



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB2433

Introduced 2/15/2023, by Rep. Camille Y. Lilly

SYNOPSIS AS INTRODUCED:

New Act

105 ILCS 5/2-3.28

from Ch. 122, par. 2-3.28

105 ILCS 5/18-8.15

30 ILCS 805/8.47 new

Creates the Education Prioritization Act. Beginning with fiscal year 2024, requires the General Assembly to appropriate for the evidence-based funding formula under the School Code an amount that is equal to or exceeds the sum of: (i) the total amount appropriated for the evidence-based funding formula during the fiscal year immediately preceding the fiscal year for which the appropriation is being made; and (ii) 51% of total new general funds available for spending from estimated growth in revenues and funds available because of budgeted program growth and decline in the fiscal year for which the appropriation is being made; but in no event shall the sum be less than a certain percentage required under the Act. Requires a continuing appropriation if the General Assembly fails to make sufficient appropriations to fund the evidence-based funding formula. Amends the School Code to make changes concerning a system for accounting for revenues and expenditures and evidence-based funding. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB103 29402 RJT 55793 b

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

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. Short title. This Act may be cited as the
5 Education Prioritization Act.

6 Section 5. Educational appropriations. Beginning with
7 fiscal year 2024 and in each fiscal year thereafter, subject
8 to the provisions of Section 10 of this Act, the General
9 Assembly shall appropriate for the evidence-based funding
10 formula set forth in Section 18-8.15 of the School Code an
11 amount that is equal to or exceeds the sum of: (i) the total
12 amount appropriated for the evidence-based funding formula set
13 forth in Section 18-8.15 of the School Code during the fiscal
14 year immediately preceding the fiscal year for which the
15 appropriation is being made; and (ii) 51% of total new general
16 funds available for spending from estimated growth in revenues
17 and funds available because of budgeted program growth and
18 decline in the fiscal year for which the appropriation is
19 being made; but in no event shall the sum be less than the
20 percentage required under Section 10 of this Act. The
21 Commission on Government Forecasting and Accountability shall
22 certify the amount of total new general funds available for
23 spending.

1 Section 10. State and federal funding. State funding for
2 the evidence-based funding formula set forth in Section
3 18-8.15 of the School Code shall be appropriated pursuant to
4 Section 5 of this Act so that the sum of State and federal
5 spending represents no less than 51% of the total revenues
6 available from local, State, and federal sources for
7 elementary and secondary education programs for the current
8 fiscal year, as estimated by the State Superintendent of
9 Education.

10 Section 15. Continuing appropriation. If the General
11 Assembly fails to make appropriations to the State Board of
12 Education in fiscal year 2024 or in any fiscal year thereafter
13 sufficient to fund the evidence-based funding formula set
14 forth in Section 18-8.15 of the School Code, this Act shall
15 constitute a continuing appropriation of all amounts necessary
16 for that purpose.

17 Section 20. Governor's budget. Beginning with fiscal year
18 2025 and in each fiscal year thereafter, the Governor shall
19 include in his or her annual budget an allocation for
20 elementary and secondary education that conforms to the
21 provisions of this Act.

22 Section 85. The School Code is amended by changing

1 Sections 2-3.28 and 18-8.15 as follows:

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

3 Sec. 2-3.28. Rules and regulations of budget and
4 accounting systems. To prescribe rules and regulations
5 defining what shall constitute a budget and accounting system
6 required under this Act. The rules and regulations shall
7 prescribe the minimum extent of verification, the type of
8 audit, the extent of the audit report and shall require
9 compliance with statutory requirements and standards and such
10 requirements as the State Board of Education deems necessary
11 for an adequate budget and accounting system. For the
12 2023-2024 school year and thereafter, the rules and
13 regulations shall prescribe a system for accounting for
14 revenues and expenditures at the individual school level that
15 includes, without limitation, the following:

16 (1) accounting for expenditures for school
17 administration, regular instruction, special education
18 instruction, instructional programs for children of
19 limited English-speaking ability, instructional support
20 services, and pupil support services;

21 (2) salary expenditures reflecting actual staff
22 salaries at each school;

23 (3) accounting for operations, including
24 non-instructional pupil services, facilities, and business
25 services; and

1 (4) such other requirements as the State Board of
2 Education deems necessary to provide for a uniform and
3 transparent system of accounting at the school level.

4 (Source: P.A. 81-1508.)

5 (105 ILCS 5/18-8.15)

6 Sec. 18-8.15. Evidence-Based Funding for student success
7 for the 2017-2018 and subsequent school years.

8 (a) General provisions.

9 (1) The purpose of this Section is to ensure that, by
10 June 30, 2027 and beyond, this State has a kindergarten
11 through grade 12 public education system with the capacity
12 to ensure the educational development of all persons to
13 the limits of their capacities in accordance with Section
14 1 of Article X of the Constitution of the State of
15 Illinois. To accomplish that objective, this Section
16 creates a method of funding public education that is
17 evidence-based; is sufficient to ensure every student
18 receives a meaningful opportunity to learn irrespective of
19 race, ethnicity, sexual orientation, gender, or
20 community-income level; and is sustainable and
21 predictable. When fully funded under this Section, every
22 school shall have the resources, based on what the
23 evidence indicates is needed, to:

24 (A) provide all students with a high quality
25 education that offers the academic, enrichment, social

1 and emotional support, technical, and career-focused
2 programs that will allow them to become competitive
3 workers, responsible parents, productive citizens of
4 this State, and active members of our national
5 democracy;

6 (B) ensure all students receive the education they
7 need to graduate from high school with the skills
8 required to pursue post-secondary education and
9 training for a rewarding career;

10 (C) reduce, with a goal of eliminating, the
11 achievement gap between at-risk and non-at-risk
12 students by raising the performance of at-risk
13 students and not by reducing standards; and

14 (D) ensure this State satisfies its obligation to
15 assume the primary responsibility to fund public
16 education and simultaneously relieve the
17 disproportionate burden placed on local property taxes
18 to fund schools.

19 (2) The Evidence-Based Funding formula under this
20 Section shall be applied to all Organizational Units in
21 this State. The Evidence-Based Funding formula outlined in
22 this Act is based on the formula outlined in Senate Bill 1
23 of the 100th General Assembly, as passed by both
24 legislative chambers. As further defined and described in
25 this Section, there are 4 major components of the
26 Evidence-Based Funding model:

1 (A) First, the model calculates a unique Adequacy
2 Target for each Organizational Unit in this State that
3 considers the costs to implement research-based
4 activities, the unit's student demographics, and
5 regional wage differences.

6 (B) Second, the model calculates each
7 Organizational Unit's Local Capacity, or the amount
8 each Organizational Unit is assumed to contribute
9 toward its Adequacy Target from local resources.

10 (C) Third, the model calculates how much funding
11 the State currently contributes to the Organizational
12 Unit and adds that to the unit's Local Capacity to
13 determine the unit's overall current adequacy of
14 funding.

15 (D) Finally, the model's distribution method
16 allocates new State funding to those Organizational
17 Units that are least well-funded, considering both
18 Local Capacity and State funding, in relation to their
19 Adequacy Target.

20 (3) An Organizational Unit receiving any funding under
21 this Section may apply those funds to any fund so received
22 for which that Organizational Unit is authorized to make
23 expenditures by law.

24 (4) As used in this Section, the following terms shall
25 have the meanings ascribed in this paragraph (4):

26 "Adequacy Target" is defined in paragraph (1) of

1 subsection (b) of this Section.

2 "Adjusted EAV" is defined in paragraph (4) of
3 subsection (d) of this Section.

4 "Adjusted Local Capacity Target" is defined in
5 paragraph (3) of subsection (c) of this Section.

6 "Adjusted Operating Tax Rate" means a tax rate for all
7 Organizational Units, for which the State Superintendent
8 shall calculate and subtract for the Operating Tax Rate a
9 transportation rate based on total expenses for
10 transportation services under this Code, as reported on
11 the most recent Annual Financial Report in Pupil
12 Transportation Services, function 2550 in both the
13 Education and Transportation funds and functions 4110 and
14 4120 in the Transportation fund, less any corresponding
15 fiscal year State of Illinois scheduled payments excluding
16 net adjustments for prior years for regular, vocational,
17 or special education transportation reimbursement pursuant
18 to Section 29-5 or subsection (b) of Section 14-13.01 of
19 this Code divided by the Adjusted EAV. If an
20 Organizational Unit's corresponding fiscal year State of
21 Illinois scheduled payments excluding net adjustments for
22 prior years for regular, vocational, or special education
23 transportation reimbursement pursuant to Section 29-5 or
24 subsection (b) of Section 14-13.01 of this Code exceed the
25 total transportation expenses, as defined in this
26 paragraph, no transportation rate shall be subtracted from

1 the Operating Tax Rate.

2 "Allocation Rate" is defined in paragraph (3) of
3 subsection (g) of this Section.

4 "Alternative School" means a public school that is
5 created and operated by a regional superintendent of
6 schools and approved by the State Board.

7 "Applicable Tax Rate" is defined in paragraph (1) of
8 subsection (d) of this Section.

9 "Assessment" means any of those benchmark, progress
10 monitoring, formative, diagnostic, and other assessments,
11 in addition to the State accountability assessment, that
12 assist teachers' needs in understanding the skills and
13 meeting the needs of the students they serve.

14 "Assistant principal" means a school administrator
15 duly endorsed to be employed as an assistant principal in
16 this State.

17 "At-risk student" means a student who is at risk of
18 not meeting the Illinois Learning Standards or not
19 graduating from elementary or high school and who
20 demonstrates a need for vocational support or social
21 services beyond that provided by the regular school
22 program. All students included in an Organizational Unit's
23 Low-Income Count, as well as all English learner and
24 disabled students attending the Organizational Unit, shall
25 be considered at-risk students under this Section.

26 "Average Student Enrollment" or "ASE" for fiscal year

1 2018 means, for an Organizational Unit, the greater of the
2 average number of students (grades K through 12) reported
3 to the State Board as enrolled in the Organizational Unit
4 on October 1 in the immediately preceding school year,
5 plus the pre-kindergarten students who receive special
6 education services of 2 or more hours a day as reported to
7 the State Board on December 1 in the immediately preceding
8 school year, or the average number of students (grades K
9 through 12) reported to the State Board as enrolled in the
10 Organizational Unit on October 1, plus the
11 pre-kindergarten students who receive special education
12 services of 2 or more hours a day as reported to the State
13 Board on December 1, for each of the immediately preceding
14 3 school years. For fiscal year 2019 and each subsequent
15 fiscal year, "Average Student Enrollment" or "ASE" means,
16 for an Organizational Unit, the greater of the average
17 number of students (grades K through 12) reported to the
18 State Board as enrolled in the Organizational Unit on
19 October 1 and March 1 in the immediately preceding school
20 year, plus the pre-kindergarten students who receive
21 special education services as reported to the State Board
22 on October 1 and March 1 in the immediately preceding
23 school year, or the average number of students (grades K
24 through 12) reported to the State Board as enrolled in the
25 Organizational Unit on October 1 and March 1, plus the
26 pre-kindergarten students who receive special education

1 services as reported to the State Board on October 1 and
2 March 1, for each of the immediately preceding 3 school
3 years. For the purposes of this definition, "enrolled in
4 the Organizational Unit" means the number of students
5 reported to the State Board who are enrolled in schools
6 within the Organizational Unit that the student attends or
7 would attend if not placed or transferred to another
8 school or program to receive needed services. For the
9 purposes of calculating "ASE", all students, grades K
10 through 12, excluding those attending kindergarten for a
11 half day and students attending an alternative education
12 program operated by a regional office of education or
13 intermediate service center, shall be counted as 1.0. All
14 students attending kindergarten for a half day shall be
15 counted as 0.5, unless in 2017 by June 15 or by March 1 in
16 subsequent years, the school district reports to the State
17 Board of Education the intent to implement full-day
18 kindergarten district-wide for all students, then all
19 students attending kindergarten shall be counted as 1.0.
20 Special education pre-kindergarten students shall be
21 counted as 0.5 each. If the State Board does not collect or
22 has not collected both an October 1 and March 1 enrollment
23 count by grade or a December 1 collection of special
24 education pre-kindergarten students as of August 31, 2017
25 (the effective date of Public Act 100-465), it shall
26 establish such collection for all future years. For any

1 year in which a count by grade level was collected only
2 once, that count shall be used as the single count
3 available for computing a 3-year average ASE. Funding for
4 programs operated by a regional office of education or an
5 intermediate service center must be calculated using the
6 Evidence-Based Funding formula under this Section for the
7 2019-2020 school year and each subsequent school year
8 until separate adequacy formulas are developed and adopted
9 for each type of program. ASE for a program operated by a
10 regional office of education or an intermediate service
11 center must be determined by the March 1 enrollment for
12 the program. For the 2019-2020 school year, the ASE used
13 in the calculation must be the first-year ASE and, in that
14 year only, the assignment of students served by a regional
15 office of education or intermediate service center shall
16 not result in a reduction of the March enrollment for any
17 school district. For the 2020-2021 school year, the ASE
18 must be the greater of the current-year ASE or the 2-year
19 average ASE. Beginning with the 2021-2022 school year, the
20 ASE must be the greater of the current-year ASE or the
21 3-year average ASE. School districts shall submit the data
22 for the ASE calculation to the State Board within 45 days
23 of the dates required in this Section for submission of
24 enrollment data in order for it to be included in the ASE
25 calculation. For fiscal year 2018 only, the ASE
26 calculation shall include only enrollment taken on October

1 1. In recognition of the impact of COVID-19, the
2 definition of "Average Student Enrollment" or "ASE" shall
3 be adjusted for calculations under this Section for fiscal
4 years 2022 through 2024. For fiscal years 2022 through
5 2024, the enrollment used in the calculation of ASE
6 representing the 2020-2021 school year shall be the
7 greater of the enrollment for the 2020-2021 school year or
8 the 2019-2020 school year.

9 "Base Funding Guarantee" is defined in paragraph (10)
10 of subsection (g) of this Section.

11 "Base Funding Minimum" is defined in subsection (e) of
12 this Section.

13 "Base Tax Year" means the property tax levy year used
14 to calculate the Budget Year allocation of primary State
15 aid.

16 "Base Tax Year's Extension" means the product of the
17 equalized assessed valuation utilized by the county clerk
18 in the Base Tax Year multiplied by the limiting rate as
19 calculated by the county clerk and defined in PTELL.

20 "Bilingual Education Allocation" means the amount of
21 an Organizational Unit's final Adequacy Target
22 attributable to bilingual education divided by the
23 Organizational Unit's final Adequacy Target, the product
24 of which shall be multiplied by the amount of new funding
25 received pursuant to this Section. An Organizational
26 Unit's final Adequacy Target attributable to bilingual

1 education shall include all additional investments in
2 English learner students' adequacy elements.

3 "Budget Year" means the school year for which primary
4 State aid is calculated and awarded under this Section.

5 "Central office" means individual administrators and
6 support service personnel charged with managing the
7 instructional programs, business and operations, and
8 security of the Organizational Unit.

9 "Comparable Wage Index" or "CWI" means a regional cost
10 differentiation metric that measures systemic, regional
11 variations in the salaries of college graduates who are
12 not educators. The CWI utilized for this Section shall,
13 for the first 3 years of Evidence-Based Funding
14 implementation, be the CWI initially developed by the
15 National Center for Education Statistics, as most recently
16 updated by Texas A & M University. In the fourth and
17 subsequent years of Evidence-Based Funding implementation,
18 the State Superintendent shall re-determine the CWI using
19 a similar methodology to that identified in the Texas A & M
20 University study, with adjustments made no less frequently
21 than once every 5 years.

22 "Computer technology and equipment" means computers
23 servers, notebooks, network equipment, copiers, printers,
24 instructional software, security software, curriculum
25 management courseware, and other similar materials and
26 equipment.

1 "Computer technology and equipment investment
2 allocation" means the final Adequacy Target amount of an
3 Organizational Unit assigned to Tier 1 or Tier 2 in the
4 prior school year attributable to the additional \$285.50
5 per student computer technology and equipment investment
6 grant divided by the Organizational Unit's final Adequacy
7 Target, the result of which shall be multiplied by the
8 amount of new funding received pursuant to this Section.
9 An Organizational Unit assigned to a Tier 1 or Tier 2 final
10 Adequacy Target attributable to the received computer
11 technology and equipment investment grant shall include
12 all additional investments in computer technology and
13 equipment adequacy elements.

14 "Core subject" means mathematics; science; reading,
15 English, writing, and language arts; history and social
16 studies; world languages; and subjects taught as Advanced
17 Placement in high schools.

18 "Core teacher" means a regular classroom teacher in
19 elementary schools and teachers of a core subject in
20 middle and high schools.

21 "Core Intervention teacher (tutor)" means a licensed
22 teacher providing one-on-one or small group tutoring to
23 students struggling to meet proficiency in core subjects.

24 "CPPRT" means corporate personal property replacement
25 tax funds paid to an Organizational Unit during the
26 calendar year one year before the calendar year in which a

1 school year begins, pursuant to "An Act in relation to the
2 abolition of ad valorem personal property tax and the
3 replacement of revenues lost thereby, and amending and
4 repealing certain Acts and parts of Acts in connection
5 therewith", certified August 14, 1979, as amended (Public
6 Act 81-1st S.S.-1).

7 "EAV" means equalized assessed valuation as defined in
8 paragraph (2) of subsection (d) of this Section and
9 calculated in accordance with paragraph (3) of subsection
10 (d) of this Section.

11 "ECI" means the Bureau of Labor Statistics' national
12 employment cost index for civilian workers in educational
13 services in elementary and secondary schools on a
14 cumulative basis for the 12-month calendar year preceding
15 the fiscal year of the Evidence-Based Funding calculation.

16 "EIS Data" means the employment information system
17 data maintained by the State Board on educators within
18 Organizational Units.

19 "Employee benefits" means health, dental, and vision
20 insurance offered to employees of an Organizational Unit,
21 the costs associated with the statutorily required payment
22 of the normal cost of the Organizational Unit's teacher
23 pensions, Social Security employer contributions, and
24 Illinois Municipal Retirement Fund employer contributions.

25 "English learner" or "EL" means a child included in
26 the definition of "English learners" under Section 14C-2

1 of this Code participating in a program of transitional
2 bilingual education or a transitional program of
3 instruction meeting the requirements and program
4 application procedures of Article 14C of this Code. For
5 the purposes of collecting the number of EL students
6 enrolled, the same collection and calculation methodology
7 as defined above for "ASE" shall apply to English
8 learners, with the exception that EL student enrollment
9 shall include students in grades pre-kindergarten through
10 12.

11 "Essential Elements" means those elements, resources,
12 and educational programs that have been identified through
13 academic research as necessary to improve student success,
14 improve academic performance, close achievement gaps, and
15 provide for other per student costs related to the
16 delivery and leadership of the Organizational Unit, as
17 well as the maintenance and operations of the unit, and
18 which are specified in paragraph (2) of subsection (b) of
19 this Section.

20 "Evidence-Based Funding" means State funding provided
21 to an Organizational Unit pursuant to this Section.

22 "Extended day" means academic and enrichment programs
23 provided to students outside the regular school day before
24 and after school or during non-instructional times during
25 the school day.

26 "Extension Limitation Ratio" means a numerical ratio

1 in which the numerator is the Base Tax Year's Extension
2 and the denominator is the Preceding Tax Year's Extension.

3 "Final Percent of Adequacy" is defined in paragraph
4 (4) of subsection (f) of this Section.

5 "Final Resources" is defined in paragraph (3) of
6 subsection (f) of this Section.

7 "Full-time equivalent" or "FTE" means the full-time
8 equivalency compensation for staffing the relevant
9 position at an Organizational Unit.

10 "Funding Gap" is defined in paragraph (1) of
11 subsection (g).

12 "Hybrid District" means a partial elementary unit
13 district created pursuant to Article 11E of this Code.

14 "Instructional assistant" means a core or special
15 education, non-licensed employee who assists a teacher in
16 the classroom and provides academic support to students.

17 "Instructional facilitator" means a qualified teacher
18 or licensed teacher leader who facilitates and coaches
19 continuous improvement in classroom instruction; provides
20 instructional support to teachers in the elements of
21 research-based instruction or demonstrates the alignment
22 of instruction with curriculum standards and assessment
23 tools; develops or coordinates instructional programs or
24 strategies; develops and implements training; chooses
25 standards-based instructional materials; provides
26 teachers with an understanding of current research; serves

1 as a mentor, site coach, curriculum specialist, or lead
2 teacher; or otherwise works with fellow teachers, in
3 collaboration, to use data to improve instructional
4 practice or develop model lessons.

5 "Instructional materials" means relevant
6 instructional materials for student instruction,
7 including, but not limited to, textbooks, consumable
8 workbooks, laboratory equipment, library books, and other
9 similar materials.

10 "Laboratory School" means a public school that is
11 created and operated by a public university and approved
12 by the State Board.

13 "Librarian" means a teacher with an endorsement as a
14 library information specialist or another individual whose
15 primary responsibility is overseeing library resources
16 within an Organizational Unit.

17 "Limiting rate for Hybrid Districts" means the
18 combined elementary school and high school limiting rates.

19 "Local Capacity" is defined in paragraph (1) of
20 subsection (c) of this Section.

21 "Local Capacity Percentage" is defined in subparagraph
22 (A) of paragraph (2) of subsection (c) of this Section.

23 "Local Capacity Ratio" is defined in subparagraph (B)
24 of paragraph (2) of subsection (c) of this Section.

25 "Local Capacity Target" is defined in paragraph (2) of
26 subsection (c) of this Section.

1 "Low-Income Count" means, for an Organizational Unit
2 in a fiscal year, the higher of the average number of
3 students for the prior school year or the immediately
4 preceding 3 school years who, as of July 1 of the
5 immediately preceding fiscal year (as determined by the
6 Department of Human Services), are eligible for at least
7 one of the following low-income programs: Medicaid, the
8 Children's Health Insurance Program, Temporary Assistance
9 for Needy Families (TANF), or the Supplemental Nutrition
10 Assistance Program, excluding pupils who are eligible for
11 services provided by the Department of Children and Family
12 Services. Until such time that grade level low-income
13 populations become available, grade level low-income
14 populations shall be determined by applying the low-income
15 percentage to total student enrollments by grade level.
16 The low-income percentage is determined by dividing the
17 Low-Income Count by the Average Student Enrollment. The
18 low-income percentage for programs operated by a regional
19 office of education or an intermediate service center must
20 be set to the weighted average of the low-income
21 percentages of all of the school districts in the service
22 region. The weighted low-income percentage is the result
23 of multiplying the low-income percentage of each school
24 district served by the regional office of education or
25 intermediate service center by each school district's
26 Average Student Enrollment, summarizing those products and

1 dividing the total by the total Average Student Enrollment
2 for the service region.

3 "Maintenance and operations" means custodial services,
4 facility and ground maintenance, facility operations,
5 facility security, routine facility repairs, and other
6 similar services and functions.

7 "Minimum Funding Level" is defined in paragraph (9) of
8 subsection (g) of this Section.

9 "New Property Tax Relief Pool Funds" means, for any
10 given fiscal year, all State funds appropriated under
11 Section 2-3.170 of this Code.

12 "New State Funds" means, for a given school year, all
13 State funds appropriated for Evidence-Based Funding in
14 excess of the amount needed to fund the Base Funding
15 Minimum for all Organizational Units in that school year.

16 "Nurse" means an individual licensed as a certified
17 school nurse, in accordance with the rules established for
18 nursing services by the State Board, who is an employee of
19 and is available to provide health care-related services
20 for students of an Organizational Unit.

21 "Operating Tax Rate" means the rate utilized in the
22 previous year to extend property taxes for all purposes,
23 except Bond and Interest, Summer School, Rent, Capital
24 Improvement, and Vocational Education Building purposes.
25 For Hybrid Districts, the Operating Tax Rate shall be the
26 combined elementary and high school rates utilized in the

1 previous year to extend property taxes for all purposes,
2 except Bond and Interest, Summer School, Rent, Capital
3 Improvement, and Vocational Education Building purposes.

4 "Organizational Unit" means a Laboratory School or any
5 public school district that is recognized as such by the
6 State Board and that contains elementary schools typically
7 serving kindergarten through 5th grades, middle schools
8 typically serving 6th through 8th grades, high schools
9 typically serving 9th through 12th grades, a program
10 established under Section 2-3.66 or 2-3.41, or a program
11 operated by a regional office of education or an
12 intermediate service center under Article 13A or 13B. The
13 General Assembly acknowledges that the actual grade levels
14 served by a particular Organizational Unit may vary
15 slightly from what is typical.

16 "Organizational Unit CWI" is determined by calculating
17 the CWI in the region and original county in which an
18 Organizational Unit's primary administrative office is
19 located as set forth in this paragraph, provided that if
20 the Organizational Unit CWI as calculated in accordance
21 with this paragraph is less than 0.9, the Organizational
22 Unit CWI shall be increased to 0.9. Each county's current
23 CWI value shall be adjusted based on the CWI value of that
24 county's neighboring Illinois counties, to create a
25 "weighted adjusted index value". This shall be calculated
26 by summing the CWI values of all of a county's adjacent

1 Illinois counties and dividing by the number of adjacent
2 Illinois counties, then taking the weighted value of the
3 original county's CWI value and the adjacent Illinois
4 county average. To calculate this weighted value, if the
5 number of adjacent Illinois counties is greater than 2,
6 the original county's CWI value will be weighted at 0.25
7 and the adjacent Illinois county average will be weighted
8 at 0.75. If the number of adjacent Illinois counties is 2,
9 the original county's CWI value will be weighted at 0.33
10 and the adjacent Illinois county average will be weighted
11 at 0.66. The greater of the county's current CWI value and
12 its weighted adjusted index value shall be used as the
13 Organizational Unit CWI.

14 "Preceding Tax Year" means the property tax levy year
15 immediately preceding the Base Tax Year.

16 "Preceding Tax Year's Extension" means the product of
17 the equalized assessed valuation utilized by the county
18 clerk in the Preceding Tax Year multiplied by the
19 Operating Tax Rate.

20 "Preliminary Percent of Adequacy" is defined in
21 paragraph (2) of subsection (f) of this Section.

22 "Preliminary Resources" is defined in paragraph (2) of
23 subsection (f) of this Section.

24 "Principal" means a school administrator duly endorsed
25 to be employed as a principal in this State.

26 "Professional development" means training programs for

1 licensed staff in schools, including, but not limited to,
2 programs that assist in implementing new curriculum
3 programs, provide data focused or academic assessment data
4 training to help staff identify a student's weaknesses and
5 strengths, target interventions, improve instruction,
6 encompass instructional strategies for English learner,
7 gifted, or at-risk students, address inclusivity, cultural
8 sensitivity, or implicit bias, or otherwise provide
9 professional support for licensed staff.

10 "Prototypical" means 450 special education
11 pre-kindergarten and kindergarten through grade 5 students
12 for an elementary school, 450 grade 6 through 8 students
13 for a middle school, and 600 grade 9 through 12 students
14 for a high school.

15 "PTELL" means the Property Tax Extension Limitation
16 Law.

17 "PTELL EAV" is defined in paragraph (4) of subsection
18 (d) of this Section.

19 "Pupil support staff" means a nurse, psychologist,
20 social worker, family liaison personnel, or other staff
21 member who provides support to at-risk or struggling
22 students.

23 "Real Receipts" is defined in paragraph (1) of
24 subsection (d) of this Section.

25 "Regionalization Factor" means, for a particular
26 Organizational Unit, the figure derived by dividing the

1 Organizational Unit CWI by the Statewide Weighted CWI.

2 "School counselor" means a licensed school counselor
3 who provides guidance and counseling support for students
4 within an Organizational Unit.

5 "School site staff" means the primary school secretary
6 and any additional clerical personnel assigned to a
7 school.

8 "Special education" means special educational
9 facilities and services, as defined in Section 14-1.08 of
10 this Code.

11 "Special Education Allocation" means the amount of an
12 Organizational Unit's final Adequacy Target attributable
13 to special education divided by the Organizational Unit's
14 final Adequacy Target, the product of which shall be
15 multiplied by the amount of new funding received pursuant
16 to this Section. An Organizational Unit's final Adequacy
17 Target attributable to special education shall include all
18 special education investment adequacy elements.

19 "Specialist teacher" means a teacher who provides
20 instruction in subject areas not included in core
21 subjects, including, but not limited to, art, music,
22 physical education, health, driver education,
23 career-technical education, and such other subject areas
24 as may be mandated by State law or provided by an
25 Organizational Unit.

26 "Specially Funded Unit" means an Alternative School,

1 safe school, Department of Juvenile Justice school,
2 special education cooperative or entity recognized by the
3 State Board as a special education cooperative,
4 State-approved charter school, or alternative learning
5 opportunities program that received direct funding from
6 the State Board during the 2016-2017 school year through
7 any of the funding sources included within the calculation
8 of the Base Funding Minimum or Glenwood Academy.

9 "Supplemental Grant Funding" means supplemental
10 general State aid funding received by an Organizational
11 Unit during the 2016-2017 school year pursuant to
12 subsection (H) of Section 18-8.05 of this Code (now
13 repealed).

14 "State Adequacy Level" is the sum of the Adequacy
15 Targets of all Organizational Units.

16 "State Board" means the State Board of Education.

17 "State Superintendent" means the State Superintendent
18 of Education.

19 "Statewide Weighted CWI" means a figure determined by
20 multiplying each Organizational Unit CWI times the ASE for
21 that Organizational Unit creating a weighted value,
22 summing all Organizational Units' weighted values, and
23 dividing by the total ASE of all Organizational Units,
24 thereby creating an average weighted index.

25 "Student activities" means non-credit producing
26 after-school programs, including, but not limited to,

1 clubs, bands, sports, and other activities authorized by
2 the school board of the Organizational Unit.

3 "Substitute teacher" means an individual teacher or
4 teaching assistant who is employed by an Organizational
5 Unit and is temporarily serving the Organizational Unit on
6 a per diem or per period-assignment basis to replace
7 another staff member.

8 "Summer school" means academic and enrichment programs
9 provided to students during the summer months outside of
10 the regular school year.

11 "Supervisory aide" means a non-licensed staff member
12 who helps in supervising students of an Organizational
13 Unit, but does so outside of the classroom, in situations
14 such as, but not limited to, monitoring hallways and
15 playgrounds, supervising lunchrooms, or supervising
16 students when being transported in buses serving the
17 Organizational Unit.

18 "Target Ratio" is defined in paragraph (4) of
19 subsection (g).

20 "Tier 1", "Tier 2", "Tier 3", and "Tier 4" are defined
21 in paragraph (3) of subsection (g).

22 "Tier 1 Aggregate Funding", "Tier 2 Aggregate
23 Funding", "Tier 3 Aggregate Funding", and "Tier 4
24 Aggregate Funding" are defined in paragraph (1) of
25 subsection (g).

26 (b) Adequacy Target calculation.

1 (1) Each Organizational Unit's Adequacy Target is the
2 sum of the Organizational Unit's cost of providing
3 Essential Elements, as calculated in accordance with this
4 subsection (b), with the salary amounts in the Essential
5 Elements multiplied by a Regionalization Factor calculated
6 pursuant to paragraph (3) of this subsection (b).

7 (2) The Essential Elements are attributable on a pro
8 rata basis related to defined subgroups of the ASE of each
9 Organizational Unit as specified in this paragraph (2),
10 with investments and FTE positions pro rata funded based
11 on ASE counts in excess of or less than the thresholds set
12 forth in this paragraph (2). The method for calculating
13 attributable pro rata costs and the defined subgroups
14 thereto are as follows:

15 (A) Core class size investments. Each
16 Organizational Unit shall receive the funding required
17 to support that number of FTE core teacher positions
18 as is needed to keep the respective class sizes of the
19 Organizational Unit to the following maximum numbers:

20 (i) For grades kindergarten through 3, the
21 Organizational Unit shall receive funding required
22 to support one FTE core teacher position for every
23 15 Low-Income Count students in those grades and
24 one FTE core teacher position for every 20
25 non-Low-Income Count students in those grades.

26 (ii) For grades 4 through 12, the

1 Organizational Unit shall receive funding required
2 to support one FTE core teacher position for every
3 20 Low-Income Count students in those grades and
4 one FTE core teacher position for every 25
5 non-Low-Income Count students in those grades.

6 The number of non-Low-Income Count students in a
7 grade shall be determined by subtracting the
8 Low-Income students in that grade from the ASE of the
9 Organizational Unit for that grade.

10 (B) Specialist teacher investments. Each
11 Organizational Unit shall receive the funding needed
12 to cover that number of FTE specialist teacher
13 positions that correspond to the following
14 percentages:

15 (i) if the Organizational Unit operates an
16 elementary or middle school, then 20.00% of the
17 number of the Organizational Unit's core teachers,
18 as determined under subparagraph (A) of this
19 paragraph (2); and

20 (ii) if such Organizational Unit operates a
21 high school, then 33.33% of the number of the
22 Organizational Unit's core teachers.

23 (C) Instructional facilitator investments. Each
24 Organizational Unit shall receive the funding needed
25 to cover one FTE instructional facilitator position
26 for every 200 combined ASE of pre-kindergarten

1 children with disabilities and all kindergarten
2 through grade 12 students of the Organizational Unit.

3 (D) Core intervention teacher (tutor) investments.
4 Each Organizational Unit shall receive the funding
5 needed to cover one FTE teacher position for each
6 prototypical elementary, middle, and high school.

7 (E) Substitute teacher investments. Each
8 Organizational Unit shall receive the funding needed
9 to cover substitute teacher costs that is equal to
10 5.70% of the minimum pupil attendance days required
11 under Section 10-19 of this Code for all full-time
12 equivalent core, specialist, and intervention
13 teachers, school nurses, special education teachers
14 and instructional assistants, instructional
15 facilitators, and summer school and extended day
16 teacher positions, as determined under this paragraph
17 (2), at a salary rate of 33.33% of the average salary
18 for grade K through 12 teachers and 33.33% of the
19 average salary of each instructional assistant
20 position.

21 (F) Core school counselor investments. Each
22 Organizational Unit shall receive the funding needed
23 to cover one FTE school counselor for each 450
24 combined ASE of pre-kindergarten children with
25 disabilities and all kindergarten through grade 5
26 students, plus one FTE school counselor for each 250

1 grades 6 through 8 ASE middle school students, plus
2 one FTE school counselor for each 250 grades 9 through
3 12 ASE high school students.

4 (G) Nurse investments. Each Organizational Unit
5 shall receive the funding needed to cover one FTE
6 nurse for each 750 combined ASE of pre-kindergarten
7 children with disabilities and all kindergarten
8 through grade 12 students across all grade levels it
9 serves.

10 (H) Supervisory aide investments. Each
11 Organizational Unit shall receive the funding needed
12 to cover one FTE for each 225 combined ASE of
13 pre-kindergarten children with disabilities and all
14 kindergarten through grade 5 students, plus one FTE
15 for each 225 ASE middle school students, plus one FTE
16 for each 200 ASE high school students.

17 (I) Librarian investments. Each Organizational
18 Unit shall receive the funding needed to cover one FTE
19 librarian for each prototypical elementary school,
20 middle school, and high school and one FTE aide or
21 media technician for every 300 combined ASE of
22 pre-kindergarten children with disabilities and all
23 kindergarten through grade 12 students.

24 (J) Principal investments. Each Organizational
25 Unit shall receive the funding needed to cover one FTE
26 principal position for each prototypical elementary

1 school, plus one FTE principal position for each
2 prototypical middle school, plus one FTE principal
3 position for each prototypical high school.

4 (K) Assistant principal investments. Each
5 Organizational Unit shall receive the funding needed
6 to cover one FTE assistant principal position for each
7 prototypical elementary school, plus one FTE assistant
8 principal position for each prototypical middle
9 school, plus one FTE assistant principal position for
10 each prototypical high school.

11 (L) School site staff investments. Each
12 Organizational Unit shall receive the funding needed
13 for one FTE position for each 225 ASE of
14 pre-kindergarten children with disabilities and all
15 kindergarten through grade 5 students, plus one FTE
16 position for each 225 ASE middle school students, plus
17 one FTE position for each 200 ASE high school
18 students.

19 (M) Gifted investments. Each Organizational Unit
20 shall receive \$40 per kindergarten through grade 12
21 ASE.

22 (N) Professional development investments. Each
23 Organizational Unit shall receive \$125 per student of
24 the combined ASE of pre-kindergarten children with
25 disabilities and all kindergarten through grade 12
26 students for trainers and other professional

1 development-related expenses for supplies and
2 materials.

3 (O) Instructional material investments. Each
4 Organizational Unit shall receive \$190 per student of
5 the combined ASE of pre-kindergarten children with
6 disabilities and all kindergarten through grade 12
7 students to cover instructional material costs.

8 (P) Assessment investments. Each Organizational
9 Unit shall receive \$25 per student of the combined ASE
10 of pre-kindergarten children with disabilities and all
11 kindergarten through grade 12 students to cover
12 assessment costs.

13 (Q) Computer technology and equipment investments.
14 Each Organizational Unit shall receive \$285.50 per
15 student of the combined ASE of pre-kindergarten
16 children with disabilities and all kindergarten
17 through grade 12 students to cover computer technology
18 and equipment costs. For the 2018-2019 school year and
19 subsequent school years, Organizational Units assigned
20 to Tier 1 and Tier 2 in the prior school year shall
21 receive an additional \$285.50 per student of the
22 combined ASE of pre-kindergarten children with
23 disabilities and all kindergarten through grade 12
24 students to cover computer technology and equipment
25 costs in the Organizational Unit's Adequacy Target.
26 The State Board may establish additional requirements

1 for Organizational Unit expenditures of funds received
2 pursuant to this subparagraph (Q), including a
3 requirement that funds received pursuant to this
4 subparagraph (Q) may be used only for serving the
5 technology needs of the district. It is the intent of
6 Public Act 100-465 that all Tier 1 and Tier 2 districts
7 receive the addition to their Adequacy Target in the
8 following year, subject to compliance with the
9 requirements of the State Board.

10 (R) Student activities investments. Each
11 Organizational Unit shall receive the following
12 funding amounts to cover student activities: \$100 per
13 kindergarten through grade 5 ASE student in elementary
14 school, plus \$200 per ASE student in middle school,
15 plus \$675 per ASE student in high school.

16 (S) Maintenance and operations investments. Each
17 Organizational Unit shall receive \$1,038 per student
18 of the combined ASE of pre-kindergarten children with
19 disabilities and all kindergarten through grade 12
20 students for day-to-day maintenance and operations
21 expenditures, including salary, supplies, and
22 materials, as well as purchased services, but
23 excluding employee benefits. The proportion of salary
24 for the application of a Regionalization Factor and
25 the calculation of benefits is equal to \$352.92.

26 (T) Central office investments. Each

1 Organizational Unit shall receive \$742 per student of
2 the combined ASE of pre-kindergarten children with
3 disabilities and all kindergarten through grade 12
4 students to cover central office operations, including
5 administrators and classified personnel charged with
6 managing the instructional programs, business and
7 operations of the school district, and security
8 personnel. The proportion of salary for the
9 application of a Regionalization Factor and the
10 calculation of benefits is equal to \$368.48.

11 (U) Employee benefit investments. Each
12 Organizational Unit shall receive 30% of the total of
13 all salary-calculated elements of the Adequacy Target,
14 excluding substitute teachers and student activities
15 investments, to cover benefit costs. For central
16 office and maintenance and operations investments, the
17 benefit calculation shall be based upon the salary
18 proportion of each investment. If at any time the
19 responsibility for funding the employer normal cost of
20 teacher pensions is assigned to school districts, then
21 that amount certified by the Teachers' Retirement
22 System of the State of Illinois to be paid by the
23 Organizational Unit for the preceding school year
24 shall be added to the benefit investment. For any
25 fiscal year in which a school district organized under
26 Article 34 of this Code is responsible for paying the

1 employer normal cost of teacher pensions, then that
2 amount of its employer normal cost plus the amount for
3 retiree health insurance as certified by the Public
4 School Teachers' Pension and Retirement Fund of
5 Chicago to be paid by the school district for the
6 preceding school year that is statutorily required to
7 cover employer normal costs and the amount for retiree
8 health insurance shall be added to the 30% specified
9 in this subparagraph (U). The Teachers' Retirement
10 System of the State of Illinois and the Public School
11 Teachers' Pension and Retirement Fund of Chicago shall
12 submit such information as the State Superintendent
13 may require for the calculations set forth in this
14 subparagraph (U).

15 (V) Additional investments in low-income students.
16 In addition to and not in lieu of all other funding
17 under this paragraph (2), each Organizational Unit
18 shall receive funding based on the average teacher
19 salary for grades K through 12 to cover the costs of:

20 (i) one FTE intervention teacher (tutor)
21 position for every 125 Low-Income Count students;

22 (ii) one FTE pupil support staff position for
23 every 125 Low-Income Count students;

24 (iii) one FTE extended day teacher position
25 for every 120 Low-Income Count students; and

26 (iv) one FTE summer school teacher position

1 for every 120 Low-Income Count students.

2 (W) Additional investments in English learner
3 students. In addition to and not in lieu of all other
4 funding under this paragraph (2), each Organizational
5 Unit shall receive funding based on the average
6 teacher salary for grades K through 12 to cover the
7 costs of:

8 (i) one FTE intervention teacher (tutor)
9 position for every 125 English learner students;

10 (ii) one FTE pupil support staff position for
11 every 125 English learner students;

12 (iii) one FTE extended day teacher position
13 for every 120 English learner students;

14 (iv) one FTE summer school teacher position
15 for every 120 English learner students; and

16 (v) one FTE core teacher position for every
17 100 English learner students.

18 (X) Special education investments. Each
19 Organizational Unit shall receive funding based on the
20 average teacher salary for grades K through 12 to
21 cover special education as follows:

22 (i) one FTE teacher position for every 141
23 combined ASE of pre-kindergarten children with
24 disabilities and all kindergarten through grade 12
25 students;

26 (ii) one FTE instructional assistant for every

1 141 combined ASE of pre-kindergarten children with
2 disabilities and all kindergarten through grade 12
3 students; and

4 (iii) one FTE psychologist position for every
5 1,000 combined ASE of pre-kindergarten children
6 with disabilities and all kindergarten through
7 grade 12 students.

8 (3) For calculating the salaries included within the
9 Essential Elements, the State Superintendent shall
10 annually calculate average salaries to the nearest dollar
11 using the employment information system data maintained by
12 the State Board, limited to public schools only and
13 excluding special education and vocational cooperatives,
14 schools operated by the Department of Juvenile Justice,
15 and charter schools, for the following positions:

16 (A) Teacher for grades K through 8.

17 (B) Teacher for grades 9 through 12.

18 (C) Teacher for grades K through 12.

19 (D) School counselor for grades K through 8.

20 (E) School counselor for grades 9 through 12.

21 (F) School counselor for grades K through 12.

22 (G) Social worker.

23 (H) Psychologist.

24 (I) Librarian.

25 (J) Nurse.

26 (K) Principal.

1 (L) Assistant principal.

2 For the purposes of this paragraph (3), "teacher"
3 includes core teachers, specialist and elective teachers,
4 instructional facilitators, tutors, special education
5 teachers, pupil support staff teachers, English learner
6 teachers, extended day teachers, and summer school
7 teachers. Where specific grade data is not required for
8 the Essential Elements, the average salary for
9 corresponding positions shall apply. For substitute
10 teachers, the average teacher salary for grades K through
11 12 shall apply.

12 For calculating the salaries included within the
13 Essential Elements for positions not included within EIS
14 Data, the following salaries shall be used in the first
15 year of implementation of Evidence-Based Funding:

16 (i) school site staff, \$30,000; and

17 (ii) non-instructional assistant, instructional
18 assistant, library aide, library media tech, or
19 supervisory aide: \$25,000.

20 In the second and subsequent years of implementation
21 of Evidence-Based Funding, the amounts in items (i) and
22 (ii) of this paragraph (3) shall annually increase by the
23 ECI.

24 The salary amounts for the Essential Elements
25 determined pursuant to subparagraphs (A) through (L), (S)
26 and (T), and (V) through (X) of paragraph (2) of

1 subsection (b) of this Section shall be multiplied by a
2 Regionalization Factor.

3 (c) Local Capacity calculation.

4 (1) Each Organizational Unit's Local Capacity
5 represents an amount of funding it is assumed to
6 contribute toward its Adequacy Target for purposes of the
7 Evidence-Based Funding formula calculation. "Local
8 Capacity" means either (i) the Organizational Unit's Local
9 Capacity Target as calculated in accordance with paragraph
10 (2) of this subsection (c) if its Real Receipts are equal
11 to or less than its Local Capacity Target or (ii) the
12 Organizational Unit's Adjusted Local Capacity, as
13 calculated in accordance with paragraph (3) of this
14 subsection (c) if Real Receipts are more than its Local
15 Capacity Target.

16 (2) "Local Capacity Target" means, for an
17 Organizational Unit, that dollar amount that is obtained
18 by multiplying its Adequacy Target by its Local Capacity
19 Ratio.

20 (A) An Organizational Unit's Local Capacity
21 Percentage is the conversion of the Organizational
22 Unit's Local Capacity Ratio, as such ratio is
23 determined in accordance with subparagraph (B) of this
24 paragraph (2), into a cumulative distribution
25 resulting in a percentile ranking to determine each
26 Organizational Unit's relative position to all other

1 Organizational Units in this State. The calculation of
2 Local Capacity Percentage is described in subparagraph
3 (C) of this paragraph (2).

4 (B) An Organizational Unit's Local Capacity Ratio
5 in a given year is the percentage obtained by dividing
6 its Adjusted EAV or PTELL EAV, whichever is less, by
7 its Adequacy Target, with the resulting ratio further
8 adjusted as follows:

9 (i) for Organizational Units serving grades
10 kindergarten through 12 and Hybrid Districts, no
11 further adjustments shall be made;

12 (ii) for Organizational Units serving grades
13 kindergarten through 8, the ratio shall be
14 multiplied by 9/13;

15 (iii) for Organizational Units serving grades
16 9 through 12, the Local Capacity Ratio shall be
17 multiplied by 4/13; and

18 (iv) for an Organizational Unit with a
19 different grade configuration than those specified
20 in items (i) through (iii) of this subparagraph
21 (B), the State Superintendent shall determine a
22 comparable adjustment based on the grades served.

23 (C) The Local Capacity Percentage is equal to the
24 percentile ranking of the district. Local Capacity
25 Percentage converts each Organizational Unit's Local
26 Capacity Ratio to a cumulative distribution resulting

1 in a percentile ranking to determine each
2 Organizational Unit's relative position to all other
3 Organizational Units in this State. The Local Capacity
4 Percentage cumulative distribution resulting in a
5 percentile ranking for each Organizational Unit shall
6 be calculated using the standard normal distribution
7 of the score in relation to the weighted mean and
8 weighted standard deviation and Local Capacity Ratios
9 of all Organizational Units. If the value assigned to
10 any Organizational Unit is in excess of 90%, the value
11 shall be adjusted to 90%. For Laboratory Schools, the
12 Local Capacity Percentage shall be set at 10% in
13 recognition of the absence of EAV and resources from
14 the public university that are allocated to the
15 Laboratory School. For programs operated by a regional
16 office of education or an intermediate service center,
17 the Local Capacity Percentage must be set at 10% in
18 recognition of the absence of EAV and resources from
19 school districts that are allocated to the regional
20 office of education or intermediate service center.
21 The weighted mean for the Local Capacity Percentage
22 shall be determined by multiplying each Organizational
23 Unit's Local Capacity Ratio times the ASE for the unit
24 creating a weighted value, summing the weighted values
25 of all Organizational Units, and dividing by the total
26 ASE of all Organizational Units. The weighted standard

1 deviation shall be determined by taking the square
2 root of the weighted variance of all Organizational
3 Units' Local Capacity Ratio, where the variance is
4 calculated by squaring the difference between each
5 unit's Local Capacity Ratio and the weighted mean,
6 then multiplying the variance for each unit times the
7 ASE for the unit to create a weighted variance for each
8 unit, then summing all units' weighted variance and
9 dividing by the total ASE of all units.

10 (D) For any Organizational Unit, the
11 Organizational Unit's Adjusted Local Capacity Target
12 shall be reduced by either (i) the school board's
13 remaining contribution pursuant to paragraph (ii) of
14 subsection (b-4) of Section 16-158 of the Illinois
15 Pension Code in a given year or (ii) the board of
16 education's remaining contribution pursuant to
17 paragraph (iv) of subsection (b) of Section 17-129 of
18 the Illinois Pension Code absent the employer normal
19 cost portion of the required contribution and amount
20 allowed pursuant to subdivision (3) of Section
21 17-142.1 of the Illinois Pension Code in a given year.
22 In the preceding sentence, item (i) shall be certified
23 to the State Board of Education by the Teachers'
24 Retirement System of the State of Illinois and item
25 (ii) shall be certified to the State Board of
26 Education by the Public School Teachers' Pension and

1 Retirement Fund of the City of Chicago.

2 (3) If an Organizational Unit's Real Receipts are more
3 than its Local Capacity Target, then its Local Capacity
4 shall equal an Adjusted Local Capacity Target as
5 calculated in accordance with this paragraph (3). The
6 Adjusted Local Capacity Target is calculated as the sum of
7 the Organizational Unit's Local Capacity Target and its
8 Real Receipts Adjustment. The Real Receipts Adjustment
9 equals the Organizational Unit's Real Receipts less its
10 Local Capacity Target, with the resulting figure
11 multiplied by the Local Capacity Percentage.

12 As used in this paragraph (3), "Real Percent of
13 Adequacy" means the sum of an Organizational Unit's Real
14 Receipts, CPPRT, and Base Funding Minimum, with the
15 resulting figure divided by the Organizational Unit's
16 Adequacy Target.

17 (d) Calculation of Real Receipts, EAV, and Adjusted EAV
18 for purposes of the Local Capacity calculation.

19 (1) An Organizational Unit's Real Receipts are the
20 product of its Applicable Tax Rate and its Adjusted EAV.
21 An Organizational Unit's Applicable Tax Rate is its
22 Adjusted Operating Tax Rate for property within the
23 Organizational Unit.

24 (2) The State Superintendent shall calculate the
25 equalized assessed valuation, or EAV, of all taxable
26 property of each Organizational Unit as of September 30 of

1 the previous year in accordance with paragraph (3) of this
2 subsection (d). The State Superintendent shall then
3 determine the Adjusted EAV of each Organizational Unit in
4 accordance with paragraph (4) of this subsection (d),
5 which Adjusted EAV figure shall be used for the purposes
6 of calculating Local Capacity.

7 (3) To calculate Real Receipts and EAV, the Department
8 of Revenue shall supply to the State Superintendent the
9 value as equalized or assessed by the Department of
10 Revenue of all taxable property of every Organizational
11 Unit, together with (i) the applicable tax rate used in
12 extending taxes for the funds of the Organizational Unit
13 as of September 30 of the previous year and (ii) the
14 limiting rate for all Organizational Units subject to
15 property tax extension limitations as imposed under PTELL.

16 (A) The Department of Revenue shall add to the
17 equalized assessed value of all taxable property of
18 each Organizational Unit situated entirely or
19 partially within a county that is or was subject to the
20 provisions of Section 15-176 or 15-177 of the Property
21 Tax Code (i) an amount equal to the total amount by
22 which the homestead exemption allowed under Section
23 15-176 or 15-177 of the Property Tax Code for real
24 property situated in that Organizational Unit exceeds
25 the total amount that would have been allowed in that
26 Organizational Unit if the maximum reduction under

1 Section 15-176 was (I) \$4,500 in Cook County or \$3,500
2 in all other counties in tax year 2003 or (II) \$5,000
3 in all counties in tax year 2004 and thereafter and
4 (ii) an amount equal to the aggregate amount for the
5 taxable year of all additional exemptions under
6 Section 15-175 of the Property Tax Code for owners
7 with a household income of \$30,000 or less. The county
8 clerk of any county that is or was subject to the
9 provisions of Section 15-176 or 15-177 of the Property
10 Tax Code shall annually calculate and certify to the
11 Department of Revenue for each Organizational Unit all
12 homestead exemption amounts under Section 15-176 or
13 15-177 of the Property Tax Code and all amounts of
14 additional exemptions under Section 15-175 of the
15 Property Tax Code for owners with a household income
16 of \$30,000 or less. It is the intent of this
17 subparagraph (A) that if the general homestead
18 exemption for a parcel of property is determined under
19 Section 15-176 or 15-177 of the Property Tax Code
20 rather than Section 15-175, then the calculation of
21 EAV shall not be affected by the difference, if any,
22 between the amount of the general homestead exemption
23 allowed for that parcel of property under Section
24 15-176 or 15-177 of the Property Tax Code and the
25 amount that would have been allowed had the general
26 homestead exemption for that parcel of property been

1 determined under Section 15-175 of the Property Tax
2 Code. It is further the intent of this subparagraph
3 (A) that if additional exemptions are allowed under
4 Section 15-175 of the Property Tax Code for owners
5 with a household income of less than \$30,000, then the
6 calculation of EAV shall not be affected by the
7 difference, if any, because of those additional
8 exemptions.

9 (B) With respect to any part of an Organizational
10 Unit within a redevelopment project area in respect to
11 which a municipality has adopted tax increment
12 allocation financing pursuant to the Tax Increment
13 Allocation Redevelopment Act, Division 74.4 of Article
14 11 of the Illinois Municipal Code, or the Industrial
15 Jobs Recovery Law, Division 74.6 of Article 11 of the
16 Illinois Municipal Code, no part of the current EAV of
17 real property located in any such project area that is
18 attributable to an increase above the total initial
19 EAV of such property shall be used as part of the EAV
20 of the Organizational Unit, until such time as all
21 redevelopment project costs have been paid, as
22 provided in Section 11-74.4-8 of the Tax Increment
23 Allocation Redevelopment Act or in Section 11-74.6-35
24 of the Industrial Jobs Recovery Law. For the purpose
25 of the EAV of the Organizational Unit, the total
26 initial EAV or the current EAV, whichever is lower,

1 shall be used until such time as all redevelopment
2 project costs have been paid.

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

18 (C) For Organizational Units that are Hybrid
19 Districts, the State Superintendent shall use the
20 lesser of the adjusted equalized assessed valuation
21 for property within the partial elementary unit
22 district for elementary purposes, as defined in
23 Article 11E of this Code, or the adjusted equalized
24 assessed valuation for property within the partial
25 elementary unit district for high school purposes, as
26 defined in Article 11E of this Code.

1 (D) If a school district's boundaries span
2 multiple counties, then the Department of Revenue
3 shall send to the State Board, for the purposes of
4 calculating Evidence-Based Funding, the limiting rate
5 and individual rates by purpose for the county that
6 contains the majority of the school district's
7 equalized assessed valuation.

8 (4) An Organizational Unit's Adjusted EAV shall be the
9 average of its EAV over the immediately preceding 3 years
10 or the lesser of its EAV in the immediately preceding year
11 or the average of its EAV over the immediately preceding 3
12 years if the EAV in the immediately preceding year has
13 declined by 10% or more when comparing the 2 most recent
14 years. In the event of Organizational Unit reorganization,
15 consolidation, or annexation, the Organizational Unit's
16 Adjusted EAV for the first 3 years after such change shall
17 be as follows: the most current EAV shall be used in the
18 first year, the average of a 2-year EAV or its EAV in the
19 immediately preceding year if the EAV declines by 10% or
20 more when comparing the 2 most recent years for the second
21 year, and the lesser of a 3-year average EAV or its EAV in
22 the immediately preceding year if the Adjusted EAV
23 declines by 10% or more when comparing the 2 most recent
24 years for the third year. For any school district whose
25 EAV in the immediately preceding year is used in
26 calculations, in the following year, the Adjusted EAV

1 shall be the average of its EAV over the immediately
2 preceding 2 years or the immediately preceding year if
3 that year represents a decline of 10% or more when
4 comparing the 2 most recent years.

5 "PTELL EAV" means a figure calculated by the State
6 Board for Organizational Units subject to PTELL as
7 described in this paragraph (4) for the purposes of
8 calculating an Organizational Unit's Local Capacity Ratio.
9 Except as otherwise provided in this paragraph (4), the
10 PTELL EAV of an Organizational Unit shall be equal to the
11 product of the equalized assessed valuation last used in
12 the calculation of general State aid under Section 18-8.05
13 of this Code (now repealed) or Evidence-Based Funding
14 under this Section and the Organizational Unit's Extension
15 Limitation Ratio. If an Organizational Unit has approved
16 or does approve an increase in its limiting rate, pursuant
17 to Section 18-190 of the Property Tax Code, affecting the
18 Base Tax Year, the PTELL EAV shall be equal to the product
19 of the equalized assessed valuation last used in the
20 calculation of general State aid under Section 18-8.05 of
21 this Code (now repealed) or Evidence-Based Funding under
22 this Section multiplied by an amount equal to one plus the
23 percentage increase, if any, in the Consumer Price Index
24 for All Urban Consumers for all items published by the
25 United States Department of Labor for the 12-month
26 calendar year preceding the Base Tax Year, plus the

1 equalized assessed valuation of new property, annexed
2 property, and recovered tax increment value and minus the
3 equalized assessed valuation of disconnected property.

4 As used in this paragraph (4), "new property" and
5 "recovered tax increment value" shall have the meanings
6 set forth in the Property Tax Extension Limitation Law.

7 (e) Base Funding Minimum calculation.

8 (1) For the 2017-2018 school year, the Base Funding
9 Minimum of an Organizational Unit or a Specially Funded
10 Unit shall be the amount of State funds distributed to the
11 Organizational Unit or Specially Funded Unit during the
12 2016-2017 school year prior to any adjustments and
13 specified appropriation amounts described in this
14 paragraph (1) from the following Sections, as calculated
15 by the State Superintendent: Section 18-8.05 of this Code
16 (now repealed); Section 5 of Article 224 of Public Act
17 99-524 (equity grants); Section 14-7.02b of this Code
18 (funding for children requiring special education
19 services); Section 14-13.01 of this Code (special
20 education facilities and staffing), except for
21 reimbursement of the cost of transportation pursuant to
22 Section 14-13.01; Section 14C-12 of this Code (English
23 learners); and Section 18-4.3 of this Code (summer
24 school), based on an appropriation level of \$13,121,600.
25 For a school district organized under Article 34 of this
26 Code, the Base Funding Minimum also includes (i) the funds

1 allocated to the school district pursuant to Section 1D-1
2 of this Code attributable to funding programs authorized
3 by the Sections of this Code listed in the preceding
4 sentence and (ii) the difference between (I) the funds
5 allocated to the school district pursuant to Section 1D-1
6 of this Code attributable to the funding programs
7 authorized by Section 14-7.02 (non-public special
8 education reimbursement), subsection (b) of Section
9 14-13.01 (special education transportation), Section 29-5
10 (transportation), Section 2-3.80 (agricultural
11 education), Section 2-3.66 (truants' alternative
12 education), Section 2-3.62 (educational service centers),
13 and Section 14-7.03 (special education - orphanage) of
14 this Code and Section 15 of the Childhood Hunger Relief
15 Act (free breakfast program) and (II) the school
16 district's actual expenditures for its non-public special
17 education, special education transportation,
18 transportation programs, agricultural education, truants'
19 alternative education, services that would otherwise be
20 performed by a regional office of education, special
21 education orphanage expenditures, and free breakfast, as
22 most recently calculated and reported pursuant to
23 subsection (f) of Section 1D-1 of this Code. The Base
24 Funding Minimum for Glenwood Academy shall be \$625,500.
25 For programs operated by a regional office of education or
26 an intermediate service center, the Base Funding Minimum

1 must be the total amount of State funds allocated to those
2 programs in the 2018-2019 school year and amounts provided
3 pursuant to Article 34 of Public Act 100-586 and Section
4 3-16 of this Code. All programs established after June 5,
5 2019 (the effective date of Public Act 101-10) and
6 administered by a regional office of education or an
7 intermediate service center must have an initial Base
8 Funding Minimum set to an amount equal to the first-year
9 ASE multiplied by the amount of per pupil funding received
10 in the previous school year by the lowest funded similar
11 existing program type. If the enrollment for a program
12 operated by a regional office of education or an
13 intermediate service center is zero, then it may not
14 receive Base Funding Minimum funds for that program in the
15 next fiscal year, and those funds must be distributed to
16 Organizational Units under subsection (g).

17 (2) For the 2018-2019 and subsequent school years, the
18 Base Funding Minimum of Organizational Units and Specially
19 Funded Units shall be the sum of (i) the amount of
20 Evidence-Based Funding for the prior school year, (ii) the
21 Base Funding Minimum for the prior school year, and (iii)
22 any amount received by a school district pursuant to
23 Section 7 of Article 97 of Public Act 100-21.

24 For the 2022-2023 school year, the Base Funding
25 Minimum of Organizational Units shall be the amounts
26 recalculated by the State Board of Education for Fiscal

1 Year 2019 through Fiscal Year 2022 that were necessary due
2 to average student enrollment errors for districts
3 organized under Article 34 of this Code, plus the Fiscal
4 Year 2022 property tax relief grants provided under
5 Section 2-3.170 of this Code, ensuring each Organizational
6 Unit has the correct amount of resources for Fiscal Year
7 2023 Evidence-Based Funding calculations and that Fiscal
8 Year 2023 Evidence-Based Funding Distributions are made in
9 accordance with this Section.

10 (3) Subject to approval by the General Assembly as
11 provided in this paragraph (3), an Organizational Unit
12 that meets all of the following criteria, as determined by
13 the State Board, shall have District Intervention Money
14 added to its Base Funding Minimum at the time the Base
15 Funding Minimum is calculated by the State Board:

16 (A) The Organizational Unit is operating under an
17 Independent Authority under Section 2-3.25f-5 of this
18 Code for a minimum of 4 school years or is subject to
19 the control of the State Board pursuant to a court
20 order for a minimum of 4 school years.

21 (B) The Organizational Unit was designated as a
22 Tier 1 or Tier 2 Organizational Unit in the previous
23 school year under paragraph (3) of subsection (g) of
24 this Section.

25 (C) The Organizational Unit demonstrates
26 sustainability through a 5-year financial and

1 strategic plan.

2 (D) The Organizational Unit has made sufficient
3 progress and achieved sufficient stability in the
4 areas of governance, academic growth, and finances.

5 As part of its determination under this paragraph (3),
6 the State Board may consider the Organizational Unit's
7 summative designation, any accreditations of the
8 Organizational Unit, or the Organizational Unit's
9 financial profile, as calculated by the State Board.

10 If the State Board determines that an Organizational
11 Unit has met the criteria set forth in this paragraph (3),
12 it must submit a report to the General Assembly, no later
13 than January 2 of the fiscal year in which the State Board
14 makes its determination, on the amount of District
15 Intervention Money to add to the Organizational Unit's
16 Base Funding Minimum. The General Assembly must review the
17 State Board's report and may approve or disapprove, by
18 joint resolution, the addition of District Intervention
19 Money. If the General Assembly fails to act on the report
20 within 40 calendar days from the receipt of the report,
21 the addition of District Intervention Money is deemed
22 approved. If the General Assembly approves the amount of
23 District Intervention Money to be added to the
24 Organizational Unit's Base Funding Minimum, the District
25 Intervention Money must be added to the Base Funding
26 Minimum annually thereafter.

1 For the first 4 years following the initial year that
2 the State Board determines that an Organizational Unit has
3 met the criteria set forth in this paragraph (3) and has
4 received funding under this Section, the Organizational
5 Unit must annually submit to the State Board, on or before
6 November 30, a progress report regarding its financial and
7 strategic plan under subparagraph (C) of this paragraph
8 (3). The plan shall include the financial data from the
9 past 4 annual financial reports or financial audits that
10 must be presented to the State Board by November 15 of each
11 year and the approved budget financial data for the
12 current year. The plan shall be developed according to the
13 guidelines presented to the Organizational Unit by the
14 State Board. The plan shall further include financial
15 projections for the next 3 fiscal years and include a
16 discussion and financial summary of the Organizational
17 Unit's facility needs. If the Organizational Unit does not
18 demonstrate sufficient progress toward its 5-year plan or
19 if it has failed to file an annual financial report, an
20 annual budget, a financial plan, a deficit reduction plan,
21 or other financial information as required by law, the
22 State Board may establish a Financial Oversight Panel
23 under Article 1H of this Code. However, if the
24 Organizational Unit already has a Financial Oversight
25 Panel, the State Board may extend the duration of the
26 Panel.

1 (f) Percent of Adequacy and Final Resources calculation.

2 (1) The Evidence-Based Funding formula establishes a
3 Percent of Adequacy for each Organizational Unit in order
4 to place such units into tiers for the purposes of the
5 funding distribution system described in subsection (g) of
6 this Section. Initially, an Organizational Unit's
7 Preliminary Resources and Preliminary Percent of Adequacy
8 are calculated pursuant to paragraph (2) of this
9 subsection (f). Then, an Organizational Unit's Final
10 Resources and Final Percent of Adequacy are calculated to
11 account for the Organizational Unit's poverty
12 concentration levels pursuant to paragraphs (3) and (4) of
13 this subsection (f).

14 (2) An Organizational Unit's Preliminary Resources are
15 equal to the sum of its Local Capacity Target, CPPRT, and
16 Base Funding Minimum. An Organizational Unit's Preliminary
17 Percent of Adequacy is the lesser of (i) its Preliminary
18 Resources divided by its Adequacy Target or (ii) 100%.

19 (3) Except for Specially Funded Units, an
20 Organizational Unit's Final Resources are equal to the sum
21 of its Local Capacity, CPPRT, and Adjusted Base Funding
22 Minimum. The Base Funding Minimum of each Specially Funded
23 Unit shall serve as its Final Resources, except that the
24 Base Funding Minimum for State-approved charter schools
25 shall not include any portion of general State aid
26 allocated in the prior year based on the per capita

1 tuition charge times the charter school enrollment.

2 (4) An Organizational Unit's Final Percent of Adequacy
3 is its Final Resources divided by its Adequacy Target. An
4 Organizational Unit's Adjusted Base Funding Minimum is
5 equal to its Base Funding Minimum less its Supplemental
6 Grant Funding, with the resulting figure added to the
7 product of its Supplemental Grant Funding and Preliminary
8 Percent of Adequacy.

9 (g) Evidence-Based Funding formula distribution system.

10 (1) In each school year under the Evidence-Based
11 Funding formula, each Organizational Unit receives funding
12 equal to the sum of its Base Funding Minimum and the unit's
13 allocation of New State Funds determined pursuant to this
14 subsection (g). To allocate New State Funds, the
15 Evidence-Based Funding formula distribution system first
16 places all Organizational Units into one of 4 tiers in
17 accordance with paragraph (3) of this subsection (g),
18 based on the Organizational Unit's Final Percent of
19 Adequacy. New State Funds are allocated to each of the 4
20 tiers as follows: Tier 1 Aggregate Funding equals 50% of
21 all New State Funds, Tier 2 Aggregate Funding equals 49%
22 of all New State Funds, Tier 3 Aggregate Funding equals
23 0.9% of all New State Funds, and Tier 4 Aggregate Funding
24 equals 0.1% of all New State Funds. Each Organizational
25 Unit within Tier 1 or Tier 2 receives an allocation of New
26 State Funds equal to its tier Funding Gap, as defined in

1 the following sentence, multiplied by the tier's
2 Allocation Rate determined pursuant to paragraph (4) of
3 this subsection (g). For Tier 1, an Organizational Unit's
4 Funding Gap equals the tier's Target Ratio, as specified
5 in paragraph (5) of this subsection (g), multiplied by the
6 Organizational Unit's Adequacy Target, with the resulting
7 amount reduced by the Organizational Unit's Final
8 Resources. For Tier 2, an Organizational Unit's Funding
9 Gap equals the tier's Target Ratio, as described in
10 paragraph (5) of this subsection (g), multiplied by the
11 Organizational Unit's Adequacy Target, with the resulting
12 amount reduced by the Organizational Unit's Final
13 Resources and its Tier 1 funding allocation. To determine
14 the Organizational Unit's Funding Gap, the resulting
15 amount is then multiplied by a factor equal to one minus
16 the Organizational Unit's Local Capacity Target
17 percentage. Each Organizational Unit within Tier 3 or Tier
18 4 receives an allocation of New State Funds equal to the
19 product of its Adequacy Target and the tier's Allocation
20 Rate, as specified in paragraph (4) of this subsection
21 (g).

22 (2) To ensure equitable distribution of dollars for
23 all Tier 2 Organizational Units, no Tier 2 Organizational
24 Unit shall receive fewer dollars per ASE than any Tier 3
25 Organizational Unit. Each Tier 2 and Tier 3 Organizational
26 Unit shall have its funding allocation divided by its ASE.

1 Any Tier 2 Organizational Unit with a funding allocation
2 per ASE below the greatest Tier 3 allocation per ASE shall
3 get a funding allocation equal to the greatest Tier 3
4 funding allocation per ASE multiplied by the
5 Organizational Unit's ASE. Each Tier 2 Organizational
6 Unit's Tier 2 funding allocation shall be multiplied by
7 the percentage calculated by dividing the original Tier 2
8 Aggregate Funding by the sum of all Tier 2 Organizational
9 Units' Tier 2 funding allocation after adjusting
10 districts' funding below Tier 3 levels.

11 (3) Organizational Units are placed into one of 4
12 tiers as follows:

13 (A) Tier 1 consists of all Organizational Units,
14 except for Specially Funded Units, with a Percent of
15 Adequacy less than the Tier 1 Target Ratio. The Tier 1
16 Target Ratio is the ratio level that allows for Tier 1
17 Aggregate Funding to be distributed, with the Tier 1
18 Allocation Rate determined pursuant to paragraph (4)
19 of this subsection (g).

20 (B) Tier 2 consists of all Tier 1 Units and all
21 other Organizational Units, except for Specially
22 Funded Units, with a Percent of Adequacy of less than
23 0.90.

24 (C) Tier 3 consists of all Organizational Units,
25 except for Specially Funded Units, with a Percent of
26 Adequacy of at least 0.90 and less than 1.0.

1 (D) Tier 4 consists of all Organizational Units
2 with a Percent of Adequacy of at least 1.0.

3 (4) The Allocation Rates for Tiers 1 through 4 are
4 determined as follows:

5 (A) The Tier 1 Allocation Rate is 30%.

6 (B) The Tier 2 Allocation Rate is the result of the
7 following equation: Tier 2 Aggregate Funding, divided
8 by the sum of the Funding Gaps for all Tier 2
9 Organizational Units, unless the result of such
10 equation is higher than 1.0. If the result of such
11 equation is higher than 1.0, then the Tier 2
12 Allocation Rate is 1.0.

13 (C) The Tier 3 Allocation Rate is the result of the
14 following equation: Tier 3 Aggregate Funding, divided
15 by the sum of the Adequacy Targets of all Tier 3
16 Organizational Units.

17 (D) The Tier 4 Allocation Rate is the result of the
18 following equation: Tier 4 Aggregate Funding, divided
19 by the sum of the Adequacy Targets of all Tier 4
20 Organizational Units.

21 (5) A tier's Target Ratio is determined as follows:

22 (A) The Tier 1 Target Ratio is the ratio level that
23 allows for Tier 1 Aggregate Funding to be distributed
24 with the Tier 1 Allocation Rate.

25 (B) The Tier 2 Target Ratio is 0.90.

26 (C) The Tier 3 Target Ratio is 1.0.

1 (6) If, at any point, the Tier 1 Target Ratio is
2 greater than 90%, then all Tier 1 funding shall be
3 allocated to Tier 2 and no Tier 1 Organizational Unit's
4 funding may be identified.

5 (7) In the event that all Tier 2 Organizational Units
6 receive funding at the Tier 2 Target Ratio level, any
7 remaining New State Funds shall be allocated to Tier 3 and
8 Tier 4 Organizational Units.

9 (8) If any Specially Funded Units, excluding Glenwood
10 Academy, recognized by the State Board do not qualify for
11 direct funding following the implementation of Public Act
12 100-465 from any of the funding sources included within
13 the definition of Base Funding Minimum, the unqualified
14 portion of the Base Funding Minimum shall be transferred
15 to one or more appropriate Organizational Units as
16 determined by the State Superintendent based on the prior
17 year ASE of the Organizational Units.

18 (8.5) If a school district withdraws from a special
19 education cooperative, the portion of the Base Funding
20 Minimum that is attributable to the school district may be
21 redistributed to the school district upon withdrawal. The
22 school district and the cooperative must include the
23 amount of the Base Funding Minimum that is to be
24 reapportioned in their withdrawal agreement and notify the
25 State Board of the change with a copy of the agreement upon
26 withdrawal.

1 (9) The Minimum Funding Level is intended to establish
2 a target for State funding that will keep pace with
3 inflation and continue to advance equity through the
4 Evidence-Based Funding formula. The target for State
5 funding of New Property Tax Relief Pool Funds is
6 \$50,000,000 for State fiscal year 2019 and subsequent
7 State fiscal years. The Minimum Funding Level is equal to
8 \$350,000,000. In addition to any New State Funds, no more
9 than \$50,000,000 New Property Tax Relief Pool Funds may be
10 counted toward the Minimum Funding Level. If the sum of
11 New State Funds and applicable New Property Tax Relief
12 Pool Funds are less than the Minimum Funding Level, than
13 funding for tiers shall be reduced in the following
14 manner:

15 (A) First, Tier 4 funding shall be reduced by an
16 amount equal to the difference between the Minimum
17 Funding Level and New State Funds until such time as
18 Tier 4 funding is exhausted.

19 (B) Next, Tier 3 funding shall be reduced by an
20 amount equal to the difference between the Minimum
21 Funding Level and New State Funds and the reduction in
22 Tier 4 funding until such time as Tier 3 funding is
23 exhausted.

24 (C) Next, Tier 2 funding shall be reduced by an
25 amount equal to the difference between the Minimum
26 Funding Level and New State Funds and the reduction in

1 Tier 4 and Tier 3.

2 (D) Finally, Tier 1 funding shall be reduced by an
3 amount equal to the difference between the Minimum
4 Funding level and New State Funds and the reduction in
5 Tier 2, 3, and 4 funding. In addition, the Allocation
6 Rate for Tier 1 shall be reduced to a percentage equal
7 to the Tier 1 Allocation Rate set by paragraph (4) of
8 this subsection (g), multiplied by the result of New
9 State Funds divided by the Minimum Funding Level.

10 (9.5) For State fiscal year 2019 and subsequent State
11 fiscal years, if New State Funds exceed \$300,000,000, then
12 any amount in excess of \$300,000,000 shall be dedicated
13 for purposes of Section 2-3.170 of this Code up to a
14 maximum of \$50,000,000.

15 (10) In the event of a decrease in the amount of the
16 appropriation for this Section in any fiscal year after
17 implementation of this Section, the Organizational Units
18 receiving Tier 1 and Tier 2 funding, as determined under
19 paragraph (3) of this subsection (g), shall be held
20 harmless by establishing a Base Funding Guarantee equal to
21 the per pupil kindergarten through grade 12 funding
22 received in accordance with this Section in the prior
23 fiscal year. Reductions shall be made to the Base Funding
24 Minimum of Organizational Units in Tier 3 and Tier 4 on a
25 per pupil basis equivalent to the total number of the ASE
26 in Tier 3-funded and Tier 4-funded Organizational Units

1 divided by the total reduction in State funding. The Base
2 Funding Minimum as reduced shall continue to be applied to
3 Tier 3 and Tier 4 Organizational Units and adjusted by the
4 relative formula when increases in appropriations for this
5 Section resume. In no event may State funding reductions
6 to Organizational Units in Tier 3 or Tier 4 exceed an
7 amount that would be less than the Base Funding Minimum
8 established in the first year of implementation of this
9 Section. If additional reductions are required, all school
10 districts shall receive a reduction by a per pupil amount
11 equal to the aggregate additional appropriation reduction
12 divided by the total ASE of all Organizational Units.

13 (11) The State Superintendent shall make minor
14 adjustments to the distribution formula set forth in this
15 subsection (g) to account for the rounding of percentages
16 to the nearest tenth of a percentage and dollar amounts to
17 the nearest whole dollar.

18 (h) State Superintendent administration of funding and
19 district submission requirements.

20 (1) The State Superintendent shall, in accordance with
21 appropriations made by the General Assembly or the
22 Education Prioritization Act, meet the funding obligations
23 created under this Section.

24 (2) The State Superintendent shall calculate the
25 Adequacy Target for each Organizational Unit under this
26 Section. No Evidence-Based Funding shall be distributed

1 within an Organizational Unit without the approval of the
2 unit's school board.

3 (3) Annually, the State Superintendent shall calculate
4 and report to each Organizational Unit the unit's
5 aggregate financial adequacy amount, which shall be the
6 sum of the Adequacy Target for each Organizational Unit.
7 The State Superintendent shall calculate and report
8 separately for each Organizational Unit the unit's total
9 State funds allocated for its students with disabilities.
10 The State Superintendent shall calculate and report
11 separately for each Organizational Unit the amount of
12 funding and applicable FTE calculated for each Essential
13 Element of the unit's Adequacy Target.

14 (4) Annually, the State Superintendent shall calculate
15 and report to each Organizational Unit the amount the unit
16 must expend on special education and bilingual education
17 and computer technology and equipment for Organizational
18 Units assigned to Tier 1 or Tier 2 that received an
19 additional \$285.50 per student computer technology and
20 equipment investment grant to their Adequacy Target
21 pursuant to the unit's Base Funding Minimum, Special
22 Education Allocation, Bilingual Education Allocation, and
23 computer technology and equipment investment allocation.

24 (5) Moneys distributed under this Section shall be
25 calculated on a school year basis, but paid on a fiscal
26 year basis, with payments beginning in August and

1 extending through June. Unless otherwise provided, the
2 moneys appropriated for each fiscal year shall be
3 distributed in 22 equal payments at least 2 times monthly
4 to each Organizational Unit. If moneys appropriated for
5 any fiscal year are distributed other than monthly, the
6 distribution shall be on the same basis for each
7 Organizational Unit.

8 (6) Any school district that fails, for any given
9 school year, to maintain school as required by law or to
10 maintain a recognized school is not eligible to receive
11 Evidence-Based Funding. In case of non-recognition of one
12 or more attendance centers in a school district otherwise
13 operating recognized schools, the claim of the district
14 shall be reduced in the proportion that the enrollment in
15 the attendance center or centers bears to the enrollment
16 of the school district. "Recognized school" means any
17 public school that meets the standards for recognition by
18 the State Board. A school district or attendance center
19 not having recognition status at the end of a school term
20 is entitled to receive State aid payments due upon a legal
21 claim that was filed while it was recognized.

22 (7) School district claims filed under this Section
23 are subject to Sections 18-9 and 18-12 of this Code,
24 except as otherwise provided in this Section.

25 (8) Each fiscal year, the State Superintendent shall
26 calculate for each Organizational Unit an amount of its

1 Base Funding Minimum and Evidence-Based Funding that shall
2 be deemed attributable to the provision of special
3 educational facilities and services, as defined in Section
4 14-1.08 of this Code, in a manner that ensures compliance
5 with maintenance of State financial support requirements
6 under the federal Individuals with Disabilities Education
7 Act. An Organizational Unit must use such funds only for
8 the provision of special educational facilities and
9 services, as defined in Section 14-1.08 of this Code, and
10 must comply with any expenditure verification procedures
11 adopted by the State Board.

12 (9) All Organizational Units in this State must submit
13 annual spending plans by the end of September of each year
14 to the State Board as part of the annual budget process,
15 which shall describe how each Organizational Unit will
16 utilize the Base Funding Minimum and Evidence-Based
17 Funding it receives from this State under this Section
18 with specific identification of the intended utilization
19 of Low-Income, English learner, and special education
20 resources. Additionally, the annual spending plans of each
21 Organizational Unit shall describe how the Organizational
22 Unit expects to achieve student growth and how the
23 Organizational Unit will achieve State education goals, as
24 defined by the State Board. The State Superintendent may,
25 from time to time, identify additional requisites for
26 Organizational Units to satisfy when compiling the annual

1 spending plans required under this subsection (h). The
2 format and scope of annual spending plans shall be
3 developed by the State Superintendent and the State Board
4 of Education. School districts that serve students under
5 Article 14C of this Code shall continue to submit
6 information as required under Section 14C-12 of this Code.

7 (10) No later than January 1, 2018, the State
8 Superintendent shall develop a 5-year strategic plan for
9 all Organizational Units to help in planning for adequacy
10 funding under this Section. The State Superintendent shall
11 submit the plan to the Governor and the General Assembly,
12 as provided in Section 3.1 of the General Assembly
13 Organization Act. The plan shall include recommendations
14 for:

15 (A) a framework for collaborative, professional,
16 innovative, and 21st century learning environments
17 using the Evidence-Based Funding model;

18 (B) ways to prepare and support this State's
19 educators for successful instructional careers;

20 (C) application and enhancement of the current
21 financial accountability measures, the approved State
22 plan to comply with the federal Every Student Succeeds
23 Act, and the Illinois Balanced Accountability Measures
24 in relation to student growth and elements of the
25 Evidence-Based Funding model; and

26 (D) implementation of an effective school adequacy

1 funding system based on projected and recommended
2 funding levels from the General Assembly.

3 (11) On an annual basis, the State Superintendent must
4 recalibrate all of the following per pupil elements of the
5 Adequacy Target and applied to the formulas, based on the
6 study of average expenses and as reported in the most
7 recent annual financial report:

8 (A) Gifted under subparagraph (M) of paragraph (2)
9 of subsection (b).

10 (B) Instructional materials under subparagraph (O)
11 of paragraph (2) of subsection (b).

12 (C) Assessment under subparagraph (P) of paragraph
13 (2) of subsection (b).

14 (D) Student activities under subparagraph (R) of
15 paragraph (2) of subsection (b).

16 (E) Maintenance and operations under subparagraph
17 (S) of paragraph (2) of subsection (b).

18 (F) Central office under subparagraph (T) of
19 paragraph (2) of subsection (b).

20 (i) Professional Review Panel.

21 (1) A Professional Review Panel is created to study
22 and review topics related to the implementation and effect
23 of Evidence-Based Funding, as assigned by a joint
24 resolution or Public Act of the General Assembly or a
25 motion passed by the State Board of Education. The Panel
26 must provide recommendations to and serve the Governor,

1 the General Assembly, and the State Board. The State
2 Superintendent or his or her designee must serve as a
3 voting member and chairperson of the Panel. The State
4 Superintendent must appoint a vice chairperson from the
5 membership of the Panel. The Panel must advance
6 recommendations based on a three-fifths majority vote of
7 Panel members present and voting. A minority opinion may
8 also accompany any recommendation of the Panel. The Panel
9 shall be appointed by the State Superintendent, except as
10 otherwise provided in paragraph (2) of this subsection (i)
11 and include the following members:

12 (A) Two appointees that represent district
13 superintendents, recommended by a statewide
14 organization that represents district superintendents.

15 (B) Two appointees that represent school boards,
16 recommended by a statewide organization that
17 represents school boards.

18 (C) Two appointees from districts that represent
19 school business officials, recommended by a statewide
20 organization that represents school business
21 officials.

22 (D) Two appointees that represent school
23 principals, recommended by a statewide organization
24 that represents school principals.

25 (E) Two appointees that represent teachers,
26 recommended by a statewide organization that

1 represents teachers.

2 (F) Two appointees that represent teachers,
3 recommended by another statewide organization that
4 represents teachers.

5 (G) Two appointees that represent regional
6 superintendents of schools, recommended by
7 organizations that represent regional superintendents.

8 (H) Two independent experts selected solely by the
9 State Superintendent.

10 (I) Two independent experts recommended by public
11 universities in this State.

12 (J) One member recommended by a statewide
13 organization that represents parents.

14 (K) Two representatives recommended by collective
15 impact organizations that represent major metropolitan
16 areas or geographic areas in Illinois.

17 (L) One member from a statewide organization
18 focused on research-based education policy to support
19 a school system that prepares all students for
20 college, a career, and democratic citizenship.

21 (M) One representative from a school district
22 organized under Article 34 of this Code.

23 The State Superintendent shall ensure that the
24 membership of the Panel includes representatives from
25 school districts and communities reflecting the
26 geographic, socio-economic, racial, and ethnic diversity

1 of this State. The State Superintendent shall additionally
2 ensure that the membership of the Panel includes
3 representatives with expertise in bilingual education and
4 special education. Staff from the State Board shall staff
5 the Panel.

6 (2) In addition to those Panel members appointed by
7 the State Superintendent, 4 members of the General
8 Assembly shall be appointed as follows: one member of the
9 House of Representatives appointed by the Speaker of the
10 House of Representatives, one member of the Senate
11 appointed by the President of the Senate, one member of
12 the House of Representatives appointed by the Minority
13 Leader of the House of Representatives, and one member of
14 the Senate appointed by the Minority Leader of the Senate.
15 There shall be one additional member appointed by the
16 Governor. All members appointed by legislative leaders or
17 the Governor shall be non-voting, ex officio members.

18 (3) The Panel must study topics at the direction of
19 the General Assembly or State Board of Education, as
20 provided under paragraph (1). The Panel may also study the
21 following topics at the direction of the chairperson:

22 (A) The format and scope of annual spending plans
23 referenced in paragraph (9) of subsection (h) of this
24 Section.

25 (B) The Comparable Wage Index under this Section.

26 (C) Maintenance and operations, including capital

1 maintenance and construction costs.

2 (D) "At-risk student" definition.

3 (E) Benefits.

4 (F) Technology.

5 (G) Local Capacity Target.

6 (H) Funding for Alternative Schools, Laboratory
7 Schools, safe schools, and alternative learning
8 opportunities programs.

9 (I) Funding for college and career acceleration
10 strategies.

11 (J) Special education investments.

12 (K) Early childhood investments, in collaboration
13 with the Illinois Early Learning Council.

14 (4) (Blank).

15 (5) Within 5 years after the implementation of this
16 Section, and every 5 years thereafter, the Panel shall
17 complete an evaluative study of the entire Evidence-Based
18 Funding model, including an assessment of whether or not
19 the formula is achieving State goals. The Panel shall
20 report to the State Board, the General Assembly, and the
21 Governor on the findings of the study.

22 (6) (Blank).

23 (7) To ensure that (i) the Adequacy Target calculation
24 under subsection (b) accurately reflects the needs of
25 students living in poverty or attending schools located in
26 areas of high poverty, (ii) racial equity within the

1 Evidence-Based Funding formula is explicitly explored and
2 advanced, and (iii) the funding goals of the formula
3 distribution system established under this Section are
4 sufficient to provide adequate funding for every student
5 and to fully fund every school in this State, the Panel
6 shall review the Essential Elements under paragraph (2) of
7 subsection (b). The Panel shall consider all of the
8 following in its review:

9 (A) The financial ability of school districts to
10 provide instruction in a foreign language to every
11 student and whether an additional Essential Element
12 should be added to the formula to ensure that every
13 student has access to instruction in a foreign
14 language.

15 (B) The adult-to-student ratio for each Essential
16 Element in which a ratio is identified. The Panel
17 shall consider whether the ratio accurately reflects
18 the staffing needed to support students living in
19 poverty or who have traumatic backgrounds.

20 (C) Changes to the Essential Elements that may be
21 required to better promote racial equity and eliminate
22 structural racism within schools.

23 (D) The impact of investing \$350,000,000 in
24 additional funds each year under this Section and an
25 estimate of when the school system will become fully
26 funded under this level of appropriation.

1 (E) Provide an overview of alternative funding
2 structures that would enable the State to become fully
3 funded at an earlier date.

4 (F) The potential to increase efficiency and to
5 find cost savings within the school system to expedite
6 the journey to a fully funded system.

7 (G) The appropriate levels for reenrolling and
8 graduating high-risk high school students who have
9 been previously out of school. These outcomes shall
10 include enrollment, attendance, skill gains, credit
11 gains, graduation or promotion to the next grade
12 level, and the transition to college, training, or
13 employment, with an emphasis on progressively
14 increasing the overall attendance.

15 (H) The evidence-based or research-based practices
16 that are shown to reduce the gaps and disparities
17 experienced by African American students in academic
18 achievement and educational performance, including
19 practices that have been shown to reduce disparities
20 in disciplinary rates, drop-out rates, graduation
21 rates, college matriculation rates, and college
22 completion rates.

23 On or before December 31, 2021, the Panel shall report
24 to the State Board, the General Assembly, and the Governor
25 on the findings of its review. This paragraph (7) is
26 inoperative on and after July 1, 2022.

1 (j) References. Beginning July 1, 2017, references in
2 other laws to general State aid funds or calculations under
3 Section 18-8.05 of this Code (now repealed) shall be deemed to
4 be references to evidence-based model formula funds or
5 calculations under this Section.

6 (Source: P.A. 101-10, eff. 6-5-19; 101-17, eff. 6-14-19;
7 101-643, eff. 6-18-20; 101-654, eff. 3-8-21; 102-33, eff.
8 6-25-21; 102-197, eff. 7-30-21; 102-558, eff. 8-20-21;
9 102-699, eff. 4-19-22; 102-782, eff. 1-1-23; 102-813, eff.
10 5-13-22; 102-894, eff. 5-20-22; revised 12-13-22.)

11 Section 90. The State Mandates Act is amended by adding
12 Section 8.47 as follows:

13 (30 ILCS 805/8.47 new)

14 Sec. 8.47. Exempt mandate. Notwithstanding Sections 6 and
15 8 of this Act, no reimbursement by the State is required for
16 the implementation of any mandate created by this amendatory
17 Act of the 103rd General Assembly.

18 Section 99. Effective date. This Act takes effect upon
19 becoming law.