

1 AMENDMENT TO HOUSE BILL 1845

2 AMENDMENT NO. _____. Amend House Bill 1845 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The School Code is amended by changing
5 Section 18-8.05 as follows:

6 (105 ILCS 5/18-8.05)

7 Sec. 18-8.05. Basis for apportionment of general State
8 financial aid and supplemental general State aid to the
9 common schools for the 1998-1999 and subsequent school years.

10 (A) General Provisions.

11 (1) The provisions of this Section apply to the
12 1998-1999 and subsequent school years. The system of general
13 State financial aid provided for in this Section is designed
14 to assure that, through a combination of State financial aid
15 and required local resources, the financial support provided
16 each pupil in Average Daily Attendance equals or exceeds a
17 prescribed per pupil Foundation Level. This formula approach
18 imputes a level of per pupil Available Local Resources and
19 provides for the basis to calculate a per pupil level of
20 general State financial aid that, when added to Available
21 Local Resources, equals or exceeds the Foundation Level. The

1 amount of per pupil general State financial aid for school
2 districts, in general, varies in inverse relation to
3 Available Local Resources. Per pupil amounts are based upon
4 each school district's Average Daily Attendance as that term
5 is defined in this Section.

6 (2) In addition to general State financial aid, school
7 districts with specified levels or concentrations of pupils
8 from low income households are eligible to receive
9 supplemental general State financial aid grants as provided
10 pursuant to subsection (H). The supplemental State aid grants
11 provided for school districts under subsection (H) shall be
12 appropriated for distribution to school districts as part of
13 the same line item in which the general State financial aid
14 of school districts is appropriated under this Section.

15 (3) To receive financial assistance under this Section,
16 school districts are required to file claims with the State
17 Board of Education, subject to the following requirements:

18 (a) Any school district which fails for any given
19 school year to maintain school as required by law, or to
20 maintain a recognized school is not eligible to file for
21 such school year any claim upon the Common School Fund.
22 In case of nonrecognition of one or more attendance
23 centers in a school district otherwise operating
24 recognized schools, the claim of the district shall be
25 reduced in the proportion which the Average Daily
26 Attendance in the attendance center or centers bear to
27 the Average Daily Attendance in the school district. A
28 "recognized school" means any public school which meets
29 the standards as established for recognition by the State
30 Board of Education. A school district or attendance
31 center not having recognition status at the end of a
32 school term is entitled to receive State aid payments due
33 upon a legal claim which was filed while it was
34 recognized.

1 (b) School district claims filed under this Section
2 are subject to Sections 18-9, 18-10, and 18-12, except as
3 otherwise provided in this Section.

4 (c) If a school district operates a full year
5 school under Section 10-19.1, the general State aid to
6 the school district shall be determined by the State
7 Board of Education in accordance with this Section as
8 near as may be applicable.

9 (d) (Blank).

10 (4) Except as provided in subsections (H) and (L), the
11 board of any district receiving any of the grants provided
12 for in this Section may apply those funds to any fund so
13 received for which that board is authorized to make
14 expenditures by law.

15 School districts are not required to exert a minimum
16 Operating Tax Rate in order to qualify for assistance under
17 this Section.

18 (5) As used in this Section the following terms, when
19 capitalized, shall have the meaning ascribed herein:

20 (a) "Average Daily Attendance": A count of pupil
21 attendance in school, averaged as provided for in
22 subsection (C) and utilized in deriving per pupil
23 financial support levels.

24 (b) "Available Local Resources": A computation of
25 local financial support, calculated on the basis of
26 Average Daily Attendance and derived as provided pursuant
27 to subsection (D).

28 (c) "Corporate Personal Property Replacement
29 Taxes": Funds paid to local school districts pursuant to
30 "An Act in relation to the abolition of ad valorem
31 personal property tax and the replacement of revenues
32 lost thereby, and amending and repealing certain Acts and
33 parts of Acts in connection therewith", certified August
34 14, 1979, as amended (Public Act 81-1st S.S.-1).

1 (d) "Foundation Level": A prescribed level of per
2 pupil financial support as provided for in subsection
3 (B).

4 (e) "Operating Tax Rate": All school district
5 property taxes extended for all purposes, except Bond and
6 Interest, Summer School, Rent, Capital Improvement, and
7 Vocational Education Building purposes.

8 (B) Foundation Level.

9 (1) The Foundation Level is a figure established by the
10 State representing the minimum level of per pupil financial
11 support that should be available to provide for the basic
12 education of each pupil in Average Daily Attendance. As set
13 forth in this Section, each school district is assumed to
14 exert a sufficient local taxing effort such that, in
15 combination with the aggregate of general State financial aid
16 provided the district, an aggregate of State and local
17 resources are available to meet the basic education needs of
18 pupils in the district.

19 (2) For the 1998-1999 school year, the Foundation Level
20 of support is \$4,225. For the 1999-2000 school year, the
21 Foundation Level of support is \$4,325. For the 2000-2001
22 school year, the Foundation Level of support is \$4,425.

23 (3) For the 2001-2002 school year and each school year
24 thereafter, the Foundation Level of support is \$4,600 \$4,425
25 or such greater amount as may be established by law by the
26 General Assembly.

27 (C) Average Daily Attendance.

28 (1) For purposes of calculating general State aid
29 pursuant to subsection (E), an Average Daily Attendance
30 figure shall be utilized. The Average Daily Attendance
31 figure for formula calculation purposes shall be the monthly
32 average of the actual number of pupils in attendance of each
33 school district, as further averaged for the best 3 months of

1 pupil attendance for each school district. In compiling the
2 figures for the number of pupils in attendance, school
3 districts and the State Board of Education shall, for
4 purposes of general State aid funding, conform attendance
5 figures to the requirements of subsection (F).

6 (2) The Average Daily Attendance figures utilized in
7 subsection (E) shall be the requisite attendance data for the
8 school year immediately preceding the school year for which
9 general State aid is being calculated.

10 (D) Available Local Resources.

11 (1) For purposes of calculating general State aid
12 pursuant to subsection (E), a representation of Available
13 Local Resources per pupil, as that term is defined and
14 determined in this subsection, shall be utilized. Available
15 Local Resources per pupil shall include a calculated dollar
16 amount representing local school district revenues from local
17 property taxes and from Corporate Personal Property
18 Replacement Taxes, expressed on the basis of pupils in
19 Average Daily Attendance.

20 (2) In determining a school district's revenue from
21 local property taxes, the State Board of Education shall
22 utilize the equalized assessed valuation of all taxable
23 property of each school district as of September 30 of the
24 previous year. The equalized assessed valuation utilized
25 shall be obtained and determined as provided in subsection
26 (G).

27 (3) For school districts maintaining grades kindergarten
28 through 12, local property tax revenues per pupil shall be
29 calculated as the product of the applicable equalized
30 assessed valuation for the district multiplied by 3.00%, and
31 divided by the district's Average Daily Attendance figure.
32 For school districts maintaining grades kindergarten through
33 8, local property tax revenues per pupil shall be calculated
34 as the product of the applicable equalized assessed valuation

1 for the district multiplied by 2.30%, and divided by the
2 district's Average Daily Attendance figure. For school
3 districts maintaining grades 9 through 12, local property tax
4 revenues per pupil shall be the applicable equalized assessed
5 valuation of the district multiplied by 1.05%, and divided by
6 the district's Average Daily Attendance figure.

7 (4) The Corporate Personal Property Replacement Taxes
8 paid to each school district during the calendar year 2 years
9 before the calendar year in which a school year begins,
10 divided by the Average Daily Attendance figure for that
11 district, shall be added to the local property tax revenues
12 per pupil as derived by the application of the immediately
13 preceding paragraph (3). The sum of these per pupil figures
14 for each school district shall constitute Available Local
15 Resources as that term is utilized in subsection (E) in the
16 calculation of general State aid.

17 (E) Computation of General State Aid.

18 (1) For each school year, the amount of general State
19 aid allotted to a school district shall be computed by the
20 State Board of Education as provided in this subsection.

21 (2) For any school district for which Available Local
22 Resources per pupil is less than the product of 0.93 times
23 the Foundation Level, general State aid for that district
24 shall be calculated as an amount equal to the Foundation
25 Level minus Available Local Resources, multiplied by the
26 Average Daily Attendance of the school district.

27 (3) For any school district for which Available Local
28 Resources per pupil is equal to or greater than the product
29 of 0.93 times the Foundation Level and less than the product
30 of 1.75 times the Foundation Level, the general State aid per
31 pupil shall be a decimal proportion of the Foundation Level
32 derived using a linear algorithm. Under this linear
33 algorithm, the calculated general State aid per pupil shall
34 decline in direct linear fashion from 0.07 times the

1 Foundation Level for a school district with Available Local
2 Resources equal to the product of 0.93 times the Foundation
3 Level, to 0.05 times the Foundation Level for a school
4 district with Available Local Resources equal to the product
5 of 1.75 times the Foundation Level. The allocation of
6 general State aid for school districts subject to this
7 paragraph 3 shall be the calculated general State aid per
8 pupil figure multiplied by the Average Daily Attendance of
9 the school district.

10 (4) For any school district for which Available Local
11 Resources per pupil equals or exceeds the product of 1.75
12 times the Foundation Level, the general State aid for the
13 school district shall be calculated as the product of \$218
14 multiplied by the Average Daily Attendance of the school
15 district.

16 (5) The amount of general State aid allocated to a
17 school district for the 1999-2000 school year meeting the
18 requirements set forth in paragraph (4) of subsection (G)
19 shall be increased by an amount equal to the general State
20 aid that would have been received by the district for the
21 1998-1999 school year by utilizing the Extension Limitation
22 Equalized Assessed Valuation as calculated in paragraph (4)
23 of subsection (G) less the general State aid allotted for the
24 1998-1999 school year. This amount shall be deemed a one
25 time increase, and shall not affect any future general State
26 aid allocations.

27 (F) Compilation of Average Daily Attendance.

28 (1) Each school district shall, by July 1 of each year,
29 submit to the State Board of Education, on forms prescribed
30 by the State Board of Education, attendance figures for the
31 school year that began in the preceding calendar year. The
32 attendance information so transmitted shall identify the
33 average daily attendance figures for each month of the school
34 year, except that any days of attendance in August shall be

1 added to the month of September and any days of attendance in
2 June shall be added to the month of May.

3 Except as otherwise provided in this Section, days of
4 attendance by pupils shall be counted only for sessions of
5 not less than 5 clock hours of school work per day under
6 direct supervision of: (i) teachers, or (ii) non-teaching
7 personnel or volunteer personnel when engaging in
8 non-teaching duties and supervising in those instances
9 specified in subsection (a) of Section 10-22.34 and paragraph
10 10 of Section 34-18, with pupils of legal school age and in
11 kindergarten and grades 1 through 12.

12 Days of attendance by tuition pupils shall be accredited
13 only to the districts that pay the tuition to a recognized
14 school.

15 (2) Days of attendance by pupils of less than 5 clock
16 hours of school shall be subject to the following provisions
17 in the compilation of Average Daily Attendance.

18 (a) Pupils regularly enrolled in a public school
19 for only a part of the school day may be counted on the
20 basis of 1/6 day for every class hour of instruction of
21 40 minutes or more attended pursuant to such enrollment.

22 (b) Days of attendance may be less than 5 clock
23 hours on the opening and closing of the school term, and
24 upon the first day of pupil attendance, if preceded by a
25 day or days utilized as an institute or teachers'
26 workshop.

27 (c) A session of 4 or more clock hours may be
28 counted as a day of attendance upon certification by the
29 regional superintendent, and approved by the State
30 Superintendent of Education to the extent that the
31 district has been forced to use daily multiple sessions.

32 (d) A session of 3 or more clock hours may be
33 counted as a day of attendance (1) when the remainder of
34 the school day or at least 2 hours in the evening of that

1 day is utilized for an in-service training program for
2 teachers, up to a maximum of 5 days per school year of
3 which a maximum of 4 days of such 5 days may be used for
4 parent-teacher conferences, provided a district conducts
5 an in-service training program for teachers which has
6 been approved by the State Superintendent of Education;
7 or, in lieu of 4 such days, 2 full days may be used, in
8 which event each such day may be counted as a day of
9 attendance; and (2) when days in addition to those
10 provided in item (1) are scheduled by a school pursuant
11 to its school improvement plan adopted under Article 34
12 or its revised or amended school improvement plan adopted
13 under Article 2, provided that (i) such sessions of 3 or
14 more clock hours are scheduled to occur at regular
15 intervals, (ii) the remainder of the school days in which
16 such sessions occur are utilized for in-service training
17 programs or other staff development activities for
18 teachers, and (iii) a sufficient number of minutes of
19 school work under the direct supervision of teachers are
20 added to the school days between such regularly scheduled
21 sessions to accumulate not less than the number of
22 minutes by which such sessions of 3 or more clock hours
23 fall short of 5 clock hours. Any full days used for the
24 purposes of this paragraph shall not be considered for
25 computing average daily attendance. Days scheduled for
26 in-service training programs, staff development
27 activities, or parent-teacher conferences may be
28 scheduled separately for different grade levels and
29 different attendance centers of the district.

30 (e) A session of not less than one clock hour of
31 teaching hospitalized or homebound pupils on-site or by
32 telephone to the classroom may be counted as 1/2 day of
33 attendance, however these pupils must receive 4 or more
34 clock hours of instruction to be counted for a full day

1 of attendance.

2 (f) A session of at least 4 clock hours may be
3 counted as a day of attendance for first grade pupils,
4 and pupils in full day kindergartens, and a session of 2
5 or more hours may be counted as 1/2 day of attendance by
6 pupils in kindergartens which provide only 1/2 day of
7 attendance.

8 (g) For children with disabilities who are below
9 the age of 6 years and who cannot attend 2 or more clock
10 hours because of their disability or immaturity, a
11 session of not less than one clock hour may be counted as
12 1/2 day of attendance; however for such children whose
13 educational needs so require a session of 4 or more clock
14 hours may be counted as a full day of attendance.

15 (h) A recognized kindergarten which provides for
16 only 1/2 day of attendance by each pupil shall not have
17 more than 1/2 day of attendance counted in any one day.
18 However, kindergartens may count 2 1/2 days of attendance
19 in any 5 consecutive school days. When a pupil attends
20 such a kindergarten for 2 half days on any one school
21 day, the pupil shall have the following day as a day
22 absent from school, unless the school district obtains
23 permission in writing from the State Superintendent of
24 Education. Attendance at kindergartens which provide for
25 a full day of attendance by each pupil shall be counted
26 the same as attendance by first grade pupils. Only the
27 first year of attendance in one kindergarten shall be
28 counted, except in case of children who entered the
29 kindergarten in their fifth year whose educational
30 development requires a second year of kindergarten as
31 determined under the rules and regulations of the State
32 Board of Education.

33 (G) Equalized Assessed Valuation Data.

34 (1) For purposes of the calculation of Available Local

1 Resources required pursuant to subsection (D), the State
2 Board of Education shall secure from the Department of
3 Revenue the value as equalized or assessed by the Department
4 of Revenue of all taxable property of every school district,
5 together with (i) the applicable tax rate used in extending
6 taxes for the funds of the district as of September 30 of the
7 previous year and (ii) the limiting rate for all school
8 districts subject to property tax extension limitations as
9 imposed under the Property Tax Extension Limitation Law.

10 This equalized assessed valuation, as adjusted further by
11 the requirements of this subsection, shall be utilized in the
12 calculation of Available Local Resources.

13 (2) The equalized assessed valuation in paragraph (1)
14 shall be adjusted, as applicable, in the following manner:

15 (a) For the purposes of calculating State aid under
16 this Section, with respect to any part of a school
17 district within a redevelopment project area in respect
18 to which a municipality has adopted tax increment
19 allocation financing pursuant to the Tax Increment
20 Allocation Redevelopment Act, Sections 11-74.4-1 through
21 11-74.4-11 of the Illinois Municipal Code or the
22 Industrial Jobs Recovery Law, Sections 11-74.6-1 through
23 11-74.6-50 of the Illinois Municipal Code, no part of the
24 current equalized assessed valuation of real property
25 located in any such project area which is attributable to
26 an increase above the total initial equalized assessed
27 valuation of such property shall be used as part of the
28 equalized assessed valuation of the district, until such
29 time as all redevelopment project costs have been paid,
30 as provided in Section 11-74.4-8 of the Tax Increment
31 Allocation Redevelopment Act or in Section 11-74.6-35 of
32 the Industrial Jobs Recovery Law. For the purpose of the
33 equalized assessed valuation of the district, the total
34 initial equalized assessed valuation or the current

1 equalized assessed valuation, whichever is lower, shall
2 be used until such time as all redevelopment project
3 costs have been paid.

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

18 (3) For the 1999-2000 school year and each school year
19 thereafter, if a school district meets all of the criteria of
20 this subsection (G)(3), the school district's Available Local
21 Resources shall be calculated under subsection (D) using the
22 district's Extension Limitation Equalized Assessed Valuation
23 as calculated under this subsection (G)(3).

24 For purposes of this subsection (G)(3) the following
25 terms shall have the following meanings:

26 "Budget Year": The school year for which general
27 State aid is calculated and awarded under subsection (E).

28 "Base Tax Year": The property tax levy year used to
29 calculate the Budget Year allocation of general State
30 aid.

31 "Preceding Tax Year": The property tax levy year
32 immediately preceding the Base Tax Year.

33 "Base Tax Year's Tax Extension": The product of the
34 equalized assessed valuation utilized by the County Clerk

1 in the Base Tax Year multiplied by the limiting rate as
2 calculated by the County Clerk and defined in the
3 Property Tax Extension Limitation Law.

4 "Preceding Tax Year's Tax Extension": The product of
5 the equalized assessed valuation utilized by the County
6 Clerk in the Preceding Tax Year multiplied by the
7 Operating Tax Rate as defined in subsection (A).

8 "Extension Limitation Ratio": A numerical ratio,
9 certified by the County Clerk, in which the numerator is
10 the Base Tax Year's Tax Extension and the denominator is
11 the Preceding Tax Year's Tax Extension.

12 "Operating Tax Rate": The operating tax rate as
13 defined in subsection (A).

14 If a school district is subject to property tax extension
15 limitations as imposed under the Property Tax Extension
16 Limitation Law, and if the Available Local Resources of that
17 school district as calculated pursuant to subsection (D)
18 using the Base Tax Year are less than the product of 1.75
19 times the Foundation Level for the Budget Year, the State
20 Board of Education shall calculate the Extension Limitation
21 Equalized Assessed Valuation of that district. For the
22 1999-2000 school year, the Extension Limitation Equalized
23 Assessed Valuation of a school district as calculated by the
24 State Board of Education shall be equal to the product of the
25 district's 1996 Equalized Assessed Valuation and the
26 district's Extension Limitation Ratio. For the 2000-2001
27 school year and each school year thereafter, the Extension
28 Limitation Equalized Assessed Valuation of a school district
29 as calculated by the State Board of Education shall be equal
30 to the product of the last calculated Extension Limitation
31 Equalized Assessed Valuation and the district's Extension
32 Limitation Ratio. If the Extension Limitation Equalized
33 Assessed Valuation of a school district as calculated under
34 this subsection (G)(3) is less than the district's equalized

1 assessed valuation as calculated pursuant to subsections
2 (G)(1) and (G)(2), then for purposes of calculating the
3 district's general State aid for the Budget Year pursuant to
4 subsection (E), that Extension Limitation Equalized Assessed
5 Valuation shall be utilized to calculate the district's
6 Available Local Resources under subsection (D).

7 (4) For the purposes of calculating general State aid
8 for the 1999-2000 school year only, if a school district
9 experienced a triennial reassessment on the equalized
10 assessed valuation used in calculating its general State
11 financial aid apportionment for the 1998-1999 school year,
12 the State Board of Education shall calculate the Extension
13 Limitation Equalized Assessed Valuation that would have been
14 used to calculate the district's 1998-1999 general State aid.
15 This amount shall equal the product of the equalized assessed
16 valuation used to calculate general State aid for the
17 1997-1998 school year and the district's Extension Limitation
18 Ratio. If the Extension Limitation Equalized Assessed
19 Valuation of the school district as calculated under this
20 paragraph (4) is less than the district's equalized assessed
21 valuation utilized in calculating the district's 1998-1999
22 general State aid allocation, then for purposes of
23 calculating the district's general State aid pursuant to
24 paragraph (5) of subsection (E), that Extension Limitation
25 Equalized Assessed Valuation shall be utilized to calculate
26 the district's Available Local Resources.

27 (5) For school districts having a majority of their
28 equalized assessed valuation in any county except Cook,
29 DuPage, Kane, Lake, McHenry, or Will, if the amount of
30 general State aid allocated to the school district for the
31 1999-2000 school year under the provisions of subsection (E),
32 (H), and (J) of this Section is less than the amount of
33 general State aid allocated to the district for the 1998-1999
34 school year under these subsections, then the general State

1 aid of the district for the 1999-2000 school year only shall
2 be increased by the difference between these amounts. The
3 total payments made under this paragraph (5) shall not exceed
4 \$14,000,000. Claims shall be prorated if they exceed
5 \$14,000,000.

6 (H) Supplemental General State Aid.

7 (1) In addition to the general State aid a school
8 district is allotted pursuant to subsection (E), qualifying
9 school districts shall receive a grant, paid in conjunction
10 with a district's payments of general State aid, for
11 supplemental general State aid based upon the concentration
12 level of children from low-income households within the
13 school district. Supplemental State aid grants provided for
14 school districts under this subsection shall be appropriated
15 for distribution to school districts as part of the same line
16 item in which the general State financial aid of school
17 districts is appropriated under this Section. For purposes of
18 this subsection, the term "Low-Income Concentration Level"
19 shall be the low-income eligible pupil count from the most
20 recently available federal census divided by the Average
21 Daily Attendance of the school district. If, however, the
22 percentage decrease from the 2 most recent federal censuses
23 in the low-income eligible pupil count of a high school
24 district with fewer than 400 students exceeds by 75% or more
25 the percentage change in the total low-income eligible pupil
26 count of contiguous elementary school districts, whose
27 boundaries are coterminous with the high school district, the
28 high school district's low-income eligible pupil count from
29 the earlier federal census shall be the number used as the
30 low-income eligible pupil count for the high school district,
31 for purposes of this subsection (H).

32 (2) Supplemental general State aid pursuant to this
33 subsection shall be provided as follows:

34 (a) For any school district with a Low Income

1 Concentration Level of at least 20% and less than 35%,
2 the grant for any school year shall be \$800 multiplied by
3 the low income eligible pupil count.

4 (b) For any school district with a Low Income
5 Concentration Level of at least 35% and less than 50%,
6 the grant for the 1998-1999 school year shall be \$1,100
7 multiplied by the low income eligible pupil count.

8 (c) For any school district with a Low Income
9 Concentration Level of at least 50% and less than 60%,
10 the grant for the 1998-99 school year shall be \$1,500
11 multiplied by the low income eligible pupil count.

12 (d) For any school district with a Low Income
13 Concentration Level of 60% or more, the grant for the
14 1998-99 school year shall be \$1,900 multiplied by the low
15 income eligible pupil count.

16 (e) For the 1999-2000 school year, the per pupil
17 amount specified in subparagraphs (b), (c), and (d)
18 immediately above shall be increased to \$1,243, \$1,600,
19 and \$2,000, respectively.

20 (f) For the 2000-2001 school year, the per pupil
21 amounts specified in subparagraphs (b), (c), and (d)
22 immediately above shall be \$1,273, \$1,640, and \$2,050,
23 respectively.

24 (3) School districts with an Average Daily Attendance of
25 more than 1,000 and less than 50,000 that qualify for
26 supplemental general State aid pursuant to this subsection
27 shall submit a plan to the State Board of Education prior to
28 October 30 of each year for the use of the funds resulting
29 from this grant of supplemental general State aid for the
30 improvement of instruction in which priority is given to
31 meeting the education needs of disadvantaged children. Such
32 plan shall be submitted in accordance with rules and
33 regulations promulgated by the State Board of Education.

34 (4) School districts with an Average Daily Attendance of

1 50,000 or more that qualify for supplemental general State
2 aid pursuant to this subsection shall be required to
3 distribute from funds available pursuant to this Section, no
4 less than \$261,000,000 in accordance with the following
5 requirements:

6 (a) The required amounts shall be distributed to
7 the attendance centers within the district in proportion
8 to the number of pupils enrolled at each attendance
9 center who are eligible to receive free or reduced-price
10 lunches or breakfasts under the federal Child Nutrition
11 Act of 1966 and under the National School Lunch Act
12 during the immediately preceding school year.

13 (b) The distribution of these portions of
14 supplemental and general State aid among attendance
15 centers according to these requirements shall not be
16 compensated for or contravened by adjustments of the
17 total of other funds appropriated to any attendance
18 centers, and the Board of Education shall utilize funding
19 from one or several sources in order to fully implement
20 this provision annually prior to the opening of school.

21 (c) Each attendance center shall be provided by the
22 school district a distribution of noncategorical funds
23 and other categorical funds to which an attendance center
24 is entitled under law in order that the general State aid
25 and supplemental general State aid provided by
26 application of this subsection supplements rather than
27 supplants the noncategorical funds and other categorical
28 funds provided by the school district to the attendance
29 centers.

30 (d) Any funds made available under this subsection
31 that by reason of the provisions of this subsection are
32 not required to be allocated and provided to attendance
33 centers may be used and appropriated by the board of the
34 district for any lawful school purpose.

1 (e) Funds received by an attendance center pursuant
2 to this subsection shall be used by the attendance center
3 at the discretion of the principal and local school
4 council for programs to improve educational opportunities
5 at qualifying schools through the following programs and
6 services: early childhood education, reduced class size
7 or improved adult to student classroom ratio, enrichment
8 programs, remedial assistance, attendance improvement,
9 and other educationally beneficial expenditures which
10 supplement the regular and basic programs as determined
11 by the State Board of Education. Funds provided shall
12 not be expended for any political or lobbying purposes as
13 defined by board rule.

14 (f) Each district subject to the provisions of this
15 subdivision (H)(4) shall submit an acceptable plan to
16 meet the educational needs of disadvantaged children, in
17 compliance with the requirements of this paragraph, to
18 the State Board of Education prior to July 15 of each
19 year. This plan shall be consistent with the decisions of
20 local school councils concerning the school expenditure
21 plans developed in accordance with part 4 of Section
22 34-2.3. The State Board shall approve or reject the plan
23 within 60 days after its submission. If the plan is
24 rejected, the district shall give written notice of
25 intent to modify the plan within 15 days of the
26 notification of rejection and then submit a modified plan
27 within 30 days after the date of the written notice of
28 intent to modify. Districts may amend approved plans
29 pursuant to rules promulgated by the State Board of
30 Education.

31 Upon notification by the State Board of Education
32 that the district has not submitted a plan prior to July
33 15 or a modified plan within the time period specified
34 herein, the State aid funds affected by that plan or

1 modified plan shall be withheld by the State Board of
2 Education until a plan or modified plan is submitted.

3 If the district fails to distribute State aid to
4 attendance centers in accordance with an approved plan,
5 the plan for the following year shall allocate funds, in
6 addition to the funds otherwise required by this
7 subsection, to those attendance centers which were
8 underfunded during the previous year in amounts equal to
9 such underfunding.

10 For purposes of determining compliance with this
11 subsection in relation to the requirements of attendance
12 center funding, each district subject to the provisions
13 of this subsection shall submit as a separate document by
14 December 1 of each year a report of expenditure data for
15 the prior year in addition to any modification of its
16 current plan. If it is determined that there has been a
17 failure to comply with the expenditure provisions of this
18 subsection regarding contravention or supplanting, the
19 State Superintendent of Education shall, within 60 days
20 of receipt of the report, notify the district and any
21 affected local school council. The district shall within
22 45 days of receipt of that notification inform the State
23 Superintendent of Education of the remedial or corrective
24 action to be taken, whether by amendment of the current
25 plan, if feasible, or by adjustment in the plan for the
26 following year. Failure to provide the expenditure
27 report or the notification of remedial or corrective
28 action in a timely manner shall result in a withholding
29 of the affected funds.

30 The State Board of Education shall promulgate rules
31 and regulations to implement the provisions of this
32 subsection. No funds shall be released under this
33 subdivision (H)(4) to any district that has not submitted
34 a plan that has been approved by the State Board of

1 Education.

2 (I) General State Aid for Newly Configured School Districts.

3 (1) For a new school district formed by combining
4 property included totally within 2 or more previously
5 existing school districts, for its first year of existence
6 the general State aid and supplemental general State aid
7 calculated under this Section shall be computed for the new
8 district and for the previously existing districts for which
9 property is totally included within the new district. If the
10 computation on the basis of the previously existing districts
11 is greater, a supplementary payment equal to the difference
12 shall be made for the first 4 years of existence of the new
13 district.

14 (2) For a school district which annexes all of the
15 territory of one or more entire other school districts, for
16 the first year during which the change of boundaries
17 attributable to such annexation becomes effective for all
18 purposes as determined under Section 7-9 or 7A-8, the general
19 State aid and supplemental general State aid calculated under
20 this Section shall be computed for the annexing district as
21 constituted after the annexation and for the annexing and
22 each annexed district as constituted prior to the annexation;
23 and if the computation on the basis of the annexing and
24 annexed districts as constituted prior to the annexation is
25 greater, a supplementary payment equal to the difference
26 shall be made for the first 4 years of existence of the
27 annexing school district as constituted upon such annexation.

28 (3) For 2 or more school districts which annex all of
29 the territory of one or more entire other school districts,
30 and for 2 or more community unit districts which result upon
31 the division (pursuant to petition under Section 11A-2) of
32 one or more other unit school districts into 2 or more parts
33 and which together include all of the parts into which such
34 other unit school district or districts are so divided, for

1 the first year during which the change of boundaries
2 attributable to such annexation or division becomes effective
3 for all purposes as determined under Section 7-9 or 11A-10,
4 as the case may be, the general State aid and supplemental
5 general State aid calculated under this Section shall be
6 computed for each annexing or resulting district as
7 constituted after the annexation or division and for each
8 annexing and annexed district, or for each resulting and
9 divided district, as constituted prior to the annexation or
10 division; and if the aggregate of the general State aid and
11 supplemental general State aid as so computed for the
12 annexing or resulting districts as constituted after the
13 annexation or division is less than the aggregate of the
14 general State aid and supplemental general State aid as so
15 computed for the annexing and annexed districts, or for the
16 resulting and divided districts, as constituted prior to the
17 annexation or division, then a supplementary payment equal to
18 the difference shall be made and allocated between or among
19 the annexing or resulting districts, as constituted upon such
20 annexation or division, for the first 4 years of their
21 existence. The total difference payment shall be allocated
22 between or among the annexing or resulting districts in the
23 same ratio as the pupil enrollment from that portion of the
24 annexed or divided district or districts which is annexed to
25 or included in each such annexing or resulting district bears
26 to the total pupil enrollment from the entire annexed or
27 divided district or districts, as such pupil enrollment is
28 determined for the school year last ending prior to the date
29 when the change of boundaries attributable to the annexation
30 or division becomes effective for all purposes. The amount
31 of the total difference payment and the amount thereof to be
32 allocated to the annexing or resulting districts shall be
33 computed by the State Board of Education on the basis of
34 pupil enrollment and other data which shall be certified to

1 the State Board of Education, on forms which it shall provide
2 for that purpose, by the regional superintendent of schools
3 for each educational service region in which the annexing and
4 annexed districts, or resulting and divided districts are
5 located.

6 (3.5) Claims for financial assistance under this
7 subsection (I) shall not be recomputed except as expressly
8 provided under this Section.

9 (4) Any supplementary payment made under this subsection
10 (I) shall be treated as separate from all other payments made
11 pursuant to this Section.

12 (J) Supplementary Grants in Aid.

13 (1) Notwithstanding any other provisions of this
14 Section, the amount of the aggregate general State aid in
15 combination with supplemental general State aid under this
16 Section for which each school district is eligible shall be
17 no less than the amount of the aggregate general State aid
18 entitlement that was received by the district under Section
19 18-8 (exclusive of amounts received under subsections 5(p)
20 and 5(p-5) of that Section) for the 1997-98 school year,
21 pursuant to the provisions of that Section as it was then in
22 effect. If a school district qualifies to receive a
23 supplementary payment made under this subsection (J), the
24 amount of the aggregate general State aid in combination with
25 supplemental general State aid under this Section which that
26 district is eligible to receive for each school year shall be
27 no less than the amount of the aggregate general State aid
28 entitlement that was received by the district under Section
29 18-8 (exclusive of amounts received under subsections 5(p)
30 and 5(p-5) of that Section) for the 1997-1998 school year,
31 pursuant to the provisions of that Section as it was then in
32 effect.

33 (2) If, as provided in paragraph (1) of this subsection
34 (J), a school district is to receive aggregate general State

1 aid in combination with supplemental general State aid under
2 this Section for the 1998-99 school year and any subsequent
3 school year that in any such school year is less than the
4 amount of the aggregate general State aid entitlement that
5 the district received for the 1997-98 school year, the school
6 district shall also receive, from a separate appropriation
7 made for purposes of this subsection (J), a supplementary
8 payment that is equal to the amount of the difference in the
9 aggregate State aid figures as described in paragraph (1).

10 (3) (Blank).

11 (K) Grants to Laboratory and Alternative Schools.

12 In calculating the amount to be paid to the governing
13 board of a public university that operates a laboratory
14 school under this Section or to any alternative school that
15 is operated by a regional superintendent of schools, the
16 State Board of Education shall require by rule such reporting
17 requirements as it deems necessary.

18 As used in this Section, "laboratory school" means a
19 public school which is created and operated by a public
20 university and approved by the State Board of Education. The
21 governing board of a public university which receives funds
22 from the State Board under this subsection (K) may not
23 increase the number of students enrolled in its laboratory
24 school from a single district, if that district is already
25 sending 50 or more students, except under a mutual agreement
26 between the school board of a student's district of residence
27 and the university which operates the laboratory school. A
28 laboratory school may not have more than 1,000 students,
29 excluding students with disabilities in a special education
30 program.

31 As used in this Section, "alternative school" means a
32 public school which is created and operated by a Regional
33 Superintendent of Schools and approved by the State Board of
34 Education. Such alternative schools may offer courses of

1 instruction for which credit is given in regular school
2 programs, courses to prepare students for the high school
3 equivalency testing program or vocational and occupational
4 training. A regional superintendent of schools may contract
5 with a school district or a public community college district
6 to operate an alternative school. An alternative school
7 serving more than one educational service region may be
8 established by the regional superintendents of schools of the
9 affected educational service regions. An alternative school
10 serving more than one educational service region may be
11 operated under such terms as the regional superintendents of
12 schools of those educational service regions may agree.

13 Each laboratory and alternative school shall file, on
14 forms provided by the State Superintendent of Education, an
15 annual State aid claim which states the Average Daily
16 Attendance of the school's students by month. The best 3
17 months' Average Daily Attendance shall be computed for each
18 school. The general State aid entitlement shall be computed
19 by multiplying the applicable Average Daily Attendance by the
20 Foundation Level as determined under this Section.

21 (L) Payments, Additional Grants in Aid and Other
22 Requirements.

23 (1) For a school district operating under the financial
24 supervision of an Authority created under Article 34A, the
25 general State aid otherwise payable to that district under
26 this Section, but not the supplemental general State aid,
27 shall be reduced by an amount equal to the budget for the
28 operations of the Authority as certified by the Authority to
29 the State Board of Education, and an amount equal to such
30 reduction shall be paid to the Authority created for such
31 district for its operating expenses in the manner provided in
32 Section 18-11. The remainder of general State school aid for
33 any such district shall be paid in accordance with Article
34 34A when that Article provides for a disposition other than

1 that provided by this Article.

2 (2) (Blank).

3 (3) Summer school. Summer school payments shall be made
4 as provided in Section 18-4.3.

5 (M) Education Funding Advisory Board.

6 The Education Funding Advisory Board, hereinafter in this
7 subsection (M) referred to as the "Board", is hereby created.
8 The Board shall consist of 5 members who are appointed by the
9 Governor, by and with the advice and consent of the Senate.
10 The members appointed shall include representatives of
11 education, business, and the general public. One of the
12 members so appointed shall be designated by the Governor at
13 the time the appointment is made as the chairperson of the
14 Board. The initial members of the Board may be appointed any
15 time after the effective date of this amendatory Act of 1997.
16 The regular term of each member of the Board shall be for 4
17 years from the third Monday of January of the year in which
18 the term of the member's appointment is to commence, except
19 that of the 5 initial members appointed to serve on the
20 Board, the member who is appointed as the chairperson shall
21 serve for a term that commences on the date of his or her
22 appointment and expires on the third Monday of January, 2002,
23 and the remaining 4 members, by lots drawn at the first
24 meeting of the Board that is held after all 5 members are
25 appointed, shall determine 2 of their number to serve for
26 terms that commence on the date of their respective
27 appointments and expire on the third Monday of January, 2001,
28 and 2 of their number to serve for terms that commence on the
29 date of their respective appointments and expire on the third
30 Monday of January, 2000. All members appointed to serve on
31 the Board shall serve until their respective successors are
32 appointed and confirmed. Vacancies shall be filled in the
33 same manner as original appointments. If a vacancy in
34 membership occurs at a time when the Senate is not in

1 session, the Governor shall make a temporary appointment
2 until the next meeting of the Senate, when he or she shall
3 appoint, by and with the advice and consent of the Senate, a
4 person to fill that membership for the unexpired term. If
5 the Senate is not in session when the initial appointments
6 are made, those appointments shall be made as in the case of
7 vacancies.

8 The Education Funding Advisory Board shall be deemed
9 established, and the initial members appointed by the
10 Governor to serve as members of the Board shall take office,
11 on the date that the Governor makes his or her appointment of
12 the fifth initial member of the Board, whether those initial
13 members are then serving pursuant to appointment and
14 confirmation or pursuant to temporary appointments that are
15 made by the Governor as in the case of vacancies.

16 The State Board of Education shall provide such staff
17 assistance to the Education Funding Advisory Board as is
18 reasonably required for the proper performance by the Board
19 of its responsibilities.

20 For school years after the 2000-2001 school year, the
21 Education Funding Advisory Board, in consultation with the
22 State Board of Education, shall make recommendations as
23 provided in this subsection (M) to the General Assembly for
24 the foundation level under subdivision (B)(3) of this Section
25 and for the supplemental general State aid grant level under
26 subsection (H) of this Section for districts with high
27 concentrations of children from poverty. The recommended
28 foundation level shall be determined based on a methodology
29 which incorporates the basic education expenditures of
30 low-spending schools exhibiting high academic performance.
31 The Education Funding Advisory Board shall make such
32 recommendations to the General Assembly on January 1 of odd
33 numbered years, beginning January 1, 2001.

34 (N) (Blank).

1 (0) References.

2 (1) References in other laws to the various subdivisions
3 of Section 18-8 as that Section existed before its repeal and
4 replacement by this Section 18-8.05 shall be deemed to refer
5 to the corresponding provisions of this Section 18-8.05, to
6 the extent that those references remain applicable.

7 (2) References in other laws to State Chapter 1 funds
8 shall be deemed to refer to the supplemental general State
9 aid provided under subsection (H) of this Section.

10 (Source: P.A. 90-548, eff. 7-1-98; incorporates 90-566;
11 90-653, eff. 7-29-98; 90-654, eff. 7-29-98; 90-655, eff.
12 7-30-98; 90-802, eff. 12-15-98; 90-815, eff. 2-11-99; 91-24,
13 eff. 7-1-99; 91-93, eff. 7-9-99; 91-96, eff. 7-9-99; 91-111,
14 eff. 7-14-99; 91-357, eff. 7-29-99; 91-533, eff. 8-13-99;
15 revised 8-27-99.)

16 Section 99. Effective date. This Act takes effect on
17 July 1, 2001."