



Sen. Kimberly A. Lightford

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LRB099 09427 MLM 49251 a

1 AMENDMENT TO HOUSE BILL 3190

2 AMENDMENT NO. _____. Amend House Bill 3190 by replacing
3 everything after the enacting clause with the following:

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

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-2.5) During State fiscal year 2015 only, the State's
24 Attorneys Appellate Prosecutor may transfer amounts among its
25 respective appropriations contained in operational line items
26 within the same treasury fund. Notwithstanding, and in addition

1 to, the transfers authorized in subsection (c) of this Section,
2 these transfers may be made in an amount not to exceed 4% of
3 the aggregate amount appropriated to the State's Attorneys
4 Appellate Prosecutor within the same treasury fund.

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

13 (a-4) Long-Term Care Rebalancing. The Governor may
14 designate amounts set aside for institutional services
15 appropriated from the General Revenue Fund or any other State
16 fund that receives monies for long-term care services to be
17 transferred to all State agencies responsible for the
18 administration of community-based long-term care programs,
19 including, but not limited to, community-based long-term care
20 programs administered by the Department of Healthcare and
21 Family Services, the Department of Human Services, and the
22 Department on Aging, provided that the Director of Healthcare
23 and Family Services first certifies that the amounts being
24 transferred are necessary for the purpose of assisting persons
25 in or at risk of being in institutional care to transition to
26 community-based settings, including the financial data needed

1 to prove the need for the transfer of funds. The total amounts
2 transferred shall not exceed 4% in total of the amounts
3 appropriated from the General Revenue Fund or any other State
4 fund that receives monies for long-term care services for each
5 fiscal year. A notice of the fund transfer must be made to the
6 General Assembly and posted at a minimum on the Department of
7 Healthcare and Family Services website, the Governor's Office
8 of Management and Budget website, and any other website the
9 Governor sees fit. These postings shall serve as notice to the
10 General Assembly of the amounts to be transferred. Notice shall
11 be given at least 30 days prior to transfer.

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

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

22 The Department of Children and Family Services is
23 authorized to make transfers not exceeding 2% of the aggregate
24 amount appropriated to it within the same treasury fund for the
25 following line items among these same line items: Foster Home
26 and Specialized Foster Care and Prevention, Institutions and

1 Group Homes and Prevention, and Purchase of Adoption and
2 Guardianship Services.

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

9 The State Treasurer is authorized to make transfers among
10 line item appropriations from the Capital Litigation Trust
11 Fund, with respect to costs incurred in fiscal years 2002 and
12 2003 only, when the balance remaining in one or more such line
13 item appropriations is insufficient for the purpose for which
14 the appropriation was made, provided that no such transfer may
15 be made unless the amount transferred is no longer required for
16 the purpose for which that appropriation was made.

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

1 The State Board of Education is authorized to make
2 transfers between the following line item appropriations
3 within the same treasury fund: Disabled Student
4 Services/Materials (Section 14-13.01 of the School Code),
5 Disabled Student Transportation Reimbursement (Section
6 14-13.01 of the School Code), Disabled Student Tuition -
7 Private Tuition (Section 14-7.02 of the School Code),
8 Extraordinary Special Education (Section 14-7.02b of the
9 School Code), Reimbursement for Free Lunch/Breakfast Program,
10 Summer School Payments (Section 18-4.3 of the School Code), and
11 Transportation - Regular/Vocational Reimbursement (Section
12 29-5 of the School Code). Such transfers shall be made only
13 when the balance remaining in one or more such line item
14 appropriations is insufficient for the purpose for which the
15 appropriation was made and provided that no such transfer may
16 be made unless the amount transferred is no longer required for
17 the purpose for which that appropriation was made.

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

22 (c) The sum of such transfers for an agency in a fiscal
23 year shall not exceed 2% of the aggregate amount appropriated
24 to it within the same treasury fund for the following objects:
25 Personal Services; Extra Help; Student and Inmate
26 Compensation; State Contributions to Retirement Systems; State

1 Contributions to Social Security; State Contribution for
2 Employee Group Insurance; Contractual Services; Travel;
3 Commodities; Printing; Equipment; Electronic Data Processing;
4 Operation of Automotive Equipment; Telecommunications
5 Services; Travel and Allowance for Committed, Paroled and
6 Discharged Prisoners; Library Books; Federal Matching Grants
7 for Student Loans; Refunds; Workers' Compensation,
8 Occupational Disease, and Tort Claims; and, in appropriations
9 to institutions of higher education, Awards and Grants.
10 Notwithstanding the above, any amounts appropriated for
11 payment of workers' compensation claims to an agency to which
12 the authority to evaluate, administer and pay such claims has
13 been delegated by the Department of Central Management Services
14 may be transferred to any other expenditure object where such
15 amounts exceed the amount necessary for the payment of such
16 claims.

17 (c-1) Special provisions for State fiscal year 2003.
18 Notwithstanding any other provision of this Section to the
19 contrary, for State fiscal year 2003 only, transfers among line
20 item appropriations to an agency from the same treasury fund
21 may be made provided that the sum of such transfers for an
22 agency in State fiscal year 2003 shall not exceed 3% of the
23 aggregate amount appropriated to that State agency for State
24 fiscal year 2003 for the following objects: personal services,
25 except that no transfer may be approved which reduces the
26 aggregate appropriations for personal services within an

1 agency; extra help; student and inmate compensation; State
2 contributions to retirement systems; State contributions to
3 social security; State contributions for employee group
4 insurance; contractual services; travel; commodities;
5 printing; equipment; electronic data processing; operation of
6 automotive equipment; telecommunications services; travel and
7 allowance for committed, paroled, and discharged prisoners;
8 library books; federal matching grants for student loans;
9 refunds; workers' compensation, occupational disease, and tort
10 claims; and, in appropriations to institutions of higher
11 education, awards and grants.

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

22 (c-3) Special provisions for State fiscal year 2015.
23 Notwithstanding any other provision of this Section, for State
24 fiscal year 2015, transfers among line item appropriations to a
25 State agency from the same State treasury fund may be made for
26 operational or lump sum expenses only, provided that the sum of

1 such transfers for a State agency in State fiscal year 2015
2 shall not exceed 4% of the aggregate amount appropriated to
3 that State agency for operational or lump sum expenses for
4 State fiscal year 2015. For the purpose of this subsection,
5 "operational or lump sum expenses" includes the following
6 objects: personal services; extra help; student and inmate
7 compensation; State contributions to retirement systems; State
8 contributions to social security; State contributions for
9 employee group insurance; contractual services; travel;
10 commodities; printing; equipment; electronic data processing;
11 operation of automotive equipment; telecommunications
12 services; travel and allowance for committed, paroled, and
13 discharged prisoners; library books; federal matching grants
14 for student loans; refunds; workers' compensation,
15 occupational disease, and tort claims; lump sum and other
16 purposes; and lump sum operations. For the purpose of this
17 subsection (c-3), "State agency" does not include the Attorney
18 General, the Secretary of State, the Comptroller, the
19 Treasurer, or the legislative or judicial branches.

20 (d) Transfers among appropriations made to agencies of the
21 Legislative and Judicial departments and to the
22 constitutionally elected officers in the Executive branch
23 require the approval of the officer authorized in Section 10 of
24 this Act to approve and certify vouchers. Transfers among
25 appropriations made to the University of Illinois, Southern
26 Illinois University, Chicago State University, Eastern

1 Illinois University, Governors State University, Illinois
2 State University, Northeastern Illinois University, Northern
3 Illinois University, Western Illinois University, the Illinois
4 Mathematics and Science Academy and the Board of Higher
5 Education require the approval of the Board of Higher Education
6 and the Governor. Transfers among appropriations to all other
7 agencies require the approval of the Governor.

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

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

1 Comptroller, may transfer line item appropriations between the
2 General Revenue Fund and the Education Assistance Fund for the
3 following programs:

4 (1) Disabled Student Personnel Reimbursement (Section
5 14-13.01 of the School Code);

6 (2) Disabled Student Transportation Reimbursement
7 (subsection (b) of Section 14-13.01 of the School Code);

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

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

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

13 (6) Summer School Payments (Section 18-4.3 of the
14 School Code);

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

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

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

21 (Source: P.A. 98-24, eff. 6-19-13; 98-674, eff. 6-30-14; 99-2,
22 eff. 3-26-15.)

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

1 (35 ILCS 200/18-200)

2 Sec. 18-200. School Code. A school district's State aid
3 shall not be reduced under the computation under subsections
4 5(a) through 5(h) of Part A of Section 18-8 of the School Code
5 or under subsection (e) of Section 18-8.15 of the School Code
6 due to the operating tax rate falling from above the minimum
7 requirement of that Section of the School Code to below the
8 minimum requirement of that Section of the School Code due to
9 the operation of this Law.

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

11 (35 ILCS 200/18-249)

12 Sec. 18-249. Miscellaneous provisions.

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

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

1 operation of this Law.

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

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

7 Section 917. The Illinois Pension Code is amended by
8 changing Sections 16-158 and 17-127 as follows:

9 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

10 (Text of Section WITH the changes made by P.A. 98-599,
11 which has been held unconstitutional)

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

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

22 The Board shall determine the amount of State contributions
23 required for each fiscal year on the basis of the actuarial
24 tables and other assumptions adopted by the Board and the

1 recommendations of the actuary, using the formula in subsection
2 (b-3).

3 (a-1) Annually, on or before November 15 through November
4 15, 2011, the Board shall certify to the Governor the amount of
5 the required State contribution for the coming fiscal year. The
6 certification under this subsection (a-1) shall include a copy
7 of the actuarial recommendations upon which it is based.

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

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

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

25 (a-5) On or before November 1 of each year, beginning
26 November 1, 2012, the Board shall submit to the State Actuary,

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

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

23 (a-10) For purposes of Section (c-5) of Section 20 of the
24 Budget Stabilization Act, on or before November 1 of each year
25 beginning November 1, 2014, the Board shall determine the
26 amount of the State contribution to the System that would have

1 been required for the next fiscal year if this amendatory Act
2 of the 98th General Assembly had not taken effect, using the
3 best and most recent available data but based on the law in
4 effect on May 31, 2014. The Board shall submit to the State
5 Actuary, the Governor, and the General Assembly a proposed
6 certification, along with the relevant law, actuarial
7 assumptions, calculations, and data upon which that
8 certification is based. On or before January 1, 2015 and every
9 January 1 thereafter, the State Actuary shall issue a
10 preliminary report concerning the proposed certification and
11 identifying, if necessary, recommended changes in actuarial
12 assumptions that the Board must consider before finalizing its
13 certification. On or before January 15, 2015 and every January
14 1 thereafter, the Board shall certify to the Governor and the
15 General Assembly the amount of the State contribution to the
16 System that would have been required for the next fiscal year
17 if this amendatory Act of the 98th General Assembly had not
18 taken effect, using the best and most recent available data but
19 based on the law in effect on May 31, 2014. The Board's
20 certification must note any deviations from the State Actuary's
21 recommended changes, the reason or reasons for not following
22 the State Actuary's recommended changes, and the impact of not
23 following the State Actuary's recommended changes.

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

1 (b-1) Beginning in State fiscal year 1996, on the 15th day
2 of each month, or as soon thereafter as may be practicable, the
3 Board shall submit vouchers for payment of State contributions
4 to the System, in a total monthly amount of one-twelfth of the
5 required annual State contribution certified under subsection
6 (a-1). From the effective date of this amendatory Act of the
7 93rd General Assembly through June 30, 2004, the Board shall
8 not submit vouchers for the remainder of fiscal year 2004 in
9 excess of the fiscal year 2004 certified contribution amount
10 determined under this Section after taking into consideration
11 the transfer to the System under subsection (a) of Section
12 6z-61 of the State Finance Act. These vouchers shall be paid by
13 the State Comptroller and Treasurer by warrants drawn on the
14 funds appropriated to the System for that fiscal year.

15 If in any month the amount remaining unexpended from all
16 other appropriations to the System for the applicable fiscal
17 year (including the appropriations to the System under Section
18 8.12 of the State Finance Act and Section 1 of the State
19 Pension Funds Continuing Appropriation Act) is less than the
20 amount lawfully vouchered under this subsection, the
21 difference shall be paid from the Common School Fund under the
22 continuing appropriation authority provided in Section 1.1 of
23 the State Pension Funds Continuing Appropriation Act.

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

1 (b-3) For State fiscal years 2015 through 2044, the minimum
2 contribution to the System to be made by the State for each
3 fiscal year shall be an amount determined by the System to be
4 equal to the sum of (1) the State's portion of the projected
5 normal cost for that fiscal year, plus (2) an amount sufficient
6 to bring the total assets of the System up to 100% of the total
7 actuarial liabilities of the System by the end of State fiscal
8 year 2044. In making these determinations, the required State
9 contribution shall be calculated each year as a level
10 percentage of payroll over the years remaining to and including
11 fiscal year 2044 and shall be determined under the projected
12 unit cost method for fiscal year 2015 and under the entry age
13 normal actuarial cost method for fiscal years 2016 through
14 2044.

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

25 For State fiscal years 1996 through 2005, the State
26 contribution to the System, as a percentage of the applicable

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

14 Notwithstanding any other provision of this Article, the
15 total required State contribution for State fiscal year 2006 is
16 \$534,627,700.

17 Notwithstanding any other provision of this Article, the
18 total required State contribution for State fiscal year 2007 is
19 \$738,014,500.

20 For each of State fiscal years 2008 through 2009, the State
21 contribution to the System, as a percentage of the applicable
22 employee payroll, shall be increased in equal annual increments
23 from the required State contribution for State fiscal year
24 2007, so that by State fiscal year 2011, the State is
25 contributing at the rate otherwise required under this Section.

26 Notwithstanding any other provision of this Article, the

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

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

25 Beginning in State fiscal year 2045, the minimum State
26 contribution for each fiscal year shall be the amount needed to

1 maintain the total assets of the System at 100% of the total
2 actuarial liabilities of the System.

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

15 Notwithstanding any other provision of this Section, the
16 required State contribution for State fiscal year 2005 and for
17 fiscal year 2008 and each fiscal year thereafter through State
18 fiscal year 2014, as calculated under this Section and
19 certified under subsection (a-1), shall not exceed an amount
20 equal to (i) the amount of the required State contribution that
21 would have been calculated under this Section for that fiscal
22 year if the System had not received any payments under
23 subsection (d) of Section 7.2 of the General Obligation Bond
24 Act, minus (ii) the portion of the State's total debt service
25 payments for that fiscal year on the bonds issued in fiscal
26 year 2003 for the purposes of that Section 7.2, as determined

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

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

19 If members are paid from special trust or federal funds
20 which are administered by the employing unit, whether school
21 district or other unit, the employing unit shall pay to the
22 System from such funds the full accruing retirement costs based
23 upon that service, which, beginning July 1, 2016 ~~2014~~, shall be
24 at a rate, expressed as a percentage of salary, equal to the
25 total employer's ~~minimum contribution to the System to be made~~
26 ~~by the State for that fiscal year, including both~~ normal cost

1 ~~and unfunded liability components~~, expressed as a percentage of
2 payroll, as determined by the System ~~under subsection (b-3) of~~
3 ~~this Section~~. Employer contributions, based on salary paid to
4 members from federal funds, may be forwarded by the
5 distributing agency of the State of Illinois to the System
6 prior to allocation, in an amount determined in accordance with
7 guidelines established by such agency and the System. Any
8 contribution for fiscal year 2015 collected as a result of the
9 change made by this amendatory Act of the 98th General Assembly
10 shall be considered a State contribution under subsection (b-3)
11 of this Section.

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

19 However, with respect to benefits granted under Section
20 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)
21 of Section 16-106, the employer's contribution shall be 12%
22 (rather than 20%) of the member's highest annual salary rate
23 for each year of creditable service granted, and the employer
24 shall also pay the required employee contribution on behalf of
25 the teacher. For the purposes of Sections 16-133.4 and
26 16-133.5, a teacher as defined in paragraph (8) of Section

1 16-106 who is serving in that capacity while on leave of
2 absence from another employer under this Article shall not be
3 considered an employee of the employer from which the teacher
4 is on leave.

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

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

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

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

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

22 Each employer of teachers is entitled to a credit against
23 the contributions required under this subsection (e) with
24 respect to salaries paid to teachers for the period January 1,
25 2002 through June 30, 2003, equal to the amount paid by that
26 employer under subsection (a-5) of Section 6.6 of the State

1 Employees Group Insurance Act of 1971 with respect to salaries
2 paid to teachers for that period.

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

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

20 (f) If the amount of a teacher's salary for any school year
21 used to determine final average salary exceeds the member's
22 annual full-time salary rate with the same employer for the
23 previous school year by more than 6%, the teacher's employer
24 shall pay to the System, in addition to all other payments
25 required under this Section and in accordance with guidelines
26 established by the System, the present value of the increase in

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

18 Whenever it determines that a payment is or may be required
19 under this subsection, the System shall calculate the amount of
20 the payment and bill the employer for that amount. The bill
21 shall specify the calculations used to determine the amount
22 due. If the employer disputes the amount of the bill, it may,
23 within 30 days after receipt of the bill, apply to the System
24 in writing for a recalculation. The application must specify in
25 detail the grounds of the dispute and, if the employer asserts
26 that the calculation is subject to subsection (g) or (h) of

1 this Section, must include an affidavit setting forth and
2 attesting to all facts within the employer's knowledge that are
3 pertinent to the applicability of that subsection. Upon
4 receiving a timely application for recalculation, the System
5 shall review the application and, if appropriate, recalculate
6 the amount due.

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

16 (g) This subsection (g) applies only to payments made or
17 salary increases given on or after June 1, 2005 but before July
18 1, 2011. The changes made by Public Act 94-1057 shall not
19 require the System to refund any payments received before July
20 31, 2006 (the effective date of Public Act 94-1057).

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

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

1 teacher at a time when the teacher is 10 or more years from
2 retirement eligibility under Section 16-132 or 16-133.2.

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

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

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

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

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

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

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

26 (3) The total amount the System received from each

1 employer as a result of the changes made to this Section by
2 Public Act 94-4.

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

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

10 As of June 30, 2008, the actuarial value of the System's
11 assets shall be equal to the market value of the assets as of
12 that date. In determining the actuarial value of the System's
13 assets for fiscal years after June 30, 2008, any actuarial
14 gains or losses from investment return incurred in a fiscal
15 year shall be recognized in equal annual amounts over the
16 5-year period following that fiscal year.

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

21 (Source: P.A. 97-694, eff. 6-18-12; 97-813, eff. 7-13-12;
22 98-599, eff. 6-1-14; 98-674, eff. 6-30-14.)

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

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

1 units.

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

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

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

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

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

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

12 (a-5) On or before November 1 of each year, beginning
13 November 1, 2012, the Board shall submit to the State Actuary,
14 the Governor, and the General Assembly a proposed certification
15 of the amount of the required State contribution to the System
16 for the next fiscal year, along with all of the actuarial
17 assumptions, calculations, and data upon which that proposed
18 certification is based. On or before January 1 of each year,
19 beginning January 1, 2013, the State Actuary shall issue a
20 preliminary report concerning the proposed certification and
21 identifying, if necessary, recommended changes in actuarial
22 assumptions that the Board must consider before finalizing its
23 certification of the required State contributions. On or before
24 January 15, 2013 and each January 15 thereafter, the Board
25 shall certify to the Governor and the General Assembly the
26 amount of the required State contribution for the next fiscal

1 year. The Board's certification must note any deviations from
2 the State Actuary's recommended changes, the reason or reasons
3 for not following the State Actuary's recommended changes, and
4 the fiscal impact of not following the State Actuary's
5 recommended changes on the required State contribution.

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

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

23 If in any month the amount remaining unexpended from all
24 other appropriations to the System for the applicable fiscal
25 year (including the appropriations to the System under Section
26 8.12 of the State Finance Act and Section 1 of the State

1 Pension Funds Continuing Appropriation Act) is less than the
2 amount lawfully vouchered under this subsection, the
3 difference shall be paid from the Common School Fund under the
4 continuing appropriation authority provided in Section 1.1 of
5 the State Pension Funds Continuing Appropriation Act.

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

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

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

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

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

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

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

20 Notwithstanding any other provision of this Article, the
21 total required State contribution for State fiscal year 2010 is
22 \$2,089,268,000 and shall be made from the proceeds of bonds
23 sold in fiscal year 2010 pursuant to Section 7.2 of the General
24 Obligation Bond Act, less (i) the pro rata share of bond sale
25 expenses determined by the System's share of total bond
26 proceeds, (ii) any amounts received from the Common School Fund

1 in fiscal year 2010, and (iii) any reduction in bond proceeds
2 due to the issuance of discounted bonds, if applicable.

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

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

23 Amounts received by the System pursuant to Section 25 of
24 the Budget Stabilization Act or Section 8.12 of the State
25 Finance Act in any fiscal year do not reduce and do not
26 constitute payment of any portion of the minimum State

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

9 Notwithstanding any other provision of this Section, the
10 required State contribution for State fiscal year 2005 and for
11 fiscal year 2008 and each fiscal year thereafter, as calculated
12 under this Section and certified under subsection (a-1), shall
13 not exceed an amount equal to (i) the amount of the required
14 State contribution that would have been calculated under this
15 Section for that fiscal year if the System had not received any
16 payments under subsection (d) of Section 7.2 of the General
17 Obligation Bond Act, minus (ii) the portion of the State's
18 total debt service payments for that fiscal year on the bonds
19 issued in fiscal year 2003 for the purposes of that Section
20 7.2, as determined and certified by the Comptroller, that is
21 the same as the System's portion of the total moneys
22 distributed under subsection (d) of Section 7.2 of the General
23 Obligation Bond Act. In determining this maximum for State
24 fiscal years 2008 through 2010, however, the amount referred to
25 in item (i) shall be increased, as a percentage of the
26 applicable employee payroll, in equal increments calculated

1 from the sum of the required State contribution for State
2 fiscal year 2007 plus the applicable portion of the State's
3 total debt service payments for fiscal year 2007 on the bonds
4 issued in fiscal year 2003 for the purposes of Section 7.2 of
5 the General Obligation Bond Act, so that, by State fiscal year
6 2011, the State is contributing at the rate otherwise required
7 under this Section.

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

13 If members are paid from special trust or federal funds
14 which are administered by the employing unit, whether school
15 district or other unit, the employing unit shall pay to the
16 System from such funds the full accruing retirement costs based
17 upon that service, which, beginning July 1, 2016 ~~2014~~, shall be
18 at a rate, expressed as a percentage of salary, equal to the
19 total employer's ~~minimum contribution to the System to be made~~
20 ~~by the State for that fiscal year, including both~~ normal cost
21 ~~and unfunded liability components~~, expressed as a percentage of
22 payroll, as determined by the System ~~under subsection (b-3) of~~
23 ~~this Section~~. Employer contributions, based on salary paid to
24 members from federal funds, may be forwarded by the
25 distributing agency of the State of Illinois to the System
26 prior to allocation, in an amount determined in accordance with

1 guidelines established by such agency and the System. Any
2 contribution for fiscal year 2015 collected as a result of the
3 change made by this amendatory Act of the 98th General Assembly
4 shall be considered a State contribution under subsection (b-3)
5 of this Section.

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

13 However, with respect to benefits granted under Section
14 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)
15 of Section 16-106, the employer's contribution shall be 12%
16 (rather than 20%) of the member's highest annual salary rate
17 for each year of creditable service granted, and the employer
18 shall also pay the required employee contribution on behalf of
19 the teacher. For the purposes of Sections 16-133.4 and
20 16-133.5, a teacher as defined in paragraph (8) of Section
21 16-106 who is serving in that capacity while on leave of
22 absence from another employer under this Article shall not be
23 considered an employee of the employer from which the teacher
24 is on leave.

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

1 follows:

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

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

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

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

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

23 The additional 1% employee contribution required under
24 Section 16-152 by this amendatory Act of 1998 is the
25 responsibility of the teacher and not the teacher's employer,
26 unless the employer agrees, through collective bargaining or

1 otherwise, to make the contribution on behalf of the teacher.

2 If an employer is required by a contract in effect on May
3 1, 1998 between the employer and an employee organization to
4 pay, on behalf of all its full-time employees covered by this
5 Article, all mandatory employee contributions required under
6 this Article, then the employer shall be excused from paying
7 the employer contribution required under this subsection (e)
8 for the balance of the term of that contract. The employer and
9 the employee organization shall jointly certify to the System
10 the existence of the contractual requirement, in such form as
11 the System may prescribe. This exclusion shall cease upon the
12 termination, extension, or renewal of the contract at any time
13 after May 1, 1998.

14 (f) If the amount of a teacher's salary for any school year
15 used to determine final average salary exceeds the member's
16 annual full-time salary rate with the same employer for the
17 previous school year by more than 6%, the teacher's employer
18 shall pay to the System, in addition to all other payments
19 required under this Section and in accordance with guidelines
20 established by the System, the present value of the increase in
21 benefits resulting from the portion of the increase in salary
22 that is in excess of 6%. This present value shall be computed
23 by the System on the basis of the actuarial assumptions and
24 tables used in the most recent actuarial valuation of the
25 System that is available at the time of the computation. If a
26 teacher's salary for the 2005-2006 school year is used to

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

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

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

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

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

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

23 When assessing payment for any amount due under subsection
24 (f), the System shall exclude salary increases resulting from
25 overload work, including summer school, when the school
26 district has certified to the System, and the System has

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

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

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

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

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

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

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

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

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

26 (j) For purposes of determining the required State

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

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

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

15 (Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11;
16 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-694, eff.
17 6-18-12; 97-813, eff. 7-13-12; 98-674, eff. 6-30-14.)

18 (40 ILCS 5/17-127) (from Ch. 108 1/2, par. 17-127)

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

20 (a) The revenues for the Fund shall consist of: (1) amounts
21 paid into the Fund by contributors thereto and from employer
22 contributions and State appropriations in accordance with this
23 Article; (2) amounts contributed to the Fund by an Employer;
24 (3) amounts contributed to the Fund pursuant to any law now in
25 force or hereafter to be enacted; (4) contributions from any

1 other source; and (5) the earnings on investments.

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

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

18 (d) In addition to any other contribution required under
19 this Article, including the contribution required under
20 subsection (c), for State fiscal year 2017, the State shall
21 contribute \$205,404,986 to the Fund.

22 (Source: P.A. 90-548, eff. 12-4-97; 90-566, eff. 1-2-98;
23 90-582, eff. 5-27-98; 90-655, eff. 7-30-98.)

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

1 (50 ILCS 470/33)

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

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

20 (b) Upon approval of a STAR bond district, the political
21 subdivision shall immediately transmit to the county clerk of
22 the county in which the district is located a certified copy of
23 the ordinance creating the district, a legal description of the
24 district, a map of the district, identification of the year
25 that the county clerk shall use for determining the total

1 initial equalized assessed value of the district consistent
2 with subsection (c), and a list of the parcel or tax
3 identification number of each parcel of property included in
4 the district.

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

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

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

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

23 (f) Beginning with the assessment year in which the first
24 destination user in the first STAR bond project in a STAR bond
25 district makes its first retail sales and for each assessment
26 year thereafter until final maturity of the last STAR bonds

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

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

22 (h) The Department shall pay to the regional superintendent
23 of schools whose educational service region includes Franklin
24 and Williamson Counties, for each year for which money is
25 remitted to the Department and paid into the STAR Bonds School
26 Improvement and Operations Trust Fund, the money in the Fund as

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

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

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

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

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

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

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

19 (55 ILCS 85/7) (from Ch. 34, par. 7007)

20 Sec. 7. Creation of special tax allocation fund. If a
21 county has adopted property tax allocation financing by
22 ordinance for an economic development project area, the
23 Department has approved and certified the economic development
24 project area, and the county clerk has thereafter certified the

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

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

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

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

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

21 Whenever a county issues bonds for the purpose of financing
22 economic development project costs, the county may provide by
23 ordinance for the appointment of a trustee, which may be any
24 trust company within the State, and for the establishment of
25 the funds or accounts to be maintained by such trustee as the
26 county shall deem necessary to provide for the security and

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

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

25 Upon the payment of all economic development project costs,
26 retirement of obligations and the distribution of any excess

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

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

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

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

21 (55 ILCS 90/50) (from Ch. 34, par. 8050)

22 Sec. 50. Special tax allocation fund.

23 (a) If a county clerk has certified the "total initial
24 equalized assessed value" of the taxable real property within

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

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

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

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

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

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

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

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

16 (e) Nothing in this Section shall be construed as relieving
17 property in the 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 935. The Illinois Municipal Code is amended by
24 changing Sections 11-74.4-3, 11-74.4-8, and 11-74.6-35 as
25 follows:

1 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)

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

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

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

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

24 (A) Dilapidation. An advanced state of disrepair
25 or neglect of necessary repairs to the primary

1 structural components of buildings or improvements in
2 such a combination that a documented building
3 condition analysis determines that major repair is
4 required or the defects are so serious and so extensive
5 that the buildings must be removed.

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

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

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

25 (E) Illegal use of individual structures. The use
26 of structures in violation of applicable federal,

1 State, or local laws, exclusive of those applicable to
2 the presence of structures below minimum code
3 standards.

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

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

22 (H) Inadequate utilities. Underground and overhead
23 utilities such as storm sewers and storm drainage,
24 sanitary sewers, water lines, and gas, telephone, and
25 electrical services that are shown to be inadequate.
26 Inadequate utilities are those that are: (i) of

1 insufficient capacity to serve the uses in the
2 redevelopment project area, (ii) deteriorated,
3 antiquated, obsolete, or in disrepair, or (iii)
4 lacking within the redevelopment project area.

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

24 (J) Deleterious land use or layout. The existence
25 of incompatible land-use relationships, buildings
26 occupied by inappropriate mixed-uses, or uses

1 considered to be noxious, offensive, or unsuitable for
2 the surrounding area.

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

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

1 community planning.

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

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

23 (A) Obsolete platting of vacant land that results
24 in parcels of limited or narrow size or configurations
25 of parcels of irregular size or shape that would be
26 difficult to develop on a planned basis and in a manner

1 compatible with contemporary standards and
2 requirements, or platting that failed to create
3 rights-of-ways for streets or alleys or that created
4 inadequate right-of-way widths for streets, alleys, or
5 other public rights-of-way or that omitted easements
6 for public utilities.

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

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

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

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

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

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

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

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

26 (C) The area, prior to its designation, is subject

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

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

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

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

1 surrounding area.

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

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

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

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

25 (3) Deterioration. With respect to buildings, defects
26 including, but not limited to, major defects in the

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

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

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

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

22 (7) Lack of ventilation, light, or sanitary
23 facilities. The absence of adequate ventilation for light
24 or air circulation in spaces or rooms without windows, or
25 that require the removal of dust, odor, gas, smoke, or
26 other noxious airborne materials. Inadequate natural light

1 and ventilation means the absence or inadequacy of
2 skylights or windows for interior spaces or rooms and
3 improper window sizes and amounts by room area to window
4 area ratios. Inadequate sanitary facilities refers to the
5 absence or inadequacy of garbage storage and enclosure,
6 bathroom facilities, hot water and kitchens, and
7 structural inadequacies preventing ingress and egress to
8 and from all rooms and units within a building.

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

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

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

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

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

26 (12) The area has incurred Illinois Environmental

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

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

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

1 warehouses, repair overhaul or service facilities, freight
2 terminals, research facilities, test facilities or railroad
3 facilities.

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

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

1 located.

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

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

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

21 (h) "Municipal Sales Tax Increment" means an amount equal
22 to the increase in the aggregate amount of taxes paid to a
23 municipality from the Local Government Tax Fund arising from
24 sales by retailers and servicemen within the redevelopment
25 project area or State Sales Tax Boundary, as the case may be,
26 for as long as the redevelopment project area or State Sales

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

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

26 (i) "Net State Sales Tax Increment" means the sum of the

1 following: (a) 80% of the first \$100,000 of State Sales Tax
2 Increment annually generated within a State Sales Tax Boundary;
3 (b) 60% of the amount in excess of \$100,000 but not exceeding
4 \$500,000 of State Sales Tax Increment annually generated within
5 a State Sales Tax Boundary; and (c) 40% of all amounts in
6 excess of \$500,000 of State Sales Tax Increment annually
7 generated within a State Sales Tax Boundary. If, however, a
8 municipality established a tax increment financing district in
9 a county with a population in excess of 3,000,000 before
10 January 1, 1986, and the municipality entered into a contract
11 or issued bonds after January 1, 1986, but before December 31,
12 1986, to finance redevelopment project costs within a State
13 Sales Tax Boundary, then the Net State Sales Tax Increment
14 means, for the fiscal years beginning July 1, 1990, and July 1,
15 1991, 100% of the State Sales Tax Increment annually generated
16 within a State Sales Tax Boundary; and notwithstanding any
17 other provision of this Act, for those fiscal years the
18 Department of Revenue shall distribute to those municipalities
19 100% of their Net State Sales Tax Increment before any
20 distribution to any other municipality and regardless of
21 whether or not those other municipalities will receive 100% of
22 their Net State Sales Tax Increment. For Fiscal Year 1999, and
23 every year thereafter until the year 2007, for any municipality
24 that has not entered into a contract or has not issued bonds
25 prior to June 1, 1988 to finance redevelopment project costs
26 within a State Sales Tax Boundary, the Net State Sales Tax

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

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

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

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

21 (k) "Net State Utility Tax Increment" means the sum of the
22 following: (a) 80% of the first \$100,000 of State Utility Tax
23 Increment annually generated by a redevelopment project area;
24 (b) 60% of the amount in excess of \$100,000 but not exceeding
25 \$500,000 of the State Utility Tax Increment annually generated
26 by a redevelopment project area; and (c) 40% of all amounts in

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

16 Municipalities that issue bonds in connection with the
17 redevelopment project during the period from June 1, 1988 until
18 3 years after the effective date of this Amendatory Act of 1988
19 shall receive the Net State Utility Tax Increment, subject to
20 appropriation, for 15 State Fiscal Years after the issuance of
21 such bonds. For the 16th through the 20th State Fiscal Years
22 after issuance of the bonds, the Net State Utility Tax
23 Increment shall be calculated as follows: By multiplying the
24 Net State Utility Tax Increment by 90% in year 16; 80% in year
25 17; 70% in year 18; 60% in year 19; and 50% in year 20.
26 Refunding of any bonds issued prior to June 1, 1988, shall not

1 alter the revised Net State Utility Tax Increment payments set
2 forth above.

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

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

19 (n) "Redevelopment plan" means the comprehensive program
20 of the municipality for development or redevelopment intended
21 by the payment of redevelopment project costs to reduce or
22 eliminate those conditions the existence of which qualified the
23 redevelopment project area as a "blighted area" or
24 "conservation area" or combination thereof or "industrial park
25 conservation area," and thereby to enhance the tax bases of the
26 taxing districts which extend into the redevelopment project

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

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

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

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

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

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

26 (F) the most recent equalized assessed valuation of the

1 redevelopment project area;

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

5 (H) a commitment to fair employment practices and an
6 affirmative action plan;

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

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

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

25 (1) The municipality finds that the redevelopment
26 project area on the whole has not been subject to growth

1 and development through investment by private enterprise
2 and would not reasonably be anticipated to be developed
3 without the adoption of the redevelopment plan.

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

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

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

1 redevelopment project area.

2 (3.5) The municipality finds, in the case of an
3 industrial park conservation area, also that the
4 municipality is a labor surplus municipality and that the
5 implementation of the redevelopment plan will reduce
6 unemployment, create new jobs and by the provision of new
7 facilities enhance the tax base of the taxing districts
8 that extend into the redevelopment project area.

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

18 (5) If the redevelopment plan will not result in
19 displacement of residents from 10 or more inhabited
20 residential units, and the municipality certifies in the
21 plan that such displacement will not result from the plan,
22 a housing impact study need not be performed. If, however,
23 the redevelopment plan would result in the displacement of
24 residents from 10 or more inhabited residential units, or
25 if the redevelopment project area contains 75 or more
26 inhabited residential units and no certification is made,

1 then the municipality shall prepare, as part of the
2 separate feasibility report required by subsection (a) of
3 Section 11-74.4-5, a housing impact study.

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

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

1 are to be removed, and shall identify the type, location,
2 and cost of the housing, and (iv) the type and extent of
3 relocation assistance to be provided.

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

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

1 the municipality.

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

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

23 (o) "Redevelopment project" means any public and private
24 development project in furtherance of the objectives of a
25 redevelopment plan. On and after November 1, 1999 (the
26 effective date of Public Act 91-478), no redevelopment plan may

1 be approved or amended that includes the development of vacant
2 land (i) with a golf course and related clubhouse and other
3 facilities or (ii) designated by federal, State, county, or
4 municipal government as public land for outdoor recreational
5 activities or for nature preserves and used for that purpose
6 within 5 years prior to the adoption of the redevelopment plan.
7 For the purpose of this subsection, "recreational activities"
8 is limited to mean camping and hunting.

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

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

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

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

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

10 (1.5) After July 1, 1999, annual administrative costs
11 shall not include general overhead or administrative costs
12 of the municipality that would still have been incurred by
13 the municipality if the municipality had not designated a
14 redevelopment project area or approved a redevelopment
15 plan;

16 (1.6) The cost of marketing sites within the
17 redevelopment project area to prospective businesses,
18 developers, and investors;

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

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

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

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

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

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

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

26 (7.5) For redevelopment project areas designated (or

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

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

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

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

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

22 (iii) for secondary school districts with a
23 district average 1995-96 Per Capita Tuition Charge
24 of less than \$5,900, no more than 8% of the total
25 amount of property tax increment revenue produced
26 by those housing units that have received tax

1 increment finance assistance under this Act.

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

24 (i) for unit school districts, no more than 40%
25 of the total amount of property tax increment
26 revenue produced by those housing units that have

1 received tax increment finance assistance under
2 this Act;

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

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

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

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

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

26 (iii) the amount reimbursed may not affect

1 amounts otherwise obligated by the terms of any
2 bonds, notes, or other funding instruments, or the
3 terms of any redevelopment agreement.

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

20 (7.7) For redevelopment project areas designated (or
21 redevelopment project areas amended to add or increase the
22 number of tax-increment-financing assisted housing units)
23 on or after January 1, 2005 (the effective date of Public
24 Act 93-961), a public library district's increased costs
25 attributable to assisted housing units located within the
26 redevelopment project area for which the developer or

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

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

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

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

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

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

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

13 (9) Payment in lieu of taxes;

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

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

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

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

18 (B) such payments in any one year may not exceed
19 30% of the annual interest costs incurred by the
20 redeveloper with regard to the redevelopment project
21 during that year;

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

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

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

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

1 from other sources of municipal revenue that may be
2 reimbursed from tax increment revenues or the proceeds
3 of bonds issued to finance the construction of that
4 housing.

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

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

17 (11.5) If the redevelopment project area is located
18 within a municipality with a population of more than
19 100,000, the cost of day care services for children of
20 employees from low-income families working for businesses
21 located within the redevelopment project area and all or a
22 portion of the cost of operation of day care centers
23 established by redevelopment project area businesses to
24 serve employees from low-income families working in
25 businesses located in the redevelopment project area. For
26 the purposes of this paragraph, "low-income families"

1 means families whose annual income does not exceed 80% of
2 the municipal, county, or regional median income, adjusted
3 for family size, as the annual income and municipal,
4 county, or regional median income are determined from time
5 to time by the United States Department of Housing and
6 Urban Development.

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

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

1 location contained inadequate space, had become
2 economically obsolete, or was no longer a viable location
3 for the retailer or serviceman.

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

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

26 (q-1) For redevelopment project areas created pursuant to

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

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

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

1 places of business located within the State Sales Tax Boundary
2 during the base year which shall be the calendar year
3 immediately prior to the year in which the municipality adopted
4 tax increment allocation financing, less 3.0% of such amounts
5 generated under the Retailers' Occupation Tax Act, Use Tax Act
6 and Service Use Tax Act and the Service Occupation Tax Act,
7 which sum shall be appropriated to the Department of Revenue to
8 cover its costs of administering and enforcing this Section.
9 For purposes of computing the aggregate amount of such taxes
10 for base years occurring prior to 1985, the Department of
11 Revenue shall compute the Initial Sales Tax Amount for such
12 taxes and deduct therefrom an amount equal to 4% of the
13 aggregate amount of taxes per year for each year the base year
14 is prior to 1985, but not to exceed a total deduction of 12%.
15 The amount so determined shall be known as the "Adjusted
16 Initial Sales Tax Amount". For purposes of determining the
17 State Sales Tax Increment the Department of Revenue shall for
18 each period subtract from the tax amounts received from
19 retailers and servicemen on transactions located in the State
20 Sales Tax Boundary, the certified Initial Sales Tax Amounts,
21 Adjusted Initial Sales Tax Amounts or Revised Initial Sales Tax
22 Amounts for the Retailers' Occupation Tax Act, the Use Tax Act,
23 the Service Use Tax Act and the Service Occupation Tax Act. For
24 the State Fiscal Year 1989 this calculation shall be made by
25 utilizing the calendar year 1987 to determine the tax amounts
26 received. For the State Fiscal Year 1990, this calculation

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

22 (t) "Taxing districts" means counties, townships, cities
23 and incorporated towns and villages, school, road, park,
24 sanitary, mosquito abatement, forest preserve, public health,
25 fire protection, river conservancy, tuberculosis sanitarium
26 and any other municipal corporations or districts with the

1 power to levy taxes.

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

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

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

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

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

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

21 (Source: P.A. 96-328, eff. 8-11-09; 96-630, eff. 1-1-10;
22 96-680, eff. 8-25-09; 96-1000, eff. 7-2-10; 97-101, eff.
23 1-1-12.)

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

25 Sec. 11-74.4-8. Tax increment allocation financing. A

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

20 (a) That portion of taxes levied upon each taxable lot,
21 block, tract or parcel of real property which is attributable
22 to the lower of the current equalized assessed value or the
23 initial equalized assessed value of each such taxable lot,
24 block, tract or parcel of real property in the redevelopment
25 project area shall be allocated to and when collected shall be
26 paid by the county collector to the respective affected taxing

1 districts in the manner required by law in the absence of the
2 adoption of tax increment allocation financing.

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

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

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

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

14 (3) The municipal clerk has certified to the county
15 clerk that the municipality has issued its obligations to
16 which there has been pledged the incremental property taxes
17 of the redevelopment project area or taxes levied and
18 collected on any or all property in the municipality or the
19 full faith and credit of the municipality to pay or secure
20 payment for all or a portion of the redevelopment project
21 costs. The certification shall be filed annually no later
22 than September 1 for the estimated taxes to be distributed
23 in the following year; however, for the year 1992 the
24 certification shall be made at any time on or before March
25 31, 1992.

26 (4) The municipality has not requested that the total

1 initial equalized assessed value of real property be
2 adjusted as provided in subsection (b) of Section
3 11-74.4-9.

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

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

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

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

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

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

1 project costs and obligations incurred in the payment
2 thereof.

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

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

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

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

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

25 Nothing in this Section shall be construed as relieving
26 property in such redevelopment project areas from being

1 assessed as provided in the Property Tax Code or as relieving
2 owners of such property from paying a uniform rate of taxes, as
3 required by Section 4 of Article IX of the Illinois
4 Constitution.

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

6 (65 ILCS 5/11-74.6-35)

7 Sec. 11-74.6-35. Ordinance for tax increment allocation
8 financing.

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

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

1 redevelopment project area shall be allocated to and when
2 collected shall be paid by the county collector to the
3 respective affected taxing districts in the manner
4 required by law without regard to the adoption of tax
5 increment allocation financing.

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

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

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

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

21 (C) The municipal clerk has certified to the county
22 clerk that the municipality has issued its obligations
23 to which there has been pledged the incremental
24 property taxes of the redevelopment project area or
25 taxes levied and collected on any or all property in
26 the municipality or the full faith and credit of the

1 municipality to pay or secure payment for all or a
2 portion of the redevelopment project costs. The
3 certification shall be filed annually no later than
4 September 1 for the estimated taxes to be distributed
5 in the following year.

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

22 (c) If a municipality has adopted tax increment allocation
23 financing for a redevelopment project area by ordinance and the
24 county clerk thereafter certifies the total initial equalized
25 assessed value or the total updated initial equalized assessed
26 value of the taxable real property within such redevelopment

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

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

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

17 (d) The municipality may pledge in the ordinance the funds
18 in and to be deposited in the special tax allocation fund for
19 the payment of redevelopment project costs and obligations. No
20 part of the current equalized assessed value of each property
21 in the redevelopment project area attributable to any increase
22 above the total initial equalized assessed value or the total
23 initial updated equalized assessed value of the property, shall
24 be used in calculating the general ~~General~~ State aid formula
25 ~~School Aid Formula~~, provided for in Section 18-8 of the School
26 Code, or the primary State aid formula, provided for in Section

1 18-8.15 of the School Code, until all redevelopment project
2 costs have been paid as provided for in this Section.

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

22 When the redevelopment projects costs, including without
23 limitation all municipal obligations financing redevelopment
24 project costs incurred under this Law, have been paid, all
25 surplus funds then remaining in the special tax allocation fund
26 shall be distributed by being paid by the municipal treasurer

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

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

25 Nothing in this Section shall be construed as relieving
26 property in a redevelopment project area from being assessed as

1 provided in the Property Tax Code or as relieving owners of
2 that property from paying a uniform rate of taxes, as required
3 by Section 4 of Article IX of the Illinois Constitution.

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

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

8 (65 ILCS 110/50)

9 Sec. 50. Special tax allocation fund.

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

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

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

20 (b) The municipality, by an ordinance adopting tax
21 increment allocation financing, may pledge the monies in and to
22 be deposited into the special tax allocation fund for the
23 payment of obligations issued under this Act and for the
24 payment of economic development project costs. No part of the
25 current equalized assessed valuation of each property in the
26 economic development project area attributable to any increase

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

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

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

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

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

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

12 Section 945. The School Code is amended by changing
13 Sections 1A-8, 1B-5, 1B-6, 1B-7, 1B-8, 1C-1, 1C-2, 1D-1, 1E-20,
14 1F-20, 1F-62, 1H-20, 1H-70, 2-3.28, 2-3.33, 2-3.51.5, 2-3.66,
15 2-3.66b, 2-3.84, 2-3.109a, 3-14.21, 7-14A, 10-17a, 10-19,
16 10-22.5a, 10-22.20, 10-29, 11E-135, 13A-8, 13B-20.20, 13B-45,
17 13B-50, 13B-50.10, 13B-50.15, 14-7.02, 14-7.02b, 14-7.03,
18 14-13.01, 14C-1, 14C-12, 17-1, 17-1.2, 17-1.5, 17-2.11, 17-2A,
19 18-4.3, 18-8.05, 18-8.10, 18-9, 18-12, 26-16, 27-8.1, 27A-9,
20 27A-11, 29-5, 34-2.3, 34-8.4, 34-18, 34-18.30, 34-43.1, and
21 34-53 and by adding Sections 17-3.6, 18-8.15, and 18-8.20 as
22 follows:

23 (105 ILCS 5/1A-8) (from Ch. 122, par. 1A-8)

24 Sec. 1A-8. Powers of the Board in Assisting Districts

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

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

1 condition and options.

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

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

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

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

25 (4) The district refuses to provide financial
26 information or cooperate with the State Superintendent in

1 an investigation of the district's financial condition.

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

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

1 budget of the district shall be consistent with the financial
2 plan submitted to and approved by the State Board of Education.

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

24 No bonds, notes, teachers orders, tax anticipation
25 warrants or other evidences of indebtedness shall be issued or
26 sold by a school district or be legally binding upon or

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

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

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

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

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

1 appoint a successor within 10 days of receiving notice thereof.

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

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

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

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

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

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

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

23 (105 ILCS 5/1B-6) (from Ch. 122, par. 1B-6)

24 Sec. 1B-6. General powers. The purpose of the Financial
25 Oversight Panel shall be to exercise financial control over the

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

11 (a) to sue and be sued;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 (p) to engage the services of consultants for rendering
26 professional and technical assistance and advice on matters

1 within the Panel's power;

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

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

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

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

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

19 (105 ILCS 5/1B-7) (from Ch. 122, par. 1B-7)

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

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

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

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

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

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

25 (f) subject to the direction of the Panel, to do all other
26 things necessary or convenient to carry out its purposes and

1 exercise the powers given to the Panel under this Article.

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

3 (105 ILCS 5/1B-8) (from Ch. 122, par. 1B-8)

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

23 From the amount allocated to each such school district
24 under this Article the State Board shall identify a sum
25 sufficient to cover all approved costs of the Financial

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

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

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

25 The payment of an emergency State financial assistance
26 grant or loan shall be subject to appropriation by the General

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

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

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

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

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

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

11 (105 ILCS 5/1C-1)

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

17 Through fiscal year 2016, this ~~This~~ Article does not apply
18 to school districts having a population in excess of 500,000
19 inhabitants.

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

22 (105 ILCS 5/1C-2)

23 Sec. 1C-2. Block grants.

24 (a) For fiscal year 1999, and each fiscal year thereafter,

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

8 (b) (Blank).

9 (c) An Early Childhood Education Block Grant shall be
10 created by combining the following programs: Preschool
11 Education, Parental Training and Prevention Initiative. These
12 funds shall be distributed to school districts and other
13 entities on a competitive basis, except that the State Board of
14 Education shall award to a school district having a population
15 exceeding 500,000 inhabitants 37% of the funds in each fiscal
16 year. Not less than 14% of this grant shall be used to fund
17 programs for children ages 0-3, which percentage shall increase
18 to at least 20% by Fiscal Year 2016. However, if, in a given
19 fiscal year, the amount appropriated for the Early Childhood
20 Education Block Grant is insufficient to increase the
21 percentage of the grant to fund programs for children ages 0-3
22 without reducing the amount of the grant for existing providers
23 of preschool education programs, then the percentage of the
24 grant to fund programs for children ages 0-3 may be held steady
25 instead of increased.

26 (Source: P.A. 98-645, eff. 7-1-14.)

1 (105 ILCS 5/1D-1)

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

3 (a) For fiscal year 1996 through fiscal year 2016 ~~and each~~
4 ~~fiscal year thereafter~~, the State Board of Education shall
5 award to a school district having a population exceeding
6 500,000 inhabitants a general education block grant and an
7 educational services block grant, determined as provided in
8 this Section, in lieu of distributing to the district separate
9 State funding for the programs described in subsections (b) and
10 (c). The provisions of this Section, however, do not apply to
11 any federal funds that the district is entitled to receive. In
12 accordance with Section 2-3.32, all block grants are subject to
13 an audit. Therefore, block grant receipts and block grant
14 expenditures shall be recorded to the appropriate fund code for
15 the designated block grant.

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

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

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

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

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

8 (d) For fiscal year 1996 through fiscal year 2016 ~~and each~~
9 ~~fiscal year thereafter~~, the amount of the district's block
10 grants shall be determined as follows: (i) with respect to each
11 program that is included within each block grant, the district
12 shall receive an amount equal to the same percentage of the
13 current fiscal year appropriation made for that program as the
14 percentage of the appropriation received by the district from
15 the 1995 fiscal year appropriation made for that program, and
16 (ii) the total amount that is due the district under the block
17 grant shall be the aggregate of the amounts that the district
18 is entitled to receive for the fiscal year with respect to each
19 program that is included within the block grant that the State
20 Board of Education shall award the district under this Section
21 for that fiscal year. In the case of the Summer Bridges
22 program, the amount of the district's block grant shall be
23 equal to 44% of the amount of the current fiscal year
24 appropriation made for that program.

25 (e) The district is not required to file any application or
26 other claim in order to receive the block grants to which it is

1 entitled under this Section. The State Board of Education shall
2 make payments to the district of amounts due under the
3 district's block grants on a schedule determined by the State
4 Board of Education.

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

16 (g) Through fiscal year 2016, this ~~This~~ paragraph provides
17 for the treatment of block grants under Article 1C for purposes
18 of calculating the amount of block grants for a district under
19 this Section. Those block grants under Article 1C are, for this
20 purpose, treated as included in the amount of appropriation for
21 the various programs set forth in paragraph (b) above. The
22 appropriation in each current fiscal year for each block grant
23 under Article 1C shall be treated for these purposes as
24 appropriations for the individual program included in that
25 block grant. The proportion of each block grant so allocated to
26 each such program included in it shall be the proportion which

1 the appropriation for that program was of all appropriations
2 for such purposes now in that block grant, in fiscal 1995.

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

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

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

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

19 (105 ILCS 5/1E-20)

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

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

23 (a) When a petition for a School Finance Authority is
24 allowed by the State Board under Section 1E-15 of this Code,
25 the State Superintendent shall within 10 days thereafter

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

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

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

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

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

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

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

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

17 (105 ILCS 5/1F-20)

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

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

21 (a) Upon establishment of a School Finance Authority under
22 Section 1F-15 of this Code, the State Superintendent shall
23 within 15 days thereafter appoint 5 members to serve on a
24 School Finance Authority for the district. Of the initial
25 members, 2 shall be appointed to serve a term of 2 years and 3

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

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

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

1 deducted from the district's general State aid or primary State
2 aid as provided in Section 1B-8 of this Code.

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

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

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

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

15 (105 ILCS 5/1F-62)

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

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

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

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

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

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

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

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

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

25 All loan payments made from the School District Emergency
26 Financial Assistance Fund to a School Finance Authority shall

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

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

24 In establishing the terms and conditions for the repayment
25 obligation of the School Finance Authority, the School Finance
26 Authority shall annually determine whether a separate local

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

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

10 (105 ILCS 5/1H-20)

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

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

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

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

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

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

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

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

25 (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
26 primary State aid anticipation certificates, and lines of

1 credit are considered borrowing from sources other than the
2 State and are subject to Section 1H-65 of this Code.

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

4 (105 ILCS 5/2-3.28) (from Ch. 122, par. 2-3.28)

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

17 (1) accounting for expenditures for school
18 administration, regular instruction, special education
19 instruction, instructional programs for children of
20 limited English-speaking ability, instructional support
21 services, and pupil 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 2015-2016 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 2016-2017 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 (2) 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, school report
15 cards under Section 10-17a, and criminal history records checks
16 under Sections 10-21.9 and 34-18.5. For State-recognized,
17 non-public schools, the program shall provide funding for
18 secular textbooks and software, criminal history records
19 checks, and health and safety mandates to the extent that the
20 funds are expended for purely secular purposes. A school
21 district or laboratory school as defined in Section 18-8, ~~or~~
22 18-8.05, or 18-8.15 is not required to file an application in
23 order to receive the categorical funding to which it is
24 entitled under this Section. Funds for the School Safety and
25 Educational Improvement Block Grant Program shall be

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

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

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

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

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

1 (105 ILCS 5/2-3.66) (from Ch. 122, par. 2-3.66)

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

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

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

22 (105 ILCS 5/2-3.66b)

23 Sec. 2-3.66b. IHOPE Program.

24 (a) There is established the Illinois Hope and Opportunity
25 Pathways through Education (IHOPE) Program. The State Board of

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

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

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

22 Programs funded through the IHOPE Program shall allow high
23 school dropouts, up to and including age 21 notwithstanding
24 Section 26-2 of this Code, to re-enroll in an educational
25 program in conformance with rules adopted by the State Board of
26 Education. Programs may include without limitation

1 comprehensive year-round programming, evening school, summer
2 school, community college courses, adult education, vocational
3 training, work experience, programs to enhance self-concept,
4 and parenting courses. Any student in the IHOPE Program who
5 wishes to earn a high school diploma must meet the
6 prerequisites to receiving a high school diploma specified in
7 Section 27-22 of this Code and any other graduation
8 requirements of the student's district of residence. Any
9 student who successfully completes the requirements for his or
10 her graduation shall receive a diploma identifying the student
11 as graduating from his or her district of residence.

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

26 (d) A regional office of education or a school district

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

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

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

23 A regional office of education or a school district
24 organized under Article 34 of this Code may claim State aid
25 under Section 18-8.05 or 18-8.15 of this Code for students
26 enrolled in a program funded by the IHOPE Program, provided

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

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

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

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

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

25 (4) Dual enrollment in which students attend high
26 school classes in combination with community college

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

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

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

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

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

19 (4) Voluntary enrollment.

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

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

26 (7) Small teams of students supported by full-time paid

1 mentors who work to retain and help those students
2 graduate.

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

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

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

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

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

21 (105 ILCS 5/2-3.84) (from Ch. 122, par. 2-3.84)

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

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

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

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

18 (105 ILCS 5/2-3.109a)

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

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

1 (105 ILCS 5/3-14.21) (from Ch. 122, par. 3-14.21)

2 Sec. 3-14.21. Inspection of schools.

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

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

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

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

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

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

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

13 (105 ILCS 5/7-14A) (from Ch. 122, par. 7-14A)

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

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

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

20 (105 ILCS 5/10-17a) (from Ch. 122, par. 10-17a)

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

23 (1) By October 31, 2013 and October 31 of each subsequent
24 school year, the State Board of Education, through the State
25 Superintendent of Education, shall prepare a State report card,

1 school district report cards, and school report cards, and
2 shall by the most economic means provide to each school
3 district in this State, including special charter districts and
4 districts subject to the provisions of Article 34, the report
5 cards for the school district and each of its schools.

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

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

23 (B) curriculum information, including, where
24 applicable, Advanced Placement, International
25 Baccalaureate or equivalent courses, dual enrollment
26 courses, foreign language classes, school personnel

1 resources (including Career Technical Education teachers),
2 before and after school programs, extracurricular
3 activities, subjects in which elective classes are
4 offered, health and wellness initiatives (including the
5 average number of days of Physical Education per week per
6 student), approved programs of study, awards received,
7 community partnerships, and special programs such as
8 programming for the gifted and talented, students with
9 disabilities, and work-study students;

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

24 (D) student progress, including, where applicable, the
25 percentage of students in the ninth grade who have earned 5
26 credits or more without failing more than one core class, a

1 measure of students entering kindergarten ready to learn, a
2 measure of growth, and the percentage of students who enter
3 high school on track for college and career readiness;

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

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

24 The school report card shall also provide information that
25 allows for comparing the current outcome, progress, and
26 environment data to the State average, to the school data from

1 the past 5 years, and to the outcomes, progress, and
2 environment of similar schools based on the type of school and
3 enrollment of low-income students, special education students,
4 and English learners.

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

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

24 (5) Annually, no more than 30 calendar days after receipt
25 of the school district and school report cards from the State
26 Superintendent of Education, each school district, including

1 special charter districts and districts subject to the
2 provisions of Article 34, shall present such report cards at a
3 regular school board meeting subject to applicable notice
4 requirements, post the report cards on the school district's
5 Internet web site, if the district maintains an Internet web
6 site, make the report cards available to a newspaper of general
7 circulation serving the district, and, upon request, send the
8 report cards home to a parent (unless the district does not
9 maintain an Internet web site, in which case the report card
10 shall be sent home to parents without request). If the district
11 posts the report card on its Internet web site, the district
12 shall send a written notice home to parents stating (i) that
13 the report card is available on the web site, (ii) the address
14 of the web site, (iii) that a printed copy of the report card
15 will be sent to parents upon request, and (iv) the telephone
16 number that parents may call to request a printed copy of the
17 report card.

18 (6) Nothing contained in this amendatory Act of the 98th
19 General Assembly repeals, supersedes, invalidates, or
20 nullifies final decisions in lawsuits pending on the effective
21 date of this amendatory Act of the 98th General Assembly in
22 Illinois courts involving the interpretation of Public Act
23 97-8.

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

1 (105 ILCS 5/10-19) (from Ch. 122, par. 10-19)

2 Sec. 10-19. Length of school term - experimental programs.
3 Each school board shall annually prepare a calendar for the
4 school term, specifying the opening and closing dates and
5 providing a minimum term of at least 185 days to insure 176
6 days of actual pupil attendance, computable under Section
7 18-8.05 or 18-8.15, except that for the 1980-1981 school year
8 only 175 days of actual pupil attendance shall be required
9 because of the closing of schools pursuant to Section 24-2 on
10 January 29, 1981 upon the appointment by the President of that
11 day as a day of thanksgiving for the freedom of the Americans
12 who had been held hostage in Iran. Any days allowed by law for
13 teachers' institutes but not used as such or used as parental
14 institutes as provided in Section 10-22.18d shall increase the
15 minimum term by the school days not so used. Except as provided
16 in Section 10-19.1, the board may not extend the school term
17 beyond such closing date unless that extension of term is
18 necessary to provide the minimum number of computable days. In
19 case of such necessary extension school employees shall be paid
20 for such additional time on the basis of their regular
21 contracts. A school board may specify a closing date earlier
22 than that set on the annual calendar when the schools of the
23 district have provided the minimum number of computable days
24 under this Section. Nothing in this Section prevents the board
25 from employing superintendents of schools, principals and
26 other nonteaching personnel for a period of 12 months, or in

1 the case of superintendents for a period in accordance with
2 Section 10-23.8, or prevents the board from employing other
3 personnel before or after the regular school term with payment
4 of salary proportionate to that received for comparable work
5 during the school term.

6 A school board may make such changes in its calendar for
7 the school term as may be required by any changes in the legal
8 school holidays prescribed in Section 24-2. A school board may
9 make changes in its calendar for the school term as may be
10 necessary to reflect the utilization of teachers' institute
11 days as parental institute days as provided in Section
12 10-22.18d.

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

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

1 respects courses of instruction.

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

3 (105 ILCS 5/10-22.5a) (from Ch. 122, par. 10-22.5a)

4 Sec. 10-22.5a. Attendance by dependents of United States
5 military personnel, foreign exchange students, and certain
6 nonresident pupils.

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

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

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

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

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

2 (105 ILCS 5/10-22.20) (from Ch. 122, par. 10-22.20)

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

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

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

1 may make a tuition charge for persons taking instruction who
2 are not subject to State reimbursement, such tuition charge not
3 to exceed the per capita cost of such classes.

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

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

25 (1) the development of an index of need for program
26 planning and for area funding allocations, as defined by

1 the Illinois Community College Board;

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

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

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

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

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

1 Community College Board, multiplied by the following:

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

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

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

20 (4) (Blank); and

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

23 (d) Upon its annual approval, the Illinois Community
24 College Board shall provide grants to eligible programs for
25 supplemental activities to improve or expand services under the
26 Adult Education Act. Eligible programs shall be determined

1 based upon performance outcomes of students in the programs as
2 set by the Illinois Community College Board.

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

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

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

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

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

23 For classes authorized under this Section, a credit hour or
24 unit of instruction is equal to 15 hours of direct instruction
25 for students enrolled in approved adult education programs at
26 midterm and making satisfactory progress, in accordance with

1 standards established by the Illinois Community College Board.

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

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

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

24 (h) If a school district or community college district
25 establishes child-care facilities for the children of
26 participants in classes established under this Section, it may

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

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

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

22 After July 1, 1970 when the provisions of Section 10-20.20
23 become operative in the district, children in a child-care
24 facility shall be transferred to the kindergarten established
25 under that Section for such portion of the day as may be
26 required for the kindergarten program, and only the prorated

1 costs of care and training provided in the Center for the
2 remaining period shall be charged to the Illinois Department of
3 Human Services or other persons or agencies paying for such
4 care.

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

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

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

15 (105 ILCS 5/10-29)

16 Sec. 10-29. Remote educational programs.

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

21 (1) A student may participate in the program only after
22 the school district, pursuant to adopted school board
23 policy, and a person authorized to enroll the student under
24 Section 10-20.12b of this Code determine that a remote
25 educational program will best serve the student's

1 individual learning needs. The adopted school board policy
2 shall include, but not be limited to, all of the following:

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

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

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

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

25 (E) A description of the system the school district
26 will establish to calculate the number of clock hours a

1 student is participating in instruction in accordance
2 with the remote educational program.

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

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

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

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

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

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

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

1 instruction.

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

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

1 The remote educational plan must include, but is not
2 limited to, all of the following:

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

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

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

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

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

23 (F) If applicable, a description of how the remote
24 educational program will be delivered in a manner
25 consistent with the student's individualized education
26 program required by Section 614(d) of the federal

1 Individuals with Disabilities Education Improvement
2 Act of 2004 or plan to ensure compliance with Section
3 504 of the federal Rehabilitation Act of 1973.

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

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

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

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

1 subsection (a).

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

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

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

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

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

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

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

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

1 collective bargaining agreements.

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

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

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

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

23 (Source: P.A. 98-972, eff. 8-15-14; 99-193, eff. 7-30-15;
24 99-194, eff. 7-30-15; revised 10-9-15.)

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

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

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

1 Section 18-8.15 of this Code, as applicable, shall be computed
2 for the annexing district as constituted after the annexation
3 and for the annexing and each annexed district as constituted
4 prior to the annexation; and if the computation on the basis of
5 the annexing and annexed districts as constituted prior to the
6 annexation is greater, then a supplementary payment equal to
7 the difference shall be made for the first 4 years of existence
8 of the annexing school district as constituted upon the
9 annexation.

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

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

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

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

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

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

1 existence is multiplied by a fraction, the numerator of
2 which is the actual pupil enrollment of the newly created
3 elementary district for its first year of existence and the
4 denominator of which is the actual aggregate pupil
5 enrollment of all of the newly created elementary districts
6 for their first year of existence;

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

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

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

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

23 (6) For an elementary opt-in, as described in subsection
24 (d) of Section 11E-30 of this Code, the general State aid or
25 primary State aid difference shall be computed in accordance
26 with paragraph (5) of this subsection (a) as if the elementary

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

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

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

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

1 each of the first 4 years after the effective date of the
2 elementary opt-in.

3 (D) If the effective date for the elementary opt-in is
4 4 years after the effective date for the optional
5 elementary unit district, 25% 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 (E) If the effective date for the elementary opt-in is
10 5 years after the effective date for the optional
11 elementary unit district, the optional elementary unit
12 district is not eligible for any additional incentives due
13 to the elementary opt-in.

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

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

1 Act 95-707). Subsequent required yearly payments shall be paid
2 in subsequent fiscal years until the payment obligation under
3 this paragraph (6.5) is complete.

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

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

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

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

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

1 sum of the salaries those certified members would have been
2 paid if placed on the salary schedule of the previously
3 existing district with the highest salary schedule.

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

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

1 the calculation in this paragraph (5) is more than that
2 calculated in paragraph (4) of this subsection (b) at the
3 optional elementary unit district's original effective date,
4 then the excess must be paid as follows:

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

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

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

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

1 first 4 years after the effective date of the elementary
2 opt-in.

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

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

25 (5.10) After the annexation of territory detached from
26 another school district whereby the enrollment of the annexing

1 district increases by 90% or more as a result of the
2 annexation, a computation shall be made to determine the
3 difference between the salaries effective in the district
4 gaining territory and the district losing territory as they
5 each were constituted on June 30 preceding the date when the
6 change of boundaries attributable to the annexation became
7 effective for all purposes as determined under Section 7-9 of
8 this Code. For the first 4 years after the annexation, a
9 supplementary State aid reimbursement shall be paid to the
10 annexing district equal to the difference between the sum of
11 the salaries earned by each of the certificated members of the
12 annexing district as constituted after the annexation while
13 employed in the district gaining territory or the district
14 losing territory during the year immediately preceding the
15 annexation and the sum of the salaries those certificated
16 members would have been paid during such immediately preceding
17 year if placed on the salary schedule of whichever of the
18 district gaining territory or district losing territory had the
19 highest salary schedule during the immediately preceding year.
20 To be eligible for supplementary State aid reimbursement under
21 this Section, the intergovernmental agreement to be submitted
22 pursuant to Section 7-14A of this Code must show that staff
23 members were transferred from the control of the district
24 losing territory to the control of the district gaining
25 territory in the annexation. The changes to this Section made
26 by Public Act 95-707 are intended to be retroactive and

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

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

1 preceding the deactivation if placed on the salary schedule of
2 the sending or receiving district with the highest salary
3 schedule.

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

1 school, as the case may be, is entitled to receive
2 reimbursement, the number of eligible certified members who are
3 employed on October 1 in the district or cooperative high
4 school shall be certified to the State Board of Education on
5 prescribed forms by October 15 and payment shall be made on or
6 before November 15 of that year.

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

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

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

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

1 annexation had the smallest deficit and the deficits of each of
2 the other districts as constituted prior to the annexation. The
3 aggregate amount of the supplementary State aid payable under
4 this paragraph (3) shall be allocated between or among the
5 annexing districts as follows:

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

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

25 (C) the aggregate supplementary State aid payment
26 under this paragraph (3) shall be allocated between or

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

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

1 The supplementary payment shall be allocated among the newly
2 formed high school and elementary districts in the manner
3 provided by the petition for the formation of the districts, in
4 the form in which the petition is approved by the regional
5 superintendent of schools or State Superintendent of Education
6 under Section 11E-50 of this Code.

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

23 (6) For an elementary opt-in as defined in subsection (d)
24 of Section 11E-30 of this Code, the deficit fund balance
25 incentive shall be computed in accordance with paragraph (5) of
26 this subsection (c) as if the opted-in elementary was included

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

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

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

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

1 the first year after the effective date of the elementary
2 opt-in.

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

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

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

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

1 under this paragraph (6.5) shall be paid in the fiscal year of
2 January 11, 2008 (the effective date of Public Act 95-707).

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

1 expenditures in these categories for the specified year ending
2 June 30, as provided in paragraphs (1), (2), (3), (4), (5),
3 (6), and (6.5) of this subsection (c), then the 3-year average
4 shall be used in calculating the amounts payable under this
5 Section in place of the amounts shown in these categories for
6 the specified year ending June 30, as provided in paragraphs
7 (1), (2), (3), (4), (5), (6), and (6.5) of this subsection (c).
8 Any deficit because of State aid not yet received may not be
9 considered in determining the June 30 deficits. The same basis
10 of accounting shall be used by all previously existing
11 districts and by all annexing or annexed districts, as
12 constituted prior to the annexation, in making any computation
13 required under paragraphs (1), (2), (3), (4), (5), (6), and
14 (6.5) of this subsection (c).

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

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

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

9	Reorganized District's Rank	Reorganized District's Rank		
10	by type of district (unit,	in Average Daily Attendance		
11	high school, elementary)	By Quintile		
12	in Equalized Assessed Value			
13	Per Pupil by Quintile			
14				3rd, 4th,
15		1st	2nd	or 5th
16		Quintile	Quintile	Quintile
17	1st Quintile	1 year	1 year	1 year
18	2nd Quintile	1 year	2 years	2 years
19	3rd Quintile	2 years	3 years	3 years
20	4th Quintile	2 years	3 years	3 years
21	5th Quintile	2 years	3 years	3 years

22 The State Board of Education shall make a one-time calculation
 23 of a reorganized district's quintile ranks. The average daily
 24 attendance used in this calculation shall be the best 3 months'

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

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

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

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

26 (A) If the effective date for the elementary opt-in is

1 one year after the effective date for the optional
2 elementary unit district, 100% of the amount calculated in
3 this paragraph (2) shall be paid to the optional elementary
4 unit district for the number of years calculated in
5 paragraph (1) of this subsection (d) at the optional
6 elementary unit district's original effective date,
7 starting in the second year 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 amount calculated in
12 this paragraph (2) shall be paid to the optional elementary
13 unit district for the number of years calculated in
14 paragraph (1) of this subsection (d) at the optional
15 elementary unit district's original effective date,
16 starting in the second year after the effective date of the
17 elementary opt-in.

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

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

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

1 (2.10) Following the annexation of territory detached from
2 another school district whereby the enrollment of the annexing
3 district increases 90% or more as a result of the annexation, a
4 supplementary State aid reimbursement shall be paid to the
5 annexing district equal to the sum of \$4,000 for each certified
6 employee who is employed by the annexing district on a
7 full-time basis and shall be calculated in accordance with
8 subsection (a) of this Section. To be eligible for
9 supplementary State aid reimbursement under this Section, the
10 intergovernmental agreement to be submitted pursuant to
11 Section 7-14A of this Code must show that certified staff
12 members were transferred from the control of the district
13 losing territory to the control of the district gaining
14 territory in the annexation. The changes to this Section made
15 by Public Act 95-707 are intended to be retroactive and
16 applicable to any annexation taking effect on or after July 1,
17 2004. For annexations that are eligible for payments under this
18 paragraph (2.10) and that are effective on or after July 1,
19 2004, but before January 11, 2008 (the effective date of Public
20 Act 95-707), the first required yearly payment under this
21 paragraph (2.10) shall be paid in the second fiscal year after
22 January 11, 2008 (the effective date of Public Act 95-707). Any
23 subsequent required yearly payments shall be paid in subsequent
24 fiscal years until the payment obligation under this paragraph
25 (2.10) is complete.

26 (2.15) Following the deactivation of a school facility in

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

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

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

1 the State Board of Education for purposes of this subsection
2 (d), the number of certified employees for which the district
3 or cooperative high school is entitled to reimbursement under
4 this Section, together with the names, certificate numbers, and
5 positions held by the certified employees.

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

15 (Source: P.A. 95-331, eff. 8-21-07; 95-707, eff. 1-11-08;
16 95-903, eff. 8-25-08; 96-328, eff. 8-11-09.)

17 (105 ILCS 5/13A-8)

18 Sec. 13A-8. Funding.

19 (a) The State of Illinois shall provide funding for the
20 alternative school programs within each educational service
21 region and within the Chicago public school system by line item
22 appropriation made to the State Board of Education for that
23 purpose. This money, when appropriated, shall be provided to
24 the regional superintendent and to the Chicago Board of
25 Education, who shall establish a budget, including salaries,

1 for their alternative school programs. Each program shall
2 receive funding in the amount of \$30,000 plus an amount based
3 on the ratio of the region's or Chicago's best 3 months'
4 average daily attendance in grades pre-kindergarten through 12
5 to the statewide totals of these amounts. For purposes of this
6 calculation, the best 3 months' average daily attendance for
7 each region or Chicago shall be calculated by adding to the
8 best 3 months' average daily attendance the number of
9 low-income students identified in the most recently available
10 federal census multiplied by one-half times the percentage of
11 the region's or Chicago's low-income students to the State's
12 total low-income students. The State Board of Education shall
13 retain up to 1.1% of the appropriation to be used to provide
14 technical assistance, professional development, and
15 evaluations for the programs.

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

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

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

24 (c) An alternative school program may receive additional
25 funding from its school districts in such amount as may be
26 agreed upon by the parties and necessary to support the

1 program. In addition, an alternative school program is
2 authorized to accept and expend gifts, legacies, and grants,
3 including but not limited to federal grants, from any source
4 for purposes directly related to the conduct and operation of
5 the program.

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

9 (105 ILCS 5/13B-20.20)

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

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

18 (105 ILCS 5/13B-45)

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

1 exceptions to these requirements if the program meets all of
2 the following conditions:

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

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

12 (3) Each day of attendance that provides fewer than 5
13 clock hours of school work shall also provide supplementary
14 services, including without limitation work-based
15 learning, student assistance programs, counseling, case
16 management, health and fitness programs, or life-skills or
17 conflict resolution training, in order to provide a total
18 daily program to the student of 5 clock hours. A program
19 may claim general State aid or primary State aid for up to
20 2 hours of the time each day that a student is receiving
21 supplementary services.

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

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

2 (105 ILCS 5/13B-50)

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

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

15 (105 ILCS 5/13B-50.10)

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

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

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

24 (3) The program must comply with all other State and

1 federal laws applicable to education providers.

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

3 (105 ILCS 5/13B-50.15)

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

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

16 (105 ILCS 5/14-7.02) (from Ch. 122, par. 14-7.02)

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

23 If because of his or her disability the special education
24 program of a district is unable to meet the needs of a child

1 and the child attends a non-public school or special education
2 facility, a public out-of-state school or a special education
3 facility owned and operated by a county government unit that
4 provides special educational services required by the child and
5 is in compliance with the appropriate rules and regulations of
6 the State Superintendent of Education, the school district in
7 which the child is a resident shall pay the actual cost of
8 tuition for special education and related services provided
9 during the regular school term and during the summer school
10 term if the child's educational needs so require, excluding
11 room, board and transportation costs charged the child by that
12 non-public school or special education facility, public
13 out-of-state school or county special education facility, or
14 \$4,500 per year, whichever is less, and shall provide him any
15 necessary transportation. "Nonpublic special education
16 facility" shall include a residential facility, within or
17 without the State of Illinois, which provides special education
18 and related services to meet the needs of the child by
19 utilizing private schools or public schools, whether located on
20 the site or off the site of the residential facility.

21 The State Board of Education shall promulgate rules and
22 regulations for determining when placement in a private special
23 education facility is appropriate. Such rules and regulations
24 shall take into account the various types of services needed by
25 a child and the availability of such services to the particular
26 child in the public school. In developing these rules and

1 regulations the State Board of Education shall consult with the
2 Advisory Council on Education of Children with Disabilities and
3 hold public hearings to secure recommendations from parents,
4 school personnel, and others concerned about this matter.

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

11 A school district making tuition payments pursuant to this
12 Section is eligible for reimbursement from the State for the
13 amount of such payments actually made in excess of the district
14 per 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 if the tuition cost for special
11 education and related services increases more than 10 percent
12 over the tuition cost for the previous school year or exceeds
13 \$4,500 per year unless such costs have been approved by the
14 Illinois Purchased Care Review Board. The Illinois Purchased
15 Care Review Board shall consist of the following persons, or
16 their designees: the Directors of Children and Family Services,
17 Public Health, Public Aid, and the Governor's Office of
18 Management and Budget; the Secretary of Human Services; the
19 State Superintendent of Education; and such other persons as
20 the Governor may designate. The Review Board shall also consist
21 of one non-voting member who is an administrator of a private,
22 nonpublic, special education school. The Review Board shall
23 establish rules and regulations for its determination of
24 allowable costs and payments made by local school districts for
25 special education, room and board, and other related services
26 provided by non-public schools or special education facilities

1 and shall establish uniform standards and criteria which it
2 shall follow. The Review Board shall approve the usual and
3 customary rate or rates of a special education program that (i)
4 is offered by an out-of-state, non-public provider of
5 integrated autism specific educational and autism specific
6 residential services, (ii) offers 2 or more levels of
7 residential care, including at least one locked facility, and
8 (iii) serves 12 or fewer Illinois students.

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

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

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

1 Board member other than the State Superintendent of Education.

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

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

18 If a child has been placed in an approved individual
19 program and the tuition costs including room and board costs
20 have been approved by the Review Board, then such room and
21 board costs shall be paid by the appropriate State agency
22 subject to the provisions of Section 14-8.01 of this Act. Room
23 and board costs not provided by a State agency other than the
24 State Board of Education shall be provided by the State Board
25 of Education on a current basis. In no event, however, shall
26 the State's liability for funding of these tuition costs begin

1 until after the legal obligations of third party payors have
2 been subtracted from such costs. If the money appropriated by
3 the General Assembly for such purpose for any year is
4 insufficient, it shall be apportioned on the basis of the
5 claims approved. Each district shall submit estimated claims to
6 the State Superintendent of Education. Upon approval of such
7 claims, the State Superintendent of Education shall direct the
8 State Comptroller to make payments on a monthly basis. The
9 frequency for submitting estimated claims and the method of
10 determining payment shall be prescribed in rules and
11 regulations adopted by the State Board of Education. Such
12 current state reimbursement shall be reduced by an amount equal
13 to the proceeds which the child or child's parents are eligible
14 to receive under any public or private insurance or assistance
15 program. Nothing in this Section shall be construed as
16 relieving an insurer or similar third party from an otherwise
17 valid obligation to provide or to pay for services provided to
18 a child with a disability.

19 If it otherwise qualifies, a school district is eligible
20 for the transportation reimbursement under Section 14-13.01
21 and for the reimbursement of tuition payments under this
22 Section whether the non-public school or special education
23 facility, public out-of-state school or county special
24 education facility, attended by a child who resides in that
25 district and requires special educational services, is within
26 or outside of the State of Illinois. However, a district is not

1 eligible to claim transportation reimbursement under this
2 Section unless the district certifies to the State
3 Superintendent of Education that the district is unable to
4 provide special educational services required by the child for
5 the current school year.

6 Nothing in this Section authorizes the reimbursement of a
7 school district for the amount paid for tuition of a child
8 attending a non-public school or special education facility,
9 public out-of-state school or county special education
10 facility unless the school district certifies to the State
11 Superintendent of Education that the special education program
12 of that district is unable to meet the needs of that child
13 because of his disability and the State Superintendent of
14 Education finds that the school district is in substantial
15 compliance with Section 14-4.01. However, if a child is
16 unilaterally placed by a State agency or any court in a
17 non-public school or special education facility, public
18 out-of-state school, or county special education facility, a
19 school district shall not be required to certify to the State
20 Superintendent of Education, for the purpose of tuition
21 reimbursement, that the special education program of that
22 district is unable to meet the needs of a child because of his
23 or her disability.

24 Any educational or related services provided, pursuant to
25 this Section in a non-public school or special education
26 facility or a special education facility owned and operated by

1 a county government unit shall be at no cost to the parent or
2 guardian of the child. However, current law and practices
3 relative to contributions by parents or guardians for costs
4 other than educational or related services are not affected by
5 this amendatory Act of 1978.

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

9 Notwithstanding any other provision of law, any school
10 district receiving a payment under this Section or under
11 Section 14-7.02b, 14-13.01, or 29-5 of this Code may classify
12 all or a portion of the funds that it receives in a particular
13 fiscal year or from general State aid pursuant to Section
14 18-8.05 of this Code as funds received in connection with any
15 funding program for which it is entitled to receive funds from
16 the State in that fiscal year (including, without limitation,
17 any funding program referenced in this Section), regardless of
18 the source or timing of the receipt. The district may not
19 classify more funds as funds received in connection with the
20 funding program than the district is entitled to receive in
21 that fiscal year for that program. Any classification by a
22 district must be made by a resolution of its board of
23 education. The resolution must identify the amount of any
24 payments or general State aid to be classified under this
25 paragraph and must specify the funding program to which the
26 funds are to be treated as received in connection therewith.

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

15 Notwithstanding anything to the contrary contained in this
16 Section, the State Board of Education shall award to a school
17 district having a population exceeding 500,000 inhabitants
18 48.4% of the funds appropriated by the General Assembly for any
19 fiscal year for purposes of payments to school districts under
20 this Section.

21 (Source: P.A. 98-636, eff. 6-6-14; 98-1008, eff. 1-1-15; 99-78,
22 eff. 7-20-15; 99-143, eff. 7-27-15.)

23 (105 ILCS 5/14-7.02b)

24 Sec. 14-7.02b. Funding for children requiring special
25 education services. Payments to school districts for children

1 requiring special education services documented in their
2 individualized education program regardless of the program
3 from which these services are received, excluding children
4 claimed under Sections 14-7.02 and 14-7.03 of this Code, shall
5 be made in accordance with this Section. Funds received under
6 this Section may be used only for the provision of special
7 educational facilities and services as defined in Section
8 14-1.08 of this Code.

9 The appropriation for fiscal year 2005 through fiscal year
10 2016 ~~and thereafter~~ shall be based upon the IDEA child count of
11 all students in the State, excluding students claimed under
12 Sections 14-7.02 and 14-7.03 of this Code, on December 1 of the
13 fiscal year 2 years preceding, multiplied by 17.5% of the
14 general State aid foundation level of support established for
15 that fiscal year under Section 18-8.05 of this Code.

16 Beginning with fiscal year 2005 and through fiscal year
17 2007, individual school districts shall not receive payments
18 under this Section totaling less than they received under the
19 funding authorized under Section 14-7.02a of this Code during
20 fiscal year 2004, pursuant to the provisions of Section
21 14-7.02a as they were in effect before the effective date of
22 this amendatory Act of the 93rd General Assembly. This base
23 level funding shall be computed first.

24 Beginning with fiscal year 2008 through fiscal year 2016
25 ~~and each fiscal year thereafter~~, individual school districts
26 must not receive payments under this Section totaling less than

1 they received in fiscal year 2007. This funding shall be
2 computed last and shall be a separate calculation from any
3 other calculation set forth in this Section. This amount is
4 exempt from the requirements of Section 1D-1 of this Code.

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

17 For individual students with disabilities whose program
18 costs exceed 4 times the district's per capita tuition rate as
19 calculated under Section 10-20.12a of this Code, the costs in
20 excess of 4 times the district's per capita tuition rate shall
21 be paid by the State Board of Education from unexpended IDEA
22 discretionary funds originally designated for room and board
23 reimbursement pursuant to Section 14-8.01 of this Code. The
24 amount of tuition for these children shall be determined by the
25 actual cost of maintaining classes for these children, using
26 the per capita cost formula set forth in Section 14-7.01 of

1 this Code, with the program and cost being pre-approved by the
2 State Superintendent of Education. Reimbursement for
3 individual students with disabilities whose program costs
4 exceed 4 times the district's per capita tuition rate shall be
5 claimed beginning with costs encumbered for the 2004-2005
6 school year and thereafter.

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

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

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

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

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

6 (105 ILCS 5/14-7.03) (from Ch. 122, par. 14-7.03)

7 Sec. 14-7.03. Special Education Classes for Children from
8 Orphanages, ~~Foster Family Homes~~, Children's Homes, or in State
9 Housing Units. If a school district maintains special education
10 classes on the site of orphanages and children's homes, or if
11 children from the orphanages, children's homes, ~~foster family~~
12 ~~homes~~, other State agencies, or State residential units for
13 children attend classes for children with disabilities in which
14 the school district is a participating member of a joint
15 agreement, or if the children from the orphanages, children's
16 homes, ~~foster family homes~~, other State agencies, or State
17 residential units attend classes for the children with
18 disabilities maintained by the school district, then
19 reimbursement shall be paid to eligible districts in accordance
20 with the provisions of this Section by the Comptroller as
21 directed by the State Superintendent of Education.

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

1 Education.

2 If a school district makes a claim for reimbursement under
3 Section 18-3 ~~or 18-4~~ of this Code, ~~Act~~ it shall not include in
4 any claim filed under this Section a claim for such children.
5 Payments authorized by law, including State or federal grants
6 for education of children included in this Section, shall be
7 deducted in determining the tuition amount.

8 Nothing in this Act shall be construed so as to prohibit
9 reimbursement for the tuition of children placed in for profit
10 facilities. Private facilities shall provide adequate space at
11 the facility for special education classes provided by a school
12 district or joint agreement for children with disabilities who
13 are residents of the facility at no cost to the school district
14 or joint agreement upon request of the school district or joint
15 agreement. If such a private facility provides space at no cost
16 to the district or joint agreement for special education
17 classes provided to children with disabilities who are
18 residents of the facility, the district or joint agreement
19 shall not include any costs for the use of those facilities in
20 its claim for reimbursement.

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

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

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

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

22 Each district claiming reimbursement for individual
23 students shall have the eligibility of those students verified
24 by the State Board of Education. On September 30, December 31,
25 and March 31, the State Board of Education shall voucher
26 payments for individual students based upon an estimated cost

1 calculated from the prior year's claim. Final claims for
2 individual students for the regular school term must be
3 received at the State Board of Education by July 15. Claims for
4 individual students received after July 15 shall not be
5 honored. Final claims for individual students shall be
6 vouchered by August 30.

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

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

26 If a school district's current reimbursement payment for

1 the 1977-78 school year only is less than the prior year's
2 reimbursement payment owed, the district shall be paid the
3 amount of the difference between the payments in addition to
4 the current reimbursement payment, and the amount so paid shall
5 be subtracted from the amount of prior year's reimbursement
6 payment owed to the district.

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

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

26 For each student with a disability who is placed in a

1 residential facility by an Illinois public agency or by any
2 court in this State, the costs for educating the student are
3 eligible for reimbursement under this Section.

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

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

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

26 When a child eligible for services under this Section

1 14-7.03 must be placed in a nonpublic facility, that facility
2 shall meet the programmatic requirements of Section 14-7.02 and
3 its regulations, and the educational services shall be funded
4 only in accordance with this Section 14-7.03.

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

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

7 Sec. 14-13.01. Reimbursement payable by State; amounts for
8 personnel and transportation.

9 (a) Through fiscal year 2016, for ~~For~~ staff working on
10 behalf of children who have not been identified as eligible for
11 special education and for eligible children with physical
12 disabilities, including all eligible children whose placement
13 has been determined under Section 14-8.02 in hospital or home
14 instruction, 1/2 of the teacher's salary but not more than
15 \$1,000 annually per child or \$9,000 per teacher, whichever is
16 less.

17 (a-5) A child qualifies for home or hospital instruction if
18 it is anticipated that, due to a medical condition, the child
19 will be unable to attend school, and instead must be instructed
20 at home or in the hospital, for a period of 2 or more
21 consecutive weeks or on an ongoing intermittent basis. For
22 purposes of this Section, "ongoing intermittent basis" means
23 that the child's medical condition is of such a nature or
24 severity that it is anticipated that the child will be absent
25 from school due to the medical condition for periods of at

1 least 2 days at a time multiple times during the school year
2 totaling at least 10 days or more of absences. There shall be
3 no requirement that a child be absent from school a minimum
4 number of days before the child qualifies for home or hospital
5 instruction. In order to establish eligibility for home or
6 hospital services, a student's parent or guardian must submit
7 to the child's school district of residence a written statement
8 from a physician licensed to practice medicine in all of its
9 branches stating the existence of such medical condition, the
10 impact on the child's ability to participate in education, and
11 the anticipated duration or nature of the child's absence from
12 school. Home or hospital instruction may commence upon receipt
13 of a written physician's statement in accordance with this
14 Section, but instruction shall commence not later than 5 school
15 days after the school district receives the physician's
16 statement. Special education and related services required by
17 the child's IEP or services and accommodations required by the
18 child's federal Section 504 plan must be implemented as part of
19 the child's home or hospital instruction, unless the IEP team
20 or federal Section 504 plan team determines that modifications
21 are necessary during the home or hospital instruction due to
22 the child's condition.

23 (a-10) Through fiscal year 2016, eligible ~~Eligible~~
24 children to be included in any reimbursement under this
25 paragraph must regularly receive a minimum of one hour of
26 instruction each school day, or in lieu thereof of a minimum of

1 5 hours of instruction in each school week in order to qualify
2 for full reimbursement under this Section. If the attending
3 physician for such a child has certified that the child should
4 not receive as many as 5 hours of instruction in a school week,
5 however, reimbursement under this paragraph on account of that
6 child shall be computed proportionate to the actual hours of
7 instruction per week for that child divided by 5.

8 (a-15) The State Board of Education shall establish rules
9 governing the required qualifications of staff providing home
10 or hospital instruction.

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

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

1 (d) Through fiscal year 2016, for ~~For~~ one full time
2 qualified director of the special education program of each
3 school district which maintains a fully approved program of
4 special education the annual sum of \$9,000. Districts
5 participating in a joint agreement special education program
6 shall not receive such reimbursement if reimbursement is made
7 for a director of the joint agreement program.

8 (e) (Blank).

9 (f) (Blank).

10 (g) Through fiscal year 2016, for ~~For~~ readers, working with
11 blind or partially seeing children 1/2 of their salary but not
12 more than \$400 annually per child. Readers may be employed to
13 assist such children and shall not be required to be certified
14 but prior to employment shall meet standards set up by the
15 State Board of Education.

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

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

24 When any school district eligible for reimbursement under
25 this Section operates a school or program approved by the State
26 Superintendent of Education for a number of days in excess of

1 the adopted school calendar but not to exceed 235 school days,
2 such reimbursement shall be increased by 1/180 of the amount or
3 rate paid hereunder for each day such school is operated in
4 excess of 180 days per calendar year.

5 Notwithstanding any other provision of law, any school
6 district receiving a payment under this Section or under
7 Section 14-7.02, 14-7.02b, or 29-5 of this Code may classify
8 all or a portion of the funds that it receives in a particular
9 fiscal year or from primary ~~general~~ State aid pursuant to
10 Section 18-8.15 ~~18-8.05~~ of this Code as funds received in
11 connection with any funding program for which it is entitled to
12 receive funds from the State in that fiscal year (including,
13 without limitation, any funding program referenced in this
14 Section), regardless of the source or timing of the receipt.
15 The district may not classify more funds as funds received in
16 connection with the funding program than the district is
17 entitled to receive in that fiscal year for that program. Any
18 classification by a district must be made by a resolution of
19 its board of education. The resolution must identify the amount
20 of any payments or primary ~~general~~ State aid to be classified
21 under this paragraph and must specify the funding program to
22 which the funds are to be treated as received in connection
23 therewith. This resolution is controlling as to the
24 classification of funds referenced therein. A certified copy of
25 the resolution must be sent to the State Superintendent of
26 Education. The resolution shall still take effect even though a

1 copy of the resolution has not been sent to the State
2 Superintendent of Education in a timely manner. No
3 classification under this paragraph by a district shall affect
4 the total amount or timing of money the district is entitled to
5 receive under this Code. No classification under this paragraph
6 by a district shall in any way relieve the district from or
7 affect any requirements that otherwise would apply with respect
8 to that funding program, including any accounting of funds by
9 source, reporting expenditures by original source and purpose,
10 reporting requirements, or requirements of providing services.
11 (Source: P.A. 96-257, eff. 8-11-09; 97-123, eff. 7-14-11.)

12 (105 ILCS 5/14C-1) (from Ch. 122, par. 14C-1)

13 Sec. 14C-1. The General Assembly finds that there are large
14 numbers of children in this State who come from environments
15 where the primary language is other than English. Experience
16 has shown that public school classes in which instruction is
17 given only in English are often inadequate for the education of
18 children whose native tongue is another language. The General
19 Assembly believes that a program of transitional bilingual
20 education can meet the needs of these children and facilitate
21 their integration into the regular public school curriculum.
22 Therefore, pursuant to the policy of this State to ensure equal
23 educational opportunity to every child, and in recognition of
24 the educational needs of English learners, it is the purpose of
25 this Act to provide for the establishment of transitional

1 bilingual education programs in the public schools, to provide
2 supplemental financial assistance through fiscal year 2016 to
3 help local school districts meet the extra costs of such
4 programs, and to allow this State to directly or indirectly
5 provide technical assistance and professional development to
6 support transitional bilingual education programs statewide.

7 (Source: P.A. 99-30, eff. 7-10-15.)

8 (105 ILCS 5/14C-12) (from Ch. 122, par. 14C-12)

9 Sec. 14C-12. Account of expenditures; Cost report;
10 Reimbursement. Each school district with at least one English
11 learner shall keep an accurate, detailed and separate account
12 of all monies paid out by it for the programs in transitional
13 bilingual education required or permitted by this Article,
14 including transportation costs, and shall annually report
15 thereon for the school year ending June 30 indicating the
16 average per pupil expenditure. Through fiscal year 2016, each
17 ~~Each~~ school district shall be reimbursed for the amount by
18 which such costs exceed the average per pupil expenditure by
19 such school district for the education of children of
20 comparable age who are not in any special education program. No
21 funding shall be provided to school districts under this
22 Section after fiscal year 2016. In fiscal year 2017 and each
23 fiscal year thereafter, all funding received by a school
24 district from the State pursuant to Sections 18-8.15 or 18-8.20
25 of this Code that is attributable to English learner pupils or

1 staffing positions to support English learner pupils must be
2 used for programs and services authorized under this Article.

3 At least 60% of transitional bilingual education funding
4 received from the State must be used for the instructional
5 costs of programs and services authorized under this Article
6 ~~transitional bilingual education.~~

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

15 Through fiscal year 2016, reimbursement ~~Reimbursement~~
16 claims for transitional bilingual education programs shall be
17 made as follows:

18 Each school district shall claim reimbursement on a current
19 basis for the first 3 quarters of the fiscal year and file a
20 final adjusted claim for the school year ended June 30
21 preceding computed in accordance with rules prescribed by the
22 State Superintendent's Office. The State Superintendent of
23 Education before approving any such claims shall determine
24 their accuracy and whether they are based upon services and
25 facilities provided under approved programs. Upon approval he
26 shall transmit to the Comptroller the vouchers showing the

1 amounts due for school district reimbursement claims. Upon
2 receipt of the final adjusted claims the State Superintendent
3 of Education shall make a final determination of the accuracy
4 of such claims. If the money appropriated by the General
5 Assembly for such purpose for any year is insufficient, it
6 shall be apportioned on the basis of the claims approved.

7 Failure on the part of the school district to prepare and
8 certify the final adjusted claims due under this Section may
9 constitute a forfeiture by the school district of its right to
10 be reimbursed by the State under this Section.

11 (Source: P.A. 96-1170, eff. 1-1-11.)

12 (105 ILCS 5/17-1) (from Ch. 122, par. 17-1)

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

21 The budget shall be entered upon a School District Budget
22 form prepared and provided by the State Board of Education and
23 therein shall contain a statement of the cash on hand at the
24 beginning of the fiscal year, an estimate of the cash expected
25 to be received during such fiscal year from all sources, an

1 estimate of the expenditures contemplated for such fiscal year,
2 and a statement of the estimated cash expected to be on hand at
3 the end of such year. The estimate of taxes to be received may
4 be based upon the amount of actual cash receipts that may
5 reasonably be expected by the district during such fiscal year,
6 estimated from the experience of the district in prior years
7 and with due regard for other circumstances that may
8 substantially affect such receipts. Nothing in this Section
9 shall be construed as requiring any district to change or
10 preventing any district from changing from a cash basis of
11 financing to a surplus or deficit basis of financing; or as
12 requiring any district to change or preventing any district
13 from changing its system of accounting. For the 2018-2019
14 school year and thereafter, the budget shall conform to the
15 school level accounting requirements adopted by the State Board
16 of Education pursuant to Section 2-3.28 of this Code.

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

24 If, as the result of an audit performed in compliance with
25 Section 3-7 of this Code, the resulting Annual Financial Report
26 required to be submitted pursuant to Section 3-15.1 of this

1 Code reflects a deficit as defined for purposes of the
2 preceding paragraph, then the district shall, within 30 days
3 after acceptance of such audit report, submit a deficit
4 reduction plan.

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

23 Such budget shall be prepared in tentative form by some
24 person or persons designated by the board, and in such
25 tentative form shall be made conveniently available to public
26 inspection for at least 30 days prior to final action thereon.

1 At least 1 public hearing shall be held as to such budget prior
2 to final action thereon. Notice of availability for public
3 inspection and of such public hearing shall be given by
4 publication in a newspaper published in such district, at least
5 30 days prior to the time of such hearing. If there is no
6 newspaper published in such district, notice of such public
7 hearing shall be given by posting notices thereof in 5 of the
8 most public places in such district. It shall be the duty of
9 the secretary of such board to make such tentative budget
10 available to public inspection, and to arrange for such public
11 hearing. The board may from time to time make transfers between
12 the various items in any fund not exceeding in the aggregate
13 10% of the total of such fund as set forth in the budget. The
14 board may from time to time amend such budget by the same
15 procedure as is herein provided for its original adoption.

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

22 The State Board of Education shall exercise powers and
23 duties relating to budgets as provided in Section 2-3.27 of
24 this Code and shall require school districts to submit their
25 annual budgets, deficit reduction plans, and other financial
26 information, including revenue and expenditure reports and

1 borrowing and interfund transfer plans, in such form and within
2 the timelines designated by the State Board of Education.

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

5 In the case of a school district receiving emergency State
6 financial assistance under Article 1B, the school board shall
7 also be subject to the requirements established under Article
8 1B with respect to the annual budget.

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

10 (105 ILCS 5/17-1.2)

11 Sec. 17-1.2. Post annual budget on web site. If a school
12 district has an Internet web site, the school district shall
13 post its current annual budget, itemized by receipts and
14 expenditures, on the district's Internet web site. For the
15 2018-2019 school year and thereafter, the budget shall include
16 school level information conforming to the rules adopted by the
17 State Board of Education pursuant to Section 2-3.28 of this
18 Code. The school district shall notify the parents or guardians
19 of its students that the budget has been posted on the
20 district's web site and what the web site's address is.

21 (Source: P.A. 92-438, eff. 1-1-02.)

22 (105 ILCS 5/17-1.5)

23 Sec. 17-1.5. Limitation of administrative costs.

24 (a) It is the purpose of this Section to establish

1 limitations on the growth of administrative expenditures in
2 order to maximize the proportion of school district resources
3 available for the instructional program, building maintenance,
4 and safety services for the students of each district.

5 (b) Definitions. For the purposes of this Section:

6 "Administrative expenditures" mean the annual expenditures
7 of school districts properly attributable to expenditure
8 functions defined by the rules of the State Board of Education
9 as: 2320 (Executive Administration Services); 2330 (Special
10 Area Administration Services); 2490 (Other Support Services -
11 School Administration); 2510 (Direction of Business Support
12 Services); 2570 (Internal Services); and 2610 (Direction of
13 Central Support Services); provided, however, that
14 "administrative expenditures" shall not include early
15 retirement or other pension system obligations required by
16 State law.

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

19 (c) For the 1998-99 school year and each school year
20 thereafter, each school district shall undertake budgetary and
21 expenditure control actions so that the increase in
22 administrative expenditures for that school year over the prior
23 school year does not exceed 5%. School districts with
24 administrative expenditures per pupil in the 25th percentile
25 and below for all districts of the same type, as defined by the
26 State Board of Education, may waive the limitation imposed

1 under this Section for any year following a public hearing and
2 with the affirmative vote of at least two-thirds of the members
3 of the school board of the district. Any district waiving the
4 limitation shall notify the State Board within 45 days of such
5 action.

6 (d) School districts shall file with the State Board of
7 Education by November 15, 1998 and by each November 15th
8 thereafter a one-page report that lists (i) the actual
9 administrative expenditures for the prior year from the
10 district's audited Annual Financial Report, and (ii) the
11 projected administrative expenditures for the current year
12 from the budget adopted by the school board pursuant to Section
13 17-1 of this Code.

14 If a school district that is ineligible to waive the
15 limitation imposed by subsection (c) of this Section by board
16 action exceeds the limitation solely because of circumstances
17 beyond the control of the district and the district has
18 exhausted all available and reasonable remedies to comply with
19 the limitation, the district may request a waiver pursuant to
20 Section 2-3.25g. The waiver application shall specify the
21 amount, nature, and reason for the relief requested, as well as
22 all remedies the district has exhausted to comply with the
23 limitation. Any emergency relief so requested shall apply only
24 to the specific school year for which the request is made. The
25 State Board of Education shall analyze all such waivers
26 submitted and shall recommend that the General Assembly

1 disapprove any such waiver requested that is not due solely to
2 circumstances beyond the control of the district and for which
3 the district has not exhausted all available and reasonable
4 remedies to comply with the limitation. The State
5 Superintendent shall have no authority to impose any sanctions
6 pursuant to this Section for any expenditures for which a
7 waiver has been requested until such waiver has been reviewed
8 by the General Assembly.

9 If the report and information required under this
10 subsection (d) are not provided by the school district in a
11 timely manner, or are subsequently determined by the State
12 Superintendent of Education to be incomplete or inaccurate, the
13 State Superintendent shall notify the district in writing of
14 reporting deficiencies. The school district shall, within 60
15 days of the notice, address the reporting deficiencies
16 identified.

17 (e) If the State Superintendent determines that a school
18 district has failed to comply with the administrative
19 expenditure limitation imposed in subsection (c) of this
20 Section, the State Superintendent shall notify the district of
21 the violation and direct the district to undertake corrective
22 action to bring the district's budget into compliance with the
23 administrative expenditure limitation. The district shall,
24 within 60 days of the notice, provide adequate assurance to the
25 State Superintendent that appropriate corrective actions have
26 been or will be taken. If the district fails to provide

1 adequate assurance or fails to undertake the necessary
2 corrective actions, the State Superintendent may impose
3 progressive sanctions against the district that may culminate
4 in withholding all subsequent payments of general State aid due
5 the district under Section 18-8.05 of this Code or primary
6 State aid due the district under Section 18-8.15 of this Code
7 until the assurance is provided or the corrective actions
8 taken.

9 (f) The State Superintendent shall publish a list each year
10 of the school districts that violate the limitation imposed by
11 subsection (c) of this Section and a list of the districts that
12 waive the limitation by board action as provided in subsection
13 (c) of this Section.

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

15 (105 ILCS 5/17-2.11) (from Ch. 122, par. 17-2.11)

16 Sec. 17-2.11. School board power to levy a tax or to borrow
17 money and issue bonds for fire prevention, safety, energy
18 conservation, accessibility, school security, and specified
19 repair purposes.

20 (a) Whenever, as a result of any lawful order of any
21 agency, other than a school board, having authority to enforce
22 any school building code applicable to any facility that houses
23 students, or any law or regulation for the protection and
24 safety of the environment, pursuant to the Environmental
25 Protection Act, any school district having a population of less

1 than 500,000 inhabitants is required to alter or reconstruct
2 any school building or permanent, fixed equipment; the district
3 may, by proper resolution, levy a tax for the purpose of making
4 such alteration or reconstruction, based on a survey report by
5 an architect or engineer licensed in this State, upon all of
6 the taxable property of the district at the value as assessed
7 by the Department of Revenue and at a rate not to exceed 0.05%
8 per year for a period sufficient to finance such alteration or
9 reconstruction, upon the following conditions:

10 (1) When there are not sufficient funds available in
11 the operations and maintenance fund of the school district,
12 the school facility occupation tax fund of the district, or
13 the fire prevention and safety fund of the district, as
14 determined by the district on the basis of rules adopted by
15 the State Board of Education, to make such alteration or
16 reconstruction or to purchase and install such permanent,
17 fixed equipment so ordered or determined as necessary.
18 Appropriate school district records must be made available
19 to the State Superintendent of Education, upon request, to
20 confirm this insufficiency.

21 (2) When a certified estimate of an architect or
22 engineer licensed in this State stating the estimated
23 amount necessary to make the alteration or reconstruction
24 or to purchase and install the equipment so ordered has
25 been secured by the school district, and the estimate has
26 been approved by the regional superintendent of schools

1 having jurisdiction over the district and the State
2 Superintendent of Education. Approval must not be granted
3 for any work that has already started without the prior
4 express authorization of the State Superintendent of
5 Education. If the estimate is not approved or is denied
6 approval by the regional superintendent of schools within 3
7 months after the date on which it is submitted to him or
8 her, the school board of the district may submit the
9 estimate directly to the State Superintendent of Education
10 for approval or denial.

11 In the case of an emergency situation, where the estimated
12 cost to effectuate emergency repairs is less than the amount
13 specified in Section 10-20.21 of this Code, the school district
14 may proceed with such repairs prior to approval by the State
15 Superintendent of Education, but shall comply with the
16 provisions of subdivision (2) of this subsection (a) as soon
17 thereafter as may be as well as Section 10-20.21 of this Code.
18 If the estimated cost to effectuate emergency repairs is
19 greater than the amount specified in Section 10-20.21 of this
20 Code, then the school district shall proceed in conformity with
21 Section 10-20.21 of this Code and with rules established by the
22 State Board of Education to address such situations. The rules
23 adopted by the State Board of Education to deal with these
24 situations shall stipulate that emergency situations must be
25 expedited and given priority consideration. For purposes of
26 this paragraph, an emergency is a situation that presents an

1 imminent and continuing threat to the health and safety of
2 students or other occupants of a facility, requires complete or
3 partial evacuation of a building or part of a building, or
4 consumes one or more of the 5 emergency days built into the
5 adopted calendar of the school or schools or would otherwise be
6 expected to cause such school or schools to fall short of the
7 minimum school calendar requirements.

8 (b) Whenever any such district determines that it is
9 necessary for energy conservation purposes that any school
10 building or permanent, fixed equipment should be altered or
11 reconstructed and that such alterations or reconstruction will
12 be made with funds not necessary for the completion of approved
13 and recommended projects contained in any safety survey report
14 or amendments thereto authorized by Section 2-3.12 of this Act;
15 the district may levy a tax or issue bonds as provided in
16 subsection (a) of this Section.

17 (c) Whenever any such district determines that it is
18 necessary for accessibility purposes and to comply with the
19 school building code that any school building or equipment
20 should be altered or reconstructed and that such alterations or
21 reconstruction will be made with funds not necessary for the
22 completion of approved and recommended projects contained in
23 any safety survey report or amendments thereto authorized under
24 Section 2-3.12 of this Act, the district may levy a tax or
25 issue bonds as provided in subsection (a) of this Section.

26 (d) Whenever any such district determines that it is

1 necessary for school security purposes and the related
2 protection and safety of pupils and school personnel that any
3 school building or property should be altered or reconstructed
4 or that security systems and equipment (including but not
5 limited to intercom, early detection and warning, access
6 control and television monitoring systems) should be purchased
7 and installed, and that such alterations, reconstruction or
8 purchase and installation of equipment will be made with funds
9 not necessary for the completion of approved and recommended
10 projects contained in any safety survey report or amendment
11 thereto authorized by Section 2-3.12 of this Act and will deter
12 and prevent unauthorized entry or activities upon school
13 property by unknown or dangerous persons, assure early
14 detection and advance warning of any such actual or attempted
15 unauthorized entry or activities and help assure the continued
16 safety of pupils and school staff if any such unauthorized
17 entry or activity is attempted or occurs; the district may levy
18 a tax or issue bonds as provided in subsection (a) of this
19 Section.

20 (e) If a school district does not need funds for other fire
21 prevention and safety projects, including the completion of
22 approved and recommended projects contained in any safety
23 survey report or amendments thereto authorized by Section
24 2-3.12 of this Act, and it is determined after a public hearing
25 (which is preceded by at least one published notice (i)
26 occurring at least 7 days prior to the hearing in a newspaper

1 of general circulation within the school district and (ii)
2 setting forth the time, date, place, and general subject matter
3 of the hearing) that there is a substantial, immediate, and
4 otherwise unavoidable threat to the health, safety, or welfare
5 of pupils due to disrepair of school sidewalks, playgrounds,
6 parking lots, or school bus turnarounds and repairs must be
7 made; then the district may levy a tax or issue bonds as
8 provided in subsection (a) of this Section.

9 (f) For purposes of this Section a school district may
10 replace a school building or build additions to replace
11 portions of a building when it is determined that the
12 effectuation of the recommendations for the existing building
13 will cost more than the replacement costs. Such determination
14 shall be based on a comparison of estimated costs made by an
15 architect or engineer licensed in the State of Illinois. The
16 new building or addition shall be equivalent in area (square
17 feet) and comparable in purpose and grades served and may be on
18 the same site or another site. Such replacement may only be
19 done upon order of the regional superintendent of schools and
20 the approval of the State Superintendent of Education.

21 (g) The filing of a certified copy of the resolution
22 levying the tax when accompanied by the certificates of the
23 regional superintendent of schools and State Superintendent of
24 Education shall be the authority of the county clerk to extend
25 such tax.

26 (h) The county clerk of the county in which any school

1 district levying a tax under the authority of this Section is
2 located, in reducing raised levies, shall not consider any such
3 tax as a part of the general levy for school purposes and shall
4 not include the same in the limitation of any other tax rate
5 which may be extended.

6 Such tax shall be levied and collected in like manner as
7 all other taxes of school districts, subject to the provisions
8 contained in this Section.

9 (i) The tax rate limit specified in this Section may be
10 increased to .10% upon the approval of a proposition to effect
11 such increase by a majority of the electors voting on that
12 proposition at a regular scheduled election. Such proposition
13 may be initiated by resolution of the school board and shall be
14 certified by the secretary to the proper election authorities
15 for submission in accordance with the general election law.

16 (j) When taxes are levied by any school district for fire
17 prevention, safety, energy conservation, and school security
18 purposes as specified in this Section, and the purposes for
19 which the taxes have been levied are accomplished and paid in
20 full, and there remain funds on hand in the Fire Prevention and
21 Safety Fund from the proceeds of the taxes levied, including
22 interest earnings thereon, the school board by resolution shall
23 use such excess and other board restricted funds, excluding
24 bond proceeds and earnings from such proceeds, as follows:

25 (1) for other authorized fire prevention, safety,
26 energy conservation, and school security purposes and for

1 required safety inspections; or

2 (2) for transfer to the Operations and Maintenance Fund
3 for the purpose of abating an equal amount of operations
4 and maintenance purposes taxes.

5 Notwithstanding subdivision (2) of this subsection (j) and
6 subsection (k) of this Section, through June 30, 2019 ~~2016~~, the
7 school board may, by proper resolution following a public
8 hearing set by the school board or the president of the school
9 board (that is preceded (i) by at least one published notice
10 over the name of the clerk or secretary of the board, occurring
11 at least 7 days and not more than 30 days prior to the hearing,
12 in a newspaper of general circulation within the school
13 district and (ii) by posted notice over the name of the clerk
14 or secretary of the board, at least 48 hours before the
15 hearing, at the principal office of the school board or at the
16 building where the hearing is to be held if a principal office
17 does not exist, with both notices setting forth the time, date,
18 place, and subject matter of the hearing), transfer surplus
19 life safety taxes and interest earnings thereon to the
20 Operations and Maintenance Fund for building repair work.

21 (k) If any transfer is made to the Operation and
22 Maintenance Fund, the secretary of the school board shall
23 within 30 days notify the county clerk of the amount of that
24 transfer and direct the clerk to abate the taxes to be extended
25 for the purposes of operations and maintenance authorized under
26 Section 17-2 of this Act by an amount equal to such transfer.

1 (1) If the proceeds from the tax levy authorized by this
2 Section are insufficient to complete the work approved under
3 this Section, the school board is authorized to sell bonds
4 without referendum under the provisions of this Section in an
5 amount that, when added to the proceeds of the tax levy
6 authorized by this Section, will allow completion of the
7 approved work.

8 (m) Any bonds issued pursuant to this Section shall bear
9 interest at a rate not to exceed the maximum rate authorized by
10 law at the time of the making of the contract, shall mature
11 within 20 years from date, and shall be signed by the president
12 of the school board and the treasurer of the school district.

13 (n) In order to authorize and issue such bonds, the school
14 board shall adopt a resolution fixing the amount of bonds, the
15 date thereof, the maturities thereof, rates of interest
16 thereof, place of payment and denomination, which shall be in
17 denominations of not less than \$100 and not more than \$5,000,
18 and provide for the levy and collection of a direct annual tax
19 upon all the taxable property in the school district sufficient
20 to pay the principal and interest on such bonds to maturity.
21 Upon the filing in the office of the county clerk of the county
22 in which the school district is located of a certified copy of
23 the resolution, it is the duty of the county clerk to extend
24 the tax therefor in addition to and in excess of all other
25 taxes heretofore or hereafter authorized to be levied by such
26 school district.

1 (o) After the time such bonds are issued as provided for by
2 this Section, if additional alterations or reconstructions are
3 required to be made because of surveys conducted by an
4 architect or engineer licensed in the State of Illinois, the
5 district may levy a tax at a rate not to exceed .05% per year
6 upon all the taxable property of the district or issue
7 additional bonds, whichever action shall be the most feasible.

8 (p) This Section is cumulative and constitutes complete
9 authority for the issuance of bonds as provided in this Section
10 notwithstanding any other statute or law to the contrary.

11 (q) With respect to instruments for the payment of money
12 issued under this Section either before, on, or after the
13 effective date of Public Act 86-004 (June 6, 1989), it is, and
14 always has been, the intention of the General Assembly (i) that
15 the Omnibus Bond Acts are, and always have been, supplementary
16 grants of power to issue instruments in accordance with the
17 Omnibus Bond Acts, regardless of any provision of this Act that
18 may appear to be or to have been more restrictive than those
19 Acts, (ii) that the provisions of this Section are not a
20 limitation on the supplementary authority granted by the
21 Omnibus Bond Acts, and (iii) that instruments issued under this
22 Section within the supplementary authority granted by the
23 Omnibus Bond Acts are not invalid because of any provision of
24 this Act that may appear to be or to have been more restrictive
25 than those Acts.

26 (r) When the purposes for which the bonds are issued have

1 been accomplished and paid for in full and there remain funds
2 on hand from the proceeds of the bond sale and interest
3 earnings therefrom, the board shall, by resolution, use such
4 excess funds in accordance with the provisions of Section
5 10-22.14 of this Act.

6 (s) Whenever any tax is levied or bonds issued for fire
7 prevention, safety, energy conservation, and school security
8 purposes, such proceeds shall be deposited and accounted for
9 separately within the Fire Prevention and Safety Fund.

10 (Source: P.A. 98-26, eff. 6-21-13; 98-1066, eff. 8-26-14;
11 99-143, eff. 7-27-15.)

12 (105 ILCS 5/17-2A) (from Ch. 122, par. 17-2A)

13 Sec. 17-2A. Interfund Transfers.

14 (a) The school board of any district having a population of
15 less than 500,000 inhabitants may, by proper resolution
16 following a public hearing set by the school board or the
17 president of the school board (that is preceded (i) by at least
18 one published notice over the name of the clerk or secretary of
19 the board, occurring at least 7 days and not more than 30 days
20 prior to the hearing, in a newspaper of general circulation
21 within the school district and (ii) by posted notice over the
22 name of the clerk or secretary of the board, at least 48 hours
23 before the hearing, at the principal office of the school board
24 or at the building where the hearing is to be held if a
25 principal office does not exist, with both notices setting

1 forth the time, date, place, and subject matter of the
2 hearing), transfer money from (1) the Educational Fund to the
3 Operations and Maintenance Fund or the Transportation Fund, (2)
4 the Operations and Maintenance Fund to the Educational Fund or
5 the Transportation Fund, or (3) the Transportation Fund to the
6 Educational Fund or the Operations and Maintenance Fund of said
7 district, provided that, except during the period from July 1,
8 2003 through June 30, 2019 ~~2016~~, such transfer is made solely
9 for the purpose of meeting one-time, non-recurring expenses.
10 Except during the period from July 1, 2003 through June 30,
11 2019 ~~2016~~ and except as otherwise provided in subsection (b) of
12 this Section, any other permanent interfund transfers
13 authorized by any provision or judicial interpretation of this
14 Code for which the transferee fund is not precisely and
15 specifically set forth in the provision of this Code
16 authorizing such transfer shall be made to the fund of the
17 school district most in need of the funds being transferred, as
18 determined by resolution of the school board.

19 (b) Notwithstanding subsection (a) of this Section or any
20 other provision of this Code to the contrary, the school board
21 of any school district (i) that is subject to the Property Tax
22 Extension Limitation Law, (ii) that has a population of less
23 than 500,000 inhabitants, (iii) that is levying at its maximum
24 tax rate, (iv) whose total equalized assessed valuation has
25 declined 20% in the prior 2 years, (v) in which 80% or more of
26 its students receive free or reduced-price lunch, and (vi) that

1 had an equalized assessed valuation of less than \$207 million
2 but more than \$203 million in the 2011 levy year may annually,
3 until July 1, 2016, transfer money from any fund of the
4 district, other than the Illinois Municipal Retirement Fund and
5 the Bonds and Interest Fund, to the educational fund, the
6 operations and maintenance fund, or the transportation fund of
7 the district by proper resolution following a public hearing
8 set by the school board or the president of the school board,
9 with notice as provided in subsection (a) of this Section, so
10 long as the district meets the qualifications set forth in this
11 subsection (b) on the effective date of this amendatory Act of
12 the 98th General Assembly even if the district does not meet
13 those qualifications at the time a given transfer is made.

14 (Source: P.A. 98-26, eff. 6-21-13; 98-131, eff. 1-1-14.)

15 (105 ILCS 5/17-3.6 new)

16 Sec. 17-3.6. Educational purposes tax rate for school
17 districts subject to Property Tax Extension Limitation Law.
18 Notwithstanding the provisions, requirements, or limitations
19 of this Code or any other law, any tax levied for educational
20 purposes by a school district subject to the Property Tax
21 Extension Limitation Law for the 2015 levy year or any
22 subsequent levy year may be extended at a rate exceeding the
23 rate established for educational purposes by referendum or this
24 Code, provided that the rate does not cause the school district
25 to exceed the limiting rate applicable to the school district

1 under the Property Tax Extension Limitation Law for that levy
2 year.

3 (105 ILCS 5/18-4.3) (from Ch. 122, par. 18-4.3)

4 Sec. 18-4.3. Summer school grants. Through fiscal year
5 2016, grants ~~Grants~~ shall be determined for pupil attendance in
6 summer schools conducted under Sections 10-22.33A and 34-18 and
7 approved under Section 2-3.25 in the following manner.

8 The amount of grant for each accredited summer school
9 attendance pupil shall be obtained by dividing the total amount
10 of apportionments determined under Section 18-8.05 by the
11 actual number of pupils in average daily attendance used for
12 such apportionments. The number of credited summer school
13 attendance pupils shall be determined (a) by counting clock
14 hours of class instruction by pupils enrolled in grades 1
15 through 12 in approved courses conducted at least 60 clock
16 hours in summer sessions; (b) by dividing such total of clock
17 hours of class instruction by 4 to produce days of credited
18 pupil attendance; (c) by dividing such days of credited pupil
19 attendance by the actual number of days in the regular term as
20 used in computation in the general apportionment in Section
21 18-8.05; and (d) by multiplying by 1.25.

22 The amount of the grant for a summer school program
23 approved by the State Superintendent of Education for children
24 with disabilities, as defined in Sections 14-1.02 through
25 14-1.07, shall be determined in the manner contained above

1 except that average daily membership shall be utilized in lieu
2 of average daily attendance.

3 In the case of an apportionment based on summer school
4 attendance or membership pupils, the claim therefor shall be
5 presented as a separate claim for the particular school year in
6 which such summer school session ends. On or before November 1
7 of each year the superintendent of each eligible school
8 district shall certify to the State Superintendent of Education
9 the claim of the district for the summer session just ended.
10 Failure on the part of the school board to so certify shall
11 constitute a forfeiture of its right to such payment. The State
12 Superintendent of Education shall transmit to the Comptroller
13 no later than December 15th of each year vouchers for payment
14 of amounts due school districts for summer school. The State
15 Superintendent of Education shall direct the Comptroller to
16 draw his warrants for payments thereof by the 30th day of
17 December. If the money appropriated by the General Assembly for
18 such purpose for any year is insufficient, it shall be
19 apportioned on the basis of claims approved.

20 However, notwithstanding the foregoing provisions, for
21 each fiscal year the money appropriated by the General Assembly
22 for the purposes of this Section shall only be used for grants
23 for approved summer school programs for those children with
24 disabilities served pursuant to Section 14-7.02 or 14-7.02b of
25 this Code.

26 No funding shall be provided to school districts under this

1 Section after fiscal year 2016.

2 (Source: P.A. 93-1022, eff. 8-24-04.)

3 (105 ILCS 5/18-8.05)

4 Sec. 18-8.05. Basis for apportionment of general State
5 financial aid and supplemental general State aid to the common
6 schools for the 1998-1999 through the 2015-2016 ~~and subsequent~~
7 school years.

8 (A) General Provisions.

9 (1) The provisions of this Section relating to the
10 calculation and apportionment of general State financial aid
11 and supplemental general State aid apply to the 1998-1999
12 through the 2015-2016 ~~and subsequent~~ school years. The system
13 of general State financial aid provided for in this Section is
14 designed to assure that, through a combination of State
15 financial aid and required local resources, the financial
16 support provided each pupil in Average Daily Attendance equals
17 or exceeds a prescribed per pupil Foundation Level. This
18 formula approach imputes a level of per pupil Available Local
19 Resources and provides for the basis to calculate a per pupil
20 level of general State financial aid that, when added to
21 Available Local Resources, equals or exceeds the Foundation
22 Level. The amount of per pupil general State financial aid for
23 school districts, in general, varies in inverse relation to
24 Available Local Resources. Per pupil amounts are based upon

1 each school district's Average Daily Attendance as that term is
2 defined in this Section.

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

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

15 (a) Any school district which fails for any given
16 school year to maintain school as required by law, or to
17 maintain a recognized school is not eligible to file for
18 such school year any claim upon the Common School Fund. In
19 case of nonrecognition of one or more attendance centers in
20 a school district otherwise operating recognized schools,
21 the claim of the district shall be reduced in the
22 proportion which the Average Daily Attendance in the
23 attendance center or centers bear to the Average Daily
24 Attendance in the school district. A "recognized school"
25 means any public school which meets the standards as
26 established for recognition by the State Board of

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

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

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

13 (d) (Blank).

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

18 School districts are not required to exert a minimum
19 Operating Tax Rate in order to qualify for assistance under
20 this Section.

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

23 (a) "Average Daily Attendance": A count of pupil
24 attendance in school, averaged as provided for in
25 subsection (C) and utilized in deriving per pupil financial
26 support levels.

1 (b) "Available Local Resources": A computation of
2 local financial support, calculated on the basis of Average
3 Daily Attendance and derived as provided pursuant to
4 subsection (D).

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

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

14 (e) "Operating Tax Rate": All school district property
15 taxes extended for all purposes, except Bond and Interest,
16 Summer School, Rent, Capital Improvement, and Vocational
17 Education Building purposes.

18 (B) Foundation Level.

19 (1) The Foundation Level is a figure established by the
20 State representing the minimum level of per pupil financial
21 support that should be available to provide for the basic
22 education of each pupil in Average Daily Attendance. As set
23 forth in this Section, each school district is assumed to exert
24 a sufficient local taxing effort such that, in combination with
25 the aggregate of general State financial aid provided the

1 district, an aggregate of State and local resources are
2 available to meet the basic education needs of pupils in the
3 district.

4 (2) For the 1998-1999 school year, the Foundation Level of
5 support is \$4,225. For the 1999-2000 school year, the
6 Foundation Level of support is \$4,325. For the 2000-2001 school
7 year, the Foundation Level of support is \$4,425. For the
8 2001-2002 school year and 2002-2003 school year, the Foundation
9 Level of support is \$4,560. For the 2003-2004 school year, the
10 Foundation Level of support is \$4,810. For the 2004-2005 school
11 year, the Foundation Level of support is \$4,964. For the
12 2005-2006 school year, the Foundation Level of support is
13 \$5,164. For the 2006-2007 school year, the Foundation Level of
14 support is \$5,334. For the 2007-2008 school year, the
15 Foundation Level of support is \$5,734. For the 2008-2009 school
16 year, the Foundation Level of support is \$5,959.

17 (3) For the 2009-2010 school year and each school year
18 thereafter, the Foundation Level of support is \$6,119 or such
19 greater amount as may be established by law by the General
20 Assembly.

21 (C) Average Daily Attendance.

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

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

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

17 (D) Available Local Resources.

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

1 of Available Local Resources shall exclude any tax amnesty
2 funds received as a result of Public Act 93-26.

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

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

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

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

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

18 (E) Computation of General State Aid.

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

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

1 Available Local Resources, multiplied by the Average Daily
2 Attendance of the school district.

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

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

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

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

8 (F) Compilation of Average Daily Attendance.

9 (1) Each school district shall, by July 1 of each year,
10 submit to the State Board of Education, on forms prescribed by
11 the State Board of Education, attendance figures for the school
12 year that began in the preceding calendar year. The attendance
13 information so transmitted shall identify the average daily
14 attendance figures for each month of the school year. Beginning
15 with the general State aid claim form for the 2002-2003 school
16 year, districts shall calculate Average Daily Attendance as
17 provided in subdivisions (a), (b), and (c) of this paragraph
18 (1).

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

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

1 in June shall be added to the month of May.

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

14 Except as otherwise provided in this Section, days of
15 attendance by pupils shall be counted only for sessions of not
16 less than 5 clock hours of school work per day under direct
17 supervision of: (i) teachers, or (ii) non-teaching personnel or
18 volunteer personnel when engaging in non-teaching duties and
19 supervising in those instances specified in subsection (a) of
20 Section 10-22.34 and paragraph 10 of Section 34-18, with pupils
21 of legal school age and in kindergarten and grades 1 through
22 12. Days of attendance by pupils through verified participation
23 in an e-learning program approved by the State Board of
24 Education under Section 10-20.56 of the Code shall be
25 considered as full days of attendance for purposes of this
26 Section.

1 Days of attendance by tuition pupils shall be accredited
2 only to the districts that pay the tuition to a recognized
3 school.

4 (2) Days of attendance by pupils of less than 5 clock hours
5 of school shall be subject to the following provisions in the
6 compilation of Average Daily Attendance.

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

16 (b) (Blank).

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

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

1 district conducts an in-service training program for
2 teachers in accordance with Section 10-22.39 of this Code;
3 or, in lieu of 4 such days, 2 full days may be used, in
4 which event each such day may be counted as a day required
5 for a legal school calendar pursuant to Section 10-19 of
6 this Code; (1.5) when, of the 5 days allowed under item
7 (1), a maximum of 4 days are used for parent-teacher
8 conferences, or, in lieu of 4 such days, 2 full days are
9 used, in which case each such day may be counted as a
10 calendar day required under Section 10-19 of this Code,
11 provided that the full-day, parent-teacher conference
12 consists of (i) a minimum of 5 clock hours of
13 parent-teacher conferences, (ii) both a minimum of 2 clock
14 hours of parent-teacher conferences held in the evening
15 following a full day of student attendance, as specified in
16 subsection (F)(1)(c), and a minimum of 3 clock hours of
17 parent-teacher conferences held on the day immediately
18 following evening parent-teacher conferences, or (iii)
19 multiple parent-teacher conferences held in the evenings
20 following full days of student attendance, as specified in
21 subsection (F)(1)(c), in which the time used for the
22 parent-teacher conferences is equivalent to a minimum of 5
23 clock hours; and (2) when days in addition to those
24 provided in items (1) and (1.5) are scheduled by a school
25 pursuant to its school improvement plan adopted under
26 Article 34 or its revised or amended school improvement

1 plan adopted under Article 2, provided that (i) such
2 sessions of 3 or more clock hours are scheduled to occur at
3 regular intervals, (ii) the remainder of the school days in
4 which such sessions occur are utilized for in-service
5 training programs or other staff development activities
6 for teachers, and (iii) a sufficient number of minutes of
7 school work under the direct supervision of teachers are
8 added to the school days between such regularly scheduled
9 sessions to accumulate not less than the number of minutes
10 by which such sessions of 3 or more clock hours fall short
11 of 5 clock hours. Any full days used for the purposes of
12 this paragraph shall not be considered for computing
13 average daily attendance. Days scheduled for in-service
14 training programs, staff development activities, or
15 parent-teacher conferences may be scheduled separately for
16 different grade levels and different attendance centers of
17 the district.

18 (e) A session of not less than one clock hour of
19 teaching hospitalized or homebound pupils on-site or by
20 telephone to the classroom may be counted as 1/2 day of
21 attendance, however these pupils must receive 4 or more
22 clock hours of instruction to be counted for a full day of
23 attendance.

24 (f) A session of at least 4 clock hours may be counted
25 as a day of attendance for first grade pupils, and pupils
26 in full day kindergartens, and a session of 2 or more hours

1 may be counted as 1/2 day of attendance by pupils in
2 kindergartens which provide only 1/2 day of attendance.

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

10 (h) A recognized kindergarten which provides for only
11 1/2 day of attendance by each pupil shall not have more
12 than 1/2 day of attendance counted in any one day. However,
13 kindergartens may count 2 1/2 days of attendance in any 5
14 consecutive school days. When a pupil attends such a
15 kindergarten for 2 half days on any one school day, the
16 pupil shall have the following day as a day absent from
17 school, unless the school district obtains permission in
18 writing from the State Superintendent of Education.
19 Attendance at kindergartens which provide for a full day of
20 attendance by each pupil shall be counted the same as
21 attendance by first grade pupils. Only the first year of
22 attendance in one kindergarten shall be counted, except in
23 case of children who entered the kindergarten in their
24 fifth year whose educational development requires a second
25 year of kindergarten as determined under the rules and
26 regulations of the State Board of Education.

1 (i) On the days when the assessment that includes a
2 college and career ready determination is administered
3 under subsection (c) of Section 2-3.64a-5 of this Code, the
4 day of attendance for a pupil whose school day must be
5 shortened to accommodate required testing procedures may
6 be less than 5 clock hours and shall be counted towards the
7 176 days of actual pupil attendance required under Section
8 10-19 of this Code, provided that a sufficient number of
9 minutes of school work in excess of 5 clock hours are first
10 completed on other school days to compensate for the loss
11 of school work on the examination days.

12 (j) Pupils enrolled in a remote educational program
13 established under Section 10-29 of this Code may be counted
14 on the basis of one-fifth day of attendance for every clock
15 hour of instruction attended in the remote educational
16 program, provided that, in any month, the school district
17 may not claim for a student enrolled in a remote
18 educational program more days of attendance than the
19 maximum number of days of attendance the district can claim

20 (i) for students enrolled in a building holding year-round
21 classes if the student is classified as participating in
22 the remote educational program on a year-round schedule or

23 (ii) for students enrolled in a building not holding
24 year-round classes if the student is not classified as
25 participating in the remote educational program on a
26 year-round schedule.

1 (G) Equalized Assessed Valuation Data.

2 (1) For purposes of the calculation of Available Local
3 Resources required pursuant to subsection (D), the State Board
4 of Education shall secure from the Department of Revenue the
5 value as equalized or assessed by the Department of Revenue of
6 all taxable property of every school district, together with
7 (i) the applicable tax rate used in extending taxes for the
8 funds of the district as of September 30 of the previous year
9 and (ii) the limiting rate for all school districts subject to
10 property tax extension limitations as imposed under the
11 Property Tax Extension Limitation Law.

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

1 Code for owners with a household income of \$30,000 or less. The
2 county clerk of any county that is or was subject to the
3 provisions of Section 15-176 or 15-177 of the Property Tax Code
4 shall annually calculate and certify to the Department of
5 Revenue for each school district all homestead exemption
6 amounts under Section 15-176 or 15-177 of the Property Tax Code
7 and all amounts of additional exemptions under Section 15-175
8 of the Property Tax Code for owners with a household income of
9 \$30,000 or less. It is the intent of this paragraph that if the
10 general homestead exemption for a parcel of property is
11 determined under Section 15-176 or 15-177 of the Property Tax
12 Code rather than Section 15-175, then the calculation of
13 Available Local Resources shall not be affected by the
14 difference, if any, between the amount of the general homestead
15 exemption allowed for that parcel of property under Section
16 15-176 or 15-177 of the Property Tax Code and the amount that
17 would have been allowed had the general homestead exemption for
18 that parcel of property been determined under Section 15-175 of
19 the Property Tax Code. It is further the intent of this
20 paragraph that if additional exemptions are allowed under
21 Section 15-175 of the Property Tax Code for owners with a
22 household income of less than \$30,000, then the calculation of
23 Available Local Resources shall not be affected by the
24 difference, if any, because of those additional exemptions.

25 This equalized assessed valuation, as adjusted further by
26 the requirements of this subsection, shall be utilized in the

1 calculation of Available Local Resources.

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

4 (a) For the purposes of calculating State aid under
5 this Section, with respect to any part of a school district
6 within a redevelopment project area in respect to which a
7 municipality has adopted tax increment allocation
8 financing pursuant to the Tax Increment Allocation
9 Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11
10 of the Illinois Municipal Code or the Industrial Jobs
11 Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the
12 Illinois Municipal Code, no part of the current equalized
13 assessed valuation of real property located in any such
14 project area which is attributable to an increase above the
15 total initial equalized assessed valuation of such
16 property shall be used as part of the equalized assessed
17 valuation of the district, until such time as all
18 redevelopment project costs have been paid, as provided in
19 Section 11-74.4-8 of the Tax Increment Allocation
20 Redevelopment Act or in Section 11-74.6-35 of the
21 Industrial Jobs Recovery Law. For the purpose of the
22 equalized assessed valuation of the district, the total
23 initial equalized assessed valuation or the current
24 equalized assessed valuation, whichever is lower, shall be
25 used until such time as all redevelopment project costs
26 have been paid.

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

15 (3) For the 1999-2000 school year and each school year
16 thereafter, if a school district meets all of the criteria of
17 this subsection (G) (3), the school district's Available Local
18 Resources shall be calculated under subsection (D) using the
19 district's Extension Limitation Equalized Assessed Valuation
20 as calculated under this subsection (G) (3).

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

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

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

1 "Preceding Tax Year": The property tax levy year
2 immediately preceding the Base Tax Year.

3 "Base Tax Year's Tax Extension": The product of the
4 equalized assessed valuation utilized by the County Clerk
5 in the Base Tax Year multiplied by the limiting rate as
6 calculated by the County Clerk and defined in the Property
7 Tax Extension Limitation Law.

8 "Preceding Tax Year's Tax Extension": The product of
9 the equalized assessed valuation utilized by the County
10 Clerk in the Preceding Tax Year multiplied by the Operating
11 Tax Rate as defined in subsection (A).

12 "Extension Limitation Ratio": A numerical ratio,
13 certified by the County Clerk, in which the numerator is
14 the Base Tax Year's Tax Extension and the denominator is
15 the Preceding Tax Year's Tax Extension.

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

18 If a school district is subject to property tax extension
19 limitations as imposed under the Property Tax Extension
20 Limitation Law, the State Board of Education shall calculate
21 the Extension Limitation Equalized Assessed Valuation of that
22 district. For the 1999-2000 school year, the Extension
23 Limitation Equalized Assessed Valuation of a school district as
24 calculated by the State Board of Education shall be equal to
25 the product of the district's 1996 Equalized Assessed Valuation
26 and the district's Extension Limitation Ratio. Except as

1 otherwise provided in this paragraph for a school district that
2 has approved or does approve an increase in its limiting rate,
3 for the 2000-2001 school year and each school year thereafter,
4 the Extension Limitation Equalized Assessed Valuation of a
5 school district as calculated by the State Board of Education
6 shall be equal to the product of the Equalized Assessed
7 Valuation last used in the calculation of general State aid and
8 the district's Extension Limitation Ratio. If the Extension
9 Limitation Equalized Assessed Valuation of a school district as
10 calculated under this subsection (G)(3) is less than the
11 district's equalized assessed valuation as calculated pursuant
12 to subsections (G)(1) and (G)(2), then for purposes of
13 calculating the district's general State aid for the Budget
14 Year pursuant to subsection (E), that Extension Limitation
15 Equalized Assessed Valuation shall be utilized to calculate the
16 district's Available Local Resources under subsection (D). For
17 the 2009-2010 school year and each school year thereafter, if a
18 school district has approved or does approve an increase in its
19 limiting rate, pursuant to Section 18-190 of the Property Tax
20 Code, affecting the Base Tax Year, the Extension Limitation
21 Equalized Assessed Valuation of the school district, as
22 calculated by the State Board of Education, shall be equal to
23 the product of the Equalized Assessed Valuation last used in
24 the calculation of general State aid times an amount equal to
25 one plus the percentage increase, if any, in the Consumer Price
26 Index for all Urban Consumers for all items published by the

1 United States Department of Labor for the 12-month calendar
2 year preceding the Base Tax Year, plus the Equalized Assessed
3 Valuation of new property, annexed property, and recovered tax
4 increment value and minus the Equalized Assessed Valuation of
5 disconnected property. New property and recovered tax
6 increment value shall have the meanings set forth in the
7 Property Tax Extension Limitation Law.

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

12 (3.5) For the 2010-2011 school year and each school year
13 thereafter, if a school district's boundaries span multiple
14 counties, then the Department of Revenue shall send to the
15 State Board of Education, for the purpose of calculating
16 general State aid, the limiting rate and individual rates by
17 purpose for the county that contains the majority of the school
18 district's Equalized Assessed Valuation.

19 (4) For the purposes of calculating general State aid for
20 the 1999-2000 school year only, if a school district
21 experienced a triennial reassessment on the equalized assessed
22 valuation used in calculating its general State financial aid
23 apportionment for the 1998-1999 school year, the State Board of
24 Education shall calculate the Extension Limitation Equalized
25 Assessed Valuation that would have been used to calculate the
26 district's 1998-1999 general State aid. This amount shall equal

1 the product of the equalized assessed valuation used to
2 calculate general State aid for the 1997-1998 school year and
3 the district's Extension Limitation Ratio. If the Extension
4 Limitation Equalized Assessed Valuation of the school district
5 as calculated under this paragraph (4) is less than the
6 district's equalized assessed valuation utilized in
7 calculating the district's 1998-1999 general State aid
8 allocation, then for purposes of calculating the district's
9 general State aid pursuant to paragraph (5) of subsection (E),
10 that Extension Limitation Equalized Assessed Valuation shall
11 be utilized to calculate the district's Available Local
12 Resources.

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

25 (H) Supplemental General State Aid.

1 (1) In addition to the general State aid a school district
2 is allotted pursuant to subsection (E), qualifying school
3 districts shall receive a grant, paid in conjunction with a
4 district's payments of general State aid, for supplemental
5 general State aid based upon the concentration level of
6 children from low-income households within the school
7 district. Supplemental State aid grants provided for school
8 districts under this subsection shall be appropriated for
9 distribution to school districts as part of the same line item
10 in which the general State financial aid of school districts is
11 appropriated under this Section.

12 (1.5) This paragraph (1.5) applies only to those school
13 years preceding the 2003-2004 school year. For purposes of this
14 subsection (H), the term "Low-Income Concentration Level"
15 shall be the low-income eligible pupil count from the most
16 recently available federal census divided by the Average Daily
17 Attendance of the school district. If, however, (i) the
18 percentage decrease from the 2 most recent federal censuses in
19 the low-income eligible pupil count of a high school district
20 with fewer than 400 students exceeds by 75% or more the
21 percentage change in the total low-income eligible pupil count
22 of contiguous elementary school districts, whose boundaries
23 are coterminous with the high school district, or (ii) a high
24 school district within 2 counties and serving 5 elementary
25 school districts, whose boundaries are coterminous with the
26 high school district, has a percentage decrease from the 2 most

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

20 (1.10) This paragraph (1.10) applies to the 2003-2004
21 school year and each school year thereafter through the
22 2015-2016 school year. For purposes of this subsection (H), the
23 term "Low-Income Concentration Level" shall, for each fiscal
24 year, be the low-income eligible pupil count as of July 1 of
25 the immediately preceding fiscal year (as determined by the
26 Department of Human Services based on the number of pupils who

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

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

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

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

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

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

1 income eligible pupil count.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 the 2002-2003 school year.

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

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

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

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

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

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

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

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

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

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

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

1 plan or modified plan is submitted.

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

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

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

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

9 (I) (Blank).

10 (J) (Blank).

11 (K) Grants to Laboratory and Alternative Schools.

12 In calculating the amount to be paid to the governing board
13 of a public university that operates a laboratory school under
14 this Section or to any alternative school that is operated by a
15 regional superintendent of schools, the State Board of
16 Education shall require by rule such reporting requirements as
17 it deems necessary.

18 As used in this Section, "laboratory school" means a public
19 school which is created and operated by a public university and
20 approved by the State Board of Education. The governing board
21 of a public university which receives funds from the State
22 Board under this subsection (K) or subsection (i) of Section
23 18-8.15 of this Code may not increase the number of students

1 enrolled in its laboratory school from a single district, if
2 that district is already sending 50 or more students, except
3 under a mutual agreement between the school board of a
4 student's district of residence and the university which
5 operates the laboratory school. A laboratory school may not
6 have more than 1,000 students, excluding students with
7 disabilities in a special education program.

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

24 Each laboratory and alternative school shall file, on forms
25 provided by the State Superintendent of Education, an annual
26 State aid claim which states the Average Daily Attendance of

1 the school's students by month. The best 3 months' Average
2 Daily Attendance shall be computed for each school. The general
3 State aid entitlement shall be computed by multiplying the
4 applicable Average Daily Attendance by the Foundation Level as
5 determined under this Section.

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

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

20 (2) (Blank).

21 (3) Summer school. Summer school payments shall be made as
22 provided in Section 18-4.3.

23 (M) Education Funding Advisory Board.

24 The Education Funding Advisory Board, hereinafter in this

1 subsection (M) referred to as the "Board", is hereby created.
2 The Board shall consist of 5 members who are appointed by the
3 Governor, by and with the advice and consent of the Senate. The
4 members appointed shall include representatives of education,
5 business, and the general public. One of the members so
6 appointed shall be designated by the Governor at the time the
7 appointment is made as the chairperson of the Board. The
8 initial members of the Board may be appointed any time after
9 the effective date of this amendatory Act of 1997. The regular
10 term of each member of the Board shall be for 4 years from the
11 third Monday of January of the year in which the term of the
12 member's appointment is to commence, except that of the 5
13 initial members appointed to serve on the Board, the member who
14 is appointed as the chairperson shall serve for a term that
15 commences on the date of his or her appointment and expires on
16 the third Monday of January, 2002, and the remaining 4 members,
17 by lots drawn at the first meeting of the Board that is held
18 after all 5 members are appointed, shall determine 2 of their
19 number to serve for terms that commence on the date of their
20 respective appointments and expire on the third Monday of
21 January, 2001, and 2 of their number to serve for terms that
22 commence on the date of their respective appointments and
23 expire on the third Monday of January, 2000. All members
24 appointed to serve on the Board shall serve until their
25 respective successors are appointed and confirmed. Vacancies
26 shall be filled in the same manner as original appointments. If

1 a vacancy in membership occurs at a time when the Senate is not
2 in session, the Governor shall make a temporary appointment
3 until the next meeting of the Senate, when he or she shall
4 appoint, by and with the advice and consent of the Senate, a
5 person to fill that membership for the unexpired term. If the
6 Senate is not in session when the initial appointments are
7 made, those appointments shall be made as in the case of
8 vacancies.

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

17 The State Board of Education shall provide such staff
18 assistance to the Education Funding Advisory Board as is
19 reasonably required for the proper performance by the Board of
20 its responsibilities.

21 For school years after the 2000-2001 school year through
22 the 2015-2016 school year, the Education Funding Advisory
23 Board, in consultation with the State Board of Education, shall
24 make recommendations as provided in this subsection (M) to the
25 General Assembly for the foundation level under subdivision
26 (B) (3) of this Section and for the supplemental general State

1 aid grant level under subsection (H) of this Section for
2 districts with high concentrations of children from poverty.
3 The recommended foundation level shall be determined based on a
4 methodology which incorporates the basic education
5 expenditures of low-spending schools exhibiting high academic
6 performance. The Education Funding Advisory Board shall make
7 such recommendations to the General Assembly on January 1 of
8 odd numbered years, beginning January 1, 2001. After the
9 2015-2016 school year, the Education Funding Advisory Board
10 shall make recommendations pursuant to subsection (k) of
11 Section 18-8.15 of this Code.

12 (N) (Blank).

13 (O) References.

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

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

22 (P) Public Act 93-838 and Public Act 93-808 make inconsistent
23 changes to this Section. Under Section 6 of the Statute on

1 Statutes there is an irreconcilable conflict between Public Act
2 93-808 and Public Act 93-838. Public Act 93-838, being the last
3 acted upon, is controlling. The text of Public Act 93-838 is
4 the law regardless of the text of Public Act 93-808.

5 (Q) State Fiscal Year 2015 Payments.

6 For payments made for State fiscal year 2015, the State
7 Board of Education shall, for each school district, calculate
8 that district's pro-rata share of a minimum sum of \$13,600,000
9 or additional amounts as needed from the total net General
10 State Aid funding as calculated under this Section that shall
11 be deemed attributable to the provision of special educational
12 facilities and services, as defined in Section 14-1.08 of this
13 Code, in a manner that ensures compliance with maintenance of
14 State financial support requirements under the federal
15 Individuals with Disabilities Education Act. Each school
16 district must use such funds only for the provision of special
17 educational facilities and services, as defined in Section
18 14-1.08 of this Code, and must comply with any expenditure
19 verification procedures adopted by the State Board of
20 Education.

21 (Source: P.A. 98-972, eff. 8-15-14; 99-2, eff. 3-26-15; 99-194,
22 eff. 7-30-15.)

23 (105 ILCS 5/18-8.10)

24 Sec. 18-8.10. Fast growth grants.

1 (a) If there has been an increase in a school district's
2 student population over the most recent 2 school years of (i)
3 over 1.5% in a district with over 10,000 pupils in average
4 daily attendance (as defined in Section 18-8.05 or 18-8.15 of
5 this Code) or (ii) over 7.5% in any other district, then the
6 district is eligible for a grant under this Section, subject to
7 appropriation.

8 (b) The State Board of Education shall determine a per
9 pupil grant amount for each school district. The total grant
10 amount for a district for any given school year shall equal the
11 per pupil grant amount multiplied by the difference between the
12 number of pupils in average daily attendance for the 2 most
13 recent school years.

14 (c) Funds for grants under this Section must be
15 appropriated to the State Board of Education in a separate line
16 item for this purpose. If the amount appropriated in any fiscal
17 year is insufficient to pay all grants for a school year, then
18 the amount appropriated shall be prorated among eligible
19 districts. As soon as possible after funds have been
20 appropriated to the State Board of Education, the State Board
21 of Education shall distribute the grants to eligible districts.

22 (d) If a school district intentionally reports incorrect
23 average daily attendance numbers to receive a grant under this
24 Section, then the district shall be denied State aid in the
25 same manner as State aid is denied for intentional incorrect
26 reporting of average daily attendance numbers under Section

1 18-8.05 or 18-8.15 of this Code.

2 (Source: P.A. 93-1042, eff. 10-8-04.)

3 (105 ILCS 5/18-8.15 new)

4 Sec. 18-8.15. Basis for apportionment of primary State
5 financial aid to the common schools for the 2016-2017 school
6 year.

7 (a) General provisions.

8 (1) The provisions of this Section apply to the 2016-2017
9 school year. The system of primary State financial aid provided
10 for in this Section is designed to ensure that, through a
11 combination of State financial aid and required local
12 resources, the financial support provided each pupil in
13 attendance equals or exceeds a prescribed per pupil Foundation
14 Level, with adjustments to the Foundation Level based on each
15 school district's pupil characteristics. This formula approach
16 imputes a level of per pupil Available Local Resources and
17 provides for the basis to calculate a per pupil level of
18 primary State financial aid that, when added to Available Local
19 Resources, equals or exceeds the school district's adjusted
20 Foundation Level. The amount of per pupil primary State
21 financial aid for school districts, in general, varies in
22 inverse relation to Available Local Resources.

23 (2) To address decreases in State funding resulting from
24 this amendatory Act of the 99th General Assembly, the amount of
25 primary State aid provided to a school district shall be

1 subject to increase through supplemental grants as provided in
2 subsection (h) of this Section. Any supplemental grants
3 provided for school districts under subsection (h) of this
4 Section shall be appropriated for distribution to school
5 districts as part of the same line item in which the primary
6 State financial aid of school districts is appropriated under
7 this Section.

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

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

26 (B) School district claims filed under this Section are

1 subject to Sections 18-9 and 18-12 of this Code, except as
2 otherwise provided in this Section.

3 (C) If a school district operates a full-year school
4 under Section 10-19.1 of this Code, the primary State aid
5 to the school district shall be determined by the State
6 Board of Education in accordance with this Section as near
7 as may be applicable.

8 (4) Subject to the requirements of subsection (j) of this
9 Section, the school board of any district receiving any of the
10 grants provided for in this Section may apply those funds to
11 any fund so received for which that school board is authorized
12 to make expenditures by law.

13 (5) As used in this Section, the following terms, when
14 capitalized, shall have the meanings ascribed in this paragraph
15 (5):

16 "Additional Weight" means a number added to 1.0 to
17 calculate the District Weighted Average in accordance with
18 subsection (b) of this Section. Each Additional Weight is
19 calculated using the Weighting Factors and Weighting
20 Percentages in paragraph (5) of subsection (b) of this Section.

21 "Adequacy Grant Loss" means the product of (i) the absolute
22 value of the lesser loss of a school district's Base Year Loss
23 or Current Year Loss and (ii) the school district's Prior Year
24 ADA.

25 "Adequacy Target" means, for a particular school district,
26 the product of \$8,672 and the school district's District

1 Weighted Average.

2 "Adequacy Target Percent" means, for a particular school
3 district, the percentage figure resulting from dividing the
4 school district's operating expense per pupil by its Adequacy
5 Target.

6 "Adjusted Flat Grant Level" means, for each school district
7 not subject to property tax extension limitations as imposed
8 under the Property Tax Extension Limitation Law, the Flat Grant
9 Level multiplied by the percentage, if any, of which the school
10 district's combined tax rate for educational and operations and
11 maintenance purposes is of the maximum combined tax rates for
12 educational and operations and maintenance purposes specified
13 for that type of school district under Section 17-2 of this
14 Code. For a school district subject to property tax extension
15 limitations as imposed under the Property Tax Extension
16 Limitation Law or a school district whose combined tax rate for
17 educational and operations and maintenance purposes is at least
18 the maximum combined tax rates for educational and operations
19 and maintenance purposes specified for that type of school
20 district under Section 17-2 of this Code, the Adjusted Flat
21 Grant Level is equal to the Flat Grant Level.

22 "Alternative School" means a public school that is created
23 and operated by a regional superintendent of schools and
24 approved by the State Board of Education.

25 "Available Local Resources Per Pupil" means a computation
26 of local financial support, calculated on the basis of Average

1 Daily Attendance and derived as provided pursuant to subsection
2 (d) of this Section.

3 "Average Daily Attendance" or "ADA" means the count of
4 pupils in attendance derived as provided pursuant to subsection
5 (c) of this Section.

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

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

13 "Base Year Loss" means the amount, if any, by which a
14 school district's per-pupil primary State aid allotment in the
15 2016-2017 school year is less than its Per-pupil Hold Harmless
16 State Funding, after accounting for any supplemental grants to
17 the school district pursuant to paragraphs (2) and (3) of
18 subsection (h) of this Section.

19 "Budget Year" means the school year for which primary State
20 aid is calculated and awarded under subsection (e) of this
21 Section.

22 "Corporate Personal Property Replacement Taxes" means
23 funds paid to school districts pursuant to "An Act in relation
24 to the abolition of ad valorem personal property tax and the
25 replacement of revenues lost thereby, and amending and
26 repealing certain Acts and parts of Acts in connection

1 therewith", certified August 14, 1979, as amended (Public Act
2 81-1st S.S.-1).

3 "Current Year Loss" means the amount, if any, by which a
4 school district's per-pupil primary State aid allotment in any
5 school year after the 2016-2017 school year is less than its
6 Per-pupil Hold Harmless State Funding, after accounting for any
7 supplemental grants to the school district pursuant to
8 paragraphs (2) and (3) of subsection (h) of this Section.

9 "DHS Low-income Eligible Count" means the low-income
10 eligible pupil count as determined by the Department of Human
11 Services (based on the number of pupils who are eligible for at
12 least one of the following low-income programs: Medicaid, the
13 Children's Health Insurance Program, TANF, or the Supplemental
14 Nutrition Assistance Program, excluding pupils who are
15 eligible for services provided by the Department of Children
16 and Family Services) averaged over the 3 immediately preceding
17 fiscal years, based on the count as of July 1 of each fiscal
18 year.

19 "District Weighted Average" means a figure used to derive a
20 school district's Per-pupil Aid level, calculated pursuant to
21 subsection (b) of this Section.

22 "English Learner Pupil" means an English learner, as
23 defined in Section 14C-2 of this Code, participating in a
24 program of transitional bilingual education or a transitional
25 program of instruction meeting the requirements of Article 14C
26 of this Code.

1 "Extension Limitation Equalized Assessed Valuation" means
2 a figure calculated by the State Board of Education pursuant to
3 paragraph (2) of subsection (h) of this Section for school
4 districts subject to property tax extension limitations as
5 imposed under the Property Tax Extension Limitation Law.

6 "Extension Limitation Ratio" means a numerical ratio in
7 which the numerator is the Base Tax Year's Tax Extension and
8 the denominator is the Preceding Tax Year's Tax Extension.

9 "Flat Grant Level" means a dollar amount equal to 3.0% of a
10 school district's Weighted Foundation Level.

11 "Foundation Level" means a prescribed level of per pupil
12 financial support, as provided for in subsection (b) of this
13 Section.

14 "Gifted Pupil" means a pupil in kindergarten through grade
15 8 receiving services through a program for gifted and talented
16 children that has been approved by a school board and that is
17 described on a school district's Internet website.

18 "Hold Harmless State Funding" means the amount of State
19 funds allotted to a school district, Laboratory School, or
20 Alternative School during the 2015-2016 school year pursuant to
21 the following Sections of this Code, as calculated by the State
22 Board of Education: Sections 18-8.05; 14-7.02b; 14-7.03, but
23 only with respect to reimbursement for children from foster
24 family homes; 14-13.01, except for reimbursement of the cost of
25 transportation pursuant to that Section; 14C-12; and 18-4.3.
26 For a school district organized under Article 34 of this Code,

1 "Hold Harmless State Funding" also includes the funds allotted
2 to the school district pursuant to Section 1D-1 of this Code
3 attributable to funding programs authorized by the Sections of
4 this Code listed in this definition.

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

8 "Low-income Pupil" means a pupil from a household with a
9 household income level at or below 185% of the poverty
10 guidelines updated periodically in the Federal Register by the
11 U.S. Department of Health and Human Services under the
12 authority of 42 U.S.C. 9902(2).

13 "Operating Tax Rate" means all school district property
14 taxes extended for all purposes, except bond and interest,
15 summer school, rent, capital improvement, and vocational
16 education building purposes.

17 "Per-pupil Aid" means a school district's Weighted
18 Foundation Level less its Available Local Resources Per Pupil.

19 "Per-pupil Hold Harmless State Funding" means a school
20 district's Hold Harmless State Funding, divided by the school
21 district's Average Daily Attendance figure as calculated
22 pursuant to subsection (F) of Section 18-8.05 of this Code
23 during the 2015-2016 school year.

24 "Preceding Tax Year" means the property tax levy year
25 immediately preceding the Base Tax Year.

26 "Preceding Tax Year's Tax Extension" means the product of

1 the equalized assessed valuation utilized by the county clerk
2 in the Preceding Tax Year multiplied by the Operating Tax Rate.

3 "Prior Year ADA" means the number of pupils within the
4 count of pupils in attendance used for Average Daily Attendance
5 calculations for the school year immediately preceding the
6 school year for which primary State aid is calculated and
7 awarded under subsection (e) of this Section.

8 "PTELL EAV floor school district" means either (i) a school
9 district with an Adequacy Target Percent of 100% or higher (as
10 calculated pursuant to paragraph (4) of subsection (h) of this
11 Section, notwithstanding any limitations in that paragraph on
12 the school years in which adequacy grants are administered) or
13 (ii) a school district with an Adequacy Target Percent of less
14 than 100% if the school district has an Operating Tax Rate that
15 is 95% or lower than the applicable statewide weighted-average
16 Operating Tax Rate for that type of school district (as
17 calculated pursuant to paragraph (4) of subsection (h) of this
18 Section, notwithstanding any limitations in that paragraph on
19 the school years in which adequacy grants are administered).

20 "PTELL PSA Adjustment" means the amount of primary State
21 aid a school district would receive under subsection (e) of
22 this Section if the Extension Limitation Equalized Assessed
23 Valuation was used for calculating the school district's
24 primary State aid for the Budget Year instead of the district's
25 equalized assessed valuation as calculated pursuant to
26 paragraphs (1) and (2) of subsection (g) of this Section.

1 "Residential Boarding School Program" means a residential
2 school for students in jeopardy of academic failure and
3 impacted by one or more adverse childhood experiences. A
4 residential program includes:

5 (A) a remedial, regular, and gifted curriculum for
6 school grades 2 through 8;

7 (B) a residential component focused on social and
8 emotional well-being, safety, and life skills;

9 (C) extracurricular activities, including a military
10 leadership program, vocational education program, music
11 and art, athletics, and cultural events;

12 (D) health and mental health services;

13 (E) tutoring and a learning resource center that
14 provides individualized and small group instruction;

15 (F) community service, volunteering, and service
16 learning activities;

17 (G) a parent partnering program, which includes family
18 therapy (if needed), home visits, and parental support and
19 education and promotes familial integration into all
20 aspects of programming;

21 (H) programs that are preventative for students,
22 diverting them from such outcomes as:

23 (i) reliance on social service programs;

24 (ii) dangerous behaviors;

25 (iii) untreated or unmanaged mental and medical
26 illnesses;

1 (iv) unemployment;
2 (v) crime; and
3 (vi) involvement with the justice system;
4 (I) year-round programming, including summer camp and
5 academic enrichment; and
6 (J) Professional development focused on language arts
7 and reading standards, mathematics standards, science
8 standards, technology standards, and developmental or life
9 skill standards using innovative and best practices for all
10 students.

11 "Special Education Summer School Pupil" means a child with
12 disabilities participating in a summer school program meeting
13 the fiscal year 2016 eligibility requirements for a summer
14 school grant under Section 18-4.3 of this Code.

15 "Statewide weighted-average" means an average calculation
16 for all school districts in this State in which a weighting is
17 assigned to each school district's quantity in the average
18 calculation based on its Prior Year ADA.

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), (3), and (4) of subsection (h) of this Section.

23 "Weighted Foundation Level" means the Foundation Level
24 multiplied by the District Weighted Average.

25 "Weighted Foundation Level Budget" means, for a particular
26 school district, the Weighted Foundation Level multiplied by

1 the ADA.

2 "Weighting Factor" means, for each Additional Weight
3 classification in paragraph (5) of subsection (b) of this
4 Section, the amount multiplied by the Weighting Percentage to
5 calculate the Additional Weight figure.

6 "Weighting Percentage" means, for each Additional Weight
7 classification in paragraph (5) of subsection (b) of this
8 Section, the amount multiplied by the Weighting Factor to
9 calculate the Additional Weight figure.

10 (b) Foundation Level; weighting for district pupil
11 characteristics.

12 (1) The Foundation Level is a figure established by this
13 State representing the minimum level of per pupil financial
14 support that should be available to provide for the basic
15 education of each pupil in Average Daily Attendance in a public
16 school in this State. Then, for each school district, the
17 Foundation Level is weighted in accordance with the Additional
18 Weights set forth in paragraph (5) of this subsection (b) to
19 account for the pupil characteristics within that school
20 district, and, if applicable, a Regionalization Factor
21 determined pursuant to paragraph (6) of this subsection (b) is
22 applied to account for regional variation in wages. As set
23 forth in this Section, each school district is assumed to exert
24 a sufficient local taxing effort such that, in combination with
25 the aggregate of primary State financial aid provided the
26 district, an aggregate of State and local resources are

1 available to meet the basic education needs of pupils in the
2 district.

3 (2) Subject to paragraph (3) of this subsection (b), for
4 the 2016-2017 school year and each school year thereafter, the
5 Foundation Level of support is \$6,119 or such greater amount as
6 may be established by law by the General Assembly.

7 (3) If the appropriation in any fiscal year for primary
8 State aid and the supplemental grants provided for in
9 paragraphs (2) and (3) of subsection (h) of this Section is
10 insufficient to pay the amounts required under the calculations
11 set forth in this Section, then the State Board of Education
12 shall adjust the Foundation Level to an amount so that the
13 appropriation is sufficient to pay all primary State aid and
14 the supplemental grants provided for in paragraphs (2) through
15 (4) of subsection (h) of this Section.

16 (4) For each school district, the Foundation Level shall be
17 adjusted by multiplying the Foundation Level by a District
18 Weighted Average figure, resulting in the school district's
19 Weighted Foundation Level. The District Weighted Average
20 figure for a particular school district shall be a number equal
21 to 1.0 plus each of the Additional Weights described in
22 paragraph (5) of this subsection (b) applicable to that
23 district. In addition, if applicable for a particular school
24 district pursuant to paragraph (6) of this subsection (b), the
25 1.0 figure and each Additional Weight shall be multiplied by a
26 Regionalization Factor to determine its District Weighted

1 Average calculation. For each Additional Weight, the figure
2 included in the District Weighted Average prior to the
3 application of any Regionalization Factor is the product of the
4 Weighting Factor multiplied by the Weighting Percentage, as
5 both are specified in paragraph (5) of this subsection (b). For
6 each school district, the State Board of Education shall
7 publicly report the district's District Weighted Average,
8 Weighted Foundation Level, Additional Weights, Regionalization
9 Factor multiplier, amount of the Weighted Foundation Level
10 Budget attributable to each Additional Weight on an aggregate
11 and per-student basis, and amount of primary State aid received
12 attributable to each Additional Weight on an aggregate and
13 per-student basis.

14 (5) Additional Weights:

15 (A) English Learner Pupils:

16 (i) Weighting Factor of 0.20; and

17 (ii) Weighting Percentage equal to the Prior Year
18 ADA of English Learner Pupils, divided by the Prior
19 Year ADA for all pupils.

20 (B) Low-Income Pupils: The higher of the weights
21 determined through the following 2 methods:

22 (i) Regular low-income method:

23 (I) Weighting Factor of 0.25; and

24 (II) Weighting Percentage equal to the DHS
25 Low-income Eligible Count, divided by the Prior
26 Year ADA for all pupils.

1 (ii) Low-income concentration method:

2 (I) Weighting Factor of 0.80 multiplied by the
3 Weighting Percentage as calculated in accordance
4 with the regular low-income method, provided that
5 the Weighting Factor pursuant to this method shall
6 not exceed 0.75; and

7 (II) Weighting Percentage equal to the
8 Weighting Percentage as calculated in accordance
9 with the regular low-income method.

10 (C) Children with disabilities:

11 (i) Weighting Factor of 1.0; and

12 (ii) Weighting Percentage equal to the higher of
13 the percentages in the following items as applicable to
14 each school district:

15 (I) a Weighting Percentage established by the
16 State Board of Education prior to the start of each
17 State fiscal year representative of the statewide
18 weighted-average percentage of students with
19 disabilities based on the most recent data
20 collected by the State Board of Education; and

21 (II) Weighting Percentage under this item (II)
22 for any school district that demonstrates, in
23 accordance with requirements established by the
24 State Board of Education, that the percentage of
25 its students with disabilities exceeds the
26 representative statewide weighted-average

1 percentage established pursuant to item (I) of
2 this clause (ii). For any such school district, the
3 Weighting Percentage shall equal the lesser of (i)
4 the Prior Year ADA of the district's students with
5 disabilities (as verified by the State Board of
6 Education) divided by the Prior Year ADA for all
7 pupils and (ii) the representative statewide
8 weighted-average percentage established pursuant
9 to item (I) of this clause (ii) plus 5 percentage
10 points.

11 (D) Special Education Summer School Pupils:

12 (i) Weighting Factor of 0.03; and

13 (ii) Weighting Percentage equal to the Prior Year
14 ADA of Special Education Summer School Pupils, divided
15 by the Prior Year ADA for all pupils.

16 (E) Gifted Pupils:

17 (i) Weighting Factor of 0.01; and

18 (ii) Weighting Percentage equal to the Prior Year
19 ADA of Gifted Pupils, divided by the Prior Year ADA for
20 all pupils, provided that the Prior Year ADA of Gifted
21 Pupils used for such calculation shall not exceed 5% of
22 the Prior Year ADA for pupils in kindergarten through
23 grade 8.

24 (F) Pupils in Kindergarten Providing a Full Day of
25 Attendance Through Grade 3:

26 (i) Weighting Factor of 0.05; and

1 (ii) Weighting Percentage equal to the Prior Year
2 ADA of pupils in kindergarten providing a full day of
3 attendance through grade 3, divided by the Prior Year
4 ADA for all pupils.

5 (G) Pupils in Grade 9:

6 (i) Weighting Factor of 0.15; and

7 (ii) Weighting Percentage equal to the Prior Year
8 ADA of pupils in grade 9, divided by the Prior Year ADA
9 for all pupils.

10 (6) For each school district with a Regionalization Index
11 Value higher than the statewide weighted-average
12 Regionalization Index Value, the base value of 1.0 and each
13 Additional Weight included in the calculation of its District
14 Weighted Average shall be multiplied by a Regionalization
15 Factor calculated in accordance with this paragraph (6). The
16 Regionalization Factor shall equal the school district's
17 Regionalization Index Value divided by the statewide
18 weighted-average Regionalization Index Value for the most
19 recent year that the data is compiled. For purposes of this
20 paragraph (6), "Regionalization Index Value" means the
21 Comparable Wage Index developed for the National Center for
22 Education Statistics and published for each school district.
23 This Index measures systematic, regional variations in the
24 salaries of college graduates who are not educators. The State
25 Board of Education may contract for the calculation of the
26 Comparable Wage Index using the same methodology if the

1 Comparable Wage Index developed for the National Center for
2 Education Statistics becomes unavailable. For any school
3 district that does not have a Comparable Wage Index, the State
4 Board of Education shall estimate a Regionalization Index Value
5 using reasonably available information.

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 subsections (d) and (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.

12 (2) In determining a school district's revenue from local
13 property taxes, the State Board of Education shall utilize the
14 equalized assessed valuation of all taxable property of each
15 school district as of September 30 of the previous year. The
16 equalized assessed valuation utilized shall be obtained and
17 determined as provided in subsection (g) of this Section.

18 (3) For school districts maintaining grades kindergarten
19 through 12, local property tax revenues per pupil shall be
20 calculated as the product of the applicable equalized assessed
21 valuation for the district multiplied by 3.00%, and divided by
22 the district's Average Daily Attendance figure. For school
23 districts maintaining grades kindergarten through 8, local
24 property tax revenues per pupil shall be calculated as the
25 product of the applicable equalized assessed valuation for the
26 district multiplied by 2.30%, and divided by the district's

1 Average Daily Attendance figure. For school districts
2 maintaining grades 9 through 12, local property tax revenues
3 per pupil shall be the applicable equalized assessed valuation
4 of the district multiplied by 1.05%, and divided by the
5 district's Average Daily Attendance figure.

6 For partial elementary unit districts created pursuant to
7 Article 11E of this Code, local property tax revenues per pupil
8 shall be calculated as the product of the equalized assessed
9 valuation for property within the partial elementary unit
10 district for elementary purposes, as defined in Article 11E of
11 this Code, multiplied by 2.06% and divided by the district's
12 Average Daily Attendance figure, plus the product of the
13 equalized assessed valuation for property within the partial
14 elementary unit district for high school purposes, as defined
15 in Article 11E of this Code, multiplied by 0.94% and divided by
16 the district's Average Daily Attendance figure.

17 (4) The Corporate Personal Property Replacement Taxes paid
18 to each school district during the calendar year one year
19 before the calendar year in which a school year begins, divided
20 by the Average Daily Attendance figure for that district, shall
21 be added to the local property tax revenues per pupil as
22 derived by the application of paragraph (3) of this subsection
23 (d). The sum of these per pupil figures for each school
24 district shall constitute Available Local Resources Per Pupil
25 as that term is utilized in subsection (e) of this Section in
26 the calculation of primary State aid.

1 (e) Computation of primary State aid.

2 (1) For each school year, the amount of primary State aid
3 allotted to a school district shall be computed by the State
4 Board of Education as provided in this subsection (e).

5 (2) Subject to paragraph (4) of this subsection (e), for
6 any school district for which the Per-pupil Aid is more than
7 the Flat Grant Level, primary State aid for that district shall
8 be in an amount equal to its Per-pupil Aid multiplied by its
9 Average Daily Attendance figure.

10 (3) Subject to paragraph (4) of this subsection (e), for
11 any school district for which the Per-pupil Aid is equal to or
12 less than the Flat Grant Level, primary State aid for that
13 district shall be in an amount equal to the Adjusted Flat Grant
14 Level multiplied by the district's Average Daily Attendance
15 figure.

16 (4) From financial assistance provided to school districts
17 under this Section, the State Board of Education shall withhold
18 the following amounts for the following purposes:

19 (A) For each school district with an Additional Weight
20 for Pupils of Limited English-speaking Ability, the State
21 Board of Education shall withhold an amount not exceeding
22 one and one-half percent of the district's Weighted
23 Foundation Level Budget attributable to Pupils of Limited
24 English-speaking Ability for (i) State Board of Education
25 staff for administration and (ii) contractual services by a
26 not-for-profit entity for technical assistance,

1 professional development, and other support to school
2 districts and educators for services for these pupils. To
3 be eligible to receive the contract under clause (ii) of
4 this subdivision (A), the not-for-profit entity must have
5 experience providing such services in a school district
6 having a population exceeding 500,000; one or more school
7 districts in any of the counties of Lake, McHenry, DuPage,
8 Kane, and Will; and one or more school districts elsewhere
9 in this State.

10 (B) The State Board of Education shall withhold an
11 amount not exceeding one-half percent of each school
12 district's Weighted Foundation Level Budget attributable
13 to children with disabilities and Special Education Summer
14 School Pupils for State Board of Education staff and
15 contractual services for administration, professional
16 development, and support to school districts for services
17 for children with disabilities. The State Board of
18 Education shall use a portion of the withheld amounts for
19 developing or supporting electronic individualized
20 educational programs.

21 (f) Compilation of Average Daily Attendance.

22 (1) Each school district shall, on or before July 1 of each
23 year, submit to the State Board of Education, in a manner
24 prescribed by the State Board of Education, attendance figures
25 for the school year that began in the preceding calendar year.
26 The attendance information so transmitted shall identify the

1 Average Daily Attendance figures for each month of the school
2 year. School districts shall calculate Average Daily
3 Attendance as provided in subdivisions (A), (B), and (C) of
4 this paragraph (1).

5 (A) In districts that do not hold year-round classes,
6 days of attendance in August shall be added to the month of
7 September and any days of attendance in June shall be added
8 to the month of May.

9 (B) In districts in which all buildings hold year-round
10 classes, days of attendance in July and August shall be
11 added to the month of September and any days of attendance
12 in June shall be added to the month of May.

13 (C) In districts in which some buildings, but not all,
14 hold year-round classes, for the non-year-round buildings,
15 days of attendance in August shall be added to the month of
16 September and any days of attendance in June shall be added
17 to the month of May. The Average Daily Attendance for the
18 year-round buildings shall be computed as provided in
19 subdivision (B) of this paragraph (1). To calculate the
20 Average Daily Attendance for the district, the Average
21 Daily Attendance for the year-round buildings shall be
22 multiplied by the days in session for the non-year-round
23 buildings for each month and added to the monthly
24 attendance of the non-year-round buildings.

25 (2) For the 2016-2017 school year, days of attendance by
26 pupils shall be counted in accordance with paragraphs (1) and

1 (2) of subsection (F) of Section 18-8.05 of this Code.

2 (g) Equalized assessed valuation data.

3 (1) For purposes of the calculation of Available Local
4 Resources Per Pupil required pursuant to subsection (d) of this
5 Section, the State Board of Education shall secure from the
6 Department of Revenue the value as equalized or assessed by the
7 Department of Revenue of all taxable property of every school
8 district, together with (i) the applicable tax rate used in
9 extending taxes for the funds of the district as of September
10 30 of the previous year and (ii) the limiting rate for all
11 school districts subject to property tax extension limitations
12 as imposed under the Property Tax Extension Limitation Law.

13 The Department of Revenue shall add to the equalized
14 assessed value of all taxable property of each school district
15 situated entirely or partially within a county that is or was
16 subject to the provisions of Section 15-176 or 15-177 of the
17 Property Tax Code (A) an amount equal to the total amount by
18 which the homestead exemption allowed under Section 15-176 or
19 15-177 of the Property Tax Code for real property situated in
20 that school district exceeds the total amount that would have
21 been allowed in that school district if the maximum reduction
22 under Section 15-176 was \$5,000 and (B) an amount equal to the
23 aggregate amount for the taxable year of all additional
24 exemptions under Section 15-175 of the Property Tax Code for
25 owners with a household income of \$30,000 or less. The county
26 clerk of any county that is or was subject to the provisions of

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

23 This equalized assessed valuation, as adjusted further by
24 the requirements of this subsection (g), shall be utilized in
25 the calculation of Available Local Resources Per Pupil.

26 (2) The equalized assessed valuation in paragraph (1) of

1 this subsection (g) shall be adjusted, as applicable, in the
2 following manner:

3 (A) For the purposes of calculating primary State aid
4 under this Section, with respect to any part of a school
5 district within a redevelopment project area in respect to
6 which a municipality has adopted tax increment allocation
7 financing pursuant to the Tax Increment Allocation
8 Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11
9 of the Illinois Municipal Code, or the Industrial Jobs
10 Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the
11 Illinois Municipal Code, no part of the current equalized
12 assessed valuation of real property located in any such
13 project area that is attributable to an increase above the
14 total initial equalized assessed valuation of such
15 property shall be used as part of the equalized assessed
16 valuation of the district, until such time as all
17 redevelopment project costs have been paid, as provided in
18 Section 11-74.4-8 of the Tax Increment Allocation
19 Redevelopment Act or in Section 11-74.6-35 of the
20 Industrial Jobs Recovery Law. For the purpose of the
21 equalized assessed valuation of the district, the total
22 initial equalized assessed valuation or the current
23 equalized assessed valuation, whichever is lower, shall be
24 used until such time as all redevelopment project costs
25 have been paid.

26 (B) The real property equalized assessed valuation for

1 a school district shall be adjusted by subtracting from the
2 real property value as equalized or assessed by the
3 Department of Revenue for the district an amount computed
4 by dividing the amount of any abatement of taxes under
5 Section 18-170 of the Property Tax Code by 3.00% for a
6 district maintaining grades kindergarten through 12, by
7 2.30% for a district maintaining grades kindergarten
8 through 8, or by 1.05% for a district maintaining grades 9
9 through 12 and adjusted by an amount computed by dividing
10 the amount of any abatement of taxes under subsection (a)
11 of Section 18-165 of the Property Tax Code by the same
12 percentage rates for district type as specified in this
13 subdivision (B).

14 (3) If a school district's boundaries span multiple
15 counties, then the Department of Revenue shall send to the
16 State Board of Education, for the purpose of calculating
17 primary State aid, the limiting rate and individual rates by
18 purpose for the county that contains the majority of the school
19 district's Equalized Assessed Valuation.

20 (h) Supplemental grants.

21 (1) The Total Primary State Aid a school district is
22 allotted pursuant to this Section shall be subject to
23 adjustment as provided in this subsection (h). Any supplemental
24 grants allotted to school districts pursuant to this subsection
25 (h) shall be paid in conjunction with the school district's
26 payments of primary State aid. When calculating the

1 supplemental grants for a particular school district under this
2 Section, the State Board of Education shall first calculate the
3 supplemental grant, if any, under paragraph (2) of this
4 subsection (h) for school districts subject to property tax
5 extension limitations. The State Board of Education shall next
6 calculate the supplemental grant under paragraph (3) of this
7 subsection (h) if the school district has a per-pupil loss
8 exceeding \$1,000. The State Board of Education shall then
9 calculate the amount of the adequacy grant, if any, to the
10 school district under paragraph (4) of this subsection (h).
11 Finally, the State Board of Education shall calculate the
12 supplemental grants specified in paragraph (5) of this
13 subsection (h).

14 (2) If a school district is subject to property tax
15 extension limitations as imposed under the Property Tax
16 Extension Limitation Law, a school district shall receive a
17 supplemental grant pursuant to this paragraph (2) to account
18 for the difference between its Extension Limitation Equalized
19 Assessed Valuation and the school district's equalized
20 assessed valuation as calculated under paragraphs (1) and (2)
21 of subsection (g) of this Section. The State Board of Education
22 shall calculate the Extension Limitation Equalized Assessed
23 Valuation of each district subject to property tax extension
24 limitations as imposed under the Property Tax Extension
25 Limitation Law. Except as otherwise provided in this paragraph
26 (2) for a school district that has approved or does approve an

1 increase in its limiting rate, the "Extension Limitation
2 Equalized Assessed Valuation" of a school district as
3 calculated by the State Board of Education shall be equal to
4 the product of the equalized assessed valuation last used in
5 the calculation of general State aid under Section 18-8.05 of
6 this Code or primary State aid under this Section and the
7 district's Extension Limitation Ratio. If a school district has
8 approved or does approve an increase in its limiting rate,
9 pursuant to Section 18-190 of the Property Tax Code, affecting
10 the Base Tax Year, the Extension Limitation Equalized Assessed
11 Valuation of the school district, as calculated by the State
12 Board of Education, shall be equal to the product of the
13 equalized assessed valuation last used in the calculation of
14 general State aid pursuant to Section 18-8.05 of this Code or
15 primary State aid pursuant to this Section times an amount
16 equal to one plus the percentage increase, if any, in the
17 Consumer Price Index for all Urban Consumers for all items
18 published by the United States Department of Labor for the
19 12-month calendar year preceding the Base Tax Year, plus the
20 equalized assessed valuation of new property, annexed
21 property, and recovered tax increment value and minus the
22 equalized assessed valuation of disconnected property. New
23 property and recovered tax increment value shall have the
24 meanings set forth in the Property Tax Extension Limitation
25 Law. Notwithstanding anything to the contrary contained in this
26 paragraph (2), a PTELL EAV floor school district's Extension

1 Limitation Equalized Assessed Valuation shall not be less than
2 85% of the district's equalized assessed valuation as
3 calculated pursuant to paragraphs (1) and (2) of subsection (g)
4 of this Section.

5 If the Extension Limitation Equalized Assessed Valuation
6 of a school district as calculated under this paragraph (2) is
7 less than the district's equalized assessed valuation as
8 calculated pursuant to paragraphs (1) and (2) of subsection (g)
9 of this Section, then the school district shall receive a
10 supplemental grant equal to its PTELL PSA Adjustment as
11 calculated by the State Board of Education.

12 (3) Notwithstanding anything to the contrary contained in
13 this Section, if a school district's per-pupil primary State
14 aid allotment is less than its Per-pupil Hold Harmless State
15 Funding by an amount exceeding \$1,000, then the amount of
16 primary State aid allotted to the school district shall be
17 increased by a supplemental grant pursuant to this paragraph
18 (3). The primary State aid supplemental grant shall equal an
19 amount sufficient to raise the school district's per-pupil
20 primary State aid allotment to an amount that is \$1,000 less
21 than the school district's Per-pupil Hold Harmless State
22 Funding. For purposes of this paragraph (3), a school
23 district's per-pupil primary State aid allotment shall be
24 calculated by the State Board of Education as the sum of the
25 primary State aid allotted to the school district pursuant to
26 subsection (e) of this Section and any supplemental grants

1 pursuant to this paragraph (3) and paragraph (2) of this
2 subsection (h), divided by the school district's Average Daily
3 Attendance figure.

4 (4) The State Board of Education shall administer the
5 distribution of adequacy grants in accordance with this
6 paragraph (4). Each school district with an Adequacy Target
7 percent of less than 110% shall receive a supplemental adequacy
8 grant calculated in accordance with subdivision (A) of this
9 paragraph (4), subject to appropriations for such grants. For
10 purposes of calculating a school district's Adequacy Target
11 percent, a school district's operating expense per pupil shall
12 be the most recent figure calculated by the State Board of
13 Education as of the start of the fiscal year for which the
14 calculations in this paragraph (4) apply.

15 A school district with an Adequacy Target percent of not
16 more than 100% shall receive a supplemental adequacy grant
17 equal to its Adequacy Grant Loss. A school district with an
18 Adequacy Target percent of more than 100% but less than 110%
19 shall receive a supplemental adequacy grant equal to the
20 product of its Adequacy Grant Loss and a percent figure
21 calculated as follows: 110% less the school district's Adequacy
22 Target percent, with the resulting percent figure multiplied by
23 10. A school district with an Adequacy Target percent of 110%
24 or higher shall not receive a supplemental adequacy grant
25 pursuant to this paragraph (4).

26 (5) Notwithstanding anything to the contrary contained in

1 this Section, the Total Primary State Aid allotted to a school
2 district for the 2016-2017 school year shall be subject to
3 increase through supplemental grants as follows:

4 If, for the 2016-2017 school year, the Total Primary State
5 Aid is less than Hold Harmless State Funding, then the amount
6 of primary State aid allotted to the school district shall be
7 increased by a supplemental grant in the amount of 100% of the
8 difference between Hold Harmless State Funding and Total
9 Primary State Aid.

10 (i) Grants to Laboratory and Alternative Schools. In
11 calculating the amount to be paid to the governing board of a
12 public university that operates a Laboratory School or to any
13 Alternative School that is operated by a regional
14 superintendent of schools, the State Board of Education shall
15 require, by rule, such reporting requirements as it deems
16 necessary. Each Laboratory and Alternative School shall file,
17 on forms provided by the State Superintendent of Education, an
18 annual State aid claim that states the Average Daily Attendance
19 of the school's students by month. The best 3 months' Average
20 Daily Attendance shall be computed for each school. The primary
21 State aid entitlement shall be computed by multiplying the
22 applicable Average Daily Attendance by 105% of the Foundation
23 Level. If, for the 2016-2017 school year, the primary State aid
24 entitlement for a Laboratory School or Alternative School
25 calculated under this subsection (i) is less than the Hold
26 Harmless State Funding, the school shall receive a supplemental

1 grant of 100% of the difference in the 2016-2017 school year.

2 (j) District improvement plans, attendance center
3 distributions, and special education maintenance of State
4 financial support.

5 (1) Each school district making insufficient annual
6 progress, as determined by the State Board of Education, in the
7 educational performance of Low-income Pupils, English Learner
8 Pupils, or children with disabilities shall demonstrate, in
9 accordance with requirements adopted by the State Board of
10 Education, how local and State funds will be used for
11 strategies that give priority to meeting the educational needs
12 of each such category of pupils for which the school district
13 is making insufficient annual progress. For each such category
14 of pupils, budget information submitted in accordance with
15 State Board of Education requirements must demonstrate that the
16 combined amount of local funds and primary State aid funds
17 budgeted for strategies that give priority to that category of
18 pupils is proportionate or higher, on either an aggregate or
19 per-pupil basis, to the proportion of the Weighted Foundation
20 Level Budget attributable to that category of pupils. The State
21 Board of Education may adopt exceptions to the requirement for
22 proportionate or higher budgeting to address small pupil
23 subgroup populations, changes in pupil enrollment, or
24 extraordinary expenditures required for any school year. The
25 State Board of Education may also adopt exceptions to the
26 requirement for proportionate or higher budgeting for any

1 school district to implement district-wide or school-wide
2 strategies if the school district or school has a high
3 percentage of pupils in any particular category relative to
4 statewide averages and the district can demonstrate in its plan
5 that a district-wide or school-wide strategy is more likely to
6 achieve the district's educational objectives for a category of
7 pupils than a targeted strategy. If a school district fails to
8 adhere to proportionate or higher budgeting in accordance with
9 this paragraph (1), the school district must take corrective
10 action in accordance with requirements adopted by the State
11 Board of Education. If corrective action is not taken, the
12 State Board of Education shall deduct, from primary State aid
13 payments otherwise due the district, an amount equal to the
14 amount by which the district failed to adhere to the
15 proportionate or higher requirement.

16 (2) School districts with an Average Daily Attendance of
17 50,000 or more shall be required to distribute, from funds
18 available pursuant to this Section, no less than \$261,000,000
19 in accordance with the following requirements:

20 (A) The required amounts shall be distributed to the
21 attendance centers within the district in proportion to the
22 number of Low-income Pupils enrolled at each attendance
23 center during the current school year.

24 (B) The distribution of these portions of primary State
25 aid among attendance centers according to these
26 requirements shall not be compensated for or contravened by

1 adjustments of the total of other funds appropriated to any
2 attendance centers, and the board of education shall
3 utilize funding from one or several sources in order to
4 fully implement this paragraph (2) annually prior to the
5 opening of school.

6 (C) Each attendance center shall be provided, by the
7 school district, with a distribution of other funds to
8 which the attendance center is entitled under law in order
9 that the primary State aid provided by application of this
10 paragraph (2) supplements rather than supplants the other
11 funds provided by the school district to the attendance
12 centers.

13 (D) Funds received by an attendance center pursuant to
14 this paragraph (2) shall be used by the attendance center
15 at the discretion of the principal and local school council
16 for programs to improve educational opportunities at
17 qualifying schools through the following programs and
18 services: early childhood education, reduced class size or
19 improved adult to student classroom ratios, enrichment
20 programs, remedial assistance, attendance improvement, and
21 other educationally beneficial expenditures that
22 supplement the regular and basic programs as determined by
23 the State Board of Education. Funds provided shall not be
24 expended for any political or lobbying purposes as defined
25 by rule of the State Board.

26 (E) Each district subject to the provisions of this

1 paragraph (2) shall submit an acceptable plan to meet the
2 educational needs of disadvantaged children, in compliance
3 with the requirements of this subdivision (E), to the State
4 Board of Education prior to July 15 of each year. This plan
5 shall be consistent with the decisions of local school
6 councils concerning the school expenditure plans developed
7 in accordance with subdivision 4 of Section 34-2.3 of this
8 Code. The State Board shall approve or reject the plan
9 within 60 days after its submission. If the plan is
10 rejected, the district shall give written notice of an
11 intent to modify the plan within 15 days after the
12 notification of rejection and then submit a modified plan
13 within 30 days after the date of the written notice of an
14 intent to modify. Districts may amend approved plans
15 pursuant to rules adopted by the State Board of Education.

16 Upon notification by the State Board of Education that
17 the district has not submitted a plan prior to July 15 or a
18 modified plan within the time period specified in this
19 subdivision (E), the State aid funds affected by that plan
20 or modified plan shall be withheld by the State Board of
21 Education until a plan or modified plan is submitted.

22 If the district fails to distribute State aid to
23 attendance centers in accordance with an approved plan, the
24 plan for the following year shall allocate funds, in
25 addition to the funds otherwise required by this paragraph
26 (2), to those attendance centers that were underfunded

1 during the previous year in amounts equal to such
2 underfunding.

3 For purposes of determining compliance with this paragraph
4 (2) in relation to the requirements of attendance center
5 funding, each district subject to the provisions of this
6 paragraph (2) shall submit as a separate document, on or before
7 December 1 of each year, a report of expenditure data for the
8 prior year in addition to any modification of its current plan.
9 If it is determined that there has been a failure to comply
10 with the expenditure provisions of this paragraph (2) regarding
11 contravention or supplanting, the State Superintendent of
12 Education shall, within 60 days after receipt of the report,
13 notify the district and any affected local school council. The
14 district shall, within 45 days after receipt of that
15 notification, inform the State Superintendent of Education of
16 the remedial or corrective action to be taken, whether by
17 amendment of the current plan, if feasible, or by adjustment in
18 the plan for the following year. Failure to provide the
19 expenditure report or the notification of remedial or
20 corrective action in a timely manner shall result in a
21 withholding of the affected funds.

22 The State Board of Education shall adopt rules to implement
23 the provisions of this paragraph (2). No funds shall be
24 released under this paragraph (2) to any district that has not
25 submitted a plan that has been approved by the State Board of
26 Education.

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

13 (k) Average Daily Attendance count adjustment for
14 residential boarding school within identified school district.
15 For the purposes of providing unique educational opportunities
16 to dependents or youths who are academic underperformers or who
17 could become academic underperformers due to circumstances,
18 but who have the potential to progress to high-performers who
19 are high school and college bound, a school district may
20 include eligible students that attend a Residential Boarding
21 School Program within that same district within the district's
22 Average Daily Attendance count should both parties deem
23 appropriate.

24 As used in this subsection (k), "eligible student" means a
25 student who is entitled to attend school, is at risk of
26 academic failure, is currently enrolled in grades 1 through 8,

1 is from a family who is low income, and meets at least one of
2 the following additional risk factors:

3 (1) The student is in foster care or has been declared
4 an adjudicated dependent by the court.

5 (2) The student's head of household is not the
6 student's custodial parent.

7 (3) The student has been residing in a household that
8 receives a housing voucher or has been determined eligible
9 for public housing assistance or is homeless.

10 (4) The student is from an impoverished community.

11 (5) A member of the student's immediate family has been
12 incarcerated.

13 (6) The student has experienced or is experiencing
14 traumatic events identified as adverse childhood
15 experiences that directly impact his or her educational
16 success, such as:

17 (A) abuse or neglect;

18 (B) bullying or exclusion;

19 (C) poverty or homelessness;

20 (D) discrimination;

21 (E) a household with substance abuse;

22 (F) witnessing or being a victim of violence;

23 (G) household mental illness; and

24 (H) divorce, deportation, or other family
25 separation.

26 (1) References. From July 1, 2016 to June 30, 2017,

1 references in other laws to general State aid funds or
2 calculations under Section 18-8.05 of this Code shall be deemed
3 to be references to primary State aid funds or calculations
4 under this Section.

5 (m) No funding or requirements under this Section shall be
6 provided to or required by school districts pursuant to this
7 Section after fiscal year 2017. All funding for school
8 districts shall be pursuant to the Evidence-Based Model as
9 provided in Section 18-8.20.

10 (105 ILCS 5/18-8.20 new)

11 Sec. 18-8.20. Evidence-based funding for student success
12 for the 2017-2018 and subsequent school years.

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

1 (1) provide all students with a high quality education
2 that offers the academic, enrichment, social and emotional
3 support, technical, and vocational programs that will
4 allow them to become competitive workers, responsible
5 parents, productive citizens of this State, and active
6 members of our national democracy;

7 (2) ensure all students receive the education they need
8 to graduate from high school with the skills required to
9 pursue post-secondary education or training or a career;

10 (3) reduce, with a goal of eliminating, the achievement
11 gap between high-performing and low-performing students by
12 raising the performance of at-risk students and not by
13 reducing standards; and

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

18 (b) For purposes of this Section:

19 "Assessments" means those benchmark, progress monitoring,
20 formative, diagnostic, and other assessments, in addition to
21 the State accountability assessment, that assist teachers'
22 needs in understanding the skills and meeting the needs of the
23 students they serve.

24 "Assistant principal" means a school administrator duly
25 endorsed to be employed as an assistant principal in this
26 State.

1 "At-risk student" means a student who is at risk of not
2 meeting the Illinois Learning Standards or not graduating from
3 elementary or high school and who demonstrates a need for
4 vocational support or social services beyond that provided by
5 the regular school program. All students included in an
6 organizational unit's Low-Income Count, as well as all EL and
7 disabled students attending the organizational unit, shall be
8 considered at-risk students under this Section.

9 "Average Student Enrollment" or "ASE" means, for an
10 organizational unit in a given school year, the greater of the
11 total students shown as enrolled in the organizational unit on
12 the State Board of Education's fall and spring enrollment
13 counts in the immediately preceding school year or the average
14 number of students shown as enrolled in the organizational unit
15 on the State Board's fall and spring enrollment counts for the
16 immediately preceding 3 school years.

17 "Base Adequacy Level" means, for each organizational unit,
18 that amount of total educational funding determined in
19 accordance with paragraph (2) of subsection (c) of this
20 Section, which amount is predicated on both the number and
21 characteristics of the students who attend the organizational
22 unit and the evidence-based educational factors required to
23 meet the learning needs of such students.

24 "Central office" means individual administrators and
25 support service personnel charged with managing the
26 instructional programs, business and operations, and security

1 of the school district in which an organizational unit is
2 situated.

3 "Comparable Wage Index" or "CWI" means the regional cost
4 differentiation metric initially developed by the National
5 Center for Education Statistics, as most recently updated in
6 2013, by Texas A & M University. The CWI utilized under this
7 Section shall, for the first 3 years following the effective
8 date of this Section, be determined as provided in the Texas A
9 & M University study. The CWI for each organizational unit
10 shall be determined by comparing the index for the region and
11 counties in which the organizational unit is located against
12 the median index in this State, where the median value is set
13 at 1.0. Thereafter, the State Board shall re-determine the CWI
14 using a similar methodology to that identified in the Texas A &
15 M University study, no less frequently than once every 5 years.

16 "Computer technology and equipment" means computers,
17 servers, notebooks, network equipment, copiers, printers,
18 instructional software, security software, curriculum
19 management courseware, and other materials identified by the
20 State Board of Education.

21 "Core subject" means mathematics; science; reading,
22 English, writing, and language arts; history and social
23 studies; world languages; and subjects taught as Advanced
24 Placement in high schools.

25 "Core teacher" means a regular classroom teacher in
26 elementary schools and teachers of a core subject in middle and

1 high schools.

2 "EAV" means equalized assessed valuation.

3 "Employee benefits" means health, dental, and vision
4 insurance offered to employees of an organizational unit, the
5 costs associated with statutorily required payment of the
6 normal cost of the organizational unit's teacher pensions,
7 Social Security employer contributions, and Illinois Municipal
8 Retirement Fund employer contributions.

9 "English learner" or "EL" means the greater of the prior
10 school year or the 3-year average of students in grades K
11 through 12 whose native tongue is a language other than English
12 and who have not obtained an overall composite proficiency
13 level of 5.0, a reading proficiency level of 4.2, and a writing
14 proficiency level of 4.2 on the prior year ACCESS test or an
15 equivalent assessment for EL students.

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

20 "Full-time equivalent" or "FTE" means the full-time
21 equivalency compensation for staffing the relevant position at
22 an organizational unit, computed in accordance with guidelines
23 prescribed by the State Board.

24 "Guidance counselor" means a licensed guidance counselor
25 who provides support for all students within an organizational
26 unit.

1 "Instructional facilitator" means a qualified teacher or
2 licensed teacher leader who facilitates and coaches continuous
3 improvement in classroom instruction; provides instructional
4 support to teachers in the elements of research-based
5 instruction or demonstrates the alignment of instruction with
6 curriculum standards and assessments tools; develops or
7 coordinates instructional programs or strategies; develops and
8 implements training; chooses standards-based instructional
9 materials; provides teachers with an understanding of current
10 research; serves as a mentor, site coach, curriculum
11 specialist, or lead teacher; or otherwise works with fellow
12 teachers, in collaboration, to use data to improve
13 instructional practice or develop model lessons.

14 "Instructional materials" means relevant instructional
15 materials for student instruction, including, but not limited
16 to, textbooks, consumable workbooks, laboratory equipment,
17 library books, and other materials identified by the State
18 Board of Education.

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

22 "Librarian" means a teacher with an endorsement as a school
23 librarian.

24 "Local Capacity Ratio" means, for an organizational unit in
25 a given school year, the normal curve equivalent percentage
26 based on the calculation method in paragraph (4) of subsection

1 (c) of this Section, which must never be higher than 90%.

2 "Local Capacity Target" means, for an organizational unit,
3 that dollar amount that is obtained by multiplying the Base
4 Adequacy Level of the organizational unit by the Local Capacity
5 Ratio for the organizational unit.

6 "Low-Income Count" means, for an organizational unit in a
7 fiscal year, the higher of the average number of students
8 attending the organizational unit over the prior school year or
9 the immediately preceding 3 school years who, according to the
10 Department of Human Services, at any time over such prior
11 3-year period were eligible for at least one of the following
12 low-income programs or any successor thereto established under
13 federal law: Medicaid; the Children's Health Insurance
14 Program; Temporary Assistance for Needy Families; or the
15 Supplemental Nutrition Assistance Program.

16 "Maintenance and operations" means functions such as, but
17 not limited to, custodial services, facility and ground
18 maintenance, facility operations, facility security, and
19 routine facility repairs.

20 "Net State Contribution" means the aggregate amount of
21 kindergarten through grade 12 education funding an
22 organizational unit would receive from this State annually
23 under this Section if fully funded, as determined under
24 paragraph (4) of subsection (c) of this Section. Per pupil,
25 "Net State Contribution" means the Net State Contribution to an
26 organizational unit for a school year, divided by the

1 applicable ASE of the organizational unit for the school year.

2 "Nurse" means an individual licensed as a school nurse,
3 registered nurse, or licensed practical nurse in this State, in
4 accordance with the rules established for nursing services
5 regulated by the State Board of Education, who is an employee
6 of and is available to provide health care-related services for
7 all students of an organizational unit.

8 "Organizational unit" means any public school district
9 that is recognized as such by the State Board of Education and
10 that contains elementary schools typically serving
11 kindergarten through 5th grades, middle schools typically
12 servng 6th through 8th grades, or high schools typically
13 servng 9th through 12th grades. The General Assembly
14 acknowledges that the actual grade levels served by a
15 particular organizational unit may vary slightly from what is
16 typical. "Organizational unit" specifically includes
17 laboratory schools operated in accordance with subsection (K)
18 of Section 18-8.05 of this Code.

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

21 "Professional development" means training programs for
22 licensed staff in schools, including, but not limited to,
23 programs that assist in implementing new curriculum programs,
24 provide data focused or academic assessment data training to
25 help staff identify a student's weaknesses and strengths,
26 target interventions, improve instruction, encompass

1 instructional strategies for EL, gifted, or at-risk students,
2 address inclusivity, cultural sensitivity, or implicit bias,
3 or otherwise provide professional support for licensed staff in
4 areas identified by the State Board of Education.

5 "Prototypical" means 450 students for an elementary
6 school, 450 students for a middle school, and 600 students for
7 a high school.

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

11 "School site staff" means the primary school secretary and
12 any additional clerical personnel assigned to the school under
13 the funding matrices set forth in this Section.

14 "Special education" means programs for students with
15 moderate disabilities categorized comparably as either
16 high-incidence or low-cost. Special education services for
17 students may be in self-contained classrooms or as part of the
18 regular education classroom.

19 "Specialist teacher" means a teacher who provides
20 instruction in subject areas not included in core subjects,
21 including, but not limited to, art, music, physical education,
22 health, driver education, career-technical education, and such
23 other subject areas as may be mandated by State law or
24 identified by the State Board of Education from time to time.

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

26 "Student activities" means non-credit producing

1 after-school programs, including, but not limited to, clubs,
2 bands, sports, and other activities established by the school
3 board of the organizational unit.

4 "Substitute teacher" means an individual teacher or
5 teaching assistant who is employed by an organizational unit
6 and is temporarily serving the organizational unit on a per
7 diem or per period-assignment basis replacing another staff
8 member.

9 "Summer school" means academic and enrichment programs
10 provided to students during the summer months outside of the
11 regular school year.

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

18 "Winsorization" means the transformation of statistics by
19 limiting extreme values in the statistical data to reduce the
20 effect of possible outliers. In the determination of the Local
21 Capacity Index, this is used when calculating the mean and
22 standard deviation of statewide EAV to adequacy ratios. The
23 winsorization is set at the 10th percentile and the 90th
24 percentile.

25 (c) The Evidence-Based Model under this Section shall be
26 applied to all organizational units in this State. The

1 Evidence-Based Model uses academic research to identify the
2 resources and educational programs that are necessary to
3 improve student success, improve academic performance, and
4 close achievement gaps. The Evidence-Based Model reflects a
5 research-based consensus on what constitutes best practices
6 and reflects strategies found in schools that have achieved
7 success in raising the academic achievement of students. When
8 fully funded, the Evidence-Based Model ensures all schools have
9 the resources necessary to enable all students the opportunity
10 to achieve the proficiency standards established by this State.

11 (1) The annual investment needed to provide an adequate
12 education to all students who attend an organizational unit
13 in this State shall be the aggregate dollar value obtained
14 by adding the funding amounts applicable to all
15 organizational units as identified in paragraph (2) of this
16 subsection (c), as those factors relate to the student
17 composition and ASE of all organizational units. By
18 utilizing this research-based approach, State education
19 funding when this Section is fully funded shall be adequate
20 and equitable; shall not be dependent on where students
21 reside; shall be based on the cost of those educational
22 practices that the evidence indicates have a statistically
23 meaningful correlation to enhancing student achievement
24 over time; and shall include such other necessary costs
25 associated with the operation of a school or the education
26 of children, such as, but not limited to, operational and

1 maintenance costs, that are naturally incident thereto.

2 Funding amounts in the first year of the implementation
3 of this Section shall not be less than all grades K through
4 12 education funding in the immediately prior funding year
5 other than for regular and special education
6 transportation and special education tuition.

7 (2) The Base Adequacy Level for each organizational
8 unit for a school year shall be the aggregate dollar value
9 obtained by adding the funding amounts applicable to the
10 organizational unit for the school year, as determined in
11 accordance with the following:

12 (A) Core class size investments. Each
13 organizational unit shall receive the funding required
14 to support that number of FTE core teacher positions as
15 is needed to keep the respective class sizes of the
16 organizational unit to a maximum of 15 students each
17 for grades kindergarten through 3 and 25 students each
18 for grades 4 through 12. The number of FTE core teacher
19 positions shall be determined by dividing the ASE of
20 the organizational unit for grades kindergarten
21 through 3 by 15 and grades 4 through 12 by 25.

22 (B) Specialist teacher investments. Each
23 organizational unit shall receive the funding needed
24 to cover that number of FTE specialist teacher
25 positions that correspond to the following
26 percentages:

1 (i) if the organizational unit operates an
2 elementary or middle school, then 20% of the number
3 of the organizational unit's core teachers as
4 determined under subdivision (A) of this paragraph
5 (2); and

6 (ii) if such organizational unit operates a
7 high school, then 33 1/3% of the number of the
8 organizational unit's core teachers.

9 (C) Instructional facilitator investments. Each
10 organizational unit shall receive the funding needed
11 to cover one FTE instructional facilitator position
12 for every 200 students attending the organizational
13 unit.

14 (D) Core intervention teacher (tutor) investments.
15 Each organizational unit shall receive the funding
16 needed to cover one FTE teacher position for each
17 prototypical elementary, middle, and high school.
18 Additional FTE teacher positions shall be pro-rata
19 funded based on ASE in excess of the ASE for each
20 prototypical school.

21 (E) Substitute teacher investments. Each
22 organizational unit shall receive the funding needed
23 to cover substitute teacher costs that is equal to 5%
24 of the aggregate required teaching days of full-time
25 equivalent core, specialist, and intervention
26 teachers, school nurses, special education teachers

1 and aides, instructional facilitators, and summer
2 school and extended-day teacher positions, as
3 determined under this paragraph (2), at a salary rate
4 of 33.3% of the average salary for each teacher
5 position and 33.33% of the average salary of each
6 instructional assistant position.

7 (F) Core guidance counselor investments. Each
8 organizational unit shall receive the funding needed
9 to cover one FTE guidance counselor for each 450 ASE
10 elementary students, plus one FTE guidance counselor
11 for each 250 ASE middle school students, plus one FTE
12 guidance counselor for each 250 ASE high school
13 students.

14 (G) Nurse investments. Each organizational unit
15 shall receive the funding needed to cover one FTE nurse
16 for each 750 ASE across all grade levels it serves.

17 (H) Supervisory aide investments. Each
18 organizational unit shall receive the funding needed
19 to cover one FTE for each 225 ASE elementary students,
20 plus one FTE for each 225 ASE middle school students,
21 plus one FTE for each 200 ASE high school students.

22 (I) Librarian investments. Each organizational
23 unit shall receive the funding needed to cover one FTE
24 librarian for each prototypical elementary school and
25 one FTE aide or media technician for every 300 ASE.

26 (J) Principal investments. Each organizational

1 unit shall receive the funding needed to cover one FTE
2 principal position for each prototypical elementary
3 school, plus one FTE principal position for each
4 prototypical middle school, plus one FTE principal
5 position for each prototypical high school. Additional
6 FTE principal positions shall be pro-rata funded based
7 on ASE in excess of the ASE for each prototypical
8 school.

9 (K) Assistant principal investments. Each
10 organizational unit shall receive the funding needed
11 to cover one FTE assistant principal position for each
12 prototypical elementary school, plus one FTE assistant
13 principal position for each prototypical middle
14 school, plus one FTE assistant principal position for
15 each prototypical high school.

16 (L) School site staff investments. Each
17 organizational unit shall receive the funding needed
18 to cover one FTE position for each 225 ASE elementary
19 students, plus one FTE position for each 225 ASE middle
20 school students, plus one FTE position for each 200 ASE
21 high school students.

22 (M) Gifted investments. Each organizational unit
23 shall receive \$40 per ASE.

24 (N) Professional development investments. Each
25 organizational unit shall receive \$125 per ASE student
26 for trainers and other professional

1 development-related expenses for supplies and
2 materials.

3 (O) Instructional material investments. Each
4 organizational unit shall receive \$190 per ASE student
5 to cover instructional material costs.

6 (P) Assessment investments. Each organizational
7 unit shall receive \$25 per ASE student to cover
8 assessment costs.

9 (Q) Computer technology and equipment investments.
10 Each organizational unit shall receive \$571 per ASE
11 student to cover computer technology and equipment
12 costs.

13 (R) Student activities investments. Each
14 organizational unit shall receive the following
15 funding amounts to cover student activities: \$100 per
16 ASE student in elementary school, plus \$200 per ASE
17 student in middle school, plus \$675 per ASE student in
18 high school.

19 (S) Maintenance and operations investments. Each
20 organizational unit shall receive \$1,038 per ASE
21 student for day-to-day maintenance and operations
22 expenditures, including salary, supplies, and
23 materials, as well as purchased services, but
24 excluding employee benefits.

25 (T) Central office investments. Each
26 organizational unit shall receive \$742 per ASE student

1 to cover central office operations, including
2 administrators and classified personnel charged with
3 managing the instructional programs, business and
4 operations of the school district, and security
5 personnel.

6 (U) Employee benefit investments. Each
7 organizational unit shall receive 30% of its total
8 payroll, excluding substitute teachers and student
9 activities investments, to cover benefit costs. For
10 central office and maintenance and operations
11 investments, the benefit calculation shall be based
12 upon the salary component of each investment. For
13 central office, the proportion of salary is equal to
14 \$368.48 and for maintenance and operations, the
15 proportion of salary is equal to \$352.92. If at any
16 time the responsibility for funding the employer's
17 normal cost of teacher pensions is assigned to school
18 districts, then that percentage shall be increased to
19 account therefor. For any fiscal year in which a school
20 district having a population exceeding 500,000
21 inhabitants is responsible for paying the employer's
22 normal cost of teacher pensions, the district shall
23 receive the percentage of its total payroll that is
24 statutorily required to cover employee annual normal
25 costs in addition to the 30% specified in this
26 subdivision (U).

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

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

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

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

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

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

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

19 (i) one FTE intervention teacher (tutor)
20 position for every 125 EL students;

21 (ii) one FTE pupil support staff position for
22 every 125 EL students;

23 (iii) one FTE extended day teacher position
24 for every 120 EL students;

25 (iv) one FTE summer school teacher position
26 for every 120 EL students; and

1 (v) one FTE core teacher position for every 100
2 EL students.

3 (X) Special education investments. Each
4 organizational unit shall receive funding to cover
5 special education as follows:

6 (i) one FTE teacher position for every 141 ASE
7 elementary, middle, and high school students;

8 (ii) one-half of one FTE teacher aide for every
9 141 ASE elementary, middle, and high school
10 students;

11 (iii) one FTE psychologist position for every
12 1,000 ASE elementary, middle, and high school
13 students.

14 (3) Average salaries and the Comparable Wage Index are
15 as follows:

16 (A) Following are the average salaries to be
17 utilized when determining the FTE costs for the
18 relevant position. For purposes of this paragraph (3),
19 "teacher" includes core teachers, specialist and
20 elective teachers, instructional facilitators, tutors,
21 EL teachers, extended-day teachers, and summer school
22 teachers. Where specific grade data is not required
23 under item (2) of subsection (c) of this Section, the
24 average salary for corresponding positions shall
25 apply.

26 (i) Teacher for grades K through 8, \$60,578.

1 (ii) Teacher for grades 9 through 12, \$67,565.

2 (iii) Teacher for grades K through 12,
3 \$64,072.

4 (iv) Guidance counselor for grades K through
5 8, \$68,887.

6 (v) Guidance counselor for grades 9 through
7 12, \$74,674.

8 (vi) Guidance counselor for grades K through
9 12, \$71,781.

10 (vii) Social worker, \$64,647.

11 (viii) Psychologist, \$71,058.

12 (ix) Librarian or media technician, \$68,919.

13 (x) Nurse, \$56,139.

14 (xi) Principal, \$104,135.

15 (xii) Assistant principal, \$91,080.

16 (xiii) School secretary, \$30,000.

17 (xiv) School clerical staff, \$25,000.

18 (xv) Non-instructional assistant, \$25,000.

19 (xvi) Substitute teacher, \$118.64 per day.

20 (xvii) Substitute aide, \$46.29 per day.

21 (B) Salaries for all school and district-level
22 staffing categories set forth in subdivision (A) of
23 this paragraph (3) shall be used for determining the
24 Base Adequacy Level for organizational units for the
25 first 5 school years following the effective date of
26 this Section and are based upon average statewide

1 salary levels for the 2015-2016 school year. The State
2 Superintendent of Education shall adjust the statewide
3 average salary for each staffing category at least once
4 every 5 school years beginning with the 2022-2023
5 school year and continuing thereafter, and the
6 adjusted salaries shall be the salaries utilized for
7 determining Base Adequacy Levels of organizational
8 units in the applicable succeeding school years. Each
9 such redetermination shall include appropriate
10 adjustments for each staffing category as reasonably
11 determined by the State Superintendent.

12 Each year after the initial determination of
13 salaries under subdivision (A) of this paragraph (3)
14 and this subdivision (B), the then most current, annual
15 Bureau of Labor Statistics' national Employment Cost
16 Index for civilian workers in educational services in
17 elementary and secondary schools shall be applied, on a
18 cumulative basis, to the salary averages before using
19 them to compute the applicable FTE position cost,
20 except in years in which the State Superintendent
21 recalibrates all such salaries, as provided in this
22 subdivision (B).

23 (C) Before assigning any salary amount identified
24 under subdivision (A) or (B) of this paragraph (3) for
25 determining the Base Adequacy Level of an
26 organizational unit, the State Superintendent of

1 Education shall further adjust the salary amount for
2 each staffing category by applying thereto the
3 Comparable Wage Index for the organizational unit.

4 (4) An EAV to adequacy ratio is the primary input in
5 determining the Local Capacity Target for each
6 organizational unit. The steps for calculating the Local
7 Capacity Target are as follows:

8 (A) An organizational unit's Local Capacity Ratio
9 in a given year shall be the percentage obtained by
10 dividing the organizational unit's EAV for such year,
11 where the EAV shall be the average of the
12 organizational unit's EAV over the immediately
13 preceding 3 years or its EAV in the immediately
14 preceding year if the EAV is 10% less than the 3-year
15 average, by the organizational unit's Base Adequacy
16 Level for the year, as determined under paragraph (3)
17 of this subsection (c). In the event of organizational
18 unit reorganization, consolidation, or annexation, the
19 most current EAV shall be used in the first year, the
20 average of a 2-year EAV for the second year, and a
21 3-year average EAV for the third year.

22 (B) The Local Capacity Ratio of an organizational
23 unit determined under subdivision (A) of this
24 paragraph (4) shall be adjusted to reflect the number
25 of grades the organizational unit serves. For
26 organizational units that serve grades kindergarten

1 through 12 (unit districts), the Local Capacity Ratio
2 shall be multiplied by one. For organizational units
3 serving grades kindergarten through 8 (elementary
4 districts), the Local Capacity Ratio shall be
5 multiplied by 9/13. For organizational units serving
6 grades 9 through 12 (high school districts), the Local
7 Capacity Ratio shall be multiplied by 4/13. In the
8 event a district or organizational unit has a different
9 grade configuration, a comparable adjustment shall be
10 made based on the grades served.

11 (C) The Local Capacity Ratio, as adjusted in item
12 (B) of this paragraph (4), shall be used to determine a
13 percentage of local capacity using standard normal
14 distribution. To eliminate the effect of extreme
15 values impacting the mean and standard deviation, the
16 array of Local Capacity Ratios are winsorized based on
17 10%/90%. Each organizational unit's adjusted
18 winsorized Local Capacity Ratio shall be converted to a
19 normal curve equivalent score to determine each
20 organizational unit's relative position to all other
21 organizational units in this State. The normal curve
22 equivalent score for each organizational unit shall be
23 calculated using the standard normal distribution of
24 the score in relation to the mean and adjusted
25 winsorized Local Capacity Ratios of all organization
26 units. Should the value assigned to any organizational

1 unit be in excess of 90%, the value shall be adjusted
2 to 90%.

3 (D) For such laboratory schools operated in
4 accordance with subsection (K) of Section 18-8.05 of
5 this Code, the Base Adequacy Level of each
6 organizational unit shall be determined in accordance
7 with paragraph (2) of this subsection (c). The Local
8 Capacity Target shall be set at 10% in recognition of
9 the absence of EAV and resources from the State
10 university that are allocated to the laboratory
11 school.

12 (5) The Net State Contribution Target for the amount of
13 kindergarten through grade 12 funding to be paid by this
14 State shall be the sum of the dollar amounts of the Base
15 Adequacy Level for each organizational unit, reduced by the
16 sum of the school district's Local Capacity Target for the
17 school year, plus the district's corporate personal
18 property replacement tax revenue received in the prior
19 school year. No federal funding shall be considered when
20 determining the Net State Contribution Target under
21 paragraph (4) of this subsection (c). The Net State
22 Contribution Target per pupil made by this State to an
23 organizational unit in a given year shall mean the Net
24 State Contribution Target for that year divided by the
25 organizational unit's ASE in that year.

26 (6) If the initial Net State Contribution Target per

1 pupil that would be made to a school district in the first
2 fiscal year in which education funding is implemented in
3 accordance with this Section would be less than the
4 aggregate amount of per pupil kindergarten through grade 12
5 funding, including funding for general State aid, primary
6 State aid and supplemental grants under Section 18-8.15 of
7 this Code, special education personnel, special education
8 children, special education summer school, EL and
9 bilingual education, and driver education, the district
10 received from this State in the immediately preceding
11 fiscal year (to be referred to as the Minimum Per Pupil
12 Funding Level), then in the first and subsequent 4 school
13 years of implementation of this Section, the school
14 district shall receive an amount of education funding from
15 this State equal to its then current ASE multiplied by the
16 Minimum Per Pupil Funding Level.

17 (7) In the event that the General Assembly and the
18 Governor decrease the amount of the appropriation for this
19 Section in any fiscal year after implementation of this
20 Section, the organizational units receiving Tier 1 and Tier
21 2 funding, as determined under paragraph (8) of this
22 subsection (c), shall be held harmless by establishing a
23 Base Funding Guarantee equal to the per pupil kindergarten
24 through grade funding received in accordance with this
25 Section in the prior fiscal year. Reduction shall be made
26 to the Base Funding Minimum of organizational units in Tier

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

16 (8) Equitable distribution of State appropriations for
17 this Section that are in excess of the aggregate
18 appropriations for general State aid, primary State aid and
19 supplemental grants under Section 18-8.15 of this Code,
20 special education personnel, special education child
21 funding, special education summer school, EL and bilingual
22 education, and driver education for the prior fiscal year
23 or funding for this Section in the prior fiscal year shall
24 be established by the following formula:

25 (A) An organizational unit's Preliminary Resources
26 are determined by summing the Local Capacity Target

1 plus corporate personal property replacement taxes
2 plus the Base Funding Minimum. An organizational
3 unit's Preliminary Resource Ratio is the Preliminary
4 Organizational Resources divided by the Base Adequacy
5 Level.

6 (B) All organizational units shall be placed into
7 one of 4 funding tiers, with the exception that all
8 Tier 1 units are also included in Tier 2. Funding tiers
9 are defined as follows:

10 (i) Tier 1: All organizational units with an
11 organizational resource ratio of less than 0.60.

12 (ii) Tier 2: All organizational units with an
13 organizational resource ratio of less than 0.90,
14 including Tier 1 units.

15 (iii) Tier 3: All organizational units with an
16 organizational resource ratio equal to or greater
17 than 0.90 and less than 1.0.

18 (iv) Tier 4: All organizational units with an
19 organizational resource ratio equal to or greater
20 than 1.0.

21 (C) Annual additional appropriations to fund this
22 Section in excess of prior fiscal year appropriations
23 are applied to funding tiers as follows:

24 (i) 33% to Tier 1. Tier 1 funding shall be
25 equal to Tier 1 Funding Gap times Tier 1 Funding
26 Allocation Rate where the Tier 1 Funding

1 Allocation Rate is determined by the total amount
2 of Tier 1 funding divided by the aggregate funding
3 gap for all Tier 1 organizational units, and where
4 the Tier 1 Funding Gap equals the Tier 1 Target
5 Ratio (0.60) times the Base Adequacy Level minus
6 Preliminary Resources. Should the Funding
7 Allocation Rate be higher than 1.0, then the Rate
8 shall be adjusted to 1.0. In the event that all
9 organizational units achieve the Tier 1 Target
10 Ratio of 0.60, any remaining resources shall be
11 allocated to Tier 2.

12 (ii) 66% to Tier 2. Tier 2 funding will be
13 distributed to all Tier 1 and Tier 2 organizational
14 units using the following formula: the Tier 2
15 Funding Gap times Tier 2 Allocation Rate, where the
16 Funding Gap equals the Tier 2 Target Ratio (0.90)
17 times the (Base Adequacy Level minus Preliminary
18 Resources plus Tier 1 Funding) and where the Tier 2
19 Allocation Rate is Tier 2 Available Funding
20 divided by the Total Tier 2 (and Tier 1) Funding
21 Gap. Should the Allocation Rate be higher than 1.0
22 then the Rate shall be adjusted to 1.0. Should the
23 Tier 2 Funding Allocation Rate be adjusted to 1.0,
24 resources shall be allocated to Tier 2
25 organizational units on a per pupil basis until all
26 units achieve the Tier 2 Target Ratio of 0.90. In

1 the event that all organizational units achieve
2 the Tier 2 Target Ratio of 0.90, any remaining
3 resources shall be allocated to Tier 3 and Tier 4.

4 (iii) 0.9% to Tier 3 or additional excess
5 resources from Tier 2. Tier 3 funding shall be
6 determined by multiplying a Tier 3 Allocation Rate
7 by the Base Adequacy Gap of each organizational
8 unit, where the Tier 3 Allocation Rate is equal to
9 Total Tier 3 Available Funding divided by the Total
10 Tier 3 Adequacy Funding Target (the sum of all Base
11 Adequacy Levels for all Tier 3 organizational
12 units).

13 (iv) 0.1% to Tier 4. Tier 4 funding is based on
14 a Tier 4 Allocation Rate that is equal to Total
15 Tier 4 Available Funding divided by the Total Tier
16 4 Base Adequacy Level and times each
17 organizational unit's Base Adequacy Level.

18 (D) Alternative schools, safe schools, special
19 education cooperatives or entities recognized by the
20 State Board of Education as special education
21 cooperatives, vocational cooperatives or entities
22 recognized by the State Board of Education as
23 vocational cooperatives, State-approved charter
24 schools, and alternative learning opportunities
25 program funding entities that received general State
26 aid or categorical funding in the year prior to the

1 effective date of this amendatory Act of the 99th
2 General Assembly shall be placed in Tier 4, and their
3 Base Funding Minimum shall be defined as their Base
4 Adequacy Level. Should any entities recognized by the
5 State Board of Education secure future funding
6 directly from organizational units, the Base Funding
7 Minimum shall be transferred to the organizational
8 unit based on the prior year ASE of the entity.

9 (d) All school districts in this State must submit annual
10 spending plans by the end of September of each year to the
11 State Board of Education as part of the annual budget process,
12 which shall describe how each organizational unit will utilize
13 funding it receives from this State under this Section. The
14 State Superintendent of Education may, from time to time,
15 identify the requisites for school districts to satisfy when
16 compiling the annual spending plans required under this
17 subsection (d).

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

25 (1) a framework for collaborative, professional,
26 innovative, and 21st century learning environments using

1 the evidence-based funding model;

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

4 (3) application and enhancement of the current
5 financial accountability measures and the Illinois
6 Balanced Accountability Measures in relation to elements
7 of the evidence-based funding model; and

8 (4) implementation of an effective school adequacy
9 funding system based on projected and recommended funding
10 levels from the General Assembly.

11 (e) The State Superintendent of Education shall calculate
12 the Base Adequacy Level for each organizational unit and Net
13 State Contribution Target for each school district under this
14 Section. The State Superintendent shall also certify the actual
15 amounts of the Net State Contribution Target payable for each
16 eligible district based on the equitable distribution
17 calculation to the district's treasurer, as soon as possible
18 after such amounts are calculated, including any applicable
19 adjusted charge-off increase. No moneys shall be distributed
20 without the approval of the district's school board.

21 The State Board shall, in accordance with appropriations
22 made by the General Assembly, meet the funding obligations
23 created under this Section.

24 Annually, the State Board shall calculate and report to
25 each school district the district's aggregate financial
26 adequacy amount, which shall be the sum of the Base Adequacy

1 Level for each organizational unit in the school district. The
2 State Board shall calculate and report separately for each
3 school district the district's total State funds allocated for
4 its students with disabilities. The State Board shall calculate
5 and report separately for each school district the amount of
6 funding and applicable FTE calculated for each factor of the
7 district's Base Adequacy Level amount under paragraph (2) of
8 subsection (c) this Section.

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

19 School districts with average daily attendance above their
20 ASE in a school year shall be reviewed by the State Board.
21 School districts shall report to the State Board each fall and
22 spring the students housed by the serving school. The fall
23 official counts shall reflect students enrolled in the district
24 on the 20th day of the school year and reported to the State
25 Board's Student Information System no later than October 15th.
26 The spring official counts shall reflect students enrolled in

1 the district on the first Friday in March and reported to State
2 Board's Student Information System no later than April 20th.

3 (f) A Professional Judgment Panel is created to support the
4 State Board's implementation of this Section and oversee
5 continual recalibration and future study topics. The Panel
6 shall be appointed by the State Superintendent of Education,
7 except as otherwise provided in this subsection (f), supported
8 by State Board personnel, and comprised of geographically
9 diverse representatives from economically diverse districts.
10 In considering whether a district is economically diverse, the
11 State Superintendent of Education shall consider the
12 low-income population and property wealth of school districts
13 and areas. The members of the Panel shall be from organizations
14 representing superintendents, business officials, principals,
15 school board members, regional superintendents of schools,
16 independent school funding experts, whether from academics or
17 from non-governmental organizations with recognized expertise
18 in education funding, and teachers as follows:

19 (1) Two geographically diverse appointees from
20 economically diverse districts that represent district
21 superintendents, recommended by a statewide organization
22 that represents district superintendents.

23 (2) Two geographically diverse appointees from
24 economically diverse districts that represent school
25 boards, recommended by a statewide organization that
26 represents school boards.

1 (3) Two geographically diverse appointees from
2 economically diverse districts that represent school
3 business officials, recommended by a statewide
4 organization that represents school business officials.

5 (4) Two geographically diverse appointees from
6 economically diverse districts that represent school
7 principals, recommended by a statewide organization that
8 represents school principals.

9 (5) Two geographically diverse appointees that
10 represent teachers, recommended by a statewide
11 organization that represents teachers.

12 (6) Two geographically diverse appointees that
13 represent teachers, recommended by another statewide
14 organization that represents teachers.

15 (7) Two geographically diverse appointees that
16 represent regional superintendents of schools, recommended
17 by organizations that represent regional superintendents.

18 (8) Two independent experts selected solely by the
19 State Superintendent.

20 (9) Two independent experts recommended by public
21 universities in this State.

22 (10) One member recommended by a statewide
23 organization that represent parents.

24 (11) Two geographically diverse representatives
25 recommended by collective impact organizations that
26 represent major metropolitan areas or geographic areas in

1 Illinois.

2 (12) One member from a statewide organization focused
3 on research-based education policy to support a school
4 system that prepares all students for college, a career,
5 and democratic citizenship.

6 In addition to those Panel members appointed by the State
7 Superintendent, 4 legislative liaisons shall be appointed, one
8 by the Speaker of the House of Representatives, one by the
9 President of the Senate, one by the Minority Leader of the
10 House of Representatives, and one by the Minority Leader of the
11 Senate.

12 The Professional Judgment Panel shall study and review the
13 implementation and effect of the evidence-based funding model
14 under this Section. On an annual basis, the State
15 Superintendent of Education shall recalibrate the following
16 per pupil elements of the Base Adequacy Level and applied to
17 the formulas, based on the Panel's study of average expenses as
18 reported in the most recent annual financial report:

19 (A) gifted under subdivision (M) of paragraph (2) of
20 subsection (c) of this Section;

21 (B) instructional materials under subdivision (O) of
22 paragraph (2) of subsection (c) of this Section;

23 (C) assessment under subdivision (P) of paragraph (2)
24 of subsection (c) of this Section;

25 (D) student activities under subdivision (R) of
26 paragraph (2) of subsection (c) of this Section;

1 (E) maintenance and operations under subdivision (S)
2 of paragraph (2) of subsection (c) of this Section; and

3 (F) central office under subdivision (T) of paragraph
4 (2) of subsection (c) of this Section.

5 On a periodic basis, the Panel shall study all of the
6 following elements and make recommendations to the General
7 Assembly and the Governor for modification of this Section:

8 (i) Average salaries under subdivision (A) of
9 paragraph (3) of subsection (c) of this Section, to be
10 annually modified by the Bureau of Labor Statistics'
11 national Employment Cost Index for civilian workers in
12 educational services in elementary and secondary schools,
13 with a new study every 5 years.

14 (ii) The Comparable Wage Index under subdivision (C) of
15 paragraph (3) of subsection (c) of this Section, to be
16 studied by the Panel and reestablished by the State
17 Superintendent every 5 years.

18 (iii) Maintenance and operations. Within 5 years after
19 the implementation of this Section, the Panel shall make
20 recommendations for the further study of maintenance and
21 operations costs, including capital maintenance costs, and
22 recommend any additional reporting data required from
23 organizational units.

24 (iv) "At-risk student" definition. Within 5 years
25 after the implementation of this Section, the Panel shall
26 make recommendations for the further study and

1 determination of an "at-risk student" definition to be
2 recommended for future consideration by the General
3 Assembly and the Governor.

4 (v) Benefits, to be studied within 5 years after the
5 implementation of this Section.

6 (vi) Technology. The per pupil target for technology
7 shall be reviewed every 3 years to determine whether
8 current allocations are sufficient to develop 21st century
9 learning in all classrooms in this State. Recommendations
10 shall be made to the General Assembly and the Governor no
11 later than 3 years after the implementation of this
12 Section.

13 (vii) Base Funding Minimum. Per paragraph (6) of
14 subsection (c) of this Section, a review of the Base
15 Funding Minimum shall be made, and recommendations for
16 continuance or modification of the Base Funding Minimum
17 shall be made to the General Assembly and the Governor
18 within 5 years after the implementation of this Section.

19 (viii) Local Capacity Target. Within 3 years after the
20 implementation of this Section, the Panel shall make
21 recommendations for any additional data desired to analyze
22 possible modifications to the Local Capacity Target, to be
23 based on measures in addition to solely EAV and to be
24 completed within 5 years after implementation of this
25 Section.

26 (ix) Funding for alternative schools, laboratory

1 schools, safe schools, and alternative learning
2 opportunity programs. By the beginning of the 2020-2021
3 school year, the Panel shall study and make recommendations
4 to the General Assembly and the Governor regarding the
5 funding levels for alternative schools, laboratory
6 schools, safe schools, and alternative learning
7 opportunity programs in this State.

8 (x) Funding for college and career acceleration
9 strategies. By the beginning of the 2020-2021 school year,
10 the Panel shall study and make recommendations to the
11 General Assembly and the Governor regarding funding levels
12 to support college and career acceleration strategies in
13 high school that have been demonstrated to result in
14 improved secondary and postsecondary outcomes, including
15 Advanced Placement, dual-credit opportunities, and college
16 and career pathway systems.

17 (xi) Special education investments. By the beginning
18 of the 2020-2021 school year, the Panel shall study and
19 make recommendations to the General Assembly and the
20 Governor on whether and how to account for disability types
21 within the special education funding category.

22 (g) Each fiscal year, the State Board of Education shall
23 calculate for each organizational unit an amount of State funds
24 received pursuant to this Section that shall be deemed
25 attributable to the provision of special educational
26 facilities and services, as defined in Section 14-1.08 of this

1 Code, in a manner that ensures compliance with maintenance of
2 State financial support requirements under the federal
3 Individuals with Disabilities Education Act. An organizational
4 unit must use such funds only for the provision of special
5 educational facilities and services, as defined in Section
6 14-1.08 of this Code, and must comply with any expenditure
7 verification procedures adopted by the State Board of
8 Education.

9 (h) On and after July 1, 2017, references in other laws to
10 general or primary State aid funds or calculations under
11 Sections 18-8.05 or 18-8.15 of this Code shall be deemed to be
12 references to State funds provided or calculations made under
13 this Section.

14 (105 ILCS 5/18-9) (from Ch. 122, par. 18-9)

15 Sec. 18-9. Requirement for special equalization and
16 supplementary State aid. If property comprising an aggregate
17 assessed valuation equal to 6% or more of the total assessed
18 valuation of all taxable property in a school district is owned
19 by a person or corporation that is the subject of bankruptcy
20 proceedings or that has been adjudged bankrupt and, as a result
21 thereof, has not paid taxes on the property, then the district
22 may amend its general State aid or primary State aid claim (i)
23 back to the inception of the bankruptcy, not to exceed 6 years,
24 in which time those taxes were not paid and (ii) for each
25 succeeding year that those taxes remain unpaid, by adding to

1 the claim an amount determined by multiplying the assessed
2 valuation of the property on which taxes have not been paid due
3 to the bankruptcy by the lesser of the total tax rate for the
4 district for the tax year for which the taxes are unpaid or the
5 applicable rate used in calculating the district's general
6 State aid under paragraph (3) of subsection (D) of Section
7 18-8.05 of this Code or primary State aid under paragraph (3)
8 of subsection (d) of Section 18-8.15 of this Code, as
9 applicable. If at any time a district that receives additional
10 State aid under this Section receives tax revenue from the
11 property for the years that taxes were not paid, the district's
12 next claim for State aid shall be reduced in an amount equal to
13 the taxes paid on the property, not to exceed the additional
14 State aid received under this Section. Claims under this
15 Section shall be filed on forms prescribed by the State
16 Superintendent of Education, and the State Superintendent of
17 Education, upon receipt of a claim, shall adjust the claim in
18 accordance with the provisions of this Section. Supplementary
19 State aid for each succeeding year under this Section shall be
20 paid beginning with the first general State aid or primary
21 State aid claim paid after the district has filed a completed
22 claim in accordance with this Section.

23 (Source: P.A. 95-496, eff. 8-28-07.)

24 (105 ILCS 5/18-12) (from Ch. 122, par. 18-12)

25 Sec. 18-12. Dates for filing State aid claims. The school

1 board of each school district shall require teachers,
2 principals, or superintendents to furnish from records kept by
3 them such data as it needs in preparing and certifying to the
4 regional superintendent its school district report of claims
5 provided in Sections 18-8.05 through 18-9 as required by the
6 State Superintendent of Education. The district claim shall be
7 based on the latest available equalized assessed valuation and
8 tax rates, as provided in Section 18-8.05 or 18-8.15 and shall
9 use the average daily attendance as determined by the method
10 outlined in Section 18-8.05 or 18-8.15 and shall be certified
11 and filed with the regional superintendent by June 21 for
12 districts with an official school calendar end date before June
13 15 or within 2 weeks following the official school calendar end
14 date for districts with a school year end date of June 15 or
15 later. The regional superintendent shall certify and file with
16 the State Superintendent of Education district State aid claims
17 by July 1 for districts with an official school calendar end
18 date before June 15 or no later than July 15 for districts with
19 an official school calendar end date of June 15 or later.
20 Failure to so file by these deadlines constitutes a forfeiture
21 of the right to receive payment by the State until such claim
22 is filed and vouchered for payment. The regional superintendent
23 of schools shall certify the county report of claims by July
24 15; and the State Superintendent of Education shall voucher for
25 payment those claims to the State Comptroller as provided in
26 Section 18-11.

1 Except as otherwise provided in this Section, if any school
2 district fails to provide the minimum school term specified in
3 Section 10-19, the State aid claim for that year shall be
4 reduced by the State Superintendent of Education in an amount
5 equivalent to 1/176 or .56818% for each day less than the
6 number of days required by this Code.

7 If the State Superintendent of Education determines that
8 the failure to provide the minimum school term was occasioned
9 by an act or acts of God, or was occasioned by conditions
10 beyond the control of the school district which posed a
11 hazardous threat to the health and safety of pupils, the State
12 aid claim need not be reduced.

13 If a school district is precluded from providing the
14 minimum hours of instruction required for a full day of
15 attendance due to an adverse weather condition or a condition
16 beyond the control of the school district that poses a
17 hazardous threat to the health and safety of students, then the
18 partial day of attendance may be counted if (i) the school
19 district has provided at least one hour of instruction prior to
20 the closure of the school district, (ii) a school building has
21 provided at least one hour of instruction prior to the closure
22 of the school building, or (iii) the normal start time of the
23 school district is delayed.

24 If, prior to providing any instruction, a school district
25 must close one or more but not all school buildings after
26 consultation with a local emergency response agency or due to a

1 condition beyond the control of the school district, then the
2 school district may claim attendance for up to 2 school days
3 based on the average attendance of the 3 school days
4 immediately preceding the closure of the affected school
5 building or, if approved by the State Board of Education,
6 utilize the provisions of an e-learning program for the
7 affected school building as prescribed in Section 10-20.56 of
8 this Code. The partial or no day of attendance described in
9 this Section and the reasons therefore shall be certified
10 within a month of the closing or delayed start by the school
11 district superintendent to the regional superintendent of
12 schools for forwarding to the State Superintendent of Education
13 for approval.

14 Other than the utilization of any e-learning days as
15 prescribed in Section 10-20.56 of this Code, no exception to
16 the requirement of providing a minimum school term may be
17 approved by the State Superintendent of Education pursuant to
18 this Section unless a school district has first used all
19 emergency days provided for in its regular calendar.

20 If the State Superintendent of Education declares that an
21 energy shortage exists during any part of the school year for
22 the State or a designated portion of the State, a district may
23 operate the school attendance centers within the district 4
24 days of the week during the time of the shortage by extending
25 each existing school day by one clock hour of school work, and
26 the State aid claim shall not be reduced, nor shall the

1 employees of that district suffer any reduction in salary or
2 benefits as a result thereof. A district may operate all
3 attendance centers on this revised schedule, or may apply the
4 schedule to selected attendance centers, taking into
5 consideration such factors as pupil transportation schedules
6 and patterns and sources of energy for individual attendance
7 centers.

8 Electronically submitted State aid claims shall be
9 submitted by duly authorized district or regional individuals
10 over a secure network that is password protected. The
11 electronic submission of a State aid claim must be accompanied
12 with an affirmation that all of the provisions of Sections
13 18-8.05 through 18-9, 10-22.5, and 24-4 of this Code are met in
14 all respects.

15 (Source: P.A. 99-194, eff. 7-30-15.)

16 (105 ILCS 5/26-16)

17 Sec. 26-16. Graduation incentives program.

18 (a) The General Assembly finds that it is critical to
19 provide options for children to succeed in school. The purpose
20 of this Section is to provide incentives for and encourage all
21 Illinois students who have experienced or are experiencing
22 difficulty in the traditional education system to enroll in
23 alternative programs.

24 (b) Any student who is below the age of 20 years is
25 eligible to enroll in a graduation incentives program if he or

1 she:

2 (1) is considered a dropout pursuant to Section 26-2a
3 of this Code;

4 (2) has been suspended or expelled pursuant to Section
5 10-22.6 or 34-19 of this Code;

6 (3) is pregnant or is a parent;

7 (4) has been assessed as chemically dependent; or

8 (5) is enrolled in a bilingual education or LEP
9 program.

10 (c) The following programs qualify as graduation
11 incentives programs for students meeting the criteria
12 established in this Section:

13 (1) Any public elementary or secondary education
14 graduation incentives program established by a school
15 district or by a regional office of education.

16 (2) Any alternative learning opportunities program
17 established pursuant to Article 13B of this Code.

18 (3) Vocational or job training courses approved by the
19 State Superintendent of Education that are available
20 through the Illinois public community college system.
21 Students may apply for reimbursement of 50% of tuition
22 costs for one course per semester or a maximum of 3 courses
23 per school year. Subject to available funds, students may
24 apply for reimbursement of up to 100% of tuition costs upon
25 a showing of employment within 6 months after completion of
26 a vocational or job training program. The qualifications

1 for reimbursement shall be established by the State
2 Superintendent of Education by rule.

3 (4) Job and career programs approved by the State
4 Superintendent of Education that are available through
5 Illinois-accredited private business and vocational
6 schools. Subject to available funds, pupils may apply for
7 reimbursement of up to 100% of tuition costs upon a showing
8 of employment within 6 months after completion of a job or
9 career program. The State Superintendent of Education
10 shall establish, by rule, the qualifications for
11 reimbursement, criteria for determining reimbursement
12 amounts, and limits on reimbursement.

13 (5) Adult education courses that offer preparation for
14 high school equivalency testing.

15 (d) Graduation incentives programs established by school
16 districts are entitled to claim general State aid and primary
17 State aid, subject to Sections 13B-50, 13B-50.5, and 13B-50.10
18 of this Code. Graduation incentives programs operated by
19 regional offices of education are entitled to receive general
20 State aid and primary State aid at the foundation level of
21 support per pupil enrolled. A school district must ensure that
22 its graduation incentives program receives supplemental
23 general State aid, transportation reimbursements, and special
24 education resources, if appropriate, for students enrolled in
25 the program.

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

1 (105 ILCS 5/27-8.1) (from Ch. 122, par. 27-8.1)

2 Sec. 27-8.1. Health examinations and immunizations.

3 (1) In compliance with rules and regulations which the
4 Department of Public Health shall promulgate, and except as
5 hereinafter provided, all children in Illinois shall have a
6 health examination as follows: within one year prior to
7 entering kindergarten or the first grade of any public,
8 private, or parochial elementary school; upon entering the
9 sixth and ninth grades of any public, private, or parochial
10 school; prior to entrance into any public, private, or
11 parochial nursery school; and, irrespective of grade,
12 immediately prior to or upon entrance into any public, private,
13 or parochial school or nursery school, each child shall present
14 proof of having been examined in accordance with this Section
15 and the rules and regulations promulgated hereunder. Any child
16 who received a health examination within one year prior to
17 entering the fifth grade for the 2007-2008 school year is not
18 required to receive an additional health examination in order
19 to comply with the provisions of Public Act 95-422 when he or
20 she attends school for the 2008-2009 school year, unless the
21 child is attending school for the first time as provided in
22 this paragraph.

23 A tuberculosis skin test screening shall be included as a
24 required part of each health examination included under this
25 Section if the child resides in an area designated by the

1 Department of Public Health as having a high incidence of
2 tuberculosis. Additional health examinations of pupils,
3 including eye examinations, may be required when deemed
4 necessary by school authorities. Parents are encouraged to have
5 their children undergo eye examinations at the same points in
6 time required for health examinations.

7 (1.5) In compliance with rules adopted by the Department of
8 Public Health and except as otherwise provided in this Section,
9 all children in kindergarten and the second and sixth grades of
10 any public, private, or parochial school shall have a dental
11 examination. Each of these children shall present proof of
12 having been examined by a dentist in accordance with this
13 Section and rules adopted under this Section before May 15th of
14 the school year. If a child in the second or sixth grade fails
15 to present proof by May 15th, the school may hold the child's
16 report card until one of the following occurs: (i) the child
17 presents proof of a completed dental examination or (ii) the
18 child presents proof that a dental examination will take place
19 within 60 days after May 15th. The Department of Public Health
20 shall establish, by rule, a waiver for children who show an
21 undue burden or a lack of access to a dentist. Each public,
22 private, and parochial school must give notice of this dental
23 examination requirement to the parents and guardians of
24 students at least 60 days before May 15th of each school year.

25 (1.10) Except as otherwise provided in this Section, all
26 children enrolling in kindergarten in a public, private, or

1 parochial school on or after the effective date of this
2 amendatory Act of the 95th General Assembly and any student
3 enrolling for the first time in a public, private, or parochial
4 school on or after the effective date of this amendatory Act of
5 the 95th General Assembly shall have an eye examination. Each
6 of these children shall present proof of having been examined
7 by a physician licensed to practice medicine in all of its
8 branches or a licensed optometrist within the previous year, in
9 accordance with this Section and rules adopted under this
10 Section, before October 15th of the school year. If the child
11 fails to present proof by October 15th, the school may hold the
12 child's report card until one of the following occurs: (i) the
13 child presents proof of a completed eye examination or (ii) the
14 child presents proof that an eye examination will take place
15 within 60 days after October 15th. The Department of Public
16 Health shall establish, by rule, a waiver for children who show
17 an undue burden or a lack of access to a physician licensed to
18 practice medicine in all of its branches who provides eye
19 examinations or to a licensed optometrist. Each public,
20 private, and parochial school must give notice of this eye
21 examination requirement to the parents and guardians of
22 students in compliance with rules of the Department of Public
23 Health. Nothing in this Section shall be construed to allow a
24 school to exclude a child from attending because of a parent's
25 or guardian's failure to obtain an eye examination for the
26 child.

1 (2) The Department of Public Health shall promulgate rules
2 and regulations specifying the examinations and procedures
3 that constitute a health examination, which shall include the
4 collection of data relating to obesity (including at a minimum,
5 date of birth, gender, height, weight, blood pressure, and date
6 of exam), and a dental examination and may recommend by rule
7 that certain additional examinations be performed. The rules
8 and regulations of the Department of Public Health shall
9 specify that a tuberculosis skin test screening shall be
10 included as a required part of each health examination included
11 under this Section if the child resides in an area designated
12 by the Department of Public Health as having a high incidence
13 of tuberculosis. The Department of Public Health shall specify
14 that a diabetes screening as defined by rule shall be included
15 as a required part of each health examination. Diabetes testing
16 is not required.

17 Physicians licensed to practice medicine in all of its
18 branches, licensed advanced practice nurses, or licensed
19 physician assistants shall be responsible for the performance
20 of the health examinations, other than dental examinations, eye
21 examinations, and vision and hearing screening, and shall sign
22 all report forms required by subsection (4) of this Section
23 that pertain to those portions of the health examination for
24 which the physician, advanced practice nurse, or physician
25 assistant is responsible. If a registered nurse performs any
26 part of a health examination, then a physician licensed to

1 practice medicine in all of its branches must review and sign
2 all required report forms. Licensed dentists shall perform all
3 dental examinations and shall sign all report forms required by
4 subsection (4) of this Section that pertain to the dental
5 examinations. Physicians licensed to practice medicine in all
6 its branches or licensed optometrists shall perform all eye
7 examinations required by this Section and shall sign all report
8 forms required by subsection (4) of this Section that pertain
9 to the eye examination. For purposes of this Section, an eye
10 examination shall at a minimum include history, visual acuity,
11 subjective refraction to best visual acuity near and far,
12 internal and external examination, and a glaucoma evaluation,
13 as well as any other tests or observations that in the
14 professional judgment of the doctor are necessary. Vision and
15 hearing screening tests, which shall not be considered
16 examinations as that term is used in this Section, shall be
17 conducted in accordance with rules and regulations of the
18 Department of Public Health, and by individuals whom the
19 Department of Public Health has certified. In these rules and
20 regulations, the Department of Public Health shall require that
21 individuals conducting vision screening tests give a child's
22 parent or guardian written notification, before the vision
23 screening is conducted, that states, "Vision screening is not a
24 substitute for a complete eye and vision evaluation by an eye
25 doctor. Your child is not required to undergo this vision
26 screening if an optometrist or ophthalmologist has completed

1 and signed a report form indicating that an examination has
2 been administered within the previous 12 months."

3 (3) Every child shall, at or about the same time as he or
4 she receives a health examination required by subsection (1) of
5 this Section, present to the local school proof of having
6 received such immunizations against preventable communicable
7 diseases as the Department of Public Health shall require by
8 rules and regulations promulgated pursuant to this Section and
9 the Communicable Disease Prevention Act.

10 (4) The individuals conducting the health examination,
11 dental examination, or eye examination shall record the fact of
12 having conducted the examination, and such additional
13 information as required, including for a health examination
14 data relating to obesity (including at a minimum, date of
15 birth, gender, height, weight, blood pressure, and date of
16 exam), on uniform forms which the Department of Public Health
17 and the State Board of Education shall prescribe for statewide
18 use. The examiner shall summarize on the report form any
19 condition that he or she suspects indicates a need for special
20 services, including for a health examination factors relating
21 to obesity. The individuals confirming the administration of
22 required immunizations shall record as indicated on the form
23 that the immunizations were administered.

24 (5) If a child does not submit proof of having had either
25 the health examination or the immunization as required, then
26 the child shall be examined or receive the immunization, as the

1 case may be, and present proof by October 15 of the current
2 school year, or by an earlier date of the current school year
3 established by a school district. To establish a date before
4 October 15 of the current school year for the health
5 examination or immunization as required, a school district must
6 give notice of the requirements of this Section 60 days prior
7 to the earlier established date. If for medical reasons one or
8 more of the required immunizations must be given after October
9 15 of the current school year, or after an earlier established
10 date of the current school year, then the child shall present,
11 by October 15, or by the earlier established date, a schedule
12 for the administration of the immunizations and a statement of
13 the medical reasons causing the delay, both the schedule and
14 the statement being issued by the physician, advanced practice
15 nurse, physician assistant, registered nurse, or local health
16 department that will be responsible for administration of the
17 remaining required immunizations. If a child does not comply by
18 October 15, or by the earlier established date of the current
19 school year, with the requirements of this subsection, then the
20 local school authority shall exclude that child from school
21 until such time as the child presents proof of having had the
22 health examination as required and presents proof of having
23 received those required immunizations which are medically
24 possible to receive immediately. During a child's exclusion
25 from school for noncompliance with this subsection, the child's
26 parents or legal guardian shall be considered in violation of

1 Section 26-1 and subject to any penalty imposed by Section
2 26-10. This subsection (5) does not apply to dental
3 examinations and eye examinations. If the student is an
4 out-of-state transfer student and does not have the proof
5 required under this subsection (5) before October 15 of the
6 current year or whatever date is set by the school district,
7 then he or she may only attend classes (i) if he or she has
8 proof that an appointment for the required vaccinations has
9 been scheduled with a party authorized to submit proof of the
10 required vaccinations. If the proof of vaccination required
11 under this subsection (5) is not submitted within 30 days after
12 the student is permitted to attend classes, then the student is
13 not to be permitted to attend classes until proof of the
14 vaccinations has been properly submitted. No school district or
15 employee of a school district shall be held liable for any
16 injury or illness to another person that results from admitting
17 an out-of-state transfer student to class that has an
18 appointment scheduled pursuant to this subsection (5).

19 (6) Every school shall report to the State Board of
20 Education by November 15, in the manner which that agency shall
21 require, the number of children who have received the necessary
22 immunizations and the health examination (other than a dental
23 examination or eye examination) as required, indicating, of
24 those who have not received the immunizations and examination
25 as required, the number of children who are exempt from health
26 examination and immunization requirements on religious or

1 medical grounds as provided in subsection (8). On or before
2 December 1 of each year, every public school district and
3 registered nonpublic school shall make publicly available the
4 immunization data they are required to submit to the State
5 Board of Education by November 15. The immunization data made
6 publicly available must be identical to the data the school
7 district or school has reported to the State Board of
8 Education.

9 Every school shall report to the State Board of Education
10 by June 30, in the manner that the State Board requires, the
11 number of children who have received the required dental
12 examination, indicating, of those who have not received the
13 required dental examination, the number of children who are
14 exempt from the dental examination on religious grounds as
15 provided in subsection (8) of this Section and the number of
16 children who have received a waiver under subsection (1.5) of
17 this Section.

18 Every school shall report to the State Board of Education
19 by June 30, in the manner that the State Board requires, the
20 number of children who have received the required eye
21 examination, indicating, of those who have not received the
22 required eye examination, the number of children who are exempt
23 from the eye examination as provided in subsection (8) of this
24 Section, the number of children who have received a waiver
25 under subsection (1.10) of this Section, and the total number
26 of children in noncompliance with the eye examination

1 requirement.

2 The reported information under this subsection (6) shall be
3 provided to the Department of Public Health by the State Board
4 of Education.

5 (7) Upon determining that the number of pupils who are
6 required to be in compliance with subsection (5) of this
7 Section is below 90% of the number of pupils enrolled in the
8 school district, 10% of each State aid payment made pursuant to
9 Section 18-8.05 or 18-8.15 to the school district for such year
10 may be withheld by the State Board of Education until the
11 number of students in compliance with subsection (5) is the
12 applicable specified percentage or higher.

13 (8) Children of parents or legal guardians who object to
14 health, dental, or eye examinations or any part thereof, to
15 immunizations, or to vision and hearing screening tests on
16 religious grounds shall not be required to undergo the
17 examinations, tests, or immunizations to which they so object
18 if such parents or legal guardians present to the appropriate
19 local school authority a signed Certificate of Religious
20 Exemption detailing the grounds for objection and the specific
21 immunizations, tests, or examinations to which they object. The
22 grounds for objection must set forth the specific religious
23 belief that conflicts with the examination, test,
24 immunization, or other medical intervention. The signed
25 certificate shall also reflect the parent's or legal guardian's
26 understanding of the school's exclusion policies in the case of

1 a vaccine-preventable disease outbreak or exposure. The
2 certificate must also be signed by the authorized examining
3 health care provider responsible for the performance of the
4 child's health examination confirming that the provider
5 provided education to the parent or legal guardian on the
6 benefits of immunization and the health risks to the student
7 and to the community of the communicable diseases for which
8 immunization is required in this State. However, the health
9 care provider's signature on the certificate reflects only that
10 education was provided and does not allow a health care
11 provider grounds to determine a religious exemption. Those
12 receiving immunizations required under this Code shall be
13 provided with the relevant vaccine information statements that
14 are required to be disseminated by the federal National
15 Childhood Vaccine Injury Act of 1986, which may contain
16 information on circumstances when a vaccine should not be
17 administered, prior to administering a vaccine. A healthcare
18 provider may consider including without limitation the
19 nationally accepted recommendations from federal agencies such
20 as the Advisory Committee on Immunization Practices, the
21 information outlined in the relevant vaccine information
22 statement, and vaccine package inserts, along with the
23 healthcare provider's clinical judgment, to determine whether
24 any child may be more susceptible to experiencing an adverse
25 vaccine reaction than the general population, and, if so, the
26 healthcare provider may exempt the child from an immunization

1 or adopt an individualized immunization schedule. The
2 Certificate of Religious Exemption shall be created by the
3 Department of Public Health and shall be made available and
4 used by parents and legal guardians by the beginning of the
5 2015-2016 school year. Parents or legal guardians must submit
6 the Certificate of Religious Exemption to their local school
7 authority prior to entering kindergarten, sixth grade, and
8 ninth grade for each child for which they are requesting an
9 exemption. The religious objection stated need not be directed
10 by the tenets of an established religious organization.
11 However, general philosophical or moral reluctance to allow
12 physical examinations, eye examinations, immunizations, vision
13 and hearing screenings, or dental examinations does not provide
14 a sufficient basis for an exception to statutory requirements.
15 The local school authority is responsible for determining if
16 the content of the Certificate of Religious Exemption
17 constitutes a valid religious objection. The local school
18 authority shall inform the parent or legal guardian of
19 exclusion procedures, in accordance with the Department's
20 rules under Part 690 of Title 77 of the Illinois Administrative
21 Code, at the time the objection is presented.

22 If the physical condition of the child is such that any one
23 or more of the immunizing agents should not be administered,
24 the examining physician, advanced practice nurse, or physician
25 assistant responsible for the performance of the health
26 examination shall endorse that fact upon the health examination

1 form.

2 Exempting a child from the health, dental, or eye
3 examination does not exempt the child from participation in the
4 program of physical education training provided in Sections
5 27-5 through 27-7 of this Code.

6 (9) For the purposes of this Section, "nursery schools"
7 means those nursery schools operated by elementary school
8 systems or secondary level school units or institutions of
9 higher learning.

10 (Source: P.A. 98-673, eff. 6-30-14; 99-173, eff. 7-29-15;
11 99-249, eff. 8-3-15; revised 10-21-15.)

12 (105 ILCS 5/27A-9)

13 Sec. 27A-9. Term of charter; renewal.

14 (a) A charter may be granted for a period not less than 5
15 and not more than 10 school years. A charter may be renewed in
16 incremental periods not to exceed 5 school years.

17 (b) A charter school renewal proposal submitted to the
18 local school board or the Commission, as the chartering entity,
19 shall contain:

20 (1) A report on the progress of the charter school in
21 achieving the goals, objectives, pupil performance
22 standards, content standards, and other terms of the
23 initial approved charter proposal; and

24 (2) A financial statement that discloses the costs of
25 administration, instruction, and other spending categories

1 for the charter school that is understandable to the
2 general public and that will allow comparison of those
3 costs to other schools or other comparable organizations,
4 in a format required by the State Board.

5 (c) A charter may be revoked or not renewed if the local
6 school board or the Commission, as the chartering entity,
7 clearly demonstrates that the charter school did any of the
8 following, or otherwise failed to comply with the requirements
9 of this law:

10 (1) Committed a material violation of any of the
11 conditions, standards, or procedures set forth in the
12 charter.

13 (2) Failed to meet or make reasonable progress toward
14 achievement of the content standards or pupil performance
15 standards identified in the charter.

16 (3) Failed to meet generally accepted standards of
17 fiscal management.

18 (4) Violated any provision of law from which the
19 charter school was not exempted.

20 In the case of revocation, the local school board or the
21 Commission, as the chartering entity, shall notify the charter
22 school in writing of the reason why the charter is subject to
23 revocation. The charter school shall submit a written plan to
24 the local school board or the Commission, whichever is
25 applicable, to rectify the problem. The plan shall include a
26 timeline for implementation, which shall not exceed 2 years or

1 the date of the charter's expiration, whichever is earlier. If
2 the local school board or the Commission, as the chartering
3 entity, finds that the charter school has failed to implement
4 the plan of remediation and adhere to the timeline, then the
5 chartering entity shall revoke the charter. Except in
6 situations of an emergency where the health, safety, or
7 education of the charter school's students is at risk, the
8 revocation shall take place at the end of a school year.
9 Nothing in this amendatory Act of the 96th General Assembly
10 shall be construed to prohibit an implementation timetable that
11 is less than 2 years in duration.

12 (d) (Blank).

13 (e) Notice of a local school board's decision to deny,
14 revoke or not to renew a charter shall be provided to the
15 Commission and the State Board. The Commission may reverse a
16 local board's decision if the Commission finds that the charter
17 school or charter school proposal (i) is in compliance with
18 this Article, and (ii) is in the best interests of the students
19 it is designed to serve. The Commission may condition the
20 granting of an appeal on the acceptance by the charter school
21 of funding in an amount less than that requested in the
22 proposal submitted to the local school board. Final decisions
23 of the Commission shall be subject to judicial review under the
24 Administrative Review Law.

25 (f) Notwithstanding other provisions of this Article, if
26 the Commission on appeal reverses a local board's decision or

1 if a charter school is approved by referendum, the Commission
2 shall act as the authorized chartering entity for the charter
3 school. The Commission shall approve the charter and shall
4 perform all functions under this Article otherwise performed by
5 the local school board. The State Board shall determine whether
6 the charter proposal approved by the Commission is consistent
7 with the provisions of this Article and, if the approved
8 proposal complies, certify the proposal pursuant to this
9 Article. The State Board shall report the aggregate number of
10 charter school pupils resident in a school district to that
11 district and shall notify the district of the amount of funding
12 to be paid by the State Board to the charter school enrolling
13 such students. The Commission shall require the charter school
14 to maintain accurate records of daily attendance that shall be
15 deemed sufficient to file claims under Section 18-8.05 or
16 18-8.15 notwithstanding any other requirements of that Section
17 regarding hours of instruction and teacher certification. The
18 State Board shall withhold from funds otherwise due the
19 district the funds authorized by this Article to be paid to the
20 charter school and shall pay such amounts to the charter
21 school.

22 (g) For charter schools authorized by the Commission, the
23 Commission shall quarterly certify to the State Board the
24 student enrollment for each of its charter schools.

25 (h) For charter schools authorized by the Commission, the
26 State Board shall pay directly to a charter school any federal

1 or State aid attributable to a student with a disability
2 attending the school.

3 (Source: P.A. 97-152, eff. 7-20-11; 98-739, eff. 7-16-14.)

4 (105 ILCS 5/27A-11)

5 Sec. 27A-11. Local financing.

6 (a) For purposes of the School Code, pupils enrolled in a
7 charter school shall be included in the pupil enrollment of the
8 school district within which the pupil resides. Each charter
9 school (i) shall determine the school district in which each
10 pupil who is enrolled in the charter school resides, (ii) shall
11 report the aggregate number of pupils resident of a school
12 district who are enrolled in the charter school to the school
13 district in which those pupils reside, and (iii) shall maintain
14 accurate records of daily attendance that shall be deemed
15 sufficient to file claims under Section 18-8 or 18-8.15
16 notwithstanding any other requirements of that Section
17 regarding hours of instruction and teacher certification.

18 (b) Except for a charter school established by referendum
19 under Section 27A-6.5, as part of a charter school contract,
20 the charter school and the local school board shall agree on
21 funding and any services to be provided by the school district
22 to the charter school. Agreed funding that a charter school is
23 to receive from the local school board for a school year shall
24 be paid in equal quarterly installments with the payment of the
25 installment for the first quarter being made not later than

1 July 1, unless the charter establishes a different payment
2 schedule. However, if a charter school dismisses a pupil from
3 the charter school after receiving a quarterly payment, the
4 charter school shall return to the school district, on a
5 quarterly basis, the prorated portion of public funding
6 provided for the education of that pupil for the time the
7 student is not enrolled at the charter school. Likewise, if a
8 pupil transfers to a charter school between quarterly payments,
9 the school district shall provide, on a quarterly basis, a
10 prorated portion of the public funding to the charter school to
11 provide for the education of that pupil.

12 All services centrally or otherwise provided by the school
13 district including, but not limited to, rent, food services,
14 custodial services, maintenance, curriculum, media services,
15 libraries, transportation, and warehousing shall be subject to
16 negotiation between a charter school and the local school board
17 and paid for out of the revenues negotiated pursuant to this
18 subsection (b); provided that the local school board shall not
19 attempt, by negotiation or otherwise, to obligate a charter
20 school to provide pupil transportation for pupils for whom a
21 district is not required to provide transportation under the
22 criteria set forth in subsection (a) (13) of Section 27A-7.

23 In no event shall the funding be less than 75% or more than
24 125% of the school district's per capita student tuition
25 multiplied by the number of students residing in the district
26 who are enrolled in the charter school.

1 It is the intent of the General Assembly that funding and
2 service agreements under this subsection (b) shall be neither a
3 financial incentive nor a financial disincentive to the
4 establishment of a charter school.

5 The charter school may set and collect reasonable fees.
6 Fees collected from students enrolled at a charter school shall
7 be retained by the charter school.

8 (c) Notwithstanding subsection (b) of this Section, the
9 proportionate share of State and federal resources generated by
10 students with disabilities or staff serving them shall be
11 directed to charter schools enrolling those students by their
12 school districts or administrative units. The proportionate
13 share of moneys generated under other federal or State
14 categorical aid programs shall be directed to charter schools
15 serving students eligible for that aid.

16 (d) The governing body of a charter school is authorized to
17 accept gifts, donations, or grants of any kind made to the
18 charter school and to expend or use gifts, donations, or grants
19 in accordance with the conditions prescribed by the donor;
20 however, a gift, donation, or grant may not be accepted by the
21 governing body if it is subject to any condition contrary to
22 applicable law or contrary to the terms of the contract between
23 the charter school and the local school board. Charter schools
24 shall be encouraged to solicit and utilize community volunteer
25 speakers and other instructional resources when providing
26 instruction on the Holocaust and other historical events.

1 (e) (Blank).

2 (f) The Commission shall provide technical assistance to
3 persons and groups preparing or revising charter applications.

4 (g) At the non-renewal or revocation of its charter, each
5 charter school shall refund to the local board of education all
6 unspent funds.

7 (h) A charter school is authorized to incur temporary,
8 short term debt to pay operating expenses in anticipation of
9 receipt of funds from the local school board.

10 (Source: P.A. 98-640, eff. 6-9-14; 98-739, eff. 7-16-14; 99-78,
11 eff. 7-20-15.)

12 (105 ILCS 5/29-5) (from Ch. 122, par. 29-5)

13 Sec. 29-5. Reimbursement by State for transportation. Any
14 school district, maintaining a school, transporting resident
15 pupils to another school district's vocational program,
16 offered through a joint agreement approved by the State Board
17 of Education, as provided in Section 10-22.22 or transporting
18 its resident pupils to a school which meets the standards for
19 recognition as established by the State Board of Education
20 which provides transportation meeting the standards of safety,
21 comfort, convenience, efficiency and operation prescribed by
22 the State Board of Education for resident pupils in
23 kindergarten or any of grades 1 through 12 who: (a) reside at
24 least 1 1/2 miles as measured by the customary route of travel,
25 from the school attended; or (b) reside in areas where

1 conditions are such that walking constitutes a hazard to the
2 safety of the child when determined under Section 29-3; and (c)
3 are transported to the school attended from pick-up points at
4 the beginning of the school day and back again at the close of
5 the school day or transported to and from their assigned
6 attendance centers during the school day, shall be reimbursed
7 by the State as hereinafter provided in this Section.

8 The State will pay the cost of transporting eligible pupils
9 less the assessed valuation in a dual school district
10 maintaining secondary grades 9 to 12 inclusive times a
11 qualifying rate of .05%; in elementary school districts
12 maintaining grades K to 8 times a qualifying rate of .06%; and
13 in unit districts maintaining grades K to 12, including
14 optional elementary unit districts and combined high school -
15 unit districts, times a qualifying rate of .07%; provided that
16 for optional elementary unit districts and combined high school
17 - unit districts, assessed valuation for high school purposes,
18 as defined in Article 11E of this Code, must be used. To be
19 eligible to receive reimbursement in excess of 4/5 of the cost
20 to transport eligible pupils, a school district shall have a
21 Transportation Fund tax rate of at least .12%. If a school
22 district does not have a .12% Transportation Fund tax rate, the
23 amount of its claim in excess of 4/5 of the cost of
24 transporting pupils shall be reduced by the sum arrived at by
25 subtracting the Transportation Fund tax rate from .12% and
26 multiplying that amount by the districts equalized or assessed

1 valuation, provided, that in no case shall said reduction
2 result in reimbursement of less than 4/5 of the cost to
3 transport eligible pupils.

4 The minimum amount to be received by a district is \$16
5 times the number of eligible pupils transported.

6 When calculating the reimbursement for transportation
7 costs, the State Board of Education may not deduct the number
8 of pupils enrolled in early education programs from the number
9 of pupils eligible for reimbursement if the pupils enrolled in
10 the early education programs are transported at the same time
11 as other eligible pupils.

12 Any such district transporting resident pupils during the
13 school day to an area vocational school or another school
14 district's vocational program more than 1 1/2 miles from the
15 school attended, as provided in Sections 10-22.20a and
16 10-22.22, shall be reimbursed by the State for 4/5 of the cost
17 of transporting eligible pupils.

18 School day means that period of time which the pupil is
19 required to be in attendance for instructional purposes.

20 If a pupil is at a location within the school district
21 other than his residence for child care purposes at the time
22 for transportation to school, that location may be considered
23 for purposes of determining the 1 1/2 miles from the school
24 attended.

25 Claims for reimbursement that include children who attend
26 any school other than a public school shall show the number of

1 such children transported.

2 Claims for reimbursement under this Section shall not be
3 paid for the transportation of pupils for whom transportation
4 costs are claimed for payment under other Sections of this Act.

5 The allowable direct cost of transporting pupils for
6 regular, vocational, and special education pupil
7 transportation shall be limited to the sum of the cost of
8 physical examinations required for employment as a school bus
9 driver; the salaries of full or part-time drivers and school
10 bus maintenance personnel; employee benefits excluding
11 Illinois municipal retirement payments, social security
12 payments, unemployment insurance payments and workers'
13 compensation insurance premiums; expenditures to independent
14 carriers who operate school buses; payments to other school
15 districts for pupil transportation services; pre-approved
16 contractual expenditures for computerized bus scheduling; the
17 cost of gasoline, oil, tires, and other supplies necessary for
18 the operation of school buses; the cost of converting buses'
19 gasoline engines to more fuel efficient engines or to engines
20 which use alternative energy sources; the cost of travel to
21 meetings and workshops conducted by the regional
22 superintendent or the State Superintendent of Education
23 pursuant to the standards established by the Secretary of State
24 under Section 6-106 of the Illinois Vehicle Code to improve the
25 driving skills of school bus drivers; the cost of maintenance
26 of school buses including parts and materials used;

1 expenditures for leasing transportation vehicles, except
2 interest and service charges; the cost of insurance and
3 licenses for transportation vehicles; expenditures for the
4 rental of transportation equipment; plus a depreciation
5 allowance of 20% for 5 years for school buses and vehicles
6 approved for transporting pupils to and from school and a
7 depreciation allowance of 10% for 10 years for other
8 transportation equipment so used. Each school year, if a school
9 district has made expenditures to the Regional Transportation
10 Authority or any of its service boards, a mass transit
11 district, or an urban transportation district under an
12 intergovernmental agreement with the district to provide for
13 the transportation of pupils and if the public transit carrier
14 received direct payment for services or passes from a school
15 district within its service area during the 2000-2001 school
16 year, then the allowable direct cost of transporting pupils for
17 regular, vocational, and special education pupil
18 transportation shall also include the expenditures that the
19 district has made to the public transit carrier. In addition to
20 the above allowable costs school districts shall also claim all
21 transportation supervisory salary costs, including Illinois
22 municipal retirement payments, and all transportation related
23 building and building maintenance costs without limitation.

24 Special education allowable costs shall also include
25 expenditures for the salaries of attendants or aides for that
26 portion of the time they assist special education pupils while

1 in transit and expenditures for parents and public carriers for
2 transporting special education pupils when pre-approved by the
3 State Superintendent of Education.

4 Indirect costs shall be included in the reimbursement claim
5 for districts which own and operate their own school buses.
6 Such indirect costs shall include administrative costs, or any
7 costs attributable to transporting pupils from their
8 attendance centers to another school building for
9 instructional purposes. No school district which owns and
10 operates its own school buses may claim reimbursement for
11 indirect costs which exceed 5% of the total allowable direct
12 costs for pupil transportation.

13 The State Board of Education shall prescribe uniform
14 regulations for determining the above standards and shall
15 prescribe forms of cost accounting and standards of determining
16 reasonable depreciation. Such depreciation shall include the
17 cost of equipping school buses with the safety features
18 required by law or by the rules, regulations and standards
19 promulgated by the State Board of Education, and the Department
20 of Transportation for the safety and construction of school
21 buses provided, however, any equipment cost reimbursed by the
22 Department of Transportation for equipping school buses with
23 such safety equipment shall be deducted from the allowable cost
24 in the computation of reimbursement under this Section in the
25 same percentage as the cost of the equipment is depreciated.

26 On or before August 15, annually, the chief school

1 administrator for the district shall certify to the State
2 Superintendent of Education the district's claim for
3 reimbursement for the school year ending on June 30 next
4 preceding. The State Superintendent of Education shall check
5 and approve the claims and prepare the vouchers showing the
6 amounts due for district reimbursement claims. Each fiscal
7 year, the State Superintendent of Education shall prepare and
8 transmit the first 3 vouchers to the Comptroller on the 30th
9 day of September, December and March, respectively, and the
10 final voucher, no later than June 20.

11 If the amount appropriated for transportation
12 reimbursement is insufficient to fund total claims for any
13 fiscal year, the State Board of Education shall reduce each
14 school district's allowable costs and flat grant amount
15 proportionately to make total adjusted claims equal the total
16 amount appropriated.

17 For purposes of calculating claims for reimbursement under
18 this Section for any school year beginning July 1, 1998, or
19 thereafter, the equalized assessed valuation for a school
20 district used to compute reimbursement shall be computed in the
21 same manner as it is computed under paragraph (2) of subsection
22 (G) of Section 18-8.05.

23 All reimbursements received from the State shall be
24 deposited into the district's transportation fund or into the
25 fund from which the allowable expenditures were made.

26 Notwithstanding any other provision of law, any school

1 district receiving a payment under this Section or under
2 Section 14-7.02, 14-7.02b, or 14-13.01 of this Code may
3 classify all or a portion of the funds that it receives in a
4 particular fiscal year or from general State aid pursuant to
5 Section 18-8.05 of this Code as funds received in connection
6 with any funding program for which it is entitled to receive
7 funds from the State in that fiscal year (including, without
8 limitation, any funding program referenced in this Section),
9 regardless of the source or timing of the receipt. The district
10 may not classify more funds as funds received in connection
11 with the funding program than the district is entitled to
12 receive in that fiscal year for that program. Any
13 classification by a district must be made by a resolution of
14 its board of education. The resolution must identify the amount
15 of any payments or general State aid to be classified under
16 this paragraph and must specify the funding program to which
17 the funds are to be treated as received in connection
18 therewith. This resolution is controlling as to the
19 classification of funds referenced therein. A certified copy of
20 the resolution must be sent to the State Superintendent of
21 Education. The resolution shall still take effect even though a
22 copy of the resolution has not been sent to the State
23 Superintendent of Education in a timely manner. No
24 classification under this paragraph by a district shall affect
25 the total amount or timing of money the district is entitled to
26 receive under this Code. No classification under this paragraph

1 by a district shall in any way relieve the district from or
2 affect any requirements that otherwise would apply with respect
3 to that funding program, including any accounting of funds by
4 source, reporting expenditures by original source and purpose,
5 reporting requirements, or requirements of providing services.

6 Any school district with a population of not more than
7 500,000 must deposit all funds received under this Article into
8 the transportation fund and use those funds for the provision
9 of transportation services.

10 Notwithstanding anything to the contrary contained in this
11 Section, the State Board of Education shall award to a school
12 district having a population exceeding 500,000 inhabitants
13 3.9% of the funds appropriated by the General Assembly for any
14 fiscal year for purposes of payments to school districts under
15 this Section.

16 (Source: P.A. 95-903, eff. 8-25-08; 96-1264, eff. 1-1-11.)

17 (105 ILCS 5/34-2.3) (from Ch. 122, par. 34-2.3)

18 Sec. 34-2.3. Local school councils - Powers and duties.
19 Each local school council shall have and exercise, consistent
20 with the provisions of this Article and the powers and duties
21 of the board of education, the following powers and duties:

22 1. (A) To annually evaluate the performance of the
23 principal of the attendance center using a Board approved
24 principal evaluation form, which shall include the evaluation
25 of (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;

12 (B) to determine in the manner provided by subsection (c)
13 of Section 34-2.2 and subdivision 1.5 of this Section whether
14 the performance contract of the principal shall be renewed; and

15 (C) to directly select, in the manner provided by
16 subsection (c) of Section 34-2.2, a new principal (including a
17 new principal to fill a vacancy) -- without submitting any list
18 of candidates for that position to the general superintendent
19 as provided in paragraph 2 of this Section -- to serve under a
20 4 year performance contract; provided that (i) the
21 determination of whether the principal's performance contract
22 is to be renewed, based upon the evaluation required by
23 subdivision 1.5 of this Section, shall be made no later than
24 150 days prior to the expiration of the current
25 performance-based contract of the principal, (ii) in cases
26 where such performance contract is not renewed -- a direct

1 selection of a new principal -- to serve under a 4 year
2 performance contract shall be made by the local school council
3 no later than 45 days prior to the expiration of the current
4 performance contract of the principal, and (iii) a selection by
5 the local school council of a new principal to fill a vacancy
6 under a 4 year performance contract shall be made within 90
7 days after the date such vacancy occurs. A Council shall be
8 required, if requested by the principal, to provide in writing
9 the reasons for the council's not renewing the principal's
10 contract.

11 1.5. The local school council's determination of whether to
12 renew the principal's contract shall be based on an evaluation
13 to assess the educational and administrative progress made at
14 the school during the principal's current performance-based
15 contract. The local school council shall base its evaluation on
16 (i) student academic improvement, as defined by the school
17 improvement plan, (ii) student absenteeism rates at the school,
18 (iii) instructional leadership, (iv) the effective
19 implementation of programs, policies, or strategies to improve
20 student academic achievement, (v) school management, and (vi)
21 any other factors deemed relevant by the local school council,
22 including, without limitation, the principal's communication
23 skills and ability to create and maintain a student-centered
24 learning environment, to develop opportunities for
25 professional development, and to encourage parental
26 involvement and community partnerships to achieve school

1 improvement. If a local school council fails to renew the
2 performance contract of a principal rated by the general
3 superintendent, or his or her designee, in the previous years'
4 evaluations as meeting or exceeding expectations, the
5 principal, within 15 days after the local school council's
6 decision not to renew the contract, may request a review of the
7 local school council's principal non-retention decision by a
8 hearing officer appointed by the American Arbitration
9 Association. A local school council member or members or the
10 general superintendent may support the principal's request for
11 review. During the period of the hearing officer's review of
12 the local school council's decision on whether or not to retain
13 the principal, the local school council shall maintain all
14 authority to search for and contract with a person to serve as
15 interim or acting principal, or as the principal of the
16 attendance center under a 4-year performance contract,
17 provided that any performance contract entered into by the
18 local school council shall be voidable or modified in
19 accordance with the decision of the hearing officer. The
20 principal may request review only once while at that attendance
21 center. If a local school council renews the contract of a
22 principal who failed to obtain a rating of "meets" or "exceeds
23 expectations" in the general superintendent's evaluation for
24 the previous year, the general superintendent, within 15 days
25 after the local school council's decision to renew the
26 contract, may request a review of the local school council's

1 principal retention decision by a hearing officer appointed by
2 the American Arbitration Association. The general
3 superintendent may request a review only once for that
4 principal at that attendance center. All requests to review the
5 retention or non-retention of a principal shall be submitted to
6 the general superintendent, who shall, in turn, forward such
7 requests, within 14 days of receipt, to the American
8 Arbitration Association. The general superintendent shall send
9 a contemporaneous copy of the request that was forwarded to the
10 American Arbitration Association to the principal and to each
11 local school council member and shall inform the local school
12 council of its rights and responsibilities under the
13 arbitration process, including the local school council's
14 right to representation and the manner and process by which the
15 Board shall pay the costs of the council's representation. If
16 the local school council retains the principal and the general
17 superintendent requests a review of the retention decision, the
18 local school council and the general superintendent shall be
19 considered parties to the arbitration, a hearing officer shall
20 be chosen between those 2 parties pursuant to procedures
21 promulgated by the State Board of Education, and the principal
22 may retain counsel and participate in the arbitration. If the
23 local school council does not retain the principal and the
24 principal requests a review of the retention decision, the
25 local school council and the principal shall be considered
26 parties to the arbitration and a hearing officer shall be

1 chosen between those 2 parties pursuant to procedures
2 promulgated by the State Board of Education. The hearing shall
3 begin (i) within 45 days after the initial request for review
4 is submitted by the principal to the general superintendent or
5 (ii) if the initial request for review is made by the general
6 superintendent, within 45 days after that request is mailed to
7 the American Arbitration Association. The hearing officer
8 shall render a decision within 45 days after the hearing begins
9 and within 90 days after the initial request for review. The
10 Board shall contract with the American Arbitration Association
11 for all of the hearing officer's reasonable and necessary
12 costs. In addition, the Board shall pay any reasonable costs
13 incurred by a local school council for representation before a
14 hearing officer.

15 1.10. The hearing officer shall conduct a hearing, which
16 shall include (i) a review of the principal's performance,
17 evaluations, and other evidence of the principal's service at
18 the school, (ii) reasons provided by the local school council
19 for its decision, and (iii) documentation evidencing views of
20 interested persons, including, without limitation, students,
21 parents, local school council members, school faculty and
22 staff, the principal, the general superintendent or his or her
23 designee, and members of the community. The burden of proof in
24 establishing that the local school council's decision was
25 arbitrary and capricious shall be on the party requesting the
26 arbitration, and this party shall sustain the burden by a

1 preponderance of the evidence. The hearing officer shall set
2 the local school council decision aside if that decision, in
3 light of the record developed at the hearing, is arbitrary and
4 capricious. The decision of the hearing officer may not be
5 appealed to the Board or the State Board of Education. If the
6 hearing officer decides that the principal shall be retained,
7 the retention period shall not exceed 2 years.

8 2. In the event (i) the local school council does not renew
9 the performance contract of the principal, or the principal
10 fails to receive a satisfactory rating as provided in
11 subsection (h) of Section 34-8.3, or the principal is removed
12 for cause during the term of his or her performance contract in
13 the manner provided by Section 34-85, or a vacancy in the
14 position of principal otherwise occurs prior to the expiration
15 of the term of a principal's performance contract, and (ii) the
16 local school council fails to directly select a new principal
17 to serve under a 4 year performance contract, the local school
18 council in such event shall submit to the general
19 superintendent a list of 3 candidates -- listed in the local
20 school council's order of preference -- for the position of
21 principal, one of which shall be selected by the general
22 superintendent to serve as principal of the attendance center.
23 If the general superintendent fails or refuses to select one of
24 the candidates on the list to serve as principal within 30 days
25 after being furnished with the candidate list, the general
26 superintendent shall select and place a principal on an interim

1 basis (i) for a period not to exceed one year or (ii) until the
2 local school council selects a new principal with 7 affirmative
3 votes as provided in subsection (c) of Section 34-2.2,
4 whichever occurs first. If the local school council fails or
5 refuses to select and appoint a new principal, as specified by
6 subsection (c) of Section 34-2.2, the general superintendent
7 may select and appoint a new principal on an interim basis for
8 an additional year or until a new contract principal is
9 selected by the local school council. There shall be no
10 discrimination on the basis of race, sex, creed, color or
11 disability unrelated to ability to perform in connection with
12 the submission of candidates for, and the selection of a
13 candidate to serve as principal of an attendance center. No
14 person shall be directly selected, listed as a candidate for,
15 or selected to serve as principal of an attendance center (i)
16 if such person has been removed for cause from employment by
17 the Board or (ii) if such person does not hold a valid
18 administrative certificate issued or exchanged under Article
19 21 and endorsed as required by that Article for the position of
20 principal. A principal whose performance contract is not
21 renewed as provided under subsection (c) of Section 34-2.2 may
22 nevertheless, if otherwise qualified and certified as herein
23 provided and if he or she has received a satisfactory rating as
24 provided in subsection (h) of Section 34-8.3, be included by a
25 local school council as one of the 3 candidates listed in order
26 of preference on any candidate list from which one person is to

1 be selected to serve as principal of the attendance center
2 under a new performance contract. The initial candidate list
3 required to be submitted by a local school council to the
4 general superintendent in cases where the local school council
5 does not renew the performance contract of its principal and
6 does not directly select a new principal to serve under a 4
7 year performance contract shall be submitted not later than 30
8 days prior to the expiration of the current performance
9 contract. In cases where the local school council fails or
10 refuses to submit the candidate list to the general
11 superintendent no later than 30 days prior to the expiration of
12 the incumbent principal's contract, the general superintendent
13 may appoint a principal on an interim basis for a period not to
14 exceed one year, during which time the local school council
15 shall be able to select a new principal with 7 affirmative
16 votes as provided in subsection (c) of Section 34-2.2. In cases
17 where a principal is removed for cause or a vacancy otherwise
18 occurs in the position of principal and the vacancy is not
19 filled by direct selection by the local school council, the
20 candidate list shall be submitted by the local school council
21 to the general superintendent within 90 days after the date
22 such removal or vacancy occurs. In cases where the local school
23 council fails or refuses to submit the candidate list to the
24 general superintendent within 90 days after the date of the
25 vacancy, the general superintendent may appoint a principal on
26 an interim basis for a period of one year, during which time

1 the local school council shall be able to select a new
2 principal with 7 affirmative votes as provided in subsection
3 (c) of Section 34-2.2.

4 2.5. Whenever a vacancy in the office of a principal occurs
5 for any reason, the vacancy shall be filled in the manner
6 provided by this Section by the selection of a new principal to
7 serve under a 4 year performance contract.

8 3. To establish additional criteria to be included as part
9 of the performance contract of its principal, provided that
10 such additional criteria shall not discriminate on the basis of
11 race, sex, creed, color or disability unrelated to ability to
12 perform, and shall not be inconsistent with the uniform 4 year
13 performance contract for principals developed by the board as
14 provided in Section 34-8.1 of the School Code or with other
15 provisions of this Article governing the authority and
16 responsibility of principals.

17 4. To approve the expenditure plan prepared by the
18 principal with respect to all funds allocated and distributed
19 to the attendance center by the Board. The expenditure plan
20 shall be administered by the principal. Notwithstanding any
21 other provision of this Act or any other law, any expenditure
22 plan approved and administered under this Section 34-2.3 shall
23 be consistent with and subject to the terms of any contract for
24 services with a third party entered into by the Chicago School
25 Reform Board of Trustees or the board under this Act.

26 Via a supermajority vote of 7 members of the local school

1 council or 8 members of a high school local school council, the
2 Council may transfer allocations pursuant to Section 34-2.3
3 within funds; provided that such a transfer is consistent with
4 applicable law and collective bargaining agreements.

5 Beginning in fiscal year 1991 and in each fiscal year
6 thereafter, the Board may reserve up to 1% of its total fiscal
7 year budget for distribution on a prioritized basis to schools
8 throughout the school system in order to assure adequate
9 programs to meet the needs of special student populations as
10 determined by the Board. This distribution shall take into
11 account the needs catalogued in the Systemwide Plan and the
12 various local school improvement plans of the local school
13 councils. Information about these centrally funded programs
14 shall be distributed to the local school councils so that their
15 subsequent planning and programming will account for these
16 provisions.

17 Beginning in fiscal year 1991 and in each fiscal year
18 thereafter, from other amounts available in the applicable
19 fiscal year budget, the board shall allocate a lump sum amount
20 to each local school based upon such formula as the board shall
21 determine taking into account the special needs of the student
22 body. The local school principal shall develop an expenditure
23 plan in consultation with the local school council, the
24 professional personnel leadership committee and with all other
25 school personnel, which reflects the priorities and activities
26 as described in the school's local school improvement plan and

1 is consistent with applicable law and collective bargaining
2 agreements and with board policies and standards; however, the
3 local school council shall have the right to request waivers of
4 board policy from the board of education and waivers of
5 employee collective bargaining agreements pursuant to Section
6 34-8.1a.

7 The expenditure plan developed by the principal with
8 respect to amounts available from the fund for prioritized
9 special needs programs and the allocated lump sum amount must
10 be approved by the local school council.

11 The lump sum allocation shall take into account the
12 following principles:

13 a. Teachers: Each school shall be allocated funds equal
14 to the amount appropriated in the previous school year for
15 compensation for teachers (regular grades kindergarten
16 through 12th grade) plus whatever increases in
17 compensation have been negotiated contractually or through
18 longevity as provided in the negotiated agreement.
19 Adjustments shall be made due to layoff or reduction in
20 force, lack of funds or work, change in subject
21 requirements, enrollment changes, or contracts with third
22 parties for the performance of services or to rectify any
23 inconsistencies with system-wide allocation formulas or
24 for other legitimate reasons.

25 b. Other personnel: Funds for other teacher
26 certificated and uncertificated personnel paid through

1 non-categorical funds shall be provided according to
2 system-wide formulas based on student enrollment and the
3 special needs of the school as determined by the Board.

4 c. Non-compensation items: Appropriations for all
5 non-compensation items shall be based on system-wide
6 formulas based on student enrollment and on the special
7 needs of the school or factors related to the physical
8 plant, including but not limited to textbooks, electronic
9 textbooks and the technological equipment necessary to
10 gain access to and use electronic textbooks, supplies,
11 electricity, equipment, and routine maintenance.

12 d. Funds for categorical programs: Schools shall
13 receive personnel and funds based on, and shall use such
14 personnel and funds in accordance with State and Federal
15 requirements applicable to each categorical program
16 provided to meet the special needs of the student body
17 (including but not limited to, Federal Chapter I,
18 Bilingual, and Special Education).

19 d.1. Funds for State Title I: Each school shall receive
20 funds based on State and Board requirements applicable to
21 each State Title I pupil provided to meet the special needs
22 of the student body. Each school shall receive the
23 proportion of funds as provided in Section 18-8 or 18-8.15
24 to which they are entitled. These funds shall be spent only
25 with the budgetary approval of the Local School Council as
26 provided in Section 34-2.3.

1 e. The Local School Council shall have the right to
2 request the principal to close positions and open new ones
3 consistent with the provisions of the local school
4 improvement plan provided that these decisions are
5 consistent with applicable law and collective bargaining
6 agreements. If a position is closed, pursuant to this
7 paragraph, the local school shall have for its use the
8 system-wide average compensation for the closed position.

9 f. Operating within existing laws and collective
10 bargaining agreements, the local school council shall have
11 the right to direct the principal to shift expenditures
12 within funds.

13 g. (Blank).

14 Any funds unexpended at the end of the fiscal year shall be
15 available to the board of education for use as part of its
16 budget for the following fiscal year.

17 5. To make recommendations to the principal concerning
18 textbook selection and concerning curriculum developed
19 pursuant to the school improvement plan which is consistent
20 with systemwide curriculum objectives in accordance with
21 Sections 34-8 and 34-18 of the School Code and in conformity
22 with the collective bargaining agreement.

23 6. To advise the principal concerning the attendance and
24 disciplinary policies for the attendance center, subject to the
25 provisions of this Article and Article 26, and consistent with
26 the uniform system of discipline established by the board

1 pursuant to Section 34-19.

2 7. To approve a school improvement plan developed as
3 provided in Section 34-2.4. The process and schedule for plan
4 development shall be publicized to the entire school community,
5 and the community shall be afforded the opportunity to make
6 recommendations concerning the plan. At least twice a year the
7 principal and local school council shall report publicly on
8 progress and problems with respect to plan implementation.

9 8. To evaluate the allocation of teaching resources and
10 other certificated and uncertificated staff to the attendance
11 center to determine whether such allocation is consistent with
12 and in furtherance of instructional objectives and school
13 programs reflective of the school improvement plan adopted for
14 the attendance center; and to make recommendations to the
15 board, the general superintendent and the principal concerning
16 any reallocation of teaching resources or other staff whenever
17 the council determines that any such reallocation is
18 appropriate because the qualifications of any existing staff at
19 the attendance center do not adequately match or support
20 instructional objectives or school programs which reflect the
21 school improvement plan.

22 9. To make recommendations to the principal and the general
23 superintendent concerning their respective appointments, after
24 August 31, 1989, and in the manner provided by Section 34-8 and
25 Section 34-8.1, of persons to fill any vacant, additional or
26 newly created positions for teachers at the attendance center

1 or at attendance centers which include the attendance center
2 served by the local school council.

3 10. To request of the Board the manner in which training
4 and assistance shall be provided to the local school council.
5 Pursuant to Board guidelines a local school council is
6 authorized to direct the Board of Education to contract with
7 personnel or not-for-profit organizations not associated with
8 the school district to train or assist council members. If
9 training or assistance is provided by contract with personnel
10 or organizations not associated with the school district, the
11 period of training or assistance shall not exceed 30 hours
12 during a given school year; person shall not be employed on a
13 continuous basis longer than said period and shall not have
14 been employed by the Chicago Board of Education within the
15 preceding six months. Council members shall receive training in
16 at least the following areas:

17 1. school budgets;

18 2. educational theory pertinent to the attendance
19 center's particular needs, including the development of
20 the school improvement plan and the principal's
21 performance contract; and

22 3. personnel selection.

23 Council members shall, to the greatest extent possible,
24 complete such training within 90 days of election.

25 11. In accordance with systemwide guidelines contained in
26 the System-Wide Educational Reform Goals and Objectives Plan,

1 criteria for evaluation of performance shall be established for
2 local school councils and local school council members. If a
3 local school council persists in noncompliance with systemwide
4 requirements, the Board may impose sanctions and take necessary
5 corrective action, consistent with Section 34-8.3.

6 12. Each local school council shall comply with the Open
7 Meetings Act and the Freedom of Information Act. Each local
8 school council shall issue and transmit to its school community
9 a detailed annual report accounting for its activities
10 programmatically and financially. Each local school council
11 shall convene at least 2 well-publicized meetings annually with
12 its entire school community. These meetings shall include
13 presentation of the proposed local school improvement plan, of
14 the proposed school expenditure plan, and the annual report,
15 and shall provide an opportunity for public comment.

16 13. Each local school council is encouraged to involve
17 additional non-voting members of the school community in
18 facilitating the council's exercise of its responsibilities.

19 14. The local school council may adopt a school uniform or
20 dress code policy that governs the attendance center and that
21 is necessary to maintain the orderly process of a school
22 function or prevent endangerment of student health or safety,
23 consistent with the policies and rules of the Board of
24 Education. A school uniform or dress code policy adopted by a
25 local school council: (i) shall not be applied in such manner
26 as to discipline or deny attendance to a transfer student or

1 any other student for noncompliance with that policy during
2 such period of time as is reasonably necessary to enable the
3 student to acquire a school uniform or otherwise comply with
4 the dress code policy that is in effect at the attendance
5 center into which the student's enrollment is transferred; and
6 (ii) shall include criteria and procedures under which the
7 local school council will accommodate the needs of or otherwise
8 provide appropriate resources to assist a student from an
9 indigent family in complying with an applicable school uniform
10 or dress code policy. A student whose parents or legal
11 guardians object on religious grounds to the student's
12 compliance with an applicable school uniform or dress code
13 policy shall not be required to comply with that policy if the
14 student's parents or legal guardians present to the local
15 school council a signed statement of objection detailing the
16 grounds for the objection.

17 15. All decisions made and actions taken by the local
18 school council in the exercise of its powers and duties shall
19 comply with State and federal laws, all applicable collective
20 bargaining agreements, court orders and rules properly
21 promulgated by the Board.

22 15a. To grant, in accordance with board rules and policies,
23 the use of assembly halls and classrooms when not otherwise
24 needed, including lighting, heat, and attendants, for public
25 lectures, concerts, and other educational and social
26 activities.

1 15b. To approve, in accordance with board rules and
2 policies, receipts and expenditures for all internal accounts
3 of the attendance center, and to approve all fund-raising
4 activities by nonschool organizations that use the school
5 building.

6 16. (Blank).

7 17. Names and addresses of local school council members
8 shall be a matter of public record.

9 (Source: P.A. 96-1403, eff. 7-29-10.)

10 (105 ILCS 5/34-8.4)

11 Sec. 34-8.4. Intervention. The Chicago Schools Academic
12 Accountability Council may recommend to the Chicago School
13 Reform Board of Trustees that any school placed on remediation
14 or probation under Section 34-8.3 or schools that for the 3
15 consecutive school years of 1992-1993, 1993-1994, and
16 1994-1995 have met the State Board of Education's category of
17 "does not meet expectations" be made subject to intervention
18 under this Section 34-8.4. In addition to any powers created
19 under this Section, the Trustees shall have all powers created
20 under Section 34-8.3 with respect to schools subjected to
21 intervention.

22 Prior to subjecting a school to intervention, the Trustees
23 shall conduct a public hearing and make findings of facts
24 concerning the recommendation of the Chicago Schools Academic
25 Accountability Council and the factors causing the failure of

1 the school to adequately perform. The Trustees shall afford an
2 opportunity at the hearing for interested persons to comment
3 about the intervention recommendation. After the hearing has
4 been held and completion of findings of fact, the Trustees
5 shall make a determination whether to subject the school to
6 intervention.

7 If the Trustees determine that a school shall be subject to
8 intervention under this Section, the Trustees shall develop an
9 intervention implementation plan and shall cause a performance
10 evaluation to be made of each employee at the school. Upon
11 consideration of such evaluations, and consistent with the
12 intervention implementation plan, the Trustees may reassign,
13 layoff, or dismiss any employees at the attendance center,
14 notwithstanding the provisions of Sections 24A-5 and 34-85.

15 The chief educational officer shall appoint a principal for
16 the school and shall set the terms and conditions of the
17 principal's contract, which in no case may be longer than 2
18 years. The principal shall select all teachers and
19 non-certified personnel for the school as may be necessary. Any
20 provision of Section 34-8.1 that conflicts with this Section
21 shall not apply to a school subjected to intervention under
22 this Section.

23 If pursuant to this Section, the general superintendent,
24 with the approval of the board, orders new local school council
25 elections, the general superintendent shall carry out the
26 responsibilities of the local school council for a school

1 subject to intervention until the new local school council
2 members are elected and trained.

3 Each school year, 5% of the supplemental general State aid
4 or supplemental grant funds distributed to a school subject to
5 intervention during that school year under subsection
6 5(i)(1)(a) of part A of Section 18-8, ~~or~~ subsection (H) of
7 Section 18-8.05, or paragraph (2) of subsection (j) of Section
8 18-8.15 shall be used for employee performance incentives. The
9 Trustees shall prepare a report evaluating the results of any
10 interventions undertaken pursuant to this Section and shall
11 make recommendations concerning implementation of special
12 programs for dealing with underperforming schools on an ongoing
13 basis. This report shall be submitted to the State
14 Superintendent of Education and Mayor of the City of Chicago by
15 January 1, 1999.

16 (Source: P.A. 89-15, eff. 5-30-95; 89-698, eff. 1-14-97;
17 90-548, eff. 1-1-98.)

18 (105 ILCS 5/34-18) (from Ch. 122, par. 34-18)

19 Sec. 34-18. Powers of the board. The board shall exercise
20 general supervision and jurisdiction over the public education
21 and the public school system of the city, and, except as
22 otherwise provided by this Article, shall have power:

23 1. To make suitable provision for the establishment and
24 maintenance throughout the year or for such portion thereof
25 as it may direct, not less than 9 months, of schools of all

1 grades and kinds, including normal schools, high schools,
2 night schools, schools for defectives and delinquents,
3 parental and truant schools, schools for the blind, the
4 deaf and persons with physical disabilities, schools or
5 classes in manual training, constructural and vocational
6 teaching, domestic arts and physical culture, vocation and
7 extension schools and lecture courses, and all other
8 educational courses and facilities, including
9 establishing, equipping, maintaining and operating
10 playgrounds and recreational programs, when such programs
11 are conducted in, adjacent to, or connected with any public
12 school under the general supervision and jurisdiction of
13 the board; provided that the calendar for the school term
14 and any changes must be submitted to and approved by the
15 State Board of Education before the calendar or changes may
16 take effect, and provided that in allocating funds from
17 year to year for the operation of all attendance centers
18 within the district, the board shall ensure that
19 supplemental general State aid or supplemental grant funds
20 are allocated and applied in accordance with Section 18-8,
21 ~~or~~ 18-8.05, or 18-8.15. To admit to such schools without
22 charge foreign exchange students who are participants in an
23 organized exchange student program which is authorized by
24 the board. The board shall permit all students to enroll in
25 apprenticeship programs in trade schools operated by the
26 board, whether those programs are union-sponsored or not.

1 No student shall be refused admission into or be excluded
2 from any course of instruction offered in the common
3 schools by reason of that student's sex. No student shall
4 be denied equal access to physical education and
5 interscholastic athletic programs supported from school
6 district funds or denied participation in comparable
7 physical education and athletic programs solely by reason
8 of the student's sex. Equal access to programs supported
9 from school district funds and comparable programs will be
10 defined in rules promulgated by the State Board of
11 Education in consultation with the Illinois High School
12 Association. Notwithstanding any other provision of this
13 Article, neither the board of education nor any local
14 school council or other school official shall recommend
15 that children with disabilities be placed into regular
16 education classrooms unless those children with
17 disabilities are provided with supplementary services to
18 assist them so that they benefit from the regular classroom
19 instruction and are included on the teacher's regular
20 education class register;

21 2. To furnish lunches to pupils, to make a reasonable
22 charge therefor, and to use school funds for the payment of
23 such expenses as the board may determine are necessary in
24 conducting the school lunch program;

25 3. To co-operate with the circuit court;

26 4. To make arrangements with the public or quasi-public

1 libraries and museums for the use of their facilities by
2 teachers and pupils of the public schools;

3 5. To employ dentists and prescribe their duties for
4 the purpose of treating the pupils in the schools, but
5 accepting such treatment shall be optional with parents or
6 guardians;

7 6. To grant the use of assembly halls and classrooms
8 when not otherwise needed, including light, heat, and
9 attendants, for free public lectures, concerts, and other
10 educational and social interests, free of charge, under
11 such provisions and control as the principal of the
12 affected attendance center may prescribe;

13 7. To apportion the pupils to the several schools;
14 provided that no pupil shall be excluded from or segregated
15 in any such school on account of his color, race, sex, or
16 nationality. The board shall take into consideration the
17 prevention of segregation and the elimination of
18 separation of children in public schools because of color,
19 race, sex, or nationality. Except that children may be
20 committed to or attend parental and social adjustment
21 schools established and maintained either for boys or girls
22 only. All records pertaining to the creation, alteration or
23 revision of attendance areas shall be open to the public.
24 Nothing herein shall limit the board's authority to
25 establish multi-area attendance centers or other student
26 assignment systems for desegregation purposes or

1 otherwise, and to apportion the pupils to the several
2 schools. Furthermore, beginning in school year 1994-95,
3 pursuant to a board plan adopted by October 1, 1993, the
4 board shall offer, commencing on a phased-in basis, the
5 opportunity for families within the school district to
6 apply for enrollment of their children in any attendance
7 center within the school district which does not have
8 selective admission requirements approved by the board.
9 The appropriate geographical area in which such open
10 enrollment may be exercised shall be determined by the
11 board of education. Such children may be admitted to any
12 such attendance center on a space available basis after all
13 children residing within such attendance center's area
14 have been accommodated. If the number of applicants from
15 outside the attendance area exceed the space available,
16 then successful applicants shall be selected by lottery.
17 The board of education's open enrollment plan must include
18 provisions that allow low income students to have access to
19 transportation needed to exercise school choice. Open
20 enrollment shall be in compliance with the provisions of
21 the Consent Decree and Desegregation Plan cited in Section
22 34-1.01;

23 8. To approve programs and policies for providing
24 transportation services to students. Nothing herein shall
25 be construed to permit or empower the State Board of
26 Education to order, mandate, or require busing or other

1 transportation of pupils for the purpose of achieving
2 racial balance in any school;

3 9. Subject to the limitations in this Article, to
4 establish and approve system-wide curriculum objectives
5 and standards, including graduation standards, which
6 reflect the multi-cultural diversity in the city and are
7 consistent with State law, provided that for all purposes
8 of this Article courses or proficiency in American Sign
9 Language shall be deemed to constitute courses or
10 proficiency in a foreign language; and to employ principals
11 and teachers, appointed as provided in this Article, and
12 fix their compensation. The board shall prepare such
13 reports related to minimal competency testing as may be
14 requested by the State Board of Education, and in addition
15 shall monitor and approve special education and bilingual
16 education programs and policies within the district to
17 assure that appropriate services are provided in
18 accordance with applicable State and federal laws to
19 children requiring services and education in those areas;

20 10. To employ non-teaching personnel or utilize
21 volunteer personnel for: (i) non-teaching duties not
22 requiring instructional judgment or evaluation of pupils,
23 including library duties; and (ii) supervising study
24 halls, long distance teaching reception areas used
25 incident to instructional programs transmitted by
26 electronic media such as computers, video, and audio,

1 detention and discipline areas, and school-sponsored
2 extracurricular activities. The board may further utilize
3 volunteer non-certificated personnel or employ
4 non-certificated personnel to assist in the instruction of
5 pupils under the immediate supervision of a teacher holding
6 a valid certificate, directly engaged in teaching subject
7 matter or conducting activities; provided that the teacher
8 shall be continuously aware of the non-certificated
9 persons' activities and shall be able to control or modify
10 them. The general superintendent shall determine
11 qualifications of such personnel and shall prescribe rules
12 for determining the duties and activities to be assigned to
13 such personnel;

14 10.5. To utilize volunteer personnel from a regional
15 School Crisis Assistance Team (S.C.A.T.), created as part
16 of the Safe to Learn Program established pursuant to
17 Section 25 of the Illinois Violence Prevention Act of 1995,
18 to provide assistance to schools in times of violence or
19 other traumatic incidents within a school community by
20 providing crisis intervention services to lessen the
21 effects of emotional trauma on individuals and the
22 community; the School Crisis Assistance Team Steering
23 Committee shall determine the qualifications for
24 volunteers;

25 11. To provide television studio facilities in not to
26 exceed one school building and to provide programs for

1 educational purposes, provided, however, that the board
2 shall not construct, acquire, operate, or maintain a
3 television transmitter; to grant the use of its studio
4 facilities to a licensed television station located in the
5 school district; and to maintain and operate not to exceed
6 one school radio transmitting station and provide programs
7 for educational purposes;

8 12. To offer, if deemed appropriate, outdoor education
9 courses, including field trips within the State of
10 Illinois, or adjacent states, and to use school educational
11 funds for the expense of the said outdoor educational
12 programs, whether within the school district or not;

13 13. During that period of the calendar year not
14 embraced within the regular school term, to provide and
15 conduct courses in subject matters normally embraced in the
16 program of the schools during the regular school term and
17 to give regular school credit for satisfactory completion
18 by the student of such courses as may be approved for
19 credit by the State Board of Education;

20 14. To insure against any loss or liability of the
21 board, the former School Board Nominating Commission,
22 Local School Councils, the Chicago Schools Academic
23 Accountability Council, or the former Subdistrict Councils
24 or of any member, officer, agent or employee thereof,
25 resulting from alleged violations of civil rights arising
26 from incidents occurring on or after September 5, 1967 or

1 from the wrongful or negligent act or omission of any such
2 person whether occurring within or without the school
3 premises, provided the officer, agent or employee was, at
4 the time of the alleged violation of civil rights or
5 wrongful act or omission, acting within the scope of his
6 employment or under direction of the board, the former
7 School Board Nominating Commission, the Chicago Schools
8 Academic Accountability Council, Local School Councils, or
9 the former Subdistrict Councils; and to provide for or
10 participate in insurance plans for its officers and
11 employees, including but not limited to retirement
12 annuities, medical, surgical and hospitalization benefits
13 in such types and amounts as may be determined by the
14 board; provided, however, that the board shall contract for
15 such insurance only with an insurance company authorized to
16 do business in this State. Such insurance may include
17 provision for employees who rely on treatment by prayer or
18 spiritual means alone for healing, in accordance with the
19 tenets and practice of a recognized religious
20 denomination;

21 15. To contract with the corporate authorities of any
22 municipality or the county board of any county, as the case
23 may be, to provide for the regulation of traffic in parking
24 areas of property used for school purposes, in such manner
25 as is provided by Section 11-209 of The Illinois Vehicle
26 Code, approved September 29, 1969, as amended;

1 16. (a) To provide, on an equal basis, access to a high
2 school campus and student directory information to the
3 official recruiting representatives of the armed forces of
4 Illinois and the United States for the purposes of
5 informing students of the educational and career
6 opportunities available in the military if the board has
7 provided such access to persons or groups whose purpose is
8 to acquaint students with educational or occupational
9 opportunities available to them. The board is not required
10 to give greater notice regarding the right of access to
11 recruiting representatives than is given to other persons
12 and groups. In this paragraph 16, "directory information"
13 means a high school student's name, address, and telephone
14 number.

15 (b) If a student or his or her parent or guardian
16 submits a signed, written request to the high school before
17 the end of the student's sophomore year (or if the student
18 is a transfer student, by another time set by the high
19 school) that indicates that the student or his or her
20 parent or guardian does not want the student's directory
21 information to be provided to official recruiting
22 representatives under subsection (a) of this Section, the
23 high school may not provide access to the student's
24 directory information to these recruiting representatives.
25 The high school shall notify its students and their parents
26 or guardians of the provisions of this subsection (b).

1 (c) A high school may require official recruiting
2 representatives of the armed forces of Illinois and the
3 United States to pay a fee for copying and mailing a
4 student's directory information in an amount that is not
5 more than the actual costs incurred by the high school.

6 (d) Information received by an official recruiting
7 representative under this Section may be used only to
8 provide information to students concerning educational and
9 career opportunities available in the military and may not
10 be released to a person who is not involved in recruiting
11 students for the armed forces of Illinois or the United
12 States;

13 17. (a) To sell or market any computer program
14 developed by an employee of the school district, provided
15 that such employee developed the computer program as a
16 direct result of his or her duties with the school district
17 or through the utilization of the school district resources
18 or facilities. The employee who developed the computer
19 program shall be entitled to share in the proceeds of such
20 sale or marketing of the computer program. The distribution
21 of such proceeds between the employee and the school
22 district shall be as agreed upon by the employee and the
23 school district, except that neither the employee nor the
24 school district may receive more than 90% of such proceeds.
25 The negotiation for an employee who is represented by an
26 exclusive bargaining representative may be conducted by

1 such bargaining representative at the employee's request.

2 (b) For the purpose of this paragraph 17:

3 (1) "Computer" means an internally programmed,
4 general purpose digital device capable of
5 automatically accepting data, processing data and
6 supplying the results of the operation.

7 (2) "Computer program" means a series of coded
8 instructions or statements in a form acceptable to a
9 computer, which causes the computer to process data in
10 order to achieve a certain result.

11 (3) "Proceeds" means profits derived from
12 marketing or sale of a product after deducting the
13 expenses of developing and marketing such product;

14 18. To delegate to the general superintendent of
15 schools, by resolution, the authority to approve contracts
16 and expenditures in amounts of \$10,000 or less;

17 19. Upon the written request of an employee, to
18 withhold from the compensation of that employee any dues,
19 payments or contributions payable by such employee to any
20 labor organization as defined in the Illinois Educational
21 Labor Relations Act. Under such arrangement, an amount
22 shall be withheld from each regular payroll period which is
23 equal to the pro rata share of the annual dues plus any
24 payments or contributions, and the board shall transmit
25 such withholdings to the specified labor organization
26 within 10 working days from the time of the withholding;

1 19a. Upon receipt of notice from the comptroller of a
2 municipality with a population of 500,000 or more, a county
3 with a population of 3,000,000 or more, the Cook County
4 Forest Preserve District, the Chicago Park District, the
5 Metropolitan Water Reclamation District, the Chicago
6 Transit Authority, or a housing authority of a municipality
7 with a population of 500,000 or more that a debt is due and
8 owing the municipality, the county, the Cook County Forest
9 Preserve District, the Chicago Park District, the
10 Metropolitan Water Reclamation District, the Chicago
11 Transit Authority, or the housing authority by an employee
12 of the Chicago Board of Education, to withhold, from the
13 compensation of that employee, the amount of the debt that
14 is due and owing and pay the amount withheld to the
15 municipality, the county, the Cook County Forest Preserve
16 District, the Chicago Park District, the Metropolitan
17 Water Reclamation District, the Chicago Transit Authority,
18 or the housing authority; provided, however, that the
19 amount deducted from any one salary or wage payment shall
20 not exceed 25% of the net amount of the payment. Before the
21 Board deducts any amount from any salary or wage of an
22 employee under this paragraph, the municipality, the
23 county, the Cook County Forest Preserve District, the
24 Chicago Park District, the Metropolitan Water Reclamation
25 District, the Chicago Transit Authority, or the housing
26 authority shall certify that (i) the employee has been

1 afforded an opportunity for a hearing to dispute the debt
2 that is due and owing the municipality, the county, the
3 Cook County Forest Preserve District, the Chicago Park
4 District, the Metropolitan Water Reclamation District, the
5 Chicago Transit Authority, or the housing authority and
6 (ii) the employee has received notice of a wage deduction
7 order and has been afforded an opportunity for a hearing to
8 object to the order. For purposes of this paragraph, "net
9 amount" means that part of the salary or wage payment
10 remaining after the deduction of any amounts required by
11 law to be deducted and "debt due and owing" means (i) a
12 specified sum of money owed to the municipality, the
13 county, the Cook County Forest Preserve District, the
14 Chicago Park District, the Metropolitan Water Reclamation
15 District, the Chicago Transit Authority, or the housing
16 authority for services, work, or goods, after the period
17 granted for payment has expired, or (ii) a specified sum of
18 money owed to the municipality, the county, the Cook County
19 Forest Preserve District, the Chicago Park District, the
20 Metropolitan Water Reclamation District, the Chicago
21 Transit Authority, or the housing authority pursuant to a
22 court order or order of an administrative hearing officer
23 after the exhaustion of, or the failure to exhaust,
24 judicial review;

25 20. The board is encouraged to employ a sufficient
26 number of certified school counselors to maintain a

1 student/counselor ratio of 250 to 1 by July 1, 1990. Each
2 counselor shall spend at least 75% of his work time in
3 direct contact with students and shall maintain a record of
4 such time;

5 21. To make available to students vocational and career
6 counseling and to establish 5 special career counseling
7 days for students and parents. On these days
8 representatives of local businesses and industries shall
9 be invited to the school campus and shall inform students
10 of career opportunities available to them in the various
11 businesses and industries. Special consideration shall be
12 given to counseling minority students as to career
13 opportunities available to them in various fields. For the
14 purposes of this paragraph, minority student means a person
15 who is any of the following:

16 (a) American Indian or Alaska Native (a person having
17 origins in any of the original peoples of North and South
18 America, including Central America, and who maintains
19 tribal affiliation or community attachment).

20 (b) Asian (a person having origins in any of the
21 original peoples of the Far East, Southeast Asia, or the
22 Indian subcontinent, including, but not limited to,
23 Cambodia, China, India, Japan, Korea, Malaysia, Pakistan,
24 the Philippine Islands, Thailand, and Vietnam).

25 (c) Black or African American (a person having origins
26 in any of the black racial groups of Africa). Terms such as

1 "Haitian" or "Negro" can be used in addition to "Black or
2 African American".

3 (d) Hispanic or Latino (a person of Cuban, Mexican,
4 Puerto Rican, South or Central American, or other Spanish
5 culture or origin, regardless of race).

6 (e) Native Hawaiian or Other Pacific Islander (a person
7 having origins in any of the original peoples of Hawaii,
8 Guam, Samoa, or other Pacific Islands).

9 Counseling days shall not be in lieu of regular school
10 days;

11 22. To report to the State Board of Education the
12 annual student dropout rate and number of students who
13 graduate from, transfer from or otherwise leave bilingual
14 programs;

15 23. Except as otherwise provided in the Abused and
16 Neglected Child Reporting Act or other applicable State or
17 federal law, to permit school officials to withhold, from
18 any person, information on the whereabouts of any child
19 removed from school premises when the child has been taken
20 into protective custody as a victim of suspected child
21 abuse. School officials shall direct such person to the
22 Department of Children and Family Services, or to the local
23 law enforcement agency if appropriate;

24 24. To develop a policy, based on the current state of
25 existing school facilities, projected enrollment and
26 efficient utilization of available resources, for capital

1 improvement of schools and school buildings within the
2 district, addressing in that policy both the relative
3 priority for major repairs, renovations and additions to
4 school facilities, and the advisability or necessity of
5 building new school facilities or closing existing schools
6 to meet current or projected demographic patterns within
7 the district;

8 25. To make available to the students in every high
9 school attendance center the ability to take all courses
10 necessary to comply with the Board of Higher Education's
11 college entrance criteria effective in 1993;

12 26. To encourage mid-career changes into the teaching
13 profession, whereby qualified professionals become
14 certified teachers, by allowing credit for professional
15 employment in related fields when determining point of
16 entry on teacher pay scale;

17 27. To provide or contract out training programs for
18 administrative personnel and principals with revised or
19 expanded duties pursuant to this Act in order to assure
20 they have the knowledge and skills to perform their duties;

21 28. To establish a fund for the prioritized special
22 needs programs, and to allocate such funds and other lump
23 sum amounts to each attendance center in a manner
24 consistent with the provisions of part 4 of Section 34-2.3.
25 Nothing in this paragraph shall be construed to require any
26 additional appropriations of State funds for this purpose;

1 29. (Blank);

2 30. Notwithstanding any other provision of this Act or
3 any other law to the contrary, to contract with third
4 parties for services otherwise performed by employees,
5 including those in a bargaining unit, and to layoff those
6 employees upon 14 days written notice to the affected
7 employees. Those contracts may be for a period not to
8 exceed 5 years and may be awarded on a system-wide basis.
9 The board may not operate more than 30 contract schools,
10 provided that the board may operate an additional 5
11 contract turnaround schools pursuant to item (5.5) of
12 subsection (d) of Section 34-8.3 of this Code;

13 31. To promulgate rules establishing procedures
14 governing the layoff or reduction in force of employees and
15 the recall of such employees, including, but not limited
16 to, criteria for such layoffs, reductions in force or
17 recall rights of such employees and the weight to be given
18 to any particular criterion. Such criteria shall take into
19 account factors including, but not be limited to,
20 qualifications, certifications, experience, performance
21 ratings or evaluations, and any other factors relating to
22 an employee's job performance;

23 32. To develop a policy to prevent nepotism in the
24 hiring of personnel or the selection of contractors;

25 33. To enter into a partnership agreement, as required
26 by Section 34-3.5 of this Code, and, notwithstanding any

1 other provision of law to the contrary, to promulgate
2 policies, enter into contracts, and take any other action
3 necessary to accomplish the objectives and implement the
4 requirements of that agreement; and

5 34. To establish a Labor Management Council to the
6 board comprised of representatives of the board, the chief
7 executive officer, and those labor organizations that are
8 the exclusive representatives of employees of the board and
9 to promulgate policies and procedures for the operation of
10 the Council.

11 The specifications of the powers herein granted are not to
12 be construed as exclusive but the board shall also exercise all
13 other powers that they may be requisite or proper for the
14 maintenance and the development of a public school system, not
15 inconsistent with the other provisions of this Article or
16 provisions of this Code which apply to all school districts.

17 In addition to the powers herein granted and authorized to
18 be exercised by the board, it shall be the duty of the board to
19 review or to direct independent reviews of special education
20 expenditures and services. The board shall file a report of
21 such review with the General Assembly on or before May 1, 1990.

22 (Source: P.A. 99-143, eff. 7-27-15.)

23 (105 ILCS 5/34-18.30)

24 Sec. 34-18.30. Dependents of military personnel; no
25 tuition charge. If, at the time of enrollment, a dependent of

1 United States military personnel is housed in temporary housing
2 located outside of the school district, but will be living
3 within the district within 60 days after the time of initial
4 enrollment, the dependent must be allowed to enroll, subject to
5 the requirements of this Section, and must not be charged
6 tuition. Any United States military personnel attempting to
7 enroll a dependent under this Section shall provide proof that
8 the dependent will be living within the district within 60 days
9 after the time of initial enrollment. Proof of residency may
10 include, but is not limited to, postmarked mail addressed to
11 the military personnel and sent to an address located within
12 the district, a lease agreement for occupancy of a residence
13 located within the district, or proof of ownership of a
14 residence located within the district. Non-resident dependents
15 of United States military personnel attending school on a
16 tuition-free basis may be counted for the purposes of
17 determining the apportionment of State aid provided under
18 Section 18-8.05 or 18-8.15 of this Code.

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

20 (105 ILCS 5/34-43.1) (from Ch. 122, par. 34-43.1)

21 Sec. 34-43.1. (A) Limitation of noninstructional costs. It
22 is the purpose of this Section to establish for the Board of
23 Education and the general superintendent of schools
24 requirements and standards which maximize the proportion of
25 school district resources in direct support of educational,

1 program, and building maintenance and safety services for the
2 pupils of the district, and which correspondingly minimize the
3 amount and proportion of such resources associated with
4 centralized administration, administrative support services,
5 and other noninstructional services.

6 For the 1989-90 school year and for all subsequent school
7 years, the Board of Education shall undertake budgetary and
8 expenditure control actions which limit the administrative
9 expenditures of the Board of Education to levels, as provided
10 for in this Section, which represent an average of the
11 administrative expenses of all school districts in this State
12 not subject to Article 34.

13 (B) Certification of expenses by the State Superintendent
14 of Education. The State Superintendent of Education shall
15 annually certify, on or before May 1, to the Board of Education
16 and the School Finance Authority, for the applicable school
17 year, the following information:

18 (1) the annual expenditures of all school districts of
19 the State not subject to Article 34 properly attributable
20 to expenditure functions defined by the rules and
21 regulations of the State Board of Education as: 2210
22 (Improvement of Instructional Services); 2300 (Support
23 Services - General Administration) excluding, however,
24 2320 (Executive Administrative Services); 2490 (Other
25 Support Services - School Administration); 2500 (Support
26 Services - Business); 2600 (Support Services - Central);

1 (2) the total annual expenditures of all school
2 districts not subject to Article 34 attributable to the
3 Education Fund, the Operations, Building and Maintenance
4 Fund, the Transportation Fund and the Illinois Municipal
5 Retirement Fund of the several districts, as defined by the
6 rules and regulations of the State Board of Education; and

7 (3) a ratio, to be called the statewide average of
8 administrative expenditures, derived by dividing the
9 expenditures certified pursuant to paragraph (B) (1) by the
10 expenditures certified pursuant to paragraph (B) (2).

11 For purposes of the annual certification of expenditures
12 and ratios required by this Section, the "applicable year" of
13 certification shall initially be the 1986-87 school year and,
14 in sequent years, each succeeding school year.

15 The State Superintendent of Education shall consult with
16 the Board of Education to ascertain whether particular
17 expenditure items allocable to the administrative functions
18 enumerated in paragraph (B) (1) are appropriately or
19 necessarily higher in the applicable school district than in
20 the rest of the State due to noncomparable factors. The State
21 Superintendent shall also review the relevant cost proportions
22 in other large urban school districts. The State Superintendent
23 shall also review the expenditure categories in paragraph
24 (B) (1) to ascertain whether they contain school-level
25 expenses. If he or she finds that adjustments to the formula
26 are appropriate or necessary to establish a more fair and

1 comparable standard for administrative cost for the Board of
2 Education or to exclude school-level expenses, the State
3 Superintendent shall recommend to the School Finance Authority
4 rules and regulations adjusting particular subcategories in
5 this subsection (B) or adjusting certain costs in determining
6 the budget and expenditure items properly attributable to the
7 functions or otherwise adjust the formula.

8 (C) Administrative expenditure limitations. The annual
9 budget of the Board of Education, as adopted and implemented,
10 and the related annual expenditures for the school year, shall
11 reflect a limitation on administrative outlays as required by
12 the following provisions, taking into account any adjustments
13 established by the State Superintendent of Education: (1) the
14 budget and expenditures of the Board of Education for the
15 1989-90 school year shall reflect a ratio of administrative
16 expenditures to total expenditures equal to or less than the
17 statewide average of administrative expenditures for the
18 1986-87 school year as certified by the State Superintendent of
19 Education pursuant to paragraph (B)(3); (2) for the 1990-91
20 school year and for all subsequent school years, the budget and
21 expenditures of the Board of Education shall reflect a ratio of
22 administrative expenditures to total expenditures equal to or
23 less than the statewide average of administrative expenditures
24 certified by the State Superintendent of Education for the
25 applicable year pursuant to paragraph (B)(3); (3) if for any
26 school year the budget of the Board of Education reflects a

1 ratio of administrative expenditures to total expenditures
2 which exceeds the applicable statewide average, the Board of
3 Education shall reduce expenditure items allocable to the
4 administrative functions enumerated in paragraph (B)(1) such
5 that the Board of Education's ratio of administrative
6 expenditures to total expenditures is equal to or less than the
7 applicable statewide average ratio.

8 For purposes of this Section, the ratio of administrative
9 expenditures to the total expenditures of the Board of
10 Education, as applied to the budget of the Board of Education,
11 shall mean: the budgeted expenditure items of the Board of
12 Education properly attributable to the expenditure functions
13 identified in paragraph (B)(1) divided by the total budgeted
14 expenditures of the Board of Education properly attributable to
15 the Board of Education funds corresponding to those funds
16 identified in paragraph (B)(2), exclusive of any monies
17 budgeted for payment to the Public School Teachers' Pension and
18 Retirement System, attributable to payments due from the
19 General Funds of the State of Illinois.

20 The annual expenditure of the Board of Education for 2320
21 (Executive Administrative Services) for the 1989-90 school
22 year shall be no greater than the 2320 expenditure for the
23 1988-89 school year. The annual expenditure of the Board of
24 Education for 2320 for the 1990-91 school year and each
25 subsequent school year shall be no greater than the 2320
26 expenditure for the immediately preceding school year or the

1 1988-89 school year, whichever is less. This annual expenditure
2 limitation may be adjusted in each year in an amount not to
3 exceed any change effective during the applicable school year
4 in salary to be paid under the collective bargaining agreement
5 with instructional personnel to which the Board is a party and
6 in benefit costs either required by law or such collective
7 bargaining agreement.

8 (D) Cost control measures. In undertaking actions to
9 control or reduce expenditure items necessitated by the
10 administrative expenditure limitations of this Section, the
11 Board of Education shall give priority consideration to
12 reductions or cost controls with the least effect upon direct
13 services to students or instructional services for pupils, and
14 upon the safety and well-being of pupils, and, as applicable,
15 with the particular costs or functions to which the Board of
16 Education is higher than the statewide average.

17 For purposes of assuring that the cost control priorities
18 of this subsection (D) are met, the State Superintendent of
19 Education shall, with the assistance of the Board of Education,
20 review the cost allocation practices of the Board of Education,
21 and the State Superintendent of Education shall thereafter
22 recommend to the School Finance Authority rules and regulations
23 which define administrative areas which most impact upon the
24 direct and instructional needs of students and upon the safety
25 and well-being of the pupils of the district. No position
26 closed shall be reopened using State or federal categorical

1 funds.

2 (E) Report of Audited Information. For the 1988-89 school
3 year and for all subsequent school years, the Board of
4 Education shall file with the State Board of Education the
5 Annual Financial Report and its audit, as required by the rules
6 of the State Board of Education. Such reports shall be filed no
7 later than February 15 following the end of the school year of
8 the Board of Education, beginning with the report to be filed
9 no later than February 15, 1990 for the 1988-89 school year.

10 As part of the required Annual Financial Report, the Board
11 of Education shall provide a detailed accounting of the central
12 level, district, bureau and department costs and personnel
13 included within expenditure functions included in paragraph
14 (B)(1). The nature and detail of the reporting required for
15 these functions shall be prescribed by the State Board of
16 Education in rules and regulations. A copy of this detailed
17 accounting shall also be provided annually to the School
18 Finance Authority and the public. This report shall contain a
19 reconciliation to the board of education's adopted budget for
20 that fiscal year, specifically delineating administrative
21 functions.

22 If the information required under this Section is not
23 provided by the Board of Education in a timely manner, or is
24 initially or subsequently determined by the State
25 Superintendent of Education to be incomplete or inaccurate, the
26 State Superintendent shall, in writing, notify the Board of

1 Education of reporting deficiencies. The Board of Education
2 shall, within 60 days of such notice, address the reporting
3 deficiencies identified. If the State Superintendent of
4 Education does not receive satisfactory response to these
5 reporting deficiencies within 60 days, the next payment of
6 general State aid or primary State aid due the Board of
7 Education under Section 18-8 or Section 18-8.15, as applicable,
8 and all subsequent payments, shall be withheld by the State
9 Superintendent of Education until the enumerated deficiencies
10 have been addressed.

11 Utilizing the Annual Financial Report, the State
12 Superintendent of Education shall certify on or before May 1 to
13 the School Finance Authority the Board of Education's ratio of
14 administrative expenditures to total expenditures for the
15 1988-89 school year and for each succeeding school year. Such
16 certification shall indicate the extent to which the
17 administrative expenditure ratio of the Board of Education
18 conformed to the limitations required in subsection (C) of this
19 Section, taking into account any adjustments of the limitations
20 which may have been recommended by the State Superintendent of
21 Education to the School Finance Authority. In deriving the
22 administrative expenditure ratio of the Chicago Board of
23 Education, the State Superintendent of Education shall utilize
24 the definition of this ratio prescribed in subsection (C) of
25 this Section, except that the actual expenditures of the Board
26 of Education shall be substituted for budgeted expenditure

1 items.

2 (F) Approval and adjustments to administrative expenditure
3 limitations. The School Finance Authority organized under
4 Article 34A shall monitor the Board of Education's adherence to
5 the requirements of this Section. As part of its responsibility
6 the School Finance Authority shall determine whether the Board
7 of Education's budget for the next school year, and the
8 expenditures for a prior school year, comply with the
9 limitation of administrative expenditures required by this
10 Section. The Board of Education and the State Board of
11 Education shall provide such information as is required by the
12 School Finance Authority in order for the Authority to
13 determine compliance with the provisions of this Section. If
14 the Authority determines that the budget proposed by the Board
15 of Education does not meet the cost control requirements of
16 this Section, the Board of Education shall undertake budgetary
17 reductions, consistent with the requirements of this Section,
18 to bring the proposed budget into compliance with such cost
19 control limitations.

20 If, in formulating cost control and cost reduction
21 alternatives, the Board of Education believes that meeting the
22 cost control requirements of this Section related to the budget
23 for the ensuing year would impair the education, safety, or
24 well-being of the pupils of the school district, the Board of
25 Education may request that the School Finance Authority make
26 adjustments to the limitations required by this Section. The

1 Board of Education shall specify the amount, nature, and
2 reasons for the relief required and shall also identify cost
3 reductions which can be made in expenditure functions not
4 enumerated in paragraph (B) (1), which would serve the purposes
5 of this Section.

6 The School Finance Authority shall consult with the State
7 Superintendent of Education concerning the reasonableness from
8 an educational administration perspective of the adjustments
9 sought by the Board of Education. The School Finance Authority
10 shall provide an opportunity for the public to comment upon the
11 reasonableness of the Board's request. If, after such
12 consultation, the School Finance Authority determines that all
13 or a portion of the adjustments sought by the Board of
14 Education are reasonably appropriate or necessary, the
15 Authority may grant such relief from the provisions of this
16 Section which the Authority deems appropriate. Adjustments so
17 granted apply only to the specific school year for which the
18 request was made.

19 In the event that the School Finance Authority determines
20 that the Board of Education has failed to achieve the required
21 administrative expenditure limitations for a prior school
22 year, or if the Authority determines that the Board of
23 Education has not met the requirements of subsection (F), the
24 Authority shall make recommendations to the Board of Education
25 concerning appropriate corrective actions. If the Board of
26 Education fails to provide adequate assurance to the Authority

1 that appropriate corrective actions have been or will be taken,
2 the Authority may, within 60 days thereafter, require the board
3 to adjust its current budget to correct for the prior year's
4 shortage or may recommend to the members of the General
5 Assembly and the Governor such sanctions or remedial actions as
6 will serve to deter any further such failures on the part of
7 the Board of Education.

8 To assist the Authority in its monitoring
9 responsibilities, the Board of Education shall provide such
10 reports and information as are from time to time required by
11 the Authority.

12 (G) Independent reviews of administrative expenditures.
13 The School Finance Authority may direct independent reviews of
14 the administrative and administrative support expenditures and
15 services and other non-instructional expenditure functions of
16 the Board of Education. The Board of Education shall afford
17 full cooperation to the School Finance Authority in such review
18 activity. The purpose of such reviews shall be to verify
19 specific targets for improved operating efficiencies of the
20 Board of Education, to identify other areas of potential
21 efficiencies, and to assure full and proper compliance by the
22 Board of Education with all requirements of this Section.

23 In the conduct of reviews under this subsection, the
24 Authority may request the assistance and consultation of the
25 State Superintendent of Education with regard to questions of
26 efficiency and effectiveness in educational administration.

1 (H) Reports to Governor and General Assembly. On or before
2 May 1, 1991 and no less frequently than yearly thereafter, the
3 School Finance Authority shall provide to the Governor, the
4 State Board of Education, and the members of the General
5 Assembly an annual report, as outlined in Section 34A-606,
6 which includes the following information: (1) documenting the
7 compliance or non-compliance of the Board of Education with the
8 requirements of this Section; (2) summarizing the costs,
9 findings, and recommendations of any reviews directed by the
10 School Finance Authority, and the response to such
11 recommendations made by the Board of Education; and (3)
12 recommending sanctions or legislation necessary to fulfill the
13 intent of this Section.

14 (Source: P.A. 86-124; 86-1477.)

15 (105 ILCS 5/34-53) (from Ch. 122, par. 34-53)

16 Sec. 34-53. Tax levies; Purpose; Rates. For the purpose of
17 establishing and supporting free schools for not fewer than 9
18 months in each year and defraying their expenses the board may
19 levy annually, upon all taxable property of such district for
20 educational purposes a tax for the fiscal years 1996 and each
21 succeeding fiscal year at a rate of not to exceed the sum of
22 (i) 2.81% ~~3.07%~~ (or such other rate as may be set by law
23 independent of the rate difference described in (ii) below) and
24 (ii) the difference between .50% and the rate per cent of taxes
25 extended for a School Finance Authority organized under Article

1 34A of the School Code, for the calendar year in which the
2 applicable fiscal year of the board begins as determined by the
3 county clerk and certified to the board pursuant to Section
4 18-110 of the Property Tax Code, of the value as equalized or
5 assessed by the Department of Revenue for the year in which
6 such levy is made.

7 For fiscal year 2017 and each succeeding fiscal year, for
8 the purpose of making an employer contribution to the Public
9 School Teachers' Pension and Retirement Fund of Chicago, the
10 board shall levy annually, upon all taxable property located
11 within the district, a tax at the rate of 0.26%. The proceeds
12 from this additional tax shall be paid directly to the Pension
13 Fund. The changes made to this Section by this amendatory Act
14 of the 99th General Assembly: (1) do not authorize an increase
15 in the district's maximum aggregate extension or limiting rate
16 under the Property Tax Extension Limitation Law; and (2)
17 constitute a continuation of the existing total maximum rate
18 under this Section and are not a new rate for the purposes of
19 the Property Tax Extension Limitation Law.

20 Nothing in this amendatory Act of 1995 shall in any way
21 impair or restrict the levy or extension of taxes pursuant to
22 any tax levies for any purposes of the board lawfully made
23 prior to the adoption of this amendatory Act of 1995.

24 Notwithstanding any other provision of this Code and in
25 addition to any other methods provided for increasing the tax
26 rate the board may, by proper resolution, cause a proposition

1 to increase the annual tax rate for educational purposes to be
2 submitted to the voters of such district at any general or
3 special election. The maximum rate for educational purposes
4 shall not exceed 4.00%. The election called for such purpose
5 shall be governed by Article 9 of this Act. If at such election
6 a majority of the votes cast on the proposition is in favor
7 thereof, the Board of Education may thereafter until such
8 authority is revoked in a like manner, levy annually the tax so
9 authorized.

10 For purposes of this Article, educational purposes for
11 fiscal years beginning in 1995 and each subsequent year shall
12 also include, but not be limited to, in addition to those
13 purposes authorized before this amendatory Act of 1995,
14 constructing, acquiring, leasing (other than from the Public
15 Building Commission of Chicago), operating, maintaining,
16 improving, repairing, and renovating land, buildings,
17 furnishings, and equipment for school houses and buildings, and
18 related incidental expenses, and provision of special
19 education, furnishing free textbooks and instructional aids
20 and school supplies, establishing, equipping, maintaining, and
21 operating supervised playgrounds under the control of the
22 board, school extracurricular activities, and stadia, social
23 center, and summer swimming pool programs open to the public in
24 connection with any public school; making an employer
25 contribution to the Public School Teachers' Pension and
26 Retirement Fund as required by Section 17-129 of the Illinois

1 Pension Code; and providing an agricultural science school,
2 including site development and improvements, maintenance
3 repairs, and supplies. Educational purposes also includes
4 student transportation expenses.

5 All collections of all taxes levied for fiscal years ending
6 before 1996 under this Section or under Sections 34-53.2,
7 34-53.3, 34-58, 34-60, or 34-62 of this Article as in effect
8 prior to this amendatory Act of 1995 may be used for any
9 educational purposes as defined by this amendatory Act of 1995
10 and need not be used for the particular purposes for which they
11 were levied. The levy and extension of taxes pursuant to this
12 Section as amended by this amendatory Act of 1995 shall not
13 constitute a new or increased tax rate within the meaning of
14 the Property Tax Extension Limitation Law or the One-year
15 Property Tax Extension Limitation Law.

16 The rate at which taxes may be levied for the fiscal year
17 beginning September 1, 1996, for educational purposes shall be
18 the full rate authorized by this Section for such taxes for
19 fiscal years ending after 1995.

20 (Source: P.A. 88-511; 88-670, eff. 12-2-94; 89-15, eff.
21 5-30-95.)

22 Section 950. The Educational Opportunity for Military
23 Children Act is amended by changing Section 25 as follows:

24 (105 ILCS 70/25)

1 Sec. 25. Tuition for children of active duty military
2 personnel who are transfer students. If a student who is a
3 child of active duty military personnel is (i) placed with a
4 non-custodial parent and (ii) as a result of placement, must
5 attend a non-resident school district, then the student must
6 not be charged the tuition of the school that the student
7 attends as a result of placement with the non-custodial parent
8 and the student must be counted in the calculation of average
9 daily attendance under Section 18-8.05 or 18-8.15 of the School
10 Code.

11 (Source: P.A. 98-673, eff. 6-30-14.)

12 Section 955. The Illinois Public Aid Code is amended by
13 changing Section 5-16.4 as follows:

14 (305 ILCS 5/5-16.4)

15 Sec. 5-16.4. Medical Assistance Provider Payment Fund.

16 (a) There is created in the State treasury the Medical
17 Assistance Provider Payment Fund. Interest earned by the Fund
18 shall be credited to the Fund.

19 (b) The Fund is created for the purpose of disbursing
20 moneys as follows:

21 (1) For medical services provided to recipients of aid
22 under Articles V, VI, and XII.

23 (2) For payment of administrative expenses incurred by
24 the Illinois Department or its agent in performing the

1 activities authorized by this Section.

2 (3) For making transfers to the General Obligation Bond
3 Retirement and Interest Fund, as those transfers are
4 authorized in the proceedings authorizing debt under the
5 Medicaid Liability Liquidity Borrowing Act, but transfers
6 made under this paragraph (3) may not exceed the principal
7 amount of debt issued under that Act.

8 Disbursements from the Fund, other than transfers to the
9 General Obligation Bond Retirement and Interest Fund (which
10 shall be made in accordance with the provisions of the Medicaid
11 Liability Liquidity Borrowing Act), shall be by warrants drawn
12 by the State Comptroller upon receipt of vouchers duly executed
13 and certified by the Illinois Department.

14 (c) The Fund shall consist of the following:

15 (1) All federal matching funds received by the Illinois
16 Department as a result of expenditures made by the Illinois
17 Department that are attributable to moneys deposited into
18 the Fund.

19 (2) Proceeds from any short-term borrowing directed to
20 the Fund by the Governor pursuant to the Medicaid Liability
21 Liquidity Borrowing Act.

22 (3) Amounts transferred into the Fund under subsection
23 (d) of this Section.

24 (4) All other moneys received for the Fund from any
25 other source, including interest earned on those moneys.

26 (d) Beginning July 1, 1995, on the 13th and 26th days of

1 each month the State Comptroller and Treasurer shall transfer
2 from the General Revenue Fund to the Medical Assistance
3 Provider Payment Fund an amount equal to 1/48th of the annual
4 Medical Assistance appropriation to the Department of
5 Healthcare and Family Services (formerly Illinois Department
6 of Public Aid) from the Medical Assistance Provider Payment
7 Fund, plus cumulative deficiencies from those prior transfers.
8 In addition to those transfers, the State Comptroller and
9 Treasurer may transfer from the General Revenue Fund to the
10 Medical Assistance Provider Payment Fund as much as is
11 necessary to pay claims pursuant to the new twice-monthly
12 payment schedule established in Section 5-16.5 and to avoid
13 interest liabilities under the State Prompt Payment Act. No
14 transfers made pursuant to this subsection shall interfere with
15 the timely payment of the general State aid or primary State
16 aid payment made pursuant to Section 18-11 of the School Code.
17 (Source: P.A. 95-331, eff. 8-21-07.)

18 Section 995. Savings clause. Any repeal or amendment made
19 by this Act shall not affect or impair any of the following:
20 suits pending or rights existing at the time this Act takes
21 effect; any grant or conveyance made or right acquired or cause
22 of action now existing under any Section, Article, or Act
23 repealed or amended by this Act; the validity of any bonds or
24 other obligations issued or sold and constituting valid
25 obligations of the issuing authority at the time this Act takes

1 effect; the validity of any contract; the validity of any tax
2 levied under any law in effect prior to the effective date of
3 this Act; or any offense committed, act done, penalty,
4 punishment, or forfeiture incurred or any claim, right, power,
5 or remedy accrued under any law in effect prior to the
6 effective date of this Act.

7 Section 999. Effective date. This Act takes effect upon
8 becoming law.".