

HB4469



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB4469

by Rep. Norine Hammond

SYNOPSIS AS INTRODUCED:

105 ILCS 5/11E-135

Amends the Conversion and Formation of School Districts Article of the School Code. Requires the General Assembly to appropriate a sufficient amount each fiscal year to fully fund the payments required to be made under a Section concerning incentives. Effective immediately.

LRB099 17157 NHT 41515 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning education.

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

4 Section 5. The School Code is amended by changing Section
5 11E-135 as follows:

6 (105 ILCS 5/11E-135)

7 Sec. 11E-135. Incentives. For districts reorganizing under
8 this Article and for a district or districts that annex all of
9 the territory of one or more entire other school districts in
10 accordance with Article 7 of this Code, the following payments
11 shall be made from appropriations made for these purposes and
12 the General Assembly must appropriate a sufficient amount each
13 fiscal year to fully fund these payments:

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

1 of the new district.

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

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

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

25 (4) For a school district conversion, as defined in Section
26 11E-15 of this Code, or a multi-unit conversion, as defined in

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

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

22 (B) the deemed pupil enrollment of each newly created
23 elementary district from a school district conversion
24 shall be an amount equal to its actual pupil enrollment for
25 its first year of existence reduced by an amount equal to
26 the product obtained when the amount by which the newly

1 created high school district's deemed pupil enrollment
2 exceeds its actual pupil enrollment for its first year of
3 existence is multiplied by a fraction, the numerator of
4 which is the actual pupil enrollment of the newly created
5 elementary district for its first year of existence and the
6 denominator of which is the actual aggregate pupil
7 enrollment of all of the newly created elementary districts
8 for their first year of existence;

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

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

1 such newly created districts for their first year of
2 existence.

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

12 (5) For a partial elementary unit district, as defined in
13 subsection (a) or (c) of Section 11E-30 of this Code, if, in
14 the first year of existence, the newly created partial
15 elementary unit district qualifies for less general State aid
16 and supplemental general State aid under Section 18-8.05 of
17 this Code than would have been payable under that Section for
18 that same year to the previously existing districts that formed
19 the partial elementary unit district, then a supplementary
20 payment 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
25 difference shall be computed in accordance with paragraph (5)
26 of this subsection (a) as if the elementary opt-in was included

1 in an 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 (a) 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 (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
21 calculated under this Section shall be computed for the
22 district gaining territory and the district losing territory as
23 constituted after the annexation and for the same districts as
24 constituted prior to the annexation; and if the aggregate of
25 the general State aid and supplemental general State aid as so
26 computed for the district gaining territory and the district

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

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

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

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

24 (2) After the territory of one or more school districts is
25 annexed by one or more other school districts as defined in
26 Article 7 of this Code, a computation shall be made to

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

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

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

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

1 then the excess must be paid as follows:

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

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

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

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

26 (E) If the effective date for the elementary opt-in is

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

5 (5.5) After the formation of a cooperative high school by 2
6 or more school districts under Section 10-22.22c of this Code,
7 a computation shall be made to determine the difference between
8 the salaries effective in each of the previously existing high
9 schools on June 30 prior to the formation of the cooperative
10 high school. For the first 4 years after the formation of the
11 cooperative high school, a supplementary State aid
12 reimbursement shall be paid to the cooperative high school
13 equal to the difference between the sum of the salaries earned
14 by each of the certificated members of the cooperative high
15 school while employed in one of the previously existing high
16 schools during the year immediately preceding the formation of
17 the cooperative high school and the sum of the salaries those
18 certificated members would have been paid during the year
19 immediately prior to the formation of the cooperative high
20 school if placed on the salary schedule of the previously
21 existing high school with the highest salary schedule.

22 (5.10) After the annexation of territory detached from
23 another school district whereby the enrollment of the annexing
24 district increases by 90% or more as a result of the
25 annexation, a computation shall be made to determine the
26 difference between the salaries effective in the district

1 gaining territory and the district losing territory as they
2 each were constituted on June 30 preceding the date when the
3 change of boundaries attributable to the annexation became
4 effective for all purposes as determined under Section 7-9 of
5 this Code. For the first 4 years after the annexation, a
6 supplementary State aid reimbursement shall be paid to the
7 annexing district equal to the difference between the sum of
8 the salaries earned by each of the certificated members of the
9 annexing district as constituted after the annexation while
10 employed in the district gaining territory or the district
11 losing territory during the year immediately preceding the
12 annexation and the sum of the salaries those certificated
13 members would have been paid during such immediately preceding
14 year if placed on the salary schedule of whichever of the
15 district gaining territory or district losing territory had the
16 highest salary schedule during the immediately preceding year.
17 To be eligible for supplementary State aid reimbursement under
18 this Section, the intergovernmental agreement to be submitted
19 pursuant to Section 7-14A of this Code must show that staff
20 members were transferred from the control of the district
21 losing territory to the control of the district gaining
22 territory in the annexation. The changes to this Section made
23 by Public Act 95-707 are intended to be retroactive and
24 applicable to any annexation taking effect on or after July 1,
25 2004. For annexations that are eligible for payments under this
26 paragraph (5.10) and that are effective on or after July 1,

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

8 (5.15) After the deactivation of a school facility in
9 accordance with Section 10-22.22b of this Code, a computation
10 shall be made to determine the difference between the salaries
11 effective in the sending school district and each receiving
12 school district on June 30 prior to the deactivation of the
13 school facility. For the lesser of the first 4 years after the
14 deactivation of the school facility or the length of the
15 deactivation agreement, including any renewals of the original
16 deactivation agreement, a supplementary State aid
17 reimbursement shall be paid to each receiving district equal to
18 the difference between the sum of the salaries earned by each
19 of the certificated members transferred to that receiving
20 district as a result of the deactivation while employed in the
21 sending district during the year immediately preceding the
22 deactivation and the sum of the salaries those certificated
23 members would have been paid during the year immediately
24 preceding the deactivation if placed on the salary schedule of
25 the sending or receiving district with the highest salary
26 schedule.

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

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

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

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

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

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

1 this paragraph (3) shall be allocated between or among the
2 annexing districts as follows:

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

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

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

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

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

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

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

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

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

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

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

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

26 (D) If the effective date for the elementary opt-in is

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

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

11 (6.5) For the first year after the annexation of territory
12 detached from another school district whereby the enrollment of
13 the annexing district increases by 90% or more as a result of
14 the annexation, a computation shall be made totaling the
15 audited fund balances of the district gaining territory and the
16 audited fund balances of the district losing territory in the
17 educational fund, working cash fund, operations and
18 maintenance fund, and transportation fund for the year ending
19 June 30 prior to the date that the change of boundaries
20 attributable to the annexation is allowed by the affirmative
21 decision of the regional board of school trustees under Section
22 7-6 of this Code, notwithstanding any action for administrative
23 review of the decision. The annexing district as constituted
24 after the annexation shall be paid supplementary State aid
25 equal to the difference between the deficit of whichever
26 district included in this calculation as constituted prior to

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

26 (7) For purposes of any calculation required under

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

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

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

15 (d)(1) Following the formation of a combined school
16 district, as defined in Section 11E-20 of this Code, a new unit
17 district, as defined in Section 11E-25 of this Code, a new
18 elementary district or districts and a new high school district
19 formed through a school district conversion, as defined in
20 Section 11E-15 of this Code, a new partial elementary unit
21 district, as defined in Section 11E-30 of this Code, or a new
22 elementary district or districts formed through a multi-unit
23 conversion, as defined in subsection (b) of Section 11E-30 of
24 this Code, or the annexation of all of the territory of one or
25 more entire school districts by one or more other school
26 districts, as defined in Article 7 of this Code, a

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

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

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

1 district's first-year general State aid claim, under Section
2 18-8.05 of this Code, divided by the best 3 months' average
3 daily attendance.

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

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

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

22 (A) If the effective date for the elementary opt-in is
23 one year after the effective date for the optional
24 elementary unit district, 100% of the amount calculated in
25 this paragraph (2) shall be paid to the optional elementary
26 unit district for the number of years calculated in

1 paragraph (1) of this subsection (d) at the optional
2 elementary unit district's original effective date,
3 starting in the second year after the effective date of the
4 elementary opt-in.

5 (B) If the effective date for the elementary opt-in is
6 2 years after the effective date for the optional
7 elementary unit district, 75% of the amount calculated in
8 this paragraph (2) shall be paid to the optional elementary
9 unit district for the number of years calculated in
10 paragraph (1) of this subsection (d) at the optional
11 elementary unit district's original effective date,
12 starting in the second year after the effective date of the
13 elementary opt-in.

14 (C) If the effective date for the elementary opt-in is
15 3 years after the effective date for the optional
16 elementary unit district, 50% of the amount calculated in
17 this paragraph (2) shall be paid to the optional elementary
18 unit district for the number of years calculated in
19 paragraph (1) of this subsection (d) at the optional
20 elementary unit district's original effective date,
21 starting in the second year 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 optional
25 elementary unit district, 25% of the amount calculated in
26 this paragraph (2) shall be paid to the optional elementary

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

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

11 (2.5) Following the formation of a cooperative high school
12 by 2 or more school districts under Section 10-22.22c of this
13 Code, a supplementary State aid reimbursement shall be paid for
14 3 school years to the cooperative high school equal to the sum
15 of \$4,000 for each certified employee who is employed by the
16 cooperative high school on a full-time basis for the regular
17 term of any such school year. If a cooperative high school
18 results from multiple agreements that would otherwise qualify
19 the cooperative high school for multiple payments under this
20 Section in any year, the cooperative high school shall receive
21 a single payment for that year based solely on the most recent
22 agreement.

23 (2.10) Following the annexation of territory detached from
24 another school district whereby the enrollment of the annexing
25 district increases 90% or more as a result of the annexation, a
26 supplementary State aid reimbursement shall be paid to the

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

22 (2.15) Following the deactivation of a school facility in
23 accordance with Section 10-22.22b of this Code, a supplementary
24 State aid reimbursement shall be paid for the lesser of 3
25 school years or the length of the deactivation agreement,
26 including any renewals of the original deactivation agreement,

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

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

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

1 positions held by the certified employees.

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

11 (Source: P.A. 95-331, eff. 8-21-07; 95-707, eff. 1-11-08;
12 95-903, eff. 8-25-08; 96-328, eff. 8-11-09.)

13 Section 99. Effective date. This Act takes effect upon
14 becoming law.