

100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

INTRODUCED _____, BY

SYNOPSIS AS INTRODUCED:

See Index

Provides that the Act may be referred to as the Evidence-Based Funding for Student Success Act. Amends the Economic Development Area Tax Increment Allocation Act, State Finance Act, Property Tax Code, Innovation Development and Economy Act, County Economic Development Project Area Property Tax Allocation Act, County Economic Development Project Area Tax Increment Allocation Act of 1991, Illinois Municipal Code, Economic Development Project Area Tax Increment Allocation Act of 1995, School Code, Educational Opportunity for Military Children Act, and Illinois Public Aid Code. Provides that the State aid formula provisions of the School Code apply through the 2016-2017 school year. Provides for an evidence-based funding formula beginning with the 2017-2018 school year. Sets forth provisions concerning an adequacy target calculation, a local capacity calculation, a base funding minimum calculation, a percent of adequacy and final resources calculation, an evidence-based funding formula distribution system, State Superintendent of Education administration of funding and school district submission requirements, and a Professional Judgment Panel. Makes other changes. Effective immediately.

LRB100 06242 NHT 17033 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning education.

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

4 Section 1. This Act may be referred to as the
5 Evidence-Based Funding for Student Success Act.

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

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

9 Sec. 7. Creation of special tax allocation fund. If a
10 municipality has adopted tax increment allocation financing
11 for an economic development project area by ordinance, the
12 county clerk has thereafter certified the "total initial
13 equalized assessed value" of the taxable real property within
14 such economic development project area in the manner provided
15 in Section 6 of this Act, and the Department has approved and
16 certified the economic development project area, each year
17 after the date of the certification by the county clerk of the
18 "total initial equalized assessed value" until economic
19 development project costs and all municipal obligations
20 financing economic development project costs have been paid,
21 the ad valorem taxes, if any, arising from the levies upon the
22 taxable real property in the economic development project area

1 by taxing districts and tax rates determined in the manner
2 provided in subsection (b) of Section 6 of this Act shall be
3 divided as follows:

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

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

25 The municipality, by an ordinance adopting tax increment
26 allocation financing, may pledge the funds in and to be

1 deposited in the special tax allocation fund for the payment of
2 obligations issued under this Act and for the payment of
3 economic development project costs. No part of the current
4 equalized assessed valuation of each property in the economic
5 development project area attributable to any increase above the
6 total initial equalized assessed value, of such properties
7 shall be used in calculating the general State school aid
8 formula, provided for in Section 18-8 of the School Code, or
9 the evidence-based funding formula, provided for in Section
10 18-8.15 of the School Code, until such time as all economic
11 development projects costs have been paid as provided for in
12 this Section.

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

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

1 monies pursuant to this Section the municipality shall adopt an
2 ordinance dissolving the special tax allocation fund for the
3 economic development project area, terminating the economic
4 development project area, and terminating the use of tax
5 increment allocation financing for the economic development
6 project area. Thereafter the rates of the taxing districts
7 shall be extended and taxes levied, collected and distributed
8 in the manner applicable in the absence of the adoption of tax
9 increment allocation financing.

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

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

17 Section 10. The State Finance Act is amended by changing
18 Section 13.2 as follows:

19 (30 ILCS 105/13.2) (from Ch. 127, par. 149.2)

20 Sec. 13.2. Transfers among line item appropriations.

21 (a) Transfers among line item appropriations from the same
22 treasury fund for the objects specified in this Section may be
23 made in the manner provided in this Section when the balance
24 remaining in one or more such line item appropriations is

1 insufficient for the purpose for which the appropriation was
2 made.

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

7 (a-2) Except as otherwise provided in this Section,
8 transfers may be made only among the objects of expenditure
9 enumerated in this Section, except that no funds may be
10 transferred from any appropriation for personal services, from
11 any appropriation for State contributions to the State
12 Employees' Retirement System, from any separate appropriation
13 for employee retirement contributions paid by the employer, nor
14 from any appropriation for State contribution for employee
15 group insurance. During State fiscal year 2005, an agency may
16 transfer amounts among its appropriations within the same
17 treasury fund for personal services, employee retirement
18 contributions paid by employer, and State Contributions to
19 retirement systems; notwithstanding and in addition to the
20 transfers authorized in subsection (c) of this Section, the
21 fiscal year 2005 transfers authorized in this sentence may be
22 made in an amount not to exceed 2% of the aggregate amount
23 appropriated to an agency within the same treasury fund. During
24 State fiscal year 2007, the Departments of Children and Family
25 Services, Corrections, Human Services, and Juvenile Justice
26 may transfer amounts among their respective appropriations

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

17 (a-2.5) During State fiscal year 2015 only, the State's
18 Attorneys Appellate Prosecutor may transfer amounts among its
19 respective appropriations contained in operational line items
20 within the same treasury fund. Notwithstanding, and in addition
21 to, the transfers authorized in subsection (c) of this Section,
22 these transfers may be made in an amount not to exceed 4% of
23 the aggregate amount appropriated to the State's Attorneys
24 Appellate Prosecutor within the same treasury fund.

25 (a-3) Further, if an agency receives a separate
26 appropriation for employee retirement contributions paid by

1 the employer, any transfer by that agency into an appropriation
2 for personal services must be accompanied by a corresponding
3 transfer into the appropriation for employee retirement
4 contributions paid by the employer, in an amount sufficient to
5 meet the employer share of the employee contributions required
6 to be remitted to the retirement system.

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

1 Healthcare and Family Services website, the Governor's Office
2 of Management and Budget website, and any other website the
3 Governor sees fit. These postings shall serve as notice to the
4 General Assembly of the amounts to be transferred. Notice shall
5 be given at least 30 days prior to transfer.

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

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

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

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

1 covered by the Community Care Program and Comprehensive Case
2 Coordination.

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

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

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

1 Private Tuition (Section 14-7.02 of the School Code),
2 Extraordinary Special Education (Section 14-7.02b of the
3 School Code), Reimbursement for Free Lunch/Breakfast Program,
4 Summer School Payments (Section 18-4.3 of the School Code), and
5 Transportation - Regular/Vocational Reimbursement (Section
6 29-5 of the School Code). Such transfers shall be made only
7 when the balance remaining in one or more such line item
8 appropriations is insufficient for the purpose for which the
9 appropriation was made and provided that no such transfer may
10 be made unless the amount transferred is no longer required for
11 the purpose for which that appropriation was made.

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

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

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

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

1 allowance for committed, paroled, and discharged prisoners;
2 library books; federal matching grants for student loans;
3 refunds; workers' compensation, occupational disease, and tort
4 claims; and, in appropriations to institutions of higher
5 education, awards and grants.

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

16 (c-3) Special provisions for State fiscal year 2015.
17 Notwithstanding any other provision of this Section, for State
18 fiscal year 2015, transfers among line item appropriations to a
19 State agency from the same State treasury fund may be made for
20 operational or lump sum expenses only, provided that the sum of
21 such transfers for a State agency in State fiscal year 2015
22 shall not exceed 4% of the aggregate amount appropriated to
23 that State agency for operational or lump sum expenses for
24 State fiscal year 2015. For the purpose of this subsection,
25 "operational or lump sum expenses" includes the following
26 objects: personal services; extra help; student and inmate

1 compensation; State contributions to retirement systems; State
2 contributions to social security; State contributions for
3 employee group insurance; contractual services; travel;
4 commodities; printing; equipment; electronic data processing;
5 operation of automotive equipment; telecommunications
6 services; travel and allowance for committed, paroled, and
7 discharged prisoners; library books; federal matching grants
8 for student loans; refunds; workers' compensation,
9 occupational disease, and tort claims; lump sum and other
10 purposes; and lump sum operations. For the purpose of this
11 subsection (c-3), "State agency" does not include the Attorney
12 General, the Secretary of State, the Comptroller, the
13 Treasurer, or the legislative or judicial branches.

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

1 agencies require the approval of the Governor.

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

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

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

26 (2) Disabled Student Transportation Reimbursement

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

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

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

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

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

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

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

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

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

17 Section 15. The Property Tax Code is amended by changing
18 Sections 18-200 and 18-249 as follows:

19 (35 ILCS 200/18-200)

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

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

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

5 (35 ILCS 200/18-249)

6 Sec. 18-249. Miscellaneous provisions.

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

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

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

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

1 Section 20. The Innovation Development and Economy Act is
2 amended by changing Section 33 as follows:

3 (50 ILCS 470/33)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 Section 25. The County Economic Development Project Area
19 Property Tax Allocation Act is amended by changing Section 7 as
20 follows:

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

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

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

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

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

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

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

24 Whenever a county issues bonds for the purpose of financing
25 economic development project costs, the county may provide by
26 ordinance for the appointment of a trustee, which may be any

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

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

1 project area.

2 Upon the payment of all economic development project costs,
3 retirement of obligations and the distribution of any excess
4 monies pursuant to this Section and not later than 23 years
5 from the date of adoption of the ordinance adopting property
6 tax allocation financing, the county shall adopt an ordinance
7 dissolving the special tax allocation fund for the economic
8 development project area and terminating the designation of the
9 economic development project area as an economic development
10 project area; however, in relation to one or more contiguous
11 parcels not exceeding a total area of 120 acres within which an
12 electric generating facility is intended to be constructed, and
13 with respect to which the owner of that proposed electric
14 generating facility has entered into a redevelopment agreement
15 with Grundy County on or before July 25, 2017, the ordinance of
16 the county required in this paragraph shall not dissolve the
17 special tax allocation fund for the existing economic
18 development project area and shall only terminate the
19 designation of the economic development project area as to
20 those portions of the economic development project area
21 excluding the area covered by the redevelopment agreement
22 between the owner of the proposed electric generating facility
23 and Grundy County; the county shall adopt an ordinance
24 dissolving the special tax allocation fund for the economic
25 development project area and terminating the designation of the
26 economic development project area as an economic development

1 project area with regard to the electric generating facility
2 property not later than 35 years from the date of adoption of
3 the ordinance adopting property tax allocation financing.
4 Thereafter the rates of the taxing districts shall be extended
5 and taxes levied, collected and distributed in the manner
6 applicable in the absence of the adoption of property tax
7 allocation financing.

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

14 (Source: P.A. 98-463, eff. 8-16-13; 99-513, eff. 6-30-16.)

15 Section 30. The County Economic Development Project Area
16 Tax Increment Allocation Act of 1991 is amended by changing
17 Section 50 as follows:

18 (55 ILCS 90/50) (from Ch. 34, par. 8050)

19 Sec. 50. Special tax allocation fund.

20 (a) If a county clerk has certified the "total initial
21 equalized assessed value" of the taxable real property within
22 an economic development project area in the manner provided in
23 Section 45, each year after the date of the certification by
24 the county clerk of the "total initial equalized assessed

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

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

18 (2) That portion, if any, of the taxes that is
19 attributable to the increase in the current equalized
20 assessed valuation of each taxable lot, block, tract, or
21 parcel of real property in the economic development project
22 area, over and above the initial equalized assessed value
23 of each property existing at the time tax increment
24 financing was adopted, shall be allocated to (and when
25 collected shall be paid to) the county treasurer, who shall
26 deposit the taxes into a special fund (called the special

1 tax allocation fund of the county) for the purpose of
2 paying economic development project costs and obligations
3 incurred in the payment of those costs.

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

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

1 property taxes from real property in the economic development
2 project area.

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

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

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

20 Section 35. The Illinois Municipal Code is amended by
21 changing Sections 11-74.4-3, 11-74.4-8, and 11-74.6-35 as
22 follows:

23 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)

24 Sec. 11-74.4-3. Definitions. The following terms, wherever

1 used or referred to in this Division 74.4 shall have the
2 following respective meanings, unless in any case a different
3 meaning clearly appears from the context.

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

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

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

22 (A) Dilapidation. An advanced state of disrepair
23 or neglect of necessary repairs to the primary
24 structural components of buildings or improvements in
25 such a combination that a documented building
26 condition analysis determines that major repair is

1 required or the defects are so serious and so extensive
2 that the buildings must be removed.

3 (B) Obsolescence. The condition or process of
4 falling into disuse. Structures have become ill-suited
5 for the original use.

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

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

22 (E) Illegal use of individual structures. The use
23 of structures in violation of applicable federal,
24 State, or local laws, exclusive of those applicable to
25 the presence of structures below minimum code
26 standards.

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

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

19 (H) Inadequate utilities. Underground and overhead
20 utilities such as storm sewers and storm drainage,
21 sanitary sewers, water lines, and gas, telephone, and
22 electrical services that are shown to be inadequate.
23 Inadequate utilities are those that are: (i) of
24 insufficient capacity to serve the uses in the
25 redevelopment project area, (ii) deteriorated,
26 antiquated, obsolete, or in disrepair, or (iii)

1 lacking within the redevelopment project area.

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

21 (J) Deleterious land use or layout. The existence
22 of incompatible land-use relationships, buildings
23 occupied by inappropriate mixed-uses, or uses
24 considered to be noxious, offensive, or unsuitable for
25 the surrounding area.

26 (K) Environmental clean-up. The proposed

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

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

25 (M) The total equalized assessed value of the
26 proposed redevelopment project area has declined for 3

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

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

20 (A) Obsolete platting of vacant land that results
21 in parcels of limited or narrow size or configurations
22 of parcels of irregular size or shape that would be
23 difficult to develop on a planned basis and in a manner
24 compatible with contemporary standards and
25 requirements, or platting that failed to create
26 rights-of-ways for streets or alleys or that created

1 inadequate right-of-way widths for streets, alleys, or
2 other public rights-of-way or that omitted easements
3 for public utilities.

4 (B) Diversity of ownership of parcels of vacant
5 land sufficient in number to retard or impede the
6 ability to assemble the land for development.

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

10 (D) Deterioration of structures or site
11 improvements in neighboring areas adjacent to the
12 vacant land.

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

24 (F) The total equalized assessed value of the
25 proposed redevelopment project area has declined for 3
26 of the last 5 calendar years prior to the year in which

1 the redevelopment project area is designated or is
2 increasing at an annual rate that is less than the
3 balance of the municipality for 3 of the last 5
4 calendar years for which information is available or is
5 increasing at an annual rate that is less than the
6 Consumer Price Index for All Urban Consumers published
7 by the United States Department of Labor or successor
8 agency for 3 of the last 5 calendar years prior to the
9 year in which the redevelopment project area is
10 designated.

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

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

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

23 (C) The area, prior to its designation, is subject
24 to (i) chronic flooding that adversely impacts on real
25 property in the area as certified by a registered
26 professional engineer or appropriate regulatory agency

1 or (ii) surface water that discharges from all or a
2 part of the area and contributes to flooding within the
3 same watershed, but only if the redevelopment project
4 provides for facilities or improvements to contribute
5 to the alleviation of all or part of the flooding.

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

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

21 (F) The area qualified as a blighted improved area
22 immediately prior to becoming vacant, unless there has
23 been substantial private investment in the immediately
24 surrounding area.

25 (b) For any redevelopment project area that has been
26 designated pursuant to this Section by an ordinance adopted

1 prior to November 1, 1999 (the effective date of Public Act
2 91-478), "conservation area" shall have the meaning set forth
3 in this Section prior to that date.

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

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

19 (2) Obsolescence. The condition or process of falling
20 into disuse. Structures have become ill-suited for the
21 original use.

22 (3) Deterioration. With respect to buildings, defects
23 including, but not limited to, major defects in the
24 secondary building components such as doors, windows,
25 porches, gutters and downspouts, and fascia. With respect
26 to surface improvements, that the condition of roadways,

1 alleys, curbs, gutters, sidewalks, off-street parking, and
2 surface storage areas evidence deterioration, including,
3 but not limited to, surface cracking, crumbling, potholes,
4 depressions, loose paving material, and weeds protruding
5 through paved surfaces.

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

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

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

19 (7) Lack of ventilation, light, or sanitary
20 facilities. The absence of adequate ventilation for light
21 or air circulation in spaces or rooms without windows, or
22 that require the removal of dust, odor, gas, smoke, or
23 other noxious airborne materials. Inadequate natural light
24 and ventilation means the absence or inadequacy of
25 skylights or windows for interior spaces or rooms and
26 improper window sizes and amounts by room area to window

1 area ratios. Inadequate sanitary facilities refers to the
2 absence or inadequacy of garbage storage and enclosure,
3 bathroom facilities, hot water and kitchens, and
4 structural inadequacies preventing ingress and egress to
5 and from all rooms and units within a building.

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

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

1 within or around buildings, increased threat of spread of
2 fire due to the close proximity of buildings, lack of
3 adequate or proper access to a public right-of-way, lack of
4 reasonably required off-street parking, or inadequate
5 provision for loading and service.

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

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

23 (12) The area has incurred Illinois Environmental
24 Protection Agency or United States Environmental
25 Protection Agency remediation costs for, or a study
26 conducted by an independent consultant recognized as

1 having expertise in environmental remediation has
2 determined a need for, the clean-up of hazardous waste,
3 hazardous substances, or underground storage tanks
4 required by State or federal law, provided that the
5 remediation costs constitute a material impediment to the
6 development or redevelopment of the redevelopment project
7 area.

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

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

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

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

25 (f) "Municipality" shall mean a city, village,
26 incorporated town, or a township that is located in the

1 unincorporated portion of a county with 3 million or more
2 inhabitants, if the county adopted an ordinance that approved
3 the township's redevelopment plan.

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

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

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

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

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

23 (i) "Net State Sales Tax Increment" means the sum of the
24 following: (a) 80% of the first \$100,000 of State Sales Tax
25 Increment annually generated within a State Sales Tax Boundary;
26 (b) 60% of the amount in excess of \$100,000 but not exceeding

1 \$500,000 of State Sales Tax Increment annually generated within
2 a State Sales Tax Boundary; and (c) 40% of all amounts in
3 excess of \$500,000 of State Sales Tax Increment annually
4 generated within a State Sales Tax Boundary. If, however, a
5 municipality established a tax increment financing district in
6 a county with a population in excess of 3,000,000 before
7 January 1, 1986, and the municipality entered into a contract
8 or issued bonds after January 1, 1986, but before December 31,
9 1986, to finance redevelopment project costs within a State
10 Sales Tax Boundary, then the Net State Sales Tax Increment
11 means, for the fiscal years beginning July 1, 1990, and July 1,
12 1991, 100% of the State Sales Tax Increment annually generated
13 within a State Sales Tax Boundary; and notwithstanding any
14 other provision of this Act, for those fiscal years the
15 Department of Revenue shall distribute to those municipalities
16 100% of their Net State Sales Tax Increment before any
17 distribution to any other municipality and regardless of
18 whether or not those other municipalities will receive 100% of
19 their Net State Sales Tax Increment. For Fiscal Year 1999, and
20 every year thereafter until the year 2007, for any municipality
21 that has not entered into a contract or has not issued bonds
22 prior to June 1, 1988 to finance redevelopment project costs
23 within a State Sales Tax Boundary, the Net State Sales Tax
24 Increment shall be calculated as follows: By multiplying the
25 Net State Sales Tax Increment by 90% in the State Fiscal Year
26 1999; 80% in the State Fiscal Year 2000; 70% in the State

1 Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the
2 State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30%
3 in the State Fiscal Year 2005; 20% in the State Fiscal Year
4 2006; and 10% in the State Fiscal Year 2007. No payment shall
5 be made for State Fiscal Year 2008 and thereafter.

6 Municipalities that issued bonds in connection with a
7 redevelopment project in a redevelopment project area within
8 the State Sales Tax Boundary prior to July 29, 1991, or that
9 entered into contracts in connection with a redevelopment
10 project in a redevelopment project area before June 1, 1988,
11 shall continue to receive their proportional share of the
12 Illinois Tax Increment Fund distribution until the date on
13 which the redevelopment project is completed or terminated. If,
14 however, a municipality that issued bonds in connection with a
15 redevelopment project in a redevelopment project area within
16 the State Sales Tax Boundary prior to July 29, 1991 retires the
17 bonds prior to June 30, 2007 or a municipality that entered
18 into contracts in connection with a redevelopment project in a
19 redevelopment project area before June 1, 1988 completes the
20 contracts prior to June 30, 2007, then so long as the
21 redevelopment project is not completed or is not terminated,
22 the Net State Sales Tax Increment shall be calculated,
23 beginning on the date on which the bonds are retired or the
24 contracts are completed, as follows: By multiplying the Net
25 State Sales Tax Increment by 60% in the State Fiscal Year 2002;
26 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year

1 2004; 30% in the State Fiscal Year 2005; 20% in the State
2 Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No
3 payment shall be made for State Fiscal Year 2008 and
4 thereafter. Refunding of any bonds issued prior to July 29,
5 1991, shall not alter the Net State Sales Tax Increment.

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

18 (k) "Net State Utility Tax Increment" means the sum of the
19 following: (a) 80% of the first \$100,000 of State Utility Tax
20 Increment annually generated by a redevelopment project area;
21 (b) 60% of the amount in excess of \$100,000 but not exceeding
22 \$500,000 of the State Utility Tax Increment annually generated
23 by a redevelopment project area; and (c) 40% of all amounts in
24 excess of \$500,000 of State Utility Tax Increment annually
25 generated by a redevelopment project area. For the State Fiscal
26 Year 1999, and every year thereafter until the year 2007, for

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

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

26 (1) "Obligations" mean bonds, loans, debentures, notes,

1 special certificates or other evidence of indebtedness issued
2 by the municipality to carry out a redevelopment project or to
3 refund outstanding obligations.

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

16 (n) "Redevelopment plan" means the comprehensive program
17 of the municipality for development or redevelopment intended
18 by the payment of redevelopment project costs to reduce or
19 eliminate those conditions the existence of which qualified the
20 redevelopment project area as a "blighted area" or
21 "conservation area" or combination thereof or "industrial park
22 conservation area," and thereby to enhance the tax bases of the
23 taxing districts which extend into the redevelopment project
24 area, provided that, with respect to redevelopment project
25 areas described in subsections (p-1) and (p-2), "redemption
26 plan" means the comprehensive program of the affected

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

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

16 (B) evidence indicating that the redevelopment project
17 area on the whole has not been subject to growth and
18 development through investment by private enterprise,
19 provided that such evidence shall not be required for any
20 redevelopment project area located within a transit
21 facility improvement area established pursuant to Section
22 11-74.4-3.3;

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

1 demand;

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

3 (E) the nature and term of the obligations to be
4 issued;

5 (F) the most recent equalized assessed valuation of the
6 redevelopment project area;

7 (G) an estimate as to the equalized assessed valuation
8 after redevelopment and the general land uses to apply in
9 the redevelopment project area;

10 (H) a commitment to fair employment practices and an
11 affirmative action plan;

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

19 (J) if property is to be annexed to the municipality,
20 the plan shall include the terms of the annexation
21 agreement.

22 The provisions of items (B) and (C) of this subsection (n)
23 shall not apply to a municipality that before March 14, 1994
24 (the effective date of Public Act 88-537) had fixed, either by
25 its corporate authorities or by a commission designated under
26 subsection (k) of Section 11-74.4-4, a time and place for a

1 public hearing as required by subsection (a) of Section
2 11-74.4-5. No redevelopment plan shall be adopted unless a
3 municipality complies with all of the following requirements:

4 (1) The municipality finds that the redevelopment
5 project area on the whole has not been subject to growth
6 and development through investment by private enterprise
7 and would not reasonably be anticipated to be developed
8 without the adoption of the redevelopment plan, provided,
9 however, that such a finding shall not be required with
10 respect to any redevelopment project area located within a
11 transit facility improvement area established pursuant to
12 Section 11-74.4-3.3.

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

24 (3) The redevelopment plan establishes the estimated
25 dates of completion of the redevelopment project and
26 retirement of obligations issued to finance redevelopment

1 project costs. Those dates may not be later than the dates
2 set forth under Section 11-74.4-3.5.

3 A municipality may by municipal ordinance amend an
4 existing redevelopment plan to conform to this paragraph
5 (3) as amended by Public Act 91-478, which municipal
6 ordinance may be adopted without further hearing or notice
7 and without complying with the procedures provided in this
8 Act pertaining to an amendment to or the initial approval
9 of a redevelopment plan and project and designation of a
10 redevelopment project area.

11 (3.5) The municipality finds, in the case of an
12 industrial park conservation area, also that the
13 municipality is a labor surplus municipality and that the
14 implementation of the redevelopment plan will reduce
15 unemployment, create new jobs and by the provision of new
16 facilities enhance the tax base of the taxing districts
17 that extend into the redevelopment project area.

18 (4) If any incremental revenues are being utilized
19 under Section 8(a)(1) or 8(a)(2) of this Act in
20 redevelopment project areas approved by ordinance after
21 January 1, 1986, the municipality finds: (a) that the
22 redevelopment project area would not reasonably be
23 developed without the use of such incremental revenues, and
24 (b) that such incremental revenues will be exclusively
25 utilized for the development of the redevelopment project
26 area.

1 (5) If: (a) the redevelopment plan will not result in
2 displacement of residents from 10 or more inhabited
3 residential units, and the municipality certifies in the
4 plan that such displacement will not result from the plan;
5 or (b) the redevelopment plan is for a redevelopment
6 project area located within a transit facility improvement
7 area established pursuant to Section 11-74.4-3.3, and the
8 applicable project is subject to the process for evaluation
9 of environmental effects under the National Environmental
10 Policy Act of 1969, 42 U.S.C. § 4321 et seq., then a
11 housing impact study need not be performed. If, however,
12 the redevelopment plan would result in the displacement of
13 residents from 10 or more inhabited residential units, or
14 if the redevelopment project area contains 75 or more
15 inhabited residential units and no certification is made,
16 then the municipality shall prepare, as part of the
17 separate feasibility report required by subsection (a) of
18 Section 11-74.4-5, a housing impact study.

19 Part I of the housing impact study shall include (i)
20 data as to whether the residential units are single family
21 or multi-family units, (ii) the number and type of rooms
22 within the units, if that information is available, (iii)
23 whether the units are inhabited or uninhabited, as
24 determined not less than 45 days before the date that the
25 ordinance or resolution required by subsection (a) of
26 Section 11-74.4-5 is passed, and (iv) data as to the racial

1 and ethnic composition of the residents in the inhabited
2 residential units. The data requirement as to the racial
3 and ethnic composition of the residents in the inhabited
4 residential units shall be deemed to be fully satisfied by
5 data from the most recent federal census.

6 Part II of the housing impact study shall identify the
7 inhabited residential units in the proposed redevelopment
8 project area that are to be or may be removed. If inhabited
9 residential units are to be removed, then the housing
10 impact study shall identify (i) the number and location of
11 those units that will or may be removed, (ii) the
12 municipality's plans for relocation assistance for those
13 residents in the proposed redevelopment project area whose
14 residences are to be removed, (iii) the availability of
15 replacement housing for those residents whose residences
16 are to be removed, and shall identify the type, location,
17 and cost of the housing, and (iv) the type and extent of
18 relocation assistance to be provided.

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

22 (7) On and after November 1, 1999, no redevelopment
23 plan shall be adopted, nor an existing plan amended, nor
24 shall residential housing that is occupied by households of
25 low-income and very low-income persons in currently
26 existing redevelopment project areas be removed after

1 November 1, 1999 unless the redevelopment plan provides,
2 with respect to inhabited housing units that are to be
3 removed for households of low-income and very low-income
4 persons, affordable housing and relocation assistance not
5 less than that which would be provided under the federal
6 Uniform Relocation Assistance and Real Property
7 Acquisition Policies Act of 1970 and the regulations under
8 that Act, including the eligibility criteria. Affordable
9 housing may be either existing or newly constructed
10 housing. For purposes of this paragraph (7), "low-income
11 households", "very low-income households", and "affordable
12 housing" have the meanings set forth in the Illinois
13 Affordable Housing Act. The municipality shall make a good
14 faith effort to ensure that this affordable housing is
15 located in or near the redevelopment project area within
16 the municipality.

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

24 (9) For redevelopment project areas designated prior
25 to November 1, 1999, the redevelopment plan may be amended
26 without further joint review board meeting or hearing,

1 provided that the municipality shall give notice of any
2 such changes by mail to each affected taxing district and
3 registrant on the interested party registry, to authorize
4 the municipality to expend tax increment revenues for
5 redevelopment project costs defined by paragraphs (5) and
6 (7.5), subparagraphs (E) and (F) of paragraph (11), and
7 paragraph (11.5) of subsection (q) of Section 11-74.4-3, so
8 long as the changes do not increase the total estimated
9 redevelopment project costs set out in the redevelopment
10 plan by more than 5% after adjustment for inflation from
11 the date the plan was adopted.

12 (o) "Redevelopment project" means any public and private
13 development project in furtherance of the objectives of a
14 redevelopment plan. On and after November 1, 1999 (the
15 effective date of Public Act 91-478), no redevelopment plan may
16 be approved or amended that includes the development of vacant
17 land (i) with a golf course and related clubhouse and other
18 facilities or (ii) designated by federal, State, county, or
19 municipal government as public land for outdoor recreational
20 activities or for nature preserves and used for that purpose
21 within 5 years prior to the adoption of the redevelopment plan.
22 For the purpose of this subsection, "recreational activities"
23 is limited to mean camping and hunting.

24 (p) "Redevelopment project area" means an area designated
25 by the municipality, which is not less in the aggregate than 1
26 1/2 acres and in respect to which the municipality has made a

1 finding that there exist conditions which cause the area to be
2 classified as an industrial park conservation area or a
3 blighted area or a conservation area, or a combination of both
4 blighted areas and conservation areas.

5 (p-1) Notwithstanding any provision of this Act to the
6 contrary, on and after August 25, 2009 (the effective date of
7 Public Act 96-680), a redevelopment project area may include
8 areas within a one-half mile radius of an existing or proposed
9 Regional Transportation Authority Suburban Transit Access
10 Route (STAR Line) station without a finding that the area is
11 classified as an industrial park conservation area, a blighted
12 area, a conservation area, or a combination thereof, but only
13 if the municipality receives unanimous consent from the joint
14 review board created to review the proposed redevelopment
15 project area.

16 (p-2) Notwithstanding any provision of this Act to the
17 contrary, on and after the effective date of this amendatory
18 Act of the 99th General Assembly, a redevelopment project area
19 may include areas within a transit facility improvement area
20 that has been established pursuant to Section 11-74.4-3.3
21 without a finding that the area is classified as an industrial
22 park conservation area, a blighted area, a conservation area,
23 or any combination thereof.

24 (q) "Redevelopment project costs", except for
25 redevelopment project areas created pursuant to subsection
26 ~~subsections~~ (p-1) or (p-2), means and includes the sum total of

1 all reasonable or necessary costs incurred or estimated to be
2 incurred, and any such costs incidental to a redevelopment plan
3 and a redevelopment project. Such costs include, without
4 limitation, the following:

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

1 performed, or will be performing, service for the
2 municipality. This requirement shall be satisfied by the
3 consultant or advisor before the commencement of services
4 for the municipality and thereafter whenever any other
5 contracts with those individuals or entities are executed
6 by the consultant or advisor;

7 (1.5) After July 1, 1999, annual administrative costs
8 shall not include general overhead or administrative costs
9 of the municipality that would still have been incurred by
10 the municipality if the municipality had not designated a
11 redevelopment project area or approved a redevelopment
12 plan;

13 (1.6) The cost of marketing sites within the
14 redevelopment project area to prospective businesses,
15 developers, and investors;

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

24 (3) Costs of rehabilitation, reconstruction or repair
25 or remodeling of existing public or private buildings,
26 fixtures, and leasehold improvements; and the cost of

1 replacing an existing public building if pursuant to the
2 implementation of a redevelopment project the existing
3 public building is to be demolished to use the site for
4 private investment or devoted to a different use requiring
5 private investment; including any direct or indirect costs
6 relating to Green Globes or LEED certified construction
7 elements or construction elements with an equivalent
8 certification;

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

1 the basis for that determination, that the new municipal
2 building is required to meet an increase in the need for
3 public safety purposes anticipated to result from the
4 implementation of the redevelopment plan, or (iii) the new
5 municipal public building is for the storage, maintenance,
6 or repair of transit vehicles and is located in a transit
7 facility improvement area that has been established
8 pursuant to Section 11-74.4-3.3;

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

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

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

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

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

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

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

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

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

1 by those housing units that have received tax
2 increment finance assistance under this Act.

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

25 (i) for unit school districts, no more than 40%
26 of the total amount of property tax increment

1 revenue produced by those housing units that have
2 received tax increment finance assistance under
3 this Act;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 (9) Payment in lieu of taxes;

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

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

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

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

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

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

1 available in the special tax allocation fund;

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

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

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

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

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

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

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

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

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

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

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

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

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

25 (q-1) For redevelopment project areas created pursuant to
26 subsection (p-1), redevelopment project costs are limited to

1 those costs in paragraph (q) that are related to the existing
2 or proposed Regional Transportation Authority Suburban Transit
3 Access Route (STAR Line) station.

4 (q-2) For a redevelopment project area located within a
5 transit facility improvement area established pursuant to
6 Section 11-74.4-3.3, redevelopment project costs means those
7 costs described in subsection (q) that are related to the
8 construction, reconstruction, rehabilitation, remodeling, or
9 repair of any existing or proposed transit facility.

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

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

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

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

1 (t) "Taxing districts" means counties, townships, cities
2 and incorporated towns and villages, school, road, park,
3 sanitary, mosquito abatement, forest preserve, public health,
4 fire protection, river conservancy, tuberculosis sanitarium
5 and any other municipal corporations or districts with the
6 power to levy taxes.

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

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

1 For purposes of this Section and only for land subject to the
2 subdivision requirements of the Plat Act, land is subdivided
3 when the original plat of the proposed Redevelopment Project
4 Area or relevant portion thereof has been properly certified,
5 acknowledged, approved, and recorded or filed in accordance
6 with the Plat Act and a preliminary plat, if any, for any
7 subsequent phases of the proposed Redevelopment Project Area or
8 relevant portion thereof has been properly approved and filed
9 in accordance with the applicable ordinance of the
10 municipality.

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

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

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

26 (Source: P.A. 99-792, eff. 8-12-16; revised 10-31-16.)

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

2 Sec. 11-74.4-8. Tax increment allocation financing. A
3 municipality may not adopt tax increment financing in a
4 redevelopment project area after the effective date of this
5 amendatory Act of 1997 that will encompass an area that is
6 currently included in an enterprise zone created under the
7 Illinois Enterprise Zone Act unless that municipality,
8 pursuant to Section 5.4 of the Illinois Enterprise Zone Act,
9 amends the enterprise zone designating ordinance to limit the
10 eligibility for tax abatements as provided in Section 5.4.1 of
11 the Illinois Enterprise Zone Act. A municipality, at the time a
12 redevelopment project area is designated, may adopt tax
13 increment allocation financing by passing an ordinance
14 providing that the ad valorem taxes, if any, arising from the
15 levies upon taxable real property in such redevelopment project
16 area by taxing districts and tax rates determined in the manner
17 provided in paragraph (c) of Section 11-74.4-9 each year after
18 the effective date of the ordinance until redevelopment project
19 costs and all municipal obligations financing redevelopment
20 project costs incurred under this Division have been paid shall
21 be divided as follows, provided, however, that with respect to
22 any redevelopment project area located within a transit
23 facility improvement area established pursuant to Section
24 11-74.4-3.3 in a municipality with a population of 1,000,000 or
25 more, ad valorem taxes, if any, arising from the levies upon

1 taxable real property in such redevelopment project area shall
2 be allocated as specifically provided in this Section:

3 (a) That portion of taxes levied upon each taxable lot,
4 block, tract or parcel of real property which is
5 attributable to the lower of the current equalized assessed
6 value or the initial equalized assessed value of each such
7 taxable lot, block, tract or parcel of real property in the
8 redevelopment project area shall be allocated to and when
9 collected shall be paid by the county collector to the
10 respective affected taxing districts in the manner
11 required by law in the absence of the adoption of tax
12 increment allocation financing.

13 (b) Except from a tax levied by a township to retire
14 bonds issued to satisfy court-ordered damages, that
15 portion, if any, of such taxes which is attributable to the
16 increase in the current equalized assessed valuation of
17 each taxable lot, block, tract or parcel of real property
18 in the redevelopment project area over and above the
19 initial equalized assessed value of each property in the
20 project area shall be allocated to and when collected shall
21 be paid to the municipal treasurer who shall deposit said
22 taxes into a special fund called the special tax allocation
23 fund of the municipality for the purpose of paying
24 redevelopment project costs and obligations incurred in
25 the payment thereof. In any county with a population of
26 3,000,000 or more that has adopted a procedure for

1 collecting taxes that provides for one or more of the
2 installments of the taxes to be billed and collected on an
3 estimated basis, the municipal treasurer shall be paid for
4 deposit in the special tax allocation fund of the
5 municipality, from the taxes collected from estimated
6 bills issued for property in the redevelopment project
7 area, the difference between the amount actually collected
8 from each taxable lot, block, tract, or parcel of real
9 property within the redevelopment project area and an
10 amount determined by multiplying the rate at which taxes
11 were last extended against the taxable lot, block, track,
12 or parcel of real property in the manner provided in
13 subsection (c) of Section 11-74.4-9 by the initial
14 equalized assessed value of the property divided by the
15 number of installments in which real estate taxes are
16 billed and collected within the county; provided that the
17 payments on or before December 31, 1999 to a municipal
18 treasurer shall be made only if each of the following
19 conditions are met:

20 (1) The total equalized assessed value of the
21 redevelopment project area as last determined was not
22 less than 175% of the total initial equalized assessed
23 value.

24 (2) Not more than 50% of the total equalized assessed
25 value of the redevelopment project area as last
26 determined is attributable to a piece of property

1 assigned a single real estate index number.

2 (3) The municipal clerk has certified to the county
3 clerk that the municipality has issued its obligations
4 to which there has been pledged the incremental
5 property taxes of the redevelopment project area or
6 taxes levied and collected on any or all property in
7 the municipality or the full faith and credit of the
8 municipality to pay or secure payment for all or a
9 portion of the redevelopment project costs. The
10 certification shall be filed annually no later than
11 September 1 for the estimated taxes to be distributed
12 in the following year; however, for the year 1992 the
13 certification shall be made at any time on or before
14 March 31, 1992.

15 (4) The municipality has not requested that the total
16 initial equalized assessed value of real property be
17 adjusted as provided in subsection (b) of Section
18 11-74.4-9.

19 The conditions of paragraphs (1) through (4) do not
20 apply after December 31, 1999 to payments to a municipal
21 treasurer made by a county with 3,000,000 or more
22 inhabitants that has adopted an estimated billing
23 procedure for collecting taxes. If a county that has
24 adopted the estimated billing procedure makes an erroneous
25 overpayment of tax revenue to the municipal treasurer, then
26 the county may seek a refund of that overpayment. The

1 county shall send the municipal treasurer a notice of
2 liability for the overpayment on or before the mailing date
3 of the next real estate tax bill within the county. The
4 refund shall be limited to the amount of the overpayment.

5 It is the intent of this Division that after the
6 effective date of this amendatory Act of 1988 a
7 municipality's own ad valorem tax arising from levies on
8 taxable real property be included in the determination of
9 incremental revenue in the manner provided in paragraph (c)
10 of Section 11-74.4-9. If the municipality does not extend
11 such a tax, it shall annually deposit in the municipality's
12 Special Tax Increment Fund an amount equal to 10% of the
13 total contributions to the fund from all other taxing
14 districts in that year. The annual 10% deposit required by
15 this paragraph shall be limited to the actual amount of
16 municipally produced incremental tax revenues available to
17 the municipality from taxpayers located in the
18 redevelopment project area in that year if: (a) the plan
19 for the area restricts the use of the property primarily to
20 industrial purposes, (b) the municipality establishing the
21 redevelopment project area is a home-rule community with a
22 1990 population of between 25,000 and 50,000, (c) the
23 municipality is wholly located within a county with a 1990
24 population of over 750,000 and (d) the redevelopment
25 project area was established by the municipality prior to
26 June 1, 1990. This payment shall be in lieu of a

1 contribution of ad valorem taxes on real property. If no
2 such payment is made, any redevelopment project area of the
3 municipality shall be dissolved.

4 If a municipality has adopted tax increment allocation
5 financing by ordinance and the County Clerk thereafter
6 certifies the "total initial equalized assessed value as
7 adjusted" of the taxable real property within such
8 redevelopment project area in the manner provided in
9 paragraph (b) of Section 11-74.4-9, each year after the
10 date of the certification of the total initial equalized
11 assessed value as adjusted until redevelopment project
12 costs and all municipal obligations financing
13 redevelopment project costs have been paid the ad valorem
14 taxes, if any, arising from the levies upon the taxable
15 real property in such redevelopment project area by taxing
16 districts and tax rates determined in the manner provided
17 in paragraph (c) of Section 11-74.4-9 shall be divided as
18 follows, provided, however, that with respect to any
19 redevelopment project area located within a transit
20 facility improvement area established pursuant to Section
21 11-74.4-3.3 in a municipality with a population of
22 1,000,000 or more, ad valorem taxes, if any, arising from
23 the levies upon the taxable real property in such
24 redevelopment project area shall be allocated as
25 specifically provided in this Section:

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

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

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

1 of the municipality for the purpose of paying
2 redevelopment project costs and obligations incurred
3 in the payment thereof.

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

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

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

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

1 manner and proportion as the most recent distribution by
2 the county collector to the affected districts of real
3 property taxes from real property in the redevelopment
4 project area.

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

1 shall be extended and taxes levied, collected and
2 distributed in the manner applicable in the absence of the
3 adoption of tax increment allocation financing.

4 If a municipality with a population of 1,000,000 or
5 more has adopted by ordinance tax increment allocation
6 financing for a redevelopment project area located in a
7 transit facility improvement area established pursuant to
8 Section 11-74.4-3.3, for each year after the effective date
9 of the ordinance until redevelopment project costs and all
10 municipal obligations financing redevelopment project
11 costs have been paid, the ad valorem taxes, if any, arising
12 from the levies upon the taxable real property in that
13 redevelopment project area by taxing districts and tax
14 rates determined in the manner provided in paragraph (c) of
15 Section 11-74.4-9 shall be divided as follows:

16 (1) That portion of the taxes levied upon each
17 taxable lot, block, tract or parcel of real property
18 which is attributable to the lower of (i) the current
19 equalized assessed value or "current equalized
20 assessed value as adjusted" or (ii) the initial
21 equalized assessed value of each such taxable lot,
22 block, tract, or parcel of real property existing at
23 the time tax increment financing was adopted, minus the
24 total current homestead exemptions under Article 15 of
25 the Property Tax Code in the redevelopment project area
26 shall be allocated to and when collected shall be paid

1 by the county collector to the respective affected
2 taxing districts in the manner required by law in the
3 absence of the adoption of tax increment allocation
4 financing.

5 (2) That portion, if any, of such taxes which is
6 attributable to the increase in the current equalized
7 assessed valuation of each taxable lot, block, tract,
8 or parcel of real property in the redevelopment project
9 area, over and above the initial equalized assessed
10 value of each property existing at the time tax
11 increment financing was adopted, minus the total
12 current homestead exemptions pertaining to each piece
13 of property provided by Article 15 of the Property Tax
14 Code in the redevelopment project area, shall be
15 allocated to and when collected shall be paid by the
16 county collector as follows:

17 (A) First, that portion which would be payable
18 to a school district whose boundaries are
19 coterminous with such municipality in the absence
20 of the adoption of tax increment allocation
21 financing, shall be paid to such school district in
22 the manner required by law in the absence of the
23 adoption of tax increment allocation financing;
24 then

25 (B) 80% of the remaining portion shall be paid
26 to the municipal Treasurer, who shall deposit said

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

6 (C) 20% of the remaining portion shall be paid
7 to the respective affected taxing districts, other
8 than the school district described in clause (a)
9 above, in the manner required by law in the absence
10 of the adoption of tax increment allocation
11 financing.

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

18 (Source: P.A. 98-463, eff. 8-16-13; 99-792, eff. 8-12-16.)

19 (65 ILCS 5/11-74.6-35)

20 Sec. 11-74.6-35. Ordinance for tax increment allocation
21 financing.

22 (a) A municipality, at the time a redevelopment project
23 area is designated, may adopt tax increment allocation
24 financing by passing an ordinance providing that the ad valorem
25 taxes, if any, arising from the levies upon taxable real

1 property within the redevelopment project area by taxing
2 districts and tax rates determined in the manner provided in
3 subsection (b) of Section 11-74.6-40 each year after the
4 effective date of the ordinance until redevelopment project
5 costs and all municipal obligations financing redevelopment
6 project costs incurred under this Act have been paid shall be
7 divided as follows:

8 (1) That portion of the taxes levied upon each taxable
9 lot, block, tract or parcel of real property that is
10 attributable to the lower of the current equalized assessed
11 value or the initial equalized assessed value or the
12 updated initial equalized assessed value of each taxable
13 lot, block, tract or parcel of real property in the
14 redevelopment project area shall be allocated to and when
15 collected shall be paid by the county collector to the
16 respective affected taxing districts in the manner
17 required by law without regard to the adoption of tax
18 increment allocation financing.

19 (2) That portion, if any, of those taxes that is
20 attributable to the increase in the current equalized
21 assessed value of each taxable lot, block, tract or parcel
22 of real property in the redevelopment project area, over
23 and above the initial equalized assessed value or the
24 updated initial equalized assessed value of each property
25 in the project area, shall be allocated to and when
26 collected shall be paid by the county collector to the

1 municipal treasurer who shall deposit that portion of those
2 taxes into a special fund called the special tax allocation
3 fund of the municipality for the purpose of paying
4 redevelopment project costs and obligations incurred in
5 the payment of those costs and obligations. In any county
6 with a population of 3,000,000 or more that has adopted a
7 procedure for collecting taxes that provides for one or
8 more of the installments of the taxes to be billed and
9 collected on an estimated basis, the municipal treasurer
10 shall be paid for deposit in the special tax allocation
11 fund of the municipality, from the taxes collected from
12 estimated bills issued for property in the redevelopment
13 project area, the difference between the amount actually
14 collected from each taxable lot, block, tract, or parcel of
15 real property within the redevelopment project area and an
16 amount determined by multiplying the rate at which taxes
17 were last extended against the taxable lot, block, track,
18 or parcel of real property in the manner provided in
19 subsection (b) of Section 11-74.6-40 by the initial
20 equalized assessed value or the updated initial equalized
21 assessed value of the property divided by the number of
22 installments in which real estate taxes are billed and
23 collected within the county, provided that the payments on
24 or before December 31, 1999 to a municipal treasurer shall
25 be made only if each of the following conditions are met:

26 (A) The total equalized assessed value of the

1 redevelopment project area as last determined was not
2 less than 175% of the total initial equalized assessed
3 value.

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

8 (C) The municipal clerk has certified to the county
9 clerk that the municipality has issued its obligations
10 to which there has been pledged the incremental
11 property taxes of the redevelopment project area or
12 taxes levied and collected on any or all property in
13 the municipality or the full faith and credit of the
14 municipality to pay or secure payment for all or a
15 portion of the redevelopment project costs. The
16 certification shall be filed annually no later than
17 September 1 for the estimated taxes to be distributed
18 in the following year.

19 The conditions of paragraphs (A) through (C) do not apply
20 after December 31, 1999 to payments to a municipal treasurer
21 made by a county with 3,000,000 or more inhabitants that has
22 adopted an estimated billing procedure for collecting taxes. If
23 a county that has adopted the estimated billing procedure makes
24 an erroneous overpayment of tax revenue to the municipal
25 treasurer, then the county may seek a refund of that
26 overpayment. The county shall send the municipal treasurer a

1 notice of liability for the overpayment on or before the
2 mailing date of the next real estate tax bill within the
3 county. The refund shall be limited to the amount of the
4 overpayment.

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

9 (c) If a municipality has adopted tax increment allocation
10 financing for a redevelopment project area by ordinance and the
11 county clerk thereafter certifies the total initial equalized
12 assessed value or the total updated initial equalized assessed
13 value of the taxable real property within such redevelopment
14 project area in the manner provided in paragraph (a) or (b) of
15 Section 11-74.6-40, each year after the date of the
16 certification of the total initial equalized assessed value or
17 the total updated initial equalized assessed value until
18 redevelopment project costs and all municipal obligations
19 financing redevelopment project costs have been paid, the ad
20 valorem taxes, if any, arising from the levies upon the taxable
21 real property in the redevelopment project area by taxing
22 districts and tax rates determined in the manner provided in
23 paragraph (b) of Section 11-74.6-40 shall be divided as
24 follows:

25 (1) That portion of the taxes levied upon each taxable
26 lot, block, tract or parcel of real property that is

1 attributable to the lower of the current equalized assessed
2 value or the initial equalized assessed value, or the
3 updated initial equalized assessed value of each parcel if
4 the updated initial equalized assessed value of that parcel
5 has been certified in accordance with Section 11-74.6-40,
6 whichever has been most recently certified, of each taxable
7 lot, block, tract, or parcel of real property existing at
8 the time tax increment allocation financing was adopted in
9 the redevelopment project area, shall be allocated to and
10 when collected shall be paid by the county collector to the
11 respective affected taxing districts in the manner
12 required by law without regard to the adoption of tax
13 increment allocation financing.

14 (2) That portion, if any, of those taxes that is
15 attributable to the increase in the current equalized
16 assessed value of each taxable lot, block, tract, or parcel
17 of real property in the redevelopment project area, over
18 and above the initial equalized assessed value of each
19 property existing at the time tax increment allocation
20 financing was adopted in the redevelopment project area, or
21 the updated initial equalized assessed value of each parcel
22 if the updated initial equalized assessed value of that
23 parcel has been certified in accordance with Section
24 11-74.6-40, shall be allocated to and when collected shall
25 be paid to the municipal treasurer, who shall deposit those
26 taxes into a special fund called the special tax allocation

1 fund of the municipality for the purpose of paying
2 redevelopment project costs and obligations incurred in
3 the payment thereof.

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

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

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

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

26 Upon the payment of all redevelopment project costs,

1 retirement of obligations and the distribution of any excess
2 moneys under this Section, the municipality shall adopt an
3 ordinance dissolving the special tax allocation fund for the
4 redevelopment project area and terminating the designation of
5 the redevelopment project area as a redevelopment project area.
6 Thereafter the tax levies of taxing districts shall be
7 extended, collected and distributed in the same manner
8 applicable before the adoption of tax increment allocation
9 financing. Municipality shall notify affected taxing districts
10 prior to November if the redevelopment project area is to be
11 terminated by December 31 of that same year.

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

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

18 Section 40. The Economic Development Project Area Tax
19 Increment Allocation Act of 1995 is amended by changing Section
20 50 as follows:

21 (65 ILCS 110/50)

22 Sec. 50. Special tax allocation fund.

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

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

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

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

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

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

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

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

6 (d) Upon the payment of all economic development project
7 costs, retirement of obligations, and distribution of any
8 excess monies under this Section and not later than 23 years
9 from the date of the adoption of the ordinance establishing the
10 economic development project area, the municipality shall
11 adopt an ordinance dissolving the special tax allocation fund
12 for the economic development project area and terminating the
13 designation of the economic development project area as an
14 economic development project area. Thereafter, the rates of the
15 taxing districts shall be extended and taxes shall be levied,
16 collected, and distributed in the manner applicable in the
17 absence of the adoption of tax increment allocation financing.

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

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

25 Section 45. The School Code is amended by changing Sections

1 1A-8, 1B-5, 1B-6, 1B-7, 1B-8, 1C-1, 1C-2, 1D-1, 1E-20, 1F-20,
2 1F-62, 1H-20, 1H-70, 2-3.33, 2-3.51.5, 2-3.66, 2-3.66b,
3 2-3.84, 2-3.109a, 3-14.21, 7-14A, 10-19, 10-22.5a, 10-22.20,
4 10-29, 11E-135, 13A-8, 13B-20.20, 13B-45, 13B-50, 13B-50.10,
5 13B-50.15, 14-7.02, 14-7.02b, 14-13.01, 14C-1, 14C-12, 17-1,
6 17-1.2, 17-1.5, 17-2.11, 17-2A, 18-4.3, 18-8.05, 18-8.10,
7 18-9, 18-12, 26-16, 27-8.1, 27A-9, 27A-11, 29-5, 34-2.3, 34-18,
8 34-18.30, and 34-43.1 and by adding Sections 17-3.6 and 18-8.15
9 as follows:

10 (105 ILCS 5/1A-8) (from Ch. 122, par. 1A-8)

11 Sec. 1A-8. Powers of the Board in Assisting Districts
12 Deemed in Financial Difficulties. To promote the financial
13 integrity of school districts, the State Board of Education
14 shall be provided the necessary powers to promote sound
15 financial management and continue operation of the public
16 schools.

17 (a) The State Superintendent of Education may require a
18 school district, including any district subject to Article 34A
19 of this Code, to share financial information relevant to a
20 proper investigation of the district's financial condition and
21 the delivery of appropriate State financial, technical, and
22 consulting services to the district if the district (i) has
23 been designated, through the State Board of Education's School
24 District Financial Profile System, as on financial warning or
25 financial watch status, (ii) has failed to file an annual

1 financial report, annual budget, deficit reduction plan, or
2 other financial information as required by law, (iii) has been
3 identified, through the district's annual audit or other
4 financial and management information, as in serious financial
5 difficulty in the current or next school year, or (iv) is
6 determined to be likely to fail to fully meet any regularly
7 scheduled, payroll-period obligations when due or any debt
8 service payments when due or both. In addition to financial,
9 technical, and consulting services provided by the State Board
10 of Education, at the request of a school district, the State
11 Superintendent may provide for an independent financial
12 consultant to assist the district review its financial
13 condition and options.

14 (b) The State Board of Education, after proper
15 investigation of a district's financial condition, may certify
16 that a district, including any district subject to Article 34A,
17 is in financial difficulty when any of the following conditions
18 occur:

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

22 (2) The district has issued tax anticipation warrants
23 or tax anticipation notes in anticipation of a second
24 year's taxes when warrants or notes in anticipation of
25 current year taxes are still outstanding, as authorized by
26 Sections 17-16, 34-23, 34-59 and 34-63 of this Code, or has

1 issued short-term debt against 2 future revenue sources,
2 such as, but not limited to, tax anticipation warrants and
3 general State aid or evidence-based funding ~~Aid~~
4 certificates or tax anticipation warrants and revenue
5 anticipation notes.

6 (3) The district has for 2 consecutive years shown an
7 excess of expenditures and other financing uses over
8 revenues and other financing sources and beginning fund
9 balances on its annual financial report for the aggregate
10 totals of the Educational, Operations and Maintenance,
11 Transportation, and Working Cash Funds.

12 (4) The district refuses to provide financial
13 information or cooperate with the State Superintendent in
14 an investigation of the district's financial condition.

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

18 No school district shall be certified by the State Board of
19 Education to be in financial difficulty solely by reason of any
20 of the above circumstances arising as a result of (i) the
21 failure of the county to make any distribution of property tax
22 money due the district at the time such distribution is due or
23 (ii) the failure of this State to make timely payments of
24 general State aid, evidence-based funding, or any of the
25 mandated categoricals; or if the district clearly demonstrates
26 to the satisfaction of the State Board of Education at the time

1 of its determination that such condition no longer exists. If
2 the State Board of Education certifies that a district in a
3 city with 500,000 inhabitants or more is in financial
4 difficulty, the State Board shall so notify the Governor and
5 the Mayor of the city in which the district is located. The
6 State Board of Education may require school districts certified
7 in financial difficulty, except those districts subject to
8 Article 34A, to develop, adopt and submit a financial plan
9 within 45 days after certification of financial difficulty. The
10 financial plan shall be developed according to guidelines
11 presented to the district by the State Board of Education
12 within 14 days of certification. Such guidelines shall address
13 the specific nature of each district's financial difficulties.
14 Any proposed budget of the district shall be consistent with
15 the financial plan submitted to and approved by the State Board
16 of Education.

17 A district certified to be in financial difficulty, other
18 than a district subject to Article 34A, shall report to the
19 State Board of Education at such times and in such manner as
20 the State Board may direct, concerning the district's
21 compliance with each financial plan. The State Board may review
22 the district's operations, obtain budgetary data and financial
23 statements, require the district to produce reports, and have
24 access to any other information in the possession of the
25 district that it deems relevant. The State Board may issue
26 recommendations or directives within its powers to the district

1 to assist in compliance with the financial plan. The district
2 shall produce such budgetary data, financial statements,
3 reports and other information and comply with such directives.
4 If the State Board of Education determines that a district has
5 failed to comply with its financial plan, the State Board of
6 Education may rescind approval of the plan and appoint a
7 Financial Oversight Panel for the district as provided in
8 Section 1B-4. This action shall be taken only after the
9 district has been given notice and an opportunity to appear
10 before the State Board of Education to discuss its failure to
11 comply with its financial plan.

12 No bonds, notes, teachers orders, tax anticipation
13 warrants or other evidences of indebtedness shall be issued or
14 sold by a school district or be legally binding upon or
15 enforceable against a local board of education of a district
16 certified to be in financial difficulty unless and until the
17 financial plan required under this Section has been approved by
18 the State Board of Education.

19 Any financial profile compiled and distributed by the State
20 Board of Education in Fiscal Year 2009 or any fiscal year
21 thereafter shall incorporate such adjustments as may be needed
22 in the profile scores to reflect the financial effects of the
23 inability or refusal of the State of Illinois to make timely
24 disbursements of any general State aid, evidence-based
25 funding, or mandated categorical aid payments due school
26 districts or to fully reimburse school districts for mandated

1 categorical programs pursuant to reimbursement formulas
2 provided in this School Code.

3 (Source: P.A. 96-668, eff. 8-25-09; 96-1423, eff. 8-3-10;
4 97-429, eff. 8-16-11.)

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

6 Sec. 1B-5. When a petition for emergency financial
7 assistance for a school district is allowed by the State Board
8 under Section 1B-4, the State Superintendent shall within 10
9 days thereafter appoint 3 members to serve at the State
10 Superintendent's pleasure on a Financial Oversight Panel for
11 the district. The State Superintendent shall designate one of
12 the members of the Panel to serve as its Chairman. In the event
13 of vacancy or resignation the State Superintendent shall
14 appoint a successor within 10 days of receiving notice thereof.

15 Members of the Panel shall be selected primarily on the
16 basis of their experience and education in financial
17 management, with consideration given to persons knowledgeable
18 in education finance. A member of the Panel may not be a board
19 member or employee of the district for which the Panel is
20 constituted, nor may a member have a direct financial interest
21 in that district.

22 Panel members shall serve without compensation, but may be
23 reimbursed for travel and other necessary expenses incurred in
24 the performance of their official duties by the State Board.
25 The amount reimbursed Panel members for their expenses shall be

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

6 The first meeting of the Panel shall be held at the call of
7 the Chairman. The Panel may elect such other officers as it
8 deems appropriate. The Panel shall prescribe the times and
9 places for its meetings and the manner in which regular and
10 special meetings may be called, and shall comply with the Open
11 Meetings Act.

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

15 The Panel and the State Superintendent shall cooperate with
16 each other in the exercise of their respective powers. The
17 Panel shall report not later than September 1 annually to the
18 State Board and the State Superintendent with respect to its
19 activities and the condition of the school district for the
20 previous fiscal year.

21 Any Financial Oversight Panel established under this
22 Article shall remain in existence for not less than 3 years nor
23 more than 10 years from the date the State Board grants the
24 petition under Section 1B-4. If after 3 years the school
25 district has repaid all of its obligations resulting from
26 emergency State financial assistance provided under this

1 Article and has improved its financial situation, the board of
2 education may, not more frequently than once in any 12 month
3 period, petition the State Board to dissolve the Financial
4 Oversight Panel, terminate the oversight responsibility, and
5 remove the district's certification under Section 1A-8 as a
6 district in financial difficulty. In acting on such a petition
7 the State Board shall give additional weight to the
8 recommendations of the State Superintendent and the Financial
9 Oversight Panel.

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

11 (105 ILCS 5/1B-6) (from Ch. 122, par. 1B-6)

12 Sec. 1B-6. General powers. The purpose of the Financial
13 Oversight Panel shall be to exercise financial control over the
14 board of education, and, when approved by the State Board and
15 the State Superintendent of Education, to furnish financial
16 assistance so that the board can provide public education
17 within the board's jurisdiction while permitting the board to
18 meet its obligations to its creditors and the holders of its
19 notes and bonds. Except as expressly limited by this Article,
20 the Panel shall have all powers necessary to meet its
21 responsibilities and to carry out its purposes and the purposes
22 of this Article, including, but not limited to, the following
23 powers:

24 (a) to sue and be sued;

25 (b) to provide for its organization and internal

1 management;

2 (c) to appoint a Financial Administrator to serve as the
3 chief executive officer of the Panel. The Financial
4 Administrator may be an individual, partnership, corporation,
5 including an accounting firm, or other entity determined by the
6 Panel to be qualified to serve; and to appoint other officers,
7 agents, and employees of the Panel, define their duties and
8 qualifications and fix their compensation and employee
9 benefits;

10 (d) to approve the local board of education appointments to
11 the positions of treasurer in a Class I county school unit and
12 in each school district which forms a part of a Class II county
13 school unit but which no longer is subject to the jurisdiction
14 and authority of a township treasurer or trustees of schools of
15 a township because the district has withdrawn from the
16 jurisdiction and authority of the township treasurer and the
17 trustees of schools of the township or because those offices
18 have been abolished as provided in subsection (b) or (c) of
19 Section 5-1, and chief school business official, if such
20 official is not the superintendent of the district. Either the
21 board or the Panel may remove such treasurer or chief school
22 business official;

23 (e) to approve any and all bonds, notes, teachers orders,
24 tax anticipation warrants, and other evidences of indebtedness
25 prior to issuance or sale by the school district; and
26 notwithstanding any other provision of The School Code, as now

1 or hereafter amended, no bonds, notes, teachers orders, tax
2 anticipation warrants or other evidences of indebtedness shall
3 be issued or sold by the school district or be legally binding
4 upon or enforceable against the local board of education unless
5 and until the approval of the Panel has been received;

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

9 (g) to require and approve a school district financial
10 plan;

11 (h) to approve and require revisions of the school district
12 budget;

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

15 (j) to authorize emergency State financial assistance,
16 including requirements regarding the terms and conditions of
17 repayment of such assistance, and to require the board of
18 education to levy a separate local property tax, subject to the
19 limitations of Section 1B-8, sufficient to repay such
20 assistance consistent with the terms and conditions of
21 repayment and the district's approved financial plan and
22 budget;

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

26 (l) to recommend dissolution or reorganization of the

1 school district to the General Assembly if in the Panel's
2 judgment the circumstances so require;

3 (m) to direct a phased reduction in the oversight
4 responsibilities of the Financial Administrator and of the
5 Panel as the circumstances permit;

6 (n) to determine the amount of emergency State financial
7 assistance to be made available to the school district, and to
8 establish an operating budget for the Panel to be supported by
9 funds available from such assistance, with the assistance and
10 the budget required to be approved by the State Superintendent;

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

13 (p) to engage the services of consultants for rendering
14 professional and technical assistance and advice on matters
15 within the Panel's power;

16 (q) to contract for and to accept any gifts, grants or
17 loans of funds or property or financial or other aid in any
18 form from the federal government, State government, unit of
19 local government, school district or any agency or
20 instrumentality thereof, or from any other private or public
21 source, and to comply with the terms and conditions thereof;

22 (r) to pay the expenses of its operations based on the
23 Panel's budget as approved by the State Superintendent from
24 emergency financial assistance funds available to the district
25 or from deductions from the district's general State aid or
26 evidence-based funding;

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

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

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

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

8 Sec. 1B-7. Financial Administrator; Powers and Duties. The
9 Financial Administrator appointed by the Financial Oversight
10 Panel shall serve as the Panel's chief executive officer. The
11 Financial Administrator shall exercise the powers and duties
12 required by the Panel, including but not limited to the
13 following:

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

17 (b) to direct the local board to reorganize its financial
18 accounts, budgetary systems, and internal accounting and
19 financial controls, in whatever manner the Panel deems
20 appropriate to achieve greater financial responsibility and to
21 reduce financial inefficiency, and to provide technical
22 assistance to aid the district in accomplishing the
23 reorganization;

24 (c) to make recommendations to the Financial Oversight
25 Panel concerning the school district's financial plan and

1 budget, and all other matters within the scope of the Panel's
2 authority;

3 (d) to prepare and recommend to the Panel a proposal for
4 emergency State financial assistance for the district,
5 including recommended terms and conditions of repayment, and an
6 operations budget for the Panel to be funded from the emergency
7 assistance or from deductions from the district's general State
8 aid or evidence-based funding;

9 (e) to require the local board to prepare and submit
10 preliminary staffing and budgetary analyses annually prior to
11 February 1 in such manner and form as the Financial
12 Administrator shall prescribe; and

13 (f) subject to the direction of the Panel, to do all other
14 things necessary or convenient to carry out its purposes and
15 exercise the powers given to the Panel under this Article.

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

17 (105 ILCS 5/1B-8) (from Ch. 122, par. 1B-8)

18 Sec. 1B-8. There is created in the State Treasury a special
19 fund to be known as the School District Emergency Financial
20 Assistance Fund (the "Fund"). The School District Emergency
21 Financial Assistance Fund shall consist of appropriations,
22 loan repayments, grants from the federal government, and
23 donations from any public or private source. Moneys in the Fund
24 may be appropriated only to the Illinois Finance Authority and
25 the State Board for those purposes authorized under this

1 Article and Articles 1F and 1H of this Code. The appropriation
2 may be allocated and expended by the State Board for
3 contractual services to provide technical assistance or
4 consultation to school districts to assess their financial
5 condition and to Financial Oversight Panels that petition for
6 emergency financial assistance grants. The Illinois Finance
7 Authority may provide loans to school districts which are the
8 subject of an approved petition for emergency financial
9 assistance under Section 1B-4, 1F-62, or 1H-65 of this Code.
10 Neither the State Board of Education nor the Illinois Finance
11 Authority may collect any fees for providing these services.

12 From the amount allocated to each such school district
13 under this Article the State Board shall identify a sum
14 sufficient to cover all approved costs of the Financial
15 Oversight Panel established for the respective school
16 district. If the State Board and State Superintendent of
17 Education have not approved emergency financial assistance in
18 conjunction with the appointment of a Financial Oversight
19 Panel, the Panel's approved costs shall be paid from deductions
20 from the district's general State aid or evidence-based
21 funding.

22 The Financial Oversight Panel may prepare and file with the
23 State Superintendent a proposal for emergency financial
24 assistance for the school district and for its operations
25 budget. No expenditures from the Fund shall be authorized by
26 the State Superintendent until he or she has approved the

1 request of the Panel, either as submitted or in such lesser
2 amount determined by the State Superintendent.

3 The maximum amount of an emergency financial assistance
4 loan which may be allocated to any school district under this
5 Article, including moneys necessary for the operations of the
6 Panel, shall not exceed \$4,000 times the number of pupils
7 enrolled in the school district during the school year ending
8 June 30 prior to the date of approval by the State Board of the
9 petition for emergency financial assistance, as certified to
10 the local board and the Panel by the State Superintendent. An
11 emergency financial assistance grant shall not exceed \$1,000
12 times the number of such pupils. A district may receive both a
13 loan and a grant.

14 The payment of an emergency State financial assistance
15 grant or loan shall be subject to appropriation by the General
16 Assembly. Payment of the emergency State financial assistance
17 loan is subject to the applicable provisions of the Illinois
18 Finance Authority Act. Emergency State financial assistance
19 allocated and paid to a school district under this Article may
20 be applied to any fund or funds from which the local board of
21 education of that district is authorized to make expenditures
22 by law.

23 Any emergency financial assistance grant proposed by the
24 Financial Oversight Panel and approved by the State
25 Superintendent may be paid in its entirety during the initial
26 year of the Panel's existence or spread in equal or declining

1 amounts over a period of years not to exceed the period of the
2 Panel's existence. An emergency financial assistance loan
3 proposed by the Financial Oversight Panel and approved by the
4 Illinois Finance Authority may be paid in its entirety during
5 the initial year of the Panel's existence or spread in equal or
6 declining amounts over a period of years not to exceed the
7 period of the Panel's existence. All loans made by the Illinois
8 Finance Authority for a school district shall be required to be
9 repaid, with simple interest over the term of the loan at a
10 rate equal to 50% of the one-year Constant Maturity Treasury
11 (CMT) yield as last published by the Board of Governors of the
12 Federal Reserve System before the date on which the district's
13 loan is approved by the Illinois Finance Authority, not later
14 than the date the Financial Oversight Panel ceases to exist.
15 The Panel shall establish and the Illinois Finance Authority
16 shall approve the terms and conditions, including the schedule,
17 of repayments. The schedule shall provide for repayments
18 commencing July 1 of each year or upon each fiscal year's
19 receipt of moneys from a tax levy for emergency financial
20 assistance. Repayment shall be incorporated into the annual
21 budget of the school district and may be made from any fund or
22 funds of the district in which there are moneys available. An
23 emergency financial assistance loan to the Panel or district
24 shall not be considered part of the calculation of a district's
25 debt for purposes of the limitation specified in Section 19-1
26 of this Code. Default on repayment is subject to the Illinois

1 Grant Funds Recovery Act. When moneys are repaid as provided
2 herein they shall not be made available to the local board for
3 further use as emergency financial assistance under this
4 Article at any time thereafter. All repayments required to be
5 made by a school district shall be received by the State Board
6 and deposited in the School District Emergency Financial
7 Assistance Fund.

8 In establishing the terms and conditions for the repayment
9 obligation of the school district the Panel shall annually
10 determine whether a separate local property tax levy is
11 required. The board of any school district with a tax rate for
12 educational purposes for the prior year of less than 120% of
13 the maximum rate for educational purposes authorized by Section
14 17-2 shall provide for a separate tax levy for emergency
15 financial assistance repayment purposes. Such tax levy shall
16 not be subject to referendum approval. The amount of the levy
17 shall be equal to the amount necessary to meet the annual
18 repayment obligations of the district as established by the
19 Panel, or 20% of the amount levied for educational purposes for
20 the prior year, whichever is less. However, no district shall
21 be required to levy the tax if the district's operating tax
22 rate as determined under Section 18-8, ~~or 18-8.05,~~ or 18-8.15
23 exceeds 200% of the district's tax rate for educational
24 purposes for the prior year.

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

1 (105 ILCS 5/1C-1)

2 Sec. 1C-1. Purpose. The purpose of this Article is to
3 permit greater flexibility and efficiency in the distribution
4 and use of certain State funds available to local education
5 agencies for the improvement of the quality of educational
6 services pursuant to locally established priorities.

7 Through fiscal year 2017, this ~~This~~ Article does not apply
8 to school districts having a population in excess of 500,000
9 inhabitants.

10 (Source: P.A. 88-555, eff. 7-27-94; 89-15, eff. 5-30-95;
11 89-397, eff. 8-20-95; 89-626, eff. 8-9-96.)

12 (105 ILCS 5/1C-2)

13 Sec. 1C-2. Block grants.

14 (a) For fiscal year 1999, and each fiscal year thereafter,
15 the State Board of Education shall award to school districts
16 block grants as described in subsection (c). The State Board of
17 Education may adopt rules and regulations necessary to
18 implement this Section. In accordance with Section 2-3.32, all
19 state block grants are subject to an audit. Therefore, block
20 grant receipts and block grant expenditures shall be recorded
21 to the appropriate fund code.

22 (b) (Blank).

23 (c) An Early Childhood Education Block Grant shall be
24 created by combining the following programs: Preschool
25 Education, Parental Training and Prevention Initiative. These

1 funds shall be distributed to school districts and other
2 entities on a competitive basis, except that the State Board of
3 Education shall award to a school district having a population
4 exceeding 500,000 inhabitants 37% of the funds in each fiscal
5 year. Not less than 14% of the Early Childhood Education Block
6 Grant allocation of funds shall be used to fund programs for
7 children ages 0-3. Beginning in Fiscal Year 2016, at least 25%
8 of any additional Early Childhood Education Block Grant funding
9 over and above the previous fiscal year's allocation shall be
10 used to fund programs for children ages 0-3. Once the
11 percentage of Early Childhood Education Block Grant funding
12 allocated to programs for children ages 0-3 reaches 20% of the
13 overall Early Childhood Education Block Grant allocation for a
14 full fiscal year, thereafter in subsequent fiscal years the
15 percentage of Early Childhood Education Block Grant funding
16 allocated to programs for children ages 0-3 each fiscal year
17 shall remain at least 20% of the overall Early Childhood
18 Education Block Grant allocation. However, if, in a given
19 fiscal year, the amount appropriated for the Early Childhood
20 Education Block Grant is insufficient to increase the
21 percentage of the grant to fund programs for children ages 0-3
22 without reducing the amount of the grant for existing providers
23 of preschool education programs, then the percentage of the
24 grant to fund programs for children ages 0-3 may be held steady
25 instead of increased.

26 (Source: P.A. 98-645, eff. 7-1-14; 99-589, eff. 7-21-16.)

1 (105 ILCS 5/1D-1)

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

3 (a) For fiscal year 1996 through fiscal year 2017 ~~and each~~
4 ~~fiscal year thereafter~~, the State Board of Education shall
5 award to a school district having a population exceeding
6 500,000 inhabitants a general education block grant and an
7 educational services block grant, determined as provided in
8 this Section, in lieu of distributing to the district separate
9 State funding for the programs described in subsections (b) and
10 (c). The provisions of this Section, however, do not apply to
11 any federal funds that the district is entitled to receive. In
12 accordance with Section 2-3.32, all block grants are subject to
13 an audit. Therefore, block grant receipts and block grant
14 expenditures shall be recorded to the appropriate fund code for
15 the designated block grant.

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

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

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

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

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

8 (d) For fiscal year 1996 through fiscal year 2017 ~~and each~~
9 ~~fiscal year thereafter~~, the amount of the district's block
10 grants shall be determined as follows: (i) with respect to each
11 program that is included within each block grant, the district
12 shall receive an amount equal to the same percentage of the
13 current fiscal year appropriation made for that program as the
14 percentage of the appropriation received by the district from
15 the 1995 fiscal year appropriation made for that program, and
16 (ii) the total amount that is due the district under the block
17 grant shall be the aggregate of the amounts that the district
18 is entitled to receive for the fiscal year with respect to each
19 program that is included within the block grant that the State
20 Board of Education shall award the district under this Section
21 for that fiscal year. In the case of the Summer Bridges
22 program, the amount of the district's block grant shall be
23 equal to 44% of the amount of the current fiscal year
24 appropriation made for that program.

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

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

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

16 (g) Through fiscal year 2017, this ~~This~~ paragraph provides
17 for the treatment of block grants under Article 1C for purposes
18 of calculating the amount of block grants for a district under
19 this Section. Those block grants under Article 1C are, for this
20 purpose, treated as included in the amount of appropriation for
21 the various programs set forth in paragraph (b) above. The
22 appropriation in each current fiscal year for each block grant
23 under Article 1C shall be treated for these purposes as
24 appropriations for the individual program included in that
25 block grant. The proportion of each block grant so allocated to
26 each such program included in it shall be the proportion which

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

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

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

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

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

19 (105 ILCS 5/1E-20)

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

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

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

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

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

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

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

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

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

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

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

18 (105 ILCS 5/1F-20)

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

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

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

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

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

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

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

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

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

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

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

17 (105 ILCS 5/1F-62)

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

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

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

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

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

23 (b) The amount of an emergency financial assistance loan
24 that may be allocated to a School Finance Authority under this
25 Article, including moneys necessary for the operations of the
26 School Finance Authority, and borrowing from sources other than

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

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

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

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

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

26 In establishing the terms and conditions for the repayment

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

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

12 (105 ILCS 5/1H-20)

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

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

24 (b) Members of the Panel shall be selected primarily on the
25 basis of their experience and education in financial

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

7 (c) Panel members may be reimbursed by the State Board for
8 travel and other necessary expenses incurred in the performance
9 of their official duties. The amount reimbursed members for
10 their expenses shall be charged to the school district as part
11 of any emergency financial assistance and incorporated as a
12 part of the terms and conditions for repayment of the
13 assistance or shall be deducted from the district's general
14 State aid or evidence-based funding as provided in Section
15 1H-65 of this Code.

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

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

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

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

2 (105 ILCS 5/1H-70)

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

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

14 (2) issue tax anticipation notes under the provisions
15 of the Tax Anticipation Note Act against taxes levied by
16 either the school board or the Panel pursuant to Section
17 1H-25 of this Code;

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

20 (4) issue general State aid or evidence-based funding
21 anticipation certificates under the provisions of Section
22 18-18 of this Code; and

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

25 Tax anticipation warrants, tax anticipation notes, revenue

1 anticipation certificates or notes, general State aid or
2 evidence-based funding anticipation certificates, and lines of
3 credit are considered borrowing from sources other than the
4 State and are subject to Section 1H-65 of this Code.

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

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

7 Sec. 2-3.33. Recomputation of claims. To recompute within
8 3 years from the final date for filing of a claim any claim for
9 general State aid reimbursement to any school district and one
10 year from the final date for filing of a claim for
11 evidence-based funding if the claim has been found to be
12 incorrect and to adjust subsequent claims accordingly, and to
13 recompute and adjust any such claims within 6 years from the
14 final date for filing when there has been an adverse court or
15 administrative agency decision on the merits affecting the tax
16 revenues of the school district. However, no such adjustment
17 shall be made regarding equalized assessed valuation unless the
18 district's equalized assessed valuation is changed by greater
19 than \$250,000 or 2%. Any adjustments for claims recomputed for
20 the 2016-2017 school year and prior school years shall be
21 applied to the apportionment of evidence-based funding in
22 Section 18-8.15 of this Code beginning in the 2017-2018 school
23 year and thereafter. However, the recomputation of a claim for
24 evidence-based funding for a school district shall not require
25 the recomputation of claims for all districts, and the State

1 Board of Education shall only make recomputations of
2 evidence-based funding for those districts where an adjustment
3 is required.

4 Except in the case of an adverse court or administrative
5 agency decision, no recomputation of a State aid claim shall be
6 made pursuant to this Section as a result of a reduction in the
7 assessed valuation of a school district from the assessed
8 valuation of the district reported to the State Board of
9 Education by the Department of Revenue under Section 18-8.05 or
10 18-8.15 of this Code unless the requirements of Section 16-15
11 of the Property Tax Code and Section 2-3.84 of this Code are
12 complied with in all respects.

13 This paragraph applies to all requests for recomputation of
14 a general State aid or evidence-based funding claim received
15 after June 30, 2003. In recomputing a general State aid or
16 evidence-based funding claim that was originally calculated
17 using an extension limitation equalized assessed valuation
18 under paragraph (3) of subsection (G) of Section 18-8.05 of
19 this Code or Section 18-8.15 of this Code, a qualifying
20 reduction in equalized assessed valuation shall be deducted
21 from the extension limitation equalized assessed valuation
22 that was used in calculating the original claim.

23 From the total amount of general State aid or
24 evidence-based funding to be provided to districts,
25 adjustments as a result of recomputation under this Section
26 together with adjustments under Section 2-3.84 must not exceed

1 \$25 million, in the aggregate for all districts under both
2 Sections combined, of the general State aid or evidence-based
3 funding appropriation in any fiscal year; if necessary, amounts
4 shall be prorated among districts. If it is necessary to
5 prorate claims under this paragraph, then that portion of each
6 prorated claim that is approved but not paid in the current
7 fiscal year may be resubmitted as a valid claim in the
8 following fiscal year.

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

10 (105 ILCS 5/2-3.51.5)

11 Sec. 2-3.51.5. School Safety and Educational Improvement
12 Block Grant Program. To improve the level of education and
13 safety of students from kindergarten through grade 12 in school
14 districts and State-recognized, non-public schools. The State
15 Board of Education is authorized to fund a School Safety and
16 Educational Improvement Block Grant Program.

17 (1) For school districts, the program shall provide funding
18 for school safety, textbooks and software, electronic
19 textbooks and the technological equipment necessary to gain
20 access to and use electronic textbooks, teacher training and
21 curriculum development, school improvements, school report
22 cards under Section 10-17a, and criminal history records checks
23 under Sections 10-21.9 and 34-18.5. For State-recognized,
24 non-public schools, the program shall provide funding for
25 secular textbooks and software, criminal history records

1 checks, and health and safety mandates to the extent that the
2 funds are expended for purely secular purposes. A school
3 district or laboratory school as defined in Section 18-8, ~~or~~
4 18-8.05, or 18-8.15 is not required to file an application in
5 order to receive the categorical funding to which it is
6 entitled under this Section. Funds for the School Safety and
7 Educational Improvement Block Grant Program shall be
8 distributed to school districts and laboratory schools based on
9 the prior year's best 3 months average daily attendance. Funds
10 for the School Safety and Educational Improvement Block Grant
11 Program shall be distributed to State-recognized, non-public
12 schools based on the average daily attendance figure for the
13 previous school year provided to the State Board of Education.
14 The State Board of Education shall develop an application that
15 requires State-recognized, non-public schools to submit
16 average daily attendance figures. A State-recognized,
17 non-public school must submit the application and average daily
18 attendance figure prior to receiving funds under this Section.
19 The State Board of Education shall promulgate rules and
20 regulations necessary for the implementation of this program.

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

25 (3) Grants under the School Safety and Educational
26 Improvement Block Grant Program shall be awarded provided there

1 is an appropriation for the program, and funding levels for
2 each district shall be prorated according to the amount of the
3 appropriation.

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

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

8 (105 ILCS 5/2-3.66) (from Ch. 122, par. 2-3.66)

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

1 conformance with rules adopted by the State Board of Education.
2 Truants' Alternative and Optional Education programs funded
3 pursuant to this Section shall be planned by a student, the
4 student's parents or legal guardians, unless the student is 18
5 years or older, and school officials and shall culminate in an
6 individualized optional education plan. Such plan shall focus
7 on academic or vocational skills, or both, and may include, but
8 not be limited to, evening school, summer school, community
9 college courses, adult education, preparation courses for high
10 school equivalency testing, vocational training, work
11 experience, programs to enhance self concept and parenting
12 courses. School districts which are awarded grants pursuant to
13 this Section shall be authorized to provide day care services
14 to children of students who are eligible and desire to enroll
15 in programs established and funded under this Section, but only
16 if and to the extent that such day care is necessary to enable
17 those eligible students to attend and participate in the
18 programs and courses which are conducted pursuant to this
19 Section. School districts and regional offices of education may
20 claim general State aid under Section 18-8.05 or evidence-based
21 funding under Section 18-8.15 for students enrolled in truants'
22 alternative and optional education programs, provided that
23 such students are receiving services that are supplemental to a
24 program leading to a high school diploma and are otherwise
25 eligible to be claimed for general State aid under Section
26 18-8.05 or evidence-based funding under Section 18-8.15, as

1 applicable.

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

3 (105 ILCS 5/2-3.66b)

4 Sec. 2-3.66b. IHOPE Program.

5 (a) There is established the Illinois Hope and Opportunity
6 Pathways through Education (IHOPE) Program. The State Board of
7 Education shall implement and administer the IHOPE Program. The
8 goal of the IHOPE Program is to develop a comprehensive system
9 in this State to re-enroll significant numbers of high school
10 dropouts in programs that will enable them to earn their high
11 school diploma.

12 (b) The IHOPE Program shall award grants, subject to
13 appropriation for this purpose, to educational service regions
14 and a school district organized under Article 34 of this Code
15 from appropriated funds to assist in establishing
16 instructional programs and other services designed to
17 re-enroll high school dropouts. From any funds appropriated for
18 the IHOPE Program, the State Board of Education may use up to
19 5% for administrative costs, including the performance of a
20 program evaluation and the hiring of staff to implement and
21 administer the program.

22 The IHOPE Program shall provide incentive grant funds for
23 regional offices of education and a school district organized
24 under Article 34 of this Code to develop partnerships with
25 school districts, public community colleges, and community

1 groups to build comprehensive plans to re-enroll high school
2 dropouts in their regions or districts.

3 Programs funded through the IHOPE Program shall allow high
4 school dropouts, up to and including age 21 notwithstanding
5 Section 26-2 of this Code, to re-enroll in an educational
6 program in conformance with rules adopted by the State Board of
7 Education. Programs may include without limitation
8 comprehensive year-round programming, evening school, summer
9 school, community college courses, adult education, vocational
10 training, work experience, programs to enhance self-concept,
11 and parenting courses. Any student in the IHOPE Program who
12 wishes to earn a high school diploma must meet the
13 prerequisites to receiving a high school diploma specified in
14 Section 27-22 of this Code and any other graduation
15 requirements of the student's district of residence. Any
16 student who successfully completes the requirements for his or
17 her graduation shall receive a diploma identifying the student
18 as graduating from his or her district of residence.

19 (c) In order to be eligible for funding under the IHOPE
20 Program, an interested regional office of education or a school
21 district organized under Article 34 of this Code shall develop
22 an IHOPE Plan to be approved by the State Board of Education.
23 The State Board of Education shall develop rules for the IHOPE
24 Program that shall set forth the requirements for the
25 development of the IHOPE Plan. Each Plan shall involve school
26 districts, public community colleges, and key community

1 programs that work with high school dropouts located in an
2 educational service region or the City of Chicago before the
3 Plan is sent to the State Board for approval. No funds may be
4 distributed to a regional office of education or a school
5 district organized under Article 34 of this Code until the
6 State Board has approved the Plan.

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

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

22 (e) In order to distribute funding based upon the need to
23 ensure delivery of programs that will have the greatest impact,
24 IHOPE Program funding must be distributed based upon the
25 proportion of dropouts in the educational service region or
26 school district, in the case of a school district organized

1 under Article 34 of this Code, to the total number of dropouts
2 in this State. This formula shall employ the dropout data
3 provided by school districts to the State Board of Education.

4 A regional office of education or a school district
5 organized under Article 34 of this Code may claim State aid
6 under Section 18-8.05 or 18-8.15 of this Code for students
7 enrolled in a program funded by the IHOPE Program, provided
8 that the State Board of Education has approved the IHOPE Plan
9 and that these students are receiving services that are meeting
10 the requirements of Section 27-22 of this Code for receipt of a
11 high school diploma and are otherwise eligible to be claimed
12 for general State aid under Section 18-8.05 of this Code or
13 evidence-based funding under Section 18-8.15 of this Code,
14 including provisions related to the minimum number of days of
15 pupil attendance pursuant to Section 10-19 of this Code and the
16 minimum number of daily hours of school work and any exceptions
17 thereto as defined by the State Board of Education in rules.

18 (f) IHOPE categories of programming may include the
19 following:

20 (1) Full-time programs that are comprehensive,
21 year-round programs.

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

25 (3) Online programs and courses in which students take
26 courses and complete on-site, supervised tests that

1 measure the student's mastery of a specific course needed
2 for graduation. Students may take courses online and earn
3 credit or students may prepare to take supervised tests for
4 specific courses for credit leading to receipt of a high
5 school diploma.

6 (4) Dual enrollment in which students attend high
7 school classes in combination with community college
8 classes or students attend community college classes while
9 simultaneously earning high school credit and eventually a
10 high school diploma.

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

15 (1) Small programs (70 to 100 students) at a separate
16 school site with a distinct identity. Programs may be
17 larger with specific need and justification, keeping in
18 mind that it is crucial to keep programs small to be
19 effective.

20 (2) Specific performance-based goals and outcomes and
21 measures of enrollment, attendance, skills, credits,
22 graduation, and the transition to college, training, and
23 employment.

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

26 (4) Voluntary enrollment.

1 (5) High standards for student learning, integrating
2 work experience, and education, including during the
3 school year and after school, and summer school programs
4 that link internships, work, and learning.

5 (6) Comprehensive programs providing extensive support
6 services.

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

10 (8) A comprehensive technology learning center with
11 Internet access and broad-based curriculum focusing on
12 academic and career subject areas.

13 (9) Learning opportunities that incorporate action
14 into study.

15 (h) Programs funded through the IHOPE Program must report
16 data to the State Board of Education as requested. This
17 information shall include, but is not limited to, student
18 enrollment figures, attendance information, course completion
19 data, graduation information, and post-graduation information,
20 as available.

21 (i) Rules must be developed by the State Board of Education
22 to set forth the fund distribution process to regional offices
23 of education and a school district organized under Article 34
24 of this Code, the planning and the conditions upon which an
25 IHOPE Plan would be approved by State Board, and other rules to
26 develop the IHOPE Program.

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

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

3 Sec. 2-3.84. In calculating the amount of State aid to be
4 apportioned to the various school districts in this State, the
5 State Board of Education shall incorporate and deduct the total
6 aggregate adjustments to assessments made by the State Property
7 Tax Appeal Board or Cook County Board of Appeals, as reported
8 pursuant to Section 16-15 of the Property Tax Code or Section
9 129.1 of the Revenue Act of 1939 by the Department of Revenue,
10 from the equalized assessed valuation that is otherwise to be
11 utilized in the initial calculation.

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

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

1 (105 ILCS 5/2-3.109a)

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

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

9 (105 ILCS 5/3-14.21) (from Ch. 122, par. 3-14.21)

10 Sec. 3-14.21. Inspection of schools.

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

21 (b) If the regional superintendent determines that a school
22 board has failed in a timely manner to correct urgent items
23 identified in a previous life-safety report completed under
24 Section 2-3.12 or as otherwise previously ordered by the
25 regional superintendent, the regional superintendent shall

1 order the school board to adopt and submit to the regional
2 superintendent a plan for the immediate correction of the
3 building violations. This plan shall be adopted following a
4 public hearing that is conducted by the school board on the
5 violations and the plan and that is preceded by at least 7
6 days' prior notice of the hearing published in a newspaper of
7 general circulation within the school district. If the regional
8 superintendent determines in the next annual inspection that
9 the plan has not been completed and that the violations have
10 not been corrected, the regional superintendent shall submit a
11 report to the State Board of Education with a recommendation
12 that the State Board withhold from payments of general State
13 aid or evidence-based funding due to the district an amount
14 necessary to correct the outstanding violations. The State
15 Board, upon notice to the school board and to the regional
16 superintendent, shall consider the report at a meeting of the
17 State Board, and may order that a sufficient amount of general
18 State aid or evidence-based funding be withheld from payments
19 due to the district to correct the violations. This amount
20 shall be paid to the regional superintendent who shall contract
21 on behalf of the school board for the correction of the
22 outstanding violations.

23 (c) The Office of the State Fire Marshal or a qualified
24 fire official, as defined in Section 2-3.12 of this Code, to
25 whom the State Fire Marshal has delegated his or her authority
26 shall conduct an annual fire safety inspection of each school

1 building in this State. The State Fire Marshal or the fire
2 official shall coordinate its inspections with the regional
3 superintendent. The inspection shall be based on the fire
4 safety code authorized in Section 2-3.12 of this Code. Any
5 violations shall be reported in writing to the regional
6 superintendent and shall reference the specific code sections
7 where a discrepancy has been identified within 15 days after
8 the inspection has been conducted. The regional superintendent
9 shall address those violations that are not corrected in a
10 timely manner pursuant to subsection (b) of this Section. The
11 inspection must be at no cost to the school district.

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

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

21 (105 ILCS 5/7-14A) (from Ch. 122, par. 7-14A)

22 Sec. 7-14A. Annexation compensation. There shall be no
23 accounting made after a mere change in boundaries when no new
24 district is created, except that those districts whose
25 enrollment increases by 90% or more as a result of annexing

1 territory detached from another district pursuant to this
2 Article are eligible for supplementary State aid payments in
3 accordance with Section 11E-135 of this Code. Eligible annexing
4 districts shall apply to the State Board of Education for
5 supplementary State aid payments by submitting enrollment
6 figures for the year immediately preceding and the year
7 immediately following the effective date of the boundary change
8 for both the district gaining territory and the district losing
9 territory. Copies of any intergovernmental agreements between
10 the district gaining territory and the district losing
11 territory detailing any transfer of fund balances and staff
12 must also be submitted. In all instances of changes in
13 boundaries, the district losing territory shall not count the
14 average daily attendance of pupils living in the territory
15 during the year preceding the effective date of the boundary
16 change in its claim for reimbursement under Section 18-8.05 or
17 18-8.15 of this Code for the school year following the
18 effective date of the change in boundaries and the district
19 receiving the territory shall count the average daily
20 attendance of pupils living in the territory during the year
21 preceding the effective date of the boundary change in its
22 claim for reimbursement under Section 18-8.05 or 18-8.15 of
23 this Code for the school year following the effective date of
24 the change in boundaries. The changes to this Section made by
25 this amendatory Act of the 95th General Assembly are intended
26 to be retroactive and applicable to any annexation taking

1 effect on or after July 1, 2004.

2 (Source: P.A. 99-657, eff. 7-28-16.)

3 (105 ILCS 5/10-19) (from Ch. 122, par. 10-19)

4 Sec. 10-19. Length of school term - experimental programs.
5 Each school board shall annually prepare a calendar for the
6 school term, specifying the opening and closing dates and
7 providing a minimum term of at least 185 days to insure 176
8 days of actual pupil attendance, computable under Section
9 18-8.05 or 18-8.15, except that for the 1980-1981 school year
10 only 175 days of actual pupil attendance shall be required
11 because of the closing of schools pursuant to Section 24-2 on
12 January 29, 1981 upon the appointment by the President of that
13 day as a day of thanksgiving for the freedom of the Americans
14 who had been held hostage in Iran. Any days allowed by law for
15 teachers' institutes but not used as such or used as parental
16 institutes as provided in Section 10-22.18d shall increase the
17 minimum term by the school days not so used. Except as provided
18 in Section 10-19.1, the board may not extend the school term
19 beyond such closing date unless that extension of term is
20 necessary to provide the minimum number of computable days. In
21 case of such necessary extension school employees shall be paid
22 for such additional time on the basis of their regular
23 contracts. A school board may specify a closing date earlier
24 than that set on the annual calendar when the schools of the
25 district have provided the minimum number of computable days

1 under this Section. Nothing in this Section prevents the board
2 from employing superintendents of schools, principals and
3 other nonteaching personnel for a period of 12 months, or in
4 the case of superintendents for a period in accordance with
5 Section 10-23.8, or prevents the board from employing other
6 personnel before or after the regular school term with payment
7 of salary proportionate to that received for comparable work
8 during the school term.

9 A school board may make such changes in its calendar for
10 the school term as may be required by any changes in the legal
11 school holidays prescribed in Section 24-2. A school board may
12 make changes in its calendar for the school term as may be
13 necessary to reflect the utilization of teachers' institute
14 days as parental institute days as provided in Section
15 10-22.18d.

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

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

1 approved shall be considered to comply with the requirements of
2 this Section as respects numbers of days of actual pupil
3 attendance and with the other requirements of this Act as
4 respects courses of instruction.

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

6 (105 ILCS 5/10-22.5a) (from Ch. 122, par. 10-22.5a)

7 Sec. 10-22.5a. Attendance by dependents of United States
8 military personnel, foreign exchange students, and certain
9 nonresident pupils.

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

20 To enter into written agreements with adjacent school
21 districts to provide for tuition free attendance by a student
22 of the adjacent district when requested for the student's
23 health and safety by the student or parent and both districts
24 determine that the student's health or safety will be served by
25 such attendance. Districts shall not be required to enter into

1 such agreements nor be required to alter existing
2 transportation services due to the attendance of such
3 non-resident pupils.

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

20 (b) Nonresident pupils and foreign exchange students
21 attending school on a tuition free basis under such agreements
22 and nonresident dependents of United States military personnel
23 attending school on a tuition free basis may be counted for the
24 purposes of determining the apportionment of State aid provided
25 under Section 18-8.05 or 18-8.15 of this Code. No organization
26 or institution participating in agreements authorized under

1 this Section may exclude any individual for participation in
2 its program on account of the person's race, color, sex,
3 religion or nationality.

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

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

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

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

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

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

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

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

1 provide for:

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

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

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

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

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

24 (c) Upon the annual approval of the Illinois Community
25 College Board, reimbursement shall be first provided for
26 transportation, child care services, and other special needs of

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

5 (1) For adult basic education, the maximum
6 reimbursement per credit hour or per unit of instruction
7 shall be equal to (i) through fiscal year 2017, the general
8 state aid per pupil foundation level established in
9 subsection (B) of Section 18-8.05, divided by 60, or (ii)
10 in fiscal year 2018 and thereafter, the prior fiscal year
11 reimbursement level multiplied by the Consumer Price Index
12 for All Urban Consumers for all items published by the
13 United States Department of Labor;

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

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

24 (4) (Blank); and

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

1 (d) Upon its annual approval, the Illinois Community
2 College Board shall provide grants to eligible programs for
3 supplemental activities to improve or expand services under the
4 Adult Education Act. Eligible programs shall be determined
5 based upon performance outcomes of students in the programs as
6 set by the Illinois Community College Board.

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

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

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

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

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

1 For classes authorized under this Section, a credit hour or
2 unit of instruction is equal to 15 hours of direct instruction
3 for students enrolled in approved adult education programs at
4 midterm and making satisfactory progress, in accordance with
5 standards established by the Illinois Community College Board.

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

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

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

1 the establishment of such classes.

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

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

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

26 After July 1, 1970 when the provisions of Section 10-20.20

1 become operative in the district, children in a child-care
2 facility shall be transferred to the kindergarten established
3 under that Section for such portion of the day as may be
4 required for the kindergarten program, and only the prorated
5 costs of care and training provided in the Center for the
6 remaining period shall be charged to the Illinois Department of
7 Human Services or other persons or agencies paying for such
8 care.

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

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

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

19 (105 ILCS 5/10-29)

20 Sec. 10-29. Remote educational programs.

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

25 (1) A student may participate in the program only after

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

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

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

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

25 (D) A description of the process the school
26 district will use to develop and approve a written

1 remote educational plan that meets the requirements of
2 subdivision (5) of this subsection (a).

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

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

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

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

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

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

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

25 (C) they have responsibility for all of the
26 following elements of the program: planning

1 instruction, diagnosing learning needs, prescribing
2 content delivery through class activities, assessing
3 learning, reporting outcomes to administrators and
4 parents and guardians, and evaluating the effects of
5 instruction.

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

24 (5) Each student participating in a remote educational
25 program must have a written remote educational plan that
26 has been approved by the school district and a person

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

7 (A) Specific achievement goals for the student
8 aligned to State learning standards.

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

14 (C) A description of the progress reports that will
15 be provided to the school district and the person or
16 persons authorized to enroll the student under Section
17 10-20.12b of this Code.

18 (D) Expectations, processes, and schedules for
19 interaction between a teacher and student.

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

1 (F) If applicable, a description of how the remote
2 educational program will be delivered in a manner
3 consistent with the student's individualized education
4 program required by Section 614(d) of the federal
5 Individuals with Disabilities Education Improvement
6 Act of 2004 or plan to ensure compliance with Section
7 504 of the federal Rehabilitation Act of 1973.

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

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

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

1 (J) The term of the student's participation in the
2 remote educational program, which may not extend for
3 longer than 12 months, unless the term is renewed by
4 the district in accordance with subdivision (7) of this
5 subsection (a).

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

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

19 (6) Students participating in a remote educational
20 program must be enrolled in a school district attendance
21 center pursuant to the school district's enrollment policy
22 or policies. A student participating in a remote
23 educational program must be tested as part of all
24 assessments administered by the school district pursuant
25 to Section 2-3.64a-5 of this Code at the attendance center
26 in which the student is enrolled and in accordance with the

1 attendance center's assessment policies and schedule. The
2 student must be included within all accountability
3 determinations for the school district and attendance
4 center under State and federal law.

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

15 For purposes of this Section, a remote educational program
16 does not include instruction delivered to students through an
17 e-learning program approved under Section 10-20.56 of this
18 Code.

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

21 (c) Clock hours of instruction by students in a remote
22 educational program meeting the requirements of this Section
23 may be claimed by the school district and shall be counted as
24 school work for general State aid purposes in accordance with
25 and subject to the limitations of Section 18-8.05 of this Code
26 or evidence-based funding purposes in accordance with and

1 subject to the limitations of Section 18-8.15 of this Code.

2 (d) The impact of remote educational programs on wages,
3 hours, and terms and conditions of employment of educational
4 employees within the school district shall be subject to local
5 collective bargaining agreements.

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

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

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

23 (h) The State Board of Education may adopt any rules
24 necessary to ensure compliance by remote educational programs
25 with the requirements of this Section and other applicable
26 legal requirements.

1 (Source: P.A. 98-972, eff. 8-15-14; 99-193, eff. 7-30-15;
2 99-194, eff. 7-30-15; 99-642, eff. 7-28-16.)

3 (105 ILCS 5/11E-135)

4 Sec. 11E-135. Incentives. For districts reorganizing under
5 this Article and for a district or districts that annex all of
6 the territory of one or more entire other school districts in
7 accordance with Article 7 of this Code, the following payments
8 shall be made from appropriations made for these purposes:

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

22 (2) For a school district that annexes all of the territory
23 of one or more entire other school districts as defined in
24 Article 7 of this Code, for the first year during which the
25 change of boundaries attributable to the annexation becomes

1 effective for all purposes, as determined under Section 7-9 of
2 this Code, the general State aid and supplemental general State
3 aid calculated under Section 18-8.05 of this Code or the
4 evidence-based funding calculated under Section 18-8.15 of
5 this Code, as applicable, shall be computed for the annexing
6 district as constituted after the annexation and for the
7 annexing and each annexed district as constituted prior to the
8 annexation; and if the computation on the basis of the annexing
9 and annexed districts as constituted prior to the annexation is
10 greater, then a supplementary payment equal to the difference
11 shall be made for the first 4 years of existence of the
12 annexing school district as constituted upon the annexation.

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

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

24 (4) For a school district conversion, as defined in Section
25 11E-15 of this Code, or a multi-unit conversion, as defined in
26 subsection (b) of Section 11E-30 of this Code, if in their

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

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

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

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

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

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

1 actual aggregate grade K through 8 pupil enrollment of all
2 such newly created districts for their first year of
3 existence.

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

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

26 (6) For an elementary opt-in, as described in subsection

1 (d) of Section 11E-30 of this Code, the general State aid or
2 evidence-based funding difference shall be computed in
3 accordance with paragraph (5) of this subsection (a) as if the
4 elementary opt-in was included in an optional elementary unit
5 district at the optional elementary unit district's original
6 effective date. If the calculation in this paragraph (6) is
7 less than that calculated in paragraph (5) of this subsection
8 (a) at the optional elementary unit district's original
9 effective date, then no adjustments may be made. If the
10 calculation in this paragraph (6) is more than that calculated
11 in paragraph (5) of this subsection (a) at the optional
12 elementary unit district's original effective date, then the
13 excess must be paid as follows:

14 (A) If the effective date for the elementary opt-in is
15 one year after the effective date for the optional
16 elementary unit district, 100% of the calculated excess
17 shall be paid to the optional elementary unit district in
18 each of the first 4 years after the effective date of the
19 elementary opt-in.

20 (B) If the effective date for the elementary opt-in is
21 2 years after the effective date for the optional
22 elementary unit district, 75% of the calculated excess
23 shall be paid to the optional elementary unit district in
24 each of the first 4 years after the effective date of the
25 elementary opt-in.

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

1 3 years after the effective date for the optional
2 elementary unit district, 50% of the calculated excess
3 shall be paid to the optional elementary unit district in
4 each of the first 4 years after the effective date of the
5 elementary opt-in.

6 (D) If the effective date for the elementary opt-in is
7 4 years after the effective date for the optional
8 elementary unit district, 25% of the calculated excess
9 shall be paid to the optional elementary unit district in
10 each of the first 4 years after the effective date of the
11 elementary opt-in.

12 (E) If the effective date for the elementary opt-in is
13 5 years after the effective date for the optional
14 elementary unit district, the optional elementary unit
15 district is not eligible for any additional incentives due
16 to the elementary opt-in.

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

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

1 yearly payment under this paragraph (6.5) shall be paid in the
2 fiscal year of January 11, 2008 (the effective date of Public
3 Act 95-707). Subsequent required yearly payments shall be paid
4 in subsequent fiscal years until the payment obligation under
5 this paragraph (6.5) is complete.

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

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

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

1 of the previously existing district with the highest salary
2 schedule.

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

23 (3) For each new high school district formed under a school
24 district conversion, as defined in Section 11E-15 of this Code,
25 the State shall make a supplementary payment for 4 years equal
26 to the difference between the sum of the salaries earned by

1 each certified member of the new high school district, while
2 employed in one of the previously existing districts, and the
3 sum of the salaries those certified members would have been
4 paid if placed on the salary schedule of the previously
5 existing district with the highest salary schedule.

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

19 (5) For an elementary district opt-in, as described in
20 subsection (d) of Section 11E-30 of this Code, the salary
21 difference incentive shall be computed in accordance with
22 paragraph (4) of this subsection (b) as if the opted-in
23 elementary district was included in the optional elementary
24 unit district at the optional elementary unit district's
25 original effective date. If the calculation in this paragraph
26 (5) is less than that calculated in paragraph (4) of this

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

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

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

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

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

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

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

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

1 (5.10) After the annexation of territory detached from
2 another school district whereby the enrollment of the annexing
3 district increases by 90% or more as a result of the
4 annexation, a computation shall be made to determine the
5 difference between the salaries effective in the district
6 gaining territory and the district losing territory as they
7 each were constituted on June 30 preceding the date when the
8 change of boundaries attributable to the annexation became
9 effective for all purposes as determined under Section 7-9 of
10 this Code. For the first 4 years after the annexation, a
11 supplementary State aid reimbursement shall be paid to the
12 annexing district equal to the difference between the sum of
13 the salaries earned by each of the certificated members of the
14 annexing district as constituted after the annexation while
15 employed in the district gaining territory or the district
16 losing territory during the year immediately preceding the
17 annexation and the sum of the salaries those certificated
18 members would have been paid during such immediately preceding
19 year if placed on the salary schedule of whichever of the
20 district gaining territory or district losing territory had the
21 highest salary schedule during the immediately preceding year.
22 To be eligible for supplementary State aid reimbursement under
23 this Section, the intergovernmental agreement to be submitted
24 pursuant to Section 7-14A of this Code must show that staff
25 members were transferred from the control of the district
26 losing territory to the control of the district gaining

1 territory in the annexation. The changes to this Section made
2 by Public Act 95-707 are intended to be retroactive and
3 applicable to any annexation taking effect on or after July 1,
4 2004. For annexations that are eligible for payments under this
5 paragraph (5.10) and that are effective on or after July 1,
6 2004, but before January 11, 2008 (the effective date of Public
7 Act 95-707), the first required yearly payment under this
8 paragraph (5.10) shall be paid in the fiscal year of January
9 11, 2008 (the effective date of Public Act 95-707). Subsequent
10 required yearly payments shall be paid in subsequent fiscal
11 years until the payment obligation under this paragraph (5.10)
12 is complete.

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

1 deactivation and the sum of the salaries those certificated
2 members would have been paid during the year immediately
3 preceding the deactivation if placed on the salary schedule of
4 the sending or receiving district with the highest salary
5 schedule.

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

1 2008 (the effective date of Public Act 95-707). Each year that
2 the new, annexing, or receiving district or cooperative high
3 school, as the case may be, is entitled to receive
4 reimbursement, the number of eligible certified members who are
5 employed on October 1 in the district or cooperative high
6 school shall be certified to the State Board of Education on
7 prescribed forms by October 15 and payment shall be made on or
8 before November 15 of that year.

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

21 (2) For the first year after the annexation of all of the
22 territory of one or more entire school districts by another
23 school district, as defined in Article 7 of this Code,
24 computations shall be made, for the year ending June 30 prior
25 to the date that the change of boundaries attributable to the
26 annexation is allowed by the affirmative decision issued by the

1 regional board of school trustees under Section 7-6 of this
2 Code, notwithstanding any effort to seek administrative review
3 of the decision, totaling the annexing district's and totaling
4 each annexed district's audited fund balances in their
5 respective educational, working cash, operations and
6 maintenance, and transportation funds. The annexing district
7 as constituted after the annexation shall be paid supplementary
8 State aid equal to the sum of the differences between the
9 deficit of whichever of the annexing or annexed districts as
10 constituted prior to the annexation had the smallest deficit
11 and the deficits of each of the other districts as constituted
12 prior to the annexation.

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

1 the differences between the deficit of whichever of the
2 annexing or annexed districts as constituted prior to the
3 annexation had the smallest deficit and the deficits of each of
4 the other districts as constituted prior to the annexation. The
5 aggregate amount of the supplementary State aid payable under
6 this paragraph (3) shall be allocated between or among the
7 annexing districts as follows:

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

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

1 (C) the aggregate supplementary State aid payment
2 under this paragraph (3) shall be allocated between or
3 among, and shall be paid to, the annexing districts in the
4 same ratio as the sum of the combined audited fund balance
5 deficit of each annexing district as constituted prior to
6 the annexation, plus all combined audited fund balance
7 deficit amounts apportioned to that annexing district
8 under clause (B) of this subsection, bears to the aggregate
9 of the combined audited fund balance deficits of all of the
10 annexing and annexed districts as constituted prior to the
11 annexation.

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

1 districts. A district with a combined balance among the 4 funds
2 that is positive shall be considered to have a deficit of zero.
3 The supplementary payment shall be allocated among the newly
4 formed high school and elementary districts in the manner
5 provided by the petition for the formation of the districts, in
6 the form in which the petition is approved by the regional
7 superintendent of schools or State Superintendent of Education
8 under Section 11E-50 of this Code.

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

25 (6) For an elementary opt-in as defined in subsection (d)
26 of Section 11E-30 of this Code, the deficit fund balance

1 incentive shall be computed in accordance with paragraph (5) of
2 this subsection (c) as if the opted-in elementary was included
3 in the optional elementary unit district at the optional
4 elementary unit district's original effective date. If the
5 calculation in this paragraph (6) is less than that calculated
6 in paragraph (5) of this subsection (c) at the optional
7 elementary unit district's original effective date, then no
8 adjustments may be made. If the calculation in this paragraph
9 (6) is more than that calculated in paragraph (5) of this
10 subsection (c) at the optional elementary unit district's
11 original effective date, then the excess must be paid as
12 follows:

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

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

25 (C) If the effective date for the elementary opt-in is
26 3 years after the effective date for the optional

1 elementary unit district, 50% of the calculated excess
2 shall be paid to the optional elementary unit district in
3 the first year after the effective date of the elementary
4 opt-in.

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

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

16 (6.5) For the first year after the annexation of territory
17 detached from another school district whereby the enrollment of
18 the annexing district increases by 90% or more as a result of
19 the annexation, a computation shall be made totaling the
20 audited fund balances of the district gaining territory and the
21 audited fund balances of the district losing territory in the
22 educational fund, working cash fund, operations and
23 maintenance fund, and transportation fund for the year ending
24 June 30 prior to the date that the change of boundaries
25 attributable to the annexation is allowed by the affirmative
26 decision of the regional board of school trustees under Section

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

1 or after July 1, 2004, but before January 11, 2008 (the
2 effective date of Public Act 95-707), the required payment
3 under this paragraph (6.5) shall be paid in the fiscal year of
4 January 11, 2008 (the effective date of Public Act 95-707).

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

1 those categories are defined in rules of the State Board of
2 Education. If this 3-year average is less than the district's
3 expenditures in these categories for the specified year ending
4 June 30, as provided in paragraphs (1), (2), (3), (4), (5),
5 (6), and (6.5) of this subsection (c), then the 3-year average
6 shall be used in calculating the amounts payable under this
7 Section in place of the amounts shown in these categories for
8 the specified year ending June 30, as provided in paragraphs
9 (1), (2), (3), (4), (5), (6), and (6.5) of this subsection (c).
10 Any deficit because of State aid not yet received may not be
11 considered in determining the June 30 deficits. The same basis
12 of accounting shall be used by all previously existing
13 districts and by all annexing or annexed districts, as
14 constituted prior to the annexation, in making any computation
15 required under paragraphs (1), (2), (3), (4), (5), (6), and
16 (6.5) of this subsection (c).

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

20 (d)(1) Following the formation of a combined school
21 district, as defined in Section 11E-20 of this Code, a new unit
22 district, as defined in Section 11E-25 of this Code, a new
23 elementary district or districts and a new high school district
24 formed through a school district conversion, as defined in
25 Section 11E-15 of this Code, a new partial elementary unit
26 district, as defined in Section 11E-30 of this Code, or a new

1 elementary district or districts formed through a multi-unit
2 conversion, as defined in subsection (b) of Section 11E-30 of
3 this Code, or the annexation of all of the territory of one or
4 more entire school districts by one or more other school
5 districts, as defined in Article 7 of this Code, a
6 supplementary State aid reimbursement shall be paid for the
7 number of school years determined under the following table to
8 each new or annexing district equal to the sum of \$4,000 for
9 each certified employee who is employed by the district on a
10 full-time basis for the regular term of the school year:

11	Reorganized District's Rank	Reorganized District's Rank		
12	by type of district (unit,	in Average Daily Attendance		
13	high school, elementary)	By Quintile		
14	in Equalized Assessed Value			
15	Per Pupil by Quintile			
16				3rd, 4th,
17		1st	2nd	or 5th
18		Quintile	Quintile	Quintile
19	1st Quintile	1 year	1 year	1 year
20	2nd Quintile	1 year	2 years	2 years
21	3rd Quintile	2 years	3 years	3 years
22	4th Quintile	2 years	3 years	3 years
23	5th Quintile	2 years	3 years	3 years

24 The State Board of Education shall make a one-time calculation

1 of a reorganized district's quintile ranks. The average daily
2 attendance used in this calculation shall be the best 3 months'
3 average daily attendance for the district's first year. The
4 equalized assessed value per pupil shall be the district's real
5 property equalized assessed value used in calculating the
6 district's first-year general State aid claim, under Section
7 18-8.05 of this Code, or first-year evidence-based funding
8 claim, under Section 18-8.15 of this Code, as applicable,
9 divided by the best 3 months' average daily attendance.

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

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

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

1 calculation from this paragraph (2) must be paid as follows:

2 (A) If the effective date for the elementary opt-in is
3 one year after the effective date for the optional
4 elementary unit district, 100% of the amount calculated in
5 this paragraph (2) shall be paid to the optional elementary
6 unit district for the number of years calculated in
7 paragraph (1) of this subsection (d) at the optional
8 elementary unit district's original effective date,
9 starting in the second year after the effective date of the
10 elementary opt-in.

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

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

1 starting in the second year after the effective date of the
2 elementary opt-in.

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

12 (E) If the effective date for the elementary opt-in is
13 5 years after the effective date for the optional
14 elementary unit district, the optional elementary unit
15 district is not eligible for any additional incentives due
16 to the elementary opt-in.

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

1 a single payment for that year based solely on the most recent
2 agreement.

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

1 (2.10) is complete.

2 (2.15) Following the deactivation of a school facility in
3 accordance with Section 10-22.22b of this Code, a supplementary
4 State aid reimbursement shall be paid for the lesser of 3
5 school years or the length of the deactivation agreement,
6 including any renewals of the original deactivation agreement,
7 to each receiving school district equal to the sum of \$4,000
8 for each certified employee who is employed by that receiving
9 district on a full-time basis for the regular term of any such
10 school year who was originally transferred to the control of
11 that receiving district as a result of the deactivation.
12 Receiving districts are eligible for payments under this
13 paragraph (2.15) based on the certified employees transferred
14 to that receiving district as a result of the deactivation and
15 are not required to receive at least 30% of the deactivating
16 district's average daily attendance as required under
17 paragraph (1) of this subsection (d) to be eligible for
18 payments.

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

23 (4) During May of each school year for which a
24 supplementary State aid reimbursement is to be paid to a new,
25 annexing, or receiving school district or cooperative high
26 school pursuant to this subsection (d), the school board or

1 governing board shall certify to the State Board of Education,
2 on forms furnished to the school board or governing board by
3 the State Board of Education for purposes of this subsection
4 (d), the number of certified employees for which the district
5 or cooperative high school is entitled to reimbursement under
6 this Section, together with the names, certificate numbers, and
7 positions held by the certified employees.

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

17 (Source: P.A. 95-331, eff. 8-21-07; 95-707, eff. 1-11-08;
18 95-903, eff. 8-25-08; 96-328, eff. 8-11-09.)

19 (105 ILCS 5/13A-8)

20 Sec. 13A-8. Funding.

21 (a) The State of Illinois shall provide funding for the
22 alternative school programs within each educational service
23 region and within the Chicago public school system by line item
24 appropriation made to the State Board of Education for that
25 purpose. This money, when appropriated, shall be provided to

1 the regional superintendent and to the Chicago Board of
2 Education, who shall establish a budget, including salaries,
3 for their alternative school programs. Each program shall
4 receive funding in the amount of \$30,000 plus an amount based
5 on the ratio of the region's or Chicago's best 3 months'
6 average daily attendance in grades pre-kindergarten through 12
7 to the statewide totals of these amounts. For purposes of this
8 calculation, the best 3 months' average daily attendance for
9 each region or Chicago shall be calculated by adding to the
10 best 3 months' average daily attendance the number of
11 low-income students identified in the most recently available
12 federal census multiplied by one-half times the percentage of
13 the region's or Chicago's low-income students to the State's
14 total low-income students. The State Board of Education shall
15 retain up to 1.1% of the appropriation to be used to provide
16 technical assistance, professional development, and
17 evaluations for the programs.

18 (a-5) Notwithstanding any other provisions of this
19 Section, for the 1998-1999 fiscal year, the total amount
20 distributed under subsection (a) for an alternative school
21 program shall be not less than the total amount that was
22 distributed under that subsection for that alternative school
23 program for the 1997-1998 fiscal year. If an alternative school
24 program is to receive a total distribution under subsection (a)
25 for the 1998-1999 fiscal year that is less than the total
26 distribution that the program received under that subsection

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

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

26 (c) An alternative school program may receive additional

1 funding from its school districts in such amount as may be
2 agreed upon by the parties and necessary to support the
3 program. In addition, an alternative school program is
4 authorized to accept and expend gifts, legacies, and grants,
5 including but not limited to federal grants, from any source
6 for purposes directly related to the conduct and operation of
7 the program.

8 (Source: P.A. 89-383, eff. 8-18-95; 89-629, eff. 8-9-96;
9 89-636, eff. 8-9-96; 90-14, eff. 7-1-97; 90-283, eff. 7-31-97;
10 90-802, eff. 12-15-98.)

11 (105 ILCS 5/13B-20.20)

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

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

20 (105 ILCS 5/13B-45)

21 Sec. 13B-45. Days and hours of attendance. An alternative
22 learning opportunities program shall provide students with at
23 least the minimum number of days of pupil attendance required
24 under Section 10-19 of this Code and the minimum number of

1 daily hours of school work required under Section 18-8.05 or
2 18-8.15 of this Code, provided that the State Board may approve
3 exceptions to these requirements if the program meets all of
4 the following conditions:

5 (1) The district plan submitted under Section
6 13B-25.15 of this Code establishes that a program providing
7 the required minimum number of days of attendance or daily
8 hours of school work would not serve the needs of the
9 program's students.

10 (2) Each day of attendance shall provide no fewer than
11 3 clock hours of school work, as defined under paragraph
12 (1) of subsection (F) of Section 18-8.05 of this Code.

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

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

1 actual pupil attendance during the school term.

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

3 (105 ILCS 5/13B-50)

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

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

16 (105 ILCS 5/13B-50.10)

17 Sec. 13B-50.10. Additional criteria for general State aid
18 or evidence-based funding. In order to claim general State aid
19 or evidence-based funding, an alternative learning
20 opportunities program must meet the following criteria:

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

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

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

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

4 (105 ILCS 5/13B-50.15)

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

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

17 (105 ILCS 5/14-7.02) (from Ch. 122, par. 14-7.02)

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

24 If because of his or her disability the special education

1 program of a district is unable to meet the needs of a child
2 and the child attends a non-public school or special education
3 facility, a public out-of-state school or a special education
4 facility owned and operated by a county government unit that
5 provides special educational services required by the child and
6 is in compliance with the appropriate rules and regulations of
7 the State Superintendent of Education, the school district in
8 which the child is a resident shall pay the actual cost of
9 tuition for special education and related services provided
10 during the regular school term and during the summer school
11 term if the child's educational needs so require, excluding
12 room, board and transportation costs charged the child by that
13 non-public school or special education facility, public
14 out-of-state school or county special education facility, or
15 \$4,500 per year, whichever is less, and shall provide him any
16 necessary transportation. "Nonpublic special education
17 facility" shall include a residential facility, within or
18 without the State of Illinois, which provides special education
19 and related services to meet the needs of the child by
20 utilizing private schools or public schools, whether located on
21 the site or off the site of the residential facility.

22 The State Board of Education shall promulgate rules and
23 regulations for determining when placement in a private special
24 education facility is appropriate. Such rules and regulations
25 shall take into account the various types of services needed by
26 a child and the availability of such services to the particular

1 child in the public school. In developing these rules and
2 regulations the State Board of Education shall consult with the
3 Advisory Council on Education of Children with Disabilities and
4 hold public hearings to secure recommendations from parents,
5 school personnel, and others concerned about this matter.

6 The State Board of Education shall also promulgate rules
7 and regulations for transportation to and from a residential
8 school. Transportation to and from home to a residential school
9 more than once each school term shall be subject to prior
10 approval by the State Superintendent in accordance with the
11 rules and regulations of the State Board.

12 A school district making tuition payments pursuant to this
13 Section is eligible for reimbursement from the State for the
14 amount of such payments actually made in excess of the district
15 per capita tuition charge for students not receiving special
16 education services. Such reimbursement shall be approved in
17 accordance with Section 14-12.01 and each district shall file
18 its claims, computed in accordance with rules prescribed by the
19 State Board of Education, on forms prescribed by the State
20 Superintendent of Education. Data used as a basis of
21 reimbursement claims shall be for the preceding regular school
22 term and summer school term. Each school district shall
23 transmit its claims to the State Board of Education on or
24 before August 15. The State Board of Education, before
25 approving any such claims, shall determine their accuracy and
26 whether they are based upon services and facilities provided

1 under approved programs. Upon approval the State Board shall
2 cause vouchers to be prepared showing the amount due for
3 payment of reimbursement claims to school districts, for
4 transmittal to the State Comptroller on the 30th day of
5 September, December, and March, respectively, and the final
6 voucher, no later than June 20. If the money appropriated by
7 the General Assembly for such purpose for any year is
8 insufficient, it shall be apportioned on the basis of the
9 claims approved.

10 No child shall be placed in a special education program
11 pursuant to this Section if the tuition cost for special
12 education and related services increases more than 10 percent
13 over the tuition cost for the previous school year or exceeds
14 \$4,500 per year unless such costs have been approved by the
15 Illinois Purchased Care Review Board. The Illinois Purchased
16 Care Review Board shall consist of the following persons, or
17 their designees: the Directors of Children and Family Services,
18 Public Health, Public Aid, and the Governor's Office of
19 Management and Budget; the Secretary of Human Services; the
20 State Superintendent of Education; and such other persons as
21 the Governor may designate. The Review Board shall also consist
22 of one non-voting member who is an administrator of a private,
23 nonpublic, special education school. The Review Board shall
24 establish rules and regulations for its determination of
25 allowable costs and payments made by local school districts for
26 special education, room and board, and other related services

1 provided by non-public schools or special education facilities
2 and shall establish uniform standards and criteria which it
3 shall follow. The Review Board shall approve the usual and
4 customary rate or rates of a special education program that (i)
5 is offered by an out-of-state, non-public provider of
6 integrated autism specific educational and autism specific
7 residential services, (ii) offers 2 or more levels of
8 residential care, including at least one locked facility, and
9 (iii) serves 12 or fewer Illinois students.

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

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

24 The State Board of Education shall provide administrative
25 and staff support for the Review Board as deemed reasonable by
26 the State Superintendent of Education. This support shall not

1 include travel expenses or other compensation for any Review
2 Board member other than the State Superintendent of Education.

3 The Review Board shall seek the advice of the Advisory
4 Council on Education of Children with Disabilities on the rules
5 and regulations to be promulgated by it relative to providing
6 special education services.

7 If a child has been placed in a program in which the actual
8 per pupil costs of tuition for special education and related
9 services based on program enrollment, excluding room, board and
10 transportation costs, exceed \$4,500 and such costs have been
11 approved by the Review Board, the district shall pay such total
12 costs which exceed \$4,500. A district making such tuition
13 payments in excess of \$4,500 pursuant to this Section shall be
14 responsible for an amount in excess of \$4,500 equal to the
15 district per capita tuition charge and shall be eligible for
16 reimbursement from the State for the amount of such payments
17 actually made in excess of the districts per capita tuition
18 charge for students not receiving special education services.

19 If a child has been placed in an approved individual
20 program and the tuition costs including room and board costs
21 have been approved by the Review Board, then such room and
22 board costs shall be paid by the appropriate State agency
23 subject to the provisions of Section 14-8.01 of this Act. Room
24 and board costs not provided by a State agency other than the
25 State Board of Education shall be provided by the State Board
26 of Education on a current basis. In no event, however, shall

1 the State's liability for funding of these tuition costs begin
2 until after the legal obligations of third party payors have
3 been subtracted from such costs. If the money appropriated by
4 the General Assembly for such purpose for any year is
5 insufficient, it shall be apportioned on the basis of the
6 claims approved. Each district shall submit estimated claims to
7 the State Superintendent of Education. Upon approval of such
8 claims, the State Superintendent of Education shall direct the
9 State Comptroller to make payments on a monthly basis. The
10 frequency for submitting estimated claims and the method of
11 determining payment shall be prescribed in rules and
12 regulations adopted by the State Board of Education. Such
13 current state reimbursement shall be reduced by an amount equal
14 to the proceeds which the child or child's parents are eligible
15 to receive under any public or private insurance or assistance
16 program. Nothing in this Section shall be construed as
17 relieving an insurer or similar third party from an otherwise
18 valid obligation to provide or to pay for services provided to
19 a child with a disability.

20 If it otherwise qualifies, a school district is eligible
21 for the transportation reimbursement under Section 14-13.01
22 and for the reimbursement of tuition payments under this
23 Section whether the non-public school or special education
24 facility, public out-of-state school or county special
25 education facility, attended by a child who resides in that
26 district and requires special educational services, is within

1 or outside of the State of Illinois. However, a district is not
2 eligible to claim transportation reimbursement under this
3 Section unless the district certifies to the State
4 Superintendent of Education that the district is unable to
5 provide special educational services required by the child for
6 the current school year.

7 Nothing in this Section authorizes the reimbursement of a
8 school district for the amount paid for tuition of a child
9 attending a non-public school or special education facility,
10 public out-of-state school or county special education
11 facility unless the school district certifies to the State
12 Superintendent of Education that the special education program
13 of that district is unable to meet the needs of that child
14 because of his disability and the State Superintendent of
15 Education finds that the school district is in substantial
16 compliance with Section 14-4.01. However, if a child is
17 unilaterally placed by a State agency or any court in a
18 non-public school or special education facility, public
19 out-of-state school, or county special education facility, a
20 school district shall not be required to certify to the State
21 Superintendent of Education, for the purpose of tuition
22 reimbursement, that the special education program of that
23 district is unable to meet the needs of a child because of his
24 or her disability.

25 Any educational or related services provided, pursuant to
26 this Section in a non-public school or special education

1 facility or a special education facility owned and operated by
2 a county government unit shall be at no cost to the parent or
3 guardian of the child. However, current law and practices
4 relative to contributions by parents or guardians for costs
5 other than educational or related services are not affected by
6 this amendatory Act of 1978.

7 Reimbursement for children attending public school
8 residential facilities shall be made in accordance with the
9 provisions of this Section.

10 Notwithstanding any other provision of law, any school
11 district receiving a payment under this Section or under
12 Section 14-7.02b, 14-13.01, or 29-5 of this Code may classify
13 all or a portion of the funds that it receives in a particular
14 fiscal year or from general State aid pursuant to Section
15 18-8.05 of this Code as funds received in connection with any
16 funding program for which it is entitled to receive funds from
17 the State in that fiscal year (including, without limitation,
18 any funding program referenced in this Section), regardless of
19 the source or timing of the receipt. The district may not
20 classify more funds as funds received in connection with the
21 funding program than the district is entitled to receive in
22 that fiscal year for that program. Any classification by a
23 district must be made by a resolution of its board of
24 education. The resolution must identify the amount of any
25 payments or general State aid to be classified under this
26 paragraph and must specify the funding program to which the

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

16 Notwithstanding anything to the contrary contained in this
17 Section, the State Board of Education shall award to a school
18 district having a population exceeding 500,000 inhabitants
19 48.4% of the funds appropriated by the General Assembly for any
20 fiscal year for purposes of payments to school districts under
21 this Section.

22 (Source: P.A. 98-636, eff. 6-6-14; 98-1008, eff. 1-1-15; 99-78,
23 eff. 7-20-15; 99-143, eff. 7-27-15.)

24 (105 ILCS 5/14-7.02b)

25 Sec. 14-7.02b. Funding for children requiring special

1 education services. Payments to school districts for children
2 requiring special education services documented in their
3 individualized education program regardless of the program
4 from which these services are received, excluding children
5 claimed under Sections 14-7.02 and 14-7.03 of this Code, shall
6 be made in accordance with this Section. Funds received under
7 this Section may be used only for the provision of special
8 educational facilities and services as defined in Section
9 14-1.08 of this Code.

10 The appropriation for fiscal year 2005 through fiscal year
11 2017 ~~and thereafter~~ shall be based upon the IDEA child count of
12 all students in the State, excluding students claimed under
13 Sections 14-7.02 and 14-7.03 of this Code, on December 1 of the
14 fiscal year 2 years preceding, multiplied by 17.5% of the
15 general State aid foundation level of support established for
16 that fiscal year under Section 18-8.05 of this Code.

17 Beginning with fiscal year 2005 and through fiscal year
18 2007, individual school districts shall not receive payments
19 under this Section totaling less than they received under the
20 funding authorized under Section 14-7.02a of this Code during
21 fiscal year 2004, pursuant to the provisions of Section
22 14-7.02a as they were in effect before the effective date of
23 this amendatory Act of the 93rd General Assembly. This base
24 level funding shall be computed first.

25 Beginning with fiscal year 2008 through fiscal year 2017
26 ~~and each fiscal year thereafter~~, individual school districts

1 must not receive payments under this Section totaling less than
2 they received in fiscal year 2007. This funding shall be
3 computed last and shall be a separate calculation from any
4 other calculation set forth in this Section. This amount is
5 exempt from the requirements of Section 1D-1 of this Code.

6 Through fiscal year 2017, an ~~An~~ amount equal to 85% of the
7 funds remaining in the appropriation shall be allocated to
8 school districts based upon the district's average daily
9 attendance reported for purposes of Section 18-8.05 of this
10 Code for the preceding school year. Fifteen percent of the
11 funds remaining in the appropriation shall be allocated to
12 school districts based upon the district's low income eligible
13 pupil count used in the calculation of general State aid under
14 Section 18-8.05 of this Code for the same fiscal year. One
15 hundred percent of the funds computed and allocated to
16 districts under this Section shall be distributed and paid to
17 school districts.

18 For individual students with disabilities whose program
19 costs exceed 4 times the district's per capita tuition rate as
20 calculated under Section 10-20.12a of this Code, the costs in
21 excess of 4 times the district's per capita tuition rate shall
22 be paid by the State Board of Education from unexpended IDEA
23 discretionary funds originally designated for room and board
24 reimbursement pursuant to Section 14-8.01 of this Code. The
25 amount of tuition for these children shall be determined by the
26 actual cost of maintaining classes for these children, using

1 the per capita cost formula set forth in Section 14-7.01 of
2 this Code, with the program and cost being pre-approved by the
3 State Superintendent of Education. Reimbursement for
4 individual students with disabilities whose program costs
5 exceed 4 times the district's per capita tuition rate shall be
6 claimed beginning with costs encumbered for the 2004-2005
7 school year and thereafter.

8 The State Board of Education shall prepare vouchers equal
9 to one-fourth the amount allocated to districts, for
10 transmittal to the State Comptroller on the 30th day of
11 September, December, and March, respectively, and the final
12 voucher, no later than June 20. The Comptroller shall make
13 payments pursuant to this Section to school districts as soon
14 as possible after receipt of vouchers. If the money
15 appropriated from the General Assembly for such purposes for
16 any year is insufficient, it shall be apportioned on the basis
17 of the payments due to school districts.

18 Nothing in this Section shall be construed to decrease or
19 increase the percentage of all special education funds that are
20 allocated annually under Article 1D of this Code or to alter
21 the requirement that a school district provide special
22 education services.

23 Nothing in this amendatory Act of the 93rd General Assembly
24 shall eliminate any reimbursement obligation owed as of the
25 effective date of this amendatory Act of the 93rd General
26 Assembly to a school district with in excess of 500,000

1 inhabitants.

2 Except for reimbursement for individual students with
3 disabilities whose program costs exceed 4 times the district's
4 per capita tuition rate, no funding shall be provided to school
5 districts under this Section after fiscal year 2017.

6 (Source: P.A. 93-1022, eff. 8-24-08; 95-705, eff. 1-8-08.)

7 (105 ILCS 5/14-13.01) (from Ch. 122, par. 14-13.01)

8 Sec. 14-13.01. Reimbursement payable by State; amounts for
9 personnel and transportation.

10 (a) Through fiscal year 2017, for ~~For~~ staff working on
11 behalf of children who have not been identified as eligible for
12 special education and for eligible children with physical
13 disabilities, including all eligible children whose placement
14 has been determined under Section 14-8.02 in hospital or home
15 instruction, 1/2 of the teacher's salary but not more than
16 \$1,000 annually per child or \$9,000 per teacher, whichever is
17 less.

18 (a-5) A child qualifies for home or hospital instruction if
19 it is anticipated that, due to a medical condition, the child
20 will be unable to attend school, and instead must be instructed
21 at home or in the hospital, for a period of 2 or more
22 consecutive weeks or on an ongoing intermittent basis. For
23 purposes of this Section, "ongoing intermittent basis" means
24 that the child's medical condition is of such a nature or
25 severity that it is anticipated that the child will be absent

1 from school due to the medical condition for periods of at
2 least 2 days at a time multiple times during the school year
3 totaling at least 10 days or more of absences. There shall be
4 no requirement that a child be absent from school a minimum
5 number of days before the child qualifies for home or hospital
6 instruction. In order to establish eligibility for home or
7 hospital services, a student's parent or guardian must submit
8 to the child's school district of residence a written statement
9 from a physician licensed to practice medicine in all of its
10 branches stating the existence of such medical condition, the
11 impact on the child's ability to participate in education, and
12 the anticipated duration or nature of the child's absence from
13 school. Home or hospital instruction may commence upon receipt
14 of a written physician's statement in accordance with this
15 Section, but instruction shall commence not later than 5 school
16 days after the school district receives the physician's
17 statement. Special education and related services required by
18 the child's IEP or services and accommodations required by the
19 child's federal Section 504 plan must be implemented as part of
20 the child's home or hospital instruction, unless the IEP team
21 or federal Section 504 plan team determines that modifications
22 are necessary during the home or hospital instruction due to
23 the child's condition.

24 (a-10) Through fiscal year 2017, eligible ~~Eligible~~
25 children to be included in any reimbursement under this
26 paragraph must regularly receive a minimum of one hour of

1 instruction each school day, or in lieu thereof of a minimum of
2 5 hours of instruction in each school week in order to qualify
3 for full reimbursement under this Section. If the attending
4 physician for such a child has certified that the child should
5 not receive as many as 5 hours of instruction in a school week,
6 however, reimbursement under this paragraph on account of that
7 child shall be computed proportionate to the actual hours of
8 instruction per week for that child divided by 5.

9 (a-15) The State Board of Education shall establish rules
10 governing the required qualifications of staff providing home
11 or hospital instruction.

12 (b) For children described in Section 14-1.02, 80% of the
13 cost of transportation approved as a related service in the
14 Individualized Education Program for each student in order to
15 take advantage of special educational facilities.
16 Transportation costs shall be determined in the same fashion as
17 provided in Section 29-5 of this Code, provided that,
18 notwithstanding anything to the contrary contained in this
19 subsection (b) or Section 29-5 of this Code, the State Board of
20 Education shall award to a school district having a population
21 exceeding 500,000 inhabitants 30.7% of the funds appropriated
22 by the General Assembly for any fiscal year for purposes of
23 payment of transportation cost claims under this subsection
24 (b). For purposes of this subsection (b), the dates for
25 processing claims specified in Section 29-5 shall apply.

26 (c) Through fiscal year 2017, for ~~For~~ each qualified

1 worker, the annual sum of \$9,000.

2 (d) Through fiscal year 2017, for ~~For~~ one full time
3 qualified director of the special education program of each
4 school district which maintains a fully approved program of
5 special education the annual sum of \$9,000. Districts
6 participating in a joint agreement special education program
7 shall not receive such reimbursement if reimbursement is made
8 for a director of the joint agreement program.

9 (e) (Blank).

10 (f) (Blank).

11 (g) Through fiscal year 2017, for ~~For~~ readers, working with
12 blind or partially seeing children 1/2 of their salary but not
13 more than \$400 annually per child. Readers may be employed to
14 assist such children and shall not be required to be certified
15 but prior to employment shall meet standards set up by the
16 State Board of Education.

17 (h) Through fiscal year 2017, for ~~For~~ non-certified
18 employees, as defined by rules promulgated by the State Board
19 of Education, who deliver services to students with IEPs, 1/2
20 of the salary paid or \$3,500 per employee, whichever is less.

21 (i) The State Board of Education shall set standards and
22 prescribe rules for determining the allocation of
23 reimbursement under this section on less than a full time basis
24 and for less than a school year.

25 When any school district eligible for reimbursement under
26 this Section operates a school or program approved by the State

1 Superintendent of Education for a number of days in excess of
2 the adopted school calendar but not to exceed 235 school days,
3 such reimbursement shall be increased by 1/180 of the amount or
4 rate paid hereunder for each day such school is operated in
5 excess of 180 days per calendar year.

6 Notwithstanding any other provision of law, any school
7 district receiving a payment under this Section or under
8 Section 14-7.02, 14-7.02b, or 29-5 of this Code may classify
9 all or a portion of the funds that it receives in a particular
10 fiscal year or from evidence-based funding ~~general State aid~~
11 pursuant to Section 18-8.15 ~~18-8.05~~ of this Code as funds
12 received in connection with any funding program for which it is
13 entitled to receive funds from the State in that fiscal year
14 (including, without limitation, any funding program referenced
15 in this Section), regardless of the source or timing of the
16 receipt. The district may not classify more funds as funds
17 received in connection with the funding program than the
18 district is entitled to receive in that fiscal year for that
19 program. Any classification by a district must be made by a
20 resolution of its board of education. The resolution must
21 identify the amount of any payments or evidence-based funding
22 ~~general State aid~~ to be classified under this paragraph and
23 must specify the funding program to which the funds are to be
24 treated as received in connection therewith. This resolution is
25 controlling as to the classification of funds referenced
26 therein. A certified copy of the resolution must be sent to the

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

13 (Source: P.A. 96-257, eff. 8-11-09; 97-123, eff. 7-14-11.)

14 (105 ILCS 5/14C-1) (from Ch. 122, par. 14C-1)

15 Sec. 14C-1. The General Assembly finds that there are large
16 numbers of children in this State who come from environments
17 where the primary language is other than English. Experience
18 has shown that public school classes in which instruction is
19 given only in English are often inadequate for the education of
20 children whose native tongue is another language. The General
21 Assembly believes that a program of transitional bilingual
22 education can meet the needs of these children and facilitate
23 their integration into the regular public school curriculum.
24 Therefore, pursuant to the policy of this State to ensure equal
25 educational opportunity to every child, and in recognition of

1 the educational needs of English learners, it is the purpose of
2 this Act to provide for the establishment of transitional
3 bilingual education programs in the public schools, to provide
4 supplemental financial assistance through fiscal year 2017 to
5 help local school districts meet the extra costs of such
6 programs, and to allow this State to directly or indirectly
7 provide technical assistance and professional development to
8 support transitional bilingual education programs statewide.
9 (Source: P.A. 99-30, eff. 7-10-15.)

10 (105 ILCS 5/14C-12) (from Ch. 122, par. 14C-12)
11 Sec. 14C-12. Account of expenditures; Cost report;
12 Reimbursement. Each school district with at least one English
13 learner shall keep an accurate, detailed and separate account
14 of all monies paid out by it for the programs in transitional
15 bilingual education required or permitted by this Article,
16 including transportation costs, and shall annually report
17 thereon for the school year ending June 30 indicating the
18 average per pupil expenditure. Through fiscal year 2017, each
19 ~~Each~~ school district shall be reimbursed for the amount by
20 which such costs exceed the average per pupil expenditure by
21 such school district for the education of children of
22 comparable age who are not in any special education program. No
23 funding shall be provided to school districts under this
24 Section after fiscal year 2017. In fiscal year 2018 and each
25 fiscal year thereafter, all funding received by a school

1 district from the State pursuant to Section 18-8.15 of this
2 Code that is attributable to instructions, supports, and
3 interventions for English learner pupils must be used for
4 programs and services authorized under this Article. At least
5 60% of transitional bilingual education funding received from
6 the State must be used for the instructional costs of programs
7 and services authorized under this Article ~~transitional~~
8 ~~bilingual education.~~

9 Applications for preapproval ~~for reimbursement~~ for costs
10 of transitional bilingual education programs must be submitted
11 to the State Superintendent of Education at least 60 days
12 before a transitional bilingual education program is started,
13 unless a justifiable exception is granted by the State
14 Superintendent of Education. Applications shall set forth a
15 plan for transitional bilingual education established and
16 maintained in accordance with this Article.

17 Through fiscal year 2017, reimbursement ~~Reimbursement~~
18 claims for transitional bilingual education programs shall be
19 made as follows:

20 Each school district shall claim reimbursement on a current
21 basis for the first 3 quarters of the fiscal year and file a
22 final adjusted claim for the school year ended June 30
23 preceding computed in accordance with rules prescribed by the
24 State Superintendent's Office. The State Superintendent of
25 Education before approving any such claims shall determine
26 their accuracy and whether they are based upon services and

1 facilities provided under approved programs. Upon approval he
2 shall transmit to the Comptroller the vouchers showing the
3 amounts due for school district reimbursement claims. Upon
4 receipt of the final adjusted claims the State Superintendent
5 of Education shall make a final determination of the accuracy
6 of such claims. If the money appropriated by the General
7 Assembly for such purpose for any year is insufficient, it
8 shall be apportioned on the basis of the claims approved.

9 Failure on the part of the school district to prepare and
10 certify the final adjusted claims due under this Section may
11 constitute a forfeiture by the school district of its right to
12 be reimbursed by the State under this Section.

13 (Source: P.A. 96-1170, eff. 1-1-11.)

14 (105 ILCS 5/17-1) (from Ch. 122, par. 17-1)

15 Sec. 17-1. Annual Budget. The board of education of each
16 school district under 500,000 inhabitants shall, within or
17 before the first quarter of each fiscal year, adopt and file
18 with the State Board of Education an annual balanced budget
19 which it deems necessary to defray all necessary expenses and
20 liabilities of the district, and in such annual budget shall
21 specify the objects and purposes of each item and amount needed
22 for each object or purpose.

23 The budget shall be entered upon a School District Budget
24 form prepared and provided by the State Board of Education and
25 therein shall contain a statement of the cash on hand at the

1 beginning of the fiscal year, an estimate of the cash expected
2 to be received during such fiscal year from all sources, an
3 estimate of the expenditures contemplated for such fiscal year,
4 and a statement of the estimated cash expected to be on hand at
5 the end of such year. The estimate of taxes to be received may
6 be based upon the amount of actual cash receipts that may
7 reasonably be expected by the district during such fiscal year,
8 estimated from the experience of the district in prior years
9 and with due regard for other circumstances that may
10 substantially affect such receipts. Nothing in this Section
11 shall be construed as requiring any district to change or
12 preventing any district from changing from a cash basis of
13 financing to a surplus or deficit basis of financing; or as
14 requiring any district to change or preventing any district
15 from changing its system of accounting. The budget shall
16 conform to the requirements adopted by the State Board of
17 Education pursuant to Section 2-3.28 of this Code.

18 To the extent that a school district's budget is not
19 balanced, the district shall also adopt and file with the State
20 Board of Education a deficit reduction plan to balance the
21 district's budget within 3 years. The deficit reduction plan
22 must be filed at the same time as the budget, but the State
23 Superintendent of Education may extend this deadline if the
24 situation warrants.

25 If, as the result of an audit performed in compliance with
26 Section 3-7 of this Code, the resulting Annual Financial Report

1 required to be submitted pursuant to Section 3-15.1 of this
2 Code reflects a deficit as defined for purposes of the
3 preceding paragraph, then the district shall, within 30 days
4 after acceptance of such audit report, submit a deficit
5 reduction plan.

6 The board of education of each district shall fix a fiscal
7 year therefor. If the beginning of the fiscal year of a
8 district is subsequent to the time that the tax levy due to be
9 made in such fiscal year shall be made, then such annual budget
10 shall be adopted prior to the time such tax levy shall be made.
11 The failure by a board of education of any district to adopt an
12 annual budget, or to comply in any respect with the provisions
13 of this Section, shall not affect the validity of any tax levy
14 of the district otherwise in conformity with the law. With
15 respect to taxes levied either before, on, or after the
16 effective date of this amendatory Act of the 91st General
17 Assembly, (i) a tax levy is made for the fiscal year in which
18 the levy is due to be made regardless of which fiscal year the
19 proceeds of the levy are expended or are intended to be
20 expended, and (ii) except as otherwise provided by law, a board
21 of education's adoption of an annual budget in conformity with
22 this Section is not a prerequisite to the adoption of a valid
23 tax levy and is not a limit on the amount of the levy.

24 Such budget shall be prepared in tentative form by some
25 person or persons designated by the board, and in such
26 tentative form shall be made conveniently available to public

1 inspection for at least 30 days prior to final action thereon.
2 At least 1 public hearing shall be held as to such budget prior
3 to final action thereon. Notice of availability for public
4 inspection and of such public hearing shall be given by
5 publication in a newspaper published in such district, at least
6 30 days prior to the time of such hearing. If there is no
7 newspaper published in such district, notice of such public
8 hearing shall be given by posting notices thereof in 5 of the
9 most public places in such district. It shall be the duty of
10 the secretary of such board to make such tentative budget
11 available to public inspection, and to arrange for such public
12 hearing. The board may from time to time make transfers between
13 the various items in any fund not exceeding in the aggregate
14 10% of the total of such fund as set forth in the budget. The
15 board may from time to time amend such budget by the same
16 procedure as is herein provided for its original adoption.

17 Beginning July 1, 1976, the board of education, or regional
18 superintendent, or governing board responsible for the
19 administration of a joint agreement shall, by September 1 of
20 each fiscal year thereafter, adopt an annual budget for the
21 joint agreement in the same manner and subject to the same
22 requirements as are provided in this Section.

23 The State Board of Education shall exercise powers and
24 duties relating to budgets as provided in Section 2-3.27 of
25 this Code and shall require school districts to submit their
26 annual budgets, deficit reduction plans, and other financial

1 information, including revenue and expenditure reports and
2 borrowing and interfund transfer plans, in such form and within
3 the timelines designated by the State Board of Education.

4 By fiscal year 1982 all school districts shall use the
5 Program Budget Accounting System.

6 In the case of a school district receiving emergency State
7 financial assistance under Article 1B, the school board shall
8 also be subject to the requirements established under Article
9 1B with respect to the annual budget.

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

11 (105 ILCS 5/17-1.2)

12 Sec. 17-1.2. Post annual budget on web site. If a school
13 district has an Internet web site, the school district shall
14 post its current annual budget, itemized by receipts and
15 expenditures, on the district's Internet web site. The budget
16 shall include information conforming to the rules adopted by
17 the State Board of Education pursuant to Section 2-3.28 of this
18 Code. The school district shall notify the parents or guardians
19 of its students that the budget has been posted on the
20 district's web site and what the web site's address is.

21 (Source: P.A. 92-438, eff. 1-1-02.)

22 (105 ILCS 5/17-1.5)

23 Sec. 17-1.5. Limitation of administrative costs.

24 (a) It is the purpose of this Section to establish

1 limitations on the growth of administrative expenditures in
2 order to maximize the proportion of school district resources
3 available for the instructional program, building maintenance,
4 and safety services for the students of each district.

5 (b) Definitions. For the purposes of this Section:

6 "Administrative expenditures" mean the annual expenditures
7 of school districts properly attributable to expenditure
8 functions defined by the rules of the State Board of Education
9 as: 2320 (Executive Administration Services); 2330 (Special
10 Area Administration Services); 2490 (Other Support Services -
11 School Administration); 2510 (Direction of Business Support
12 Services); 2570 (Internal Services); and 2610 (Direction of
13 Central Support Services); provided, however, that
14 "administrative expenditures" shall not include early
15 retirement or other pension system obligations required by
16 State law.

17 "School district" means all school districts having a
18 population of less than 500,000.

19 (c) For the 1998-99 school year and each school year
20 thereafter, each school district shall undertake budgetary and
21 expenditure control actions so that the increase in
22 administrative expenditures for that school year over the prior
23 school year does not exceed 5%. School districts with
24 administrative expenditures per pupil in the 25th percentile
25 and below for all districts of the same type, as defined by the
26 State Board of Education, may waive the limitation imposed

1 under this Section for any year following a public hearing and
2 with the affirmative vote of at least two-thirds of the members
3 of the school board of the district. Any district waiving the
4 limitation shall notify the State Board within 45 days of such
5 action.

6 (d) School districts shall file with the State Board of
7 Education by November 15, 1998 and by each November 15th
8 thereafter a one-page report that lists (i) the actual
9 administrative expenditures for the prior year from the
10 district's audited Annual Financial Report, and (ii) the
11 projected administrative expenditures for the current year
12 from the budget adopted by the school board pursuant to Section
13 17-1 of this Code.

14 If a school district that is ineligible to waive the
15 limitation imposed by subsection (c) of this Section by board
16 action exceeds the limitation solely because of circumstances
17 beyond the control of the district and the district has
18 exhausted all available and reasonable remedies to comply with
19 the limitation, the district may request a waiver pursuant to
20 Section 2-3.25g. The waiver application shall specify the
21 amount, nature, and reason for the relief requested, as well as
22 all remedies the district has exhausted to comply with the
23 limitation. Any emergency relief so requested shall apply only
24 to the specific school year for which the request is made. The
25 State Board of Education shall analyze all such waivers
26 submitted and shall recommend that the General Assembly

1 disapprove any such waiver requested that is not due solely to
2 circumstances beyond the control of the district and for which
3 the district has not exhausted all available and reasonable
4 remedies to comply with the limitation. The State
5 Superintendent shall have no authority to impose any sanctions
6 pursuant to this Section for any expenditures for which a
7 waiver has been requested until such waiver has been reviewed
8 by the General Assembly.

9 If the report and information required under this
10 subsection (d) are not provided by the school district in a
11 timely manner, or are subsequently determined by the State
12 Superintendent of Education to be incomplete or inaccurate, the
13 State Superintendent shall notify the district in writing of
14 reporting deficiencies. The school district shall, within 60
15 days of the notice, address the reporting deficiencies
16 identified.

17 (e) If the State Superintendent determines that a school
18 district has failed to comply with the administrative
19 expenditure limitation imposed in subsection (c) of this
20 Section, the State Superintendent shall notify the district of
21 the violation and direct the district to undertake corrective
22 action to bring the district's budget into compliance with the
23 administrative expenditure limitation. The district shall,
24 within 60 days of the notice, provide adequate assurance to the
25 State Superintendent that appropriate corrective actions have
26 been or will be taken. If the district fails to provide

1 adequate assurance or fails to undertake the necessary
2 corrective actions, the State Superintendent may impose
3 progressive sanctions against the district that may culminate
4 in withholding all subsequent payments of general State aid due
5 the district under Section 18-8.05 of this Code or
6 evidence-based funding due the district under Section 18-8.15
7 of this Code until the assurance is provided or the corrective
8 actions taken.

9 (f) The State Superintendent shall publish a list each year
10 of the school districts that violate the limitation imposed by
11 subsection (c) of this Section and a list of the districts that
12 waive the limitation by board action as provided in subsection
13 (c) of this Section.

14 (Source: P.A. 90-548, eff. 1-1-98; 90-653, eff. 7-29-98.)

15 (105 ILCS 5/17-2.11) (from Ch. 122, par. 17-2.11)

16 Sec. 17-2.11. School board power to levy a tax or to borrow
17 money and issue bonds for fire prevention, safety, energy
18 conservation, accessibility, school security, and specified
19 repair purposes.

20 (a) Whenever, as a result of any lawful order of any
21 agency, other than a school board, having authority to enforce
22 any school building code applicable to any facility that houses
23 students, or any law or regulation for the protection and
24 safety of the environment, pursuant to the Environmental
25 Protection Act, any school district having a population of less

1 than 500,000 inhabitants is required to alter or reconstruct
2 any school building or permanent, fixed equipment; the district
3 may, by proper resolution, levy a tax for the purpose of making
4 such alteration or reconstruction, based on a survey report by
5 an architect or engineer licensed in this State, upon all of
6 the taxable property of the district at the value as assessed
7 by the Department of Revenue and at a rate not to exceed 0.05%
8 per year for a period sufficient to finance such alteration or
9 reconstruction, upon the following conditions:

10 (1) When there are not sufficient funds available in
11 the operations and maintenance fund of the school district,
12 the school facility occupation tax fund of the district, or
13 the fire prevention and safety fund of the district, as
14 determined by the district on the basis of rules adopted by
15 the State Board of Education, to make such alteration or
16 reconstruction or to purchase and install such permanent,
17 fixed equipment so ordered or determined as necessary.
18 Appropriate school district records must be made available
19 to the State Superintendent of Education, upon request, to
20 confirm this insufficiency.

21 (2) When a certified estimate of an architect or
22 engineer licensed in this State stating the estimated
23 amount necessary to make the alteration or reconstruction
24 or to purchase and install the equipment so ordered has
25 been secured by the school district, and the estimate has
26 been approved by the regional superintendent of schools

1 having jurisdiction over the district and the State
2 Superintendent of Education. Approval must not be granted
3 for any work that has already started without the prior
4 express authorization of the State Superintendent of
5 Education. If the estimate is not approved or is denied
6 approval by the regional superintendent of schools within 3
7 months after the date on which it is submitted to him or
8 her, the school board of the district may submit the
9 estimate directly to the State Superintendent of Education
10 for approval or denial.

11 In the case of an emergency situation, where the estimated
12 cost to effectuate emergency repairs is less than the amount
13 specified in Section 10-20.21 of this Code, the school district
14 may proceed with such repairs prior to approval by the State
15 Superintendent of Education, but shall comply with the
16 provisions of subdivision (2) of this subsection (a) as soon
17 thereafter as may be as well as Section 10-20.21 of this Code.
18 If the estimated cost to effectuate emergency repairs is
19 greater than the amount specified in Section 10-20.21 of this
20 Code, then the school district shall proceed in conformity with
21 Section 10-20.21 of this Code and with rules established by the
22 State Board of Education to address such situations. The rules
23 adopted by the State Board of Education to deal with these
24 situations shall stipulate that emergency situations must be
25 expedited and given priority consideration. For purposes of
26 this paragraph, an emergency is a situation that presents an

1 imminent and continuing threat to the health and safety of
2 students or other occupants of a facility, requires complete or
3 partial evacuation of a building or part of a building, or
4 consumes one or more of the 5 emergency days built into the
5 adopted calendar of the school or schools or would otherwise be
6 expected to cause such school or schools to fall short of the
7 minimum school calendar requirements.

8 (b) Whenever any such district determines that it is
9 necessary for energy conservation purposes that any school
10 building or permanent, fixed equipment should be altered or
11 reconstructed and that such alterations or reconstruction will
12 be made with funds not necessary for the completion of approved
13 and recommended projects contained in any safety survey report
14 or amendments thereto authorized by Section 2-3.12 of this Act;
15 the district may levy a tax or issue bonds as provided in
16 subsection (a) of this Section.

17 (c) Whenever any such district determines that it is
18 necessary for accessibility purposes and to comply with the
19 school building code that any school building or equipment
20 should be altered or reconstructed and that such alterations or
21 reconstruction will be made with funds not necessary for the
22 completion of approved and recommended projects contained in
23 any safety survey report or amendments thereto authorized under
24 Section 2-3.12 of this Act, the district may levy a tax or
25 issue bonds as provided in subsection (a) of this Section.

26 (d) Whenever any such district determines that it is

1 necessary for school security purposes and the related
2 protection and safety of pupils and school personnel that any
3 school building or property should be altered or reconstructed
4 or that security systems and equipment (including but not
5 limited to intercom, early detection and warning, access
6 control and television monitoring systems) should be purchased
7 and installed, and that such alterations, reconstruction or
8 purchase and installation of equipment will be made with funds
9 not necessary for the completion of approved and recommended
10 projects contained in any safety survey report or amendment
11 thereto authorized by Section 2-3.12 of this Act and will deter
12 and prevent unauthorized entry or activities upon school
13 property by unknown or dangerous persons, assure early
14 detection and advance warning of any such actual or attempted
15 unauthorized entry or activities and help assure the continued
16 safety of pupils and school staff if any such unauthorized
17 entry or activity is attempted or occurs; the district may levy
18 a tax or issue bonds as provided in subsection (a) of this
19 Section.

20 (e) If a school district does not need funds for other fire
21 prevention and safety projects, including the completion of
22 approved and recommended projects contained in any safety
23 survey report or amendments thereto authorized by Section
24 2-3.12 of this Act, and it is determined after a public hearing
25 (which is preceded by at least one published notice (i)
26 occurring at least 7 days prior to the hearing in a newspaper

1 of general circulation within the school district and (ii)
2 setting forth the time, date, place, and general subject matter
3 of the hearing) that there is a substantial, immediate, and
4 otherwise unavoidable threat to the health, safety, or welfare
5 of pupils due to disrepair of school sidewalks, playgrounds,
6 parking lots, or school bus turnarounds and repairs must be
7 made; then the district may levy a tax or issue bonds as
8 provided in subsection (a) of this Section.

9 (f) For purposes of this Section a school district may
10 replace a school building or build additions to replace
11 portions of a building when it is determined that the
12 effectuation of the recommendations for the existing building
13 will cost more than the replacement costs. Such determination
14 shall be based on a comparison of estimated costs made by an
15 architect or engineer licensed in the State of Illinois. The
16 new building or addition shall be equivalent in area (square
17 feet) and comparable in purpose and grades served and may be on
18 the same site or another site. Such replacement may only be
19 done upon order of the regional superintendent of schools and
20 the approval of the State Superintendent of Education.

21 (g) The filing of a certified copy of the resolution
22 levying the tax when accompanied by the certificates of the
23 regional superintendent of schools and State Superintendent of
24 Education shall be the authority of the county clerk to extend
25 such tax.

26 (h) The county clerk of the county in which any school

1 district levying a tax under the authority of this Section is
2 located, in reducing raised levies, shall not consider any such
3 tax as a part of the general levy for school purposes and shall
4 not include the same in the limitation of any other tax rate
5 which may be extended.

6 Such tax shall be levied and collected in like manner as
7 all other taxes of school districts, subject to the provisions
8 contained in this Section.

9 (i) The tax rate limit specified in this Section may be
10 increased to .10% upon the approval of a proposition to effect
11 such increase by a majority of the electors voting on that
12 proposition at a regular scheduled election. Such proposition
13 may be initiated by resolution of the school board and shall be
14 certified by the secretary to the proper election authorities
15 for submission in accordance with the general election law.

16 (j) When taxes are levied by any school district for fire
17 prevention, safety, energy conservation, and school security
18 purposes as specified in this Section, and the purposes for
19 which the taxes have been levied are accomplished and paid in
20 full, and there remain funds on hand in the Fire Prevention and
21 Safety Fund from the proceeds of the taxes levied, including
22 interest earnings thereon, the school board by resolution shall
23 use such excess and other board restricted funds, excluding
24 bond proceeds and earnings from such proceeds, as follows:

25 (1) for other authorized fire prevention, safety,
26 energy conservation, and school security purposes and for

1 required safety inspections; or

2 (2) for transfer to the Operations and Maintenance Fund
3 for the purpose of abating an equal amount of operations
4 and maintenance purposes taxes.

5 Notwithstanding subdivision (2) of this subsection (j) and
6 subsection (k) of this Section, through June 30, 2019, the
7 school board may, by proper resolution following a public
8 hearing set by the school board or the president of the school
9 board (that is preceded (i) by at least one published notice
10 over the name of the clerk or secretary of the board, occurring
11 at least 7 days and not more than 30 days prior to the hearing,
12 in a newspaper of general circulation within the school
13 district and (ii) by posted notice over the name of the clerk
14 or secretary of the board, at least 48 hours before the
15 hearing, at the principal office of the school board or at the
16 building where the hearing is to be held if a principal office
17 does not exist, with both notices setting forth the time, date,
18 place, and subject matter of the hearing), transfer surplus
19 life safety taxes and interest earnings thereon to the
20 Operations and Maintenance Fund for building repair work.

21 (k) If any transfer is made to the Operation and
22 Maintenance Fund, the secretary of the school board shall
23 within 30 days notify the county clerk of the amount of that
24 transfer and direct the clerk to abate the taxes to be extended
25 for the purposes of operations and maintenance authorized under
26 Section 17-2 of this Act by an amount equal to such transfer.

1 (l) If the proceeds from the tax levy authorized by this
2 Section are insufficient to complete the work approved under
3 this Section, the school board is authorized to sell bonds
4 without referendum under the provisions of this Section in an
5 amount that, when added to the proceeds of the tax levy
6 authorized by this Section, will allow completion of the
7 approved work.

8 (m) Any bonds issued pursuant to this Section shall bear
9 interest at a rate not to exceed the maximum rate authorized by
10 law at the time of the making of the contract, shall mature
11 within 20 years from date, and shall be signed by the president
12 of the school board and the treasurer of the school district.

13 (n) In order to authorize and issue such bonds, the school
14 board shall adopt a resolution fixing the amount of bonds, the
15 date thereof, the maturities thereof, rates of interest
16 thereof, place of payment and denomination, which shall be in
17 denominations of not less than \$100 and not more than \$5,000,
18 and provide for the levy and collection of a direct annual tax
19 upon all the taxable property in the school district sufficient
20 to pay the principal and interest on such bonds to maturity.
21 Upon the filing in the office of the county clerk of the county
22 in which the school district is located of a certified copy of
23 the resolution, it is the duty of the county clerk to extend
24 the tax therefor in addition to and in excess of all other
25 taxes heretofore or hereafter authorized to be levied by such
26 school district.

1 (o) After the time such bonds are issued as provided for by
2 this Section, if additional alterations or reconstructions are
3 required to be made because of surveys conducted by an
4 architect or engineer licensed in the State of Illinois, the
5 district may levy a tax at a rate not to exceed .05% per year
6 upon all the taxable property of the district or issue
7 additional bonds, whichever action shall be the most feasible.

8 (p) This Section is cumulative and constitutes complete
9 authority for the issuance of bonds as provided in this Section
10 notwithstanding any other statute or law to the contrary.

11 (q) With respect to instruments for the payment of money
12 issued under this Section either before, on, or after the
13 effective date of Public Act 86-004 (June 6, 1989), it is, and
14 always has been, the intention of the General Assembly (i) that
15 the Omnibus Bond Acts are, and always have been, supplementary
16 grants of power to issue instruments in accordance with the
17 Omnibus Bond Acts, regardless of any provision of this Act that
18 may appear to be or to have been more restrictive than those
19 Acts, (ii) that the provisions of this Section are not a
20 limitation on the supplementary authority granted by the
21 Omnibus Bond Acts, and (iii) that instruments issued under this
22 Section within the supplementary authority granted by the
23 Omnibus Bond Acts are not invalid because of any provision of
24 this Act that may appear to be or to have been more restrictive
25 than those Acts.

26 (r) When the purposes for which the bonds are issued have

1 been accomplished and paid for in full and there remain funds
2 on hand from the proceeds of the bond sale and interest
3 earnings therefrom, the board shall, by resolution, use such
4 excess funds in accordance with the provisions of Section
5 10-22.14 of this Act.

6 (s) Whenever any tax is levied or bonds issued for fire
7 prevention, safety, energy conservation, and school security
8 purposes, such proceeds shall be deposited and accounted for
9 separately within the Fire Prevention and Safety Fund.

10 (Source: P.A. 98-26, eff. 6-21-13; 98-1066, eff. 8-26-14;
11 99-143, eff. 7-27-15; 99-713, eff. 8-5-16.)

12 (105 ILCS 5/17-2A) (from Ch. 122, par. 17-2A)
13 Sec. 17-2A. Interfund transfers.

14 (a) The school board of any district having a population of
15 less than 500,000 inhabitants may, by proper resolution
16 following a public hearing set by the school board or the
17 president of the school board (that is preceded (i) by at least
18 one published notice over the name of the clerk or secretary of
19 the board, occurring at least 7 days and not more than 30 days
20 prior to the hearing, in a newspaper of general circulation
21 within the school district and (ii) by posted notice over the
22 name of the clerk or secretary of the board, at least 48 hours
23 before the hearing, at the principal office of the school board
24 or at the building where the hearing is to be held if a
25 principal office does not exist, with both notices setting

1 forth the time, date, place, and subject matter of the
2 hearing), transfer money from (1) the Educational Fund to the
3 Operations and Maintenance Fund or the Transportation Fund, (2)
4 the Operations and Maintenance Fund to the Educational Fund or
5 the Transportation Fund, or (3) the Transportation Fund to the
6 Educational Fund or the Operations and Maintenance Fund of said
7 district, provided that, except during the period from July 1,
8 2003 through June 30, 2020 ~~2019~~, such transfer is made solely
9 for the purpose of meeting one-time, non-recurring expenses.
10 Except during the period from July 1, 2003 through June 30,
11 2020 ~~2019~~ and except as otherwise provided in subsection (b) of
12 this Section, any other permanent interfund transfers
13 authorized by any provision or judicial interpretation of this
14 Code for which the transferee fund is not precisely and
15 specifically set forth in the provision of this Code
16 authorizing such transfer shall be made to the fund of the
17 school district most in need of the funds being transferred, as
18 determined by resolution of the school board.

19 (b) Notwithstanding subsection (a) of this Section or any
20 other provision of this Code to the contrary, the school board
21 of any school district (i) that is subject to the Property Tax
22 Extension Limitation Law, (ii) that has a population of less
23 than 500,000 inhabitants, (iii) that is levying at its maximum
24 tax rate, (iv) whose total equalized assessed valuation has
25 declined 20% in the prior 2 years, (v) in which 80% or more of
26 its students receive free or reduced-price lunch, and (vi) that

1 had an equalized assessed valuation of less than \$207 million
2 but more than \$203 million in the 2011 levy year may annually,
3 until July 1, 2016, transfer money from any fund of the
4 district, other than the Illinois Municipal Retirement Fund and
5 the Bonds and Interest Fund, to the educational fund, the
6 operations and maintenance fund, or the transportation fund of
7 the district by proper resolution following a public hearing
8 set by the school board or the president of the school board,
9 with notice as provided in subsection (a) of this Section, so
10 long as the district meets the qualifications set forth in this
11 subsection (b) on the effective date of this amendatory Act of
12 the 98th General Assembly even if the district does not meet
13 those qualifications at the time a given transfer is made.

14 (Source: P.A. 98-26, eff. 6-21-13; 98-131, eff. 1-1-14; 99-713,
15 eff. 8-5-16.)

16 (105 ILCS 5/17-3.6 new)

17 Sec. 17-3.6. Educational purposes tax rate for school
18 districts subject to Property Tax Extension Limitation Law.
19 Notwithstanding the provisions, requirements, or limitations
20 of this Code or any other law, any tax levied for educational
21 purposes by a school district subject to the Property Tax
22 Extension Limitation Law for the 2016 levy year or any
23 subsequent levy year may be extended at a rate exceeding the
24 rate established for educational purposes by referendum or this
25 Code, provided that the rate does not cause the school district

1 to exceed the limiting rate applicable to the school district
2 under the Property Tax Extension Limitation Law for that levy
3 year.

4 (105 ILCS 5/18-4.3) (from Ch. 122, par. 18-4.3)

5 Sec. 18-4.3. Summer school grants. Through fiscal year
6 2017, grants ~~Grants~~ shall be determined for pupil attendance in
7 summer schools conducted under Sections 10-22.33A and 34-18 and
8 approved under Section 2-3.25 in the following manner.

9 The amount of grant for each accredited summer school
10 attendance pupil shall be obtained by dividing the total amount
11 of apportionments determined under Section 18-8.05 by the
12 actual number of pupils in average daily attendance used for
13 such apportionments. The number of credited summer school
14 attendance pupils shall be determined (a) by counting clock
15 hours of class instruction by pupils enrolled in grades 1
16 through 12 in approved courses conducted at least 60 clock
17 hours in summer sessions; (b) by dividing such total of clock
18 hours of class instruction by 4 to produce days of credited
19 pupil attendance; (c) by dividing such days of credited pupil
20 attendance by the actual number of days in the regular term as
21 used in computation in the general apportionment in Section
22 18-8.05; and (d) by multiplying by 1.25.

23 The amount of the grant for a summer school program
24 approved by the State Superintendent of Education for children
25 with disabilities, as defined in Sections 14-1.02 through

1 14-1.07, shall be determined in the manner contained above
2 except that average daily membership shall be utilized in lieu
3 of average daily attendance.

4 In the case of an apportionment based on summer school
5 attendance or membership pupils, the claim therefor shall be
6 presented as a separate claim for the particular school year in
7 which such summer school session ends. On or before November 1
8 of each year the superintendent of each eligible school
9 district shall certify to the State Superintendent of Education
10 the claim of the district for the summer session just ended.
11 Failure on the part of the school board to so certify shall
12 constitute a forfeiture of its right to such payment. The State
13 Superintendent of Education shall transmit to the Comptroller
14 no later than December 15th of each year vouchers for payment
15 of amounts due school districts for summer school. The State
16 Superintendent of Education shall direct the Comptroller to
17 draw his warrants for payments thereof by the 30th day of
18 December. If the money appropriated by the General Assembly for
19 such purpose for any year is insufficient, it shall be
20 apportioned on the basis of claims approved.

21 However, notwithstanding the foregoing provisions, for
22 each fiscal year the money appropriated by the General Assembly
23 for the purposes of this Section shall only be used for grants
24 for approved summer school programs for those children with
25 disabilities served pursuant to Section 14-7.02 or 14-7.02b of
26 this Code.

1 No funding shall be provided to school districts under this
2 Section after fiscal year 2017.

3 (Source: P.A. 93-1022, eff. 8-24-04.)

4 (105 ILCS 5/18-8.05)

5 Sec. 18-8.05. Basis for apportionment of general State
6 financial aid and supplemental general State aid to the common
7 schools for the 1998-1999 through the 2016-2017 ~~and subsequent~~
8 school years.

9 (A) General Provisions.

10 (1) The provisions of this Section relating to the
11 calculation and apportionment of general State financial aid
12 and supplemental general State aid apply to the 1998-1999
13 through the 2016-2017 ~~and subsequent~~ school years. The system
14 of general State financial aid provided for in this Section is
15 designed to assure that, through a combination of State
16 financial aid and required local resources, the financial
17 support provided each pupil in Average Daily Attendance equals
18 or exceeds a prescribed per pupil Foundation Level. This
19 formula approach imputes a level of per pupil Available Local
20 Resources and provides for the basis to calculate a per pupil
21 level of general State financial aid that, when added to
22 Available Local Resources, equals or exceeds the Foundation
23 Level. The amount of per pupil general State financial aid for
24 school districts, in general, varies in inverse relation to

1 Available Local Resources. Per pupil amounts are based upon
2 each school district's Average Daily Attendance as that term is
3 defined in this Section.

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

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

16 (a) Any school district which fails for any given
17 school year to maintain school as required by law, or to
18 maintain a recognized school is not eligible to file for
19 such school year any claim upon the Common School Fund. In
20 case of nonrecognition of one or more attendance centers in
21 a school district otherwise operating recognized schools,
22 the claim of the district shall be reduced in the
23 proportion which the Average Daily Attendance in the
24 attendance center or centers bear to the Average Daily
25 Attendance in the school district. A "recognized school"
26 means any public school which meets the standards as

1 established for recognition by the State Board of
2 Education. A school district or attendance center not
3 having recognition status at the end of a school term is
4 entitled to receive State aid payments due upon a legal
5 claim which was filed while it was recognized.

6 (b) School district claims filed under this Section are
7 subject to Sections 18-9 and 18-12, except as otherwise
8 provided in this Section.

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

14 (d) (Blank).

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

19 School districts are not required to exert a minimum
20 Operating Tax Rate in order to qualify for assistance under
21 this Section.

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

24 (a) "Average Daily Attendance": A count of pupil
25 attendance in school, averaged as provided for in
26 subsection (C) and utilized in deriving per pupil financial

1 support levels.

2 (b) "Available Local Resources": A computation of
3 local financial support, calculated on the basis of Average
4 Daily Attendance and derived as provided pursuant to
5 subsection (D).

6 (c) "Corporate Personal Property Replacement Taxes":
7 Funds paid to local school districts pursuant to "An Act in
8 relation to the abolition of ad valorem personal property
9 tax and the replacement of revenues lost thereby, and
10 amending and repealing certain Acts and parts of Acts in
11 connection therewith", certified August 14, 1979, as
12 amended (Public Act 81-1st S.S.-1).

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

15 (e) "Operating Tax Rate": All school district property
16 taxes extended for all purposes, except Bond and Interest,
17 Summer School, Rent, Capital Improvement, and Vocational
18 Education Building purposes.

19 (B) Foundation Level.

20 (1) The Foundation Level is a figure established by the
21 State representing the minimum level of per pupil financial
22 support that should be available to provide for the basic
23 education of each pupil in Average Daily Attendance. As set
24 forth in this Section, each school district is assumed to exert
25 a sufficient local taxing effort such that, in combination with

1 the aggregate of general State financial aid provided the
2 district, an aggregate of State and local resources are
3 available to meet the basic education needs of pupils in the
4 district.

5 (2) For the 1998-1999 school year, the Foundation Level of
6 support is \$4,225. For the 1999-2000 school year, the
7 Foundation Level of support is \$4,325. For the 2000-2001 school
8 year, the Foundation Level of support is \$4,425. For the
9 2001-2002 school year and 2002-2003 school year, the Foundation
10 Level of support is \$4,560. For the 2003-2004 school year, the
11 Foundation Level of support is \$4,810. For the 2004-2005 school
12 year, the Foundation Level of support is \$4,964. For the
13 2005-2006 school year, the Foundation Level of support is
14 \$5,164. For the 2006-2007 school year, the Foundation Level of
15 support is \$5,334. For the 2007-2008 school year, the
16 Foundation Level of support is \$5,734. For the 2008-2009 school
17 year, the Foundation Level of support is \$5,959.

18 (3) For the 2009-2010 school year and each school year
19 thereafter, the Foundation Level of support is \$6,119 or such
20 greater amount as may be established by law by the General
21 Assembly.

22 (C) Average Daily Attendance.

23 (1) For purposes of calculating general State aid pursuant
24 to subsection (E), an Average Daily Attendance figure shall be
25 utilized. The Average Daily Attendance figure for formula

1 calculation purposes shall be the monthly average of the actual
2 number of pupils in attendance of each school district, as
3 further averaged for the best 3 months of pupil attendance for
4 each school district. In compiling the figures for the number
5 of pupils in attendance, school districts and the State Board
6 of Education shall, for purposes of general State aid funding,
7 conform attendance figures to the requirements of subsection
8 (F).

9 (2) The Average Daily Attendance figures utilized in
10 subsection (E) shall be the requisite attendance data for the
11 school year immediately preceding the school year for which
12 general State aid is being calculated or the average of the
13 attendance data for the 3 preceding school years, whichever is
14 greater. The Average Daily Attendance figures utilized in
15 subsection (H) shall be the requisite attendance data for the
16 school year immediately preceding the school year for which
17 general State aid is being calculated.

18 (D) Available Local Resources.

19 (1) For purposes of calculating general State aid pursuant
20 to subsection (E), a representation of Available Local
21 Resources per pupil, as that term is defined and determined in
22 this subsection, shall be utilized. Available Local Resources
23 per pupil shall include a calculated dollar amount representing
24 local school district revenues from local property taxes and
25 from Corporate Personal Property Replacement Taxes, expressed

1 on the basis of pupils in Average Daily Attendance. Calculation
2 of Available Local Resources shall exclude any tax amnesty
3 funds received as a result of Public Act 93-26.

4 (2) In determining a school district's revenue from local
5 property taxes, the State Board of Education shall utilize the
6 equalized assessed valuation of all taxable property of each
7 school district as of September 30 of the previous year. The
8 equalized assessed valuation utilized shall be obtained and
9 determined as provided in subsection (G).

10 (3) For school districts maintaining grades kindergarten
11 through 12, local property tax revenues per pupil shall be
12 calculated as the product of the applicable equalized assessed
13 valuation for the district multiplied by 3.00%, and divided by
14 the district's Average Daily Attendance figure. For school
15 districts maintaining grades kindergarten through 8, local
16 property tax revenues per pupil shall be calculated as the
17 product of the applicable equalized assessed valuation for the
18 district multiplied by 2.30%, and divided by the district's
19 Average Daily Attendance figure. For school districts
20 maintaining grades 9 through 12, local property tax revenues
21 per pupil shall be the applicable equalized assessed valuation
22 of the district multiplied by 1.05%, and divided by the
23 district's Average Daily Attendance figure.

24 For partial elementary unit districts created pursuant to
25 Article 11E of this Code, local property tax revenues per pupil
26 shall be calculated as the product of the equalized assessed

1 valuation for property within the partial elementary unit
2 district for elementary purposes, as defined in Article 11E of
3 this Code, multiplied by 2.06% and divided by the district's
4 Average Daily Attendance figure, plus the product of the
5 equalized assessed valuation for property within the partial
6 elementary unit district for high school purposes, as defined
7 in Article 11E of this Code, multiplied by 0.94% and divided by
8 the district's Average Daily Attendance figure.

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

19 (E) Computation of General State Aid.

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

23 (2) For any school district for which Available Local
24 Resources per pupil is less than the product of 0.93 times the
25 Foundation Level, general State aid for that district shall be

1 calculated as an amount equal to the Foundation Level minus
2 Available Local Resources, multiplied by the Average Daily
3 Attendance of the school district.

4 (3) For any school district for which Available Local
5 Resources per pupil is equal to or greater than the product of
6 0.93 times the Foundation Level and less than the product of
7 1.75 times the Foundation Level, the general State aid per
8 pupil shall be a decimal proportion of the Foundation Level
9 derived using a linear algorithm. Under this linear algorithm,
10 the calculated general State aid per pupil shall decline in
11 direct linear fashion from 0.07 times the Foundation Level for
12 a school district with Available Local Resources equal to the
13 product of 0.93 times the Foundation Level, to 0.05 times the
14 Foundation Level for a school district with Available Local
15 Resources equal to the product of 1.75 times the Foundation
16 Level. The allocation of general State aid for school districts
17 subject to this paragraph 3 shall be the calculated general
18 State aid per pupil figure multiplied by the Average Daily
19 Attendance of the school district.

20 (4) For any school district for which Available Local
21 Resources per pupil equals or exceeds the product of 1.75 times
22 the Foundation Level, the general State aid for the school
23 district shall be calculated as the product of \$218 multiplied
24 by the Average Daily Attendance of the school district.

25 (5) The amount of general State aid allocated to a school
26 district for the 1999-2000 school year meeting the requirements

1 set forth in paragraph (4) of subsection (G) shall be increased
2 by an amount equal to the general State aid that would have
3 been received by the district for the 1998-1999 school year by
4 utilizing the Extension Limitation Equalized Assessed
5 Valuation as calculated in paragraph (4) of subsection (G) less
6 the general State aid allotted for the 1998-1999 school year.
7 This amount shall be deemed a one time increase, and shall not
8 affect any future general State aid allocations.

9 (F) Compilation of Average Daily Attendance.

10 (1) Each school district shall, by July 1 of each year,
11 submit to the State Board of Education, on forms prescribed by
12 the State Board of Education, attendance figures for the school
13 year that began in the preceding calendar year. The attendance
14 information so transmitted shall identify the average daily
15 attendance figures for each month of the school year. Beginning
16 with the general State aid claim form for the 2002-2003 school
17 year, districts shall calculate Average Daily Attendance as
18 provided in subdivisions (a), (b), and (c) of this paragraph
19 (1).

20 (a) In districts that do not hold year-round classes,
21 days of attendance in August shall be added to the month of
22 September and any days of attendance in June shall be added
23 to the month of May.

24 (b) In districts in which all buildings hold year-round
25 classes, days of attendance in July and August shall be

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

3 (c) In districts in which some buildings, but not all,
4 hold year-round classes, for the non-year-round buildings,
5 days of attendance in August shall be added to the month of
6 September and any days of attendance in June shall be added
7 to the month of May. The average daily attendance for the
8 year-round buildings shall be computed as provided in
9 subdivision (b) of this paragraph (1). To calculate the
10 Average Daily Attendance for the district, the average
11 daily attendance for the year-round buildings shall be
12 multiplied by the days in session for the non-year-round
13 buildings for each month and added to the monthly
14 attendance of the non-year-round buildings.

15 Except as otherwise provided in this Section, days of
16 attendance by pupils shall be counted only for sessions of not
17 less than 5 clock hours of school work per day under direct
18 supervision of: (i) teachers, or (ii) non-teaching personnel or
19 volunteer personnel when engaging in non-teaching duties and
20 supervising in those instances specified in subsection (a) of
21 Section 10-22.34 and paragraph 10 of Section 34-18, with pupils
22 of legal school age and in kindergarten and grades 1 through
23 12. Days of attendance by pupils through verified participation
24 in an e-learning program approved by the State Board of
25 Education under Section 10-20.56 of the Code shall be
26 considered as full days of attendance for purposes of this

1 Section.

2 Days of attendance by tuition pupils shall be accredited
3 only to the districts that pay the tuition to a recognized
4 school.

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

8 (a) Pupils regularly enrolled in a public school for
9 only a part of the school day may be counted on the basis
10 of 1/6 day for every class hour of instruction of 40
11 minutes or more attended pursuant to such enrollment,
12 unless a pupil is enrolled in a block-schedule format of 80
13 minutes or more of instruction, in which case the pupil may
14 be counted on the basis of the proportion of minutes of
15 school work completed each day to the minimum number of
16 minutes that school work is required to be held that day.

17 (b) (Blank).

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

23 (d) A session of 3 or more clock hours may be counted
24 as a day of attendance (1) when the remainder of the school
25 day or at least 2 hours in the evening of that day is
26 utilized for an in-service training program for teachers,

1 up to a maximum of 5 days per school year, provided a
2 district conducts an in-service training program for
3 teachers in accordance with Section 10-22.39 of this Code;
4 or, in lieu of 4 such days, 2 full days may be used, in
5 which event each such day may be counted as a day required
6 for a legal school calendar pursuant to Section 10-19 of
7 this Code; (1.5) when, of the 5 days allowed under item
8 (1), a maximum of 4 days are used for parent-teacher
9 conferences, or, in lieu of 4 such days, 2 full days are
10 used, in which case each such day may be counted as a
11 calendar day required under Section 10-19 of this Code,
12 provided that the full-day, parent-teacher conference
13 consists of (i) a minimum of 5 clock hours of
14 parent-teacher conferences, (ii) both a minimum of 2 clock
15 hours of parent-teacher conferences held in the evening
16 following a full day of student attendance, as specified in
17 subsection (F)(1)(c), and a minimum of 3 clock hours of
18 parent-teacher conferences held on the day immediately
19 following evening parent-teacher conferences, or (iii)
20 multiple parent-teacher conferences held in the evenings
21 following full days of student attendance, as specified in
22 subsection (F)(1)(c), in which the time used for the
23 parent-teacher conferences is equivalent to a minimum of 5
24 clock hours; and (2) when days in addition to those
25 provided in items (1) and (1.5) are scheduled by a school
26 pursuant to its school improvement plan adopted under

1 Article 34 or its revised or amended school improvement
2 plan adopted under Article 2, provided that (i) such
3 sessions of 3 or more clock hours are scheduled to occur at
4 regular intervals, (ii) the remainder of the school days in
5 which such sessions occur are utilized for in-service
6 training programs or other staff development activities
7 for teachers, and (iii) a sufficient number of minutes of
8 school work under the direct supervision of teachers are
9 added to the school days between such regularly scheduled
10 sessions to accumulate not less than the number of minutes
11 by which such sessions of 3 or more clock hours fall short
12 of 5 clock hours. Any full days used for the purposes of
13 this paragraph shall not be considered for computing
14 average daily attendance. Days scheduled for in-service
15 training programs, staff development activities, or
16 parent-teacher conferences may be scheduled separately for
17 different grade levels and different attendance centers of
18 the district.

19 (e) A session of not less than one clock hour of
20 teaching hospitalized or homebound pupils on-site or by
21 telephone to the classroom may be counted as 1/2 day of
22 attendance, however these pupils must receive 4 or more
23 clock hours of instruction to be counted for a full day of
24 attendance.

25 (f) A session of at least 4 clock hours may be counted
26 as a day of attendance for first grade pupils, and pupils

1 in full day kindergartens, and a session of 2 or more hours
2 may be counted as 1/2 day of attendance by pupils in
3 kindergartens which provide only 1/2 day of attendance.

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

11 (h) A recognized kindergarten which provides for only
12 1/2 day of attendance by each pupil shall not have more
13 than 1/2 day of attendance counted in any one day. However,
14 kindergartens may count 2 1/2 days of attendance in any 5
15 consecutive school days. When a pupil attends such a
16 kindergarten for 2 half days on any one school day, the
17 pupil shall have the following day as a day absent from
18 school, unless the school district obtains permission in
19 writing from the State Superintendent of Education.
20 Attendance at kindergartens which provide for a full day of
21 attendance by each pupil shall be counted the same as
22 attendance by first grade pupils. Only the first year of
23 attendance in one kindergarten shall be counted, except in
24 case of children who entered the kindergarten in their
25 fifth year whose educational development requires a second
26 year of kindergarten as determined under the rules and

1 regulations of the State Board of Education.

2 (i) On the days when the assessment that includes a
3 college and career ready determination is administered
4 under subsection (c) of Section 2-3.64a-5 of this Code, the
5 day of attendance for a pupil whose school day must be
6 shortened to accommodate required testing procedures may
7 be less than 5 clock hours and shall be counted towards the
8 176 days of actual pupil attendance required under Section
9 10-19 of this Code, provided that a sufficient number of
10 minutes of school work in excess of 5 clock hours are first
11 completed on other school days to compensate for the loss
12 of school work on the examination days.

13 (j) Pupils enrolled in a remote educational program
14 established under Section 10-29 of this Code may be counted
15 on the basis of one-fifth day of attendance for every clock
16 hour of instruction attended in the remote educational
17 program, provided that, in any month, the school district
18 may not claim for a student enrolled in a remote
19 educational program more days of attendance than the
20 maximum number of days of attendance the district can claim

21 (i) for students enrolled in a building holding year-round
22 classes if the student is classified as participating in
23 the remote educational program on a year-round schedule or

24 (ii) for students enrolled in a building not holding
25 year-round classes if the student is not classified as
26 participating in the remote educational program on a

1 year-round schedule.

2 (G) Equalized Assessed Valuation Data.

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

13 The Department of Revenue shall add to the equalized
14 assessed value of all taxable property of each school district
15 situated entirely or partially within a county that is or was
16 subject to the provisions of Section 15-176 or 15-177 of the
17 Property Tax Code (a) an amount equal to the total amount by
18 which the homestead exemption allowed under Section 15-176 or
19 15-177 of the Property Tax Code for real property situated in
20 that school district exceeds the total amount that would have
21 been allowed in that school district if the maximum reduction
22 under Section 15-176 was (i) \$4,500 in Cook County or \$3,500 in
23 all other counties in tax year 2003 or (ii) \$5,000 in all
24 counties in tax year 2004 and thereafter and (b) an amount
25 equal to the aggregate amount for the taxable year of all

1 additional exemptions under Section 15-175 of the Property Tax
2 Code for owners with a household income of \$30,000 or less. The
3 county clerk of any county that is or was subject to the
4 provisions of Section 15-176 or 15-177 of the Property Tax Code
5 shall annually calculate and certify to the Department of
6 Revenue for each school district all homestead exemption
7 amounts under Section 15-176 or 15-177 of the Property Tax Code
8 and all amounts of additional exemptions under Section 15-175
9 of the Property Tax Code for owners with a household income of
10 \$30,000 or less. It is the intent of this paragraph that if the
11 general homestead exemption for a parcel of property is
12 determined under Section 15-176 or 15-177 of the Property Tax
13 Code rather than Section 15-175, then the calculation of
14 Available Local Resources shall not be affected by the
15 difference, if any, between the amount of the general homestead
16 exemption allowed for that parcel of property under Section
17 15-176 or 15-177 of the Property Tax Code and the amount that
18 would have been allowed had the general homestead exemption for
19 that parcel of property been determined under Section 15-175 of
20 the Property Tax Code. It is further the intent of this
21 paragraph that if additional exemptions are allowed under
22 Section 15-175 of the Property Tax Code for owners with a
23 household income of less than \$30,000, then the calculation of
24 Available Local Resources shall not be affected by the
25 difference, if any, because of those additional exemptions.

26 This equalized assessed valuation, as adjusted further by

1 the requirements of this subsection, shall be utilized in the
2 calculation of Available Local Resources.

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

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

1 have been paid.

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

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

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

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

26 "Base Tax Year": The property tax levy year used to

1 calculate the Budget Year allocation of general State aid.

2 "Preceding Tax Year": The property tax levy year
3 immediately preceding the Base Tax Year.

4 "Base Tax Year's Tax Extension": The product of the
5 equalized assessed valuation utilized by the County Clerk
6 in the Base Tax Year multiplied by the limiting rate as
7 calculated by the County Clerk and defined in the Property
8 Tax Extension Limitation Law.

9 "Preceding Tax Year's Tax Extension": The product of
10 the equalized assessed valuation utilized by the County
11 Clerk in the Preceding Tax Year multiplied by the Operating
12 Tax Rate as defined in subsection (A).

13 "Extension Limitation Ratio": A numerical ratio,
14 certified by the County Clerk, in which the numerator is
15 the Base Tax Year's Tax Extension and the denominator is
16 the Preceding Tax Year's Tax Extension.

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

19 If a school district is subject to property tax extension
20 limitations as imposed under the Property Tax Extension
21 Limitation Law, the State Board of Education shall calculate
22 the Extension Limitation Equalized Assessed Valuation of that
23 district. For the 1999-2000 school year, the Extension
24 Limitation Equalized Assessed Valuation of a school district as
25 calculated by the State Board of Education shall be equal to
26 the product of the district's 1996 Equalized Assessed Valuation

1 and the district's Extension Limitation Ratio. Except as
2 otherwise provided in this paragraph for a school district that
3 has approved or does approve an increase in its limiting rate,
4 for the 2000-2001 school year and each school year thereafter,
5 the Extension Limitation Equalized Assessed Valuation of a
6 school district as calculated by the State Board of Education
7 shall be equal to the product of the Equalized Assessed
8 Valuation last used in the calculation of general State aid and
9 the district's Extension Limitation Ratio. If the Extension
10 Limitation Equalized Assessed Valuation of a school district as
11 calculated under this subsection (G)(3) is less than the
12 district's equalized assessed valuation as calculated pursuant
13 to subsections (G)(1) and (G)(2), then for purposes of
14 calculating the district's general State aid for the Budget
15 Year pursuant to subsection (E), that Extension Limitation
16 Equalized Assessed Valuation shall be utilized to calculate the
17 district's Available Local Resources under subsection (D). For
18 the 2009-2010 school year and each school year thereafter, if a
19 school district has approved or does approve an increase in its
20 limiting rate, pursuant to Section 18-190 of the Property Tax
21 Code, affecting the Base Tax Year, the Extension Limitation
22 Equalized Assessed Valuation of the school district, as
23 calculated by the State Board of Education, shall be equal to
24 the product of the Equalized Assessed Valuation last used in
25 the calculation of general State aid times an amount equal to
26 one plus the percentage increase, if any, in the Consumer Price

1 Index for all Urban Consumers for all items published by the
2 United States Department of Labor for the 12-month calendar
3 year preceding the Base Tax Year, plus the Equalized Assessed
4 Valuation of new property, annexed property, and recovered tax
5 increment value and minus the Equalized Assessed Valuation of
6 disconnected property. New property and recovered tax
7 increment value shall have the meanings set forth in the
8 Property Tax Extension Limitation Law.

9 Partial elementary unit districts created in accordance
10 with Article 11E of this Code shall not be eligible for the
11 adjustment in this subsection (G)(3) until the fifth year
12 following the effective date of the reorganization.

13 (3.5) For the 2010-2011 school year and each school year
14 thereafter, if a school district's boundaries span multiple
15 counties, then the Department of Revenue shall send to the
16 State Board of Education, for the purpose of calculating
17 general State aid, the limiting rate and individual rates by
18 purpose for the county that contains the majority of the school
19 district's Equalized Assessed Valuation.

20 (4) For the purposes of calculating general State aid for
21 the 1999-2000 school year only, if a school district
22 experienced a triennial reassessment on the equalized assessed
23 valuation used in calculating its general State financial aid
24 apportionment for the 1998-1999 school year, the State Board of
25 Education shall calculate the Extension Limitation Equalized
26 Assessed Valuation that would have been used to calculate the

1 district's 1998-1999 general State aid. This amount shall equal
2 the product of the equalized assessed valuation used to
3 calculate general State aid for the 1997-1998 school year and
4 the district's Extension Limitation Ratio. If the Extension
5 Limitation Equalized Assessed Valuation of the school district
6 as calculated under this paragraph (4) is less than the
7 district's equalized assessed valuation utilized in
8 calculating the district's 1998-1999 general State aid
9 allocation, then for purposes of calculating the district's
10 general State aid pursuant to paragraph (5) of subsection (E),
11 that Extension Limitation Equalized Assessed Valuation shall
12 be utilized to calculate the district's Available Local
13 Resources.

14 (5) For school districts having a majority of their
15 equalized assessed valuation in any county except Cook, DuPage,
16 Kane, Lake, McHenry, or Will, if the amount of general State
17 aid allocated to the school district for the 1999-2000 school
18 year under the provisions of subsection (E), (H), and (J) of
19 this Section is less than the amount of general State aid
20 allocated to the district for the 1998-1999 school year under
21 these subsections, then the general State aid of the district
22 for the 1999-2000 school year only shall be increased by the
23 difference between these amounts. The total payments made under
24 this paragraph (5) shall not exceed \$14,000,000. Claims shall
25 be prorated if they exceed \$14,000,000.

1 (H) Supplemental General State Aid.

2 (1) In addition to the general State aid a school district
3 is allotted pursuant to subsection (E), qualifying school
4 districts shall receive a grant, paid in conjunction with a
5 district's payments of general State aid, for supplemental
6 general State aid based upon the concentration level of
7 children from low-income households within the school
8 district. Supplemental State aid grants provided for school
9 districts under this subsection shall be appropriated for
10 distribution to school districts as part of the same line item
11 in which the general State financial aid of school districts is
12 appropriated under this Section.

13 (1.5) This paragraph (1.5) applies only to those school
14 years preceding the 2003-2004 school year. For purposes of this
15 subsection (H), the term "Low-Income Concentration Level"
16 shall be the low-income eligible pupil count from the most
17 recently available federal census divided by the Average Daily
18 Attendance of the school district. If, however, (i) the
19 percentage decrease from the 2 most recent federal censuses in
20 the low-income eligible pupil count of a high school district
21 with fewer than 400 students exceeds by 75% or more the
22 percentage change in the total low-income eligible pupil count
23 of contiguous elementary school districts, whose boundaries
24 are coterminous with the high school district, or (ii) a high
25 school district within 2 counties and serving 5 elementary
26 school districts, whose boundaries are coterminous with the

1 high school district, has a percentage decrease from the 2 most
2 recent federal censuses in the low-income eligible pupil count
3 and there is a percentage increase in the total low-income
4 eligible pupil count of a majority of the elementary school
5 districts in excess of 50% from the 2 most recent federal
6 censuses, then the high school district's low-income eligible
7 pupil count from the earlier federal census shall be the number
8 used as the low-income eligible pupil count for the high school
9 district, for purposes of this subsection (H). The changes made
10 to this paragraph (1) by Public Act 92-28 shall apply to
11 supplemental general State aid grants for school years
12 preceding the 2003-2004 school year that are paid in fiscal
13 year 1999 or thereafter and to any State aid payments made in
14 fiscal year 1994 through fiscal year 1998 pursuant to
15 subsection 1(n) of Section 18-8 of this Code (which was
16 repealed on July 1, 1998), and any high school district that is
17 affected by Public Act 92-28 is entitled to a recomputation of
18 its supplemental general State aid grant or State aid paid in
19 any of those fiscal years. This recomputation shall not be
20 affected by any other funding.

21 (1.10) This paragraph (1.10) applies to the 2003-2004
22 school year and each school year thereafter through the
23 2016-2017 school year. For purposes of this subsection (H), the
24 term "Low-Income Concentration Level" shall, for each fiscal
25 year, be the low-income eligible pupil count as of July 1 of
26 the immediately preceding fiscal year (as determined by the

1 Department of Human Services based on the number of pupils who
2 are eligible for at least one of the following low income
3 programs: Medicaid, the Children's Health Insurance Program,
4 TANF, or Food Stamps, excluding pupils who are eligible for
5 services provided by the Department of Children and Family
6 Services, averaged over the 2 immediately preceding fiscal
7 years for fiscal year 2004 and over the 3 immediately preceding
8 fiscal years for each fiscal year thereafter) divided by the
9 Average Daily Attendance of the school district.

10 (2) Supplemental general State aid pursuant to this
11 subsection (H) shall be provided as follows for the 1998-1999,
12 1999-2000, and 2000-2001 school years only:

13 (a) For any school district with a Low Income
14 Concentration Level of at least 20% and less than 35%, the
15 grant for any school year shall be \$800 multiplied by the
16 low income eligible pupil count.

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

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

25 (d) For any school district with a Low Income
26 Concentration Level of 60% or more, the grant for the

1 1998-99 school year shall be \$1,900 multiplied by the low
2 income eligible pupil count.

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

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

11 (2.5) Supplemental general State aid pursuant to this
12 subsection (H) shall be provided as follows for the 2002-2003
13 school year:

14 (a) For any school district with a Low Income
15 Concentration Level of less than 10%, the grant for each
16 school year shall be \$355 multiplied by the low income
17 eligible pupil count.

18 (b) For any school district with a Low Income
19 Concentration Level of at least 10% and less than 20%, the
20 grant for each school year shall be \$675 multiplied by the
21 low income eligible pupil count.

22 (c) For any school district with a Low Income
23 Concentration Level of at least 20% and less than 35%, the
24 grant for each school year shall be \$1,330 multiplied by
25 the low income eligible pupil count.

26 (d) For any school district with a Low Income

1 Concentration Level of at least 35% and less than 50%, the
2 grant for each school year shall be \$1,362 multiplied by
3 the low income eligible pupil count.

4 (e) For any school district with a Low Income
5 Concentration Level of at least 50% and less than 60%, the
6 grant for each school year shall be \$1,680 multiplied by
7 the low income eligible pupil count.

8 (f) For any school district with a Low Income
9 Concentration Level of 60% or more, the grant for each
10 school year shall be \$2,080 multiplied by the low income
11 eligible pupil count.

12 (2.10) Except as otherwise provided, supplemental general
13 State aid pursuant to this subsection (H) shall be provided as
14 follows for the 2003-2004 school year and each school year
15 thereafter:

16 (a) For any school district with a Low Income
17 Concentration Level of 15% or less, the grant for each
18 school year shall be \$355 multiplied by the low income
19 eligible pupil count.

20 (b) For any school district with a Low Income
21 Concentration Level greater than 15%, the grant for each
22 school year shall be \$294.25 added to the product of \$2,700
23 and the square of the Low Income Concentration Level, all
24 multiplied by the low income eligible pupil count.

25 For the 2003-2004 school year and each school year
26 thereafter through the 2008-2009 school year only, the grant

1 shall be no less than the grant for the 2002-2003 school year.
2 For the 2009-2010 school year only, the grant shall be no less
3 than the grant for the 2002-2003 school year multiplied by
4 0.66. For the 2010-2011 school year only, the grant shall be no
5 less than the grant for the 2002-2003 school year multiplied by
6 0.33. Notwithstanding the provisions of this paragraph to the
7 contrary, if for any school year supplemental general State aid
8 grants are prorated as provided in paragraph (1) of this
9 subsection (H), then the grants under this paragraph shall be
10 prorated.

11 For the 2003-2004 school year only, the grant shall be no
12 greater than the grant received during the 2002-2003 school
13 year added to the product of 0.25 multiplied by the difference
14 between the grant amount calculated under subsection (a) or (b)
15 of this paragraph (2.10), whichever is applicable, and the
16 grant received during the 2002-2003 school year. For the
17 2004-2005 school year only, the grant shall be no greater than
18 the grant received during the 2002-2003 school year added to
19 the product of 0.50 multiplied by the difference between the
20 grant amount calculated under subsection (a) or (b) of this
21 paragraph (2.10), whichever is applicable, and the grant
22 received during the 2002-2003 school year. For the 2005-2006
23 school year only, the grant shall be no greater than the grant
24 received during the 2002-2003 school year added to the product
25 of 0.75 multiplied by the difference between the grant amount
26 calculated under subsection (a) or (b) of this paragraph

1 (2.10), whichever is applicable, and the grant received during
2 the 2002-2003 school year.

3 (3) School districts with an Average Daily Attendance of
4 more than 1,000 and less than 50,000 that qualify for
5 supplemental general State aid pursuant to this subsection
6 shall submit a plan to the State Board of Education prior to
7 October 30 of each year for the use of the funds resulting from
8 this grant of supplemental general State aid for the
9 improvement of instruction in which priority is given to
10 meeting the education needs of disadvantaged children. Such
11 plan shall be submitted in accordance with rules and
12 regulations promulgated by the State Board of Education.

13 (4) School districts with an Average Daily Attendance of
14 50,000 or more that qualify for supplemental general State aid
15 pursuant to this subsection shall be required to distribute
16 from funds available pursuant to this Section, no less than
17 \$261,000,000 in accordance with the following requirements:

18 (a) The required amounts shall be distributed to the
19 attendance centers within the district in proportion to the
20 number of pupils enrolled at each attendance center who are
21 eligible to receive free or reduced-price lunches or
22 breakfasts under the federal Child Nutrition Act of 1966
23 and under the National School Lunch Act during the
24 immediately preceding school year.

25 (b) The distribution of these portions of supplemental
26 and general State aid among attendance centers according to

1 these requirements shall not be compensated for or
2 contravened by adjustments of the total of other funds
3 appropriated to any attendance centers, and the Board of
4 Education shall utilize funding from one or several sources
5 in order to fully implement this provision annually prior
6 to the opening of school.

7 (c) Each attendance center shall be provided by the
8 school district a distribution of noncategorical funds and
9 other categorical funds to which an attendance center is
10 entitled under law in order that the general State aid and
11 supplemental general State aid provided by application of
12 this subsection supplements rather than supplants the
13 noncategorical funds and other categorical funds provided
14 by the school district to the attendance centers.

15 (d) Any funds made available under this subsection that
16 by reason of the provisions of this subsection are not
17 required to be allocated and provided to attendance centers
18 may be used and appropriated by the board of the district
19 for any lawful school purpose.

20 (e) Funds received by an attendance center pursuant to
21 this subsection shall be used by the attendance center at
22 the discretion of the principal and local school council
23 for programs to improve educational opportunities at
24 qualifying schools through the following programs and
25 services: early childhood education, reduced class size or
26 improved adult to student classroom ratio, enrichment

1 programs, remedial assistance, attendance improvement, and
2 other educationally beneficial expenditures which
3 supplement the regular and basic programs as determined by
4 the State Board of Education. Funds provided shall not be
5 expended for any political or lobbying purposes as defined
6 by board rule.

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

23 Upon notification by the State Board of Education that
24 the district has not submitted a plan prior to July 15 or a
25 modified plan within the time period specified herein, the
26 State aid funds affected by that plan or modified plan

1 shall be withheld by the State Board of Education until a
2 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, the
5 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 of
13 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 of
20 receipt of the report, notify the district and any affected
21 local school council. The district shall within 45 days of
22 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 report

1 or the notification of remedial or corrective action in a
2 timely manner shall result in a withholding of the affected
3 funds.

4 The State Board of Education shall promulgate rules and
5 regulations to implement the provisions of this
6 subsection. No funds shall be released under this
7 subdivision (H) (4) to any district that has not submitted a
8 plan that has been approved by the State Board of
9 Education.

10 (I) (Blank).

11 (J) (Blank).

12 (K) Grants to Laboratory and Alternative Schools.

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

19 As used in this Section, "laboratory school" means a public
20 school which is created and operated by a public university and
21 approved by the State Board of Education. The governing board
22 of a public university which receives funds from the State
23 Board under this subsection (K) or subsection (g) of Section

1 18-8.15 of this Code may not increase the number of students
2 enrolled in its laboratory school from a single district, if
3 that district is already sending 50 or more students, except
4 under a mutual agreement between the school board of a
5 student's district of residence and the university which
6 operates the laboratory school. A laboratory school may not
7 have more than 1,000 students, excluding students with
8 disabilities in a special education program.

9 As used in this Section, "alternative school" means a
10 public school which is created and operated by a Regional
11 Superintendent of Schools and approved by the State Board of
12 Education. Such alternative schools may offer courses of
13 instruction for which credit is given in regular school
14 programs, courses to prepare students for the high school
15 equivalency testing program or vocational and occupational
16 training. A regional superintendent of schools may contract
17 with a school district or a public community college district
18 to operate an alternative school. An alternative school serving
19 more than one educational service region may be established by
20 the regional superintendents of schools of the affected
21 educational service regions. An alternative school serving
22 more than one educational service region may be operated under
23 such terms as the regional superintendents of schools of those
24 educational service regions may agree.

25 Each laboratory and alternative school shall file, on forms
26 provided by the State Superintendent of Education, an annual

1 State aid claim which states the Average Daily Attendance of
2 the school's students by month. The best 3 months' Average
3 Daily Attendance shall be computed for each school. The general
4 State aid entitlement shall be computed by multiplying the
5 applicable Average Daily Attendance by the Foundation Level as
6 determined under this Section.

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

8 (1) For a school district operating under the financial
9 supervision of an Authority created under Article 34A, the
10 general State aid otherwise payable to that district under this
11 Section, but not the supplemental general State aid, shall be
12 reduced by an amount equal to the budget for the operations of
13 the Authority as certified by the Authority to the State Board
14 of Education, and an amount equal to such reduction shall be
15 paid to the Authority created for such district for its
16 operating expenses in the manner provided in Section 18-11. The
17 remainder of general State school aid for any such district
18 shall be paid in accordance with Article 34A when that Article
19 provides for a disposition other than that provided by this
20 Article.

21 (2) (Blank).

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

24 (M) Education Funding Advisory Board.

1 The Education Funding Advisory Board, hereinafter in this
2 subsection (M) referred to as the "Board", is hereby created.
3 The Board shall consist of 5 members who are appointed by the
4 Governor, by and with the advice and consent of the Senate. The
5 members appointed shall include representatives of education,
6 business, and the general public. One of the members so
7 appointed shall be designated by the Governor at the time the
8 appointment is made as the chairperson of the Board. The
9 initial members of the Board may be appointed any time after
10 the effective date of this amendatory Act of 1997. The regular
11 term of each member of the Board shall be for 4 years from the
12 third Monday of January of the year in which the term of the
13 member's appointment is to commence, except that of the 5
14 initial members appointed to serve on the Board, the member who
15 is appointed as the chairperson shall serve for a term that
16 commences on the date of his or her appointment and expires on
17 the third Monday of January, 2002, and the remaining 4 members,
18 by lots drawn at the first meeting of the Board that is held
19 after all 5 members are appointed, shall determine 2 of their
20 number to serve for terms that commence on the date of their
21 respective appointments and expire on the third Monday of
22 January, 2001, and 2 of their number to serve for terms that
23 commence on the date of their respective appointments and
24 expire on the third Monday of January, 2000. All members
25 appointed to serve on the Board shall serve until their
26 respective successors are appointed and confirmed. Vacancies

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

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

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

22 For school years after the 2000-2001 school year through
23 the 2016-2017 school year, the Education Funding Advisory
24 Board, in consultation with the State Board of Education, shall
25 make recommendations as provided in this subsection (M) to the
26 General Assembly for the foundation level under subdivision

1 (B) (3) of this Section and for the supplemental general State
2 aid grant level under subsection (H) of this Section for
3 districts with high concentrations of children from poverty.
4 The recommended foundation level shall be determined based on a
5 methodology which incorporates the basic education
6 expenditures of low-spending schools exhibiting high academic
7 performance. The Education Funding Advisory Board shall make
8 such recommendations to the General Assembly on January 1 of
9 odd numbered years, beginning January 1, 2001.

10 (N) (Blank).

11 (O) References.

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

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

20 (P) Public Act 93-838 and Public Act 93-808 make inconsistent
21 changes to this Section. Under Section 6 of the Statute on
22 Statutes there is an irreconcilable conflict between Public Act
23 93-808 and Public Act 93-838. Public Act 93-838, being the last

1 acted upon, is controlling. The text of Public Act 93-838 is
2 the law regardless of the text of Public Act 93-808.

3 (Q) State Fiscal Year 2015 Payments.

4 For payments made for State fiscal year 2015, the State
5 Board of Education shall, for each school district, calculate
6 that district's pro-rata share of a minimum sum of \$13,600,000
7 or additional amounts as needed from the total net General
8 State Aid funding as calculated under this Section that shall
9 be deemed attributable to the provision of special educational
10 facilities and services, as defined in Section 14-1.08 of this
11 Code, in a manner that ensures compliance with maintenance of
12 State financial support requirements under the federal
13 Individuals with Disabilities Education Act. Each school
14 district must use such funds only for the provision of special
15 educational facilities and services, as defined in Section
16 14-1.08 of this Code, and must comply with any expenditure
17 verification procedures adopted by the State Board of
18 Education.

19 (R) State Fiscal Year 2016 Payments.

20 For payments made for State fiscal year 2016, the State
21 Board of Education shall, for each school district, calculate
22 that district's pro rata share of a minimum sum of \$1 or
23 additional amounts as needed from the total net General State
24 Aid funding as calculated under this Section that shall be

1 deemed attributable to the provision of special educational
2 facilities and services, as defined in Section 14-1.08 of this
3 Code, in a manner that ensures compliance with maintenance of
4 State financial support requirements under the federal
5 Individuals with Disabilities Education Act. Each school
6 district must use such funds only for the provision of special
7 educational facilities and services, as defined in Section
8 14-1.08 of this Code, and must comply with any expenditure
9 verification procedures adopted by the State Board of
10 Education.

11 (Source: P.A. 98-972, eff. 8-15-14; 99-2, eff. 3-26-15; 99-194,
12 eff. 7-30-15; 99-523, eff. 6-30-16.)

13 (105 ILCS 5/18-8.10)

14 Sec. 18-8.10. Fast growth grants.

15 (a) If there has been an increase in a school district's
16 student population over the most recent 2 school years of (i)
17 over 1.5% in a district with over 10,000 pupils in average
18 daily attendance (as defined in Section 18-8.05 or 18-8.15 of
19 this Code) or (ii) over 7.5% in any other district, then the
20 district is eligible for a grant under this Section, subject to
21 appropriation.

22 (b) The State Board of Education shall determine a per
23 pupil grant amount for each school district. The total grant
24 amount for a district for any given school year shall equal the
25 per pupil grant amount multiplied by the difference between the

1 number of pupils in average daily attendance for the 2 most
2 recent school years.

3 (c) Funds for grants under this Section must be
4 appropriated to the State Board of Education in a separate line
5 item for this purpose. If the amount appropriated in any fiscal
6 year is insufficient to pay all grants for a school year, then
7 the amount appropriated shall be prorated among eligible
8 districts. As soon as possible after funds have been
9 appropriated to the State Board of Education, the State Board
10 of Education shall distribute the grants to eligible districts.

11 (d) If a school district intentionally reports incorrect
12 average daily attendance numbers to receive a grant under this
13 Section, then the district shall be denied State aid in the
14 same manner as State aid is denied for intentional incorrect
15 reporting of average daily attendance numbers under Section
16 18-8.05 or 18-8.15 of this Code.

17 (Source: P.A. 93-1042, eff. 10-8-04.)

18 (105 ILCS 5/18-8.15 new)

19 Sec. 18-8.15. Evidence-based funding for student success
20 for the 2017-2018 and subsequent school years.

21 (a) General provisions.

22 (1) The purpose of this Section is to ensure that, by June
23 30, 2027 and beyond, this State has a kindergarten through
24 grade 12 public education system with the capacity to ensure
25 the educational development of all persons to the limits of

1 their capacities in accordance with Section 1 of Article X of
2 the Constitution of the State of Illinois. To accomplish that
3 objective, this Section creates a method of funding public
4 education that is evidence-based; is sufficient to ensure every
5 student receives a meaningful opportunity to learn
6 irrespective of race, ethnicity, sexual orientation, gender,
7 or community-income level; and is sustainable and predictable.
8 When fully funded under this Section, every school shall have
9 the resources, based on what the evidence indicates is needed,
10 to:

11 (A) provide all students with a high quality education
12 that offers the academic, enrichment, social and emotional
13 support, technical, and career-focused programs that will
14 allow them to become competitive workers, responsible
15 parents, productive citizens of this State, and active
16 members of our national democracy;

17 (B) ensure all students receive the education they need
18 to graduate from high school with the skills required to
19 pursue post-secondary education and training for a
20 rewarding career;

21 (C) reduce, with a goal of eliminating, the achievement
22 gap between at-risk and non-at-risk students by raising the
23 performance of at-risk students and not by reducing
24 standards; and

25 (D) ensure this State satisfies its obligation to
26 assume the primary responsibility to fund public education

1 and simultaneously relieve the disproportionate burden
2 placed on local property taxes to fund schools.

3 (2) The evidence-based funding formula under this Section
4 shall be applied to all Organizational Units in this State. As
5 further defined and described in this Section, there are 4
6 major components of the evidence-based funding model:

7 (A) First, the model calculates a unique adequacy
8 target for each Organizational Unit in this State that
9 considers the costs to implement research-based
10 activities, the unit's student demographics, and regional
11 wage difference.

12 (B) Second, the model calculates each Organizational
13 Unit's local capacity, or the amount each Organizational
14 Unit is assumed to contribute towards its adequacy target
15 from local resources.

16 (C) Third, the model calculates how much funding the
17 State currently contributes to the Organizational Unit,
18 and adds that to the unit's local capacity to determine the
19 unit's overall current adequacy of funding.

20 (D) Finally, the model's distribution method allocates
21 new State funding to those Organizational Units that are
22 least well-funded, considering both local capacity and
23 State funding, in relation to their adequacy target.

24 (3) An Organizational Unit receiving any funding under this
25 Section may apply those funds to any fund so received for which
26 that Organizational Unit is authorized to make expenditures by

1 law.

2 (4) As used in this Section, the following terms shall have
3 the meanings ascribed in this paragraph (4):

4 "Adequacy Target" is defined in paragraph (1) of subsection
5 (b) of this Section.

6 "Adjusted EAV" is defined in paragraph (4) of subsection
7 (d) of this Section.

8 "Adjusted Local Capacity Target" is defined in paragraph
9 (3) of subsection (c) of this Section.

10 "Allocation Rate" is defined in paragraph (3) of subsection
11 (g) of this Section.

12 "Alternative School" means a public school that is created
13 and operated by a regional superintendent of schools and
14 approved by the State Board.

15 "Applicable Tax Rate" is defined in paragraph (1) of
16 subsection (d) of this Section.

17 "Assessment" means any of those benchmark, progress
18 monitoring, formative, diagnostic, and other assessments, in
19 addition to the State accountability assessment, that assist
20 teachers' needs in understanding the skills and meeting the
21 needs of the students they serve.

22 "Assistant principal" means a school administrator duly
23 endorsed to be employed as an assistant principal in this
24 State.

25 "At-risk student" means a student who is at risk of not
26 meeting the Illinois Learning Standards or not graduating from

1 elementary or high school and who demonstrates a need for
2 vocational support or social services beyond that provided by
3 the regular school program. All students included in an
4 Organizational Unit's Low-Income Count, as well as all EL and
5 disabled students attending the Organizational Unit, shall be
6 considered at-risk students under this Section.

7 "Average Student Enrollment" or "ASE" means, for an
8 Organizational Unit in a given school year, the greater of the
9 average number of students (grades K through 12) reported to
10 the State Board as enrolled in the Organizational Unit on
11 October 1 and March 1, plus the special education
12 pre-kindergarten students with services of at least more than 2
13 hours a week as reported to the State Board on December 1, in
14 the immediately preceding school year or the average number of
15 students (grades K through 12) reported to the State Board as
16 enrolled in the Organizational Unit on October 1 and March 1,
17 plus the special education pre-kindergarten students with
18 services of at least more than 2 hours a week as reported to
19 the State Board on December 1, for each of the immediately
20 preceding 3 school years. For the purposes of this definition,
21 "enrolled in the Organizational Unit" means the number of
22 students reported to the State Board who are enrolled in
23 schools within the Organizational Unit that the student attends
24 or would attend if not placed or transferred to another school
25 or program to receive needed services. For the purposes of
26 calculating "ASE", all students, grades K through 12, including

1 those attending kindergarten for a half day, shall be counted
2 as 1.0. Special education pre-kindergarten students shall be
3 counted as 0.5 each. If the State Board does not collect or has
4 not collected both an October 1 and March 1 enrollment count by
5 grade or a December 1 collection of special education
6 pre-kindergarten students as of the effective date of this
7 amendatory Act of the 100th General Assembly, it shall
8 establish such collection for all future years. For any year
9 where a count by grade level was collected only once, that
10 count shall be used as the single count available for computing
11 a 3-year average ASE.

12 "Base Funding Guarantee" is defined in paragraph (7) of
13 subsection (g) of this Section.

14 "Base Funding Minimum" is defined in subsection (e) of this
15 Section.

16 "Central office" means individual administrators and
17 support service personnel charged with managing the
18 instructional programs, business and operations, and security
19 of the Organizational Unit.

20 "Comparable Wage Index" or "CWI" means a regional cost
21 differentiation metric that measures systemic, regional
22 variations in the salaries of college graduates who are not
23 educators. The CWI utilized for this Section shall, for the
24 first 3 years of Evidence-Based Funding implementation, be the
25 CWI initially developed by the National Center for Education
26 Statistics, as most recently updated by Texas A & M University.

1 In the fourth and subsequent years of Evidence-Based Funding
2 implementation, the State Superintendent shall re-determine
3 the CWI using a similar methodology to that identified in the
4 Texas A & M University study, with adjustments made no less
5 frequently than once every 5 years.

6 "Computer technology and equipment" means computers
7 servers, notebooks, network equipment, copiers, printers,
8 instructional software, security software, curriculum
9 management courseware, and other similar materials and
10 equipment.

11 "Core subject" means mathematics; science; reading,
12 English, writing, and language arts; history and social
13 studies; world languages; and subjects taught as Advanced
14 Placement in high schools.

15 "Core teacher" means a regular classroom teacher in
16 elementary schools and teachers of a core subject in middle and
17 high schools.

18 "Core Intervention teacher (tutor)" means a licensed
19 teacher providing one-on-one or small group tutoring to
20 students struggling to meet proficiency in core subjects.

21 "CPPRT" means corporate personal property replacement tax
22 funds paid to an Organizational Unit during the calendar year
23 one year before the calendar year in which a school year
24 begins, pursuant to "An Act in relation to the abolition of ad
25 valorem personal property tax and the replacement of revenues
26 lost thereby, and amending and repealing certain Acts and parts

1 of Acts in connection therewith", certified August 14, 1979, as
2 amended (Public Act 81-1st S.S.-1).

3 "EAV" means equalized assessed valuation as defined in
4 paragraph (2) of subsection (d) of this Section and calculated
5 in accordance with paragraph (3) of subsection (d) of this
6 Section.

7 "ECI" means the Bureau of Labor Statistics' national
8 employment cost index for civilian workers in educational
9 services in elementary and secondary schools on a cumulative
10 basis for the 12-month calendar year preceding the fiscal year
11 of the Evidence-Based Funding calculation.

12 "EIS Data" means the employment information system data
13 maintained by the State Board on educators within
14 Organizational Units.

15 "Employee benefits" means health, dental, and vision
16 insurance offered to employees of an Organizational Unit, the
17 costs associated with statutorily required payment of the
18 normal cost of the Organizational Unit's teacher pensions,
19 Social Security employer contributions, and Illinois Municipal
20 Retirement Fund employer contributions.

21 "English learner" or "EL" means a child included in the
22 definition of "English learners" under Section 14C-2 of this
23 Code participating in a program of transitional bilingual
24 education or a transitional program of instruction meeting the
25 requirements and program application procedures of Article 14C
26 of this Code. For the purposes of collecting the number of EL

1 students enrolled, the same collection and calculation
2 methodology as defined above for "ASE" shall apply to English
3 learners.

4 "Evidence-Based Funding" means State funding provided to
5 an Organizational Unit pursuant to this Section.

6 "Essential Elements" means those elements, resources, and
7 educational programs that have been identified through
8 academic research as necessary to improve student success,
9 improve academic performance, close achievement gaps, and
10 provide for other per student costs related to the delivery and
11 leadership of the Organizational Unit, as well as the
12 maintenance and operations of the unit, and which are specified
13 in paragraph (2) of subsection (b) of this Section.

14 "Extended day" means academic and enrichment programs
15 provided to students outside the regular school day before and
16 after school or during non-instructional times during the
17 school day.

18 "Final Percent of Adequacy" is defined in paragraph (4) of
19 subsection (f) of this Section.

20 "Final Resources" is defined in paragraph (3) of subsection
21 (f) of this Section.

22 "Full-time equivalent" or "FTE" means the full-time
23 equivalency compensation for staffing the relevant position at
24 an Organizational Unit.

25 "Funding Gap" is defined in paragraph (1) of subsection
26 (g).

1 "Guidance counselor" means a licensed guidance counselor
2 who provides guidance and counseling support for students
3 within an Organizational Unit.

4 "Hybrid District" means a partial elementary unit district
5 created pursuant to Article 11E of this Code.

6 "Instructional assistant" means a core or special
7 education, non-licensed employee who assists a teacher in the
8 classroom and provides academic support to students.

9 "Instructional facilitator" means a qualified teacher or
10 licensed teacher leader who facilitates and coaches continuous
11 improvement in classroom instruction; provides instructional
12 support to teachers in the elements of research-based
13 instruction or demonstrates the alignment of instruction with
14 curriculum standards and assessment tools; develops or
15 coordinates instructional programs or strategies; develops and
16 implements training; chooses standards-based instructional
17 materials; provides teachers with an understanding of current
18 research; serves as a mentor, site coach, curriculum
19 specialist, or lead teacher; or otherwise works with fellow
20 teachers, in collaboration, to use data to improve
21 instructional practice or develop model lessons.

22 "Instructional materials" means relevant instructional
23 materials for student instruction, including, but not limited
24 to, textbooks, consumable workbooks, laboratory equipment,
25 library books, and other similar materials.

26 "Laboratory School" means a public school that is created

1 and operated by a public university and approved by the State
2 Board.

3 "Librarian" means a teacher with an endorsement as a
4 library information specialist or another individual whose
5 primary responsibility is overseeing library resources within
6 an Organizational Unit.

7 "Local Capacity" is defined in paragraph (1) of subsection
8 (c) of this Section.

9 "Local Capacity Percentage" is defined in subparagraph (A)
10 of paragraph (2) of subsection (c) of this Section.

11 "Local Capacity Ratio" is defined in subparagraph (B) of
12 paragraph (2) of subsection (c) of this Section.

13 "Local Capacity Target" is defined in paragraph (2) of
14 subsection (c) of this Section.

15 "Low-Income Count" means, for an Organizational Unit in a
16 fiscal year, the higher of the average number of students for
17 the prior school year or the immediately preceding 3 school
18 years who, as of July 1 of the immediately preceding fiscal
19 year (as determined by the Department of Human Services), are
20 eligible for at least one of the following low income programs:
21 Medicaid, the Children's Health Insurance Program, TANF, or
22 Food Stamps, excluding pupils who are eligible for services
23 provided by the Department of Children and Family Services.

24 "Maintenance and operations" means custodial services,
25 facility and ground maintenance, facility operations, facility
26 security, routine facility repairs, and other similar services

1 and functions.

2 "Minimum Funding Level" is defined in paragraph (6) of
3 subsection (g) of this Section.

4 "New State Funds" means, for a given school year, all State
5 funds appropriated for Evidence-Based Funding in excess of the
6 amount needed to fund the Base Funding Minimum for all
7 Organizational Units in that school year.

8 "Net State Contribution Target" means, for a given school
9 year, the amount of State funds that would be necessary to
10 fully meet the Adequacy Target of an Operational Unit minus the
11 Preliminary Resources available to each unit.

12 "Nurse" means an individual licensed as a certified school
13 nurse, in accordance with the rules established for nursing
14 services by the State Board, who is an employee of and is
15 available to provide health care-related services for students
16 of an Organizational Unit.

17 "Operating Tax Rate" means the rate utilized in the
18 previous year to extend property taxes for all purposes,
19 except, Bond and Interest, Summer School, Rent, Capital
20 Improvement, and Vocational Education Building purposes. For
21 Hybrid Districts, the Operating Tax Rate shall be the combined
22 elementary and high school rates utilized in the previous year
23 to extend property taxes for all purposes, except, Bond and
24 Interest, Summer School, Rent, Capital Improvement, and
25 Vocational Education Building purposes. For all Organizational
26 Units, the State Superintendent shall calculate and subtract

1 from the Operating Tax Rate a transportation rate based on
2 total expenses for transportation services under this Code, as
3 reported on the most recent Annual Financial Report in Pupil
4 Transportation Services, function 2550 in both the Education
5 and Transportation funds and functions 4110 and 4120 in the
6 Transportation fund, less any corresponding fiscal year State
7 of Illinois scheduled payments excluding net adjustments for
8 prior years for regular, vocational, or special education
9 transportation reimbursement pursuant to Section 29-5 or
10 subsection (b) of Section 14-13.01 of this Code divided by the
11 Adjusted EAV. If an Organizational Unit's corresponding fiscal
12 year State of Illinois scheduled payments excluding net
13 adjustments for prior years for regular, vocational, or special
14 education transportation reimbursement pursuant to Section
15 29-5 or subsection (b) of Section 14-13.01 of this Code exceed
16 the total transportation expenses, as defined in this
17 paragraph, no transportation rate shall be subtracted from the
18 Operating Tax Rate.

19 "Organizational Unit" means a Laboratory School, an
20 Alternative School, or any public school district that is
21 recognized as such by the State Board and that contains
22 elementary schools typically serving kindergarten through 5th
23 grades, middle schools typically serving 6th through 8th
24 grades, or high schools typically serving 9th through 12th
25 grades. The General Assembly acknowledges that the actual grade
26 levels served by a particular Organizational Unit may vary

1 slightly from what is typical.

2 "Organizational Unit CWI" is determined by calculating the
3 CWI in the region and original county in which an
4 Organizational Unit's primary administrative office is located
5 as set forth in this paragraph. Each county's current CWI value
6 shall be adjusted based on the CWI value of that county's
7 neighboring Illinois counties, to create a "weighted adjusted
8 index value". This shall be calculated by summing the CWI
9 values of all of a county's adjacent Illinois counties and
10 dividing by the number of adjacent Illinois counties, then
11 taking the weighted value of the original county's CWI value
12 and the adjacent Illinois county average. To calculate this
13 weighted value, if the number of adjacent Illinois counties is
14 greater than 2, the original county's CWI value will be
15 weighted at 0.25 and the adjacent Illinois county average will
16 be weighted at 0.75. If the number of adjacent Illinois
17 counties is 2, the original county's CWI value will be weighted
18 at 0.33 and the adjacent Illinois county average will be
19 weighted at 0.66. The greater of the county's current CWI value
20 and its weighted adjusted index value shall be used as the
21 Organizational Unit CWI.

22 "Preliminary Percent of Adequacy" is defined in paragraph
23 (2) of subsection (f) of this Section.

24 "Preliminary Resources" is defined in paragraph (2) of
25 subsection (f) of this Section.

26 "Principal" means a school administrator duly endorsed to

1 be employed as a principal in this State.

2 "Professional development" means training programs for
3 licensed staff in schools, including, but not limited to,
4 programs that assist in implementing new curriculum programs,
5 provide data focused or academic assessment data training to
6 help staff identify a student's weaknesses and strengths,
7 target interventions, improve instruction, encompass
8 instructional strategies for EL, gifted, or at-risk students,
9 address inclusivity, cultural sensitivity, or implicit bias,
10 or otherwise provide professional support for licensed staff.

11 "Prototypical" means 450 special education
12 pre-kindergarten and kindergarten through grade 5 students for
13 an elementary school, 450 grade 6 through 8 students for a
14 middle school, and 600 grade 9 through 12 students for a high
15 school.

16 "PTELL" means the Property Tax Extension Limitation Law.

17 "Pupil support staff" means a nurse, psychologist, social
18 worker, family liaison personnel, or other staff member who
19 provides support to at-risk or struggling students.

20 "Real Receipts" is defined in paragraph (1) of subsection
21 (d) of this Section.

22 "Regionalization Factor" means, for a particular
23 Organizational Unit, the figure derived by dividing the
24 Organizational Unit CWI by the Statewide Weighted CWI.

25 "School site staff" means the primary school secretary and
26 any additional clerical personnel assigned to a school.

1 "Special education" means special educational facilities
2 and services, as defined in Section 14-1.08 of this Code.

3 "Specialist teacher" means a teacher who provides
4 instruction in subject areas not included in core subjects,
5 including, but not limited to, art, music, physical education,
6 health, driver education, career-technical education, and such
7 other subject areas as may be mandated by State law or provided
8 by an Organizational Unit.

9 "Specially Funded Unit" means an Alternative School, safe
10 school, Department of Juvenile Justice school, special
11 education cooperative or entity recognized by the State Board
12 as a special education cooperative, State-approved charter
13 school, or alternative learning opportunities program that
14 received direct funding from the State Board during the
15 2016-2017 school year through any of the funding sources
16 included within the calculation of the Base Funding Minimum.

17 "Supplemental Grant Funding" means supplemental general
18 State aid funding received by an Organization Unit during the
19 2016-2017 school year pursuant to subsection (H) of Section
20 18-8.05 of this Code.

21 "State Adequacy Level" is the sum of the Adequacy Targets
22 of all Organizational Units.

23 "State Board" means the State Board of Education.

24 "State Superintendent" means the State Superintendent of
25 Education.

26 "Statewide Weighted CWI" means a figure determined by

1 multiplying each Organizational Unit CWI times the ASE for that
2 Organizational Unit creating a weighted value, summing all
3 Organizational Unit's weighted values, and dividing by the
4 total ASE of all Organizational Units, thereby creating an
5 average weighted index.

6 "Student activities" means non-credit producing
7 after-school programs, including, but not limited to, clubs,
8 bands, sports, and other activities authorized by the school
9 board of the Organizational Unit.

10 "Substitute teacher" means an individual teacher or
11 teaching assistant who is employed by an Organizational Unit
12 and is temporarily serving the Organizational Unit on a per
13 diem or per period-assignment basis replacing another staff
14 member.

15 "Summer school" means academic and enrichment programs
16 provided to students during the summer months outside of the
17 regular school year.

18 "Supervisory aide" means a non-licensed staff member who
19 helps in supervising students of an Organizational Unit, but
20 does so outside of the classroom, in situations such as, but
21 not limited to, monitoring hallways and playgrounds,
22 supervising lunchrooms, or supervising students when being
23 transported in buses serving the Organizational Unit.

24 "Target Ratio" is defined in paragraph (4) of subsection
25 (g).

26 "Tier 1", "Tier 2", "Tier 3", and "Tier 4" are defined in

1 paragraph (2) of subsection (g).

2 "Tier 1 Aggregate Funding", "Tier 2 Aggregate Funding",
3 "Tier 3 Aggregate Funding", and "Tier 4 Aggregate Funding" are
4 defined in paragraph (1) of subsection (g).

5 (b) Adequacy Target calculation.

6 (1) Each Organizational Unit's Adequacy Target is the sum
7 of the Organizational Unit's cost of providing Essential
8 Elements, as calculated in accordance with this subsection (b),
9 with the salary amounts in the Essential Elements multiplied by
10 a Regionalization Factor calculated pursuant to paragraph (3)
11 of this subsection (b).

12 (2) The Essential Elements are attributable on a pro-rata
13 basis related to defined subgroups of the ASE of each
14 Organizational Unit as specified in this paragraph (2), with
15 investments and FTE positions pro-rata funded based on ASE
16 counts in excess or less than the thresholds set forth in this
17 paragraph (2). The method for calculating attributable
18 pro-rata costs and the defined subgroups thereto are as
19 follows:

20 (A) Core class size investments. Each Organizational
21 Unit shall receive the funding required to support that
22 number of FTE core teacher positions as is needed to keep
23 the respective class sizes of the Organizational Unit to a
24 maximum of 15 students each for grades kindergarten through
25 3 and 25 students each for grades 4 through 12. The number
26 of FTE core teacher positions shall be determined by

1 dividing the ASE of the Organizational Unit for grades
2 kindergarten through 3 by 15 and grades 4 through 12 by 25.

3 (B) Specialist teacher investments. Each
4 Organizational Unit shall receive the funding needed to
5 cover that number of FTE specialist teacher positions that
6 correspond to the following percentages:

7 (i) if the Organizational Unit operates an
8 elementary or middle school, then 20.00% of the number
9 of the Organizational Unit's core teachers, as
10 determined under subparagraph (A) of this paragraph
11 (2); and

12 (ii) if such Organizational Unit operates a high
13 school, then 33.33% of the number of the Organizational
14 Unit's core teachers.

15 (C) Instructional facilitator investments. Each
16 Organizational Unit shall receive the funding needed to
17 cover one FTE instructional facilitator position for every
18 200 combined ASE of pre-kindergarten children with
19 disabilities and all kindergarten through grade 12
20 students of the Organizational Unit.

21 (D) Core intervention teacher (tutor) investments.
22 Each Organizational Unit shall receive the funding needed
23 to cover one FTE teacher position for each prototypical
24 elementary, middle, and high school.

25 (E) Substitute teacher investments. Each
26 Organizational Unit shall receive the funding needed to

1 cover substitute teacher costs that is equal to 5.70% of
2 the minimum pupil attendance days required under Section
3 10-19 of this code for all full-time equivalent core,
4 specialist, and intervention teachers, school nurses,
5 special education teachers and instructional assistants,
6 instructional facilitators, and summer school and
7 extended-day teacher positions, as determined under this
8 paragraph (2), at a salary rate of 33.33% of the average
9 salary for grade K through 12 teachers and 33.33% of the
10 average salary of each instructional assistant position.

11 (F) Core guidance counselor investments. Each
12 Organizational Unit shall receive the funding needed to
13 cover one FTE guidance counselor for each 450 combined ASE
14 of pre-kindergarten children with disabilities and all
15 kindergarten through grade 5 students, plus one FTE
16 guidance counselor for each 250 grades 6 through 8 ASE
17 middle school students, plus one FTE guidance counselor for
18 each 250 grades 9 through 12 ASE high school students.

19 (G) Nurse investments. Each Organizational Unit shall
20 receive the funding needed to cover one FTE nurse for each
21 750 combined ASE of pre-kindergarten children with
22 disabilities and all kindergarten through grade 12
23 students across all grade levels it serves.

24 (H) Supervisory aide investments. Each Organizational
25 Unit shall receive the funding needed to cover one FTE for
26 each 225 combined ASE of pre-kindergarten children with

1 disabilities and all kindergarten through grade 5
2 students, plus one FTE for each 225 ASE middle school
3 students, plus one FTE for each 200 ASE high school
4 students.

5 (I) Librarian investments. Each Organizational Unit
6 shall receive the funding needed to cover one FTE librarian
7 for each prototypical elementary school, middle school,
8 and high school and one FTE aide or media technician for
9 every 300 combined ASE of pre-kindergarten children with
10 disabilities and all kindergarten through grade 12
11 students.

12 (J) Principal investments. Each Organizational Unit
13 shall receive the funding needed to cover one FTE principal
14 position for each prototypical elementary school, plus one
15 FTE principal position for each prototypical middle
16 school, plus one FTE principal position for each
17 prototypical high school.

18 (K) Assistant principal investments. Each
19 Organizational Unit shall receive the funding needed to
20 cover one FTE assistant principal position for each
21 prototypical elementary school, plus one FTE assistant
22 principal position for each prototypical middle school,
23 plus one FTE assistant principal position for each
24 prototypical high school.

25 (L) School site staff investments. Each Organizational
26 Unit shall receive the funding needed for one FTE position

1 for each 225 ASE of pre-kindergarten children with
2 disabilities and all kindergarten through grade 5
3 students, plus one FTE position for each 225 ASE middle
4 school students, plus one FTE position for each 200 ASE
5 high school students.

6 (M) Gifted investments. Each Organizational Unit shall
7 receive \$40 per kindergarten through grade 12 ASE.

8 (N) Professional development investments. Each
9 Organizational Unit shall receive \$125 per student of the
10 combined ASE of pre-kindergarten children with
11 disabilities and all kindergarten through grade 12
12 students for trainers and other professional
13 development-related expenses for supplies and materials.

14 (O) Instructional material investments. Each
15 Organizational Unit shall receive \$190 per student of the
16 combined ASE of pre-kindergarten children with
17 disabilities and all kindergarten through grade 12
18 students to cover instructional material costs.

19 (P) Assessment investments. Each Organizational Unit
20 shall receive \$25 per student of the combined ASE of
21 pre-kindergarten children with disabilities and all
22 kindergarten through grade 12 students student to cover
23 assessment costs.

24 (Q) Computer technology and equipment investments.
25 Each Organizational Unit shall receive \$571 per student of
26 the combined ASE of pre-kindergarten children with

1 disabilities and all kindergarten through grade 12
2 students to cover computer technology and equipment costs.

3 (R) Student activities investments. Each
4 Organizational Unit shall receive the following funding
5 amounts to cover student activities: \$100 per kindergarten
6 through grade 5 ASE student in elementary school, plus \$200
7 per ASE student in middle school, plus \$675 per ASE student
8 in high school.

9 (S) Maintenance and operations investments. Each
10 Organizational Unit shall receive \$1,038 per student of the
11 combined ASE of pre-kindergarten children with
12 disabilities and all kindergarten through grade 12 for
13 day-to-day maintenance and operations expenditures,
14 including salary, supplies, and materials, as well as
15 purchased services, but excluding employee benefits. The
16 proportion of salary for the application of a
17 Regionalization Factor and the calculation of benefits is
18 equal to \$352.92.

19 (T) Central office investments. Each Organizational
20 Unit shall receive \$742 per student of the combined ASE of
21 pre-kindergarten children with disabilities and all
22 kindergarten through grade 12 students to cover central
23 office operations, including administrators and classified
24 personnel charged with managing the instructional
25 programs, business and operations of the school district,
26 and security personnel. The proportion of salary for the

1 application of a Regionalization Factor and the
2 calculation of benefits is equal to \$368.48.

3 (U) Employee benefit investments. Each Organizational
4 Unit shall receive 30% of the total of all
5 salary-calculated elements of the Adequacy Target,
6 excluding substitute teachers and student activities
7 investments, to cover benefit costs. For central office and
8 maintenance and operations investments, the benefit
9 calculation shall be based upon the salary proportion of
10 each investment. If at any time the responsibility for
11 funding the employer normal cost of teacher pensions is
12 assigned to school districts, then that amount certified by
13 the Teachers' Retirement System of the State of Illinois to
14 be paid by the Organizational Unit for the preceding school
15 year shall be added to the benefit investment. For any
16 fiscal year in which a school district organized under
17 Article 34 of this Code is responsible for paying the
18 employer normal cost of teacher pensions, then that amount
19 of its employer normal cost as certified by the Public
20 School Teachers' Pension and Retirement Fund of Chicago to
21 be paid by the school district for the preceding school
22 year that is statutorily required to cover employer normal
23 costs shall be added to the 30% specified in this
24 subparagraph (U). The Public School Teachers' Pension and
25 Retirement Fund of Chicago shall submit such information as
26 the State Superintendent may require for the calculations

1 set forth in this subparagraph (U).

2 (V) Additional investments in low-income students. In
3 addition to and not in lieu of all other funding under this
4 paragraph (2), each Organizational Unit shall receive
5 funding based on the average teacher salary for grades K
6 through 12 to cover the costs of: (i) one FTE intervention
7 teacher (tutor) position for every 125 Low-Income Count
8 students; (ii) one FTE pupil support staff position for
9 every 125 Low-Income Count students; (iii) one FTE extended
10 day teacher position for every 120 Low-Income Count
11 students; and (iv) one FTE summer school teacher position
12 for every 120 Low-Income Count students.

13 (W) Additional investments in EL students. In addition
14 to and not in lieu of all other funding under this
15 paragraph (2), each Organizational Unit shall receive
16 funding based on the average teacher salary for grades K
17 through 12 to cover the costs of:

18 (i) one FTE intervention teacher (tutor) position
19 for every 125 EL students;

20 (ii) one FTE pupil support staff position for every
21 125 EL students;

22 (iii) one FTE extended day teacher position for
23 every 120 EL students;

24 (iv) one FTE summer school teacher position for
25 every 120 EL students; and

26 (v) one FTE core teacher position for every 100 EL

1 students.

2 (X) Special education investments. Each Organizational
3 Unit shall receive funding based on the average teacher
4 salary for grades K through 12 to cover special education
5 as follows:

6 (i) one FTE teacher position for every 141 combined
7 ASE of pre-kindergarten children with disabilities and
8 all kindergarten through grade 12 students;

9 (ii) one FTE instructional assistant for every 141
10 combined ASE of pre-kindergarten children with
11 disabilities and all kindergarten through grade 12
12 students; and

13 (iii) one FTE psychologist position for every
14 1,000 combined ASE of pre-kindergarten children with
15 disabilities and all kindergarten through grade 12
16 students.

17 (3) For calculating the salaries included within the
18 Essential Elements, the State Superintendent shall annually
19 calculate average salaries to the nearest dollar using the
20 employment information system data maintained by the State
21 Board, limited to public schools only and excluding special
22 education and vocational cooperatives, schools operated by the
23 Department of Juvenile Justice, and charter schools, for the
24 following positions:

25 (A) Teacher for grades K through 8.

26 (B) Teacher for grades 9 through 12.

1 (C) Teacher for grades K through 12.

2 (D) Guidance counselor for grades K through 8.

3 (E) Guidance counselor for grades 9 through 12.

4 (F) Guidance counselor for grades K through 12.

5 (G) Social worker.

6 (H) Psychologist.

7 (I) Librarian.

8 (J) Nurse.

9 (K) Principal.

10 (L) Assistant principal.

11 For the purposes of this paragraph (3), "teacher" includes core
12 teachers, specialist and elective teachers, instructional
13 facilitators, tutors, special education teachers, pupil
14 support staff teachers, English learner teachers, extended-day
15 teachers, and summer school teachers. Where specific grade data
16 is not required for the Essential Elements, the average salary
17 for corresponding positions shall apply. For substitute
18 teachers, the average teacher salary for grades K through 12
19 shall apply.

20 For calculating the salaries included within the Essential
21 Elements for positions not included within EIS Data, the
22 following salaries shall be used in the first year of
23 implementation of Evidence-Based Funding:

24 (i) school site staff, \$30,000; and

25 (ii) on-instructional assistant, instructional
26 assistant, library aide, library media tech, or

1 supervisory aide: \$25,000.

2 In the second and subsequent years of implementation of
3 Evidence-Based Funding, the amounts in items (i) and (ii) of
4 this paragraph (3) shall annually increase by the ECI.

5 The salary amounts for the Essential Elements determined
6 pursuant to subparagraphs (A) through (L), (S) and (T), and (V)
7 through (X) of paragraph (2) of subsection (b) of this Section
8 shall be multiplied by a Regionalization Factor.

9 (c) Local capacity calculation.

10 (1) Each Organizational Unit's Local Capacity represents
11 an amount of funding it is assumed to contribute toward its
12 Adequacy Target for purposes of the Evidence-Based Funding
13 formula calculation. "Local Capacity" means either (i) the
14 Organizational Unit's Local Capacity Target as calculated in
15 accordance with paragraph (2) of this subsection (c) if its
16 Real Receipts are equal to or less than its Local Capacity
17 Target or (ii) the Organizational Unit's Adjusted Local
18 Capacity, as calculated in accordance with paragraph (3) of
19 this subsection (c) if Real Receipts are more than its Local
20 Capacity Target.

21 (2) "Local Capacity Target" means, for an Organizational
22 Unit, that dollar amount that is obtained by multiplying its
23 Adequacy Target by its Local Capacity Percentage.

24 (A) An Organizational Unit's Local Capacity Percentage
25 is the conversion of the Organizational Unit's Local
26 Capacity Ratio, as such ratio is determined in accordance

1 with subparagraph (B) of this paragraph (2), into a normal
2 curve equivalent score to determine each Organizational
3 Unit's relative position to all other Organizational Units
4 in this State. The calculation of Local Capacity Percentage
5 is described in subparagraph (C) of this paragraph (2).

6 (B) An Organizational Unit's Local Capacity Ratio in a
7 given year is the percentage obtained by dividing its
8 Adjusted EAV by its Adequacy Target, with the resulting
9 ratio further adjusted as follows:

10 (i) for Organizational Units serving grades
11 kindergarten through 12 and Hybrid Districts, no
12 further adjustments shall be made;

13 (ii) for Organizational Units serving grades
14 kindergarten through 8, the ratio shall be multiplied
15 by 9/13;

16 (iii) for Organizational Units serving grades 9
17 through 12, the Local Capacity Ratio shall be
18 multiplied by 4/13; and

19 (iv) for an Organizational Unit with a different
20 grade configuration than those specified in items (i)
21 through (iii) of this subparagraph (B), the State
22 Superintendent shall determine a comparable adjustment
23 based on the grades served.

24 (C) Local Capacity Percentage converts each
25 Organizational Unit's Local Capacity Ratio to a normal
26 curve equivalent score to determine each Organizational

1 Unit's relative position to all other Organizational Units
2 in this State. The Local Capacity Percentage normal curve
3 equivalent score for each Organizational Unit shall be
4 calculated using the standard normal distribution of the
5 score in relation to the weighted mean and weighted
6 standard deviation and Local Capacity Ratios of all
7 Organizational Units. If the value assigned to any
8 Organizational Unit is in excess of 90%, the value shall be
9 adjusted to 90%. For Laboratory Schools, the Local Capacity
10 Percentage shall be set at 10% in recognition of the
11 absence of EAV and resources from the public university
12 that are allocated to the Laboratory School. The weighted
13 mean for the Local Capacity Percentage shall be determined
14 by multiplying each Organizational Unit's Local Capacity
15 Ratio times the ASE for the unit creating a weighted value,
16 summing the weighted values of all Organizational Units,
17 and dividing by the total ASE of all Organizational Units.
18 The weighted standard deviation shall be determined by
19 taking the square root of the weighted variance of all
20 Organizational Units' Local Capacity Ratio, where the
21 variance is calculated by squaring the difference between
22 each unit's Local Capacity Ratio and the weighted mean,
23 then multiplying the variance for each unit times the ASE
24 for the unit to create a weighted variance for each unit,
25 then summing all units' weighted variance and dividing by
26 the total ASE of all units.

1 (3) If an Organizational Unit's Real Receipts are more than
2 its Local Capacity Target, then its Local Capacity shall equal
3 an Adjusted Local Capacity Target as calculated in accordance
4 with this paragraph (3). The Adjusted Local Capacity Target is
5 calculated as the sum of the Organizational Unit's Local
6 Capacity Target and its Real Receipts Adjustment. The Real
7 Receipts Adjustment equals the Organizational Unit's Real
8 Receipts less its Local Capacity Target, with the resulting
9 figure multiplied by its Preliminary Percent of Adequacy.

10 (d) Calculation of Real Receipts, EAV, and Adjusted EAV for
11 purposes of the Local Capacity calculation.

12 (1) An Organizational Unit's Real Receipts are the product
13 of its Applicable Tax Rate and its Adjusted EAV. An
14 Organizational Unit's Applicable Tax Rate is its Operating Tax
15 Rate for property within the Organizational Unit.

16 (2) The State Superintendent shall calculate the Equalized
17 Assessed Valuation, or EAV, of all taxable property of each
18 Organizational Unit as of September 30 of the previous year in
19 accordance with paragraph (3) of this subsection (d). The State
20 Superintendent shall then determine the Adjusted EAV of each
21 Organizational Unit in accordance with paragraph (4) of this
22 subsection (d), which Adjusted EAV figure shall be used for the
23 purposes of calculating Local Capacity.

24 (3) To calculate Real Receipts and EAV, the Department of
25 Revenue shall supply to the State Superintendent the value as
26 equalized or assessed by the Department of Revenue of all

1 taxable property of every Organizational Unit, together with
2 (i) the applicable tax rate used in extending taxes for the
3 funds of the Organizational Unit as of September 30 of the
4 previous year and (ii) the limiting rate for all Organizational
5 Units subject to property tax extension limitations as imposed
6 under PTELL.

7 (A) The Department of Revenue shall add to the
8 equalized assessed value of all taxable property of each
9 Organizational Unit situated entirely or partially within
10 a county that is or was subject to the provisions of
11 Section 15-176 or 15-177 of the Property Tax Code (i) an
12 amount equal to the total amount by which the homestead
13 exemption allowed under Section 15-176 or 15-177 of the
14 Property Tax Code for real property situated in that
15 Organizational Unit exceeds the total amount that would
16 have been allowed in that Organizational Unit if the
17 maximum reduction under Section 15-176 was (I) \$4,500 in
18 Cook County or \$3,500 in all other counties in tax year
19 2003 or (II) \$5,000 in all counties in tax year 2004 and
20 thereafter and (ii) an amount equal to the aggregate amount
21 for the taxable year of all additional exemptions under
22 Section 15-175 of the Property Tax Code for owners with a
23 household income of \$30,000 or less. The county clerk of
24 any county that is or was subject to the provisions of
25 Section 15-176 or 15-177 of the Property Tax Code shall
26 annually calculate and certify to the Department of Revenue

1 for each Organizational Unit all homestead exemption
2 amounts under Section 15-176 or 15-177 of the Property Tax
3 Code and all amounts of additional exemptions under Section
4 15-175 of the Property Tax Code for owners with a household
5 income of \$30,000 or less. It is the intent of this
6 subparagraph (A) that if the general homestead exemption
7 for a parcel of property is determined under Section 15-176
8 or 15-177 of the Property Tax Code rather than Section
9 15-175, then the calculation of EAV shall not be affected
10 by the difference, if any, between the amount of the
11 general homestead exemption allowed for that parcel of
12 property under Section 15-176 or 15-177 of the Property Tax
13 Code and the amount that would have been allowed had the
14 general homestead exemption for that parcel of property
15 been determined under Section 15-175 of the Property Tax
16 Code. It is further the intent of this subparagraph (A)
17 that if additional exemptions are allowed under Section
18 15-175 of the Property Tax Code for owners with a household
19 income of less than \$30,000, then the calculation of EAV
20 shall not be affected by the difference, if any, because of
21 those additional exemptions.

22 (B) With respect to any part of an Organizational Unit
23 within a redevelopment project area in respect to which a
24 municipality has adopted tax increment allocation
25 financing pursuant to the Tax Increment Allocation
26 Redevelopment Act, Division 74.4 of the Illinois Municipal

1 Code, or the Industrial Jobs Recovery Law, Division 74.6 of
2 the Illinois Municipal Code, no part of the current EAV of
3 real property located in any such project area which is
4 attributable to an increase above the total initial EAV of
5 such property shall be used as part of the EAV of the
6 Organizational Unit, until such time as all redevelopment
7 project costs have been paid, as provided in Section
8 11-74.4-8 of the Tax Increment Allocation Redevelopment
9 Act or in Section 11-74.6-35 of the Industrial Jobs
10 Recovery Law. For the purpose of the EAV of the
11 Organizational Unit, the total initial EAV or the current
12 EAV, whichever is lower, shall be used until such time as
13 all redevelopment project costs have been paid.

14 (C) For Organizational Units that are Hybrid
15 Districts, the State Superintendent shall use the lesser of
16 the equalized assessed valuation for property within the
17 partial elementary unit district for elementary purposes,
18 as defined in Article 11E of this Code, or the equalized
19 assessed valuation for property within the partial
20 elementary unit district for high school purposes, as
21 defined in Article 11E of this Code.

22 (4) An Organizational Unit's Adjusted EAV shall be the
23 average of its EAV over the immediately preceding 3 years or
24 its EAV in the immediately preceding year if the EAV in the
25 immediately preceding year has declined by 10% or more compared
26 to the 3-year average. In the event of Organizational Unit

1 reorganization, consolidation, or annexation, the
2 Organizational Unit's Adjusted EAV for the first 3 years after
3 such change shall be as follows: the most current EAV shall be
4 used in the first year, the average of a 2-year EAV or its EAV
5 in the immediately preceding year if the EAV declines by 10% or
6 more compared to the 2-year average for the second year, and a
7 3-year average EAV or its EAV in the immediately preceding year
8 if the adjusted EAV declines by 10% or more compared to the
9 3-year average for the third year.

10 (e) Base Funding Minimum calculation.

11 (1) For the 2017-2018 school year, the Base Funding Minimum
12 of an Organizational Unit, other than a Specially Funded Unit,
13 shall be the amount of State funds distributed to the
14 Organizational Unit during the 2016-2017 school year prior to
15 any adjustments divided by the Organizational Unit's ASE for
16 the 2016-2017 school year and multiplied by the Organizational
17 Unit's ASE for the 2017-2018 school year from the following
18 Sections, as calculated by the State Superintendent: Section
19 18-8.05 of this Code (general State aid); Section 5 of Article
20 224 of Public Act 99-524 (equity grants); Section 14-7.02b of
21 this Code (funding for children requiring special education
22 services); Section 14-13.01 of this Code (special education
23 facilities and staffing), except for reimbursement of the cost
24 of transportation pursuant to Section 14-13.01; Section 14C-12
25 of this Code (English Learners); and Section 18-4.3 of this
26 Code (summer school). For a school district organized under

1 Article 34 of this Code, the Base Funding Minimum also includes
2 the funds allotted to the school district pursuant to Section
3 1D-1 of this Code attributable to funding programs authorized
4 by the Sections of this Code listed in the preceding sentence.
5 For Specially Funded Units, the Base Funding Minimum shall be
6 the total amount of State funds allotted to the Specially
7 Funded Unit during the 2016-2017 school year without any
8 division by ASE.

9 (2) For the 2018-2019 and subsequent school years, the Base
10 Funding Minimum shall be the sum of (i) the amount of
11 Evidence-Based Funding for the prior school year and (ii) the
12 Base Funding Minimum for the prior school year divided by the
13 Unit's ASE utilized for the prior school year and multiplied by
14 the Organizational Unit's ASE for the current school year,
15 except that for Specially Funded Units no division by ASE shall
16 be applied.

17 (f) Percent of Adequacy and Final Resources calculation.

18 (1) The Evidence-Based Funding formula establishes a
19 Percent of Adequacy for each Organizational Unit in order to
20 place such units into tiers for the purposes of the funding
21 distribution system described in subsection (g) of this
22 Section. Initially, an Organizational Unit's Preliminary
23 Resources and Preliminary Percent of Adequacy are calculated
24 pursuant to paragraph (2) of this subsection (f). Then, an
25 Organizational Unit's Final Resources and Final Percent of
26 Adequacy are calculated to account for the Organizational

1 Unit's poverty concentration levels pursuant to paragraph (3)
2 of this Section.

3 (2) An Organizational Unit's Preliminary Resources are
4 equal to the sum of its Local Capacity Target, CPPRT, and Base
5 Funding Minimum. An Organizational Unit's Preliminary Percent
6 of Adequacy is the lesser of (i) its Preliminary Resources
7 divided by its Adequacy Target or (ii) 100%.

8 (3) Except for Specially Funded Units, an Organizational
9 Unit's Final Resources are equal the sum of its Local Capacity,
10 CPPRT, and Adjusted Base Funding Minimum. The Base Funding
11 Minimum of each Specially Funded Unit shall serve as its Final
12 Resources, except that the Base Funding Minimum for
13 State-approved charter schools shall not include any portion of
14 general State aid allocated in the prior year based on the per
15 capita tuition charge times the charter school enrollment.

16 (4) An Organizational Unit's Final Percent of Adequacy is
17 its Final Resources divided by its Adequacy Target. A
18 Organizational Unit's Adjusted Base Funding Minimum is equal to
19 its Base Funding Minimum less its Supplemental Grant Funding,
20 with the resulting figure added to the product of its
21 Supplemental Grant Funding and Preliminary Percent of
22 Adequacy.

23 (g) Evidence-Based Funding formula distribution system.

24 (1) In each school year under the Evidence-Based Funding
25 formula, each Organizational Unit receives funding equal to the
26 sum of its Base Funding Minimum and the unit's allocation of

1 New State Funds determined pursuant to this subsection (g). To
2 allocate New State Funds, the Evidence-Based Funding formula
3 distribution system first places all Organizational Units into
4 one of 4 tiers in accordance with paragraph (2) of this
5 subsection (g), based on the Organizational Unit's Final
6 Percent of Adequacy. New State Funds are allocated to each of
7 the 4 tiers as follows: Tier 1 Aggregate Funding equals 50% of
8 all New State Funds, Tier 2 Aggregate Funding equals 49% of all
9 New State Funds, Tier 3 Aggregate Funding equals 0.9% of all
10 New State Funds, and Tier 4 Aggregate Funding equals 0.1% of
11 all New State Funds. Each Organizational Unit within Tier 1 or
12 Tier 2 receives an allocation of New State Funds equal to its
13 Tier Funding Gap, as defined in the following sentence,
14 multiplied by the tier's Allocation Rate determined pursuant to
15 paragraph (3). For Tier 1 and Tier 2, an Organizational Unit's
16 Funding Gap equals the Tier's Target Ratio, as specified in
17 paragraph (4) of this subsection (g), multiplied by the
18 Organizational Unit's Adequacy Target, with the resulting
19 amount reduced by the Organizational Unit's Final Resources
20 and, for Tier 2 Organizational Units, its Tier 1 funding
21 allocation. Each Organizational Unit within Tier 3 or Tier 4
22 receives an allocation of New State Funds equal to the product
23 of its Adequacy Target and the Tier's Allocation Rate, as
24 specified in paragraph (3) of this subsection (g).

25 (2) Organizational Units are placed into one of 4 tiers as
26 follows:

1 (A) Tier 1 consists of all Organizational Units, except
2 for Specially Funded Units, with a Percent of Adequacy less
3 than the Tier 1 Target Ratio. The Tier 1 Target Ratio is
4 the ratio level that allows for Tier 1 Aggregate Funding to
5 be distributed, with the Tier 1 Allocation Rate determined
6 pursuant to paragraph (3) of this subsection (g).

7 (B) Tier 2 consists of all Tier 1 Units and all other
8 Organizational Units, except for Specially Funded Units,
9 with a Percent of Adequacy of less than 0.90.

10 (C) Tier 3 consists of all Organizational Units, except
11 for Specially Funded Units, with a Percent of Adequacy of
12 at least 0.90 and less than 1.0.

13 (D) Tier 4 consists of all Organizational Units with a
14 Percent of Adequacy of at least 1.0 and Specially Funded
15 Units.

16 (3) The Allocation Rates for Tiers 1 through 4 is
17 determined as follows:

18 (A) The Tier 1 Allocation Rate is 50%, unless such rate
19 is adjusted pursuant to paragraph (6) of this subsection
20 (g).

21 (B) The Tier 2 Allocation Rate is the result of the
22 following equation: Tier 2 Aggregate Funding, divided by
23 the sum of the Funding Gaps for all Tier 2 Organizational
24 Units, unless the result of such equation is higher than
25 1.0. If the result of such equation is higher than 1.0,
26 then the Tier 2 Allocation Rate is 1.0.

1 (C) The Tier 3 Allocation Rate is the result of the
2 following equation: Tier 3 Aggregate Funding, divided by
3 the sum of the Adequacy Targets of all Tier 3
4 Organizational Units.

5 (D) The Tier 4 Allocation Rate is the result of the
6 following equation: Tier 4 Aggregate Funding, divided by
7 the sum of the Adequacy Targets of all Tier 4
8 Organizational Units.

9 (4) A tier's Target Ratio is determined as follows:

10 (A) The Tier 1 Target Ratio is the ratio level that
11 allows for Tier 1 Aggregate Funding to be distributed with
12 the Tier 1 Allocation Rate.

13 (B) The Tier 2 Target Ratio is 0.90.

14 (C) The Tier 3 Target Ratio is 1.0.

15 (5) If any Specially Funded Units recognized by the State
16 Board do not qualify for direct funding following the
17 implementation of this amendatory Act of the 100th General
18 Assembly from any of the funding sources included within the
19 definition of Base Funding Minimum, the unqualified portion of
20 the Base Funding Minimum shall be transferred to one or more
21 appropriate Organizational Units as determined by the State
22 Superintendent based on the prior year ASE of the
23 Organizational Units.

24 (6) Notwithstanding the distribution formulae set forth in
25 this subsection (g), funding for each tier shall be adjusted as
26 set forth in this paragraph (6) if New State Funds are less

1 than the Minimum Funding Level. The Minimum Funding Level is
2 equal to: (i) the sum of 1% of the State Adequacy Level, plus
3 the ECI multiplied by the State Adequacy Level, less (ii) the
4 total increase in Real Receipts from the prior school year to
5 the current school year. If New State Funds are less than the
6 Minimum Funding Level, than funding for tiers shall be reduced
7 in the following manner:

8 (A) First, Tier 4 funding shall be reduced by an amount
9 equal to the difference between the Minimum Funding Level
10 and New State Funds until such time as Tier 4 funding is
11 exhausted.

12 (B) Next, Tier 3 funding shall be reduced by an amount
13 equal to the difference between the Minimum Funding Level
14 and New State Funds and the reduction in Tier 4 funding
15 until such time as Tier 3 funding is exhausted.

16 (C) Then, Tier 2 funding shall be reduced by an amount
17 equal to the difference between the Minimum Funding Level
18 and New State Funds and the reduction in Tier 4 and Tier 3
19 funding.

20 (D) Finally, Tier 1 funding shall be reduced by an
21 amount equal to the difference between the Minimum Funding
22 Level and New State Funds and the reduction in Tier 2, 3,
23 and 4 funding. In addition, the Allocation Rate for Tier 1
24 funding shall be reduced to a percentage equal to 50%,
25 multiplied by the result of New State Funds divided by the
26 Minimum Funding Level.

1 (7) In the event of a decrease in the amount of the
2 appropriation for this Section in any fiscal year after
3 implementation of this Section, the Organizational Units
4 receiving Tier 1 and Tier 2 funding, as determined under
5 paragraph (2) of this subsection (g), shall be held harmless by
6 establishing a Base Funding Guarantee equal to the per pupil
7 kindergarten through grade 12 funding received in accordance
8 with this Section in the prior fiscal year. Reductions shall be
9 made to the Base Funding Minimum of Organizational Units in
10 Tier 3 and Tier 4 on a per pupil basis equivalent to the total
11 number of the ASE in Tier 3-funded and Tier 4-funded
12 Organizational Units divided by the total reduction in State
13 funding. The Base Funding Minimum as reduced shall continue to
14 be applied to Tier 3 and Tier 4 Organizational Units and
15 adjusted by the relative formula when increases in
16 appropriations for this Section resume. In no event may State
17 funding reductions to Organizational Units in Tier 3 or Tier 4
18 exceed an amount that would be less than the Base Funding
19 Minimum established in the first year of implementation of this
20 Section. If additional reductions are required, all school
21 districts shall receive a reduction by a per pupil amount equal
22 to the aggregate additional appropriation reduction divided by
23 the total ASE of all Organizational Units.

24 (8) The State Superintendent shall make minor adjustments
25 to the distribution formulae set forth in this subsection (g)
26 to account for the rounding of percentages to the nearest tenth

1 of a percentage and dollar amounts to the nearest whole dollar.
2 Further, in the event that all Tier 2 Organizational Units
3 receive funding at the Tier 2 Target Ratio level, the State
4 Superintendent shall allocate any remaining New State Funds to
5 Tier 3 and Tier 4 Organizational Units.

6 (h) State Superintendent administration of funding and
7 district submission requirements.

8 (1) The State Superintendent shall, in accordance with
9 appropriations made by the General Assembly, meet the funding
10 obligations created under this Section.

11 (2) The State Superintendent shall calculate the Adequacy
12 Target for each Organizational Unit and Net State Contribution
13 Target for each Organizational Unit under this Section. The
14 State Superintendent shall also certify the actual amounts of
15 the New State Funds payable for each eligible Organizational
16 Unit based on the equitable distribution calculation to the
17 unit's treasurer, as soon as possible after such amounts are
18 calculated, including any applicable adjusted charge-off
19 increase. No Evidence-Based Funding shall be distributed
20 within an Organizational Unit without the approval of the
21 unit's school board.

22 (3) Annually, the State Superintendent shall calculate and
23 report to each Organizational Unit the unit's aggregate
24 financial adequacy amount, which shall be the sum of the
25 Adequacy Target for each Organizational Unit. The State
26 Superintendent shall calculate and report separately for each

1 Organizational Unit the unit's total State funds allocated for
2 its students with disabilities. The State Superintendent shall
3 calculate and report separately for each Organizational Unit
4 the amount of funding and applicable FTE calculated for each
5 Essential Element of the unit's Adequacy Target.

6 (4) Moneys distributed under this Section shall be
7 calculated on a school year basis, but paid on a fiscal year
8 basis, with payments beginning in August and extending through
9 June. Unless otherwise provided, the moneys appropriated for
10 each fiscal year shall be distributed in 22 equal payments at
11 least 2 times monthly to each Organizational Unit. The State
12 Board shall publish a yearly distribution schedule at its
13 meeting in June. If moneys appropriated for any fiscal year are
14 distributed other than monthly, the distribution shall be on
15 the same basis for each Organizational Unit.

16 (5) Any school district that fails, for any given school
17 year, to maintain school as required by law or to maintain a
18 recognized school is not eligible to receive Evidence-Based
19 Funding. In case of non-recognition of one or more attendance
20 centers in a school district otherwise operating recognized
21 schools, the claim of the district shall be reduced in the
22 proportion that the enrollment in the attendance center or
23 centers bears to the enrollment of the school district.
24 "Recognized school" means any public school that meets the
25 standards for recognition by the State Board. A school district
26 or attendance center not having recognition status at the end

1 of a school term is entitled to receive State aid payments due
2 upon a legal claim that was filed while it was recognized.

3 (6) School district claims filed under this Section are
4 subject to Sections 18-9 and 18-12 of this Code, except as
5 otherwise provided in this Section.

6 (7) Each fiscal year, the State Superintendent shall
7 calculate for each Organizational Unit an amount of its Base
8 Funding Minimum and Evidence-Based Funding that shall be deemed
9 attributable to the provision of special educational
10 facilities and services, as defined in Section 14-1.08 of this
11 Code, in a manner that ensures compliance with maintenance of
12 State financial support requirements under the federal
13 Individuals with Disabilities Education Act. An Organizational
14 Unit must use such funds only for the provision of special
15 educational facilities and services, as defined in Section
16 14-1.08 of this Code, and must comply with any expenditure
17 verification procedures adopted by the State Board.

18 (8) All Organizational Units in this State must submit
19 annual spending plans by the end of September of each year to
20 the State Board as part of the annual budget process, which
21 shall describe how each Organizational Unit will utilize the
22 Base Minimum Funding and Evidence-Based funding it receives
23 from this State under this Section with specific identification
24 of the intended utilization of Low-Income, EL, and special
25 education resources. The State Superintendent may, from time to
26 time, identify additional requisites for Organizational Units

1 to satisfy when compiling the annual spending plans required
2 under this subsection (h). The format and scope of annual
3 spending plans shall be developed by the State Superintendent
4 in conjunction with the Professional Judgement Panel.

5 (9) No later than January 1, 2018, the State Superintendent
6 shall develop a 5-year strategic plan for all Organizational
7 Units to help in planning for adequacy funding under this
8 Section. The State Superintendent shall submit the plan to the
9 Governor and the General Assembly, as provided in Section 3.1
10 of the General Assembly Organization Act. The plan shall
11 include recommendations for:

12 (A) a framework for collaborative, professional,
13 innovative, and 21st century learning environments using
14 the Evidence-Based Funding model;

15 (B) ways to prepare and support this State's educators
16 for successful instructional careers;

17 (C) application and enhancement of the current
18 financial accountability measures and the Illinois
19 Balanced Accountability Measures in relation to elements
20 of the Evidence-Based Funding model; and

21 (D) implementation of an effective school adequacy
22 funding system based on projected and recommended funding
23 levels from the General Assembly.

24 (i) Professional Judgment Panel.

25 (1) A Professional Judgment Panel is created to study and
26 review the implementation and effect of the Evidence-Based

1 Funding model under this Section and to recommend continual
2 recalibration and future study topics. The Panel shall be
3 appointed by the State Superintendent, except as otherwise
4 provided in paragraph (2) of this subsection (i) and include
5 the following members:

6 (A) Two appointees that represent district
7 superintendents, recommended by a statewide organization
8 that represents district superintendents.

9 (B) Two appointees that represent school boards,
10 recommended by a statewide organization that represents
11 school boards.

12 (C) Two appointees from districts that represent
13 school business officials, recommended by a statewide
14 organization that represents school business officials.

15 (D) Two appointees that represent school principals,
16 recommended by a statewide organization that represents
17 school principals.

18 (E) Two appointees that represent teachers,
19 recommended by a statewide organization that represents
20 teachers.

21 (F) Two appointees that represent teachers,
22 recommended by another statewide organization that
23 represents teachers.

24 (G) Two appointees that represent regional
25 superintendents of schools, recommended by organizations
26 that represent regional superintendents.

1 (H) Two independent experts selected solely by the
2 State Superintendent.

3 (I) Two independent experts recommended by public
4 universities in this State.

5 (J) One member recommended by a statewide organization
6 that represents parents.

7 (K) Two representatives recommended by collective
8 impact organizations that represent major metropolitan
9 areas or geographic areas in Illinois.

10 (L) One member from a statewide organization focused on
11 research-based education policy to support a school system
12 that prepares all students for college, a career, and
13 democratic citizenship.

14 (M) One representative from a school district
15 organized under Article 34 of this Code.

16 The State Superintendent shall ensure that the membership of
17 the Panel includes representatives from school districts and
18 communities reflecting the geographic and socio-economic
19 diversity of this State. Staff from the State Board shall staff
20 the Panel.

21 (2) In addition to those Panel members appointed by the
22 State Superintendent, 4 members of the General Assembly shall
23 be appointed as follows: one member of the House of
24 Representatives appointed by the Speaker of the House of
25 Representatives, one member of the Senate appointed by the
26 President of the Senate, one member of the House of

1 Representatives appointed by the Minority Leader of the House
2 of Representatives, and one member of the Senate appointed by
3 the Minority Leader of the Senate.

4 (3) On an annual basis, the State Superintendent shall
5 recalibrate the following per pupil elements of the Adequacy
6 Target and applied to the formulas, based on the Panel's study
7 of average expenses as reported in the most recent annual
8 financial report:

9 (A) gifted under subparagraph (M) of paragraph (2) of
10 subsection (b) of this Section;

11 (B) instructional materials under subparagraph (O) of
12 paragraph (2) of subsection (b) of this Section;

13 (C) assessment under subparagraph (P) of paragraph (2)
14 of subsection (b) of this Section;

15 (D) student activities under subparagraph (R) of
16 paragraph (2) of subsection (b) of this Section;

17 (E) maintenance and operations under subparagraph (S)
18 of paragraph (2) of subsection (b) of this Section; and

19 (F) central office under subparagraph (T) of paragraph
20 (2) of subsection (b) of this Section.

21 (4) On a periodic basis, the Panel shall study all the
22 following elements and make recommendations to the State Board,
23 the General Assembly, and the Governor for modification of this
24 Section:

25 (A) The format and scope of annual spending plans
26 referenced in subsection (h) paragraph (8) of this Section.

1 (B) The Comparable Wage Index under this Section, to be
2 studied by the Panel and reestablished by the State
3 Superintendent every 5 years.

4 (C) Maintenance and operations. Within 5 years after
5 the implementation of this Section, the Panel shall make
6 recommendations for the further study of maintenance and
7 operations costs, including capital maintenance costs, and
8 recommend any additional reporting data required from
9 Organizational Units.

10 (D) "At-risk student" definition. Within 5 years after
11 the implementation of this Section, the Panel shall make
12 recommendations for the further study and determination of
13 an "at-risk student" definition.

14 (E) Benefits. Within 5 years after the implementation
15 of this Section, the Panel shall make recommendations for
16 further study of benefit costs.

17 (F) Technology. The per pupil target for technology
18 shall be reviewed every 3 years to determine whether
19 current allocations are sufficient to develop 21st century
20 learning in all classrooms in this State and supporting a
21 one-to-one technological device program in each school.
22 Recommendations shall be made no later than 3 years after
23 the implementation of this Section.

24 (G) Local Capacity Target. Within 3 years after the
25 implementation of this Section, the Panel shall make
26 recommendations for any additional data desired to analyze

1 possible modifications to the Local Capacity Target, to be
2 based on measures in addition to solely EAV and to be
3 completed within 5 years after implementation of this
4 Section.

5 (H) Funding for Alternative Schools, Laboratory
6 Schools, safe schools, and alternative learning
7 opportunities programs. By the beginning of the 2021-2022
8 school year, the Panel shall study and make recommendations
9 regarding the funding levels for Alternative Schools,
10 Laboratory Schools, safe schools, and alternative learning
11 opportunities programs in this State.

12 (I) Funding for college and career acceleration
13 strategies. By the beginning of the 2021-2022 school year,
14 the Panel shall study and make recommendations regarding
15 funding levels to support college and career acceleration
16 strategies in high school that have been demonstrated to
17 result in improved secondary and postsecondary outcomes,
18 including Advanced Placement, dual-credit opportunities,
19 and college and career pathway systems.

20 (J) Special education investments. By the beginning of
21 the 2021-2022 school year, the Panel shall study and make
22 recommendations on whether and how to account for
23 disability types within the special education funding
24 category.

25 (K) Early childhood investments. In collaboration with
26 the Illinois Early Learning Council, the Panel shall

1 include an analysis of what level of Preschool for All
2 Children funding would be necessary to serve all children
3 ages 0 through 5 years in the highest-priority service
4 tier, as specified in paragraph (4.5) of subsection (a) of
5 Section 2-3.71 of this Code, and an analysis of the
6 potential cost savings that that level of Preschool for All
7 Children investment would have on the kindergarten through
8 grade 12 system.

9 (j) References. Beginning July 1, 2017, references in other
10 laws to general State aid funds or calculations under Section
11 18-8.05 of this Code shall be deemed to be references to
12 evidence-based model formula funds or calculations under this
13 Section.

14 (105 ILCS 5/18-9) (from Ch. 122, par. 18-9)
15 Sec. 18-9. Requirement for special equalization and
16 supplementary State aid. If property comprising an aggregate
17 assessed valuation equal to 6% or more of the total assessed
18 valuation of all taxable property in a school district is owned
19 by a person or corporation that is the subject of bankruptcy
20 proceedings or that has been adjudged bankrupt and, as a result
21 thereof, has not paid taxes on the property, then the district
22 may amend its general State aid or evidence-based funding claim
23 (i) back to the inception of the bankruptcy, not to exceed 6
24 years, in which time those taxes were not paid and (ii) for
25 each succeeding year that those taxes remain unpaid, by adding

1 to the claim an amount determined by multiplying the assessed
2 valuation of the property on which taxes have not been paid due
3 to the bankruptcy by the lesser of the total tax rate for the
4 district for the tax year for which the taxes are unpaid or the
5 applicable rate used in calculating the district's general
6 State aid under paragraph (3) of subsection (D) of Section
7 18-8.05 of this Code or evidence-based funding under Section
8 18-8.15 of this Code, as applicable. If at any time a district
9 that receives additional State aid under this Section receives
10 tax revenue from the property for the years that taxes were not
11 paid, the district's next claim for State aid shall be reduced
12 in an amount equal to the taxes paid on the property, not to
13 exceed the additional State aid received under this Section.
14 Claims under this Section shall be filed on forms prescribed by
15 the State Superintendent of Education, and the State
16 Superintendent of Education, upon receipt of a claim, shall
17 adjust the claim in accordance with the provisions of this
18 Section. Supplementary State aid for each succeeding year under
19 this Section shall be paid beginning with the first general
20 State aid or evidence-based funding claim paid after the
21 district has filed a completed claim in accordance with this
22 Section.

23 (Source: P.A. 95-496, eff. 8-28-07.)

24 (105 ILCS 5/18-12) (from Ch. 122, par. 18-12)

25 Sec. 18-12. Dates for filing State aid claims. The school

1 board of each school district, a regional office of education,
2 a laboratory school, or a State-authorized charter school shall
3 require teachers, principals, or superintendents to furnish
4 from records kept by them such data as it needs in preparing
5 and certifying to the State Superintendent of Education its
6 report of claims provided in Section 18-8.05 of this Code. The
7 claim shall be based on the latest available equalized assessed
8 valuation and tax rates, as provided in Section 18-8.05 or
9 18-8.15, shall use the average daily attendance as determined
10 by the method outlined in Section 18-8.05 or 18-8.15, and shall
11 be certified and filed with the State Superintendent of
12 Education by June 21 for districts and State-authorized charter
13 schools with an official school calendar end date before June
14 15 or within 2 weeks following the official school calendar end
15 date for districts, regional offices of education, laboratory
16 schools, or State-authorized charter schools with a school year
17 end date of June 15 or later. Failure to so file by these
18 deadlines constitutes a forfeiture of the right to receive
19 payment by the State until such claim is filed. The State
20 Superintendent of Education shall voucher for payment those
21 claims to the State Comptroller as provided in Section 18-11.

22 Except as otherwise provided in this Section, if any school
23 district fails to provide the minimum school term specified in
24 Section 10-19, the State aid claim for that year shall be
25 reduced by the State Superintendent of Education in an amount
26 equivalent to 1/176 or .56818% for each day less than the

1 number of days required by this Code.

2 If the State Superintendent of Education determines that
3 the failure to provide the minimum school term was occasioned
4 by an act or acts of God, or was occasioned by conditions
5 beyond the control of the school district which posed a
6 hazardous threat to the health and safety of pupils, the State
7 aid claim need not be reduced.

8 If a school district is precluded from providing the
9 minimum hours of instruction required for a full day of
10 attendance due to an adverse weather condition or a condition
11 beyond the control of the school district that poses a
12 hazardous threat to the health and safety of students, then the
13 partial day of attendance may be counted if (i) the school
14 district has provided at least one hour of instruction prior to
15 the closure of the school district, (ii) a school building has
16 provided at least one hour of instruction prior to the closure
17 of the school building, or (iii) the normal start time of the
18 school district is delayed.

19 If, prior to providing any instruction, a school district
20 must close one or more but not all school buildings after
21 consultation with a local emergency response agency or due to a
22 condition beyond the control of the school district, then the
23 school district may claim attendance for up to 2 school days
24 based on the average attendance of the 3 school days
25 immediately preceding the closure of the affected school
26 building or, if approved by the State Board of Education,

1 utilize the provisions of an e-learning program for the
2 affected school building as prescribed in Section 10-20.56 of
3 this Code. The partial or no day of attendance described in
4 this Section and the reasons therefore shall be certified
5 within a month of the closing or delayed start by the school
6 district superintendent to the regional superintendent of
7 schools for forwarding to the State Superintendent of Education
8 for approval.

9 Other than the utilization of any e-learning days as
10 prescribed in Section 10-20.56 of this Code, no exception to
11 the requirement of providing a minimum school term may be
12 approved by the State Superintendent of Education pursuant to
13 this Section unless a school district has first used all
14 emergency days provided for in its regular calendar.

15 If the State Superintendent of Education declares that an
16 energy shortage exists during any part of the school year for
17 the State or a designated portion of the State, a district may
18 operate the school attendance centers within the district 4
19 days of the week during the time of the shortage by extending
20 each existing school day by one clock hour of school work, and
21 the State aid claim shall not be reduced, nor shall the
22 employees of that district suffer any reduction in salary or
23 benefits as a result thereof. A district may operate all
24 attendance centers on this revised schedule, or may apply the
25 schedule to selected attendance centers, taking into
26 consideration such factors as pupil transportation schedules

1 and patterns and sources of energy for individual attendance
2 centers.

3 Electronically submitted State aid claims shall be
4 submitted by duly authorized district individuals over a secure
5 network that is password protected. The electronic submission
6 of a State aid claim must be accompanied with an affirmation
7 that all of the provisions of Sections 18-8.05, 10-22.5, and
8 24-4 of this Code are met in all respects.

9 (Source: P.A. 99-194, eff. 7-30-15; 99-657, eff. 7-28-16.)

10 (105 ILCS 5/26-16)

11 Sec. 26-16. Graduation incentives program.

12 (a) The General Assembly finds that it is critical to
13 provide options for children to succeed in school. The purpose
14 of this Section is to provide incentives for and encourage all
15 Illinois students who have experienced or are experiencing
16 difficulty in the traditional education system to enroll in
17 alternative programs.

18 (b) Any student who is below the age of 20 years is
19 eligible to enroll in a graduation incentives program if he or
20 she:

21 (1) is considered a dropout pursuant to Section 26-2a
22 of this Code;

23 (2) has been suspended or expelled pursuant to Section
24 10-22.6 or 34-19 of this Code;

25 (3) is pregnant or is a parent;

1 (4) has been assessed as chemically dependent; or
2 (5) is enrolled in a bilingual education or LEP
3 program.

4 (c) The following programs qualify as graduation
5 incentives programs for students meeting the criteria
6 established in this Section:

7 (1) Any public elementary or secondary education
8 graduation incentives program established by a school
9 district or by a regional office of education.

10 (2) Any alternative learning opportunities program
11 established pursuant to Article 13B of this Code.

12 (3) Vocational or job training courses approved by the
13 State Superintendent of Education that are available
14 through the Illinois public community college system.
15 Students may apply for reimbursement of 50% of tuition
16 costs for one course per semester or a maximum of 3 courses
17 per school year. Subject to available funds, students may
18 apply for reimbursement of up to 100% of tuition costs upon
19 a showing of employment within 6 months after completion of
20 a vocational or job training program. The qualifications
21 for reimbursement shall be established by the State
22 Superintendent of Education by rule.

23 (4) Job and career programs approved by the State
24 Superintendent of Education that are available through
25 Illinois-accredited private business and vocational
26 schools. Subject to available funds, pupils may apply for

1 reimbursement of up to 100% of tuition costs upon a showing
2 of employment within 6 months after completion of a job or
3 career program. The State Superintendent of Education
4 shall establish, by rule, the qualifications for
5 reimbursement, criteria for determining reimbursement
6 amounts, and limits on reimbursement.

7 (5) Adult education courses that offer preparation for
8 high school equivalency testing.

9 (d) Graduation incentives programs established by school
10 districts are entitled to claim general State aid and
11 evidence-based funding, subject to Sections 13B-50, 13B-50.5,
12 and 13B-50.10 of this Code. Graduation incentives programs
13 operated by regional offices of education are entitled to
14 receive general State aid and evidence-based funding at the
15 foundation level of support per pupil enrolled. A school
16 district must ensure that its graduation incentives program
17 receives supplemental general State aid, transportation
18 reimbursements, and special education resources, if
19 appropriate, for students enrolled in the program.

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

21 (105 ILCS 5/27-8.1) (from Ch. 122, par. 27-8.1)

22 Sec. 27-8.1. Health examinations and immunizations.

23 (1) In compliance with rules and regulations which the
24 Department of Public Health shall promulgate, and except as
25 hereinafter provided, all children in Illinois shall have a

1 health examination as follows: within one year prior to
2 entering kindergarten or the first grade of any public,
3 private, or parochial elementary school; upon entering the
4 sixth and ninth grades of any public, private, or parochial
5 school; prior to entrance into any public, private, or
6 parochial nursery school; and, irrespective of grade,
7 immediately prior to or upon entrance into any public, private,
8 or parochial school or nursery school, each child shall present
9 proof of having been examined in accordance with this Section
10 and the rules and regulations promulgated hereunder. Any child
11 who received a health examination within one year prior to
12 entering the fifth grade for the 2007-2008 school year is not
13 required to receive an additional health examination in order
14 to comply with the provisions of Public Act 95-422 when he or
15 she attends school for the 2008-2009 school year, unless the
16 child is attending school for the first time as provided in
17 this paragraph.

18 A tuberculosis skin test screening shall be included as a
19 required part of each health examination included under this
20 Section if the child resides in an area designated by the
21 Department of Public Health as having a high incidence of
22 tuberculosis. Additional health examinations of pupils,
23 including eye examinations, may be required when deemed
24 necessary by school authorities. Parents are encouraged to have
25 their children undergo eye examinations at the same points in
26 time required for health examinations.

1 (1.5) In compliance with rules adopted by the Department of
2 Public Health and except as otherwise provided in this Section,
3 all children in kindergarten and the second and sixth grades of
4 any public, private, or parochial school shall have a dental
5 examination. Each of these children shall present proof of
6 having been examined by a dentist in accordance with this
7 Section and rules adopted under this Section before May 15th of
8 the school year. If a child in the second or sixth grade fails
9 to present proof by May 15th, the school may hold the child's
10 report card until one of the following occurs: (i) the child
11 presents proof of a completed dental examination or (ii) the
12 child presents proof that a dental examination will take place
13 within 60 days after May 15th. The Department of Public Health
14 shall establish, by rule, a waiver for children who show an
15 undue burden or a lack of access to a dentist. Each public,
16 private, and parochial school must give notice of this dental
17 examination requirement to the parents and guardians of
18 students at least 60 days before May 15th of each school year.

19 (1.10) Except as otherwise provided in this Section, all
20 children enrolling in kindergarten in a public, private, or
21 parochial school on or after the effective date of this
22 amendatory Act of the 95th General Assembly and any student
23 enrolling for the first time in a public, private, or parochial
24 school on or after the effective date of this amendatory Act of
25 the 95th General Assembly shall have an eye examination. Each
26 of these children shall present proof of having been examined

1 by a physician licensed to practice medicine in all of its
2 branches or a licensed optometrist within the previous year, in
3 accordance with this Section and rules adopted under this
4 Section, before October 15th of the school year. If the child
5 fails to present proof by October 15th, the school may hold the
6 child's report card until one of the following occurs: (i) the
7 child presents proof of a completed eye examination or (ii) the
8 child presents proof that an eye examination will take place
9 within 60 days after October 15th. The Department of Public
10 Health shall establish, by rule, a waiver for children who show
11 an undue burden or a lack of access to a physician licensed to
12 practice medicine in all of its branches who provides eye
13 examinations or to a licensed optometrist. Each public,
14 private, and parochial school must give notice of this eye
15 examination requirement to the parents and guardians of
16 students in compliance with rules of the Department of Public
17 Health. Nothing in this Section shall be construed to allow a
18 school to exclude a child from attending because of a parent's
19 or guardian's failure to obtain an eye examination for the
20 child.

21 (2) The Department of Public Health shall promulgate rules
22 and regulations specifying the examinations and procedures
23 that constitute a health examination, which shall include the
24 collection of data relating to obesity (including at a minimum,
25 date of birth, gender, height, weight, blood pressure, and date
26 of exam), and a dental examination and may recommend by rule

1 that certain additional examinations be performed. The rules
2 and regulations of the Department of Public Health shall
3 specify that a tuberculosis skin test screening shall be
4 included as a required part of each health examination included
5 under this Section if the child resides in an area designated
6 by the Department of Public Health as having a high incidence
7 of tuberculosis. The Department of Public Health shall specify
8 that a diabetes screening as defined by rule shall be included
9 as a required part of each health examination. Diabetes testing
10 is not required.

11 Physicians licensed to practice medicine in all of its
12 branches, licensed advanced practice nurses, or licensed
13 physician assistants shall be responsible for the performance
14 of the health examinations, other than dental examinations, eye
15 examinations, and vision and hearing screening, and shall sign
16 all report forms required by subsection (4) of this Section
17 that pertain to those portions of the health examination for
18 which the physician, advanced practice nurse, or physician
19 assistant is responsible. If a registered nurse performs any
20 part of a health examination, then a physician licensed to
21 practice medicine in all of its branches must review and sign
22 all required report forms. Licensed dentists shall perform all
23 dental examinations and shall sign all report forms required by
24 subsection (4) of this Section that pertain to the dental
25 examinations. Physicians licensed to practice medicine in all
26 its branches or licensed optometrists shall perform all eye

1 examinations required by this Section and shall sign all report
2 forms required by subsection (4) of this Section that pertain
3 to the eye examination. For purposes of this Section, an eye
4 examination shall at a minimum include history, visual acuity,
5 subjective refraction to best visual acuity near and far,
6 internal and external examination, and a glaucoma evaluation,
7 as well as any other tests or observations that in the
8 professional judgment of the doctor are necessary. Vision and
9 hearing screening tests, which shall not be considered
10 examinations as that term is used in this Section, shall be
11 conducted in accordance with rules and regulations of the
12 Department of Public Health, and by individuals whom the
13 Department of Public Health has certified. In these rules and
14 regulations, the Department of Public Health shall require that
15 individuals conducting vision screening tests give a child's
16 parent or guardian written notification, before the vision
17 screening is conducted, that states, "Vision screening is not a
18 substitute for a complete eye and vision evaluation by an eye
19 doctor. Your child is not required to undergo this vision
20 screening if an optometrist or ophthalmologist has completed
21 and signed a report form indicating that an examination has
22 been administered within the previous 12 months."

23 (3) Every child shall, at or about the same time as he or
24 she receives a health examination required by subsection (1) of
25 this Section, present to the local school proof of having
26 received such immunizations against preventable communicable

1 diseases as the Department of Public Health shall require by
2 rules and regulations promulgated pursuant to this Section and
3 the Communicable Disease Prevention Act.

4 (4) The individuals conducting the health examination,
5 dental examination, or eye examination shall record the fact of
6 having conducted the examination, and such additional
7 information as required, including for a health examination
8 data relating to obesity (including at a minimum, date of
9 birth, gender, height, weight, blood pressure, and date of
10 exam), on uniform forms which the Department of Public Health
11 and the State Board of Education shall prescribe for statewide
12 use. The examiner shall summarize on the report form any
13 condition that he or she suspects indicates a need for special
14 services, including for a health examination factors relating
15 to obesity. The individuals confirming the administration of
16 required immunizations shall record as indicated on the form
17 that the immunizations were administered.

18 (5) If a child does not submit proof of having had either
19 the health examination or the immunization as required, then
20 the child shall be examined or receive the immunization, as the
21 case may be, and present proof by October 15 of the current
22 school year, or by an earlier date of the current school year
23 established by a school district. To establish a date before
24 October 15 of the current school year for the health
25 examination or immunization as required, a school district must
26 give notice of the requirements of this Section 60 days prior

1 to the earlier established date. If for medical reasons one or
2 more of the required immunizations must be given after October
3 15 of the current school year, or after an earlier established
4 date of the current school year, then the child shall present,
5 by October 15, or by the earlier established date, a schedule
6 for the administration of the immunizations and a statement of
7 the medical reasons causing the delay, both the schedule and
8 the statement being issued by the physician, advanced practice
9 nurse, physician assistant, registered nurse, or local health
10 department that will be responsible for administration of the
11 remaining required immunizations. If a child does not comply by
12 October 15, or by the earlier established date of the current
13 school year, with the requirements of this subsection, then the
14 local school authority shall exclude that child from school
15 until such time as the child presents proof of having had the
16 health examination as required and presents proof of having
17 received those required immunizations which are medically
18 possible to receive immediately. During a child's exclusion
19 from school for noncompliance with this subsection, the child's
20 parents or legal guardian shall be considered in violation of
21 Section 26-1 and subject to any penalty imposed by Section
22 26-10. This subsection (5) does not apply to dental
23 examinations and eye examinations. If the student is an
24 out-of-state transfer student and does not have the proof
25 required under this subsection (5) before October 15 of the
26 current year or whatever date is set by the school district,

1 then he or she may only attend classes (i) if he or she has
2 proof that an appointment for the required vaccinations has
3 been scheduled with a party authorized to submit proof of the
4 required vaccinations. If the proof of vaccination required
5 under this subsection (5) is not submitted within 30 days after
6 the student is permitted to attend classes, then the student is
7 not to be permitted to attend classes until proof of the
8 vaccinations has been properly submitted. No school district or
9 employee of a school district shall be held liable for any
10 injury or illness to another person that results from admitting
11 an out-of-state transfer student to class that has an
12 appointment scheduled pursuant to this subsection (5).

13 (6) Every school shall report to the State Board of
14 Education by November 15, in the manner which that agency shall
15 require, the number of children who have received the necessary
16 immunizations and the health examination (other than a dental
17 examination or eye examination) as required, indicating, of
18 those who have not received the immunizations and examination
19 as required, the number of children who are exempt from health
20 examination and immunization requirements on religious or
21 medical grounds as provided in subsection (8). On or before
22 December 1 of each year, every public school district and
23 registered nonpublic school shall make publicly available the
24 immunization data they are required to submit to the State
25 Board of Education by November 15. The immunization data made
26 publicly available must be identical to the data the school

1 district or school has reported to the State Board of
2 Education.

3 Every school shall report to the State Board of Education
4 by June 30, in the manner that the State Board requires, the
5 number of children who have received the required dental
6 examination, indicating, of those who have not received the
7 required dental examination, the number of children who are
8 exempt from the dental examination on religious grounds as
9 provided in subsection (8) of this Section and the number of
10 children who have received a waiver under subsection (1.5) of
11 this Section.

12 Every school shall report to the State Board of Education
13 by June 30, in the manner that the State Board requires, the
14 number of children who have received the required eye
15 examination, indicating, of those who have not received the
16 required eye examination, the number of children who are exempt
17 from the eye examination as provided in subsection (8) of this
18 Section, the number of children who have received a waiver
19 under subsection (1.10) of this Section, and the total number
20 of children in noncompliance with the eye examination
21 requirement.

22 The reported information under this subsection (6) shall be
23 provided to the Department of Public Health by the State Board
24 of Education.

25 (7) Upon determining that the number of pupils who are
26 required to be in compliance with subsection (5) of this

1 Section is below 90% of the number of pupils enrolled in the
2 school district, 10% of each State aid payment made pursuant to
3 Section 18-8.05 or 18-8.15 to the school district for such year
4 may be withheld by the State Board of Education until the
5 number of students in compliance with subsection (5) is the
6 applicable specified percentage or higher.

7 (8) Children of parents or legal guardians who object to
8 health, dental, or eye examinations or any part thereof, to
9 immunizations, or to vision and hearing screening tests on
10 religious grounds shall not be required to undergo the
11 examinations, tests, or immunizations to which they so object
12 if such parents or legal guardians present to the appropriate
13 local school authority a signed Certificate of Religious
14 Exemption detailing the grounds for objection and the specific
15 immunizations, tests, or examinations to which they object. The
16 grounds for objection must set forth the specific religious
17 belief that conflicts with the examination, test,
18 immunization, or other medical intervention. The signed
19 certificate shall also reflect the parent's or legal guardian's
20 understanding of the school's exclusion policies in the case of
21 a vaccine-preventable disease outbreak or exposure. The
22 certificate must also be signed by the authorized examining
23 health care provider responsible for the performance of the
24 child's health examination confirming that the provider
25 provided education to the parent or legal guardian on the
26 benefits of immunization and the health risks to the student

1 and to the community of the communicable diseases for which
2 immunization is required in this State. However, the health
3 care provider's signature on the certificate reflects only that
4 education was provided and does not allow a health care
5 provider grounds to determine a religious exemption. Those
6 receiving immunizations required under this Code shall be
7 provided with the relevant vaccine information statements that
8 are required to be disseminated by the federal National
9 Childhood Vaccine Injury Act of 1986, which may contain
10 information on circumstances when a vaccine should not be
11 administered, prior to administering a vaccine. A healthcare
12 provider may consider including without limitation the
13 nationally accepted recommendations from federal agencies such
14 as the Advisory Committee on Immunization Practices, the
15 information outlined in the relevant vaccine information
16 statement, and vaccine package inserts, along with the
17 healthcare provider's clinical judgment, to determine whether
18 any child may be more susceptible to experiencing an adverse
19 vaccine reaction than the general population, and, if so, the
20 healthcare provider may exempt the child from an immunization
21 or adopt an individualized immunization schedule. The
22 Certificate of Religious Exemption shall be created by the
23 Department of Public Health and shall be made available and
24 used by parents and legal guardians by the beginning of the
25 2015-2016 school year. Parents or legal guardians must submit
26 the Certificate of Religious Exemption to their local school

1 authority prior to entering kindergarten, sixth grade, and
2 ninth grade for each child for which they are requesting an
3 exemption. The religious objection stated need not be directed
4 by the tenets of an established religious organization.
5 However, general philosophical or moral reluctance to allow
6 physical examinations, eye examinations, immunizations, vision
7 and hearing screenings, or dental examinations does not provide
8 a sufficient basis for an exception to statutory requirements.
9 The local school authority is responsible for determining if
10 the content of the Certificate of Religious Exemption
11 constitutes a valid religious objection. The local school
12 authority shall inform the parent or legal guardian of
13 exclusion procedures, in accordance with the Department's
14 rules under Part 690 of Title 77 of the Illinois Administrative
15 Code, at the time the objection is presented.

16 If the physical condition of the child is such that any one
17 or more of the immunizing agents should not be administered,
18 the examining physician, advanced practice nurse, or physician
19 assistant responsible for the performance of the health
20 examination shall endorse that fact upon the health examination
21 form.

22 Exempting a child from the health, dental, or eye
23 examination does not exempt the child from participation in the
24 program of physical education training provided in Sections
25 27-5 through 27-7 of this Code.

26 (9) For the purposes of this Section, "nursery schools"

1 means those nursery schools operated by elementary school
2 systems or secondary level school units or institutions of
3 higher learning.

4 (Source: P.A. 98-673, eff. 6-30-14; 99-173, eff. 7-29-15;
5 99-249, eff. 8-3-15; 99-642, eff. 7-28-16.)

6 (105 ILCS 5/27A-9)

7 Sec. 27A-9. Term of charter; renewal.

8 (a) For charters granted before January 1, 2017 (the
9 effective date of Public Act 99-840) ~~this amendatory Act of the~~
10 ~~99th General Assembly~~, a charter may be granted for a period
11 not less than 5 and not more than 10 school years. For charters
12 granted on or after January 1, 2017 (the effective date of
13 Public Act 99-840) ~~this amendatory Act of the 99th General~~
14 ~~Assembly~~, a charter shall be granted for a period of 5 school
15 years. For charters renewed before January 1, 2017 (the
16 effective date of Public Act 99-840) ~~this amendatory Act of the~~
17 ~~99th General Assembly~~, a charter may be renewed in incremental
18 periods not to exceed 5 school years. For charters renewed on
19 or after January 1, 2017 (the effective date of Public Act
20 99-840) ~~this amendatory Act of the 99th General Assembly~~, a
21 charter may be renewed in incremental periods not to exceed 10
22 school years; however, the Commission may renew a charter only
23 in incremental periods not to exceed 5 years. Authorizers shall
24 ensure that every charter granted on or after January 1, 2017
25 ~~(the effective date of Public Act 99-840) this amendatory Act~~

1 ~~of the 99th General Assembly~~ includes standards and goals for
2 academic, organizational, and financial performance. A charter
3 must meet all standards and goals for academic, organizational,
4 and financial performance set forth by the authorizer in order
5 to be renewed for a term in excess of 5 years but not more than
6 10 years. If an authorizer fails to establish standards and
7 goals, a charter shall not be renewed for a term in excess of 5
8 years. Nothing contained in this Section shall require an
9 authorizer to grant a full 10-year renewal term to any
10 particular charter school, but an authorizer may award a full
11 10-year renewal term to charter schools that have a
12 demonstrated track record of improving student performance.

13 (b) A charter school renewal proposal submitted to the
14 local school board or the Commission, as the chartering entity,
15 shall contain:

16 (1) A report on the progress of the charter school in
17 achieving the goals, objectives, pupil performance
18 standards, content standards, and other terms of the
19 initial approved charter proposal; and

20 (2) A financial statement that discloses the costs of
21 administration, instruction, and other spending categories
22 for the charter school that is understandable to the
23 general public and that will allow comparison of those
24 costs to other schools or other comparable organizations,
25 in a format required by the State Board.

26 (c) A charter may be revoked or not renewed if the local

1 school board or the Commission, as the chartering entity,
2 clearly demonstrates that the charter school did any of the
3 following, or otherwise failed to comply with the requirements
4 of this law:

5 (1) Committed a material violation of any of the
6 conditions, standards, or procedures set forth in the
7 charter.

8 (2) Failed to meet or make reasonable progress toward
9 achievement of the content standards or pupil performance
10 standards identified in the charter.

11 (3) Failed to meet generally accepted standards of
12 fiscal management.

13 (4) Violated any provision of law from which the
14 charter school was not exempted.

15 In the case of revocation, the local school board or the
16 Commission, as the chartering entity, shall notify the charter
17 school in writing of the reason why the charter is subject to
18 revocation. The charter school shall submit a written plan to
19 the local school board or the Commission, whichever is
20 applicable, to rectify the problem. The plan shall include a
21 timeline for implementation, which shall not exceed 2 years or
22 the date of the charter's expiration, whichever is earlier. If
23 the local school board or the Commission, as the chartering
24 entity, finds that the charter school has failed to implement
25 the plan of remediation and adhere to the timeline, then the
26 chartering entity shall revoke the charter. Except in

1 situations of an emergency where the health, safety, or
2 education of the charter school's students is at risk, the
3 revocation shall take place at the end of a school year.
4 Nothing in Public Act 96-105 ~~this amendatory Act of the 96th~~
5 ~~General Assembly~~ shall be construed to prohibit an
6 implementation timetable that is less than 2 years in duration.

7 (d) (Blank).

8 (e) Notice of a local school board's decision to deny,
9 revoke, or not ~~to~~ renew a charter shall be provided to the
10 Commission and the State Board. The Commission may reverse a
11 local board's decision if the Commission finds that the charter
12 school or charter school proposal (i) is in compliance with
13 this Article, and (ii) is in the best interests of the students
14 it is designed to serve. The Commission may condition the
15 granting of an appeal on the acceptance by the charter school
16 of funding in an amount less than that requested in the
17 proposal submitted to the local school board. Final decisions
18 of the Commission shall be subject to judicial review under the
19 Administrative Review Law.

20 (f) Notwithstanding other provisions of this Article, if
21 the Commission on appeal reverses a local board's decision or
22 if a charter school is approved by referendum, the Commission
23 shall act as the authorized chartering entity for the charter
24 school. The Commission shall approve the charter and shall
25 perform all functions under this Article otherwise performed by
26 the local school board. The State Board shall determine whether

1 the charter proposal approved by the Commission is consistent
2 with the provisions of this Article and, if the approved
3 proposal complies, certify the proposal pursuant to this
4 Article. The State Board shall report the aggregate number of
5 charter school pupils resident in a school district to that
6 district and shall notify the district of the amount of funding
7 to be paid by the State Board to the charter school enrolling
8 such students. The Commission shall require the charter school
9 to maintain accurate records of daily attendance that shall be
10 deemed sufficient to file claims under Section 18-8.05 or
11 18-8.15 notwithstanding any other requirements of that Section
12 regarding hours of instruction and teacher certification. The
13 State Board shall withhold from funds otherwise due the
14 district the funds authorized by this Article to be paid to the
15 charter school and shall pay such amounts to the charter
16 school.

17 (g) For charter schools authorized by the Commission, the
18 Commission shall quarterly certify to the State Board the
19 student enrollment for each of its charter schools.

20 (h) For charter schools authorized by the Commission, the
21 State Board shall pay directly to a charter school any federal
22 or State aid attributable to a student with a disability
23 attending the school.

24 (Source: P.A. 98-739, eff. 7-16-14; 99-840, eff. 1-1-17;
25 revised 10-27-16.)

1 (105 ILCS 5/27A-11)

2 Sec. 27A-11. Local financing.

3 (a) For purposes of the School Code, pupils enrolled in a
4 charter school shall be included in the pupil enrollment of the
5 school district within which the pupil resides. Each charter
6 school (i) shall determine the school district in which each
7 pupil who is enrolled in the charter school resides, (ii) shall
8 report the aggregate number of pupils resident of a school
9 district who are enrolled in the charter school to the school
10 district in which those pupils reside, and (iii) shall maintain
11 accurate records of daily attendance that shall be deemed
12 sufficient to file claims under Section 18-8 or 18-8.15
13 notwithstanding any other requirements of that Section
14 regarding hours of instruction and teacher certification.

15 (b) Except for a charter school established by referendum
16 under Section 27A-6.5, as part of a charter school contract,
17 the charter school and the local school board shall agree on
18 funding and any services to be provided by the school district
19 to the charter school. Agreed funding that a charter school is
20 to receive from the local school board for a school year shall
21 be paid in equal quarterly installments with the payment of the
22 installment for the first quarter being made not later than
23 July 1, unless the charter establishes a different payment
24 schedule. However, if a charter school dismisses a pupil from
25 the charter school after receiving a quarterly payment, the
26 charter school shall return to the school district, on a

1 quarterly basis, the prorated portion of public funding
2 provided for the education of that pupil for the time the
3 student is not enrolled at the charter school. Likewise, if a
4 pupil transfers to a charter school between quarterly payments,
5 the school district shall provide, on a quarterly basis, a
6 prorated portion of the public funding to the charter school to
7 provide for the education of that pupil.

8 All services centrally or otherwise provided by the school
9 district including, but not limited to, rent, food services,
10 custodial services, maintenance, curriculum, media services,
11 libraries, transportation, and warehousing shall be subject to
12 negotiation between a charter school and the local school board
13 and paid for out of the revenues negotiated pursuant to this
14 subsection (b); provided that the local school board shall not
15 attempt, by negotiation or otherwise, to obligate a charter
16 school to provide pupil transportation for pupils for whom a
17 district is not required to provide transportation under the
18 criteria set forth in subsection (a) (13) of Section 27A-7.

19 In no event shall the funding be less than 75% or more than
20 125% of the school district's per capita student tuition
21 multiplied by the number of students residing in the district
22 who are enrolled in the charter school.

23 It is the intent of the General Assembly that funding and
24 service agreements under this subsection (b) shall be neither a
25 financial incentive nor a financial disincentive to the
26 establishment of a charter school.

1 The charter school may set and collect reasonable fees.
2 Fees collected from students enrolled at a charter school shall
3 be retained by the charter school.

4 (c) Notwithstanding subsection (b) of this Section, the
5 proportionate share of State and federal resources generated by
6 students with disabilities or staff serving them shall be
7 directed to charter schools enrolling those students by their
8 school districts or administrative units. The proportionate
9 share of moneys generated under other federal or State
10 categorical aid programs shall be directed to charter schools
11 serving students eligible for that aid.

12 (d) The governing body of a charter school is authorized to
13 accept gifts, donations, or grants of any kind made to the
14 charter school and to expend or use gifts, donations, or grants
15 in accordance with the conditions prescribed by the donor;
16 however, a gift, donation, or grant may not be accepted by the
17 governing body if it is subject to any condition contrary to
18 applicable law or contrary to the terms of the contract between
19 the charter school and the local school board. Charter schools
20 shall be encouraged to solicit and utilize community volunteer
21 speakers and other instructional resources when providing
22 instruction on the Holocaust and other historical events.

23 (e) (Blank).

24 (f) The Commission shall provide technical assistance to
25 persons and groups preparing or revising charter applications.

26 (g) At the non-renewal or revocation of its charter, each

1 charter school shall refund to the local board of education all
2 unspent funds.

3 (h) A charter school is authorized to incur temporary,
4 short term debt to pay operating expenses in anticipation of
5 receipt of funds from the local school board.

6 (Source: P.A. 98-640, eff. 6-9-14; 98-739, eff. 7-16-14; 99-78,
7 eff. 7-20-15.)

8 (105 ILCS 5/29-5) (from Ch. 122, par. 29-5)

9 Sec. 29-5. Reimbursement by State for transportation. Any
10 school district, maintaining a school, transporting resident
11 pupils to another school district's vocational program,
12 offered through a joint agreement approved by the State Board
13 of Education, as provided in Section 10-22.22 or transporting
14 its resident pupils to a school which meets the standards for
15 recognition as established by the State Board of Education
16 which provides transportation meeting the standards of safety,
17 comfort, convenience, efficiency and operation prescribed by
18 the State Board of Education for resident pupils in
19 kindergarten or any of grades 1 through 12 who: (a) reside at
20 least 1 1/2 miles as measured by the customary route of travel,
21 from the school attended; or (b) reside in areas where
22 conditions are such that walking constitutes a hazard to the
23 safety of the child when determined under Section 29-3; and (c)
24 are transported to the school attended from pick-up points at
25 the beginning of the school day and back again at the close of

1 the school day or transported to and from their assigned
2 attendance centers during the school day, shall be reimbursed
3 by the State as hereinafter provided in this Section.

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

26 The minimum amount to be received by a district is \$16

1 times the number of eligible pupils transported.

2 When calculating the reimbursement for transportation
3 costs, the State Board of Education may not deduct the number
4 of pupils enrolled in early education programs from the number
5 of pupils eligible for reimbursement if the pupils enrolled in
6 the early education programs are transported at the same time
7 as other eligible pupils.

8 Any such district transporting resident pupils during the
9 school day to an area vocational school or another school
10 district's vocational program more than 1 1/2 miles from the
11 school attended, as provided in Sections 10-22.20a and
12 10-22.22, shall be reimbursed by the State for 4/5 of the cost
13 of transporting eligible pupils.

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

16 If a pupil is at a location within the school district
17 other than his residence for child care purposes at the time
18 for transportation to school, that location may be considered
19 for purposes of determining the 1 1/2 miles from the school
20 attended.

21 Claims for reimbursement that include children who attend
22 any school other than a public school shall show the number of
23 such children transported.

24 Claims for reimbursement under this Section shall not be
25 paid for the transportation of pupils for whom transportation
26 costs are claimed for payment under other Sections of this Act.

1 The allowable direct cost of transporting pupils for
2 regular, vocational, and special education pupil
3 transportation shall be limited to the sum of the cost of
4 physical examinations required for employment as a school bus
5 driver; the salaries of full or part-time drivers and school
6 bus maintenance personnel; employee benefits excluding
7 Illinois municipal retirement payments, social security
8 payments, unemployment insurance payments and workers'
9 compensation insurance premiums; expenditures to independent
10 carriers who operate school buses; payments to other school
11 districts for pupil transportation services; pre-approved
12 contractual expenditures for computerized bus scheduling; the
13 cost of gasoline, oil, tires, and other supplies necessary for
14 the operation of school buses; the cost of converting buses'
15 gasoline engines to more fuel efficient engines or to engines
16 which use alternative energy sources; the cost of travel to
17 meetings and workshops conducted by the regional
18 superintendent or the State Superintendent of Education
19 pursuant to the standards established by the Secretary of State
20 under Section 6-106 of the Illinois Vehicle Code to improve the
21 driving skills of school bus drivers; the cost of maintenance
22 of school buses including parts and materials used;
23 expenditures for leasing transportation vehicles, except
24 interest and service charges; the cost of insurance and
25 licenses for transportation vehicles; expenditures for the
26 rental of transportation equipment; plus a depreciation

1 allowance of 20% for 5 years for school buses and vehicles
2 approved for transporting pupils to and from school and a
3 depreciation allowance of 10% for 10 years for other
4 transportation equipment so used. Each school year, if a school
5 district has made expenditures to the Regional Transportation
6 Authority or any of its service boards, a mass transit
7 district, or an urban transportation district under an
8 intergovernmental agreement with the district to provide for
9 the transportation of pupils and if the public transit carrier
10 received direct payment for services or passes from a school
11 district within its service area during the 2000-2001 school
12 year, then the allowable direct cost of transporting pupils for
13 regular, vocational, and special education pupil
14 transportation shall also include the expenditures that the
15 district has made to the public transit carrier. In addition to
16 the above allowable costs school districts shall also claim all
17 transportation supervisory salary costs, including Illinois
18 municipal retirement payments, and all transportation related
19 building and building maintenance costs without limitation.

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

26 Indirect costs shall be included in the reimbursement claim

1 for districts which own and operate their own school buses.
2 Such indirect costs shall include administrative costs, or any
3 costs attributable to transporting pupils from their
4 attendance centers to another school building for
5 instructional purposes. No school district which owns and
6 operates its own school buses may claim reimbursement for
7 indirect costs which exceed 5% of the total allowable direct
8 costs for pupil transportation.

9 The State Board of Education shall prescribe uniform
10 regulations for determining the above standards and shall
11 prescribe forms of cost accounting and standards of determining
12 reasonable depreciation. Such depreciation shall include the
13 cost of equipping school buses with the safety features
14 required by law or by the rules, regulations and standards
15 promulgated by the State Board of Education, and the Department
16 of Transportation for the safety and construction of school
17 buses provided, however, any equipment cost reimbursed by the
18 Department of Transportation for equipping school buses with
19 such safety equipment shall be deducted from the allowable cost
20 in the computation of reimbursement under this Section in the
21 same percentage as the cost of the equipment is depreciated.

22 On or before August 15, annually, the chief school
23 administrator for the district shall certify to the State
24 Superintendent of Education the district's claim for
25 reimbursement for the school year ending on June 30 next
26 preceding. The State Superintendent of Education shall check

1 and approve the claims and prepare the vouchers showing the
2 amounts due for district reimbursement claims. Each fiscal
3 year, the State Superintendent of Education shall prepare and
4 transmit the first 3 vouchers to the Comptroller on the 30th
5 day of September, December and March, respectively, and the
6 final voucher, no later than June 20.

7 If the amount appropriated for transportation
8 reimbursement is insufficient to fund total claims for any
9 fiscal year, the State Board of Education shall reduce each
10 school district's allowable costs and flat grant amount
11 proportionately to make total adjusted claims equal the total
12 amount appropriated.

13 For purposes of calculating claims for reimbursement under
14 this Section for any school year beginning July 1, 1998, or
15 thereafter, the equalized assessed valuation for a school
16 district used to compute reimbursement shall be computed in the
17 same manner as it is computed under paragraph (2) of subsection
18 (G) of Section 18-8.05.

19 All reimbursements received from the State shall be
20 deposited into the district's transportation fund or into the
21 fund from which the allowable expenditures were made.

22 Notwithstanding any other provision of law, any school
23 district receiving a payment under this Section or under
24 Section 14-7.02, 14-7.02b, or 14-13.01 of this Code may
25 classify all or a portion of the funds that it receives in a
26 particular fiscal year or from general State aid pursuant to

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

1 reporting requirements, or requirements of providing services.

2 Any school district with a population of not more than
3 500,000 must deposit all funds received under this Article into
4 the transportation fund and use those funds for the provision
5 of transportation services.

6 Notwithstanding anything to the contrary contained in this
7 Section, the State Board of Education shall award to a school
8 district having a population exceeding 500,000 inhabitants
9 3.9% of the funds appropriated by the General Assembly for any
10 fiscal year for purposes of payments to school districts under
11 this Section.

12 (Source: P.A. 95-903, eff. 8-25-08; 96-1264, eff. 1-1-11.)

13 (105 ILCS 5/34-2.3) (from Ch. 122, par. 34-2.3)

14 Sec. 34-2.3. Local school councils - Powers and duties.
15 Each local school council shall have and exercise, consistent
16 with the provisions of this Article and the powers and duties
17 of the board of education, the following powers and duties:

18 1. (A) To annually evaluate the performance of the
19 principal of the attendance center using a Board approved
20 principal evaluation form, which shall include the evaluation
21 of (i) student academic improvement, as defined by the school
22 improvement plan, (ii) student absenteeism rates at the school,
23 (iii) instructional leadership, (iv) the effective
24 implementation of programs, policies, or strategies to improve
25 student academic achievement, (v) school management, and (vi)

1 any other factors deemed relevant by the local school council,
2 including, without limitation, the principal's communication
3 skills and ability to create and maintain a student-centered
4 learning environment, to develop opportunities for
5 professional development, and to encourage parental
6 involvement and community partnerships to achieve school
7 improvement;

8 (B) to determine in the manner provided by subsection (c)
9 of Section 34-2.2 and subdivision 1.5 of this Section whether
10 the performance contract of the principal shall be renewed; and

11 (C) to directly select, in the manner provided by
12 subsection (c) of Section 34-2.2, a new principal (including a
13 new principal to fill a vacancy) -- without submitting any list
14 of candidates for that position to the general superintendent
15 as provided in paragraph 2 of this Section -- to serve under a
16 4 year performance contract; provided that (i) the
17 determination of whether the principal's performance contract
18 is to be renewed, based upon the evaluation required by
19 subdivision 1.5 of this Section, shall be made no later than
20 150 days prior to the expiration of the current
21 performance-based contract of the principal, (ii) in cases
22 where such performance contract is not renewed -- a direct
23 selection of a new principal -- to serve under a 4 year
24 performance contract shall be made by the local school council
25 no later than 45 days prior to the expiration of the current
26 performance contract of the principal, and (iii) a selection by

1 the local school council of a new principal to fill a vacancy
2 under a 4 year performance contract shall be made within 90
3 days after the date such vacancy occurs. A Council shall be
4 required, if requested by the principal, to provide in writing
5 the reasons for the council's not renewing the principal's
6 contract.

7 1.5. The local school council's determination of whether to
8 renew the principal's contract shall be based on an evaluation
9 to assess the educational and administrative progress made at
10 the school during the principal's current performance-based
11 contract. The local school council shall base its evaluation on
12 (i) student academic improvement, as defined by the school
13 improvement plan, (ii) student absenteeism rates at the school,
14 (iii) instructional leadership, (iv) the effective
15 implementation of programs, policies, or strategies to improve
16 student academic achievement, (v) school management, and (vi)
17 any other factors deemed relevant by the local school council,
18 including, without limitation, the principal's communication
19 skills and ability to create and maintain a student-centered
20 learning environment, to develop opportunities for
21 professional development, and to encourage parental
22 involvement and community partnerships to achieve school
23 improvement. If a local school council fails to renew the
24 performance contract of a principal rated by the general
25 superintendent, or his or her designee, in the previous years'
26 evaluations as meeting or exceeding expectations, the

1 principal, within 15 days after the local school council's
2 decision not to renew the contract, may request a review of the
3 local school council's principal non-retention decision by a
4 hearing officer appointed by the American Arbitration
5 Association. A local school council member or members or the
6 general superintendent may support the principal's request for
7 review. During the period of the hearing officer's review of
8 the local school council's decision on whether or not to retain
9 the principal, the local school council shall maintain all
10 authority to search for and contract with a person to serve as
11 interim or acting principal, or as the principal of the
12 attendance center under a 4-year performance contract,
13 provided that any performance contract entered into by the
14 local school council shall be voidable or modified in
15 accordance with the decision of the hearing officer. The
16 principal may request review only once while at that attendance
17 center. If a local school council renews the contract of a
18 principal who failed to obtain a rating of "meets" or "exceeds
19 expectations" in the general superintendent's evaluation for
20 the previous year, the general superintendent, within 15 days
21 after the local school council's decision to renew the
22 contract, may request a review of the local school council's
23 principal retention decision by a hearing officer appointed by
24 the American Arbitration Association. The general
25 superintendent may request a review only once for that
26 principal at that attendance center. All requests to review the

1 retention or non-retention of a principal shall be submitted to
2 the general superintendent, who shall, in turn, forward such
3 requests, within 14 days of receipt, to the American
4 Arbitration Association. The general superintendent shall send
5 a contemporaneous copy of the request that was forwarded to the
6 American Arbitration Association to the principal and to each
7 local school council member and shall inform the local school
8 council of its rights and responsibilities under the
9 arbitration process, including the local school council's
10 right to representation and the manner and process by which the
11 Board shall pay the costs of the council's representation. If
12 the local school council retains the principal and the general
13 superintendent requests a review of the retention decision, the
14 local school council and the general superintendent shall be
15 considered parties to the arbitration, a hearing officer shall
16 be chosen between those 2 parties pursuant to procedures
17 promulgated by the State Board of Education, and the principal
18 may retain counsel and participate in the arbitration. If the
19 local school council does not retain the principal and the
20 principal requests a review of the retention decision, the
21 local school council and the principal shall be considered
22 parties to the arbitration and a hearing officer shall be
23 chosen between those 2 parties pursuant to procedures
24 promulgated by the State Board of Education. The hearing shall
25 begin (i) within 45 days after the initial request for review
26 is submitted by the principal to the general superintendent or

1 (ii) if the initial request for review is made by the general
2 superintendent, within 45 days after that request is mailed to
3 the American Arbitration Association. The hearing officer
4 shall render a decision within 45 days after the hearing begins
5 and within 90 days after the initial request for review. The
6 Board shall contract with the American Arbitration Association
7 for all of the hearing officer's reasonable and necessary
8 costs. In addition, the Board shall pay any reasonable costs
9 incurred by a local school council for representation before a
10 hearing officer.

11 1.10. The hearing officer shall conduct a hearing, which
12 shall include (i) a review of the principal's performance,
13 evaluations, and other evidence of the principal's service at
14 the school, (ii) reasons provided by the local school council
15 for its decision, and (iii) documentation evidencing views of
16 interested persons, including, without limitation, students,
17 parents, local school council members, school faculty and
18 staff, the principal, the general superintendent or his or her
19 designee, and members of the community. The burden of proof in
20 establishing that the local school council's decision was
21 arbitrary and capricious shall be on the party requesting the
22 arbitration, and this party shall sustain the burden by a
23 preponderance of the evidence. The hearing officer shall set
24 the local school council decision aside if that decision, in
25 light of the record developed at the hearing, is arbitrary and
26 capricious. The decision of the hearing officer may not be

1 appealed to the Board or the State Board of Education. If the
2 hearing officer decides that the principal shall be retained,
3 the retention period shall not exceed 2 years.

4 2. In the event (i) the local school council does not renew
5 the performance contract of the principal, or the principal
6 fails to receive a satisfactory rating as provided in
7 subsection (h) of Section 34-8.3, or the principal is removed
8 for cause during the term of his or her performance contract in
9 the manner provided by Section 34-85, or a vacancy in the
10 position of principal otherwise occurs prior to the expiration
11 of the term of a principal's performance contract, and (ii) the
12 local school council fails to directly select a new principal
13 to serve under a 4 year performance contract, the local school
14 council in such event shall submit to the general
15 superintendent a list of 3 candidates -- listed in the local
16 school council's order of preference -- for the position of
17 principal, one of which shall be selected by the general
18 superintendent to serve as principal of the attendance center.
19 If the general superintendent fails or refuses to select one of
20 the candidates on the list to serve as principal within 30 days
21 after being furnished with the candidate list, the general
22 superintendent shall select and place a principal on an interim
23 basis (i) for a period not to exceed one year or (ii) until the
24 local school council selects a new principal with 7 affirmative
25 votes as provided in subsection (c) of Section 34-2.2,
26 whichever occurs first. If the local school council fails or

1 refuses to select and appoint a new principal, as specified by
2 subsection (c) of Section 34-2.2, the general superintendent
3 may select and appoint a new principal on an interim basis for
4 an additional year or until a new contract principal is
5 selected by the local school council. There shall be no
6 discrimination on the basis of race, sex, creed, color or
7 disability unrelated to ability to perform in connection with
8 the submission of candidates for, and the selection of a
9 candidate to serve as principal of an attendance center. No
10 person shall be directly selected, listed as a candidate for,
11 or selected to serve as principal of an attendance center (i)
12 if such person has been removed for cause from employment by
13 the Board or (ii) if such person does not hold a valid
14 administrative certificate issued or exchanged under Article
15 21 and endorsed as required by that Article for the position of
16 principal. A principal whose performance contract is not
17 renewed as provided under subsection (c) of Section 34-2.2 may
18 nevertheless, if otherwise qualified and certified as herein
19 provided and if he or she has received a satisfactory rating as
20 provided in subsection (h) of Section 34-8.3, be included by a
21 local school council as one of the 3 candidates listed in order
22 of preference on any candidate list from which one person is to
23 be selected to serve as principal of the attendance center
24 under a new performance contract. The initial candidate list
25 required to be submitted by a local school council to the
26 general superintendent in cases where the local school council

1 does not renew the performance contract of its principal and
2 does not directly select a new principal to serve under a 4
3 year performance contract shall be submitted not later than 30
4 days prior to the expiration of the current performance
5 contract. In cases where the local school council fails or
6 refuses to submit the candidate list to the general
7 superintendent no later than 30 days prior to the expiration of
8 the incumbent principal's contract, the general superintendent
9 may appoint a principal on an interim basis for a period not to
10 exceed one year, during which time the local school council
11 shall be able to select a new principal with 7 affirmative
12 votes as provided in subsection (c) of Section 34-2.2. In cases
13 where a principal is removed for cause or a vacancy otherwise
14 occurs in the position of principal and the vacancy is not
15 filled by direct selection by the local school council, the
16 candidate list shall be submitted by the local school council
17 to the general superintendent within 90 days after the date
18 such removal or vacancy occurs. In cases where the local school
19 council fails or refuses to submit the candidate list to the
20 general superintendent within 90 days after the date of the
21 vacancy, the general superintendent may appoint a principal on
22 an interim basis for a period of one year, during which time
23 the local school council shall be able to select a new
24 principal with 7 affirmative votes as provided in subsection
25 (c) of Section 34-2.2.

26 2.5. Whenever a vacancy in the office of a principal occurs

1 for any reason, the vacancy shall be filled in the manner
2 provided by this Section by the selection of a new principal to
3 serve under a 4 year performance contract.

4 3. To establish additional criteria to be included as part
5 of the performance contract of its principal, provided that
6 such additional criteria shall not discriminate on the basis of
7 race, sex, creed, color or disability unrelated to ability to
8 perform, and shall not be inconsistent with the uniform 4 year
9 performance contract for principals developed by the board as
10 provided in Section 34-8.1 of the School Code or with other
11 provisions of this Article governing the authority and
12 responsibility of principals.

13 4. To approve the expenditure plan prepared by the
14 principal with respect to all funds allocated and distributed
15 to the attendance center by the Board. The expenditure plan
16 shall be administered by the principal. Notwithstanding any
17 other provision of this Act or any other law, any expenditure
18 plan approved and administered under this Section 34-2.3 shall
19 be consistent with and subject to the terms of any contract for
20 services with a third party entered into by the Chicago School
21 Reform Board of Trustees or the board under this Act.

22 Via a supermajority vote of 7 members of the local school
23 council or 8 members of a high school local school council, the
24 Council may transfer allocations pursuant to Section 34-2.3
25 within funds; provided that such a transfer is consistent with
26 applicable law and collective bargaining agreements.

1 Beginning in fiscal year 1991 and in each fiscal year
2 thereafter, the Board may reserve up to 1% of its total fiscal
3 year budget for distribution on a prioritized basis to schools
4 throughout the school system in order to assure adequate
5 programs to meet the needs of special student populations as
6 determined by the Board. This distribution shall take into
7 account the needs catalogued in the Systemwide Plan and the
8 various local school improvement plans of the local school
9 councils. Information about these centrally funded programs
10 shall be distributed to the local school councils so that their
11 subsequent planning and programming will account for these
12 provisions.

13 Beginning in fiscal year 1991 and in each fiscal year
14 thereafter, from other amounts available in the applicable
15 fiscal year budget, the board shall allocate a lump sum amount
16 to each local school based upon such formula as the board shall
17 determine taking into account the special needs of the student
18 body. The local school principal shall develop an expenditure
19 plan in consultation with the local school council, the
20 professional personnel leadership committee and with all other
21 school personnel, which reflects the priorities and activities
22 as described in the school's local school improvement plan and
23 is consistent with applicable law and collective bargaining
24 agreements and with board policies and standards; however, the
25 local school council shall have the right to request waivers of
26 board policy from the board of education and waivers of

1 employee collective bargaining agreements pursuant to Section
2 34-8.1a.

3 The expenditure plan developed by the principal with
4 respect to amounts available from the fund for prioritized
5 special needs programs and the allocated lump sum amount must
6 be approved by the local school council.

7 The lump sum allocation shall take into account the
8 following principles:

9 a. Teachers: Each school shall be allocated funds equal
10 to the amount appropriated in the previous school year for
11 compensation for teachers (regular grades kindergarten
12 through 12th grade) plus whatever increases in
13 compensation have been negotiated contractually or through
14 longevity as provided in the negotiated agreement.
15 Adjustments shall be made due to layoff or reduction in
16 force, lack of funds or work, change in subject
17 requirements, enrollment changes, or contracts with third
18 parties for the performance of services or to rectify any
19 inconsistencies with system-wide allocation formulas or
20 for other legitimate reasons.

21 b. Other personnel: Funds for other teacher
22 certificated and uncertificated personnel paid through
23 non-categorical funds shall be provided according to
24 system-wide formulas based on student enrollment and the
25 special needs of the school as determined by the Board.

26 c. Non-compensation items: Appropriations for all

1 non-compensation items shall be based on system-wide
2 formulas based on student enrollment and on the special
3 needs of the school or factors related to the physical
4 plant, including but not limited to textbooks, electronic
5 textbooks and the technological equipment necessary to
6 gain access to and use electronic textbooks, supplies,
7 electricity, equipment, and routine maintenance.

8 d. Funds for categorical programs: Schools shall
9 receive personnel and funds based on, and shall use such
10 personnel and funds in accordance with State and Federal
11 requirements applicable to each categorical program
12 provided to meet the special needs of the student body
13 (including but not limited to, Federal Chapter I,
14 Bilingual, and Special Education).

15 d.1. Funds for State Title I: Each school shall receive
16 funds based on State and Board requirements applicable to
17 each State Title I pupil provided to meet the special needs
18 of the student body. Each school shall receive the
19 proportion of funds as provided in Section 18-8 or 18-8.15
20 to which they are entitled. These funds shall be spent only
21 with the budgetary approval of the Local School Council as
22 provided in Section 34-2.3.

23 e. The Local School Council shall have the right to
24 request the principal to close positions and open new ones
25 consistent with the provisions of the local school
26 improvement plan provided that these decisions are

1 consistent with applicable law and collective bargaining
2 agreements. If a position is closed, pursuant to this
3 paragraph, the local school shall have for its use the
4 system-wide average compensation for the closed position.

5 f. Operating within existing laws and collective
6 bargaining agreements, the local school council shall have
7 the right to direct the principal to shift expenditures
8 within funds.

9 g. (Blank).

10 Any funds unexpended at the end of the fiscal year shall be
11 available to the board of education for use as part of its
12 budget for the following fiscal year.

13 5. To make recommendations to the principal concerning
14 textbook selection and concerning curriculum developed
15 pursuant to the school improvement plan which is consistent
16 with systemwide curriculum objectives in accordance with
17 Sections 34-8 and 34-18 of the School Code and in conformity
18 with the collective bargaining agreement.

19 6. To advise the principal concerning the attendance and
20 disciplinary policies for the attendance center, subject to the
21 provisions of this Article and Article 26, and consistent with
22 the uniform system of discipline established by the board
23 pursuant to Section 34-19.

24 7. To approve a school improvement plan developed as
25 provided in Section 34-2.4. The process and schedule for plan
26 development shall be publicized to the entire school community,

1 and the community shall be afforded the opportunity to make
2 recommendations concerning the plan. At least twice a year the
3 principal and local school council shall report publicly on
4 progress and problems with respect to plan implementation.

5 8. To evaluate the allocation of teaching resources and
6 other certificated and uncertificated staff to the attendance
7 center to determine whether such allocation is consistent with
8 and in furtherance of instructional objectives and school
9 programs reflective of the school improvement plan adopted for
10 the attendance center; and to make recommendations to the
11 board, the general superintendent and the principal concerning
12 any reallocation of teaching resources or other staff whenever
13 the council determines that any such reallocation is
14 appropriate because the qualifications of any existing staff at
15 the attendance center do not adequately match or support
16 instructional objectives or school programs which reflect the
17 school improvement plan.

18 9. To make recommendations to the principal and the general
19 superintendent concerning their respective appointments, after
20 August 31, 1989, and in the manner provided by Section 34-8 and
21 Section 34-8.1, of persons to fill any vacant, additional or
22 newly created positions for teachers at the attendance center
23 or at attendance centers which include the attendance center
24 served by the local school council.

25 10. To request of the Board the manner in which training
26 and assistance shall be provided to the local school council.

1 Pursuant to Board guidelines a local school council is
2 authorized to direct the Board of Education to contract with
3 personnel or not-for-profit organizations not associated with
4 the school district to train or assist council members. If
5 training or assistance is provided by contract with personnel
6 or organizations not associated with the school district, the
7 period of training or assistance shall not exceed 30 hours
8 during a given school year; person shall not be employed on a
9 continuous basis longer than said period and shall not have
10 been employed by the Chicago Board of Education within the
11 preceding six months. Council members shall receive training in
12 at least the following areas:

- 13 1. school budgets;
- 14 2. educational theory pertinent to the attendance
15 center's particular needs, including the development of
16 the school improvement plan and the principal's
17 performance contract; and
- 18 3. personnel selection.

19 Council members shall, to the greatest extent possible,
20 complete such training within 90 days of election.

21 11. In accordance with systemwide guidelines contained in
22 the System-Wide Educational Reform Goals and Objectives Plan,
23 criteria for evaluation of performance shall be established for
24 local school councils and local school council members. If a
25 local school council persists in noncompliance with systemwide
26 requirements, the Board may impose sanctions and take necessary

1 corrective action, consistent with Section 34-8.3.

2 12. Each local school council shall comply with the Open
3 Meetings Act and the Freedom of Information Act. Each local
4 school council shall issue and transmit to its school community
5 a detailed annual report accounting for its activities
6 programmatically and financially. Each local school council
7 shall convene at least 2 well-publicized meetings annually with
8 its entire school community. These meetings shall include
9 presentation of the proposed local school improvement plan, of
10 the proposed school expenditure plan, and the annual report,
11 and shall provide an opportunity for public comment.

12 13. Each local school council is encouraged to involve
13 additional non-voting members of the school community in
14 facilitating the council's exercise of its responsibilities.

15 14. The local school council may adopt a school uniform or
16 dress code policy that governs the attendance center and that
17 is necessary to maintain the orderly process of a school
18 function or prevent endangerment of student health or safety,
19 consistent with the policies and rules of the Board of
20 Education. A school uniform or dress code policy adopted by a
21 local school council: (i) shall not be applied in such manner
22 as to discipline or deny attendance to a transfer student or
23 any other student for noncompliance with that policy during
24 such period of time as is reasonably necessary to enable the
25 student to acquire a school uniform or otherwise comply with
26 the dress code policy that is in effect at the attendance

1 center into which the student's enrollment is transferred; and
2 (ii) shall include criteria and procedures under which the
3 local school council will accommodate the needs of or otherwise
4 provide appropriate resources to assist a student from an
5 indigent family in complying with an applicable school uniform
6 or dress code policy. A student whose parents or legal
7 guardians object on religious grounds to the student's
8 compliance with an applicable school uniform or dress code
9 policy shall not be required to comply with that policy if the
10 student's parents or legal guardians present to the local
11 school council a signed statement of objection detailing the
12 grounds for the objection.

13 15. All decisions made and actions taken by the local
14 school council in the exercise of its powers and duties shall
15 comply with State and federal laws, all applicable collective
16 bargaining agreements, court orders and rules properly
17 promulgated by the Board.

18 15a. To grant, in accordance with board rules and policies,
19 the use of assembly halls and classrooms when not otherwise
20 needed, including lighting, heat, and attendants, for public
21 lectures, concerts, and other educational and social
22 activities.

23 15b. To approve, in accordance with board rules and
24 policies, receipts and expenditures for all internal accounts
25 of the attendance center, and to approve all fund-raising
26 activities by nonschool organizations that use the school

1 building.

2 16. (Blank).

3 17. Names and addresses of local school council members
4 shall be a matter of public record.

5 (Source: P.A. 96-1403, eff. 7-29-10.)

6 (105 ILCS 5/34-18) (from Ch. 122, par. 34-18)

7 Sec. 34-18. Powers of the board. The board shall exercise
8 general supervision and jurisdiction over the public education
9 and the public school system of the city, and, except as
10 otherwise provided by this Article, shall have power:

11 1. To make suitable provision for the establishment and
12 maintenance throughout the year or for such portion thereof
13 as it may direct, not less than 9 months, of schools of all
14 grades and kinds, including normal schools, high schools,
15 night schools, schools for defectives and delinquents,
16 parental and truant schools, schools for the blind, the
17 deaf and persons with physical disabilities, schools or
18 classes in manual training, constructural and vocational
19 teaching, domestic arts and physical culture, vocation and
20 extension schools and lecture courses, and all other
21 educational courses and facilities, including
22 establishing, equipping, maintaining and operating
23 playgrounds and recreational programs, when such programs
24 are conducted in, adjacent to, or connected with any public
25 school under the general supervision and jurisdiction of

1 the board; provided that the calendar for the school term
2 and any changes must be submitted to and approved by the
3 State Board of Education before the calendar or changes may
4 take effect, and provided that in allocating funds from
5 year to year for the operation of all attendance centers
6 within the district, the board shall ensure that
7 supplemental general State aid or supplemental grant funds
8 are allocated and applied in accordance with Section 18-8,
9 ~~or~~ 18-8.05, or 18-8.15. To admit to such schools without
10 charge foreign exchange students who are participants in an
11 organized exchange student program which is authorized by
12 the board. The board shall permit all students to enroll in
13 apprenticeship programs in trade schools operated by the
14 board, whether those programs are union-sponsored or not.
15 No student shall be refused admission into or be excluded
16 from any course of instruction offered in the common
17 schools by reason of that student's sex. No student shall
18 be denied equal access to physical education and
19 interscholastic athletic programs supported from school
20 district funds or denied participation in comparable
21 physical education and athletic programs solely by reason
22 of the student's sex. Equal access to programs supported
23 from school district funds and comparable programs will be
24 defined in rules promulgated by the State Board of
25 Education in consultation with the Illinois High School
26 Association. Notwithstanding any other provision of this

1 Article, neither the board of education nor any local
2 school council or other school official shall recommend
3 that children with disabilities be placed into regular
4 education classrooms unless those children with
5 disabilities are provided with supplementary services to
6 assist them so that they benefit from the regular classroom
7 instruction and are included on the teacher's regular
8 education class register;

9 2. To furnish lunches to pupils, to make a reasonable
10 charge therefor, and to use school funds for the payment of
11 such expenses as the board may determine are necessary in
12 conducting the school lunch program;

13 3. To co-operate with the circuit court;

14 4. To make arrangements with the public or quasi-public
15 libraries and museums for the use of their facilities by
16 teachers and pupils of the public schools;

17 5. To employ dentists and prescribe their duties for
18 the purpose of treating the pupils in the schools, but
19 accepting such treatment shall be optional with parents or
20 guardians;

21 6. To grant the use of assembly halls and classrooms
22 when not otherwise needed, including light, heat, and
23 attendants, for free public lectures, concerts, and other
24 educational and social interests, free of charge, under
25 such provisions and control as the principal of the
26 affected attendance center may prescribe;

1 7. To apportion the pupils to the several schools;
2 provided that no pupil shall be excluded from or segregated
3 in any such school on account of his color, race, sex, or
4 nationality. The board shall take into consideration the
5 prevention of segregation and the elimination of
6 separation of children in public schools because of color,
7 race, sex, or nationality. Except that children may be
8 committed to or attend parental and social adjustment
9 schools established and maintained either for boys or girls
10 only. All records pertaining to the creation, alteration or
11 revision of attendance areas shall be open to the public.
12 Nothing herein shall limit the board's authority to
13 establish multi-area attendance centers or other student
14 assignment systems for desegregation purposes or
15 otherwise, and to apportion the pupils to the several
16 schools. Furthermore, beginning in school year 1994-95,
17 pursuant to a board plan adopted by October 1, 1993, the
18 board shall offer, commencing on a phased-in basis, the
19 opportunity for families within the school district to
20 apply for enrollment of their children in any attendance
21 center within the school district which does not have
22 selective admission requirements approved by the board.
23 The appropriate geographical area in which such open
24 enrollment may be exercised shall be determined by the
25 board of education. Such children may be admitted to any
26 such attendance center on a space available basis after all

1 children residing within such attendance center's area
2 have been accommodated. If the number of applicants from
3 outside the attendance area exceed the space available,
4 then successful applicants shall be selected by lottery.
5 The board of education's open enrollment plan must include
6 provisions that allow low income students to have access to
7 transportation needed to exercise school choice. Open
8 enrollment shall be in compliance with the provisions of
9 the Consent Decree and Desegregation Plan cited in Section
10 34-1.01;

11 8. To approve programs and policies for providing
12 transportation services to students. Nothing herein shall
13 be construed to permit or empower the State Board of
14 Education to order, mandate, or require busing or other
15 transportation of pupils for the purpose of achieving
16 racial balance in any school;

17 9. Subject to the limitations in this Article, to
18 establish and approve system-wide curriculum objectives
19 and standards, including graduation standards, which
20 reflect the multi-cultural diversity in the city and are
21 consistent with State law, provided that for all purposes
22 of this Article courses or proficiency in American Sign
23 Language shall be deemed to constitute courses or
24 proficiency in a foreign language; and to employ principals
25 and teachers, appointed as provided in this Article, and
26 fix their compensation. The board shall prepare such

1 reports related to minimal competency testing as may be
2 requested by the State Board of Education, and in addition
3 shall monitor and approve special education and bilingual
4 education programs and policies within the district to
5 assure that appropriate services are provided in
6 accordance with applicable State and federal laws to
7 children requiring services and education in those areas;

8 10. To employ non-teaching personnel or utilize
9 volunteer personnel for: (i) non-teaching duties not
10 requiring instructional judgment or evaluation of pupils,
11 including library duties; and (ii) supervising study
12 halls, long distance teaching reception areas used
13 incident to instructional programs transmitted by
14 electronic media such as computers, video, and audio,
15 detention and discipline areas, and school-sponsored
16 extracurricular activities. The board may further utilize
17 volunteer non-certificated personnel or employ
18 non-certificated personnel to assist in the instruction of
19 pupils under the immediate supervision of a teacher holding
20 a valid certificate, directly engaged in teaching subject
21 matter or conducting activities; provided that the teacher
22 shall be continuously aware of the non-certificated
23 persons' activities and shall be able to control or modify
24 them. The general superintendent shall determine
25 qualifications of such personnel and shall prescribe rules
26 for determining the duties and activities to be assigned to

1 such personnel;

2 10.5. To utilize volunteer personnel from a regional
3 School Crisis Assistance Team (S.C.A.T.), created as part
4 of the Safe to Learn Program established pursuant to
5 Section 25 of the Illinois Violence Prevention Act of 1995,
6 to provide assistance to schools in times of violence or
7 other traumatic incidents within a school community by
8 providing crisis intervention services to lessen the
9 effects of emotional trauma on individuals and the
10 community; the School Crisis Assistance Team Steering
11 Committee shall determine the qualifications for
12 volunteers;

13 11. To provide television studio facilities in not to
14 exceed one school building and to provide programs for
15 educational purposes, provided, however, that the board
16 shall not construct, acquire, operate, or maintain a
17 television transmitter; to grant the use of its studio
18 facilities to a licensed television station located in the
19 school district; and to maintain and operate not to exceed
20 one school radio transmitting station and provide programs
21 for educational purposes;

22 12. To offer, if deemed appropriate, outdoor education
23 courses, including field trips within the State of
24 Illinois, or adjacent states, and to use school educational
25 funds for the expense of the said outdoor educational
26 programs, whether within the school district or not;

1 13. During that period of the calendar year not
2 embraced within the regular school term, to provide and
3 conduct courses in subject matters normally embraced in the
4 program of the schools during the regular school term and
5 to give regular school credit for satisfactory completion
6 by the student of such courses as may be approved for
7 credit by the State Board of Education;

8 14. To insure against any loss or liability of the
9 board, the former School Board Nominating Commission,
10 Local School Councils, the Chicago Schools Academic
11 Accountability Council, or the former Subdistrict Councils
12 or of any member, officer, agent or employee thereof,
13 resulting from alleged violations of civil rights arising
14 from incidents occurring on or after September 5, 1967 or
15 from the wrongful or negligent act or omission of any such
16 person whether occurring within or without the school
17 premises, provided the officer, agent or employee was, at
18 the time of the alleged violation of civil rights or
19 wrongful act or omission, acting within the scope of his
20 employment or under direction of the board, the former
21 School Board Nominating Commission, the Chicago Schools
22 Academic Accountability Council, Local School Councils, or
23 the former Subdistrict Councils; and to provide for or
24 participate in insurance plans for its officers and
25 employees, including but not limited to retirement
26 annuities, medical, surgical and hospitalization benefits

1 in such types and amounts as may be determined by the
2 board; provided, however, that the board shall contract for
3 such insurance only with an insurance company authorized to
4 do business in this State. Such insurance may include
5 provision for employees who rely on treatment by prayer or
6 spiritual means alone for healing, in accordance with the
7 tenets and practice of a recognized religious
8 denomination;

9 15. To contract with the corporate authorities of any
10 municipality or the county board of any county, as the case
11 may be, to provide for the regulation of traffic in parking
12 areas of property used for school purposes, in such manner
13 as is provided by Section 11-209 of The Illinois Vehicle
14 Code, approved September 29, 1969, as amended;

15 16. (a) To provide, on an equal basis, access to a high
16 school campus and student directory information to the
17 official recruiting representatives of the armed forces of
18 Illinois and the United States for the purposes of
19 informing students of the educational and career
20 opportunities available in the military if the board has
21 provided such access to persons or groups whose purpose is
22 to acquaint students with educational or occupational
23 opportunities available to them. The board is not required
24 to give greater notice regarding the right of access to
25 recruiting representatives than is given to other persons
26 and groups. In this paragraph 16, "directory information"

1 means a high school student's name, address, and telephone
2 number.

3 (b) If a student or his or her parent or guardian
4 submits a signed, written request to the high school before
5 the end of the student's sophomore year (or if the student
6 is a transfer student, by another time set by the high
7 school) that indicates that the student or his or her
8 parent or guardian does not want the student's directory
9 information to be provided to official recruiting
10 representatives under subsection (a) of this Section, the
11 high school may not provide access to the student's
12 directory information to these recruiting representatives.
13 The high school shall notify its students and their parents
14 or guardians of the provisions of this subsection (b).

15 (c) A high school may require official recruiting
16 representatives of the armed forces of Illinois and the
17 United States to pay a fee for copying and mailing a
18 student's directory information in an amount that is not
19 more than the actual costs incurred by the high school.

20 (d) Information received by an official recruiting
21 representative under this Section may be used only to
22 provide information to students concerning educational and
23 career opportunities available in the military and may not
24 be released to a person who is not involved in recruiting
25 students for the armed forces of Illinois or the United
26 States;

1 17. (a) To sell or market any computer program
2 developed by an employee of the school district, provided
3 that such employee developed the computer program as a
4 direct result of his or her duties with the school district
5 or through the utilization of the school district resources
6 or facilities. The employee who developed the computer
7 program shall be entitled to share in the proceeds of such
8 sale or marketing of the computer program. The distribution
9 of such proceeds between the employee and the school
10 district shall be as agreed upon by the employee and the
11 school district, except that neither the employee nor the
12 school district may receive more than 90% of such proceeds.
13 The negotiation for an employee who is represented by an
14 exclusive bargaining representative may be conducted by
15 such bargaining representative at the employee's request.

16 (b) For the purpose of this paragraph 17:

17 (1) "Computer" means an internally programmed,
18 general purpose digital device capable of
19 automatically accepting data, processing data and
20 supplying the results of the operation.

21 (2) "Computer program" means a series of coded
22 instructions or statements in a form acceptable to a
23 computer, which causes the computer to process data in
24 order to achieve a certain result.

25 (3) "Proceeds" means profits derived from
26 marketing or sale of a product after deducting the

1 expenses of developing and marketing such product;

2 18. To delegate to the general superintendent of
3 schools, by resolution, the authority to approve contracts
4 and expenditures in amounts of \$10,000 or less;

5 19. Upon the written request of an employee, to
6 withhold from the compensation of that employee any dues,
7 payments or contributions payable by such employee to any
8 labor organization as defined in the Illinois Educational
9 Labor Relations Act. Under such arrangement, an amount
10 shall be withheld from each regular payroll period which is
11 equal to the pro rata share of the annual dues plus any
12 payments or contributions, and the board shall transmit
13 such withholdings to the specified labor organization
14 within 10 working days from the time of the withholding;

15 19a. Upon receipt of notice from the comptroller of a
16 municipality with a population of 500,000 or more, a county
17 with a population of 3,000,000 or more, the Cook County
18 Forest Preserve District, the Chicago Park District, the
19 Metropolitan Water Reclamation District, the Chicago
20 Transit Authority, or a housing authority of a municipality
21 with a population of 500,000 or more that a debt is due and
22 owing the municipality, the county, the Cook County Forest
23 Preserve District, the Chicago Park District, the
24 Metropolitan Water Reclamation District, the Chicago
25 Transit Authority, or the housing authority by an employee
26 of the Chicago Board of Education, to withhold, from the

1 compensation of that employee, the amount of the debt that
2 is due and owing and pay the amount withheld to the
3 municipality, the county, the Cook County Forest Preserve
4 District, the Chicago Park District, the Metropolitan
5 Water Reclamation District, the Chicago Transit Authority,
6 or the housing authority; provided, however, that the
7 amount deducted from any one salary or wage payment shall
8 not exceed 25% of the net amount of the payment. Before the
9 Board deducts any amount from any salary or wage of an
10 employee under this paragraph, the municipality, the
11 county, the Cook County Forest Preserve District, the
12 Chicago Park District, the Metropolitan Water Reclamation
13 District, the Chicago Transit Authority, or the housing
14 authority shall certify that (i) the employee has been
15 afforded an opportunity for a hearing to dispute the debt
16 that is due and owing the municipality, the county, the
17 Cook County Forest Preserve District, the Chicago Park
18 District, the Metropolitan Water Reclamation District, the
19 Chicago Transit Authority, or the housing authority and
20 (ii) the employee has received notice of a wage deduction
21 order and has been afforded an opportunity for a hearing to
22 object to the order. For purposes of this paragraph, "net
23 amount" means that part of the salary or wage payment
24 remaining after the deduction of any amounts required by
25 law to be deducted and "debt due and owing" means (i) a
26 specified sum of money owed to the municipality, the

1 county, the Cook County Forest Preserve District, the
2 Chicago Park District, the Metropolitan Water Reclamation
3 District, the Chicago Transit Authority, or the housing
4 authority for services, work, or goods, after the period
5 granted for payment has expired, or (ii) a specified sum of
6 money owed to the municipality, the county, the Cook County
7 Forest Preserve District, the Chicago Park District, the
8 Metropolitan Water Reclamation District, the Chicago
9 Transit Authority, or the housing authority pursuant to a
10 court order or order of an administrative hearing officer
11 after the exhaustion of, or the failure to exhaust,
12 judicial review;

13 20. The board is encouraged to employ a sufficient
14 number of certified school counselors to maintain a
15 student/counselor ratio of 250 to 1 by July 1, 1990. Each
16 counselor shall spend at least 75% of his work time in
17 direct contact with students and shall maintain a record of
18 such time;

19 21. To make available to students vocational and career
20 counseling and to establish 5 special career counseling
21 days for students and parents. On these days
22 representatives of local businesses and industries shall
23 be invited to the school campus and shall inform students
24 of career opportunities available to them in the various
25 businesses and industries. Special consideration shall be
26 given to counseling minority students as to career

1 opportunities available to them in various fields. For the
2 purposes of this paragraph, minority student means a person
3 who is any of the following:

4 (a) American Indian or Alaska Native (a person having
5 origins in any of the original peoples of North and South
6 America, including Central America, and who maintains
7 tribal affiliation or community attachment).

8 (b) Asian (a person having origins in any of the
9 original peoples of the Far East, Southeast Asia, or the
10 Indian subcontinent, including, but not limited to,
11 Cambodia, China, India, Japan, Korea, Malaysia, Pakistan,
12 the Philippine Islands, Thailand, and Vietnam).

13 (c) Black or African American (a person having origins
14 in any of the black racial groups of Africa). Terms such as
15 "Haitian" or "Negro" can be used in addition to "Black or
16 African American".

17 (d) Hispanic or Latino (a person of Cuban, Mexican,
18 Puerto Rican, South or Central American, or other Spanish
19 culture or origin, regardless of race).

20 (e) Native Hawaiian or Other Pacific Islander (a person
21 having origins in any of the original peoples of Hawaii,
22 Guam, Samoa, or other Pacific Islands).

23 Counseling days shall not be in lieu of regular school
24 days;

25 22. To report to the State Board of Education the
26 annual student dropout rate and number of students who

1 graduate from, transfer from or otherwise leave bilingual
2 programs;

3 23. Except as otherwise provided in the Abused and
4 Neglected Child Reporting Act or other applicable State or
5 federal law, to permit school officials to withhold, from
6 any person, information on the whereabouts of any child
7 removed from school premises when the child has been taken
8 into protective custody as a victim of suspected child
9 abuse. School officials shall direct such person to the
10 Department of Children and Family Services, or to the local
11 law enforcement agency if appropriate;

12 24. To develop a policy, based on the current state of
13 existing school facilities, projected enrollment and
14 efficient utilization of available resources, for capital
15 improvement of schools and school buildings within the
16 district, addressing in that policy both the relative
17 priority for major repairs, renovations and additions to
18 school facilities, and the advisability or necessity of
19 building new school facilities or closing existing schools
20 to meet current or projected demographic patterns within
21 the district;

22 25. To make available to the students in every high
23 school attendance center the ability to take all courses
24 necessary to comply with the Board of Higher Education's
25 college entrance criteria effective in 1993;

26 26. To encourage mid-career changes into the teaching

1 profession, whereby qualified professionals become
2 certified teachers, by allowing credit for professional
3 employment in related fields when determining point of
4 entry on teacher pay scale;

5 27. To provide or contract out training programs for
6 administrative personnel and principals with revised or
7 expanded duties pursuant to this Act in order to assure
8 they have the knowledge and skills to perform their duties;

9 28. To establish a fund for the prioritized special
10 needs programs, and to allocate such funds and other lump
11 sum amounts to each attendance center in a manner
12 consistent with the provisions of part 4 of Section 34-2.3.
13 Nothing in this paragraph shall be construed to require any
14 additional appropriations of State funds for this purpose;

15 29. (Blank);

16 30. Notwithstanding any other provision of this Act or
17 any other law to the contrary, to contract with third
18 parties for services otherwise performed by employees,
19 including those in a bargaining unit, and to layoff those
20 employees upon 14 days written notice to the affected
21 employees. Those contracts may be for a period not to
22 exceed 5 years and may be awarded on a system-wide basis.
23 The board may not operate more than 30 contract schools,
24 provided that the board may operate an additional 5
25 contract turnaround schools pursuant to item (5.5) of
26 subsection (d) of Section 34-8.3 of this Code;

1 31. To promulgate rules establishing procedures
2 governing the layoff or reduction in force of employees and
3 the recall of such employees, including, but not limited
4 to, criteria for such layoffs, reductions in force or
5 recall rights of such employees and the weight to be given
6 to any particular criterion. Such criteria shall take into
7 account factors including, but not be limited to,
8 qualifications, certifications, experience, performance
9 ratings or evaluations, and any other factors relating to
10 an employee's job performance;

11 32. To develop a policy to prevent nepotism in the
12 hiring of personnel or the selection of contractors;

13 33. To enter into a partnership agreement, as required
14 by Section 34-3.5 of this Code, and, notwithstanding any
15 other provision of law to the contrary, to promulgate
16 policies, enter into contracts, and take any other action
17 necessary to accomplish the objectives and implement the
18 requirements of that agreement; and

19 34. To establish a Labor Management Council to the
20 board comprised of representatives of the board, the chief
21 executive officer, and those labor organizations that are
22 the exclusive representatives of employees of the board and
23 to promulgate policies and procedures for the operation of
24 the Council.

25 The specifications of the powers herein granted are not to
26 be construed as exclusive but the board shall also exercise all

1 other powers that they may be requisite or proper for the
2 maintenance and the development of a public school system, not
3 inconsistent with the other provisions of this Article or
4 provisions of this Code which apply to all school districts.

5 In addition to the powers herein granted and authorized to
6 be exercised by the board, it shall be the duty of the board to
7 review or to direct independent reviews of special education
8 expenditures and services. The board shall file a report of
9 such review with the General Assembly on or before May 1, 1990.
10 (Source: P.A. 99-143, eff. 7-27-15.)

11 (105 ILCS 5/34-18.30)

12 Sec. 34-18.30. Dependents of military personnel; no
13 tuition charge. If, at the time of enrollment, a dependent of
14 United States military personnel is housed in temporary housing
15 located outside of the school district, but will be living
16 within the district within 60 days after the time of initial
17 enrollment, the dependent must be allowed to enroll, subject to
18 the requirements of this Section, and must not be charged
19 tuition. Any United States military personnel attempting to
20 enroll a dependent under this Section shall provide proof that
21 the dependent will be living within the district within 60 days
22 after the time of initial enrollment. Proof of residency may
23 include, but is not limited to, postmarked mail addressed to
24 the military personnel and sent to an address located within
25 the district, a lease agreement for occupancy of a residence

1 located within the district, or proof of ownership of a
2 residence located within the district. Non-resident dependents
3 of United States military personnel attending school on a
4 tuition-free basis may be counted for the purposes of
5 determining the apportionment of State aid provided under
6 Section 18-8.05 or 18-8.15 of this Code.

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

8 (105 ILCS 5/34-43.1) (from Ch. 122, par. 34-43.1)

9 Sec. 34-43.1. (A) Limitation of noninstructional costs. It
10 is the purpose of this Section to establish for the Board of
11 Education and the general superintendent of schools
12 requirements and standards which maximize the proportion of
13 school district resources in direct support of educational,
14 program, and building maintenance and safety services for the
15 pupils of the district, and which correspondingly minimize the
16 amount and proportion of such resources associated with
17 centralized administration, administrative support services,
18 and other noninstructional services.

19 For the 1989-90 school year and for all subsequent school
20 years, the Board of Education shall undertake budgetary and
21 expenditure control actions which limit the administrative
22 expenditures of the Board of Education to levels, as provided
23 for in this Section, which represent an average of the
24 administrative expenses of all school districts in this State
25 not subject to Article 34.

1 (B) Certification of expenses by the State Superintendent
2 of Education. The State Superintendent of Education shall
3 annually certify, on or before May 1, to the Board of Education
4 and the School Finance Authority, for the applicable school
5 year, the following information:

6 (1) the annual expenditures of all school districts of
7 the State not subject to Article 34 properly attributable
8 to expenditure functions defined by the rules and
9 regulations of the State Board of Education as: 2210
10 (Improvement of Instructional Services); 2300 (Support
11 Services - General Administration) excluding, however,
12 2320 (Executive Administrative Services); 2490 (Other
13 Support Services - School Administration); 2500 (Support
14 Services - Business); 2600 (Support Services - Central);

15 (2) the total annual expenditures of all school
16 districts not subject to Article 34 attributable to the
17 Education Fund, the Operations, Building and Maintenance
18 Fund, the Transportation Fund and the Illinois Municipal
19 Retirement Fund of the several districts, as defined by the
20 rules and regulations of the State Board of Education; and

21 (3) a ratio, to be called the statewide average of
22 administrative expenditures, derived by dividing the
23 expenditures certified pursuant to paragraph (B) (1) by the
24 expenditures certified pursuant to paragraph (B) (2).

25 For purposes of the annual certification of expenditures
26 and ratios required by this Section, the "applicable year" of

1 certification shall initially be the 1986-87 school year and,
2 in sequent years, each succeeding school year.

3 The State Superintendent of Education shall consult with
4 the Board of Education to ascertain whether particular
5 expenditure items allocable to the administrative functions
6 enumerated in paragraph (B)(1) are appropriately or
7 necessarily higher in the applicable school district than in
8 the rest of the State due to noncomparable factors. The State
9 Superintendent shall also review the relevant cost proportions
10 in other large urban school districts. The State Superintendent
11 shall also review the expenditure categories in paragraph
12 (B)(1) to ascertain whether they contain school-level
13 expenses. If he or she finds that adjustments to the formula
14 are appropriate or necessary to establish a more fair and
15 comparable standard for administrative cost for the Board of
16 Education or to exclude school-level expenses, the State
17 Superintendent shall recommend to the School Finance Authority
18 rules and regulations adjusting particular subcategories in
19 this subsection (B) or adjusting certain costs in determining
20 the budget and expenditure items properly attributable to the
21 functions or otherwise adjust the formula.

22 (C) Administrative expenditure limitations. The annual
23 budget of the Board of Education, as adopted and implemented,
24 and the related annual expenditures for the school year, shall
25 reflect a limitation on administrative outlays as required by
26 the following provisions, taking into account any adjustments

1 established by the State Superintendent of Education: (1) the
2 budget and expenditures of the Board of Education for the
3 1989-90 school year shall reflect a ratio of administrative
4 expenditures to total expenditures equal to or less than the
5 statewide average of administrative expenditures for the
6 1986-87 school year as certified by the State Superintendent of
7 Education pursuant to paragraph (B)(3); (2) for the 1990-91
8 school year and for all subsequent school years, the budget and
9 expenditures of the Board of Education shall reflect a ratio of
10 administrative expenditures to total expenditures equal to or
11 less than the statewide average of administrative expenditures
12 certified by the State Superintendent of Education for the
13 applicable year pursuant to paragraph (B)(3); (3) if for any
14 school year the budget of the Board of Education reflects a
15 ratio of administrative expenditures to total expenditures
16 which exceeds the applicable statewide average, the Board of
17 Education shall reduce expenditure items allocable to the
18 administrative functions enumerated in paragraph (B)(1) such
19 that the Board of Education's ratio of administrative
20 expenditures to total expenditures is equal to or less than the
21 applicable statewide average ratio.

22 For purposes of this Section, the ratio of administrative
23 expenditures to the total expenditures of the Board of
24 Education, as applied to the budget of the Board of Education,
25 shall mean: the budgeted expenditure items of the Board of
26 Education properly attributable to the expenditure functions

1 identified in paragraph (B)(1) divided by the total budgeted
2 expenditures of the Board of Education properly attributable to
3 the Board of Education funds corresponding to those funds
4 identified in paragraph (B)(2), exclusive of any monies
5 budgeted for payment to the Public School Teachers' Pension and
6 Retirement System, attributable to payments due from the
7 General Funds of the State of Illinois.

8 The annual expenditure of the Board of Education for 2320
9 (Executive Administrative Services) for the 1989-90 school
10 year shall be no greater than the 2320 expenditure for the
11 1988-89 school year. The annual expenditure of the Board of
12 Education for 2320 for the 1990-91 school year and each
13 subsequent school year shall be no greater than the 2320
14 expenditure for the immediately preceding school year or the
15 1988-89 school year, whichever is less. This annual expenditure
16 limitation may be adjusted in each year in an amount not to
17 exceed any change effective during the applicable school year
18 in salary to be paid under the collective bargaining agreement
19 with instructional personnel to which the Board is a party and
20 in benefit costs either required by law or such collective
21 bargaining agreement.

22 (D) Cost control measures. In undertaking actions to
23 control or reduce expenditure items necessitated by the
24 administrative expenditure limitations of this Section, the
25 Board of Education shall give priority consideration to
26 reductions or cost controls with the least effect upon direct

1 services to students or instructional services for pupils, and
2 upon the safety and well-being of pupils, and, as applicable,
3 with the particular costs or functions to which the Board of
4 Education is higher than the statewide average.

5 For purposes of assuring that the cost control priorities
6 of this subsection (D) are met, the State Superintendent of
7 Education shall, with the assistance of the Board of Education,
8 review the cost allocation practices of the Board of Education,
9 and the State Superintendent of Education shall thereafter
10 recommend to the School Finance Authority rules and regulations
11 which define administrative areas which most impact upon the
12 direct and instructional needs of students and upon the safety
13 and well-being of the pupils of the district. No position
14 closed shall be reopened using State or federal categorical
15 funds.

16 (E) Report of Audited Information. For the 1988-89 school
17 year and for all subsequent school years, the Board of
18 Education shall file with the State Board of Education the
19 Annual Financial Report and its audit, as required by the rules
20 of the State Board of Education. Such reports shall be filed no
21 later than February 15 following the end of the school year of
22 the Board of Education, beginning with the report to be filed
23 no later than February 15, 1990 for the 1988-89 school year.

24 As part of the required Annual Financial Report, the Board
25 of Education shall provide a detailed accounting of the central
26 level, district, bureau and department costs and personnel

1 included within expenditure functions included in paragraph
2 (B)(1). The nature and detail of the reporting required for
3 these functions shall be prescribed by the State Board of
4 Education in rules and regulations. A copy of this detailed
5 accounting shall also be provided annually to the School
6 Finance Authority and the public. This report shall contain a
7 reconciliation to the board of education's adopted budget for
8 that fiscal year, specifically delineating administrative
9 functions.

10 If the information required under this Section is not
11 provided by the Board of Education in a timely manner, or is
12 initially or subsequently determined by the State
13 Superintendent of Education to be incomplete or inaccurate, the
14 State Superintendent shall, in writing, notify the Board of
15 Education of reporting deficiencies. The Board of Education
16 shall, within 60 days of such notice, address the reporting
17 deficiencies identified. If the State Superintendent of
18 Education does not receive satisfactory response to these
19 reporting deficiencies within 60 days, the next payment of
20 general State aid or evidence-based funding due the Board of
21 Education under Section 18-8 or Section 18-8.15, as applicable,
22 and all subsequent payments, shall be withheld by the State
23 Superintendent of Education until the enumerated deficiencies
24 have been addressed.

25 Utilizing the Annual Financial Report, the State
26 Superintendent of Education shall certify on or before May 1 to

1 the School Finance Authority the Board of Education's ratio of
2 administrative expenditures to total expenditures for the
3 1988-89 school year and for each succeeding school year. Such
4 certification shall indicate the extent to which the
5 administrative expenditure ratio of the Board of Education
6 conformed to the limitations required in subsection (C) of this
7 Section, taking into account any adjustments of the limitations
8 which may have been recommended by the State Superintendent of
9 Education to the School Finance Authority. In deriving the
10 administrative expenditure ratio of the Chicago Board of
11 Education, the State Superintendent of Education shall utilize
12 the definition of this ratio prescribed in subsection (C) of
13 this Section, except that the actual expenditures of the Board
14 of Education shall be substituted for budgeted expenditure
15 items.

16 (F) Approval and adjustments to administrative expenditure
17 limitations. The School Finance Authority organized under
18 Article 34A shall monitor the Board of Education's adherence to
19 the requirements of this Section. As part of its responsibility
20 the School Finance Authority shall determine whether the Board
21 of Education's budget for the next school year, and the
22 expenditures for a prior school year, comply with the
23 limitation of administrative expenditures required by this
24 Section. The Board of Education and the State Board of
25 Education shall provide such information as is required by the
26 School Finance Authority in order for the Authority to

1 determine compliance with the provisions of this Section. If
2 the Authority determines that the budget proposed by the Board
3 of Education does not meet the cost control requirements of
4 this Section, the Board of Education shall undertake budgetary
5 reductions, consistent with the requirements of this Section,
6 to bring the proposed budget into compliance with such cost
7 control limitations.

8 If, in formulating cost control and cost reduction
9 alternatives, the Board of Education believes that meeting the
10 cost control requirements of this Section related to the budget
11 for the ensuing year would impair the education, safety, or
12 well-being of the pupils of the school district, the Board of
13 Education may request that the School Finance Authority make
14 adjustments to the limitations required by this Section. The
15 Board of Education shall specify the amount, nature, and
16 reasons for the relief required and shall also identify cost
17 reductions which can be made in expenditure functions not
18 enumerated in paragraph (B) (1), which would serve the purposes
19 of this Section.

20 The School Finance Authority shall consult with the State
21 Superintendent of Education concerning the reasonableness from
22 an educational administration perspective of the adjustments
23 sought by the Board of Education. The School Finance Authority
24 shall provide an opportunity for the public to comment upon the
25 reasonableness of the Board's request. If, after such
26 consultation, the School Finance Authority determines that all

1 or a portion of the adjustments sought by the Board of
2 Education are reasonably appropriate or necessary, the
3 Authority may grant such relief from the provisions of this
4 Section which the Authority deems appropriate. Adjustments so
5 granted apply only to the specific school year for which the
6 request was made.

7 In the event that the School Finance Authority determines
8 that the Board of Education has failed to achieve the required
9 administrative expenditure limitations for a prior school
10 year, or if the Authority determines that the Board of
11 Education has not met the requirements of subsection (F), the
12 Authority shall make recommendations to the Board of Education
13 concerning appropriate corrective actions. If the Board of
14 Education fails to provide adequate assurance to the Authority
15 that appropriate corrective actions have been or will be taken,
16 the Authority may, within 60 days thereafter, require the board
17 to adjust its current budget to correct for the prior year's
18 shortage or may recommend to the members of the General
19 Assembly and the Governor such sanctions or remedial actions as
20 will serve to deter any further such failures on the part of
21 the Board of Education.

22 To assist the Authority in its monitoring
23 responsibilities, the Board of Education shall provide such
24 reports and information as are from time to time required by
25 the Authority.

26 (G) Independent reviews of administrative expenditures.

1 The School Finance Authority may direct independent reviews of
2 the administrative and administrative support expenditures and
3 services and other non-instructional expenditure functions of
4 the Board of Education. The Board of Education shall afford
5 full cooperation to the School Finance Authority in such review
6 activity. The purpose of such reviews shall be to verify
7 specific targets for improved operating efficiencies of the
8 Board of Education, to identify other areas of potential
9 efficiencies, and to assure full and proper compliance by the
10 Board of Education with all requirements of this Section.

11 In the conduct of reviews under this subsection, the
12 Authority may request the assistance and consultation of the
13 State Superintendent of Education with regard to questions of
14 efficiency and effectiveness in educational administration.

15 (H) Reports to Governor and General Assembly. On or before
16 May 1, 1991 and no less frequently than yearly thereafter, the
17 School Finance Authority shall provide to the Governor, the
18 State Board of Education, and the members of the General
19 Assembly an annual report, as outlined in Section 34A-606,
20 which includes the following information: (1) documenting the
21 compliance or non-compliance of the Board of Education with the
22 requirements of this Section; (2) summarizing the costs,
23 findings, and recommendations of any reviews directed by the
24 School Finance Authority, and the response to such
25 recommendations made by the Board of Education; and (3)
26 recommending sanctions or legislation necessary to fulfill the

1 intent of this Section.

2 (Source: P.A. 86-124; 86-1477.)

3 Section 50. The Educational Opportunity for Military
4 Children Act is amended by changing Section 25 as follows:

5 (105 ILCS 70/25)

6 Sec. 25. Tuition for children of active duty military
7 personnel who are transfer students. If a student who is a
8 child of active duty military personnel is (i) placed with a
9 non-custodial parent and (ii) as a result of placement, must
10 attend a non-resident school district, then the student must
11 not be charged the tuition of the school that the student
12 attends as a result of placement with the non-custodial parent
13 and the student must be counted in the calculation of average
14 daily attendance under Section 18-8.05 or 18-8.15 of the School
15 Code.

16 (Source: P.A. 98-673, eff. 6-30-14.)

17 Section 55. The Illinois Public Aid Code is amended by
18 changing Section 5-16.4 as follows:

19 (305 ILCS 5/5-16.4)

20 Sec. 5-16.4. Medical Assistance Provider Payment Fund.

21 (a) There is created in the State treasury the Medical
22 Assistance Provider Payment Fund. Interest earned by the Fund

1 shall be credited to the Fund.

2 (b) The Fund is created for the purpose of disbursing
3 moneys as follows:

4 (1) For medical services provided to recipients of aid
5 under Articles V, VI, and XII.

6 (2) For payment of administrative expenses incurred by
7 the Illinois Department or its agent in performing the
8 activities authorized by this Section.

9 (3) For making transfers to the General Obligation Bond
10 Retirement and Interest Fund, as those transfers are
11 authorized in the proceedings authorizing debt under the
12 Medicaid Liability Liquidity Borrowing Act, but transfers
13 made under this paragraph (3) may not exceed the principal
14 amount of debt issued under that Act.

15 Disbursements from the Fund, other than transfers to the
16 General Obligation Bond Retirement and Interest Fund (which
17 shall be made in accordance with the provisions of the Medicaid
18 Liability Liquidity Borrowing Act), shall be by warrants drawn
19 by the State Comptroller upon receipt of vouchers duly executed
20 and certified by the Illinois Department.

21 (c) The Fund shall consist of the following:

22 (1) All federal matching funds received by the Illinois
23 Department as a result of expenditures made by the Illinois
24 Department that are attributable to moneys deposited into
25 the Fund.

26 (2) Proceeds from any short-term borrowing directed to

1 the Fund by the Governor pursuant to the Medicaid Liability
2 Liquidity Borrowing Act.

3 (3) Amounts transferred into the Fund under subsection
4 (d) of this Section.

5 (4) All other moneys received for the Fund from any
6 other source, including interest earned on those moneys.

7 (d) Beginning July 1, 1995, on the 13th and 26th days of
8 each month the State Comptroller and Treasurer shall transfer
9 from the General Revenue Fund to the Medical Assistance
10 Provider Payment Fund an amount equal to 1/48th of the annual
11 Medical Assistance appropriation to the Department of
12 Healthcare and Family Services (formerly Illinois Department
13 of Public Aid) from the Medical Assistance Provider Payment
14 Fund, plus cumulative deficiencies from those prior transfers.
15 In addition to those transfers, the State Comptroller and
16 Treasurer may transfer from the General Revenue Fund to the
17 Medical Assistance Provider Payment Fund as much as is
18 necessary to pay claims pursuant to the new twice-monthly
19 payment schedule established in Section 5-16.5 and to avoid
20 interest liabilities under the State Prompt Payment Act. No
21 transfers made pursuant to this subsection shall interfere with
22 the timely payment of the general State aid or evidence-based
23 funding payment made pursuant to Section 18-11 of the School
24 Code.

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

1 Section 95. Savings clause. Any repeal or amendment made by
2 this Act shall not affect or impair any of the following: suits
3 pending or rights existing at the time this Act takes effect;
4 any grant or conveyance made or right acquired or cause of
5 action now existing under any Section, Article, or Act repealed
6 or amended by this Act; the validity of any bonds or other
7 obligations issued or sold and constituting valid obligations
8 of the issuing authority at the time this Act takes effect; the
9 validity of any contract; the validity of any tax levied under
10 any law in effect prior to the effective date of this Act; or
11 any offense committed, act done, penalty, punishment, or
12 forfeiture incurred or any claim, right, power, or remedy
13 accrued under any law in effect prior to the effective date of
14 this Act.

15 Section 99. Effective date. This Act takes effect upon
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