end of such year. The estimate of taxes to be received may  
7       be based upon the amount of actual cash receipts that may  
8       reasonably be expected by the district during such fiscal year,  
9       estimated from the experience of the district in prior years  
10      and with due regard for other circumstances that may  
11      substantially affect such receipts. Nothing in this Section  
12      shall be construed as requiring any district to change or  
13      preventing any district from changing from a cash basis of  
14      financing to a surplus or deficit basis of financing; or as  
15      requiring any district to change or preventing any district  
16      from changing its system of accounting. For the 2015-2016  
17      school year and thereafter, the budget shall conform to the  
18      school level accounting requirements adopted by the State Board  
19      of Education pursuant to Section 2-3.28 of this Code.

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

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

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

26           Such budget shall be prepared in tentative form by some



1 person or persons designated by the board, and in such  
2 tentative form shall be made conveniently available to public  
3 inspection for at least 30 days prior to final action thereon.  
4 At least 1 public hearing shall be held as to such budget prior  
5 to final action thereon. Notice of availability for public  
6 inspection and of such public hearing shall be given by  
7 publication in a newspaper published in such district, at least  
8 30 days prior to the time of such hearing. If there is no  
9 newspaper published in such district, notice of such public  
10 hearing shall be given by posting notices thereof in 5 of the  
11 most public places in such district. It shall be the duty of  
12 the secretary of such board to make such tentative budget  
13 available to public inspection, and to arrange for such public  
14 hearing. The board may from time to time make transfers between  
15 the various items in any fund not exceeding in the aggregate  
16 10% of the total of such fund as set forth in the budget. The  
17 board may from time to time amend such budget by the same  
18 procedure as is herein provided for its original adoption.

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

25 The State Board of Education shall exercise powers and  
26 duties relating to budgets as provided in Section 2-3.27 of

1 this Code and shall require school districts to submit their  
2 annual budgets, deficit reduction plans, and other financial  
3 information, including revenue and expenditure reports and  
4 borrowing and interfund transfer plans, in such form and within  
5 the timelines designated by the State Board of Education.

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

8 In the case of a school district receiving emergency State  
9 financial assistance under Article 1B, the school board shall  
10 also be subject to the requirements established under Article  
11 1B with respect to the annual budget.

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

13 (105 ILCS 5/17-1.2)

14 Sec. 17-1.2. Post annual budget on web site. If a school  
15 district has an Internet web site, the school district shall  
16 post its current annual budget, itemized by receipts and  
17 expenditures, on the district's Internet web site. For the  
18 2015-2016 school year and thereafter, the budget shall include  
19 school level information conforming to the rules adopted by the  
20 State Board of Education pursuant to Section 2-3.28 of this  
21 Code. The school district shall notify the parents or guardians  
22 of its students that the budget has been posted on the  
23 district's web site and what the web site's address is.

24 (Source: P.A. 92-438, eff. 1-1-02.)

1 (105 ILCS 5/17-1.5)

2 Sec. 17-1.5. Limitation of administrative costs.

3 (a) It is the purpose of this Section to establish  
4 limitations on the growth of administrative expenditures in  
5 order to maximize the proportion of school district resources  
6 available for the instructional program, building maintenance,  
7 and safety services for the students of each district.

8 (b) Definitions. For the purposes of this Section:

9 "Administrative expenditures" mean the annual expenditures  
10 of school districts properly attributable to expenditure  
11 functions defined by the rules of the State Board of Education  
12 as: 2320 (Executive Administration Services); 2330 (Special  
13 Area Administration Services); 2490 (Other Support Services -  
14 School Administration); 2510 (Direction of Business Support  
15 Services); 2570 (Internal Services); and 2610 (Direction of  
16 Central Support Services); provided, however, that  
17 "administrative expenditures" shall not include early  
18 retirement or other pension system obligations required by  
19 State law.

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

22 (c) For the 1998-99 school year and each school year  
23 thereafter, each school district shall undertake budgetary and  
24 expenditure control actions so that the increase in  
25 administrative expenditures for that school year over the prior  
26 school year does not exceed 5%. School districts with

1 administrative expenditures per pupil in the 25th percentile  
2 and below for all districts of the same type, as defined by the  
3 State Board of Education, may waive the limitation imposed  
4 under this Section for any year following a public hearing and  
5 with the affirmative vote of at least two-thirds of the members  
6 of the school board of the district. Any district waiving the  
7 limitation shall notify the State Board within 45 days of such  
8 action.

9 (d) School districts shall file with the State Board of  
10 Education by November 15, 1998 and by each November 15th  
11 thereafter a one-page report that lists (i) the actual  
12 administrative expenditures for the prior year from the  
13 district's audited Annual Financial Report, and (ii) the  
14 projected administrative expenditures for the current year  
15 from the budget adopted by the school board pursuant to Section  
16 17-1 of this Code.

17 If a school district that is ineligible to waive the  
18 limitation imposed by subsection (c) of this Section by board  
19 action exceeds the limitation solely because of circumstances  
20 beyond the control of the district and the district has  
21 exhausted all available and reasonable remedies to comply with  
22 the limitation, the district may request a waiver pursuant to  
23 Section 2-3.25g. The waiver application shall specify the  
24 amount, nature, and reason for the relief requested, as well as  
25 all remedies the district has exhausted to comply with the  
26 limitation. Any emergency relief so requested shall apply only

1 to the specific school year for which the request is made. The  
2 State Board of Education shall analyze all such waivers  
3 submitted and shall recommend that the General Assembly  
4 disapprove any such waiver requested that is not due solely to  
5 circumstances beyond the control of the district and for which  
6 the district has not exhausted all available and reasonable  
7 remedies to comply with the limitation. The State  
8 Superintendent shall have no authority to impose any sanctions  
9 pursuant to this Section for any expenditures for which a  
10 waiver has been requested until such waiver has been reviewed  
11 by the General Assembly.

12 If the report and information required under this  
13 subsection (d) are not provided by the school district in a  
14 timely manner, or are subsequently determined by the State  
15 Superintendent of Education to be incomplete or inaccurate, the  
16 State Superintendent shall notify the district in writing of  
17 reporting deficiencies. The school district shall, within 60  
18 days of the notice, address the reporting deficiencies  
19 identified.

20 (e) If the State Superintendent determines that a school  
21 district has failed to comply with the administrative  
22 expenditure limitation imposed in subsection (c) of this  
23 Section, the State Superintendent shall notify the district of  
24 the violation and direct the district to undertake corrective  
25 action to bring the district's budget into compliance with the  
26 administrative expenditure limitation. The district shall,

1 within 60 days of the notice, provide adequate assurance to the  
2 State Superintendent that appropriate corrective actions have  
3 been or will be taken. If the district fails to provide  
4 adequate assurance or fails to undertake the necessary  
5 corrective actions, the State Superintendent may impose  
6 progressive sanctions against the district that may culminate  
7 in withholding all subsequent payments of general State aid due  
8 the district under Section 18-8.05 of this Code or primary  
9 State aid due the district under Section 18-8.15 of this Code  
10 until the assurance is provided or the corrective actions  
11 taken.

12 (f) The State Superintendent shall publish a list each year  
13 of the school districts that violate the limitation imposed by  
14 subsection (c) of this Section and a list of the districts that  
15 waive the limitation by board action as provided in subsection  
16 (c) of this Section.

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

18 (105 ILCS 5/17-2.11) (from Ch. 122, par. 17-2.11)

19 Sec. 17-2.11. School board power to levy a tax or to borrow  
20 money and issue bonds for fire prevention, safety, energy  
21 conservation, disabled accessibility, school security, and  
22 specified repair purposes.

23 (a) Whenever, as a result of any lawful order of any  
24 agency, other than a school board, having authority to enforce  
25 any school building code applicable to any facility that houses

1 students, or any law or regulation for the protection and  
2 safety of the environment, pursuant to the Environmental  
3 Protection Act, any school district having a population of less  
4 than 500,000 inhabitants is required to alter or reconstruct  
5 any school building or permanent, fixed equipment; the district  
6 may, by proper resolution, levy a tax for the purpose of making  
7 such alteration or reconstruction, based on a survey report by  
8 an architect or engineer licensed in this State, upon all of  
9 the taxable property of the district at the value as assessed  
10 by the Department of Revenue and at a rate not to exceed 0.05%  
11 per year for a period sufficient to finance such alteration or  
12 reconstruction, upon the following conditions:

13 (1) When there are not sufficient funds available in  
14 the operations and maintenance fund of the school district,  
15 the school facility occupation tax fund of the district, or  
16 the fire prevention and safety fund of the district, as  
17 determined by the district on the basis of rules adopted by  
18 the State Board of Education, to make such alteration or  
19 reconstruction or to purchase and install such permanent,  
20 fixed equipment so ordered or determined as necessary.  
21 Appropriate school district records must be made available  
22 to the State Superintendent of Education, upon request, to  
23 confirm this insufficiency.

24 (2) When a certified estimate of an architect or  
25 engineer licensed in this State stating the estimated  
26 amount necessary to make the alteration or reconstruction

1 or to purchase and install the equipment so ordered has  
2 been secured by the school district, and the estimate has  
3 been approved by the regional superintendent of schools  
4 having jurisdiction over the district and the State  
5 Superintendent of Education. Approval must not be granted  
6 for any work that has already started without the prior  
7 express authorization of the State Superintendent of  
8 Education. If the estimate is not approved or is denied  
9 approval by the regional superintendent of schools within 3  
10 months after the date on which it is submitted to him or  
11 her, the school board of the district may submit the  
12 estimate directly to the State Superintendent of Education  
13 for approval or denial.

14 In the case of an emergency situation, where the estimated  
15 cost to effectuate emergency repairs is less than the amount  
16 specified in Section 10-20.21 of this Code, the school district  
17 may proceed with such repairs prior to approval by the State  
18 Superintendent of Education, but shall comply with the  
19 provisions of subdivision (2) of this subsection (a) as soon  
20 thereafter as may be as well as Section 10-20.21 of this Code.  
21 If the estimated cost to effectuate emergency repairs is  
22 greater than the amount specified in Section 10-20.21 of this  
23 Code, then the school district shall proceed in conformity with  
24 Section 10-20.21 of this Code and with rules established by the  
25 State Board of Education to address such situations. The rules  
26 adopted by the State Board of Education to deal with these



1 situations shall stipulate that emergency situations must be  
2 expedited and given priority consideration. For purposes of  
3 this paragraph, an emergency is a situation that presents an  
4 imminent and continuing threat to the health and safety of  
5 students or other occupants of a facility, requires complete or  
6 partial evacuation of a building or part of a building, or  
7 consumes one or more of the 5 emergency days built into the  
8 adopted calendar of the school or schools or would otherwise be  
9 expected to cause such school or schools to fall short of the  
10 minimum school calendar requirements.

11 (b) Whenever any such district determines that it is  
12 necessary for energy conservation purposes that any school  
13 building or permanent, fixed equipment should be altered or  
14 reconstructed and that such alterations or reconstruction will  
15 be made with funds not necessary for the completion of approved  
16 and recommended projects contained in any safety survey report  
17 or amendments thereto authorized by Section 2-3.12 of this Act;  
18 the district may levy a tax or issue bonds as provided in  
19 subsection (a) of this Section.

20 (c) Whenever any such district determines that it is  
21 necessary for disabled accessibility purposes and to comply  
22 with the school building code that any school building or  
23 equipment should be altered or reconstructed and that such  
24 alterations or reconstruction will be made with funds not  
25 necessary for the completion of approved and recommended  
26 projects contained in any safety survey report or amendments

1 thereto authorized under Section 2-3.12 of this Act, the  
2 district may levy a tax or issue bonds as provided in  
3 subsection (a) of this Section.

4 (d) Whenever any such district determines that it is  
5 necessary for school security purposes and the related  
6 protection and safety of pupils and school personnel that any  
7 school building or property should be altered or reconstructed  
8 or that security systems and equipment (including but not  
9 limited to intercom, early detection and warning, access  
10 control and television monitoring systems) should be purchased  
11 and installed, and that such alterations, reconstruction or  
12 purchase and installation of equipment will be made with funds  
13 not necessary for the completion of approved and recommended  
14 projects contained in any safety survey report or amendment  
15 thereto authorized by Section 2-3.12 of this Act and will deter  
16 and prevent unauthorized entry or activities upon school  
17 property by unknown or dangerous persons, assure early  
18 detection and advance warning of any such actual or attempted  
19 unauthorized entry or activities and help assure the continued  
20 safety of pupils and school staff if any such unauthorized  
21 entry or activity is attempted or occurs; the district may levy  
22 a tax or issue bonds as provided in subsection (a) of this  
23 Section.

24 (e) If a school district does not need funds for other fire  
25 prevention and safety projects, including the completion of  
26 approved and recommended projects contained in any safety

1 survey report or amendments thereto authorized by Section  
2 2-3.12 of this Act, and it is determined after a public hearing  
3 (which is preceded by at least one published notice (i)  
4 occurring at least 7 days prior to the hearing in a newspaper  
5 of general circulation within the school district and (ii)  
6 setting forth the time, date, place, and general subject matter  
7 of the hearing) that there is a substantial, immediate, and  
8 otherwise unavoidable threat to the health, safety, or welfare  
9 of pupils due to disrepair of school sidewalks, playgrounds,  
10 parking lots, or school bus turnarounds and repairs must be  
11 made; then the district may levy a tax or issue bonds as  
12 provided in subsection (a) of this Section.

13 (f) For purposes of this Section a school district may  
14 replace a school building or build additions to replace  
15 portions of a building when it is determined that the  
16 effectuation of the recommendations for the existing building  
17 will cost more than the replacement costs. Such determination  
18 shall be based on a comparison of estimated costs made by an  
19 architect or engineer licensed in the State of Illinois. The  
20 new building or addition shall be equivalent in area (square  
21 feet) and comparable in purpose and grades served and may be on  
22 the same site or another site. Such replacement may only be  
23 done upon order of the regional superintendent of schools and  
24 the approval of the State Superintendent of Education.

25 (g) The filing of a certified copy of the resolution  
26 levying the tax when accompanied by the certificates of the

1 regional superintendent of schools and State Superintendent of  
2 Education shall be the authority of the county clerk to extend  
3 such tax.

4 (h) The county clerk of the county in which any school  
5 district levying a tax under the authority of this Section is  
6 located, in reducing raised levies, shall not consider any such  
7 tax as a part of the general levy for school purposes and shall  
8 not include the same in the limitation of any other tax rate  
9 which may be extended.

10 Such tax shall be levied and collected in like manner as  
11 all other taxes of school districts, subject to the provisions  
12 contained in this Section.

13 (i) The tax rate limit specified in this Section may be  
14 increased to .10% upon the approval of a proposition to effect  
15 such increase by a majority of the electors voting on that  
16 proposition at a regular scheduled election. Such proposition  
17 may be initiated by resolution of the school board and shall be  
18 certified by the secretary to the proper election authorities  
19 for submission in accordance with the general election law.

20 (j) When taxes are levied by any school district for fire  
21 prevention, safety, energy conservation, and school security  
22 purposes as specified in this Section, and the purposes for  
23 which the taxes have been levied are accomplished and paid in  
24 full, and there remain funds on hand in the Fire Prevention and  
25 Safety Fund from the proceeds of the taxes levied, including  
26 interest earnings thereon, the school board by resolution shall

1 use such excess and other board restricted funds, excluding  
2 bond proceeds and earnings from such proceeds, as follows:

3 (1) for other authorized fire prevention, safety,  
4 energy conservation, and school security purposes; or

5 (2) for transfer to the Operations and Maintenance Fund  
6 for the purpose of abating an equal amount of operations  
7 and maintenance purposes taxes.

8 Notwithstanding subdivision (2) of this subsection (j) and  
9 subsection (k) of this Section, through June 30, 2017 ~~2016~~, the  
10 school board may, by proper resolution following a public  
11 hearing set by the school board or the president of the school  
12 board (that is preceded (i) by at least one published notice  
13 over the name of the clerk or secretary of the board, occurring  
14 at least 7 days and not more than 30 days prior to the hearing,  
15 in a newspaper of general circulation within the school  
16 district and (ii) by posted notice over the name of the clerk  
17 or secretary of the board, at least 48 hours before the  
18 hearing, at the principal office of the school board or at the  
19 building where the hearing is to be held if a principal office  
20 does not exist, with both notices setting forth the time, date,  
21 place, and subject matter of the hearing), transfer surplus  
22 life safety taxes and interest earnings thereon to the  
23 Operations and Maintenance Fund for building repair work.

24 (k) If any transfer is made to the Operation and  
25 Maintenance Fund, the secretary of the school board shall  
26 within 30 days notify the county clerk of the amount of that

1 transfer and direct the clerk to abate the taxes to be extended  
2 for the purposes of operations and maintenance authorized under  
3 Section 17-2 of this Act by an amount equal to such transfer.

4 (l) If the proceeds from the tax levy authorized by this  
5 Section are insufficient to complete the work approved under  
6 this Section, the school board is authorized to sell bonds  
7 without referendum under the provisions of this Section in an  
8 amount that, when added to the proceeds of the tax levy  
9 authorized by this Section, will allow completion of the  
10 approved work.

11 (m) Any bonds issued pursuant to this Section shall bear  
12 interest at a rate not to exceed the maximum rate authorized by  
13 law at the time of the making of the contract, shall mature  
14 within 20 years from date, and shall be signed by the president  
15 of the school board and the treasurer of the school district.

16 (n) In order to authorize and issue such bonds, the school  
17 board shall adopt a resolution fixing the amount of bonds, the  
18 date thereof, the maturities thereof, rates of interest  
19 thereof, place of payment and denomination, which shall be in  
20 denominations of not less than \$100 and not more than \$5,000,  
21 and provide for the levy and collection of a direct annual tax  
22 upon all the taxable property in the school district sufficient  
23 to pay the principal and interest on such bonds to maturity.  
24 Upon the filing in the office of the county clerk of the county  
25 in which the school district is located of a certified copy of  
26 the resolution, it is the duty of the county clerk to extend

1 the tax therefor in addition to and in excess of all other  
2 taxes heretofore or hereafter authorized to be levied by such  
3 school district.

4 (o) After the time such bonds are issued as provided for by  
5 this Section, if additional alterations or reconstructions are  
6 required to be made because of surveys conducted by an  
7 architect or engineer licensed in the State of Illinois, the  
8 district may levy a tax at a rate not to exceed .05% per year  
9 upon all the taxable property of the district or issue  
10 additional bonds, whichever action shall be the most feasible.

11 (p) This Section is cumulative and constitutes complete  
12 authority for the issuance of bonds as provided in this Section  
13 notwithstanding any other statute or law to the contrary.

14 (q) With respect to instruments for the payment of money  
15 issued under this Section either before, on, or after the  
16 effective date of Public Act 86-004 (June 6, 1989), it is, and  
17 always has been, the intention of the General Assembly (i) that  
18 the Omnibus Bond Acts are, and always have been, supplementary  
19 grants of power to issue instruments in accordance with the  
20 Omnibus Bond Acts, regardless of any provision of this Act that  
21 may appear to be or to have been more restrictive than those  
22 Acts, (ii) that the provisions of this Section are not a  
23 limitation on the supplementary authority granted by the  
24 Omnibus Bond Acts, and (iii) that instruments issued under this  
25 Section within the supplementary authority granted by the  
26 Omnibus Bond Acts are not invalid because of any provision of

1 this Act that may appear to be or to have been more restrictive  
2 than those Acts.

3 (r) When the purposes for which the bonds are issued have  
4 been accomplished and paid for in full and there remain funds  
5 on hand from the proceeds of the bond sale and interest  
6 earnings therefrom, the board shall, by resolution, use such  
7 excess funds in accordance with the provisions of Section  
8 10-22.14 of this Act.

9 (s) Whenever any tax is levied or bonds issued for fire  
10 prevention, safety, energy conservation, and school security  
11 purposes, such proceeds shall be deposited and accounted for  
12 separately within the Fire Prevention and Safety Fund.

13 (Source: P.A. 98-26, eff. 6-21-13.)

14 (105 ILCS 5/17-2A) (from Ch. 122, par. 17-2A)

15 Sec. 17-2A. Interfund Transfers.

16 (a) The school board of any district having a population of  
17 less than 500,000 inhabitants may, by proper resolution  
18 following a public hearing set by the school board or the  
19 president of the school board (that is preceded (i) by at least  
20 one published notice over the name of the clerk or secretary of  
21 the board, occurring at least 7 days and not more than 30 days  
22 prior to the hearing, in a newspaper of general circulation  
23 within the school district and (ii) by posted notice over the  
24 name of the clerk or secretary of the board, at least 48 hours  
25 before the hearing, at the principal office of the school board



1 or at the building where the hearing is to be held if a  
2 principal office does not exist, with both notices setting  
3 forth the time, date, place, and subject matter of the  
4 hearing), transfer money from (1) the Educational Fund to the  
5 Operations and Maintenance Fund or the Transportation Fund, (2)  
6 the Operations and Maintenance Fund to the Educational Fund or  
7 the Transportation Fund, or (3) the Transportation Fund to the  
8 Educational Fund or the Operations and Maintenance Fund of said  
9 district, provided that, except during the period from July 1,  
10 2003 through June 30, 2017 ~~2016~~, such transfer is made solely  
11 for the purpose of meeting one-time, non-recurring expenses.  
12 Except during the period from July 1, 2003 through June 30,  
13 2017 ~~2016~~ and except as otherwise provided in subsection (b) of  
14 this Section, any other permanent interfund transfers  
15 authorized by any provision or judicial interpretation of this  
16 Code for which the transferee fund is not precisely and  
17 specifically set forth in the provision of this Code  
18 authorizing such transfer shall be made to the fund of the  
19 school district most in need of the funds being transferred, as  
20 determined by resolution of the school board.

21 (b) Notwithstanding subsection (a) of this Section or any  
22 other provision of this Code to the contrary, the school board  
23 of any school district (i) that is subject to the Property Tax  
24 Extension Limitation Law, (ii) that has a population of less  
25 than 500,000 inhabitants, (iii) that is levying at its maximum  
26 tax rate, (iv) whose total equalized assessed valuation has

1 declined 20% in the prior 2 years, (v) in which 80% or more of  
2 its students receive free or reduced-price lunch, and (vi) that  
3 had an equalized assessed valuation of less than \$207 million  
4 but more than \$203 million in the 2011 levy year may annually,  
5 until July 1, 2016, transfer money from any fund of the  
6 district, other than the Illinois Municipal Retirement Fund and  
7 the Bonds and Interest Fund, to the educational fund, the  
8 operations and maintenance fund, or the transportation fund of  
9 the district by proper resolution following a public hearing  
10 set by the school board or the president of the school board,  
11 with notice as provided in subsection (a) of this Section, so  
12 long as the district meets the qualifications set forth in this  
13 subsection (b) on the effective date of this amendatory Act of  
14 the 98th General Assembly even if the district does not meet  
15 those qualifications at the time a given transfer is made.

16 (Source: P.A. 98-26, eff. 6-21-13; 98-131, eff. 1-1-14.)

17 (105 ILCS 5/18-4.3) (from Ch. 122, par. 18-4.3)

18 Sec. 18-4.3. Summer school grants. Through fiscal year  
19 2014, grants ~~Grants~~ shall be determined for pupil attendance in  
20 summer schools conducted under Sections 10-22.33A and 34-18 and  
21 approved under Section 2-3.25 in the following manner.

22 The amount of grant for each accredited summer school  
23 attendance pupil shall be obtained by dividing the total amount  
24 of apportionments determined under Section 18-8.05 by the  
25 actual number of pupils in average daily attendance used for

1 such apportionments. The number of credited summer school  
2 attendance pupils shall be determined (a) by counting clock  
3 hours of class instruction by pupils enrolled in grades 1  
4 through 12 in approved courses conducted at least 60 clock  
5 hours in summer sessions; (b) by dividing such total of clock  
6 hours of class instruction by 4 to produce days of credited  
7 pupil attendance; (c) by dividing such days of credited pupil  
8 attendance by the actual number of days in the regular term as  
9 used in computation in the general apportionment in Section  
10 18-8.05; and (d) by multiplying by 1.25.

11 The amount of the grant for a summer school program  
12 approved by the State Superintendent of Education for children  
13 with disabilities, as defined in Sections 14-1.02 through  
14 14-1.07, shall be determined in the manner contained above  
15 except that average daily membership shall be utilized in lieu  
16 of average daily attendance.

17 In the case of an apportionment based on summer school  
18 attendance or membership pupils, the claim therefor shall be  
19 presented as a separate claim for the particular school year in  
20 which such summer school session ends. On or before November 1  
21 of each year the superintendent of each eligible school  
22 district shall certify to the State Superintendent of Education  
23 the claim of the district for the summer session just ended.  
24 Failure on the part of the school board to so certify shall  
25 constitute a forfeiture of its right to such payment. The State  
26 Superintendent of Education shall transmit to the Comptroller

1 no later than December 15th of each year vouchers for payment  
2 of amounts due school districts for summer school. The State  
3 Superintendent of Education shall direct the Comptroller to  
4 draw his warrants for payments thereof by the 30th day of  
5 December. If the money appropriated by the General Assembly for  
6 such purpose for any year is insufficient, it shall be  
7 apportioned on the basis of claims approved.

8 However, notwithstanding the foregoing provisions, for  
9 each fiscal year the money appropriated by the General Assembly  
10 for the purposes of this Section shall only be used for grants  
11 for approved summer school programs for those children with  
12 disabilities served pursuant to Section 14-7.02 or 14-7.02b of  
13 this Code.

14 No funding shall be provided to school districts under this  
15 Section after fiscal year 2014.

16 (Source: P.A. 93-1022, eff. 8-24-04.)

17 (105 ILCS 5/18-8.05)

18 Sec. 18-8.05. Basis for apportionment of general State  
19 financial aid and supplemental general State aid to the common  
20 schools for the 1998-1999 through the 2013-2014 ~~and subsequent~~  
21 school years.

22 (A) General Provisions.

23 (1) The provisions of this Section relating to the  
24 calculation and apportionment of general State financial aid

1 and supplemental general State aid apply to the 1998-1999  
2 through the 2013-2014 ~~and subsequent~~ school years. The system  
3 of general State financial aid provided for in this Section is  
4 designed to assure that, through a combination of State  
5 financial aid and required local resources, the financial  
6 support provided each pupil in Average Daily Attendance equals  
7 or exceeds a prescribed per pupil Foundation Level. This  
8 formula approach imputes a level of per pupil Available Local  
9 Resources and provides for the basis to calculate a per pupil  
10 level of general State financial aid that, when added to  
11 Available Local Resources, equals or exceeds the Foundation  
12 Level. The amount of per pupil general State financial aid for  
13 school districts, in general, varies in inverse relation to  
14 Available Local Resources. Per pupil amounts are based upon  
15 each school district's Average Daily Attendance as that term is  
16 defined in this Section.

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

26 (3) To receive financial assistance under this Section,

1 school districts are required to file claims with the State  
2 Board of Education, subject to the following requirements:

3 (a) Any school district which fails for any given  
4 school year to maintain school as required by law, or to  
5 maintain a recognized school is not eligible to file for  
6 such school year any claim upon the Common School Fund. In  
7 case of nonrecognition of one or more attendance centers in  
8 a school district otherwise operating recognized schools,  
9 the claim of the district shall be reduced in the  
10 proportion which the Average Daily Attendance in the  
11 attendance center or centers bear to the Average Daily  
12 Attendance in the school district. A "recognized school"  
13 means any public school which meets the standards as  
14 established for recognition by the State Board of  
15 Education. A school district or attendance center not  
16 having recognition status at the end of a school term is  
17 entitled to receive State aid payments due upon a legal  
18 claim which was filed while it was recognized.

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

22 (c) If a school district operates a full year school  
23 under Section 10-19.1, the general State aid to the school  
24 district shall be determined by the State Board of  
25 Education in accordance with this Section as near as may be  
26 applicable.

1 (d) (Blank).

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

6 School districts are not required to exert a minimum  
7 Operating Tax Rate in order to qualify for assistance under  
8 this Section.

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

11 (a) "Average Daily Attendance": A count of pupil  
12 attendance in school, averaged as provided for in  
13 subsection (C) and utilized in deriving per pupil financial  
14 support levels.

15 (b) "Available Local Resources": A computation of  
16 local financial support, calculated on the basis of Average  
17 Daily Attendance and derived as provided pursuant to  
18 subsection (D).

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

26 (d) "Foundation Level": A prescribed level of per pupil

1 financial support as provided for in subsection (B).

2 (e) "Operating Tax Rate": All school district property  
3 taxes extended for all purposes, except Bond and Interest,  
4 Summer School, Rent, Capital Improvement, and Vocational  
5 Education Building purposes.

6 (B) Foundation Level.

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

17 (2) For the 1998-1999 school year, the Foundation Level of  
18 support is \$4,225. For the 1999-2000 school year, the  
19 Foundation Level of support is \$4,325. For the 2000-2001 school  
20 year, the Foundation Level of support is \$4,425. For the  
21 2001-2002 school year and 2002-2003 school year, the Foundation  
22 Level of support is \$4,560. For the 2003-2004 school year, the  
23 Foundation Level of support is \$4,810. For the 2004-2005 school  
24 year, the Foundation Level of support is \$4,964. For the  
25 2005-2006 school year, the Foundation Level of support is



1 \$5,164. For the 2006-2007 school year, the Foundation Level of  
2 support is \$5,334. For the 2007-2008 school year, the  
3 Foundation Level of support is \$5,734. For the 2008-2009 school  
4 year, the Foundation Level of support is \$5,959.

5 (3) For the 2009-2010 school year and each school year  
6 thereafter, the Foundation Level of support is \$6,119 or such  
7 greater amount as may be established by law by the General  
8 Assembly.

9 (C) Average Daily Attendance.

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

21 (2) The Average Daily Attendance figures utilized in  
22 subsection (E) shall be the requisite attendance data for the  
23 school year immediately preceding the school year for which  
24 general State aid is being calculated or the average of the  
25 attendance data for the 3 preceding school years, whichever is

1 greater. The Average Daily Attendance figures utilized in  
2 subsection (H) shall be the requisite attendance data for the  
3 school year immediately preceding the school year for which  
4 general State aid is being calculated.

5 (D) Available Local Resources.

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

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

22 (3) For school districts maintaining grades kindergarten  
23 through 12, local property tax revenues per pupil shall be  
24 calculated as the product of the applicable equalized assessed  
25 valuation for the district multiplied by 3.00%, and divided by

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

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

22 (4) The Corporate Personal Property Replacement Taxes paid  
23 to each school district during the calendar year one year  
24 before the calendar year in which a school year begins, divided  
25 by the Average Daily Attendance figure for that district, shall  
26 be added to the local property tax revenues per pupil as

1 derived by the application of the immediately preceding  
2 paragraph (3). The sum of these per pupil figures for each  
3 school district shall constitute Available Local Resources as  
4 that term is utilized in subsection (E) in the calculation of  
5 general State aid.

6 (E) Computation of General State Aid.

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

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

16 (3) For any school district for which Available Local  
17 Resources per pupil is equal to or greater than the product of  
18 0.93 times the Foundation Level and less than the product of  
19 1.75 times the Foundation Level, the general State aid per  
20 pupil shall be a decimal proportion of the Foundation Level  
21 derived using a linear algorithm. Under this linear algorithm,  
22 the calculated general State aid per pupil shall decline in  
23 direct linear fashion from 0.07 times the Foundation Level for  
24 a school district with Available Local Resources equal to the  
25 product of 0.93 times the Foundation Level, to 0.05 times the

1 Foundation Level for a school district with Available Local  
2 Resources equal to the product of 1.75 times the Foundation  
3 Level. The allocation of general State aid for school districts  
4 subject to this paragraph 3 shall be the calculated general  
5 State aid per pupil figure multiplied by the Average Daily  
6 Attendance of the school district.

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

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

22 (F) Compilation of Average Daily Attendance.

23 (1) Each school district shall, by July 1 of each year,  
24 submit to the State Board of Education, on forms prescribed by  
25 the State Board of Education, attendance figures for the school

1 year that began in the preceding calendar year. The attendance  
2 information so transmitted shall identify the average daily  
3 attendance figures for each month of the school year. Beginning  
4 with the general State aid claim form for the 2002-2003 school  
5 year, districts shall calculate Average Daily Attendance as  
6 provided in subdivisions (a), (b), and (c) of this paragraph  
7 (1).

8 (a) In districts that do not hold year-round classes,  
9 days of attendance in August shall be added to the month of  
10 September and any days of attendance in June shall be added  
11 to the month of May.

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

16 (c) In districts in which some buildings, but not all,  
17 hold year-round classes, for the non-year-round buildings,  
18 days of attendance in August shall be added to the month of  
19 September and any days of attendance in June shall be added  
20 to the month of May. The average daily attendance for the  
21 year-round buildings shall be computed as provided in  
22 subdivision (b) of this paragraph (1). To calculate the  
23 Average Daily Attendance for the district, the average  
24 daily attendance for the year-round buildings shall be  
25 multiplied by the days in session for the non-year-round  
26 buildings for each month and added to the monthly

1 attendance of the non-year-round buildings.

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

11 Days of attendance by tuition pupils shall be accredited  
12 only to the districts that pay the tuition to a recognized  
13 school.

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

17 (a) Pupils regularly enrolled in a public school for  
18 only a part of the school day may be counted on the basis  
19 of 1/6 day for every class hour of instruction of 40  
20 minutes or more attended pursuant to such enrollment,  
21 unless a pupil is enrolled in a block-schedule format of 80  
22 minutes or more of instruction, in which case the pupil may  
23 be counted on the basis of the proportion of minutes of  
24 school work completed each day to the minimum number of  
25 minutes that school work is required to be held that day.

26 (b) (Blank).

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

6           (d) A session of 3 or more clock hours may be counted  
7 as a day of attendance (1) when the remainder of the school  
8 day or at least 2 hours in the evening of that day is  
9 utilized for an in-service training program for teachers,  
10 up to a maximum of 5 days per school year, provided a  
11 district conducts an in-service training program for  
12 teachers in accordance with Section 10-22.39 of this Code;  
13 or, in lieu of 4 such days, 2 full days may be used, in  
14 which event each such day may be counted as a day required  
15 for a legal school calendar pursuant to Section 10-19 of  
16 this Code; (1.5) when, of the 5 days allowed under item  
17 (1), a maximum of 4 days are used for parent-teacher  
18 conferences, or, in lieu of 4 such days, 2 full days are  
19 used, in which case each such day may be counted as a  
20 calendar day required under Section 10-19 of this Code,  
21 provided that the full-day, parent-teacher conference  
22 consists of (i) a minimum of 5 clock hours of  
23 parent-teacher conferences, (ii) both a minimum of 2 clock  
24 hours of parent-teacher conferences held in the evening  
25 following a full day of student attendance, as specified in  
26 subsection (F)(1)(c), and a minimum of 3 clock hours of



1 parent-teacher conferences held on the day immediately  
2 following evening parent-teacher conferences, or (iii)  
3 multiple parent-teacher conferences held in the evenings  
4 following full days of student attendance, as specified in  
5 subsection (F)(1)(c), in which the time used for the  
6 parent-teacher conferences is equivalent to a minimum of 5  
7 clock hours; and (2) when days in addition to those  
8 provided in items (1) and (1.5) are scheduled by a school  
9 pursuant to its school improvement plan adopted under  
10 Article 34 or its revised or amended school improvement  
11 plan adopted under Article 2, provided that (i) such  
12 sessions of 3 or more clock hours are scheduled to occur at  
13 regular intervals, (ii) the remainder of the school days in  
14 which such sessions occur are utilized for in-service  
15 training programs or other staff development activities  
16 for teachers, and (iii) a sufficient number of minutes of  
17 school work under the direct supervision of teachers are  
18 added to the school days between such regularly scheduled  
19 sessions to accumulate not less than the number of minutes  
20 by which such sessions of 3 or more clock hours fall short  
21 of 5 clock hours. Any full days used for the purposes of  
22 this paragraph shall not be considered for computing  
23 average daily attendance. Days scheduled for in-service  
24 training programs, staff development activities, or  
25 parent-teacher conferences may be scheduled separately for  
26 different grade levels and different attendance centers of

1 the district.

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

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

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

20 (h) A recognized kindergarten which provides for only  
21 1/2 day of attendance by each pupil shall not have more  
22 than 1/2 day of attendance counted in any one day. However,  
23 kindergartens may count 2 1/2 days of attendance in any 5  
24 consecutive school days. When a pupil attends such a  
25 kindergarten for 2 half days on any one school day, the  
26 pupil shall have the following day as a day absent from

1 school, unless the school district obtains permission in  
2 writing from the State Superintendent of Education.  
3 Attendance at kindergartens which provide for a full day of  
4 attendance by each pupil shall be counted the same as  
5 attendance by first grade pupils. Only the first year of  
6 attendance in one kindergarten shall be counted, except in  
7 case of children who entered the kindergarten in their  
8 fifth year whose educational development requires a second  
9 year of kindergarten as determined under the rules and  
10 regulations of the State Board of Education.

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

22 (j) Pupils enrolled in a remote educational program  
23 established under Section 10-29 of this Code may be counted  
24 on the basis of one-fifth day of attendance for every clock  
25 hour of instruction attended in the remote educational  
26 program, provided that, in any month, the school district

1 may not claim for a student enrolled in a remote  
2 educational program more days of attendance than the  
3 maximum number of days of attendance the district can claim  
4 (i) for students enrolled in a building holding year-round  
5 classes if the student is classified as participating in  
6 the remote educational program on a year-round schedule or  
7 (ii) for students enrolled in a building not holding  
8 year-round classes if the student is not classified as  
9 participating in the remote educational program on a  
10 year-round schedule.

11 (G) Equalized Assessed Valuation Data.

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

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

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

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

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

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

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

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

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

25 (3) For the 1999-2000 school year and each school year  
26 thereafter, if a school district meets all of the criteria of

1 this subsection (G) (3), the school district's Available Local  
2 Resources shall be calculated under subsection (D) using the  
3 district's Extension Limitation Equalized Assessed Valuation  
4 as calculated under this subsection (G) (3).

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

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

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

11 "Preceding Tax Year": The property tax levy year  
12 immediately preceding the Base Tax Year.

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

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

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

26 "Operating Tax Rate": The operating tax rate as defined



1 in subsection (A).

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

1 the 2009-2010 school year and each school year thereafter, if a  
2 school district has approved or does approve an increase in its  
3 limiting rate, pursuant to Section 18-190 of the Property Tax  
4 Code, affecting the Base Tax Year, the Extension Limitation  
5 Equalized Assessed Valuation of the school district, as  
6 calculated by the State Board of Education, shall be equal to  
7 the product of the Equalized Assessed Valuation last used in  
8 the calculation of general State aid times an amount equal to  
9 one plus the percentage increase, if any, in the Consumer Price  
10 Index for all Urban Consumers for all items published by the  
11 United States Department of Labor for the 12-month calendar  
12 year preceding the Base Tax Year, plus the Equalized Assessed  
13 Valuation of new property, annexed property, and recovered tax  
14 increment value and minus the Equalized Assessed Valuation of  
15 disconnected property. New property and recovered tax  
16 increment value shall have the meanings set forth in the  
17 Property Tax Extension Limitation Law.

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

22 (3.5) For the 2010-2011 school year and each school year  
23 thereafter, if a school district's boundaries span multiple  
24 counties, then the Department of Revenue shall send to the  
25 State Board of Education, for the purpose of calculating  
26 general State aid, the limiting rate and individual rates by

1 purpose for the county that contains the majority of the school  
2 district's Equalized Assessed Valuation.

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

23 (5) For school districts having a majority of their  
24 equalized assessed valuation in any county except Cook, DuPage,  
25 Kane, Lake, McHenry, or Will, if the amount of general State  
26 aid allocated to the school district for the 1999-2000 school

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

9 (H) Supplemental General State Aid.

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

21 (1.5) This paragraph (1.5) applies only to those school  
22 years preceding the 2003-2004 school year. For purposes of this  
23 subsection (H), the term "Low-Income Concentration Level"  
24 shall be the low-income eligible pupil count from the most  
25 recently available federal census divided by the Average Daily

1 Attendance of the school district. If, however, (i) the  
2 percentage decrease from the 2 most recent federal censuses in  
3 the low-income eligible pupil count of a high school district  
4 with fewer than 400 students exceeds by 75% or more the  
5 percentage change in the total low-income eligible pupil count  
6 of contiguous elementary school districts, whose boundaries  
7 are coterminous with the high school district, or (ii) a high  
8 school district within 2 counties and serving 5 elementary  
9 school districts, whose boundaries are coterminous with the  
10 high school district, has a percentage decrease from the 2 most  
11 recent federal censuses in the low-income eligible pupil count  
12 and there is a percentage increase in the total low-income  
13 eligible pupil count of a majority of the elementary school  
14 districts in excess of 50% from the 2 most recent federal  
15 censuses, then the high school district's low-income eligible  
16 pupil count from the earlier federal census shall be the number  
17 used as the low-income eligible pupil count for the high school  
18 district, for purposes of this subsection (H). The changes made  
19 to this paragraph (1) by Public Act 92-28 shall apply to  
20 supplemental general State aid grants for school years  
21 preceding the 2003-2004 school year that are paid in fiscal  
22 year 1999 or thereafter and to any State aid payments made in  
23 fiscal year 1994 through fiscal year 1998 pursuant to  
24 subsection 1(n) of Section 18-8 of this Code (which was  
25 repealed on July 1, 1998), and any high school district that is  
26 affected by Public Act 92-28 is entitled to a recomputation of

1 its supplemental general State aid grant or State aid paid in  
2 any of those fiscal years. This recomputation shall not be  
3 affected by any other funding.

4 (1.10) This paragraph (1.10) applies to the 2003-2004  
5 school year and each school year thereafter through the  
6 2013-2014 school year. For purposes of this subsection (H), the  
7 term "Low-Income Concentration Level" shall, for each fiscal  
8 year, be the low-income eligible pupil count as of July 1 of  
9 the immediately preceding fiscal year (as determined by the  
10 Department of Human Services based on the number of pupils who  
11 are eligible for at least one of the following low income  
12 programs: Medicaid, the Children's Health Insurance Program,  
13 TANF, or Food Stamps, excluding pupils who are eligible for  
14 services provided by the Department of Children and Family  
15 Services, averaged over the 2 immediately preceding fiscal  
16 years for fiscal year 2004 and over the 3 immediately preceding  
17 fiscal years for each fiscal year thereafter) divided by the  
18 Average Daily Attendance of the school district.

19 (2) Supplemental general State aid pursuant to this  
20 subsection (H) shall be provided as follows for the 1998-1999,  
21 1999-2000, and 2000-2001 school years only:

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

26 (b) For any school district with a Low Income

1 Concentration Level of at least 35% and less than 50%, the  
2 grant for the 1998-1999 school year shall be \$1,100  
3 multiplied by the low income eligible pupil count.

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

8 (d) For any school district with a Low Income  
9 Concentration Level of 60% or more, the grant for the  
10 1998-99 school year shall be \$1,900 multiplied by the low  
11 income eligible pupil count.

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

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

20 (2.5) Supplemental general State aid pursuant to this  
21 subsection (H) shall be provided as follows for the 2002-2003  
22 school year:

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

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

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

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

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

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

21           (2.10) Except as otherwise provided, supplemental general  
22 State aid pursuant to this subsection (H) shall be provided as  
23 follows for the 2003-2004 school year and each school year  
24 thereafter:

25           (a) For any school district with a Low Income  
26 Concentration Level of 15% or less, the grant for each



1 school year shall be \$355 multiplied by the low income  
2 eligible pupil count.

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

8 For the 2003-2004 school year and each school year  
9 thereafter through the 2008-2009 school year only, the grant  
10 shall be no less than the grant for the 2002-2003 school year.  
11 For the 2009-2010 school year only, the grant shall be no less  
12 than the grant for the 2002-2003 school year multiplied by  
13 0.66. For the 2010-2011 school year only, the grant shall be no  
14 less than the grant for the 2002-2003 school year multiplied by  
15 0.33. Notwithstanding the provisions of this paragraph to the  
16 contrary, if for any school year supplemental general State aid  
17 grants are prorated as provided in paragraph (1) of this  
18 subsection (H), then the grants under this paragraph shall be  
19 prorated.

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

1 the grant received during the 2002-2003 school year added to  
2 the product of 0.50 multiplied by the difference between the  
3 grant amount calculated under subsection (a) or (b) of this  
4 paragraph (2.10), whichever is applicable, and the grant  
5 received during the 2002-2003 school year. For the 2005-2006  
6 school year only, the grant shall be no greater than the grant  
7 received during the 2002-2003 school year added to the product  
8 of 0.75 multiplied by the difference between the grant amount  
9 calculated under subsection (a) or (b) of this paragraph  
10 (2.10), whichever is applicable, and the grant received during  
11 the 2002-2003 school year.

12 (3) School districts with an Average Daily Attendance of  
13 more than 1,000 and less than 50,000 that qualify for  
14 supplemental general State aid pursuant to this subsection  
15 shall submit a plan to the State Board of Education prior to  
16 October 30 of each year for the use of the funds resulting from  
17 this grant of supplemental general State aid for the  
18 improvement of instruction in which priority is given to  
19 meeting the education needs of disadvantaged children. Such  
20 plan shall be submitted in accordance with rules and  
21 regulations promulgated by the State Board of Education.

22 (4) School districts with an Average Daily Attendance of  
23 50,000 or more that qualify for supplemental general State aid  
24 pursuant to this subsection shall be required to distribute  
25 from funds available pursuant to this Section, no less than  
26 \$261,000,000 in accordance with the following requirements:

1           (a) The required amounts shall be distributed to the  
2 attendance centers within the district in proportion to the  
3 number of pupils enrolled at each attendance center who are  
4 eligible to receive free or reduced-price lunches or  
5 breakfasts under the federal Child Nutrition Act of 1966  
6 and under the National School Lunch Act during the  
7 immediately preceding school year.

8           (b) The distribution of these portions of supplemental  
9 and general State aid among attendance centers according to  
10 these requirements shall not be compensated for or  
11 contravened by adjustments of the total of other funds  
12 appropriated to any attendance centers, and the Board of  
13 Education shall utilize funding from one or several sources  
14 in order to fully implement this provision annually prior  
15 to the opening of school.

16           (c) Each attendance center shall be provided by the  
17 school district a distribution of noncategorical funds and  
18 other categorical funds to which an attendance center is  
19 entitled under law in order that the general State aid and  
20 supplemental general State aid provided by application of  
21 this subsection supplements rather than supplants the  
22 noncategorical funds and other categorical funds provided  
23 by the school district to the attendance centers.

24           (d) Any funds made available under this subsection that  
25 by reason of the provisions of this subsection are not  
26 required to be allocated and provided to attendance centers

1           may be used and appropriated by the board of the district  
2           for any lawful school purpose.

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

16          (f) Each district subject to the provisions of this  
17          subdivision (H) (4) shall submit an acceptable plan to meet  
18          the educational needs of disadvantaged children, in  
19          compliance with the requirements of this paragraph, to the  
20          State Board of Education prior to July 15 of each year.  
21          This plan shall be consistent with the decisions of local  
22          school councils concerning the school expenditure plans  
23          developed in accordance with part 4 of Section 34-2.3. The  
24          State Board shall approve or reject the plan within 60 days  
25          after its submission. If the plan is rejected, the district  
26          shall give written notice of intent to modify the plan

1 within 15 days of the notification of rejection and then  
2 submit a modified plan within 30 days after the date of the  
3 written notice of intent to modify. Districts may amend  
4 approved plans pursuant to rules promulgated by the State  
5 Board of Education.

6 Upon notification by the State Board of Education that  
7 the district has not submitted a plan prior to July 15 or a  
8 modified plan within the time period specified herein, the  
9 State aid funds affected by that plan or modified plan  
10 shall be withheld by the State Board of Education until a  
11 plan or modified plan is submitted.

12 If the district fails to distribute State aid to  
13 attendance centers in accordance with an approved plan, the  
14 plan for the following year shall allocate funds, in  
15 addition to the funds otherwise required by this  
16 subsection, to those attendance centers which were  
17 underfunded during the previous year in amounts equal to  
18 such underfunding.

19 For purposes of determining compliance with this  
20 subsection in relation to the requirements of attendance  
21 center funding, each district subject to the provisions of  
22 this subsection shall submit as a separate document by  
23 December 1 of each year a report of expenditure data for  
24 the prior year in addition to any modification of its  
25 current plan. If it is determined that there has been a  
26 failure to comply with the expenditure provisions of this

1 subsection regarding contravention or supplanting, the  
2 State Superintendent of Education shall, within 60 days of  
3 receipt of the report, notify the district and any affected  
4 local school council. The district shall within 45 days of  
5 receipt of that notification inform the State  
6 Superintendent of Education of the remedial or corrective  
7 action to be taken, whether by amendment of the current  
8 plan, if feasible, or by adjustment in the plan for the  
9 following year. Failure to provide the expenditure report  
10 or the notification of remedial or corrective action in a  
11 timely manner shall result in a withholding of the affected  
12 funds.

13 The State Board of Education shall promulgate rules and  
14 regulations to implement the provisions of this  
15 subsection. No funds shall be released under this  
16 subdivision (H) (4) to any district that has not submitted a  
17 plan that has been approved by the State Board of  
18 Education.

19 (I) (Blank).

20 (J) (Blank).

21 (K) Grants to Laboratory and Alternative Schools.

22 In calculating the amount to be paid to the governing board  
23 of a public university that operates a laboratory school under

1 this Section or to any alternative school that is operated by a  
2 regional superintendent of schools, the State Board of  
3 Education shall require by rule such reporting requirements as  
4 it deems necessary.

5 As used in this Section, "laboratory school" means a public  
6 school which is created and operated by a public university and  
7 approved by the State Board of Education. The governing board  
8 of a public university which receives funds from the State  
9 Board under this subsection (K) or subsection (i) of Section  
10 18-8.15 of this Code may not increase the number of students  
11 enrolled in its laboratory school from a single district, if  
12 that district is already sending 50 or more students, except  
13 under a mutual agreement between the school board of a  
14 student's district of residence and the university which  
15 operates the laboratory school. A laboratory school may not  
16 have more than 1,000 students, excluding students with  
17 disabilities in a special education program.

18 As used in this Section, "alternative school" means a  
19 public school which is created and operated by a Regional  
20 Superintendent of Schools and approved by the State Board of  
21 Education. Such alternative schools may offer courses of  
22 instruction for which credit is given in regular school  
23 programs, courses to prepare students for the high school  
24 equivalency testing program or vocational and occupational  
25 training. A regional superintendent of schools may contract  
26 with a school district or a public community college district

1 to operate an alternative school. An alternative school serving  
2 more than one educational service region may be established by  
3 the regional superintendents of schools of the affected  
4 educational service regions. An alternative school serving  
5 more than one educational service region may be operated under  
6 such terms as the regional superintendents of schools of those  
7 educational service regions may agree.

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

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

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



1 remainder of general State school aid for any such district  
2 shall be paid in accordance with Article 34A when that Article  
3 provides for a disposition other than that provided by this  
4 Article.

5 (2) (Blank).

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

8 (M) Education Funding Advisory Board.

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

1 by lots drawn at the first meeting of the Board that is held  
2 after all 5 members are appointed, shall determine 2 of their  
3 number to serve for terms that commence on the date of their  
4 respective appointments and expire on the third Monday of  
5 January, 2001, and 2 of their number to serve for terms that  
6 commence on the date of their respective appointments and  
7 expire on the third Monday of January, 2000. All members  
8 appointed to serve on the Board shall serve until their  
9 respective successors are appointed and confirmed. Vacancies  
10 shall be filled in the same manner as original appointments. If  
11 a vacancy in membership occurs at a time when the Senate is not  
12 in session, the Governor shall make a temporary appointment  
13 until the next meeting of the Senate, when he or she shall  
14 appoint, by and with the advice and consent of the Senate, a  
15 person to fill that membership for the unexpired term. If the  
16 Senate is not in session when the initial appointments are  
17 made, those appointments shall be made as in the case of  
18 vacancies.

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

1           The State Board of Education shall provide such staff  
2 assistance to the Education Funding Advisory Board as is  
3 reasonably required for the proper performance by the Board of  
4 its responsibilities.

5           For school years after the 2000-2001 school year through  
6 the 2013-2014 school year, the Education Funding Advisory  
7 Board, in consultation with the State Board of Education, shall  
8 make recommendations as provided in this subsection (M) to the  
9 General Assembly for the foundation level under subdivision  
10 (B) (3) of this Section and for the supplemental general State  
11 aid grant level under subsection (H) of this Section for  
12 districts with high concentrations of children from poverty.  
13 The recommended foundation level shall be determined based on a  
14 methodology which incorporates the basic education  
15 expenditures of low-spending schools exhibiting high academic  
16 performance. The Education Funding Advisory Board shall make  
17 such recommendations to the General Assembly on January 1 of  
18 odd numbered years, beginning January 1, 2001. After the  
19 2013-2014 school year, the Education Funding Advisory Board  
20 shall make recommendations pursuant to subsection (k) of  
21 Section 18-8.15 of this Code.

22           (N) (Blank).

23           (O) References.

24           (1) References in other laws to the various subdivisions of

1 Section 18-8 as that Section existed before its repeal and  
2 replacement by this Section 18-8.05 shall be deemed to refer to  
3 the corresponding provisions of this Section 18-8.05, to the  
4 extent that those references remain applicable.

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

8 (P) Public Act 93-838 and Public Act 93-808 make inconsistent  
9 changes to this Section. Under Section 6 of the Statute on  
10 Statutes there is an irreconcilable conflict between Public Act  
11 93-808 and Public Act 93-838. Public Act 93-838, being the last  
12 acted upon, is controlling. The text of Public Act 93-838 is  
13 the law regardless of the text of Public Act 93-808.

14 (Source: P.A. 96-45, eff. 7-15-09; 96-152, eff. 8-7-09; 96-300,  
15 eff. 8-11-09; 96-328, eff. 8-11-09; 96-640, eff. 8-24-09;  
16 96-959, eff. 7-1-10; 96-1000, eff. 7-2-10; 96-1480, eff.  
17 11-18-10; 97-339, eff. 8-12-11; 97-351, eff. 8-12-11; 97-742,  
18 eff. 6-30-13; 97-813, eff. 7-13-12.)

19 (105 ILCS 5/18-8.10)

20 Sec. 18-8.10. Fast growth grants.

21 (a) If there has been an increase in a school district's  
22 student population over the most recent 2 school years of (i)  
23 over 1.5% in a district with over 10,000 pupils in average  
24 daily attendance (as defined in Section 18-8.05 or 18-8.15 of

1 this Code) or (ii) over 7.5% in any other district, then the  
2 district is eligible for a grant under this Section, subject to  
3 appropriation.

4 (b) The State Board of Education shall determine a per  
5 pupil grant amount for each school district. The total grant  
6 amount for a district for any given school year shall equal the  
7 per pupil grant amount multiplied by the difference between the  
8 number of pupils in average daily attendance for the 2 most  
9 recent school years.

10 (c) Funds for grants under this Section must be  
11 appropriated to the State Board of Education in a separate line  
12 item for this purpose. If the amount appropriated in any fiscal  
13 year is insufficient to pay all grants for a school year, then  
14 the amount appropriated shall be prorated among eligible  
15 districts. As soon as possible after funds have been  
16 appropriated to the State Board of Education, the State Board  
17 of Education shall distribute the grants to eligible districts.

18 (d) If a school district intentionally reports incorrect  
19 average daily attendance numbers to receive a grant under this  
20 Section, then the district shall be denied State aid in the  
21 same manner as State aid is denied for intentional incorrect  
22 reporting of average daily attendance numbers under Section  
23 18-8.05 or 18-8.15 of this Code.

24 (Source: P.A. 93-1042, eff. 10-8-04.)

1       Sec. 18-8.15. Basis for apportionment of primary State  
2 financial aid to the common schools for the 2014-2015 and  
3 subsequent school years.

4       (a) General provisions.

5       (1) The provisions of this Section apply to the 2014-2015  
6 and subsequent school years. The system of primary State  
7 financial aid provided for in this Section is designed to  
8 ensure that, through a combination of State financial aid and  
9 required local resources, the financial support provided each  
10 pupil in attendance equals or exceeds a prescribed per pupil  
11 Foundation Level, with adjustments to the Foundation Level  
12 based on each school district's pupil characteristics. This  
13 formula approach imputes a level of per pupil Available Local  
14 Resources and provides for the basis to calculate a per pupil  
15 level of primary State financial aid that, when added to  
16 Available Local Resources, equals or exceeds the Foundation  
17 Level. The amount of per pupil primary State financial aid for  
18 school districts, in general, varies in inverse relation to  
19 Available Local Resources.

20       (2) To address increases and decreases in State funding  
21 resulting from this amendatory Act of the 98th General  
22 Assembly, the amount of primary State aid provided to a school  
23 district shall be subject to adjustment as provided in  
24 subsection (h) of this Section. Any supplemental grants  
25 provided for school districts under subsection (h) of this  
26 Section shall be appropriated for distribution to school

1 districts as part of the same line item in which the primary  
2 State financial aid of school districts is appropriated under  
3 this Section.

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

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

22 (B) School district claims filed under this Section are  
23 subject to Sections 18-9 and 18-12 of this Code, except as  
24 otherwise provided in this Section.

25 (C) If a school district operates a full-year school  
26 under Section 10-19.1 of this Code, the primary State aid

1 to the school district shall be determined by the State  
2 Board of Education in accordance with this Section as near  
3 as may be applicable.

4 (4) Subject to the requirements of subsection (j) of this  
5 Section, the school board of any district receiving any of the  
6 grants provided for in this Section may apply those funds to  
7 any fund so received for which that school board is authorized  
8 to make expenditures by law.

9 (5) As used in this Section, the following terms, when  
10 capitalized, shall have the meanings ascribed in this paragraph  
11 (5):

12 "Additional Weight" means a number added to 1.0 to  
13 calculate the District Weighted Average in accordance with  
14 subsection (b) of this Section. Each Additional Weight is  
15 calculated using the Weighting Factors and Weighting  
16 Percentages in paragraph (5) of subsection (b) of this Section.

17 "Adjusted Flat Grant Level" means, for each school district  
18 not subject to property tax extension limitations as imposed  
19 under the Property Tax Extension Limitation Law, the Flat Grant  
20 Level multiplied by the percentage, if any, of which the school  
21 district's combined tax rate for educational and operations and  
22 maintenance purposes is of the maximum combined tax rates for  
23 educational and operations and maintenance purposes specified  
24 for that type of school district under Section 17-2 of this  
25 Code. For a school district subject to property tax extension  
26 limitations as imposed under the Property Tax Extension



1 Limitation Law or a school district whose combined tax rate for  
2 educational and operations and maintenance purposes is at least  
3 the maximum combined tax rates for educational and operations  
4 and maintenance purposes specified for that type of school  
5 district under Section 17-2 of this Code, the Adjusted Flat  
6 Grant Level is equal to the Flat Grant Level.

7 "Advanced Standing Pupil" means a pupil in grades 9 through  
8 12, other than a pupil counted as a Career Pathway Completer,  
9 that has completed (i) one or more Advanced Placement courses  
10 and received a score of 3 or higher on an Advanced Placement  
11 examination or (ii) a course providing dual credit through an  
12 Illinois public community college or university in which the  
13 student was awarded at least 3 credit hours of postsecondary  
14 education credit.

15 "Alternative School" means a public school that is created  
16 and operated by a regional superintendent of schools and  
17 approved by the State Board of Education.

18 "Available Local Resources Per Pupil" means a computation  
19 of local financial support, calculated on the basis of Average  
20 Daily Attendance and derived as provided pursuant to subsection  
21 (d) of this Section.

22 "Average Daily Attendance" or "ADA" means the count of  
23 pupils in attendance derived as provided pursuant to subsection  
24 (c) of this Section.

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

1       "Base Tax Year's Extension" means the product of the  
2 equalized assessed valuation utilized by the county clerk in  
3 the Base Tax Year multiplied by the limiting rate as calculated  
4 by the county clerk and defined in the Property Tax Extension  
5 Limitation Law.

6       "Budget Year" means the school year for which primary State  
7 aid is calculated and awarded under subsection (e) of this  
8 Section.

9       "Career Pathway Completer" means a pupil that has graduated  
10 from high school and completed a series of connected education  
11 and training strategies and support services meeting the  
12 requirements of this definition and other requirements  
13 established by the State Board of Education that enable  
14 individuals to secure industry-relevant credentials and  
15 degrees and obtain employment within an occupational area and  
16 to advance to higher levels of future education and employment  
17 in that area. Career pathway programs must incorporate (i)  
18 rigorous academics that prepare students for success in  
19 community colleges and universities, as well as in  
20 apprenticeship and other postsecondary programs; (ii)  
21 career-based learning through a cluster of 3 or more courses  
22 emphasizing the practical application of academic learning and  
23 preparing students for employment in high skill occupational  
24 areas; (iii) professional learning, via job shadowing,  
25 apprenticeships, internships, or other professional  
26 skill-building opportunities; (iv) support services that

1 include academic and career counseling; and (v) opportunities  
2 for attainment of stackable, industry-relevant credentials and  
3 degrees.

4 "Corporate Personal Property Replacement Taxes" means  
5 funds paid to school districts pursuant to "An Act in relation  
6 to the abolition of ad valorem personal property tax and the  
7 replacement of revenues lost thereby, and amending and  
8 repealing certain Acts and parts of Acts in connection  
9 therewith", certified August 14, 1979, as amended (Public Act  
10 81-1st S.S.-1).

11 "District Weighted Average" means a figure used to derive a  
12 school district's Per-pupil Aid level, calculated pursuant to  
13 subsection (b) of this Section.

14 "Extension Limitation Equalized Assessed Valuation" means  
15 a figure calculated by the State Board of Education pursuant to  
16 paragraph (3) of subsection (h) of this Section for school  
17 districts subject to property tax extension limitations as  
18 imposed under the Property Tax Extension Limitation Law.

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

22 "Flat Grant Level" means a dollar amount equal to 3.5% of  
23 the Foundation Level.

24 "Foundation Level" means a prescribed level of per pupil  
25 financial support, as provided for in subsection (b) of this  
26 Section.

1       "Gifted Pupil" means a pupil in kindergarten through grade  
2 8 receiving services through a program for gifted and talented  
3 children that has been approved by a school board and that is  
4 described on a school district's Internet website.

5       "Hold Harmless State Funding" means the amount of State  
6 funds allotted to a school district during the 2013-2014 school  
7 year pursuant to the following Sections of this Code, as  
8 calculated by the State Board of Education: Sections 18-8.05;  
9 14-7.02b; 14-7.03, but only with respect to reimbursement for  
10 children from foster family homes; 14-13.01, except for  
11 reimbursement of the cost of transportation pursuant to that  
12 Section; 14C-12; 18-4.3; and 29-5. For a school district  
13 organized under Article 34 of this Code, "Hold Harmless State  
14 Funding" also includes the funds allotted to the school  
15 district pursuant to Section 1D-1 of this Code attributable to  
16 funding programs authorized by the Sections of this Code listed  
17 in this definition.

18       "Laboratory School" means a public school that is created  
19 and operated by a public university and approved by the State  
20 Board of Education.

21       "Low-income Pupil" means a pupil from a household with a  
22 household income level at or below 185% of the poverty  
23 guidelines updated periodically in the Federal Register by the  
24 U.S. Department of Health and Human Services under the  
25 authority of 42 U.S.C. 9902(2).

26       "Normal Pension Costs" means the present value of pension

1 plan benefits and expenses allocated to a valuation year by an  
2 actuarial cost method for the Public School Teachers' Pension  
3 and Retirement Fund of Chicago.

4 "Operating Tax Rate" means all school district property  
5 taxes extended for all purposes, except bond and interest,  
6 summer school, rent, capital improvement, and vocational  
7 education building purposes.

8 "Per-pupil Aid" means a school district's Weighted  
9 Foundation Level less its Available Local Resources Per Pupil.

10 "Per-pupil Hold Harmless State Funding" means a school  
11 district's Hold Harmless State Funding, divided by the school  
12 district's Average Daily Attendance figure as calculated  
13 pursuant to subsection (F) of Section 18-8.05 of this Code  
14 during the 2013-2014 school year.

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

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

20 "Prior Year ADA" means the number of pupils within the  
21 count of pupils in attendance used for Average Daily Attendance  
22 calculations for the school year immediately preceding the  
23 school year for which primary State aid is calculated and  
24 awarded under subsection (e) of this Section.

25 "PTELL PSA Adjustment" means the amount of primary State  
26 aid a school district would receive under subsection (e) of

1 this Section if the Extension Limitation Equalized Assessed  
2 Valuation was used for calculating the school district's  
3 primary State aid for the Budget Year instead of the district's  
4 equalized assessed valuation as calculated pursuant to  
5 paragraphs (1) and (2) of subsection (g) of this Section.

6 "Pupil of Limited English-speaking Ability" means a child  
7 of limited English-speaking ability, as defined in Section  
8 14C-2 of this Code, participating in a program of transitional  
9 bilingual education or a transitional program of instruction  
10 meeting the requirements of Article 14C of this Code.

11 "Regular Transportation Eligible Pupil" means a pupil,  
12 other than a Vocational Transportation Pupil, meeting the  
13 fiscal year 2014 eligibility requirements for reimbursement of  
14 transportation costs under Section 29-5 of this Code.

15 "Special Education Summer School Pupil" means a child with  
16 disabilities participating in a summer school program meeting  
17 the fiscal year 2014 eligibility requirements for a summer  
18 school grant under Section 18-4.3 of this Code.

19 "Total Primary State Aid" means the amount of primary State  
20 aid allotted to a school district pursuant to subsection (e) of  
21 this Section and any supplemental grants allotted pursuant to  
22 paragraphs (2) and (3) of subsection (h) of this Section.

23 "Vocational Transportation Pupil" means a pupil  
24 transported to an area vocational school or another school  
25 district's vocational program meeting the fiscal year 2014  
26 eligibility requirements for reimbursement of transportation

1 costs under Section 29-5 of this Code.

2 "Weighted Foundation Level" means the Foundation Level  
3 multiplied by the District Weighted Average.

4 "Weighted Foundation Level Budget" means, for a particular  
5 school district, the Weighted Foundation Level multiplied by  
6 the ADA.

7 "Weighting Factor" means, for each Additional Weight  
8 classification in paragraph (5) of subsection (b) of this  
9 Section, the amount multiplied by the Weighting Percentage to  
10 calculate the Additional Weight figure.

11 "Weighting Percentage" means, for each Additional Weight  
12 classification in paragraph (5) of subsection (b) of this  
13 Section, the amount multiplied by the Weighting Factor to  
14 calculate the Additional Weight figure.

15 (b) Foundation Level; weighting for district pupil  
16 characteristics.

17 (1) The Foundation Level is a figure established by this  
18 State representing the minimum level of per pupil financial  
19 support that should be available to provide for the basic  
20 education of each pupil in Average Daily Attendance in a public  
21 school in this State. Then, for each school district, the  
22 Foundation Level is weighted in accordance with the Additional  
23 Weights set forth in paragraph (5) of this subsection (b) to  
24 account for the pupil characteristics within that school  
25 district. As set forth in this Section, each school district is  
26 assumed to exert a sufficient local taxing effort such that, in

1 combination with the aggregate of primary State financial aid  
2 provided the district, an aggregate of State and local  
3 resources are available to meet the basic education needs of  
4 pupils in the district.

5 (2) Subject to paragraph (3) of this subsection (b), for  
6 the 2014-2015 school year and each school year thereafter, the  
7 Foundation Level of support is \$6,119 or such greater amount as  
8 may be established by law by the General Assembly.

9 (3) If the appropriation in any fiscal year for primary  
10 State aid, including supplemental grants pursuant to  
11 subsection (h) of this Section, is insufficient to pay the  
12 amounts required under the calculations set forth in this  
13 Section, then the State Board of Education shall adjust the  
14 Foundation Level to an amount so that the appropriation is  
15 sufficient to pay all primary State aid and supplemental grants  
16 required by this Section.

17 (4) For each school district, the Foundation Level shall be  
18 adjusted by multiplying the Foundation Level by a District  
19 Weighted Average figure, resulting in the school district's  
20 Weighted Foundation Level. The District Weighted Average  
21 figure for a particular school district shall be a number equal  
22 to 1.0 plus each of the Additional Weights described in  
23 paragraph (5) of this subsection (b) applicable to that  
24 district. For each Additional Weight, the figure included in  
25 the District Weighted Average is the product of the Weighting  
26 Factor multiplied by the Weighting Percentage, as both are



1 specified in paragraph (5) of this subsection (b). For each  
2 school district, the State Board of Education shall publicly  
3 report the district's District Weighted Average, Weighted  
4 Foundation Level, Additional Weights, amount of the Weighted  
5 Foundation Level Budget attributable to each Additional  
6 Weight, and amount of primary State aid received attributable  
7 to each Additional Weight.

8 (5) Additional Weights:

9 (A) Pupils of Limited English-speaking Ability:

10 (i) Weighting Factor of 0.20; and

11 (ii) Weighting Percentage equal to the Prior Year  
12 ADA of Pupils of Limited English-speaking Ability,  
13 divided by the Prior Year ADA for all pupils.

14 (B) Low-Income Pupils: The higher of the weights  
15 determined through the following 2 methods:

16 (i) Regular low-income method:

17 (I) Weighting Factor of 0.25; and

18 (II) Weighting Percentage equal to the Prior  
19 Year ADA of Low-income Pupils, divided by the Prior  
20 Year ADA for all pupils.

21 (ii) Low-income concentration method:

22 (I) Weighting Factor of 0.90 multiplied by the  
23 Weighting Percentage for Low-income Pupils as  
24 calculated in accordance with the regular  
25 low-income method, provided that the Weighting  
26 Factor pursuant to this method shall not exceed

1           0.75; and

2                   (II) Weighting Percentage equal to the  
3           Weighting Percentage for Low-income Pupils as  
4           calculated in accordance with the regular  
5           low-income method.

6   (C) Children with disabilities:

7           (i) Weighting Factor of 1.0; and

8           (ii) Weighting Percentage of 13.8% in the  
9           2014-2015 and 2015-2016 school years and, in  
10          subsequent school years, a Weighting Percentage  
11          periodically established by the State Board of  
12          Education, but not less frequently than once every 5  
13          years, representative of the statewide average  
14          population of students with disabilities in public  
15          education.

16   (D) Special Education Summer School Pupils:

17           (i) Weighting Factor of 0.03; and

18           (ii) Weighting Percentage equal to the Prior Year  
19          ADA of Special Education Summer School Pupils, divided  
20          by the Prior Year ADA for all pupils.

21   (E) Gifted Pupils:

22           (i) Weighting Factor of 0.01; and

23           (ii) Weighting Percentage equal to the Prior Year  
24          ADA of Gifted Pupils, divided by the Prior Year ADA for  
25          all pupils, provided that the Prior Year ADA of Gifted  
26          Pupils used for such calculation shall not exceed 5% of

1           the Prior Year ADA for pupils in kindergarten through  
2           grade 8.

3           (F) Regular Transportation Eligible Pupils:

4                 (i) Weighting Factor of 0.06 for school districts  
5                 in the most dense quintile of school districts in this  
6                 State; for purposes of this subdivision (F), density  
7                 shall be calculated by the State Board of Education  
8                 based on the Prior Year ADA for all pupils in the  
9                 school district per square mile, with separate  
10                quintile calculations for different school district  
11                organizational types;

12                (ii) Weighting Factor 0.07 for school districts in  
13                the next to most dense quintile of school districts in  
14                this State;

15                (iii) Weighting Factor of 0.08 for school  
16                districts in the median density quintile of school  
17                districts in this State;

18                (iv) Weighting Factor of 0.09 for school districts  
19                in the next to least dense quintile of school districts  
20                in this State;

21                (v) Weighting Factor of 0.10 for school districts  
22                in the least dense quintile of school districts in this  
23                State; and

24                (vi) Weighting Percentage equal to the Prior Year  
25                ADA of Regular Transportation Eligible Pupils, divided  
26                by the Prior Year ADA for all pupils.

1           (G) Extraordinary Transportation Eligible Pupils.  
2           Notwithstanding the Weighting Factors in subdivision (F)  
3           of this paragraph (5), the State Board of Education shall  
4           establish by administrative rule, for the 2015-2016 school  
5           year and subsequent school years, a Weighting Factor or  
6           Factors, not to exceed 0.12, for school districts with high  
7           transportation costs resulting from school district  
8           reorganizations or consolidations or students who live a  
9           significant distance from their assigned attendance  
10           center. The State Board of Education shall also establish  
11           the Weighting Percentage by administrative rule to account  
12           for the percentage of students receiving such  
13           transportation services.

14           (H) Vocational Transportation Pupils:

15                   (i) Weighting Factor of 0.12; and

16                   (ii) Weighting Percentage equal to the Prior Year  
17           ADA of Vocational Transportation Pupils, divided by  
18           the Prior Year ADA for all pupils.

19           (I) In the 2016-2017 school year and subsequent school  
20           years, Advanced Standing Pupils and Career Pathway  
21           Completers:

22                   (i) For Advanced Standing Pupils:

23                           (I) Weighting Factor of 0.02; and

24                           (II) Weighting Percentage equal to the Prior  
25           Year ADA of Advanced Standing Pupils, divided by  
26           the Prior Year ADA for all pupils.

1                   (ii) For Career Pathway Completers:

2                           (I) Weighting Factor of 0.03; and

3                           (II) Weighting Percentage equal to the Prior  
4                   Year ADA of Career Pathway Completers, divided by  
5                   the Prior Year ADA for all pupils.

6           (c) Average Daily Attendance.

7           (1) For purposes of calculating primary State aid pursuant  
8           to subsection (e) of this Section, an Average Daily Attendance  
9           figure shall be utilized. The Average Daily Attendance figure  
10           for formula calculation purposes shall be the monthly average  
11           of the total number of pupils in attendance for each school  
12           district, as further averaged for the best 3 months of pupil  
13           attendance for each school district. In compiling the figures  
14           for the number of pupils in attendance, school districts and  
15           the State Board of Education shall, for purposes of primary  
16           State aid funding, conform attendance figures to the  
17           requirements of subsection (f) of this Section.

18           (2) The Average Daily Attendance figures utilized in  
19           subsection (e) of this Section shall be the requisite  
20           attendance data for the school year immediately preceding the  
21           school year for which primary State aid is being calculated or  
22           the average of the attendance data for the 3 preceding school  
23           years, whichever is greater. The Average Daily Attendance  
24           figures utilized for subsection (b) of this Section shall be  
25           the requisite attendance data for the school year immediately  
26           preceding the school year for which primary State aid is being

1 calculated.

2 (d) Available Local Resources Per Pupil.

3 (1) For purposes of calculating primary State aid pursuant  
4 to subsection (e) of this Section, a representation of  
5 Available Local Resources Per Pupil, as that term is defined  
6 and determined in this subsection (d), shall be utilized.  
7 Available Local Resources Per Pupil shall include a calculated  
8 dollar amount representing school district revenues from local  
9 property taxes and from Corporate Personal Property  
10 Replacement Taxes, expressed on the basis of pupils in Average  
11 Daily Attendance. For a school district organized under Article  
12 34 of this Code, calculation of Available Local Resources shall  
13 exclude any amounts actually paid by the board of education  
14 into a Public School Teachers' Pension and Retirement Fund  
15 created pursuant to Article 17 of the Illinois Pension Code for  
16 Normal Pension Costs during the fiscal year immediately  
17 preceding the fiscal year for which primary State aid is being  
18 calculated.

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

25 (3) For school districts maintaining grades kindergarten  
26 through 12, local property tax revenues per pupil shall be

1 calculated as the product of the applicable equalized assessed  
2 valuation for the district multiplied by 3.07%, and divided by  
3 the district's Average Daily Attendance figure. For school  
4 districts maintaining grades kindergarten through 8, local  
5 property tax revenues per pupil shall be calculated as the  
6 product of the applicable equalized assessed valuation for the  
7 district multiplied by 2.36%, and divided by the district's  
8 Average Daily Attendance figure. For school districts  
9 maintaining grades 9 through 12, local property tax revenues  
10 per pupil shall be the applicable equalized assessed valuation  
11 of the district multiplied by 1.10%, and divided by the  
12 district's Average Daily Attendance figure.

13 For partial elementary unit districts created pursuant to  
14 Article 11E of this Code, local property tax revenues per pupil  
15 shall be calculated as the product of the equalized assessed  
16 valuation for property within the partial elementary unit  
17 district for elementary purposes, as defined in Article 11E of  
18 this Code, multiplied by 2.10% and divided by the district's  
19 Average Daily Attendance figure, plus the product of the  
20 equalized assessed valuation for property within the partial  
21 elementary unit district for high school purposes, as defined  
22 in Article 11E of this Code, multiplied by 0.97% and divided by  
23 the district's Average Daily Attendance figure.

24 (4) The Corporate Personal Property Replacement Taxes paid  
25 to each school district during the calendar year one year  
26 before the calendar year in which a school year begins, divided

1 by the Average Daily Attendance figure for that district, shall  
2 be added to the local property tax revenues per pupil as  
3 derived by the application of paragraph (3) of this subsection  
4 (d). The sum of these per pupil figures for each school  
5 district shall constitute Available Local Resources Per Pupil  
6 as that term is utilized in subsection (e) of this Section in  
7 the calculation of primary State aid.

8 (e) Computation of primary State aid.

9 (1) For each school year, the amount of primary State aid  
10 allotted to a school district shall be computed by the State  
11 Board of Education as provided in this subsection (e).

12 (2) Subject to paragraph (4) of this subsection (e), for  
13 any school district for which the Per-pupil Aid is more than  
14 the Flat Grant Level, primary State aid for that district shall  
15 be in an amount equal to its Per-pupil Aid multiplied by its  
16 Average Daily Attendance figure.

17 (3) Subject to paragraph (4) of this subsection (e), for  
18 any school district for which the Per-pupil Aid is equal to or  
19 less than the Flat Grant Level, primary State aid for that  
20 district shall be in an amount equal to the Adjusted Flat Grant  
21 Level multiplied by the district's Average Daily Attendance  
22 figure.

23 (4) From financial assistance provided to school districts  
24 under this Section, the State Board of Education shall withhold  
25 the following amounts for the following purposes:

26 (A) For each school district with an Additional Weight



1       for Pupils of Limited English-speaking Ability, the State  
2       Board of Education shall withhold an amount not exceeding  
3       one and one-half percent of the district's Weighted  
4       Foundation Level Budget attributable to Pupils of Limited  
5       English-speaking Ability for (i) State Board of Education  
6       staff for administration and (ii) contractual services by a  
7       not-for-profit entity for technical assistance,  
8       professional development, and other support to school  
9       districts and educators for services for these pupils. To  
10       be eligible to receive the contract under clause (ii) of  
11       this subdivision (A), the not-for-profit entity must have  
12       experience providing such services in a school district  
13       having a population exceeding 500,000; one or more school  
14       districts in any of the counties of Lake, McHenry, DuPage,  
15       Kane, and Will; and one or more school districts elsewhere  
16       in this State.

17       (B) The State Board of Education shall withhold an  
18       amount not exceeding one-half percent of each school  
19       district's Weighted Foundation Level Budget attributable  
20       to children with disabilities and Special Education Summer  
21       School Pupils for State Board of Education staff and  
22       contractual services for administration, professional  
23       development, and support to school districts for services  
24       for children with disabilities. The State Board of  
25       Education shall use a portion of the withheld amounts for  
26       developing or supporting electronic individualized

1 educational programs.

2 (f) Compilation of Average Daily Attendance.

3 (1) Each school district shall, on or before July 1 of each  
4 year, submit to the State Board of Education, in a manner  
5 prescribed by the State Board of Education, attendance figures  
6 for the school year that began in the preceding calendar year.  
7 The attendance information so transmitted shall identify the  
8 Average Daily Attendance figures for each month of the school  
9 year. School districts shall calculate Average Daily  
10 Attendance as provided in subdivisions (A), (B), and (C) of  
11 this paragraph (1).

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

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

20 (C) In districts in which some buildings, but not all,  
21 hold year-round classes, for the non-year-round buildings,  
22 days of attendance in August shall be added to the month of  
23 September and any days of attendance in June shall be added  
24 to the month of May. The Average Daily Attendance for the  
25 year-round buildings shall be computed as provided in  
26 subdivision (B) of this paragraph (1). To calculate the

1       Average Daily Attendance for the district, the Average  
2       Daily Attendance for the year-round buildings shall be  
3       multiplied by the days in session for the non-year-round  
4       buildings for each month and added to the monthly  
5       attendance of the non-year-round buildings.

6       (2) For the 2014-2015 school year, days of attendance by  
7       pupils shall be counted in accordance with paragraphs (1) and  
8       (2) of subsection (F) of Section 18-8.05 of this Code. For the  
9       2015-2016 and subsequent school years, days of attendance by  
10      pupils shall be counted in accordance with administrative rules  
11      adopted by the State Board of Education that address, without  
12      limitation, days of partial attendance, days utilized for  
13      in-service training and parent-teacher conferences,  
14      partial-day kindergarten, hospitalized or homebound students,  
15      days when assessments are administered, remote educational  
16      programs, virtual learning, work-based learning, dual credit  
17      programs, and competency-based education. Such rules shall be  
18      adopted by the State Board of Education by no later than April  
19      1, 2015.

20      (g) Equalized assessed valuation data.

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

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

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

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

15 This equalized assessed valuation, as adjusted further by  
16 the requirements of this subsection (g), shall be utilized in  
17 the calculation of Available Local Resources Per Pupil.

18 (2) The equalized assessed valuation in paragraph (1) of  
19 this subsection (g) shall be adjusted, as applicable, in the  
20 following manner:

21 (A) For the purposes of calculating primary State aid  
22 under this Section, with respect to any part of a school  
23 district within a redevelopment project area in respect to  
24 which a municipality has adopted tax increment allocation  
25 financing pursuant to the Tax Increment Allocation  
26 Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11

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

18 (B) The real property equalized assessed valuation for  
19 a school district shall be adjusted by subtracting from the  
20 real property value as equalized or assessed by the  
21 Department of Revenue for the district an amount computed  
22 by dividing the amount of any abatement of taxes under  
23 Section 18-170 of the Property Tax Code by 3.07% for a  
24 district maintaining grades kindergarten through 12, by  
25 2.36% for a district maintaining grades kindergarten  
26 through 8, or by 1.10% for a district maintaining grades 9

1 through 12 and adjusted by an amount computed by dividing  
2 the amount of any abatement of taxes under subsection (a)  
3 of Section 18-165 of the Property Tax Code by the same  
4 percentage rates for district type as specified in this  
5 subdivision (B).

6 (3) If a school district's boundaries span multiple  
7 counties, then the Department of Revenue shall send to the  
8 State Board of Education, for the purpose of calculating  
9 primary State aid, the limiting rate and individual rates by  
10 purpose for the county that contains the majority of the school  
11 district's Equalized Assessed Valuation.

12 (h) Hold harmless and PTELL adjustments.

13 (1) The Total Primary State Aid a school district is  
14 allotted pursuant to this Section shall be subject to  
15 adjustment as provided in this subsection (h). Any supplemental  
16 grants allotted to school districts pursuant to this subsection  
17 (h) shall be paid in conjunction with the school district's  
18 payments of primary State aid. Any decreases to primary State  
19 aid pursuant to paragraph (4) of this subsection (h) shall be  
20 applied by the State Board of Education so as to reduce amounts  
21 otherwise payable pursuant to this Section.

22 (2) Notwithstanding anything to the contrary contained in  
23 this Section, if, for any school year, the amount of a school  
24 district's Per-Pupil Hold Harmless State Funding is at least  
25 \$1,000 more than the school district's per-pupil primary State  
26 aid allotment, then the amount of primary State aid allotted to

1 the school district shall be increased by a supplemental grant  
2 sufficient to raise the amount of the school district's  
3 per-pupil primary State aid allotment to an amount that is  
4 \$1,000 less than the amount of the school district's Per-pupil  
5 Hold Harmless State Funding. For purposes of this paragraph  
6 (2), a school district's per-pupil primary State aid allotment  
7 shall be calculated as the primary State aid allotted to the  
8 school district pursuant to subsection (e) of this Section,  
9 divided by the school district's Average Daily Attendance  
10 figure.

11 (3) If a school district is subject to property tax  
12 extension limitations as imposed under the Property Tax  
13 Extension Limitation Law, a school district shall receive a  
14 supplemental grant pursuant to this paragraph (3) to account  
15 for the difference between its Extension Limitation Equalized  
16 Assessed Valuation and the school district's equalized  
17 assessed valuation as calculated under paragraphs (1) and (2)  
18 of subsection (g) of this Section. The State Board of Education  
19 shall calculate the Extension Limitation Equalized Assessed  
20 Valuation of each district subject to property tax extension  
21 limitations as imposed under the Property Tax Extension  
22 Limitation Law. Except as otherwise provided in this paragraph  
23 (3) for a school district that has approved or does approve an  
24 increase in its limiting rate, the "Extension Limitation  
25 Equalized Assessed Valuation" of a school district as  
26 calculated by the State Board of Education shall be equal to



1 the product of the equalized assessed valuation last used in  
2 the calculation of general State aid under Section 18-8.05 of  
3 this Code or primary State aid under this Section and the  
4 district's Extension Limitation Ratio. If a school district has  
5 approved or does approve an increase in its limiting rate,  
6 pursuant to Section 18-190 of the Property Tax Code, affecting  
7 the Base Tax Year, the Extension Limitation Equalized Assessed  
8 Valuation of the school district, as calculated by the State  
9 Board of Education, shall be equal to the product of the  
10 equalized assessed valuation last used in the calculation of  
11 general State aid pursuant to Section 18-8.05 of this Code or  
12 primary State aid pursuant to this Section times an amount  
13 equal to one plus the percentage increase, if any, in the  
14 Consumer Price Index for all Urban Consumers for all items  
15 published by the United States Department of Labor for the  
16 12-month calendar year preceding the Base Tax Year, plus the  
17 equalized assessed valuation of new property, annexed  
18 property, and recovered tax increment value and minus the  
19 equalized assessed valuation of disconnected property. New  
20 property and recovered tax increment value shall have the  
21 meanings set forth in the Property Tax Extension Limitation  
22 Law. Notwithstanding anything to the contrary contained in this  
23 paragraph (3), a school district's Extension Limitation  
24 Equalized Assessed Valuation shall not be less than 80% of the  
25 district's equalized assessed valuation as calculated pursuant  
26 to paragraphs (1) and (2) of subsection (g) of this Section.

1       If the Extension Limitation Equalized Assessed Valuation  
2 of a school district as calculated under this paragraph (3) is  
3 less than the district's equalized assessed valuation as  
4 calculated pursuant to paragraphs (1) and (2) of subsection (g)  
5 of this Section, then the school district shall receive a  
6 supplemental grant equal to its PTELL PSA Adjustment as  
7 calculated by the State Board of Education.

8       (4) Notwithstanding anything to the contrary contained in  
9 this Section, the Total Primary State Aid allotted to a school  
10 district for the 2014-2015 through the 2016-2017 school years  
11 shall be adjusted as follows:

12       (A) If, for the 2014-2015 school year, the Total  
13 Primary State Aid is less than Hold Harmless State Funding,  
14 then the amount of primary State aid allotted to the school  
15 district shall be increased by a supplemental grant in the  
16 amount of 75% of the difference between Hold Harmless State  
17 Funding and Total Primary State Aid. If, for the 2015-2016  
18 school year, the Total Primary State Aid remains less than  
19 Hold Harmless State Funding, then the amount of primary  
20 State aid allotted to the school district shall be  
21 increased by a supplemental grant in the amount of 50% of  
22 the difference between Hold Harmless State Funding and  
23 Total Primary State Aid. If, for the 2016-2017 school year,  
24 the Total Primary State Aid remains less than Hold Harmless  
25 State Funding, then the amount of primary State aid  
26 allotted to the school district shall be increased by a

1 supplemental grant in the amount of 25% of the difference  
2 between Hold Harmless State Funding and Total Primary State  
3 Aid.

4 (B) If, for the 2014-2015 school year, the Total  
5 Primary State Aid is more than Hold Harmless State Funding,  
6 then the amount of primary State aid allotted to the school  
7 district shall be decreased by 75% of the difference  
8 between Hold Harmless State Funding and Total Primary State  
9 Aid. If, for the 2015-2016 school year, the Total Primary  
10 State Aid is more than Hold Harmless State Funding, then  
11 the amount of primary State aid allotted to the school  
12 district shall be decreased by 50% of the difference  
13 between Hold Harmless State Funding and Total Primary State  
14 Aid. If, for the 2016-2017 school year, the Total Primary  
15 State Aid is more than Hold Harmless State Funding, then  
16 the amount of primary State aid allotted to the school  
17 district shall be decreased by 25% of the difference  
18 between Hold Harmless State Funding and Total Primary State  
19 Aid.

20 (i) Grants to Laboratory and Alternative Schools. In  
21 calculating the amount to be paid to the governing board of a  
22 public university that operates a Laboratory School or to any  
23 Alternative School that is operated by a regional  
24 superintendent of schools, the State Board of Education shall  
25 require, by rule, such reporting requirements as it deems  
26 necessary. Each Laboratory and Alternative School shall file,

1 on forms provided by the State Superintendent of Education, an  
2 annual State aid claim that states the Average Daily Attendance  
3 of the school's students by month. The best 3 months' Average  
4 Daily Attendance shall be computed for each school. The primary  
5 State aid entitlement shall be computed by multiplying the  
6 applicable Average Daily Attendance by 105% of the Foundation  
7 Level.

8 (j) District improvement plans and attendance center  
9 distributions.

10 (1) Each school district required to submit a district  
11 improvement plan under Section 2-3.25d of this Code shall  
12 demonstrate, in accordance with requirements adopted by the  
13 State Board of Education, how local and State funds will be  
14 used for strategies that give priority to meeting the  
15 educational needs of Low-income Pupils, Pupils of Limited  
16 English-speaking Ability, and children with disabilities. For  
17 each such category of pupils, budget information submitted with  
18 the plan must demonstrate that the combined amount of local  
19 funds and primary State aid funds budgeted for strategies that  
20 give priority to that category of pupils is proportionate or  
21 higher, on either an aggregate or per-pupil basis, to the  
22 proportion of the Weighted Foundation Level Budget  
23 attributable to that category of pupils. The State Board of  
24 Education may adopt exceptions to the requirement for  
25 proportionate or higher budgeting to address small pupil  
26 subgroup populations, changes in pupil enrollment, or

1 extraordinary expenditures required for any school year. The  
2 State Board of Education may also adopt exceptions to the  
3 requirement for proportionate or higher budgeting for any  
4 school district to implement district-wide or school-wide  
5 strategies if the school district or school has a high  
6 percentage of pupils in any particular category relative to  
7 statewide averages and the district can demonstrate in its plan  
8 that a district-wide or school-wide strategy is more likely to  
9 achieve the district's educational objectives for a category of  
10 pupils than a targeted strategy. If a school district fails to  
11 adhere to proportionate or higher budgeting in accordance with  
12 this paragraph (1), the school district must take corrective  
13 action in accordance with requirements adopted by the State  
14 Board of Education. If corrective action is not taken, the  
15 State Board of Education shall deduct, from primary State aid  
16 payments otherwise due the district, an amount equal to the  
17 amount by which the district failed to adhere to the  
18 proportionate or higher requirement.

19 (2) School districts with an Average Daily Attendance of  
20 50,000 or more shall be required to distribute, from funds  
21 available pursuant to this Section, no less than \$261,000,000  
22 in accordance with the following requirements:

23 (A) The required amounts shall be distributed to the  
24 attendance centers within the district in proportion to the  
25 number of Low-income Pupils enrolled at each attendance  
26 center during the current school year.

1           (B) The distribution of these portions of primary State  
2           aid among attendance centers according to these  
3           requirements shall not be compensated for or contravened by  
4           adjustments of the total of other funds appropriated to any  
5           attendance centers, and the board of education shall  
6           utilize funding from one or several sources in order to  
7           fully implement this paragraph (2) annually prior to the  
8           opening of school.

9           (C) Each attendance center shall be provided, by the  
10          school district, with a distribution of other funds to  
11          which the attendance center is entitled under law in order  
12          that the primary State aid provided by application of this  
13          paragraph (2) supplements rather than supplants the other  
14          funds provided by the school district to the attendance  
15          centers.

16          (D) Funds received by an attendance center pursuant to  
17          this paragraph (2) shall be used by the attendance center  
18          at the discretion of the principal and local school council  
19          for programs to improve educational opportunities at  
20          qualifying schools through the following programs and  
21          services: early childhood education, reduced class size or  
22          improved adult to student classroom ratios, enrichment  
23          programs, remedial assistance, attendance improvement, and  
24          other educationally beneficial expenditures that  
25          supplement the regular and basic programs as determined by  
26          the State Board of Education. Funds provided shall not be

1 expended for any political or lobbying purposes as defined  
2 by rule of the State Board.

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

19 Upon notification by the State Board of Education that  
20 the district has not submitted a plan prior to July 15 or a  
21 modified plan within the time period specified in this  
22 subdivision (E), the State aid funds affected by that plan  
23 or modified plan shall be withheld by the State Board of  
24 Education until a plan or modified plan is submitted.

25 If the district fails to distribute State aid to  
26 attendance centers in accordance with an approved plan, the

1       plan for the following year shall allocate funds, in  
2       addition to the funds otherwise required by this paragraph  
3       (2), to those attendance centers that were underfunded  
4       during the previous year in amounts equal to such  
5       underfunding.

6       For purposes of determining compliance with this paragraph  
7       (2) in relation to the requirements of attendance center  
8       funding, each district subject to the provisions of this  
9       paragraph (2) shall submit as a separate document, on or before  
10       December 1 of each year, a report of expenditure data for the  
11       prior year in addition to any modification of its current plan.  
12       If it is determined that there has been a failure to comply  
13       with the expenditure provisions of this paragraph (2) regarding  
14       contravention or supplanting, the State Superintendent of  
15       Education shall, within 60 days after receipt of the report,  
16       notify the district and any affected local school council. The  
17       district shall, within 45 days after receipt of that  
18       notification, inform the State Superintendent of Education of  
19       the remedial or corrective action to be taken, whether by  
20       amendment of the current plan, if feasible, or by adjustment in  
21       the plan for the following year. Failure to provide the  
22       expenditure report or the notification of remedial or  
23       corrective action in a timely manner shall result in a  
24       withholding of the affected funds.

25       The State Board of Education shall adopt rules to implement  
26       the provisions of this paragraph (2). No funds shall be



1 released under this paragraph (2) to any district that has not  
2 submitted a plan that has been approved by the State Board of  
3 Education.

4 (k) Education Funding Advisory Board. For the 2017-2018 and  
5 subsequent school years, the Education Funding Advisory Board  
6 established pursuant to subsection (M) of Section 18-8.05 of  
7 this Code, in consultation with the State Board of Education,  
8 shall make recommendations as provided in this subsection (k)  
9 to the General Assembly for the Foundation Level under  
10 paragraph (2) of subsection (b) of this Section. The  
11 recommended foundation level shall be determined based on  
12 consideration of 2 separate methodologies:

13 (1) a methodology that incorporates the basic  
14 education expenditures of low-spending schools exhibiting  
15 high academic performance; and

16 (2) an evidence-based methodology that identifies an  
17 educational program that includes research-based  
18 educational strategies and uses the cost of that program to  
19 determine the cost of education.

20 The Education Funding Advisory Board shall make its  
21 recommendations to the General Assembly on or before January 31  
22 of odd-numbered years, beginning on or before January 31, 2017.

23 (l) Primary State Aid Review Committee. The State  
24 Superintendent of Education shall appoint a committee of no  
25 more than 20 members, consisting of school administrators,  
26 school business officials, school financing experts, parents,

1 teachers, and concerned citizens to review the administration  
2 of primary State aid in this State and the impact on school  
3 district finances of this amendatory Act of the 98th General  
4 Assembly. The Committee shall make periodic recommendations to  
5 the State Superintendent of Education and the General Assembly  
6 concerning the administration of primary State aid, any  
7 administrative rules needed for the implementation of this  
8 Section, and suggestions for amending this Section or other  
9 Sections of this Code to achieve a school funding system that  
10 provides adequate, equitable, transparent, and accountable  
11 distribution of funds to school districts that will prepare  
12 students for success after high school. By no later than  
13 January 31, 2017 and January 31 of each odd-numbered year  
14 thereafter, the Committee shall submit a report with  
15 recommendations to the State Superintendent and General  
16 Assembly. The report submitted by no later than January 31,  
17 2017 must address the following:

18 (1) whether to relate funding through the primary State  
19 aid formula to district accountability or accreditation  
20 status;

21 (2) whether to include funding for State career and  
22 technical education and transportation for children  
23 described in Section 14-1.02 of this Code within the  
24 primary State aid formula;

25 (3) whether to account for municipal impact fees,  
26 distributions from a special tax allocation fund

1 established in relation to tax increment allocation  
2 financing, available fund balances maintained by a  
3 financial institution, and other similar funds received or  
4 maintained by school districts in the calculation of  
5 Available Local Resources Per Pupil;

6 (4) whether regionalization factors should be  
7 incorporated into the primary State aid formula; and

8 (5) methods for reducing State liability for PTELL PSA  
9 Adjustments.

10 (m) Adequacy study. Subject to the availability of funding  
11 through appropriations made specifically for this purpose, by  
12 no later than January 31, 2019, the State Board of Education  
13 shall contract with a public or private entity to conduct a  
14 study of the adequacy of education funding in this State. At a  
15 minimum, the adequacy study shall:

16 (1) identify a base funding level for students without  
17 special needs necessary to meet adequate growth;

18 (2) include per pupil weights for students with special  
19 needs to be applied to the base funding level;

20 (3) include an analysis of the effect of concentrations  
21 of poverty on adequacy targets;

22 (4) include an analysis of the assumed school district  
23 tax rates that should be included within the funding  
24 formula; and

25 (5) in collaboration with the Illinois Early Learning  
26 Council, include an analysis of what level of Preschool for

1       All Children funding would be necessary to serve all  
2       children ages 0-5 years in the highest-priority service  
3       tier (as specified in paragraph (4.5) of subsection (a) of  
4       Section 2-3.71 of this Code) and an analysis of the  
5       potential cost savings that that level of Preschool for All  
6       Children investment would have on the kindergarten through  
7       grade 12 system.

8       (n) References. On and after July 1, 2014, references in  
9       other laws to general State aid funds or calculations under  
10       Section 18-8.05 of this Code shall be deemed to be references  
11       to primary State aid funds or calculations under this Section.

12       (105 ILCS 5/18-9) (from Ch. 122, par. 18-9)

13       Sec. 18-9. Requirement for special equalization and  
14       supplementary State aid. If property comprising an aggregate  
15       assessed valuation equal to 6% or more of the total assessed  
16       valuation of all taxable property in a school district is owned  
17       by a person or corporation that is the subject of bankruptcy  
18       proceedings or that has been adjudged bankrupt and, as a result  
19       thereof, has not paid taxes on the property, then the district  
20       may amend its general State aid or primary State aid claim (i)  
21       back to the inception of the bankruptcy, not to exceed 6 years,  
22       in which time those taxes were not paid and (ii) for each  
23       succeeding year that those taxes remain unpaid, by adding to  
24       the claim an amount determined by multiplying the assessed  
25       valuation of the property on which taxes have not been paid due

1 to the bankruptcy by the lesser of the total tax rate for the  
2 district for the tax year for which the taxes are unpaid or the  
3 applicable rate used in calculating the district's general  
4 State aid under paragraph (3) of subsection (D) of Section  
5 18-8.05 of this Code or primary State aid under paragraph (3)  
6 of subsection (d) of Section 18-8.15 of this Code, as  
7 applicable. If at any time a district that receives additional  
8 State aid under this Section receives tax revenue from the  
9 property for the years that taxes were not paid, the district's  
10 next claim for State aid shall be reduced in an amount equal to  
11 the taxes paid on the property, not to exceed the additional  
12 State aid received under this Section. Claims under this  
13 Section shall be filed on forms prescribed by the State  
14 Superintendent of Education, and the State Superintendent of  
15 Education, upon receipt of a claim, shall adjust the claim in  
16 accordance with the provisions of this Section. Supplementary  
17 State aid for each succeeding year under this Section shall be  
18 paid beginning with the first general State aid or primary  
19 State aid claim paid after the district has filed a completed  
20 claim in accordance with this Section.

21 (Source: P.A. 95-496, eff. 8-28-07.)

22 (105 ILCS 5/18-12) (from Ch. 122, par. 18-12)

23 Sec. 18-12. Dates for filing State aid claims. The school  
24 board of each school district shall require teachers,  
25 principals, or superintendents to furnish from records kept by

1     them such data as it needs in preparing and certifying to the  
2     regional superintendent its school district report of claims  
3     provided in Sections 18-8.05 through 18-9 as required by the  
4     State Superintendent of Education. The district claim shall be  
5     based on the latest available equalized assessed valuation and  
6     tax rates, as provided in Section 18-8.05 or 18-8.15 and shall  
7     use the average daily attendance as determined by the method  
8     outlined in Section 18-8.05 or 18-8.15 and shall be certified  
9     and filed with the regional superintendent by June 21 for  
10    districts with an official school calendar end date before June  
11    15 or within 2 weeks following the official school calendar end  
12    date for districts with a school year end date of June 15 or  
13    later. The regional superintendent shall certify and file with  
14    the State Superintendent of Education district State aid claims  
15    by July 1 for districts with an official school calendar end  
16    date before June 15 or no later than July 15 for districts with  
17    an official school calendar end date of June 15 or later.  
18    Failure to so file by these deadlines constitutes a forfeiture  
19    of the right to receive payment by the State until such claim  
20    is filed and vouchered for payment. The regional superintendent  
21    of schools shall certify the county report of claims by July  
22    15; and the State Superintendent of Education shall voucher for  
23    payment those claims to the State Comptroller as provided in  
24    Section 18-11.

25           Except as otherwise provided in this Section, if any school  
26    district fails to provide the minimum school term specified in

1 Section 10-19, the State aid claim for that year shall be  
2 reduced by the State Superintendent of Education in an amount  
3 equivalent to 1/176 or .56818% for each day less than the  
4 number of days required by this Code.

5 If the State Superintendent of Education determines that  
6 the failure to provide the minimum school term was occasioned  
7 by an act or acts of God, or was occasioned by conditions  
8 beyond the control of the school district which posed a  
9 hazardous threat to the health and safety of pupils, the State  
10 aid claim need not be reduced.

11 If a school district is precluded from providing the  
12 minimum hours of instruction required for a full day of  
13 attendance due to an adverse weather condition or a condition  
14 beyond the control of the school district that poses a  
15 hazardous threat to the health and safety of students, then the  
16 partial day of attendance may be counted if (i) the school  
17 district has provided at least one hour of instruction prior to  
18 the closure of the school district, (ii) a school building has  
19 provided at least one hour of instruction prior to the closure  
20 of the school building, or (iii) the normal start time of the  
21 school district is delayed.

22 If, prior to providing any instruction, a school district  
23 must close one or more but not all school buildings after  
24 consultation with a local emergency response agency or due to a  
25 condition beyond the control of the school district, then the  
26 school district may claim attendance for up to 2 school days

1 based on the average attendance of the 3 school days  
2 immediately preceding the closure of the affected school  
3 building. The partial or no day of attendance described in this  
4 Section and the reasons therefore shall be certified within a  
5 month of the closing or delayed start by the school district  
6 superintendent to the regional superintendent of schools for  
7 forwarding to the State Superintendent of Education for  
8 approval.

9 No exception to the requirement of providing a minimum  
10 school term may be approved by the State Superintendent of  
11 Education pursuant to this Section unless a school district has  
12 first used all emergency days provided for in its regular  
13 calendar.

14 If the State Superintendent of Education declares that an  
15 energy shortage exists during any part of the school year for  
16 the State or a designated portion of the State, a district may  
17 operate the school attendance centers within the district 4  
18 days of the week during the time of the shortage by extending  
19 each existing school day by one clock hour of school work, and  
20 the State aid claim shall not be reduced, nor shall the  
21 employees of that district suffer any reduction in salary or  
22 benefits as a result thereof. A district may operate all  
23 attendance centers on this revised schedule, or may apply the  
24 schedule to selected attendance centers, taking into  
25 consideration such factors as pupil transportation schedules  
26 and patterns and sources of energy for individual attendance



1 centers.

2 Electronically submitted State aid claims shall be  
3 submitted by duly authorized district or regional individuals  
4 over a secure network that is password protected. The  
5 electronic submission of a State aid claim must be accompanied  
6 with an affirmation that all of the provisions of Sections  
7 18-8.05 through 18-9, 10-22.5, and 24-4 of this Code are met in  
8 all respects.

9 (Source: P.A. 95-152, eff. 8-14-07; 95-811, eff. 8-13-08;  
10 95-876, eff. 8-21-08; 96-734, eff. 8-25-09.)

11 (105 ILCS 5/26-16)

12 Sec. 26-16. Graduation incentives program.

13 (a) The General Assembly finds that it is critical to  
14 provide options for children to succeed in school. The purpose  
15 of this Section is to provide incentives for and encourage all  
16 Illinois students who have experienced or are experiencing  
17 difficulty in the traditional education system to enroll in  
18 alternative programs.

19 (b) Any student who is below the age of 20 years is  
20 eligible to enroll in a graduation incentives program if he or  
21 she:

22 (1) is considered a dropout pursuant to Section 26-2a  
23 of this Code;

24 (2) has been suspended or expelled pursuant to Section  
25 10-22.6 or 34-19 of this Code;

- 1           (3) is pregnant or is a parent;
- 2           (4) has been assessed as chemically dependent; or
- 3           (5) is enrolled in a bilingual education or LEP
- 4 program.

5           (c) The following programs qualify as graduation

6 incentives programs for students meeting the criteria

7 established in this Section:

8           (1) Any public elementary or secondary education

9 graduation incentives program established by a school

10 district or by a regional office of education.

11           (2) Any alternative learning opportunities program

12 established pursuant to Article 13B of this Code.

13           (3) Vocational or job training courses approved by the

14 State Superintendent of Education that are available

15 through the Illinois public community college system.

16 Students may apply for reimbursement of 50% of tuition

17 costs for one course per semester or a maximum of 3 courses

18 per school year. Subject to available funds, students may

19 apply for reimbursement of up to 100% of tuition costs upon

20 a showing of employment within 6 months after completion of

21 a vocational or job training program. The qualifications

22 for reimbursement shall be established by the State

23 Superintendent of Education by rule.

24           (4) Job and career programs approved by the State

25 Superintendent of Education that are available through

26 Illinois-accredited private business and vocational

1 schools. Subject to available funds, pupils may apply for  
2 reimbursement of up to 100% of tuition costs upon a showing  
3 of employment within 6 months after completion of a job or  
4 career program. The State Superintendent of Education  
5 shall establish, by rule, the qualifications for  
6 reimbursement, criteria for determining reimbursement  
7 amounts, and limits on reimbursement.

8 (5) Adult education courses that offer preparation for  
9 the General Educational Development Test.

10 (d) Graduation incentives programs established by school  
11 districts are entitled to claim general State aid and primary  
12 State aid, subject to Sections 13B-50, 13B-50.5, and 13B-50.10  
13 of this Code. Graduation incentives programs operated by  
14 regional offices of education are entitled to receive general  
15 State aid and primary State aid at the foundation level of  
16 support per pupil enrolled. A school district must ensure that  
17 its graduation incentives program receives supplemental  
18 general State aid, transportation reimbursements, and special  
19 education resources, if appropriate, for students enrolled in  
20 the program.

21 (Source: P.A. 93-858, eff. 1-1-05; 93-1079, eff. 1-21-05.)

22 (105 ILCS 5/27-8.1) (from Ch. 122, par. 27-8.1)

23 Sec. 27-8.1. Health examinations and immunizations.

24 (1) In compliance with rules and regulations which the  
25 Department of Public Health shall promulgate, and except as

1 hereinafter provided, all children in Illinois shall have a  
2 health examination as follows: within one year prior to  
3 entering kindergarten or the first grade of any public,  
4 private, or parochial elementary school; upon entering the  
5 sixth and ninth grades of any public, private, or parochial  
6 school; prior to entrance into any public, private, or  
7 parochial nursery school; and, irrespective of grade,  
8 immediately prior to or upon entrance into any public, private,  
9 or parochial school or nursery school, each child shall present  
10 proof of having been examined in accordance with this Section  
11 and the rules and regulations promulgated hereunder. Any child  
12 who received a health examination within one year prior to  
13 entering the fifth grade for the 2007-2008 school year is not  
14 required to receive an additional health examination in order  
15 to comply with the provisions of Public Act 95-422 when he or  
16 she attends school for the 2008-2009 school year, unless the  
17 child is attending school for the first time as provided in  
18 this paragraph.

19 A tuberculosis skin test screening shall be included as a  
20 required part of each health examination included under this  
21 Section if the child resides in an area designated by the  
22 Department of Public Health as having a high incidence of  
23 tuberculosis. Additional health examinations of pupils,  
24 including eye examinations, may be required when deemed  
25 necessary by school authorities. Parents are encouraged to have  
26 their children undergo eye examinations at the same points in

1 time required for health examinations.

2 (1.5) In compliance with rules adopted by the Department of  
3 Public Health and except as otherwise provided in this Section,  
4 all children in kindergarten and the second and sixth grades of  
5 any public, private, or parochial school shall have a dental  
6 examination. Each of these children shall present proof of  
7 having been examined by a dentist in accordance with this  
8 Section and rules adopted under this Section before May 15th of  
9 the school year. If a child in the second or sixth grade fails  
10 to present proof by May 15th, the school may hold the child's  
11 report card until one of the following occurs: (i) the child  
12 presents proof of a completed dental examination or (ii) the  
13 child presents proof that a dental examination will take place  
14 within 60 days after May 15th. The Department of Public Health  
15 shall establish, by rule, a waiver for children who show an  
16 undue burden or a lack of access to a dentist. Each public,  
17 private, and parochial school must give notice of this dental  
18 examination requirement to the parents and guardians of  
19 students at least 60 days before May 15th of each school year.

20 (1.10) Except as otherwise provided in this Section, all  
21 children enrolling in kindergarten in a public, private, or  
22 parochial school on or after the effective date of this  
23 amendatory Act of the 95th General Assembly and any student  
24 enrolling for the first time in a public, private, or parochial  
25 school on or after the effective date of this amendatory Act of  
26 the 95th General Assembly shall have an eye examination. Each

1 of these children shall present proof of having been examined  
2 by a physician licensed to practice medicine in all of its  
3 branches or a licensed optometrist within the previous year, in  
4 accordance with this Section and rules adopted under this  
5 Section, before October 15th of the school year. If the child  
6 fails to present proof by October 15th, the school may hold the  
7 child's report card until one of the following occurs: (i) the  
8 child presents proof of a completed eye examination or (ii) the  
9 child presents proof that an eye examination will take place  
10 within 60 days after October 15th. The Department of Public  
11 Health shall establish, by rule, a waiver for children who show  
12 an undue burden or a lack of access to a physician licensed to  
13 practice medicine in all of its branches who provides eye  
14 examinations or to a licensed optometrist. Each public,  
15 private, and parochial school must give notice of this eye  
16 examination requirement to the parents and guardians of  
17 students in compliance with rules of the Department of Public  
18 Health. Nothing in this Section shall be construed to allow a  
19 school to exclude a child from attending because of a parent's  
20 or guardian's failure to obtain an eye examination for the  
21 child.

22 (2) The Department of Public Health shall promulgate rules  
23 and regulations specifying the examinations and procedures  
24 that constitute a health examination, which shall include the  
25 collection of data relating to obesity (including at a minimum,  
26 date of birth, gender, height, weight, blood pressure, and date

1 of exam), and a dental examination and may recommend by rule  
2 that certain additional examinations be performed. The rules  
3 and regulations of the Department of Public Health shall  
4 specify that a tuberculosis skin test screening shall be  
5 included as a required part of each health examination included  
6 under this Section if the child resides in an area designated  
7 by the Department of Public Health as having a high incidence  
8 of tuberculosis. The Department of Public Health shall specify  
9 that a diabetes screening as defined by rule shall be included  
10 as a required part of each health examination. Diabetes testing  
11 is not required.

12 Physicians licensed to practice medicine in all of its  
13 branches, advanced practice nurses who have a written  
14 collaborative agreement with a collaborating physician which  
15 authorizes them to perform health examinations, or physician  
16 assistants who have been delegated the performance of health  
17 examinations by their supervising physician shall be  
18 responsible for the performance of the health examinations,  
19 other than dental examinations, eye examinations, and vision  
20 and hearing screening, and shall sign all report forms required  
21 by subsection (4) of this Section that pertain to those  
22 portions of the health examination for which the physician,  
23 advanced practice nurse, or physician assistant is  
24 responsible. If a registered nurse performs any part of a  
25 health examination, then a physician licensed to practice  
26 medicine in all of its branches must review and sign all

1 required report forms. Licensed dentists shall perform all  
2 dental examinations and shall sign all report forms required by  
3 subsection (4) of this Section that pertain to the dental  
4 examinations. Physicians licensed to practice medicine in all  
5 its branches or licensed optometrists shall perform all eye  
6 examinations required by this Section and shall sign all report  
7 forms required by subsection (4) of this Section that pertain  
8 to the eye examination. For purposes of this Section, an eye  
9 examination shall at a minimum include history, visual acuity,  
10 subjective refraction to best visual acuity near and far,  
11 internal and external examination, and a glaucoma evaluation,  
12 as well as any other tests or observations that in the  
13 professional judgment of the doctor are necessary. Vision and  
14 hearing screening tests, which shall not be considered  
15 examinations as that term is used in this Section, shall be  
16 conducted in accordance with rules and regulations of the  
17 Department of Public Health, and by individuals whom the  
18 Department of Public Health has certified. In these rules and  
19 regulations, the Department of Public Health shall require that  
20 individuals conducting vision screening tests give a child's  
21 parent or guardian written notification, before the vision  
22 screening is conducted, that states, "Vision screening is not a  
23 substitute for a complete eye and vision evaluation by an eye  
24 doctor. Your child is not required to undergo this vision  
25 screening if an optometrist or ophthalmologist has completed  
26 and signed a report form indicating that an examination has



1 been administered within the previous 12 months."

2 (3) Every child shall, at or about the same time as he or  
3 she receives a health examination required by subsection (1) of  
4 this Section, present to the local school proof of having  
5 received such immunizations against preventable communicable  
6 diseases as the Department of Public Health shall require by  
7 rules and regulations promulgated pursuant to this Section and  
8 the Communicable Disease Prevention Act.

9 (4) The individuals conducting the health examination,  
10 dental examination, or eye examination shall record the fact of  
11 having conducted the examination, and such additional  
12 information as required, including for a health examination  
13 data relating to obesity (including at a minimum, date of  
14 birth, gender, height, weight, blood pressure, and date of  
15 exam), on uniform forms which the Department of Public Health  
16 and the State Board of Education shall prescribe for statewide  
17 use. The examiner shall summarize on the report form any  
18 condition that he or she suspects indicates a need for special  
19 services, including for a health examination factors relating  
20 to obesity. The individuals confirming the administration of  
21 required immunizations shall record as indicated on the form  
22 that the immunizations were administered.

23 (5) If a child does not submit proof of having had either  
24 the health examination or the immunization as required, then  
25 the child shall be examined or receive the immunization, as the  
26 case may be, and present proof by October 15 of the current

1 school year, or by an earlier date of the current school year  
2 established by a school district. To establish a date before  
3 October 15 of the current school year for the health  
4 examination or immunization as required, a school district must  
5 give notice of the requirements of this Section 60 days prior  
6 to the earlier established date. If for medical reasons one or  
7 more of the required immunizations must be given after October  
8 15 of the current school year, or after an earlier established  
9 date of the current school year, then the child shall present,  
10 by October 15, or by the earlier established date, a schedule  
11 for the administration of the immunizations and a statement of  
12 the medical reasons causing the delay, both the schedule and  
13 the statement being issued by the physician, advanced practice  
14 nurse, physician assistant, registered nurse, or local health  
15 department that will be responsible for administration of the  
16 remaining required immunizations. If a child does not comply by  
17 October 15, or by the earlier established date of the current  
18 school year, with the requirements of this subsection, then the  
19 local school authority shall exclude that child from school  
20 until such time as the child presents proof of having had the  
21 health examination as required and presents proof of having  
22 received those required immunizations which are medically  
23 possible to receive immediately. During a child's exclusion  
24 from school for noncompliance with this subsection, the child's  
25 parents or legal guardian shall be considered in violation of  
26 Section 26-1 and subject to any penalty imposed by Section

1 26-10. This subsection (5) does not apply to dental  
2 examinations and eye examinations. Until June 30, 2015, if the  
3 student is an out-of-state transfer student and does not have  
4 the proof required under this subsection (5) before October 15  
5 of the current year or whatever date is set by the school  
6 district, then he or she may only attend classes (i) if he or  
7 she has proof that an appointment for the required vaccinations  
8 has been scheduled with a party authorized to submit proof of  
9 the required vaccinations. If the proof of vaccination required  
10 under this subsection (5) is not submitted within 30 days after  
11 the student is permitted to attend classes, then the student is  
12 not to be permitted to attend classes until proof of the  
13 vaccinations has been properly submitted. No school district or  
14 employee of a school district shall be held liable for any  
15 injury or illness to another person that results from admitting  
16 an out-of-state transfer student to class that has an  
17 appointment scheduled pursuant to this subsection (5).

18 (6) Every school shall report to the State Board of  
19 Education by November 15, in the manner which that agency shall  
20 require, the number of children who have received the necessary  
21 immunizations and the health examination (other than a dental  
22 examination or eye examination) as required, indicating, of  
23 those who have not received the immunizations and examination  
24 as required, the number of children who are exempt from health  
25 examination and immunization requirements on religious or  
26 medical grounds as provided in subsection (8). On or before

1 December 1 of each year, every public school district and  
2 registered nonpublic school shall make publicly available the  
3 immunization data they are required to submit to the State  
4 Board of Education by November 15. The immunization data made  
5 publicly available must be identical to the data the school  
6 district or school has reported to the State Board of  
7 Education.

8 Every school shall report to the State Board of Education  
9 by June 30, in the manner that the State Board requires, the  
10 number of children who have received the required dental  
11 examination, indicating, of those who have not received the  
12 required dental examination, the number of children who are  
13 exempt from the dental examination on religious grounds as  
14 provided in subsection (8) of this Section and the number of  
15 children who have received a waiver under subsection (1.5) of  
16 this Section.

17 Every school shall report to the State Board of Education  
18 by June 30, in the manner that the State Board requires, the  
19 number of children who have received the required eye  
20 examination, indicating, of those who have not received the  
21 required eye examination, the number of children who are exempt  
22 from the eye examination as provided in subsection (8) of this  
23 Section, the number of children who have received a waiver  
24 under subsection (1.10) of this Section, and the total number  
25 of children in noncompliance with the eye examination  
26 requirement.

1           The reported information under this subsection (6) shall be  
2 provided to the Department of Public Health by the State Board  
3 of Education.

4           (7) Upon determining that the number of pupils who are  
5 required to be in compliance with subsection (5) of this  
6 Section is below 90% of the number of pupils enrolled in the  
7 school district, 10% of each State aid payment made pursuant to  
8 Section 18-8.05 or 18-8.15 to the school district for such year  
9 may be withheld by the State Board of Education until the  
10 number of students in compliance with subsection (5) is the  
11 applicable specified percentage or higher.

12           (8) Parents or legal guardians who object to health,  
13 dental, or eye examinations or any part thereof, or to  
14 immunizations, on religious grounds shall not be required to  
15 submit their children or wards to the examinations or  
16 immunizations to which they so object if such parents or legal  
17 guardians present to the appropriate local school authority a  
18 signed statement of objection, detailing the grounds for the  
19 objection. If the physical condition of the child is such that  
20 any one or more of the immunizing agents should not be  
21 administered, the examining physician, advanced practice  
22 nurse, or physician assistant responsible for the performance  
23 of the health examination shall endorse that fact upon the  
24 health examination form. Exempting a child from the health,  
25 dental, or eye examination does not exempt the child from  
26 participation in the program of physical education training

1 provided in Sections 27-5 through 27-7 of this Code.

2 (9) For the purposes of this Section, "nursery schools"  
3 means those nursery schools operated by elementary school  
4 systems or secondary level school units or institutions of  
5 higher learning.

6 (Source: P.A. 96-953, eff. 6-28-10; 97-216, eff. 1-1-12;  
7 97-910, eff. 1-1-13.)

8 (105 ILCS 5/27A-9)

9 Sec. 27A-9. Term of charter; renewal.

10 (a) A charter may be granted for a period not less than 5  
11 and not more than 10 school years. A charter may be renewed in  
12 incremental periods not to exceed 5 school years.

13 (b) A charter school renewal proposal submitted to the  
14 local school board or the Commission, as the chartering entity,  
15 shall contain:

16 (1) A report on the progress of the charter school in  
17 achieving the goals, objectives, pupil performance  
18 standards, content standards, and other terms of the  
19 initial approved charter proposal; and

20 (2) A financial statement that discloses the costs of  
21 administration, instruction, and other spending categories  
22 for the charter school that is understandable to the  
23 general public and that will allow comparison of those  
24 costs to other schools or other comparable organizations,  
25 in a format required by the State Board.

1 (c) A charter may be revoked or not renewed if the local  
2 school board or the Commission, as the chartering entity,  
3 clearly demonstrates that the charter school did any of the  
4 following, or otherwise failed to comply with the requirements  
5 of this law:

6 (1) Committed a material violation of any of the  
7 conditions, standards, or procedures set forth in the  
8 charter.

9 (2) Failed to meet or make reasonable progress toward  
10 achievement of the content standards or pupil performance  
11 standards identified in the charter.

12 (3) Failed to meet generally accepted standards of  
13 fiscal management.

14 (4) Violated any provision of law from which the  
15 charter school was not exempted.

16 In the case of revocation, the local school board or the  
17 Commission, as the chartering entity, shall notify the charter  
18 school in writing of the reason why the charter is subject to  
19 revocation. The charter school shall submit a written plan to  
20 the local school board or the Commission, whichever is  
21 applicable, to rectify the problem. The plan shall include a  
22 timeline for implementation, which shall not exceed 2 years or  
23 the date of the charter's expiration, whichever is earlier. If  
24 the local school board or the Commission, as the chartering  
25 entity, finds that the charter school has failed to implement  
26 the plan of remediation and adhere to the timeline, then the

1 chartering entity shall revoke the charter. Except in  
2 situations of an emergency where the health, safety, or  
3 education of the charter school's students is at risk, the  
4 revocation shall take place at the end of a school year.  
5 Nothing in this amendatory Act of the 96th General Assembly  
6 shall be construed to prohibit an implementation timetable that  
7 is less than 2 years in duration.

8 (d) (Blank).

9 (e) Notice of a local school board's decision to deny,  
10 revoke or not to renew a charter shall be provided to the  
11 Commission and the State Board. The Commission may reverse a  
12 local board's decision if the Commission finds that the charter  
13 school or charter school proposal (i) is in compliance with  
14 this Article, and (ii) is in the best interests of the students  
15 it is designed to serve. The State Board may condition the  
16 granting of an appeal on the acceptance by the charter school  
17 of funding in an amount less than that requested in the  
18 proposal submitted to the local school board. Final decisions  
19 of the Commission shall be subject to judicial review under the  
20 Administrative Review Law.

21 (f) Notwithstanding other provisions of this Article, if  
22 the Commission on appeal reverses a local board's decision or  
23 if a charter school is approved by referendum, the Commission  
24 shall act as the authorized chartering entity for the charter  
25 school. The Commission shall approve the charter and shall  
26 perform all functions under this Article otherwise performed by



1 the local school board. The State Board shall determine whether  
2 the charter proposal approved by the Commission is consistent  
3 with the provisions of this Article and, if the approved  
4 proposal complies, certify the proposal pursuant to this  
5 Article. The State Board shall report the aggregate number of  
6 charter school pupils resident in a school district to that  
7 district and shall notify the district of the amount of funding  
8 to be paid by the Commission to the charter school enrolling  
9 such students. The Commission shall require the charter school  
10 to maintain accurate records of daily attendance that shall be  
11 deemed sufficient to file claims under Section 18-8.05 or  
12 18-8.15 notwithstanding any other requirements of that Section  
13 regarding hours of instruction and teacher certification. The  
14 State Board shall withhold from funds otherwise due the  
15 district the funds authorized by this Article to be paid to the  
16 charter school and shall pay such amounts to the charter  
17 school.

18 (g) For charter schools authorized by the Commission, the  
19 Commission shall quarterly certify to the State Board the  
20 student enrollment for each of its charter schools.

21 (h) For charter schools authorized by the Commission, the  
22 State Board shall pay directly to a charter school any federal  
23 or State aid attributable to a student with a disability  
24 attending the school.

25 (Source: P.A. 96-105, eff. 7-30-09; 97-152, eff. 7-20-11.)

1 (105 ILCS 5/27A-11)

2 Sec. 27A-11. Local financing.

3 (a) For purposes of the School Code, pupils enrolled in a  
4 charter school shall be included in the pupil enrollment of the  
5 school district within which the pupil resides. Each charter  
6 school (i) shall determine the school district in which each  
7 pupil who is enrolled in the charter school resides, (ii) shall  
8 report the aggregate number of pupils resident of a school  
9 district who are enrolled in the charter school to the school  
10 district in which those pupils reside, and (iii) shall maintain  
11 accurate records of daily attendance that shall be deemed  
12 sufficient to file claims under Section 18-8 or 18-8.15  
13 notwithstanding any other requirements of that Section  
14 regarding hours of instruction and teacher certification.

15 (b) Except for a charter school established by referendum  
16 under Section 27A-6.5, as part of a charter school contract,  
17 the charter school and the local school board shall agree on  
18 funding and any services to be provided by the school district  
19 to the charter school. Agreed funding that a charter school is  
20 to receive from the local school board for a school year shall  
21 be paid in equal quarterly installments with the payment of the  
22 installment for the first quarter being made not later than  
23 July 1, unless the charter establishes a different payment  
24 schedule.

25 All services centrally or otherwise provided by the school  
26 district including, but not limited to, rent, food services,

1 custodial services, maintenance, curriculum, media services,  
2 libraries, transportation, and warehousing shall be subject to  
3 negotiation between a charter school and the local school board  
4 and paid for out of the revenues negotiated pursuant to this  
5 subsection (b); provided that the local school board shall not  
6 attempt, by negotiation or otherwise, to obligate a charter  
7 school to provide pupil transportation for pupils for whom a  
8 district is not required to provide transportation under the  
9 criteria set forth in subsection (a) (13) of Section 27A-7.

10 In no event shall the funding be less than 75% or more than  
11 125% of the school district's per capita student tuition  
12 multiplied by the number of students residing in the district  
13 who are enrolled in the charter school.

14 It is the intent of the General Assembly that funding and  
15 service agreements under this subsection (b) shall be neither a  
16 financial incentive nor a financial disincentive to the  
17 establishment of a charter school.

18 The charter school may set and collect reasonable fees.  
19 Fees collected from students enrolled at a charter school shall  
20 be retained by the charter school.

21 (c) Notwithstanding subsection (b) of this Section, the  
22 proportionate share of State and federal resources generated by  
23 students with disabilities or staff serving them shall be  
24 directed to charter schools enrolling those students by their  
25 school districts or administrative units. The proportionate  
26 share of moneys generated under other federal or State

1 categorical aid programs shall be directed to charter schools  
2 serving students eligible for that aid.

3 (d) The governing body of a charter school is authorized to  
4 accept gifts, donations, or grants of any kind made to the  
5 charter school and to expend or use gifts, donations, or grants  
6 in accordance with the conditions prescribed by the donor;  
7 however, a gift, donation, or grant may not be accepted by the  
8 governing body if it is subject to any condition contrary to  
9 applicable law or contrary to the terms of the contract between  
10 the charter school and the local school board. Charter schools  
11 shall be encouraged to solicit and utilize community volunteer  
12 speakers and other instructional resources when providing  
13 instruction on the Holocaust and other historical events.

14 (e) (Blank).

15 (f) The State Board shall provide technical assistance to  
16 persons and groups preparing or revising charter applications.

17 (g) At the non-renewal or revocation of its charter, each  
18 charter school shall refund to the local board of education all  
19 unspent funds.

20 (h) A charter school is authorized to incur temporary,  
21 short term debt to pay operating expenses in anticipation of  
22 receipt of funds from the local school board.

23 (Source: P.A. 90-548, eff. 1-1-98; 90-757, eff. 8-14-98;  
24 91-407, eff. 8-3-99.)

25 (105 ILCS 5/29-5) (from Ch. 122, par. 29-5)

1           Sec. 29-5. Reimbursement by State for transportation. Any  
2 school district, maintaining a school, transporting resident  
3 pupils to another school district's vocational program,  
4 offered through a joint agreement approved by the State Board  
5 of Education, as provided in Section 10-22.22 or transporting  
6 its resident pupils to a school which meets the standards for  
7 recognition as established by the State Board of Education  
8 which provides transportation meeting the standards of safety,  
9 comfort, convenience, efficiency and operation prescribed by  
10 the State Board of Education for resident pupils in  
11 kindergarten or any of grades 1 through 12 who: (a) reside at  
12 least 1 1/2 miles as measured by the customary route of travel,  
13 from the school attended; or (b) reside in areas where  
14 conditions are such that walking constitutes a hazard to the  
15 safety of the child when determined under Section 29-3; and (c)  
16 are transported to the school attended from pick-up points at  
17 the beginning of the school day and back again at the close of  
18 the school day or transported to and from their assigned  
19 attendance centers during the school day, shall be reimbursed  
20 by the State as hereinafter provided in this Section through  
21 fiscal year 2014.

22           Through fiscal year 2014, the ~~The~~ State will pay the cost  
23 of transporting eligible pupils less the assessed valuation in  
24 a dual school district maintaining secondary grades 9 to 12  
25 inclusive times a qualifying rate of .05%; in elementary school  
26 districts maintaining grades K to 8 times a qualifying rate of

1 .06%; and in unit districts maintaining grades K to 12,  
2 including optional elementary unit districts and combined high  
3 school - unit districts, times a qualifying rate of .07%;  
4 provided that for optional elementary unit districts and  
5 combined high school - unit districts, assessed valuation for  
6 high school purposes, as defined in Article 11E of this Code,  
7 must be used. To be eligible to receive reimbursement in excess  
8 of 4/5 of the cost to transport eligible pupils, a school  
9 district shall have a Transportation Fund tax rate of at least  
10 .12%. If a school district does not have a .12% Transportation  
11 Fund tax rate, the amount of its claim in excess of 4/5 of the  
12 cost of transporting pupils shall be reduced by the sum arrived  
13 at by subtracting the Transportation Fund tax rate from .12%  
14 and multiplying that amount by the districts equalized or  
15 assessed valuation, provided, that in no case shall said  
16 reduction result in reimbursement of less than 4/5 of the cost  
17 to transport eligible pupils.

18 Through fiscal year 2014, the ~~The~~ minimum amount to be  
19 received by a district is \$16 times the number of eligible  
20 pupils transported.

21 When calculating the reimbursement for transportation  
22 costs, the State Board of Education may not deduct the number  
23 of pupils enrolled in early education programs from the number  
24 of pupils eligible for reimbursement if the pupils enrolled in  
25 the early education programs are transported at the same time  
26 as other eligible pupils.

1        Through fiscal year 2014, any ~~Any~~ such district  
2 transporting resident pupils during the school day to an area  
3 vocational school or another school district's vocational  
4 program more than 1 1/2 miles from the school attended, as  
5 provided in Sections 10-22.20a and 10-22.22, shall be  
6 reimbursed by the State for 4/5 of the cost of transporting  
7 eligible pupils.

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

10       If a pupil is at a location within the school district  
11 other than his residence for child care purposes at the time  
12 for transportation to school, that location may be considered  
13 for purposes of determining the 1 1/2 miles from the school  
14 attended.

15       Claims for reimbursement that include children who attend  
16 any school other than a public school shall show the number of  
17 such children transported.

18       Claims for reimbursement under this Section shall not be  
19 paid for the transportation of pupils for whom transportation  
20 costs are claimed for payment under other Sections of this Act.

21       The allowable direct cost of transporting pupils for  
22 regular, vocational, and special education pupil  
23 transportation shall be limited to the sum of the cost of  
24 physical examinations required for employment as a school bus  
25 driver; the salaries of full or part-time drivers and school  
26 bus maintenance personnel; employee benefits excluding

1 Illinois municipal retirement payments, social security  
2 payments, unemployment insurance payments and workers'  
3 compensation insurance premiums; expenditures to independent  
4 carriers who operate school buses; payments to other school  
5 districts for pupil transportation services; pre-approved  
6 contractual expenditures for computerized bus scheduling; the  
7 cost of gasoline, oil, tires, and other supplies necessary for  
8 the operation of school buses; the cost of converting buses'  
9 gasoline engines to more fuel efficient engines or to engines  
10 which use alternative energy sources; the cost of travel to  
11 meetings and workshops conducted by the regional  
12 superintendent or the State Superintendent of Education  
13 pursuant to the standards established by the Secretary of State  
14 under Section 6-106 of the Illinois Vehicle Code to improve the  
15 driving skills of school bus drivers; the cost of maintenance  
16 of school buses including parts and materials used;  
17 expenditures for leasing transportation vehicles, except  
18 interest and service charges; the cost of insurance and  
19 licenses for transportation vehicles; expenditures for the  
20 rental of transportation equipment; plus a depreciation  
21 allowance of 20% for 5 years for school buses and vehicles  
22 approved for transporting pupils to and from school and a  
23 depreciation allowance of 10% for 10 years for other  
24 transportation equipment so used. Each school year, if a school  
25 district has made expenditures to the Regional Transportation  
26 Authority or any of its service boards, a mass transit



1 district, or an urban transportation district under an  
2 intergovernmental agreement with the district to provide for  
3 the transportation of pupils and if the public transit carrier  
4 received direct payment for services or passes from a school  
5 district within its service area during the 2000-2001 school  
6 year, then the allowable direct cost of transporting pupils for  
7 regular, vocational, and special education pupil  
8 transportation shall also include the expenditures that the  
9 district has made to the public transit carrier. In addition to  
10 the above allowable costs school districts shall also claim all  
11 transportation supervisory salary costs, including Illinois  
12 municipal retirement payments, and all transportation related  
13 building and building maintenance costs without limitation.

14 Special education allowable costs shall also include  
15 expenditures for the salaries of attendants or aides for that  
16 portion of the time they assist special education pupils while  
17 in transit and expenditures for parents and public carriers for  
18 transporting special education pupils when pre-approved by the  
19 State Superintendent of Education.

20 Indirect costs shall be included in the reimbursement claim  
21 for districts which own and operate their own school buses.  
22 Such indirect costs shall include administrative costs, or any  
23 costs attributable to transporting pupils from their  
24 attendance centers to another school building for  
25 instructional purposes. No school district which owns and  
26 operates its own school buses may claim reimbursement for

1 indirect costs which exceed 5% of the total allowable direct  
2 costs for pupil transportation.

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

16 On or before August 15, annually, through August 15, 2013,  
17 the chief school administrator for the district shall certify  
18 to the State Superintendent of Education the district's claim  
19 for reimbursement for the school year ending on June 30 next  
20 preceding. The State Superintendent of Education shall check  
21 and approve the claims and prepare the vouchers showing the  
22 amounts due for district reimbursement claims. Each fiscal year  
23 through fiscal year 2014, the State Superintendent of Education  
24 shall prepare and transmit the first 3 vouchers to the  
25 Comptroller on the 30th day of September, December and March,  
26 respectively, and the final voucher, no later than June 20.

1           If the amount appropriated for transportation  
2 reimbursement is insufficient to fund total claims for any  
3 fiscal year, the State Board of Education shall reduce each  
4 school district's allowable costs and flat grant amount  
5 proportionately to make total adjusted claims equal the total  
6 amount appropriated.

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

13           All reimbursements received from the State shall be  
14 deposited into the district's transportation fund or into the  
15 fund from which the allowable expenditures were made.

16           Notwithstanding any other provision of law, any school  
17 district receiving a payment under this Section or under  
18 Section 14-7.02, 14-7.02b, or 14-13.01 of this Code may  
19 classify all or a portion of the funds that it receives in a  
20 particular fiscal year or from general State aid pursuant to  
21 Section 18-8.05 of this Code as funds received in connection  
22 with any funding program for which it is entitled to receive  
23 funds from the State in that fiscal year (including, without  
24 limitation, any funding program referenced in this Section),  
25 regardless of the source or timing of the receipt. The district  
26 may not classify more funds as funds received in connection

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

22 Any school district with a population of not more than  
23 500,000 must deposit all funds received under this Article into  
24 the transportation fund and use those funds for the provision  
25 of transportation services.

26 (Source: P.A. 95-903, eff. 8-25-08; 96-1264, eff. 1-1-11.)

1 (105 ILCS 5/34-2.3) (from Ch. 122, par. 34-2.3)

2 Sec. 34-2.3. Local school councils - Powers and duties.  
3 Each local school council shall have and exercise, consistent  
4 with the provisions of this Article and the powers and duties  
5 of the board of education, the following powers and duties:

6 1. (A) To annually evaluate the performance of the  
7 principal of the attendance center using a Board approved  
8 principal evaluation form, which shall include the evaluation  
9 of (i) student academic improvement, as defined by the school  
10 improvement plan, (ii) student absenteeism rates at the school,  
11 (iii) instructional leadership, (iv) the effective  
12 implementation of programs, policies, or strategies to improve  
13 student academic achievement, (v) school management, and (vi)  
14 any other factors deemed relevant by the local school council,  
15 including, without limitation, the principal's communication  
16 skills and ability to create and maintain a student-centered  
17 learning environment, to develop opportunities for  
18 professional development, and to encourage parental  
19 involvement and community partnerships to achieve school  
20 improvement;

21 (B) to determine in the manner provided by subsection (c)  
22 of Section 34-2.2 and subdivision 1.5 of this Section whether  
23 the performance contract of the principal shall be renewed; and

24 (C) to directly select, in the manner provided by  
25 subsection (c) of Section 34-2.2, a new principal (including a

1 new principal to fill a vacancy) -- without submitting any list  
2 of candidates for that position to the general superintendent  
3 as provided in paragraph 2 of this Section -- to serve under a  
4 4 year performance contract; provided that (i) the  
5 determination of whether the principal's performance contract  
6 is to be renewed, based upon the evaluation required by  
7 subdivision 1.5 of this Section, shall be made no later than  
8 150 days prior to the expiration of the current  
9 performance-based contract of the principal, (ii) in cases  
10 where such performance contract is not renewed -- a direct  
11 selection of a new principal -- to serve under a 4 year  
12 performance contract shall be made by the local school council  
13 no later than 45 days prior to the expiration of the current  
14 performance contract of the principal, and (iii) a selection by  
15 the local school council of a new principal to fill a vacancy  
16 under a 4 year performance contract shall be made within 90  
17 days after the date such vacancy occurs. A Council shall be  
18 required, if requested by the principal, to provide in writing  
19 the reasons for the council's not renewing the principal's  
20 contract.

21 1.5. The local school council's determination of whether to  
22 renew the principal's contract shall be based on an evaluation  
23 to assess the educational and administrative progress made at  
24 the school during the principal's current performance-based  
25 contract. The local school council shall base its evaluation on  
26 (i) student academic improvement, as defined by the school

1 improvement plan, (ii) student absenteeism rates at the school,  
2 (iii) instructional leadership, (iv) the effective  
3 implementation of programs, policies, or strategies to improve  
4 student academic achievement, (v) school management, and (vi)  
5 any other factors deemed relevant by the local school council,  
6 including, without limitation, the principal's communication  
7 skills and ability to create and maintain a student-centered  
8 learning environment, to develop opportunities for  
9 professional development, and to encourage parental  
10 involvement and community partnerships to achieve school  
11 improvement. If a local school council fails to renew the  
12 performance contract of a principal rated by the general  
13 superintendent, or his or her designee, in the previous years'  
14 evaluations as meeting or exceeding expectations, the  
15 principal, within 15 days after the local school council's  
16 decision not to renew the contract, may request a review of the  
17 local school council's principal non-retention decision by a  
18 hearing officer appointed by the American Arbitration  
19 Association. A local school council member or members or the  
20 general superintendent may support the principal's request for  
21 review. During the period of the hearing officer's review of  
22 the local school council's decision on whether or not to retain  
23 the principal, the local school council shall maintain all  
24 authority to search for and contract with a person to serve as  
25 interim or acting principal, or as the principal of the  
26 attendance center under a 4-year performance contract,

1 provided that any performance contract entered into by the  
2 local school council shall be voidable or modified in  
3 accordance with the decision of the hearing officer. The  
4 principal may request review only once while at that attendance  
5 center. If a local school council renews the contract of a  
6 principal who failed to obtain a rating of "meets" or "exceeds  
7 expectations" in the general superintendent's evaluation for  
8 the previous year, the general superintendent, within 15 days  
9 after the local school council's decision to renew the  
10 contract, may request a review of the local school council's  
11 principal retention decision by a hearing officer appointed by  
12 the American Arbitration Association. The general  
13 superintendent may request a review only once for that  
14 principal at that attendance center. All requests to review the  
15 retention or non-retention of a principal shall be submitted to  
16 the general superintendent, who shall, in turn, forward such  
17 requests, within 14 days of receipt, to the American  
18 Arbitration Association. The general superintendent shall send  
19 a contemporaneous copy of the request that was forwarded to the  
20 American Arbitration Association to the principal and to each  
21 local school council member and shall inform the local school  
22 council of its rights and responsibilities under the  
23 arbitration process, including the local school council's  
24 right to representation and the manner and process by which the  
25 Board shall pay the costs of the council's representation. If  
26 the local school council retains the principal and the general



1 superintendent requests a review of the retention decision, the  
2 local school council and the general superintendent shall be  
3 considered parties to the arbitration, a hearing officer shall  
4 be chosen between those 2 parties pursuant to procedures  
5 promulgated by the State Board of Education, and the principal  
6 may retain counsel and participate in the arbitration. If the  
7 local school council does not retain the principal and the  
8 principal requests a review of the retention decision, the  
9 local school council and the principal shall be considered  
10 parties to the arbitration and a hearing officer shall be  
11 chosen between those 2 parties pursuant to procedures  
12 promulgated by the State Board of Education. The hearing shall  
13 begin (i) within 45 days after the initial request for review  
14 is submitted by the principal to the general superintendent or  
15 (ii) if the initial request for review is made by the general  
16 superintendent, within 45 days after that request is mailed to  
17 the American Arbitration Association. The hearing officer  
18 shall render a decision within 45 days after the hearing begins  
19 and within 90 days after the initial request for review. The  
20 Board shall contract with the American Arbitration Association  
21 for all of the hearing officer's reasonable and necessary  
22 costs. In addition, the Board shall pay any reasonable costs  
23 incurred by a local school council for representation before a  
24 hearing officer.

25 1.10. The hearing officer shall conduct a hearing, which  
26 shall include (i) a review of the principal's performance,

1 evaluations, and other evidence of the principal's service at  
2 the school, (ii) reasons provided by the local school council  
3 for its decision, and (iii) documentation evidencing views of  
4 interested persons, including, without limitation, students,  
5 parents, local school council members, school faculty and  
6 staff, the principal, the general superintendent or his or her  
7 designee, and members of the community. The burden of proof in  
8 establishing that the local school council's decision was  
9 arbitrary and capricious shall be on the party requesting the  
10 arbitration, and this party shall sustain the burden by a  
11 preponderance of the evidence. The hearing officer shall set  
12 the local school council decision aside if that decision, in  
13 light of the record developed at the hearing, is arbitrary and  
14 capricious. The decision of the hearing officer may not be  
15 appealed to the Board or the State Board of Education. If the  
16 hearing officer decides that the principal shall be retained,  
17 the retention period shall not exceed 2 years.

18 2. In the event (i) the local school council does not renew  
19 the performance contract of the principal, or the principal  
20 fails to receive a satisfactory rating as provided in  
21 subsection (h) of Section 34-8.3, or the principal is removed  
22 for cause during the term of his or her performance contract in  
23 the manner provided by Section 34-85, or a vacancy in the  
24 position of principal otherwise occurs prior to the expiration  
25 of the term of a principal's performance contract, and (ii) the  
26 local school council fails to directly select a new principal

1 to serve under a 4 year performance contract, the local school  
2 council in such event shall submit to the general  
3 superintendent a list of 3 candidates -- listed in the local  
4 school council's order of preference -- for the position of  
5 principal, one of which shall be selected by the general  
6 superintendent to serve as principal of the attendance center.  
7 If the general superintendent fails or refuses to select one of  
8 the candidates on the list to serve as principal within 30 days  
9 after being furnished with the candidate list, the general  
10 superintendent shall select and place a principal on an interim  
11 basis (i) for a period not to exceed one year or (ii) until the  
12 local school council selects a new principal with 7 affirmative  
13 votes as provided in subsection (c) of Section 34-2.2,  
14 whichever occurs first. If the local school council fails or  
15 refuses to select and appoint a new principal, as specified by  
16 subsection (c) of Section 34-2.2, the general superintendent  
17 may select and appoint a new principal on an interim basis for  
18 an additional year or until a new contract principal is  
19 selected by the local school council. There shall be no  
20 discrimination on the basis of race, sex, creed, color or  
21 disability unrelated to ability to perform in connection with  
22 the submission of candidates for, and the selection of a  
23 candidate to serve as principal of an attendance center. No  
24 person shall be directly selected, listed as a candidate for,  
25 or selected to serve as principal of an attendance center (i)  
26 if such person has been removed for cause from employment by

1 the Board or (ii) if such person does not hold a valid  
2 administrative certificate issued or exchanged under Article  
3 21 and endorsed as required by that Article for the position of  
4 principal. A principal whose performance contract is not  
5 renewed as provided under subsection (c) of Section 34-2.2 may  
6 nevertheless, if otherwise qualified and certified as herein  
7 provided and if he or she has received a satisfactory rating as  
8 provided in subsection (h) of Section 34-8.3, be included by a  
9 local school council as one of the 3 candidates listed in order  
10 of preference on any candidate list from which one person is to  
11 be selected to serve as principal of the attendance center  
12 under a new performance contract. The initial candidate list  
13 required to be submitted by a local school council to the  
14 general superintendent in cases where the local school council  
15 does not renew the performance contract of its principal and  
16 does not directly select a new principal to serve under a 4  
17 year performance contract shall be submitted not later than 30  
18 days prior to the expiration of the current performance  
19 contract. In cases where the local school council fails or  
20 refuses to submit the candidate list to the general  
21 superintendent no later than 30 days prior to the expiration of  
22 the incumbent principal's contract, the general superintendent  
23 may appoint a principal on an interim basis for a period not to  
24 exceed one year, during which time the local school council  
25 shall be able to select a new principal with 7 affirmative  
26 votes as provided in subsection (c) of Section 34-2.2. In cases

1 where a principal is removed for cause or a vacancy otherwise  
2 occurs in the position of principal and the vacancy is not  
3 filled by direct selection by the local school council, the  
4 candidate list shall be submitted by the local school council  
5 to the general superintendent within 90 days after the date  
6 such removal or vacancy occurs. In cases where the local school  
7 council fails or refuses to submit the candidate list to the  
8 general superintendent within 90 days after the date of the  
9 vacancy, the general superintendent may appoint a principal on  
10 an interim basis for a period of one year, during which time  
11 the local school council shall be able to select a new  
12 principal with 7 affirmative votes as provided in subsection  
13 (c) of Section 34-2.2.

14 2.5. Whenever a vacancy in the office of a principal occurs  
15 for any reason, the vacancy shall be filled in the manner  
16 provided by this Section by the selection of a new principal to  
17 serve under a 4 year performance contract.

18 3. To establish additional criteria to be included as part  
19 of the performance contract of its principal, provided that  
20 such additional criteria shall not discriminate on the basis of  
21 race, sex, creed, color or disability unrelated to ability to  
22 perform, and shall not be inconsistent with the uniform 4 year  
23 performance contract for principals developed by the board as  
24 provided in Section 34-8.1 of the School Code or with other  
25 provisions of this Article governing the authority and  
26 responsibility of principals.

1           4. To approve the expenditure plan prepared by the  
2 principal with respect to all funds allocated and distributed  
3 to the attendance center by the Board. The expenditure plan  
4 shall be administered by the principal. Notwithstanding any  
5 other provision of this Act or any other law, any expenditure  
6 plan approved and administered under this Section 34-2.3 shall  
7 be consistent with and subject to the terms of any contract for  
8 services with a third party entered into by the Chicago School  
9 Reform Board of Trustees or the board under this Act.

10           Via a supermajority vote of 7 members of the local school  
11 council or 8 members of a high school local school council, the  
12 Council may transfer allocations pursuant to Section 34-2.3  
13 within funds; provided that such a transfer is consistent with  
14 applicable law and collective bargaining agreements.

15           Beginning in fiscal year 1991 and in each fiscal year  
16 thereafter, the Board may reserve up to 1% of its total fiscal  
17 year budget for distribution on a prioritized basis to schools  
18 throughout the school system in order to assure adequate  
19 programs to meet the needs of special student populations as  
20 determined by the Board. This distribution shall take into  
21 account the needs catalogued in the Systemwide Plan and the  
22 various local school improvement plans of the local school  
23 councils. Information about these centrally funded programs  
24 shall be distributed to the local school councils so that their  
25 subsequent planning and programming will account for these  
26 provisions.

1           Beginning in fiscal year 1991 and in each fiscal year  
2 thereafter, from other amounts available in the applicable  
3 fiscal year budget, the board shall allocate a lump sum amount  
4 to each local school based upon such formula as the board shall  
5 determine taking into account the special needs of the student  
6 body. The local school principal shall develop an expenditure  
7 plan in consultation with the local school council, the  
8 professional personnel leadership committee and with all other  
9 school personnel, which reflects the priorities and activities  
10 as described in the school's local school improvement plan and  
11 is consistent with applicable law and collective bargaining  
12 agreements and with board policies and standards; however, the  
13 local school council shall have the right to request waivers of  
14 board policy from the board of education and waivers of  
15 employee collective bargaining agreements pursuant to Section  
16 34-8.1a.

17           The expenditure plan developed by the principal with  
18 respect to amounts available from the fund for prioritized  
19 special needs programs and the allocated lump sum amount must  
20 be approved by the local school council.

21           The lump sum allocation shall take into account the  
22 following principles:

23           a. Teachers: Each school shall be allocated funds equal  
24 to the amount appropriated in the previous school year for  
25 compensation for teachers (regular grades kindergarten  
26 through 12th grade) plus whatever increases in

1 compensation have been negotiated contractually or through  
2 longevity as provided in the negotiated agreement.  
3 Adjustments shall be made due to layoff or reduction in  
4 force, lack of funds or work, change in subject  
5 requirements, enrollment changes, or contracts with third  
6 parties for the performance of services or to rectify any  
7 inconsistencies with system-wide allocation formulas or  
8 for other legitimate reasons.

9 b. Other personnel: Funds for other teacher  
10 certificated and uncertificated personnel paid through  
11 non-categorical funds shall be provided according to  
12 system-wide formulas based on student enrollment and the  
13 special needs of the school as determined by the Board.

14 c. Non-compensation items: Appropriations for all  
15 non-compensation items shall be based on system-wide  
16 formulas based on student enrollment and on the special  
17 needs of the school or factors related to the physical  
18 plant, including but not limited to textbooks, electronic  
19 textbooks and the technological equipment necessary to  
20 gain access to and use electronic textbooks, supplies,  
21 electricity, equipment, and routine maintenance.

22 d. Funds for categorical programs: Schools shall  
23 receive personnel and funds based on, and shall use such  
24 personnel and funds in accordance with State and Federal  
25 requirements applicable to each categorical program  
26 provided to meet the special needs of the student body



1 (including but not limited to, Federal Chapter I,  
2 Bilingual, and Special Education).

3 d.1. Funds for State Title I: Each school shall receive  
4 funds based on State and Board requirements applicable to  
5 each State Title I pupil provided to meet the special needs  
6 of the student body. Each school shall receive the  
7 proportion of funds as provided in Section 18-8 or 18-8.15  
8 to which they are entitled. These funds shall be spent only  
9 with the budgetary approval of the Local School Council as  
10 provided in Section 34-2.3.

11 e. The Local School Council shall have the right to  
12 request the principal to close positions and open new ones  
13 consistent with the provisions of the local school  
14 improvement plan provided that these decisions are  
15 consistent with applicable law and collective bargaining  
16 agreements. If a position is closed, pursuant to this  
17 paragraph, the local school shall have for its use the  
18 system-wide average compensation for the closed position.

19 f. Operating within existing laws and collective  
20 bargaining agreements, the local school council shall have  
21 the right to direct the principal to shift expenditures  
22 within funds.

23 g. (Blank).

24 Any funds unexpended at the end of the fiscal year shall be  
25 available to the board of education for use as part of its  
26 budget for the following fiscal year.

1           5. To make recommendations to the principal concerning  
2 textbook selection and concerning curriculum developed  
3 pursuant to the school improvement plan which is consistent  
4 with systemwide curriculum objectives in accordance with  
5 Sections 34-8 and 34-18 of the School Code and in conformity  
6 with the collective bargaining agreement.

7           6. To advise the principal concerning the attendance and  
8 disciplinary policies for the attendance center, subject to the  
9 provisions of this Article and Article 26, and consistent with  
10 the uniform system of discipline established by the board  
11 pursuant to Section 34-19.

12           7. To approve a school improvement plan developed as  
13 provided in Section 34-2.4. The process and schedule for plan  
14 development shall be publicized to the entire school community,  
15 and the community shall be afforded the opportunity to make  
16 recommendations concerning the plan. At least twice a year the  
17 principal and local school council shall report publicly on  
18 progress and problems with respect to plan implementation.

19           8. To evaluate the allocation of teaching resources and  
20 other certificated and uncertificated staff to the attendance  
21 center to determine whether such allocation is consistent with  
22 and in furtherance of instructional objectives and school  
23 programs reflective of the school improvement plan adopted for  
24 the attendance center; and to make recommendations to the  
25 board, the general superintendent and the principal concerning  
26 any reallocation of teaching resources or other staff whenever

1 the council determines that any such reallocation is  
2 appropriate because the qualifications of any existing staff at  
3 the attendance center do not adequately match or support  
4 instructional objectives or school programs which reflect the  
5 school improvement plan.

6 9. To make recommendations to the principal and the general  
7 superintendent concerning their respective appointments, after  
8 August 31, 1989, and in the manner provided by Section 34-8 and  
9 Section 34-8.1, of persons to fill any vacant, additional or  
10 newly created positions for teachers at the attendance center  
11 or at attendance centers which include the attendance center  
12 served by the local school council.

13 10. To request of the Board the manner in which training  
14 and assistance shall be provided to the local school council.  
15 Pursuant to Board guidelines a local school council is  
16 authorized to direct the Board of Education to contract with  
17 personnel or not-for-profit organizations not associated with  
18 the school district to train or assist council members. If  
19 training or assistance is provided by contract with personnel  
20 or organizations not associated with the school district, the  
21 period of training or assistance shall not exceed 30 hours  
22 during a given school year; person shall not be employed on a  
23 continuous basis longer than said period and shall not have  
24 been employed by the Chicago Board of Education within the  
25 preceding six months. Council members shall receive training in  
26 at least the following areas:

- 1           1. school budgets;
- 2           2. educational theory pertinent to the attendance
- 3           center's particular needs, including the development of
- 4           the school improvement plan and the principal's
- 5           performance contract; and
- 6           3. personnel selection.

7           Council members shall, to the greatest extent possible,  
8           complete such training within 90 days of election.

9           11. In accordance with systemwide guidelines contained in  
10          the System-Wide Educational Reform Goals and Objectives Plan,  
11          criteria for evaluation of performance shall be established for  
12          local school councils and local school council members. If a  
13          local school council persists in noncompliance with systemwide  
14          requirements, the Board may impose sanctions and take necessary  
15          corrective action, consistent with Section 34-8.3.

16          12. Each local school council shall comply with the Open  
17          Meetings Act and the Freedom of Information Act. Each local  
18          school council shall issue and transmit to its school community  
19          a detailed annual report accounting for its activities  
20          programmatically and financially. Each local school council  
21          shall convene at least 2 well-publicized meetings annually with  
22          its entire school community. These meetings shall include  
23          presentation of the proposed local school improvement plan, of  
24          the proposed school expenditure plan, and the annual report,  
25          and shall provide an opportunity for public comment.

26          13. Each local school council is encouraged to involve

1 additional non-voting members of the school community in  
2 facilitating the council's exercise of its responsibilities.

3 14. The local school council may adopt a school uniform or  
4 dress code policy that governs the attendance center and that  
5 is necessary to maintain the orderly process of a school  
6 function or prevent endangerment of student health or safety,  
7 consistent with the policies and rules of the Board of  
8 Education. A school uniform or dress code policy adopted by a  
9 local school council: (i) shall not be applied in such manner  
10 as to discipline or deny attendance to a transfer student or  
11 any other student for noncompliance with that policy during  
12 such period of time as is reasonably necessary to enable the  
13 student to acquire a school uniform or otherwise comply with  
14 the dress code policy that is in effect at the attendance  
15 center into which the student's enrollment is transferred; and  
16 (ii) shall include criteria and procedures under which the  
17 local school council will accommodate the needs of or otherwise  
18 provide appropriate resources to assist a student from an  
19 indigent family in complying with an applicable school uniform  
20 or dress code policy. A student whose parents or legal  
21 guardians object on religious grounds to the student's  
22 compliance with an applicable school uniform or dress code  
23 policy shall not be required to comply with that policy if the  
24 student's parents or legal guardians present to the local  
25 school council a signed statement of objection detailing the  
26 grounds for the objection.

1           15. All decisions made and actions taken by the local  
2 school council in the exercise of its powers and duties shall  
3 comply with State and federal laws, all applicable collective  
4 bargaining agreements, court orders and rules properly  
5 promulgated by the Board.

6           15a. To grant, in accordance with board rules and policies,  
7 the use of assembly halls and classrooms when not otherwise  
8 needed, including lighting, heat, and attendants, for public  
9 lectures, concerts, and other educational and social  
10 activities.

11           15b. To approve, in accordance with board rules and  
12 policies, receipts and expenditures for all internal accounts  
13 of the attendance center, and to approve all fund-raising  
14 activities by nonschool organizations that use the school  
15 building.

16           16. (Blank).

17           17. Names and addresses of local school council members  
18 shall be a matter of public record.

19           (Source: P.A. 96-1403, eff. 7-29-10.)

20           (105 ILCS 5/34-8.4)

21           Sec. 34-8.4. Intervention. The Chicago Schools Academic  
22 Accountability Council may recommend to the Chicago School  
23 Reform Board of Trustees that any school placed on remediation  
24 or probation under Section 34-8.3 or schools that for the 3  
25 consecutive school years of 1992-1993, 1993-1994, and

1 1994-1995 have met the State Board of Education's category of  
2 "does not meet expectations" be made subject to intervention  
3 under this Section 34-8.4. In addition to any powers created  
4 under this Section, the Trustees shall have all powers created  
5 under Section 34-8.3 with respect to schools subjected to  
6 intervention.

7 Prior to subjecting a school to intervention, the Trustees  
8 shall conduct a public hearing and make findings of facts  
9 concerning the recommendation of the Chicago Schools Academic  
10 Accountability Council and the factors causing the failure of  
11 the school to adequately perform. The Trustees shall afford an  
12 opportunity at the hearing for interested persons to comment  
13 about the intervention recommendation. After the hearing has  
14 been held and completion of findings of fact, the Trustees  
15 shall make a determination whether to subject the school to  
16 intervention.

17 If the Trustees determine that a school shall be subject to  
18 intervention under this Section, the Trustees shall develop an  
19 intervention implementation plan and shall cause a performance  
20 evaluation to be made of each employee at the school. Upon  
21 consideration of such evaluations, and consistent with the  
22 intervention implementation plan, the Trustees may reassign,  
23 layoff, or dismiss any employees at the attendance center,  
24 notwithstanding the provisions of Sections 24A-5 and 34-85.

25 The chief educational officer shall appoint a principal for  
26 the school and shall set the terms and conditions of the

1 principal's contract, which in no case may be longer than 2  
2 years. The principal shall select all teachers and  
3 non-certified personnel for the school as may be necessary. Any  
4 provision of Section 34-8.1 that conflicts with this Section  
5 shall not apply to a school subjected to intervention under  
6 this Section.

7 If pursuant to this Section, the general superintendent,  
8 with the approval of the board, orders new local school council  
9 elections, the general superintendent shall carry out the  
10 responsibilities of the local school council for a school  
11 subject to intervention until the new local school council  
12 members are elected and trained.

13 Each school year, 5% of the supplemental general State aid  
14 or supplemental grant funds distributed to a school subject to  
15 intervention during that school year under subsection  
16 5(i)(1)(a) of part A of Section 18-8, ~~or~~ subsection (H) of  
17 Section 18-8.05, or subsection (h) of Section 18-8.15 shall be  
18 used for employee performance incentives. The Trustees shall  
19 prepare a report evaluating the results of any interventions  
20 undertaken pursuant to this Section and shall make  
21 recommendations concerning implementation of special programs  
22 for dealing with underperforming schools on an ongoing basis.  
23 This report shall be submitted to the State Superintendent of  
24 Education and Mayor of the City of Chicago by January 1, 1999.

25 (Source: P.A. 89-15, eff. 5-30-95; 89-698, eff. 1-14-97;  
26 90-548, eff. 1-1-98.)



1 (105 ILCS 5/34-18) (from Ch. 122, par. 34-18)

2 Sec. 34-18. Powers of the board. The board shall exercise  
3 general supervision and jurisdiction over the public education  
4 and the public school system of the city, and, except as  
5 otherwise provided by this Article, shall have power:

6 1. To make suitable provision for the establishment and  
7 maintenance throughout the year or for such portion thereof  
8 as it may direct, not less than 9 months, of schools of all  
9 grades and kinds, including normal schools, high schools,  
10 night schools, schools for defectives and delinquents,  
11 parental and truant schools, schools for the blind, the  
12 deaf and the physically disabled, schools or classes in  
13 manual training, constructural and vocational teaching,  
14 domestic arts and physical culture, vocation and extension  
15 schools and lecture courses, and all other educational  
16 courses and facilities, including establishing, equipping,  
17 maintaining and operating playgrounds and recreational  
18 programs, when such programs are conducted in, adjacent to,  
19 or connected with any public school under the general  
20 supervision and jurisdiction of the board; provided that  
21 the calendar for the school term and any changes must be  
22 submitted to and approved by the State Board of Education  
23 before the calendar or changes may take effect, and  
24 provided that in allocating funds from year to year for the  
25 operation of all attendance centers within the district,

1 the board shall ensure that supplemental general State aid  
2 or supplemental grant funds are allocated and applied in  
3 accordance with Section 18-8, ~~or~~ 18-8.05, or 18-8.15. To  
4 admit to such schools without charge foreign exchange  
5 students who are participants in an organized exchange  
6 student program which is authorized by the board. The board  
7 shall permit all students to enroll in apprenticeship  
8 programs in trade schools operated by the board, whether  
9 those programs are union-sponsored or not. No student shall  
10 be refused admission into or be excluded from any course of  
11 instruction offered in the common schools by reason of that  
12 student's sex. No student shall be denied equal access to  
13 physical education and interscholastic athletic programs  
14 supported from school district funds or denied  
15 participation in comparable physical education and  
16 athletic programs solely by reason of the student's sex.  
17 Equal access to programs supported from school district  
18 funds and comparable programs will be defined in rules  
19 promulgated by the State Board of Education in consultation  
20 with the Illinois High School Association. Notwithstanding  
21 any other provision of this Article, neither the board of  
22 education nor any local school council or other school  
23 official shall recommend that children with disabilities  
24 be placed into regular education classrooms unless those  
25 children with disabilities are provided with supplementary  
26 services to assist them so that they benefit from the

1 regular classroom instruction and are included on the  
2 teacher's regular education class register;

3 2. To furnish lunches to pupils, to make a reasonable  
4 charge therefor, and to use school funds for the payment of  
5 such expenses as the board may determine are necessary in  
6 conducting the school lunch program;

7 3. To co-operate with the circuit court;

8 4. To make arrangements with the public or quasi-public  
9 libraries and museums for the use of their facilities by  
10 teachers and pupils of the public schools;

11 5. To employ dentists and prescribe their duties for  
12 the purpose of treating the pupils in the schools, but  
13 accepting such treatment shall be optional with parents or  
14 guardians;

15 6. To grant the use of assembly halls and classrooms  
16 when not otherwise needed, including light, heat, and  
17 attendants, for free public lectures, concerts, and other  
18 educational and social interests, free of charge, under  
19 such provisions and control as the principal of the  
20 affected attendance center may prescribe;

21 7. To apportion the pupils to the several schools;  
22 provided that no pupil shall be excluded from or segregated  
23 in any such school on account of his color, race, sex, or  
24 nationality. The board shall take into consideration the  
25 prevention of segregation and the elimination of  
26 separation of children in public schools because of color,

1 race, sex, or nationality. Except that children may be  
2 committed to or attend parental and social adjustment  
3 schools established and maintained either for boys or girls  
4 only. All records pertaining to the creation, alteration or  
5 revision of attendance areas shall be open to the public.  
6 Nothing herein shall limit the board's authority to  
7 establish multi-area attendance centers or other student  
8 assignment systems for desegregation purposes or  
9 otherwise, and to apportion the pupils to the several  
10 schools. Furthermore, beginning in school year 1994-95,  
11 pursuant to a board plan adopted by October 1, 1993, the  
12 board shall offer, commencing on a phased-in basis, the  
13 opportunity for families within the school district to  
14 apply for enrollment of their children in any attendance  
15 center within the school district which does not have  
16 selective admission requirements approved by the board.  
17 The appropriate geographical area in which such open  
18 enrollment may be exercised shall be determined by the  
19 board of education. Such children may be admitted to any  
20 such attendance center on a space available basis after all  
21 children residing within such attendance center's area  
22 have been accommodated. If the number of applicants from  
23 outside the attendance area exceed the space available,  
24 then successful applicants shall be selected by lottery.  
25 The board of education's open enrollment plan must include  
26 provisions that allow low income students to have access to

1 transportation needed to exercise school choice. Open  
2 enrollment shall be in compliance with the provisions of  
3 the Consent Decree and Desegregation Plan cited in Section  
4 34-1.01;

5 8. To approve programs and policies for providing  
6 transportation services to students. Nothing herein shall  
7 be construed to permit or empower the State Board of  
8 Education to order, mandate, or require busing or other  
9 transportation of pupils for the purpose of achieving  
10 racial balance in any school;

11 9. Subject to the limitations in this Article, to  
12 establish and approve system-wide curriculum objectives  
13 and standards, including graduation standards, which  
14 reflect the multi-cultural diversity in the city and are  
15 consistent with State law, provided that for all purposes  
16 of this Article courses or proficiency in American Sign  
17 Language shall be deemed to constitute courses or  
18 proficiency in a foreign language; and to employ principals  
19 and teachers, appointed as provided in this Article, and  
20 fix their compensation. The board shall prepare such  
21 reports related to minimal competency testing as may be  
22 requested by the State Board of Education, and in addition  
23 shall monitor and approve special education and bilingual  
24 education programs and policies within the district to  
25 assure that appropriate services are provided in  
26 accordance with applicable State and federal laws to

1 children requiring services and education in those areas;

2 10. To employ non-teaching personnel or utilize  
3 volunteer personnel for: (i) non-teaching duties not  
4 requiring instructional judgment or evaluation of pupils,  
5 including library duties; and (ii) supervising study  
6 halls, long distance teaching reception areas used  
7 incident to instructional programs transmitted by  
8 electronic media such as computers, video, and audio,  
9 detention and discipline areas, and school-sponsored  
10 extracurricular activities. The board may further utilize  
11 volunteer non-certificated personnel or employ  
12 non-certificated personnel to assist in the instruction of  
13 pupils under the immediate supervision of a teacher holding  
14 a valid certificate, directly engaged in teaching subject  
15 matter or conducting activities; provided that the teacher  
16 shall be continuously aware of the non-certificated  
17 persons' activities and shall be able to control or modify  
18 them. The general superintendent shall determine  
19 qualifications of such personnel and shall prescribe rules  
20 for determining the duties and activities to be assigned to  
21 such personnel;

22 10.5. To utilize volunteer personnel from a regional  
23 School Crisis Assistance Team (S.C.A.T.), created as part  
24 of the Safe to Learn Program established pursuant to  
25 Section 25 of the Illinois Violence Prevention Act of 1995,  
26 to provide assistance to schools in times of violence or

1 other traumatic incidents within a school community by  
2 providing crisis intervention services to lessen the  
3 effects of emotional trauma on individuals and the  
4 community; the School Crisis Assistance Team Steering  
5 Committee shall determine the qualifications for  
6 volunteers;

7 11. To provide television studio facilities in not to  
8 exceed one school building and to provide programs for  
9 educational purposes, provided, however, that the board  
10 shall not construct, acquire, operate, or maintain a  
11 television transmitter; to grant the use of its studio  
12 facilities to a licensed television station located in the  
13 school district; and to maintain and operate not to exceed  
14 one school radio transmitting station and provide programs  
15 for educational purposes;

16 12. To offer, if deemed appropriate, outdoor education  
17 courses, including field trips within the State of  
18 Illinois, or adjacent states, and to use school educational  
19 funds for the expense of the said outdoor educational  
20 programs, whether within the school district or not;

21 13. During that period of the calendar year not  
22 embraced within the regular school term, to provide and  
23 conduct courses in subject matters normally embraced in the  
24 program of the schools during the regular school term and  
25 to give regular school credit for satisfactory completion  
26 by the student of such courses as may be approved for

1 credit by the State Board of Education;

2 14. To insure against any loss or liability of the  
3 board, the former School Board Nominating Commission,  
4 Local School Councils, the Chicago Schools Academic  
5 Accountability Council, or the former Subdistrict Councils  
6 or of any member, officer, agent or employee thereof,  
7 resulting from alleged violations of civil rights arising  
8 from incidents occurring on or after September 5, 1967 or  
9 from the wrongful or negligent act or omission of any such  
10 person whether occurring within or without the school  
11 premises, provided the officer, agent or employee was, at  
12 the time of the alleged violation of civil rights or  
13 wrongful act or omission, acting within the scope of his  
14 employment or under direction of the board, the former  
15 School Board Nominating Commission, the Chicago Schools  
16 Academic Accountability Council, Local School Councils, or  
17 the former Subdistrict Councils; and to provide for or  
18 participate in insurance plans for its officers and  
19 employees, including but not limited to retirement  
20 annuities, medical, surgical and hospitalization benefits  
21 in such types and amounts as may be determined by the  
22 board; provided, however, that the board shall contract for  
23 such insurance only with an insurance company authorized to  
24 do business in this State. Such insurance may include  
25 provision for employees who rely on treatment by prayer or  
26 spiritual means alone for healing, in accordance with the



1 tenets and practice of a recognized religious  
2 denomination;

3 15. To contract with the corporate authorities of any  
4 municipality or the county board of any county, as the case  
5 may be, to provide for the regulation of traffic in parking  
6 areas of property used for school purposes, in such manner  
7 as is provided by Section 11-209 of The Illinois Vehicle  
8 Code, approved September 29, 1969, as amended;

9 16. (a) To provide, on an equal basis, access to a high  
10 school campus and student directory information to the  
11 official recruiting representatives of the armed forces of  
12 Illinois and the United States for the purposes of  
13 informing students of the educational and career  
14 opportunities available in the military if the board has  
15 provided such access to persons or groups whose purpose is  
16 to acquaint students with educational or occupational  
17 opportunities available to them. The board is not required  
18 to give greater notice regarding the right of access to  
19 recruiting representatives than is given to other persons  
20 and groups. In this paragraph 16, "directory information"  
21 means a high school student's name, address, and telephone  
22 number.

23 (b) If a student or his or her parent or guardian  
24 submits a signed, written request to the high school before  
25 the end of the student's sophomore year (or if the student  
26 is a transfer student, by another time set by the high

1 school) that indicates that the student or his or her  
2 parent or guardian does not want the student's directory  
3 information to be provided to official recruiting  
4 representatives under subsection (a) of this Section, the  
5 high school may not provide access to the student's  
6 directory information to these recruiting representatives.  
7 The high school shall notify its students and their parents  
8 or guardians of the provisions of this subsection (b).

9 (c) A high school may require official recruiting  
10 representatives of the armed forces of Illinois and the  
11 United States to pay a fee for copying and mailing a  
12 student's directory information in an amount that is not  
13 more than the actual costs incurred by the high school.

14 (d) Information received by an official recruiting  
15 representative under this Section may be used only to  
16 provide information to students concerning educational and  
17 career opportunities available in the military and may not  
18 be released to a person who is not involved in recruiting  
19 students for the armed forces of Illinois or the United  
20 States;

21 17. (a) To sell or market any computer program  
22 developed by an employee of the school district, provided  
23 that such employee developed the computer program as a  
24 direct result of his or her duties with the school district  
25 or through the utilization of the school district resources  
26 or facilities. The employee who developed the computer

1 program shall be entitled to share in the proceeds of such  
2 sale or marketing of the computer program. The distribution  
3 of such proceeds between the employee and the school  
4 district shall be as agreed upon by the employee and the  
5 school district, except that neither the employee nor the  
6 school district may receive more than 90% of such proceeds.  
7 The negotiation for an employee who is represented by an  
8 exclusive bargaining representative may be conducted by  
9 such bargaining representative at the employee's request.

10 (b) For the purpose of this paragraph 17:

11 (1) "Computer" means an internally programmed,  
12 general purpose digital device capable of  
13 automatically accepting data, processing data and  
14 supplying the results of the operation.

15 (2) "Computer program" means a series of coded  
16 instructions or statements in a form acceptable to a  
17 computer, which causes the computer to process data in  
18 order to achieve a certain result.

19 (3) "Proceeds" means profits derived from  
20 marketing or sale of a product after deducting the  
21 expenses of developing and marketing such product;

22 18. To delegate to the general superintendent of  
23 schools, by resolution, the authority to approve contracts  
24 and expenditures in amounts of \$10,000 or less;

25 19. Upon the written request of an employee, to  
26 withhold from the compensation of that employee any dues,

1 payments or contributions payable by such employee to any  
2 labor organization as defined in the Illinois Educational  
3 Labor Relations Act. Under such arrangement, an amount  
4 shall be withheld from each regular payroll period which is  
5 equal to the pro rata share of the annual dues plus any  
6 payments or contributions, and the board shall transmit  
7 such withholdings to the specified labor organization  
8 within 10 working days from the time of the withholding;

9 19a. Upon receipt of notice from the comptroller of a  
10 municipality with a population of 500,000 or more, a county  
11 with a population of 3,000,000 or more, the Cook County  
12 Forest Preserve District, the Chicago Park District, the  
13 Metropolitan Water Reclamation District, the Chicago  
14 Transit Authority, or a housing authority of a municipality  
15 with a population of 500,000 or more that a debt is due and  
16 owing the municipality, the county, the Cook County Forest  
17 Preserve District, the Chicago Park District, the  
18 Metropolitan Water Reclamation District, the Chicago  
19 Transit Authority, or the housing authority by an employee  
20 of the Chicago Board of Education, to withhold, from the  
21 compensation of that employee, the amount of the debt that  
22 is due and owing and pay the amount withheld to the  
23 municipality, the county, the Cook County Forest Preserve  
24 District, the Chicago Park District, the Metropolitan  
25 Water Reclamation District, the Chicago Transit Authority,  
26 or the housing authority; provided, however, that the

1 amount deducted from any one salary or wage payment shall  
2 not exceed 25% of the net amount of the payment. Before the  
3 Board deducts any amount from any salary or wage of an  
4 employee under this paragraph, the municipality, the  
5 county, the Cook County Forest Preserve District, the  
6 Chicago Park District, the Metropolitan Water Reclamation  
7 District, the Chicago Transit Authority, or the housing  
8 authority shall certify that (i) the employee has been  
9 afforded an opportunity for a hearing to dispute the debt  
10 that is due and owing the municipality, the county, the  
11 Cook County Forest Preserve District, the Chicago Park  
12 District, the Metropolitan Water Reclamation District, the  
13 Chicago Transit Authority, or the housing authority and  
14 (ii) the employee has received notice of a wage deduction  
15 order and has been afforded an opportunity for a hearing to  
16 object to the order. For purposes of this paragraph, "net  
17 amount" means that part of the salary or wage payment  
18 remaining after the deduction of any amounts required by  
19 law to be deducted and "debt due and owing" means (i) a  
20 specified sum of money owed to the municipality, the  
21 county, the Cook County Forest Preserve District, the  
22 Chicago Park District, the Metropolitan Water Reclamation  
23 District, the Chicago Transit Authority, or the housing  
24 authority for services, work, or goods, after the period  
25 granted for payment has expired, or (ii) a specified sum of  
26 money owed to the municipality, the county, the Cook County

1 Forest Preserve District, the Chicago Park District, the  
2 Metropolitan Water Reclamation District, the Chicago  
3 Transit Authority, or the housing authority pursuant to a  
4 court order or order of an administrative hearing officer  
5 after the exhaustion of, or the failure to exhaust,  
6 judicial review;

7 20. The board is encouraged to employ a sufficient  
8 number of certified school counselors to maintain a  
9 student/counselor ratio of 250 to 1 by July 1, 1990. Each  
10 counselor shall spend at least 75% of his work time in  
11 direct contact with students and shall maintain a record of  
12 such time;

13 21. To make available to students vocational and career  
14 counseling and to establish 5 special career counseling  
15 days for students and parents. On these days  
16 representatives of local businesses and industries shall  
17 be invited to the school campus and shall inform students  
18 of career opportunities available to them in the various  
19 businesses and industries. Special consideration shall be  
20 given to counseling minority students as to career  
21 opportunities available to them in various fields. For the  
22 purposes of this paragraph, minority student means a person  
23 who is any of the following:

24 (a) American Indian or Alaska Native (a person having  
25 origins in any of the original peoples of North and South  
26 America, including Central America, and who maintains

1 tribal affiliation or community attachment).

2 (b) Asian (a person having origins in any of the  
3 original peoples of the Far East, Southeast Asia, or the  
4 Indian subcontinent, including, but not limited to,  
5 Cambodia, China, India, Japan, Korea, Malaysia, Pakistan,  
6 the Philippine Islands, Thailand, and Vietnam).

7 (c) Black or African American (a person having origins  
8 in any of the black racial groups of Africa). Terms such as  
9 "Haitian" or "Negro" can be used in addition to "Black or  
10 African American".

11 (d) Hispanic or Latino (a person of Cuban, Mexican,  
12 Puerto Rican, South or Central American, or other Spanish  
13 culture or origin, regardless of race).

14 (e) Native Hawaiian or Other Pacific Islander (a person  
15 having origins in any of the original peoples of Hawaii,  
16 Guam, Samoa, or other Pacific Islands).

17 Counseling days shall not be in lieu of regular school  
18 days;

19 22. To report to the State Board of Education the  
20 annual student dropout rate and number of students who  
21 graduate from, transfer from or otherwise leave bilingual  
22 programs;

23 23. Except as otherwise provided in the Abused and  
24 Neglected Child Reporting Act or other applicable State or  
25 federal law, to permit school officials to withhold, from  
26 any person, information on the whereabouts of any child

1 removed from school premises when the child has been taken  
2 into protective custody as a victim of suspected child  
3 abuse. School officials shall direct such person to the  
4 Department of Children and Family Services, or to the local  
5 law enforcement agency if appropriate;

6 24. To develop a policy, based on the current state of  
7 existing school facilities, projected enrollment and  
8 efficient utilization of available resources, for capital  
9 improvement of schools and school buildings within the  
10 district, addressing in that policy both the relative  
11 priority for major repairs, renovations and additions to  
12 school facilities, and the advisability or necessity of  
13 building new school facilities or closing existing schools  
14 to meet current or projected demographic patterns within  
15 the district;

16 25. To make available to the students in every high  
17 school attendance center the ability to take all courses  
18 necessary to comply with the Board of Higher Education's  
19 college entrance criteria effective in 1993;

20 26. To encourage mid-career changes into the teaching  
21 profession, whereby qualified professionals become  
22 certified teachers, by allowing credit for professional  
23 employment in related fields when determining point of  
24 entry on teacher pay scale;

25 27. To provide or contract out training programs for  
26 administrative personnel and principals with revised or



1 expanded duties pursuant to this Act in order to assure  
2 they have the knowledge and skills to perform their duties;

3 28. To establish a fund for the prioritized special  
4 needs programs, and to allocate such funds and other lump  
5 sum amounts to each attendance center in a manner  
6 consistent with the provisions of part 4 of Section 34-2.3.  
7 Nothing in this paragraph shall be construed to require any  
8 additional appropriations of State funds for this purpose;

9 29. (Blank);

10 30. Notwithstanding any other provision of this Act or  
11 any other law to the contrary, to contract with third  
12 parties for services otherwise performed by employees,  
13 including those in a bargaining unit, and to layoff those  
14 employees upon 14 days written notice to the affected  
15 employees. Those contracts may be for a period not to  
16 exceed 5 years and may be awarded on a system-wide basis.  
17 The board may not operate more than 30 contract schools,  
18 provided that the board may operate an additional 5  
19 contract turnaround schools pursuant to item (5.5) of  
20 subsection (d) of Section 34-8.3 of this Code;

21 31. To promulgate rules establishing procedures  
22 governing the layoff or reduction in force of employees and  
23 the recall of such employees, including, but not limited  
24 to, criteria for such layoffs, reductions in force or  
25 recall rights of such employees and the weight to be given  
26 to any particular criterion. Such criteria shall take into

1 account factors including, but not be limited to,  
2 qualifications, certifications, experience, performance  
3 ratings or evaluations, and any other factors relating to  
4 an employee's job performance;

5 32. To develop a policy to prevent nepotism in the  
6 hiring of personnel or the selection of contractors;

7 33. To enter into a partnership agreement, as required  
8 by Section 34-3.5 of this Code, and, notwithstanding any  
9 other provision of law to the contrary, to promulgate  
10 policies, enter into contracts, and take any other action  
11 necessary to accomplish the objectives and implement the  
12 requirements of that agreement; and

13 34. To establish a Labor Management Council to the  
14 board comprised of representatives of the board, the chief  
15 executive officer, and those labor organizations that are  
16 the exclusive representatives of employees of the board and  
17 to promulgate policies and procedures for the operation of  
18 the Council.

19 The specifications of the powers herein granted are not to  
20 be construed as exclusive but the board shall also exercise all  
21 other powers that they may be requisite or proper for the  
22 maintenance and the development of a public school system, not  
23 inconsistent with the other provisions of this Article or  
24 provisions of this Code which apply to all school districts.

25 In addition to the powers herein granted and authorized to  
26 be exercised by the board, it shall be the duty of the board to

1 review or to direct independent reviews of special education  
2 expenditures and services. The board shall file a report of  
3 such review with the General Assembly on or before May 1, 1990.

4 (Source: P.A. 96-105, eff. 7-30-09; 97-227, eff. 1-1-12;  
5 97-396, eff. 1-1-12; 97-813, eff. 7-13-12.)

6 (105 ILCS 5/34-18.30)

7 Sec. 34-18.30. Dependents of military personnel; no  
8 tuition charge. If, at the time of enrollment, a dependent of  
9 United States military personnel is housed in temporary housing  
10 located outside of the school district, but will be living  
11 within the district within 60 days after the time of initial  
12 enrollment, the dependent must be allowed to enroll, subject to  
13 the requirements of this Section, and must not be charged  
14 tuition. Any United States military personnel attempting to  
15 enroll a dependent under this Section shall provide proof that  
16 the dependent will be living within the district within 60 days  
17 after the time of initial enrollment. Proof of residency may  
18 include, but is not limited to, postmarked mail addressed to  
19 the military personnel and sent to an address located within  
20 the district, a lease agreement for occupancy of a residence  
21 located within the district, or proof of ownership of a  
22 residence located within the district. Non-resident dependents  
23 of United States military personnel attending school on a  
24 tuition-free basis may be counted for the purposes of  
25 determining the apportionment of State aid provided under

1 Section 18-8.05 or 18-8.15 of this Code.

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

3 (105 ILCS 5/34-43.1) (from Ch. 122, par. 34-43.1)

4 Sec. 34-43.1. (A) Limitation of noninstructional costs. It  
5 is the purpose of this Section to establish for the Board of  
6 Education and the general superintendent of schools  
7 requirements and standards which maximize the proportion of  
8 school district resources in direct support of educational,  
9 program, and building maintenance and safety services for the  
10 pupils of the district, and which correspondingly minimize the  
11 amount and proportion of such resources associated with  
12 centralized administration, administrative support services,  
13 and other noninstructional services.

14 For the 1989-90 school year and for all subsequent school  
15 years, the Board of Education shall undertake budgetary and  
16 expenditure control actions which limit the administrative  
17 expenditures of the Board of Education to levels, as provided  
18 for in this Section, which represent an average of the  
19 administrative expenses of all school districts in this State  
20 not subject to Article 34.

21 (B) Certification of expenses by the State Superintendent  
22 of Education. The State Superintendent of Education shall  
23 annually certify, on or before May 1, to the Board of Education  
24 and the School Finance Authority, for the applicable school  
25 year, the following information:

1           (1) the annual expenditures of all school districts of  
2 the State not subject to Article 34 properly attributable  
3 to expenditure functions defined by the rules and  
4 regulations of the State Board of Education as: 2210  
5 (Improvement of Instructional Services); 2300 (Support  
6 Services - General Administration) excluding, however,  
7 2320 (Executive Administrative Services); 2490 (Other  
8 Support Services - School Administration); 2500 (Support  
9 Services - Business); 2600 (Support Services - Central);

10           (2) the total annual expenditures of all school  
11 districts not subject to Article 34 attributable to the  
12 Education Fund, the Operations, Building and Maintenance  
13 Fund, the Transportation Fund and the Illinois Municipal  
14 Retirement Fund of the several districts, as defined by the  
15 rules and regulations of the State Board of Education; and

16           (3) a ratio, to be called the statewide average of  
17 administrative expenditures, derived by dividing the  
18 expenditures certified pursuant to paragraph (B)(1) by the  
19 expenditures certified pursuant to paragraph (B)(2).

20           For purposes of the annual certification of expenditures  
21 and ratios required by this Section, the "applicable year" of  
22 certification shall initially be the 1986-87 school year and,  
23 in sequent years, each succeeding school year.

24           The State Superintendent of Education shall consult with  
25 the Board of Education to ascertain whether particular  
26 expenditure items allocable to the administrative functions

1 enumerated in paragraph (B)(1) are appropriately or  
2 necessarily higher in the applicable school district than in  
3 the rest of the State due to noncomparable factors. The State  
4 Superintendent shall also review the relevant cost proportions  
5 in other large urban school districts. The State Superintendent  
6 shall also review the expenditure categories in paragraph  
7 (B)(1) to ascertain whether they contain school-level  
8 expenses. If he or she finds that adjustments to the formula  
9 are appropriate or necessary to establish a more fair and  
10 comparable standard for administrative cost for the Board of  
11 Education or to exclude school-level expenses, the State  
12 Superintendent shall recommend to the School Finance Authority  
13 rules and regulations adjusting particular subcategories in  
14 this subsection (B) or adjusting certain costs in determining  
15 the budget and expenditure items properly attributable to the  
16 functions or otherwise adjust the formula.

17 (C) Administrative expenditure limitations. The annual  
18 budget of the Board of Education, as adopted and implemented,  
19 and the related annual expenditures for the school year, shall  
20 reflect a limitation on administrative outlays as required by  
21 the following provisions, taking into account any adjustments  
22 established by the State Superintendent of Education: (1) the  
23 budget and expenditures of the Board of Education for the  
24 1989-90 school year shall reflect a ratio of administrative  
25 expenditures to total expenditures equal to or less than the  
26 statewide average of administrative expenditures for the

1 1986-87 school year as certified by the State Superintendent of  
2 Education pursuant to paragraph (B)(3); (2) for the 1990-91  
3 school year and for all subsequent school years, the budget and  
4 expenditures of the Board of Education shall reflect a ratio of  
5 administrative expenditures to total expenditures equal to or  
6 less than the statewide average of administrative expenditures  
7 certified by the State Superintendent of Education for the  
8 applicable year pursuant to paragraph (B)(3); (3) if for any  
9 school year the budget of the Board of Education reflects a  
10 ratio of administrative expenditures to total expenditures  
11 which exceeds the applicable statewide average, the Board of  
12 Education shall reduce expenditure items allocable to the  
13 administrative functions enumerated in paragraph (B)(1) such  
14 that the Board of Education's ratio of administrative  
15 expenditures to total expenditures is equal to or less than the  
16 applicable statewide average ratio.

17 For purposes of this Section, the ratio of administrative  
18 expenditures to the total expenditures of the Board of  
19 Education, as applied to the budget of the Board of Education,  
20 shall mean: the budgeted expenditure items of the Board of  
21 Education properly attributable to the expenditure functions  
22 identified in paragraph (B)(1) divided by the total budgeted  
23 expenditures of the Board of Education properly attributable to  
24 the Board of Education funds corresponding to those funds  
25 identified in paragraph (B)(2), exclusive of any monies  
26 budgeted for payment to the Public School Teachers' Pension and

1 Retirement System, attributable to payments due from the  
2 General Funds of the State of Illinois.

3 The annual expenditure of the Board of Education for 2320  
4 (Executive Administrative Services) for the 1989-90 school  
5 year shall be no greater than the 2320 expenditure for the  
6 1988-89 school year. The annual expenditure of the Board of  
7 Education for 2320 for the 1990-91 school year and each  
8 subsequent school year shall be no greater than the 2320  
9 expenditure for the immediately preceding school year or the  
10 1988-89 school year, whichever is less. This annual expenditure  
11 limitation may be adjusted in each year in an amount not to  
12 exceed any change effective during the applicable school year  
13 in salary to be paid under the collective bargaining agreement  
14 with instructional personnel to which the Board is a party and  
15 in benefit costs either required by law or such collective  
16 bargaining agreement.

17 (D) Cost control measures. In undertaking actions to  
18 control or reduce expenditure items necessitated by the  
19 administrative expenditure limitations of this Section, the  
20 Board of Education shall give priority consideration to  
21 reductions or cost controls with the least effect upon direct  
22 services to students or instructional services for pupils, and  
23 upon the safety and well-being of pupils, and, as applicable,  
24 with the particular costs or functions to which the Board of  
25 Education is higher than the statewide average.

26 For purposes of assuring that the cost control priorities



1 of this subsection (D) are met, the State Superintendent of  
2 Education shall, with the assistance of the Board of Education,  
3 review the cost allocation practices of the Board of Education,  
4 and the State Superintendent of Education shall thereafter  
5 recommend to the School Finance Authority rules and regulations  
6 which define administrative areas which most impact upon the  
7 direct and instructional needs of students and upon the safety  
8 and well-being of the pupils of the district. No position  
9 closed shall be reopened using State or federal categorical  
10 funds.

11 (E) Report of Audited Information. For the 1988-89 school  
12 year and for all subsequent school years, the Board of  
13 Education shall file with the State Board of Education the  
14 Annual Financial Report and its audit, as required by the rules  
15 of the State Board of Education. Such reports shall be filed no  
16 later than February 15 following the end of the school year of  
17 the Board of Education, beginning with the report to be filed  
18 no later than February 15, 1990 for the 1988-89 school year.

19 As part of the required Annual Financial Report, the Board  
20 of Education shall provide a detailed accounting of the central  
21 level, district, bureau and department costs and personnel  
22 included within expenditure functions included in paragraph  
23 (B)(1). The nature and detail of the reporting required for  
24 these functions shall be prescribed by the State Board of  
25 Education in rules and regulations. A copy of this detailed  
26 accounting shall also be provided annually to the School

1 Finance Authority and the public. This report shall contain a  
2 reconciliation to the board of education's adopted budget for  
3 that fiscal year, specifically delineating administrative  
4 functions.

5 If the information required under this Section is not  
6 provided by the Board of Education in a timely manner, or is  
7 initially or subsequently determined by the State  
8 Superintendent of Education to be incomplete or inaccurate, the  
9 State Superintendent shall, in writing, notify the Board of  
10 Education of reporting deficiencies. The Board of Education  
11 shall, within 60 days of such notice, address the reporting  
12 deficiencies identified. If the State Superintendent of  
13 Education does not receive satisfactory response to these  
14 reporting deficiencies within 60 days, the next payment of  
15 general State aid or primary State aid due the Board of  
16 Education under Section 18-8, and all subsequent payments,  
17 shall be withheld by the State Superintendent of Education  
18 until the enumerated deficiencies have been addressed.

19 Utilizing the Annual Financial Report, the State  
20 Superintendent of Education shall certify on or before May 1 to  
21 the School Finance Authority the Board of Education's ratio of  
22 administrative expenditures to total expenditures for the  
23 1988-89 school year and for each succeeding school year. Such  
24 certification shall indicate the extent to which the  
25 administrative expenditure ratio of the Board of Education  
26 conformed to the limitations required in subsection (C) of this

1 Section, taking into account any adjustments of the limitations  
2 which may have been recommended by the State Superintendent of  
3 Education to the School Finance Authority. In deriving the  
4 administrative expenditure ratio of the Chicago Board of  
5 Education, the State Superintendent of Education shall utilize  
6 the definition of this ratio prescribed in subsection (C) of  
7 this Section, except that the actual expenditures of the Board  
8 of Education shall be substituted for budgeted expenditure  
9 items.

10 (F) Approval and adjustments to administrative expenditure  
11 limitations. The School Finance Authority organized under  
12 Article 34A shall monitor the Board of Education's adherence to  
13 the requirements of this Section. As part of its responsibility  
14 the School Finance Authority shall determine whether the Board  
15 of Education's budget for the next school year, and the  
16 expenditures for a prior school year, comply with the  
17 limitation of administrative expenditures required by this  
18 Section. The Board of Education and the State Board of  
19 Education shall provide such information as is required by the  
20 School Finance Authority in order for the Authority to  
21 determine compliance with the provisions of this Section. If  
22 the Authority determines that the budget proposed by the Board  
23 of Education does not meet the cost control requirements of  
24 this Section, the Board of Education shall undertake budgetary  
25 reductions, consistent with the requirements of this Section,  
26 to bring the proposed budget into compliance with such cost

1 control limitations.

2 If, in formulating cost control and cost reduction  
3 alternatives, the Board of Education believes that meeting the  
4 cost control requirements of this Section related to the budget  
5 for the ensuing year would impair the education, safety, or  
6 well-being of the pupils of the school district, the Board of  
7 Education may request that the School Finance Authority make  
8 adjustments to the limitations required by this Section. The  
9 Board of Education shall specify the amount, nature, and  
10 reasons for the relief required and shall also identify cost  
11 reductions which can be made in expenditure functions not  
12 enumerated in paragraph (B) (1), which would serve the purposes  
13 of this Section.

14 The School Finance Authority shall consult with the State  
15 Superintendent of Education concerning the reasonableness from  
16 an educational administration perspective of the adjustments  
17 sought by the Board of Education. The School Finance Authority  
18 shall provide an opportunity for the public to comment upon the  
19 reasonableness of the Board's request. If, after such  
20 consultation, the School Finance Authority determines that all  
21 or a portion of the adjustments sought by the Board of  
22 Education are reasonably appropriate or necessary, the  
23 Authority may grant such relief from the provisions of this  
24 Section which the Authority deems appropriate. Adjustments so  
25 granted apply only to the specific school year for which the  
26 request was made.

1           In the event that the School Finance Authority determines  
2 that the Board of Education has failed to achieve the required  
3 administrative expenditure limitations for a prior school  
4 year, or if the Authority determines that the Board of  
5 Education has not met the requirements of subsection (F), the  
6 Authority shall make recommendations to the Board of Education  
7 concerning appropriate corrective actions. If the Board of  
8 Education fails to provide adequate assurance to the Authority  
9 that appropriate corrective actions have been or will be taken,  
10 the Authority may, within 60 days thereafter, require the board  
11 to adjust its current budget to correct for the prior year's  
12 shortage or may recommend to the members of the General  
13 Assembly and the Governor such sanctions or remedial actions as  
14 will serve to deter any further such failures on the part of  
15 the Board of Education.

16           To assist the Authority in its monitoring  
17 responsibilities, the Board of Education shall provide such  
18 reports and information as are from time to time required by  
19 the Authority.

20           (G) Independent reviews of administrative expenditures.  
21 The School Finance Authority may direct independent reviews of  
22 the administrative and administrative support expenditures and  
23 services and other non-instructional expenditure functions of  
24 the Board of Education. The Board of Education shall afford  
25 full cooperation to the School Finance Authority in such review  
26 activity. The purpose of such reviews shall be to verify

1 specific targets for improved operating efficiencies of the  
2 Board of Education, to identify other areas of potential  
3 efficiencies, and to assure full and proper compliance by the  
4 Board of Education with all requirements of this Section.

5 In the conduct of reviews under this subsection, the  
6 Authority may request the assistance and consultation of the  
7 State Superintendent of Education with regard to questions of  
8 efficiency and effectiveness in educational administration.

9 (H) Reports to Governor and General Assembly. On or before  
10 May 1, 1991 and no less frequently than yearly thereafter, the  
11 School Finance Authority shall provide to the Governor, the  
12 State Board of Education, and the members of the General  
13 Assembly an annual report, as outlined in Section 34A-606,  
14 which includes the following information: (1) documenting the  
15 compliance or non-compliance of the Board of Education with the  
16 requirements of this Section; (2) summarizing the costs,  
17 findings, and recommendations of any reviews directed by the  
18 School Finance Authority, and the response to such  
19 recommendations made by the Board of Education; and (3)  
20 recommending sanctions or legislation necessary to fulfill the  
21 intent of this Section.

22 (Source: P.A. 86-124; 86-1477.)

23 Section 950. The Educational Opportunity for Military  
24 Children Act is amended by changing Section 25 as follows:

1 (105 ILCS 70/25)

2 (Section scheduled to be repealed on June 30, 2015)

3 Sec. 25. Tuition for transfer students.

4 (a) For purposes of this Section, "non-custodial parent"  
5 means a person who has temporary custody of the child of active  
6 duty military personnel and who is responsible for making  
7 decisions for that child.

8 (b) If a student who is a child of active duty military  
9 personnel is (i) placed with a non-custodial parent and (ii) as  
10 a result of placement, must attend a non-resident school  
11 district, then the student must not be charged the tuition of  
12 the school that the student attends as a result of placement  
13 with the non-custodial parent and the student must be counted  
14 in the calculation of average daily attendance under Section  
15 18-8.05 or 18-8.15 of the School Code.

16 (Source: P.A. 96-953, eff. 6-28-10.)

17 Section 955. The Illinois Public Aid Code is amended by  
18 changing Section 5-16.4 as follows:

19 (305 ILCS 5/5-16.4)

20 Sec. 5-16.4. Medical Assistance Provider Payment Fund.

21 (a) There is created in the State treasury the Medical  
22 Assistance Provider Payment Fund. Interest earned by the Fund  
23 shall be credited to the Fund.

24 (b) The Fund is created for the purpose of disbursing

1 moneys as follows:

2 (1) For medical services provided to recipients of aid  
3 under Articles V, VI, and XII.

4 (2) For payment of administrative expenses incurred by  
5 the Illinois Department or its agent in performing the  
6 activities authorized by this Section.

7 (3) For making transfers to the General Obligation Bond  
8 Retirement and Interest Fund, as those transfers are  
9 authorized in the proceedings authorizing debt under the  
10 Medicaid Liability Liquidity Borrowing Act, but transfers  
11 made under this paragraph (3) may not exceed the principal  
12 amount of debt issued under that Act.

13 Disbursements from the Fund, other than transfers to the  
14 General Obligation Bond Retirement and Interest Fund (which  
15 shall be made in accordance with the provisions of the Medicaid  
16 Liability Liquidity Borrowing Act), shall be by warrants drawn  
17 by the State Comptroller upon receipt of vouchers duly executed  
18 and certified by the Illinois Department.

19 (c) The Fund shall consist of the following:

20 (1) All federal matching funds received by the Illinois  
21 Department as a result of expenditures made by the Illinois  
22 Department that are attributable to moneys deposited into  
23 the Fund.

24 (2) Proceeds from any short-term borrowing directed to  
25 the Fund by the Governor pursuant to the Medicaid Liability  
26 Liquidity Borrowing Act.



1           (3) Amounts transferred into the Fund under subsection  
2           (d) of this Section.

3           (4) All other moneys received for the Fund from any  
4           other source, including interest earned on those moneys.

5           (d) Beginning July 1, 1995, on the 13th and 26th days of  
6           each month the State Comptroller and Treasurer shall transfer  
7           from the General Revenue Fund to the Medical Assistance  
8           Provider Payment Fund an amount equal to 1/48th of the annual  
9           Medical Assistance appropriation to the Department of  
10          Healthcare and Family Services (formerly Illinois Department  
11          of Public Aid) from the Medical Assistance Provider Payment  
12          Fund, plus cumulative deficiencies from those prior transfers.  
13          In addition to those transfers, the State Comptroller and  
14          Treasurer may transfer from the General Revenue Fund to the  
15          Medical Assistance Provider Payment Fund as much as is  
16          necessary to pay claims pursuant to the new twice-monthly  
17          payment schedule established in Section 5-16.5 and to avoid  
18          interest liabilities under the State Prompt Payment Act. No  
19          transfers made pursuant to this subsection shall interfere with  
20          the timely payment of the general State aid or primary State  
21          aid payment made pursuant to Section 18-11 of the School Code.

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

23          Section 995. Savings clause. Any repeal or amendment made  
24          by this Act shall not affect or impair any of the following:  
25          suits pending or rights existing at the time this Act takes

1 effect; any grant or conveyance made or right acquired or cause  
2 of action now existing under any Section, Article, or Act  
3 repealed or amended by this Act; the validity of any bonds or  
4 other obligations issued or sold and constituting valid  
5 obligations of the issuing authority at the time this Act takes  
6 effect; the validity of any contract; the validity of any tax  
7 levied under any law in effect prior to the effective date of  
8 this Act; or any offense committed, act done, penalty,  
9 punishment, or forfeiture incurred or any claim, right, power,  
10 or remedy accrued under any law in effect prior to the  
11 effective date of this Act.

12 Section 999. Effective date. This Act takes effect upon  
13 becoming law."