

1                                   AMENDMENT TO SENATE BILL 1930

2           AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1930 by replacing  
3 the title with the following:

4           "AN ACT concerning schools."; and

5 by inserting immediately below the enacting clause the  
6 following:

7           "Section 3. The School Code is amended by changing  
8 Sections 1D-1, 14-7.02, 14-7.02a, 14-13.01, and 29-5 and  
9 adding Sections 17-17 and 34-23.5 as follows:

10           (105 ILCS 5/1D-1)

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

12           (a) For fiscal year 1996 and each fiscal year  
13 thereafter, the State Board of Education shall award to a  
14 school district having a population exceeding 500,000  
15 inhabitants a general education block grant and an  
16 educational services block grant, determined as provided in  
17 this Section, in lieu of distributing to the district  
18 separate State funding for the programs described in  
19 subsections (b) and (c). The provisions of this Section,  
20 however, do not apply to any federal funds that the district  
21 is entitled to receive. In accordance with Section 2-3.32,

1 all block grants are subject to an audit. Therefore, block  
2 grant receipts and block grant expenditures shall be recorded  
3 to the appropriate fund code for the designated block grant.

4 (b) The general education block grant shall include the  
5 following programs: REI Initiative, Summer Bridges, Preschool  
6 At Risk, K-6 Comprehensive Arts, School Improvement Support,  
7 Urban Education, Scientific Literacy, Substance Abuse  
8 Prevention, Second Language Planning, Staff Development,  
9 Outcomes and Assessment, K-6 Reading Improvement, Truants'  
10 Optional Education, Hispanic Programs, Agriculture Education,  
11 Gifted Education, Parental Education, Prevention Initiative,  
12 Report Cards, and Criminal Background Investigations.  
13 Notwithstanding any other provision of law, all amounts paid  
14 under the general education block grant from State  
15 appropriations to a school district in a city having a  
16 population exceeding 500,000 inhabitants shall be  
17 appropriated and expended by the board of that district for  
18 any of the programs included in the block grant or any of the  
19 board's lawful purposes.

20 (c) The educational services block grant shall include  
21 the following programs: Bilingual, Regular and Vocational  
22 Transportation, State Lunch and Free Breakfast Program,  
23 Special Education (Personnel, Extraordinary, Transportation,  
24 Orphanage, Private Tuition), Summer School, Educational  
25 Service Centers, and Administrator's Academy. This  
26 subsection (c) does not relieve the district of its  
27 obligation to provide the services required under a program  
28 that is included within the educational services block grant.  
29 It is the intention of the General Assembly in enacting the  
30 provisions of this subsection (c) to relieve the district of  
31 the administrative burdens that impede efficiency and  
32 accompany single-program funding. The General Assembly  
33 encourages the board to pursue mandate waivers pursuant to  
34 Section 2-3.25g.

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

18           (e) The district is not required to file any application  
19 or other claim in order to receive the block grants to which  
20 it is entitled under this Section. The State Board of  
21 Education shall make payments to the district of amounts due  
22 under the district's block grants on a schedule determined by  
23 the State Board of Education.

24           (f) A school district to which this Section applies  
25 shall report to the State Board of Education on its use of  
26 the block grants in such form and detail as the State Board  
27 of Education may specify.

28           (g) This paragraph provides for the treatment of block  
29 grants under Article 1C for purposes of calculating the  
30 amount of block grants for a district under this Section.  
31 Those block grants under Article 1C ~~1E~~ are, for this purpose,  
32 treated as included in the amount of appropriation for the  
33 various programs set forth in paragraph (b) above. The  
34 appropriation in each current fiscal year for each block

1 grant under Article 1C shall be treated for these purposes as  
2 appropriations for the individual program included in that  
3 block grant. The proportion of each block grant so allocated  
4 to each such program included in it shall be the proportion  
5 which the appropriation for that program was of all  
6 appropriations for such purposes now in that block grant, in  
7 fiscal 1995.

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

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

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

16 (Source: P.A. 90-566, eff. 1-2-98; 90-653, eff. 7-29-98;  
17 91-711, eff. 7-1-00; revised 12-04-01.)

18 (105 ILCS 5/14-7.02) (from Ch. 122, par. 14-7.02)

19 Sec. 14-7.02. Children attending private schools, public  
20 out-of-state schools, public school residential facilities or  
21 private special education facilities. The General Assembly  
22 recognizes that non-public schools or special education  
23 facilities provide an important service in the educational  
24 system in Illinois.

25 If because of his or her disability the special education  
26 program of a district is unable to meet the needs of a child  
27 and the child attends a non-public school or special  
28 education facility, a public out-of-state school or a special  
29 education facility owned and operated by a county government  
30 unit that provides special educational services required by  
31 the child and is in compliance with the appropriate rules and  
32 regulations of the State Superintendent of Education, the  
33 school district in which the child is a resident shall pay

1 the actual cost of tuition for special education and related  
2 services provided during the regular school term and during  
3 the summer school term if the child's educational needs so  
4 require, excluding room, board and transportation costs  
5 charged the child by that non-public school or special  
6 education facility, public out-of-state school or county  
7 special education facility, or \$4,500 per year, whichever is  
8 less, and shall provide him any necessary transportation.  
9 "Nonpublic special education facility" shall include a  
10 residential facility, within or without the State of  
11 Illinois, which provides special education and related  
12 services to meet the needs of the child by utilizing private  
13 schools or public schools, whether located on the site or off  
14 the site of the residential facility.

15 The State Board of Education shall promulgate rules and  
16 regulations for determining when placement in a private  
17 special education facility is appropriate. Such rules and  
18 regulations shall take into account the various types of  
19 services needed by a child and the availability of such  
20 services to the particular child in the public school. In  
21 developing these rules and regulations the State Board of  
22 Education shall consult with the Advisory Council on  
23 Education of Children with Disabilities and hold public  
24 hearings to secure recommendations from parents, school  
25 personnel, and others concerned about this matter.

26 The State Board of Education shall also promulgate rules  
27 and regulations for transportation to and from a residential  
28 school. Transportation to and from home to a residential  
29 school more than once each school term shall be subject to  
30 prior approval by the State Superintendent in accordance with  
31 the rules and regulations of the State Board.

32 A school district making tuition payments pursuant to  
33 this Section is eligible for reimbursement from the State for  
34 the amount of such payments actually made in excess of the

1 district per capita tuition charge for students not receiving  
2 special education services. Such reimbursement shall be  
3 approved in accordance with Section 14-12.01 and each  
4 district shall file its claims, computed in accordance with  
5 rules prescribed by the State Board of Education, on forms  
6 prescribed by the State Superintendent of Education. Data  
7 used as a basis of reimbursement claims shall be for the  
8 preceding regular school term and summer school term. Each  
9 school district shall transmit its claims to the State Board  
10 of Education on or before August 15. The State Board of  
11 Education, before approving any such claims, shall determine  
12 their accuracy and whether they are based upon services and  
13 facilities provided under approved programs. Upon approval  
14 the State Board shall cause vouchers to be prepared showing  
15 the amount due for payment of reimbursement claims to school  
16 districts, for transmittal to the State Comptroller on the  
17 30th day of September, December, and March, respectively, and  
18 the final voucher, no later than June 20. If the money  
19 appropriated by the General Assembly for such purpose for any  
20 year is insufficient, it shall be apportioned on the basis of  
21 the claims approved.

22 No child shall be placed in a special education program  
23 pursuant to this Section if the tuition cost for special  
24 education and related services increases more than 10 percent  
25 over the tuition cost for the previous school year or exceeds  
26 \$4,500 per year unless such costs have been approved by the  
27 Illinois Purchased Care Review Board. The Illinois  
28 Purchased Care Review Board shall consist of the following  
29 persons, or their designees: the Directors of Children and  
30 Family Services, Public Health, Public Aid, and the Bureau of  
31 the Budget; the Secretary of Human Services; the State  
32 Superintendent of Education; and such other persons as the  
33 Governor may designate. The Review Board shall establish  
34 rules and regulations for its determination of allowable

1 costs and payments made by local school districts for special  
2 education, room and board, and other related services  
3 provided by non-public schools or special education  
4 facilities and shall establish uniform standards and criteria  
5 which it shall follow.

6 The Review Board shall establish uniform definitions and  
7 criteria for accounting separately by special education, room  
8 and board and other related services costs. The Board shall  
9 also establish guidelines for the coordination of services  
10 and financial assistance provided by all State agencies to  
11 assure that no otherwise qualified disabled child receiving  
12 services under Article 14 shall be excluded from  
13 participation in, be denied the benefits of or be subjected  
14 to discrimination under any program or activity provided by  
15 any State agency.

16 The Review Board shall review the costs for special  
17 education and related services provided by non-public schools  
18 or special education facilities and shall approve or  
19 disapprove such facilities in accordance with the rules and  
20 regulations established by it with respect to allowable  
21 costs.

22 The State Board of Education shall provide administrative  
23 and staff support for the Review Board as deemed reasonable  
24 by the State Superintendent of Education. This support shall  
25 not include travel expenses or other compensation for any  
26 Review Board member other than the State Superintendent of  
27 Education.

28 The Review Board shall seek the advice of the Advisory  
29 Council on Education of Children with Disabilities on the  
30 rules and regulations to be promulgated by it relative to  
31 providing special education services.

32 If a child has been placed in a program in which the  
33 actual per pupil costs of tuition for special education and  
34 related services based on program enrollment, excluding room,



1 board and transportation costs, exceed \$4,500 and such costs  
2 have been approved by the Review Board, the district shall  
3 pay such total costs which exceed \$4,500. A district making  
4 such tuition payments in excess of \$4,500 pursuant to this  
5 Section shall be responsible for an amount in excess of  
6 \$4,500 equal to the district per capita tuition charge and  
7 shall be eligible for reimbursement from the State for the  
8 amount of such payments actually made in excess of the  
9 districts per capita tuition charge for students not  
10 receiving special education services.

11 If a child has been placed in an approved individual  
12 program and the tuition costs including room and board costs  
13 have been approved by the Review Board, then such room and  
14 board costs shall be paid by the appropriate State agency  
15 subject to the provisions of Section 14-8.01 of this Act.  
16 Room and board costs not provided by a State agency other  
17 than the State Board of Education shall be provided by the  
18 State Board of Education on a current basis. In no event,  
19 however, shall the State's liability for funding of these  
20 tuition costs begin until after the legal obligations of  
21 third party payors have been subtracted from such costs. If  
22 the money appropriated by the General Assembly for such  
23 purpose for any year is insufficient, it shall be apportioned  
24 on the basis of the claims approved. Each district shall  
25 submit estimated claims to the State Superintendent of  
26 Education. Upon approval of such claims, the State  
27 Superintendent of Education shall direct the State  
28 Comptroller to make payments on a monthly basis. The  
29 frequency for submitting estimated claims and the method of  
30 determining payment shall be prescribed in rules and  
31 regulations adopted by the State Board of Education. Such  
32 current state reimbursement shall be reduced by an amount  
33 equal to the proceeds which the child or child's parents are  
34 eligible to receive under any public or private insurance or

1 assistance program. Nothing in this Section shall be  
2 construed as relieving an insurer or similar third party from  
3 an otherwise valid obligation to provide or to pay for  
4 services provided to a disabled child.

5 If it otherwise qualifies, a school district is eligible  
6 for the transportation reimbursement under Section 14-13.01  
7 and for the reimbursement of tuition payments under this  
8 Section whether the non-public school or special education  
9 facility, public out-of-state school or county special  
10 education facility, attended by a child who resides in that  
11 district and requires special educational services, is within  
12 or outside of the State of Illinois. However, a district is  
13 not eligible to claim transportation reimbursement under this  
14 Section unless the district certifies to the State  
15 Superintendent of Education that the district is unable to  
16 provide special educational services required by the child  
17 for the current school year.

18 Nothing in this Section authorizes the reimbursement of a  
19 school district for the amount paid for tuition of a child  
20 attending a non-public school or special education facility,  
21 public out-of-state school or county special education  
22 facility unless the school district certifies to the State  
23 Superintendent of Education that the special education  
24 program of that district is unable to meet the needs of that  
25 child because of his disability and the State Superintendent  
26 of Education finds that the school district is in substantial  
27 compliance with Section 14-4.01.

28 Any educational or related services provided, pursuant to  
29 this Section in a non-public school or special education  
30 facility or a special education facility owned and operated  
31 by a county government unit shall be at no cost to the parent  
32 or guardian of the child. However, current law and practices  
33 relative to contributions by parents or guardians for costs  
34 other than educational or related services are not affected

1 by this amendatory Act of 1978.

2 Reimbursement for children attending public school  
3 residential facilities shall be made in accordance with the  
4 provisions of this Section.

5 Notwithstanding any other provision of law, any school  
6 district receiving a payment under this Section or under  
7 Section 14-7.02a, 14-13.01, or 29-5 of this Code may classify  
8 all or a portion of the funds that it receives in a  
9 particular fiscal year or from general State aid pursuant to  
10 Section 18-8.05 of this Code as funds received in connection  
11 with any funding program for which it is entitled to receive  
12 funds from the State in that fiscal year (including, without  
13 limitation, any funding program referenced in this Section),  
14 regardless of the source or timing of the receipt. The  
15 district may not classify more funds as funds received in  
16 connection with the funding program than the district is  
17 entitled to receive in that fiscal year for that program.  
18 Any classification by a district must be made by a resolution  
19 of its board of education. The resolution must identify the  
20 amount of any payments or general State aid to be classified  
21 under this paragraph and must specify the funding program to  
22 which the funds are to be treated as received in connection  
23 therewith. This resolution is controlling as to the  
24 classification of funds referenced therein. A certified copy  
25 of the resolution must be sent to the State Superintendent of  
26 Education. The resolution shall still take effect even though  
27 a copy of the resolution has not been sent to the State  
28 Superintendent of Education in a timely manner. No  
29 classification under this paragraph by a district shall  
30 affect the total amount or timing of money the district is  
31 entitled to receive under this Code. No classification under  
32 this paragraph by a district shall in any way relieve the  
33 district from or affect any requirements that otherwise would  
34 apply with respect to that funding program, including any

1 accounting of funds by source, reporting expenditures by  
2 original source and purpose, reporting requirements, or  
3 requirements of providing services.

4 (Source: P.A. 91-764, eff. 6-9-00.)

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

6 Sec. 14-7.02a. Children requiring extraordinary special  
7 education services and facilities. A school district  
8 providing for a child requiring extraordinary special  
9 education services because of the nature of his disability is  
10 eligible for reimbursement from the State if the cost of  
11 educating that child is computed, as set forth in Section  
12 14-7.01, to be in excess of one and one-half times the  
13 district per capita tuition charge for the prior year. Such  
14 costs beyond one per capita tuition charge shall be  
15 reimbursed, up to a maximum of \$2,000.

16 A child is deemed to require extraordinary special  
17 education services and facilities under the following  
18 conditions:

19 1) the school district has determined that the  
20 child requires extraordinary special education facilities  
21 pursuant to the multidisciplinary case study and the  
22 individualized education program;

23 2) the school district maintains adequate cost  
24 accounting to document the per capita cost of special  
25 education; and

26 3) the school district submits approval and claim  
27 data annually for each eligible child.

28 Extraordinary special education services provided on a  
29 one-half day basis shall only be reimbursed at a rate of  
30 one-half the amount otherwise provided herein.

31 Notwithstanding any other provision of law, any school  
32 district receiving a payment under this Section or under  
33 Section 14-7.02, 14-13.01, or 29-5 of this Code may classify

1 all or a portion of the funds that it receives in a  
2 particular fiscal year or from general State aid pursuant to  
3 Section 18-8.05 of this Code as funds received in connection  
4 with any funding program for which it is entitled to receive  
5 funds from the State in that fiscal year (including, without  
6 limitation, any funding program referenced in this Section),  
7 regardless of the source or timing of the receipt. The  
8 district may not classify more funds as funds received in  
9 connection with the funding program than the district is  
10 entitled to receive in that fiscal year for that program.  
11 Any classification by a district must be made by a resolution  
12 of its board of education. The resolution must identify the  
13 amount of any payments or general State aid to be classified  
14 under this paragraph and must specify the funding program to  
15 which the funds are to be treated as received in connection  
16 therewith. This resolution is controlling as to the  
17 classification of funds referenced therein. A certified copy  
18 of the resolution must be sent to the State Superintendent of  
19 Education. The resolution shall still take effect even though  
20 a copy of the resolution has not been sent to the State  
21 Superintendent of Education in a timely manner. No  
22 classification under this paragraph by a district shall  
23 affect the total amount or timing of money the district is  
24 entitled to receive under this Code. No classification under  
25 this paragraph by a district shall in any way relieve the  
26 district from or affect any requirements that otherwise would  
27 apply with respect to that funding program, including any  
28 accounting of funds by source, reporting expenditures by  
29 original source and purpose, reporting requirements, or  
30 requirements of providing services.

31 (Source: P.A. 88-16.)

32 (105 ILCS 5/14-13.01) (from Ch. 122, par. 14-13.01)

33 Sec. 14-13.01. Reimbursement payable by State; Amounts.

1 Reimbursement for furnishing special educational facilities  
2 in a recognized school to the type of children defined in  
3 Section 14-1.02 shall be paid to the school districts in  
4 accordance with Section 14-12.01 for each school year ending  
5 June 30 by the State Comptroller out of any money in the  
6 treasury appropriated for such purposes on the presentation  
7 of vouchers by the State Board of Education.

8 The reimbursement shall be limited to funds expended for  
9 construction and maintenance of special education facilities  
10 designed and utilized to house instructional programs,  
11 diagnostic services, other special education services for  
12 children with disabilities and reimbursement as provided in  
13 Section 14-13.01. There shall be no reimbursement for  
14 construction and maintenance of any administrative facility  
15 separated from special education facilities designed and  
16 utilized to house instructional programs, diagnostic services  
17 and other special education services for children with  
18 disabilities.

19 (a) For children who have not been identified as  
20 eligible for special education and for eligible children with  
21 physical disabilities, including all eligible children whose  
22 placement has been determined under Section 14-8.02 in  
23 hospital or home instruction, 1/2 of the teacher's salary but  
24 not more than \$1,000 annually per child or \$8,000 per teacher  
25 for the 1985-1986 school year and thereafter, whichever is  
26 less. Children to be included in any reimbursement under  
27 this paragraph must regularly receive a minimum of one hour  
28 of instruction each school day, or in lieu thereof of a  
29 minimum of 5 hours of instruction in each school week in  
30 order to qualify for full reimbursement under this Section.  
31 If the attending physician for such a child has certified  
32 that the child should not receive as many as 5 hours of  
33 instruction in a school week, however, reimbursement under  
34 this paragraph on account of that child shall be computed

1 proportionate to the actual hours of instruction per week for  
2 that child divided by 5.

3 (b) For children described in Section 14-1.02, 4/5 of  
4 the cost of transportation for each such child, whom the  
5 State Superintendent of Education determined in advance  
6 requires special transportation service in order to take  
7 advantage of special educational facilities. Transportation  
8 costs shall be determined in the same fashion as provided in  
9 Section 29-5. For purposes of this subsection (b), the dates  
10 for processing claims specified in Section 29-5 shall apply.

11 (c) For each professional worker excluding those  
12 included in subparagraphs (a), (d), (e), and (f) of this  
13 Section, the annual sum of \$8,000 for the 1985-1986 school  
14 year and thereafter.

15 (d) For one full time qualified director of the special  
16 education program of each school district which maintains a  
17 fully approved program of special education the annual sum of  
18 \$8,000 for the 1985-1986 school year and thereafter.  
19 Districts participating in a joint agreement special  
20 education program shall not receive such reimbursement if  
21 reimbursement is made for a director of the joint agreement  
22 program.

23 (e) For each school psychologist as defined in Section  
24 14-1.09 the annual sum of \$8,000 for the 1985-1986 school  
25 year and thereafter.

26 (f) For each qualified teacher working in a fully  
27 approved program for children of preschool age who are deaf  
28 or hard-of-hearing the annual sum of \$8,000 for the 1985-1986  
29 school year and thereafter.

30 (g) For readers, working with blind or partially seeing  
31 children 1/2 of their salary but not more than \$400 annually  
32 per child. Readers may be employed to assist such children  
33 and shall not be required to be certified but prior to  
34 employment shall meet standards set up by the State Board of

1 Education.

2 (h) For necessary non-certified employees working in any  
3 class or program for children defined in this Article, 1/2 of  
4 the salary paid or \$2,800 annually per employee, whichever is  
5 less.

6 The State Board of Education shall set standards and  
7 prescribe rules for determining the allocation of  
8 reimbursement under this section on less than a full time  
9 basis and for less than a school year.

10 When any school district eligible for reimbursement under  
11 this Section operates a school or program approved by the  
12 State Superintendent of Education for a number of days in  
13 excess of the adopted school calendar but not to exceed 235  
14 school days, such reimbursement shall be increased by 1/185  
15 of the amount or rate paid hereunder for each day such school  
16 is operated in excess of 185 days per calendar year.

17 Notwithstanding any other provision of law, any school  
18 district receiving a payment under this Section or under  
19 Section 14-7.02, 14-7.02a, or 29-5 of this Code may classify  
20 all or a portion of the funds that it receives in a  
21 particular fiscal year or from general State aid pursuant to  
22 Section 18-8.05 of this Code as funds received in connection  
23 with any funding program for which it is entitled to receive  
24 funds from the State in that fiscal year (including, without  
25 limitation, any funding program referenced in this Section),  
26 regardless of the source or timing of the receipt. The  
27 district may not classify more funds as funds received in  
28 connection with the funding program than the district is  
29 entitled to receive in that fiscal year for that program.  
30 Any classification by a district must be made by a resolution  
31 of its board of education. The resolution must identify the  
32 amount of any payments or general State aid to be classified  
33 under this paragraph and must specify the funding program to  
34 which the funds are to be treated as received in connection



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

16 (Source: P.A. 88-555, eff. 7-27-94; 88-641, eff. 9-9-94;  
 17 89-235, eff. 8-4-95; 89-397, eff. 8-20-95.)

18 (105 ILCS 5/17-17 new)

19 Sec. 17-17. Issuance of notes, bonds, or other  
 20 obligations in lieu of tax anticipation warrants.

21 (a) In lieu of issuing tax anticipation warrants in  
 22 accordance with Section 17-16 of this Code, the school board  
 23 of a school district having a population of 500,000 or less  
 24 inhabitants may issue notes, bonds, or other obligations (and  
 25 in connection with that issuance, establish a line of credit  
 26 with a bank) in an amount not to exceed 85% of the amount of  
 27 property taxes most recently levied for educational and  
 28 building purposes. Moneys thus borrowed shall be applied to  
 29 the purposes for which they were obtained and no other  
 30 purpose. All moneys so borrowed shall be repaid exclusively  
 31 from property tax revenues within 60 days after the property  
 32 tax revenues have been received by the board.

33 (b) Borrowing authorized under subsection (a) of this

1 Section shall bear interest at a rate not to exceed the  
2 maximum rate authorized by the Bond Authorization Act, from  
3 the date of issuance until paid.

4 (c) Prior to the board borrowing or establishing a line  
5 of credit under this Section, the board shall authorize, by  
6 resolution, the borrowing or line of credit. The resolution  
7 shall set forth facts demonstrating the need for the  
8 borrowing or line of credit, state the amount to be borrowed,  
9 establish a maximum interest rate limit not to exceed that  
10 set forth in subsection (b) of this Section, and provide a  
11 date by which the borrowed funds shall be repaid. The  
12 resolution shall direct the relevant officials to make  
13 arrangements to set apart and hold the taxes, as received,  
14 that will be used to repay the borrowing. In addition, the  
15 resolution may authorize the relevant officials to make  
16 partial repayments of the borrowing as the taxes become  
17 available and may contain any other terms, restrictions, or  
18 limitations not inconsistent with the provisions of this  
19 Section.

20 (105 ILCS 5/29-5) (from Ch. 122, par. 29-5)

21 Sec. 29-5. Reimbursement by State for transportation.  
22 Any school district, maintaining a school, transporting  
23 resident pupils to another school district's vocational  
24 program, offered through a joint agreement approved by the  
25 State Board of Education, as provided in Section 10-22.22 or  
26 transporting its resident pupils to a school which meets the  
27 standards for recognition as established by the State Board  
28 of Education which provides transportation meeting the  
29 standards of safety, comfort, convenience, efficiency and  
30 operation prescribed by the State Board of Education for  
31 resident pupils in kindergarten or any of grades 1 through 12  
32 who: (a) reside at least 1 1/2 miles as measured by the  
33 customary route of travel, from the school attended; or (b)

1 reside in areas where conditions are such that walking  
2 constitutes a hazard to the safety of the child when  
3 determined under Section 29-3; and (c) are transported to the  
4 school attended from pick-up points at the beginning of the  
5 school day and back again at the close of the school day or  
6 transported to and from their assigned attendance centers  
7 during the school day, shall be reimbursed by the State as  
8 hereinafter provided in this Section.

9 The State will pay the cost of transporting eligible  
10 pupils less the assessed valuation in a dual school district  
11 maintaining secondary grades 9 to 12 inclusive times a  
12 qualifying rate of .05%; in elementary school districts  
13 maintaining grades K to 8 times a qualifying rate of .06%; in  
14 unit districts maintaining grades K to 12 times a qualifying  
15 rate of .07%. To be eligible to receive reimbursement in  
16 excess of 4/5 of the cost to transport eligible pupils, a  
17 school district shall have a Transportation Fund tax rate of  
18 at least .12%. If a school district does not have a .12%  
19 Transportation Fund tax rate, the amount of its claim in  
20 excess of 4/5 of the cost of transporting pupils shall be  
21 reduced by the sum arrived at by subtracting the  
22 Transportation Fund tax rate from .12% and multiplying that  
23 amount by the districts equalized or assessed valuation,  
24 provided, that in no case shall said reduction result in  
25 reimbursement of less than 4/5 of the cost to transport  
26 eligible pupils.

27 The minimum amount to be received by a district is \$16  
28 times the number of eligible pupils transported.

29 Any such district transporting resident pupils during the  
30 school day to an area vocational school or another school  
31 district's vocational program more than 1 1/2 miles from the  
32 school attended, as provided in Sections 10-22.20a and  
33 10-22.22, shall be reimbursed by the State for 4/5 of the  
34 cost of transporting eligible pupils.

1 School day means that period of time which the pupil is  
2 required to be in attendance for instructional purposes.

3 If a pupil is at a location within the school district  
4 other than his residence for child care purposes at the time  
5 for transportation to school, that location may be considered  
6 for purposes of determining the 1 1/2 miles from the school  
7 attended.

8 Claims for reimbursement that include children who attend  
9 any school other than a public school shall show the number  
10 of such children transported.

11 Claims for reimbursement under this Section shall not be  
12 paid for the transportation of pupils for whom transportation  
13 costs are claimed for payment under other Sections of this  
14 Act.

15 The allowable direct cost of transporting pupils for  
16 regular, vocational, and special education pupil  
17 transportation shall be limited to the sum of the cost of  
18 physical examinations required for employment as a school bus  
19 driver; the salaries of full or part-time drivers and school  
20 bus maintenance personnel; employee benefits excluding  
21 Illinois municipal retirement payments, social security  
22 payments, unemployment insurance payments and workers'  
23 compensation insurance premiums; expenditures to independent  
24 carriers who operate school buses; payments to other school  
25 districts for pupil transportation services; pre-approved  
26 contractual expenditures for computerized bus scheduling; the  
27 cost of gasoline, oil, tires, and other supplies necessary  
28 for the operation of school buses; the cost of converting  
29 buses' gasoline engines to more fuel efficient engines or to  
30 engines which use alternative energy sources; the cost of  
31 travel to meetings and workshops conducted by the regional  
32 superintendent or the State Superintendent of Education  
33 pursuant to the standards established by the Secretary of  
34 State under Section 6-106 of the Illinois Vehicle Code to

1 improve the driving skills of school bus drivers; the cost of  
2 maintenance of school buses including parts and materials  
3 used; expenditures for leasing transportation vehicles,  
4 except interest and service charges; the cost of insurance  
5 and licenses for transportation vehicles; expenditures for  
6 the rental of transportation equipment; plus a depreciation  
7 allowance of 20% for 5 years for school buses and vehicles  
8 approved for transporting pupils to and from school and a  
9 depreciation allowance of 10% for 10 years for other  
10 transportation equipment so used. In addition to the above  
11 allowable costs school districts shall also claim all  
12 transportation supervisory salary costs, including Illinois  
13 municipal retirement payments, and all transportation related  
14 building and building maintenance costs without limitation.

15 Special education allowable costs shall also include  
16 expenditures for the salaries of attendants or aides for that  
17 portion of the time they assist special education pupils  
18 while in transit and expenditures for parents and public  
19 carriers for transporting special education pupils when  
20 pre-approved by the State Superintendent of Education.

21 Indirect costs shall be included in the reimbursement  
22 claim for districts which own and operate their own school  
23 buses. Such indirect costs shall include administrative  
24 costs, or any costs attributable to transporting pupils from  
25 their attendance centers to another school building for  
26 instructional purposes. No school district which owns and  
27 operates its own school buses may claim reimbursement for  
28 indirect costs which exceed 5% of the total allowable direct  
29 costs for pupil transportation.

30 The State Board of Education shall prescribe uniform  
31 regulations for determining the above standards and shall  
32 prescribe forms of cost accounting and standards of  
33 determining reasonable depreciation. Such depreciation shall  
34 include the cost of equipping school buses with the safety

1 features required by law or by the rules, regulations and  
2 standards promulgated by the State Board of Education, and  
3 the Department of Transportation for the safety and  
4 construction of school buses provided, however, any equipment  
5 cost reimbursed by the Department of Transportation for  
6 equipping school buses with such safety equipment shall be  
7 deducted from the allowable cost in the computation of  
8 reimbursement under this Section in the same percentage as  
9 the cost of the equipment is depreciated.

10 On or before July 10, annually, the board clerk or the  
11 secretary of the district shall certify to the regional  
12 superintendent of schools upon forms prescribed by the State  
13 Superintendent of Education the district's claim for  
14 reimbursement for the school year ended on June 30 next  
15 preceding. The regional superintendent of schools shall  
16 check all transportation claims to ascertain compliance with  
17 the prescribed standards and upon his approval shall certify  
18 not later than July 25 to the State Superintendent of  
19 Education the regional report of claims for reimbursements.  
20 The State Superintendent of Education shall check and approve  
21 the claims and prepare the vouchers showing the amounts due  
22 for district reimbursement claims. Beginning with the 1977  
23 fiscal year, the State Superintendent of Education shall  
24 prepare and transmit the first 3 vouchers to the Comptroller  
25 on the 30th day of September, December and March,  
26 respectively, and the final voucher, no later than June 15.

27 If the amount appropriated for transportation  
28 reimbursement is insufficient to fund total claims for any  
29 fiscal year, the State Board of Education shall reduce each  
30 school district's allowable costs and flat grant amount  
31 proportionately to make total adjusted claims equal the total  
32 amount appropriated.

33 For purposes of calculating claims for reimbursement  
34 under this Section for any school year beginning July 1,

1 1998, or thereafter, the equalized assessed valuation for a  
2 school district used to compute reimbursement shall be  
3 computed in the same manner as it is computed under paragraph  
4 (2) of subsection (G) of Section 18-8.05.

5 All reimbursements received from the State shall be  
6 deposited into the district's transportation fund or into the  
7 fund from which the allowable expenditures were made.

8 Notwithstanding any other provision of law, any school  
9 district receiving a payment under this Section or under  
10 Section 14-7.02, 14-7.02a, or 14-13.01 of this Code may  
11 classify all or a portion of the funds that it receives in a  
12 particular fiscal year or from general State aid pursuant to  
13 Section 18-8.05 of this Code as funds received in connection  
14 with any funding program for which it is entitled to receive  
15 funds from the State in that fiscal year (including, without  
16 limitation, any funding program referenced in this Section),  
17 regardless of the source or timing of the receipt. The  
18 district may not classify more funds as funds received in  
19 connection with the funding program than the district is  
20 entitled to receive in that fiscal year for that program.  
21 Any classification by a district must be made by a resolution  
22 of its board of education. The resolution must identify the  
23 amount of any payments or general State aid to be classified  
24 under this paragraph and must specify the funding program to  
25 which the funds are to be treated as received in connection  
26 therewith. This resolution is controlling as to the  
27 classification of funds referenced therein. A certified copy  
28 of the resolution must be sent to the State Superintendent of  
29 Education. The resolution shall still take effect even though  
30 a copy of the resolution has not been sent to the State  
31 Superintendent of Education in a timely manner. No  
32 classification under this paragraph by a district shall  
33 affect the total amount or timing of money the district is  
34 entitled to receive under this Code. No classification

1 under this paragraph by a district shall in any way relieve  
2 the district from or affect any requirements that otherwise  
3 would apply with respect to that funding program, including  
4 any accounting of funds by source, reporting expenditures by  
5 original source and purpose, reporting requirements, or  
6 requirements of providing services.

7 (Source: P.A. 91-96, eff. 7-9-99.)

8 (105 ILCS 5/34-23.5 new)

9 Sec. 34-23.5. Issuance of notes, bonds, or other  
10 obligations in lieu of tax anticipation warrants.

11 (a) In lieu of issuing tax anticipation warrants in  
12 accordance with Section 34-23 of this Code, the board may  
13 issue notes, bonds, or other obligations (and in connection  
14 with that issuance, establish a line of credit with a bank)  
15 in an amount not to exceed 85% of the amount of property  
16 taxes most recently levied for educational and building  
17 purposes. Moneys thus borrowed shall be applied to the  
18 purposes for which they were obtained and no other purpose.  
19 All moneys so borrowed shall be repaid exclusively from  
20 property tax revenues within 60 days after the property tax  
21 revenues have been received by the board.

22 (b) Borrowing authorized under subsection (a) of this  
23 Section shall bear interest at a rate not to exceed the  
24 maximum rate authorized by the Bond Authorization Act, from  
25 the date of issuance until paid.

26 (c) Prior to the board borrowing or establishing a line  
27 of credit under this Section, the board shall authorize, by  
28 resolution, the borrowing or line of credit. The resolution  
29 shall set forth facts demonstrating the need for the  
30 borrowing or line of credit, state the amount to be borrowed,  
31 establish a maximum interest rate limit not to exceed that  
32 set forth in subsection (b) of this Section, and provide a  
33 date by which the borrowed funds shall be repaid. The



1 resolution shall direct the relevant officials to make  
2 arrangements to set apart and hold the taxes, as received,  
3 that will be used to repay the borrowing. In addition, the  
4 resolution may authorize the relevant officials to make  
5 partial repayments of the borrowing as the taxes become  
6 available and may contain any other terms, restrictions, or  
7 limitations not inconsistent with the provisions of this  
8 Section."