



## 99TH GENERAL ASSEMBLY

### State of Illinois

### 2015 and 2016

### HB4272

Introduced 8/12/2015, by Rep. Christian L. Mitchell - Cynthia Soto - Arthur Turner - Elizabeth Hernandez - Kelly M. Cassidy, et al.

#### SYNOPSIS AS INTRODUCED:

New Act

40 ILCS 5/1-103.3

40 ILCS 5/16-158

105 ILCS 5/2-3.28

105 ILCS 5/2-3.84a new

105 ILCS 5/18-8.05

30 ILCS 805/8.39 new

from Ch. 108 1/2, par. 16-158

from Ch. 122, par. 2-3.28

Creates the Fund Education First Act. Beginning with fiscal year 2017, requires the General Assembly to appropriate for the general State aid formula under the School Code an amount that is equal to or exceeds the sum of: (i) the total amount appropriated for the general State aid formula during the fiscal year immediately preceding the fiscal year for which the appropriation is being made; and (ii) 55% 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 general State aid formula. Amends the Illinois Pension Code. In the Downstate Teacher Article, changes the funding goal to 100% and shifts certain costs accruing after July 1, 2016 to local employers. Amends the School Code to make changes concerning a system for accounting for revenues and expenditures and general State aid. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB099 13722 NHT 37684 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

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 Fund  
5 Education First Act.

6 Section 5. Educational appropriations. Beginning with  
7 fiscal year 2017 and in each fiscal year thereafter, subject to  
8 the provisions of Section 10 of this Act, the General Assembly  
9 shall appropriate for the general State aid formula set forth  
10 in subsection (E) of Section 18-8.05 of the School Code an  
11 amount that is equal to or exceeds the sum of: (i) the total  
12 amount appropriated for the general State aid formula set forth  
13 in subsection (E) of Section 18-8.05 of the School Code during  
14 the fiscal year immediately preceding the fiscal year for which  
15 the appropriation is being made; and (ii) 55% of total new  
16 general funds available for spending from estimated growth in  
17 revenues and funds available because of budgeted program growth  
18 and 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 general State aid formula set forth in subsection (E) of  
3 Section 18-8.05 of the School Code shall be appropriated  
4 pursuant to Section 5 of this Act so that the sum of State and  
5 federal spending represents no less than 51% of the total  
6 revenues 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 2017 or in any fiscal year thereafter  
13 sufficient to fund the general State aid formula set forth in  
14 subsection (E) of Section 18-8.05 of the School Code, this Act  
15 shall constitute a continuing appropriation of all amounts  
16 necessary for that purpose.

17           Section 20. Governor's budget. Beginning with fiscal year  
18 2017 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 80. The Illinois Pension Code is amended by

1 changing Sections 1-103.3 and 16-158 as follows:

2 (40 ILCS 5/1-103.3)

3 Sec. 1-103.3. Application of 1994 amendment; funding  
4 standard; certification of State contributions paid and  
5 proportionate share.

6 (a) The provisions of Public Act 88-593 ~~this amendatory Act~~  
7 ~~of 1994~~ that change the method of calculating, certifying, and  
8 paying the required State contributions to the retirement  
9 systems established under Articles 2, 14, 15, 16, and 18 shall  
10 first apply to the State contributions required for State  
11 fiscal year 1996.

12 (b) (Blank) ~~The General Assembly declares that a funding~~  
13 ~~ratio (the ratio of a retirement system's total assets to its~~  
14 ~~total actuarial liabilities) of 90% is an appropriate goal for~~  
15 ~~State funded retirement systems in Illinois, and it finds that~~  
16 ~~a funding ratio of 90% is now the generally recognized norm~~  
17 ~~throughout the nation for public employee retirement systems~~  
18 ~~that are considered to be financially secure and funded in an~~  
19 ~~appropriate and responsible manner.~~

20 (c) Every 5 years, beginning in 1999, the Commission on  
21 Government Forecasting and Accountability, in consultation  
22 with the affected retirement systems and the Governor's Office  
23 of Management and Budget (formerly Bureau of the Budget), shall  
24 consider and determine whether the funding goals ~~90% funding~~  
25 ~~ratio~~ adopted in Articles 2, 14, 15, 16, and 18 of this Code

1 ~~continue subsection (b) continues~~ to represent ~~an~~ appropriate  
2 funding goals ~~goal~~ for those ~~State-funded~~ retirement systems ~~in~~  
3 ~~Illinois~~, and it shall report its findings and recommendations  
4 on this subject to the Governor and the General Assembly.

5 (Source: P.A. 93-1067, eff. 1-15-05.)

6 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

7 (Text of Section WITHOUT the changes made by P.A. 98-599,  
8 which has been held unconstitutional)

9 Sec. 16-158. Contributions by State and other employing  
10 units.

11 (a) The State shall make contributions to the System by  
12 means of appropriations from the Common School Fund and other  
13 State funds of amounts which, together with ~~other~~ employer  
14 contributions, employee contributions, investment income, and  
15 other income, will be sufficient to meet the cost of  
16 maintaining and administering the System on a 100% ~~90%~~ funded  
17 basis in accordance with actuarial recommendations by the end  
18 of State fiscal year 2066.

19 Beginning with State fiscal year 2017, the State's required  
20 contributions to the System under subsection (b-3) shall be  
21 limited to the amounts required to amortize the total cost of  
22 the benefits of the System arising before July 1, 2016. The  
23 State shall also pay any employer contributions required from  
24 the State as the actual employer of participants under this  
25 Article.

1           The Board shall determine the amount of State and employer  
2 contributions required for each fiscal year on the basis of the  
3 actuarial tables and other assumptions adopted by the Board and  
4 the recommendations of the actuary, using the formulas provided  
5 in this Section ~~formula in subsection (b-3)~~.

6           (a-1) Annually, on or before November 15 through ~~until~~  
7 November 15, 2011, the Board shall certify to the Governor the  
8 amount of the required State contribution for the coming fiscal  
9 year. The certification under this subsection (a-1) shall  
10 include a copy of the actuarial recommendations upon which it  
11 is based ~~and shall specifically identify the System's projected~~  
12 ~~State normal cost for that fiscal year.~~

13           On or before May 1, 2004, the Board shall recalculate and  
14 recertify to the Governor the amount of the required State  
15 contribution to the System for State fiscal year 2005, taking  
16 into account the amounts appropriated to and received by the  
17 System under subsection (d) of Section 7.2 of the General  
18 Obligation Bond Act.

19           On or before July 1, 2005, the Board shall recalculate and  
20 recertify to the Governor the amount of the required State  
21 contribution to the System for State fiscal year 2006, taking  
22 into account the changes in required State contributions made  
23 by this amendatory Act of the 94th General Assembly.

24           On or before April 1, 2011, the Board shall recalculate and  
25 recertify to the Governor the amount of the required State  
26 contribution to the System for State fiscal year 2011, applying

1 the changes made by Public Act 96-889 to the System's assets  
2 and liabilities as of June 30, 2009 as though Public Act 96-889  
3 was approved on that date.

4 On or before July 1, 2016, the Board shall, if necessary,  
5 recalculate and recertify to the Governor the amount of the  
6 required State contribution to the System for State fiscal year  
7 2017, taking into account the changes in required State  
8 contributions made by this amendatory Act of the 99th General  
9 Assembly.

10 (a-5) On or before November 1 of each year, beginning  
11 November 1, 2012, the Board shall submit to the State Actuary,  
12 the Governor, and the General Assembly a proposed certification  
13 of the amount of the required State contribution to the System  
14 for the next fiscal year, along with all of the actuarial  
15 assumptions, calculations, and data upon which that proposed  
16 certification is based. On or before January 1 of each year,  
17 beginning January 1, 2013, the State Actuary shall issue a  
18 preliminary report concerning the proposed certification and  
19 identifying, if necessary, recommended changes in actuarial  
20 assumptions that the Board must consider before finalizing its  
21 certification of the required State contributions. On or before  
22 January 15, 2013 and each January 15 thereafter, the Board  
23 shall certify to the Governor and the General Assembly the  
24 amount of the required State contribution for the next fiscal  
25 year. The certification shall include a copy of the actuarial  
26 recommendations upon which it is based and shall specifically

1 identify the System's projected State normal cost for that  
2 fiscal year. The Board's certification must note any deviations  
3 from the State Actuary's recommended changes, the reason or  
4 reasons for not following the State Actuary's recommended  
5 changes, and the fiscal impact of not following the State  
6 Actuary's recommended changes on the required State  
7 contribution.

8 (a-10) Before July 1, 2016 and on or before each January 15  
9 thereafter, the Board shall certify to the State Board of  
10 Education and the State Comptroller the predicted amount to be  
11 saved by the State in the next State fiscal year by the  
12 shifting of costs from the State to the actual employers under  
13 this amendatory Act of the 99th General Assembly.

14 (b) Through State fiscal year 1995, the State contributions  
15 shall be paid to the System in accordance with Section 18-7 of  
16 the School Code.

17 (b-1) Beginning in State fiscal year 1996, on the 15th day  
18 of each month, or as soon thereafter as may be practicable, the  
19 Board shall submit vouchers for payment of State contributions  
20 to the System, in a total monthly amount of one-twelfth of the  
21 required annual State contribution certified under subsection  
22 (a-1). From the effective date of this amendatory Act of the  
23 93rd General Assembly through June 30, 2004, the Board shall  
24 not submit vouchers for the remainder of fiscal year 2004 in  
25 excess of the fiscal year 2004 certified contribution amount  
26 determined under this Section after taking into consideration

1 the transfer to the System under subsection (a) of Section  
2 6z-61 of the State Finance Act. These vouchers shall be paid by  
3 the State Comptroller and Treasurer by warrants drawn on the  
4 funds appropriated to the System for that fiscal year.

5 If in any month the amount remaining unexpended from all  
6 other appropriations to the System for the applicable fiscal  
7 year (including the appropriations to the System under Section  
8 8.12 of the State Finance Act and Section 1 of the State  
9 Pension Funds Continuing Appropriation Act) is less than the  
10 amount lawfully vouchered under this subsection, the  
11 difference shall be paid from the Common School Fund under the  
12 continuing appropriation authority provided in Section 1.1 of  
13 the State Pension Funds Continuing Appropriation Act.

14 (b-2) Allocations from the Common School Fund apportioned  
15 to school districts not coming under this System shall not be  
16 diminished or affected by the provisions of this Article.

17 (b-3) For State fiscal years 2017 through 2066, the minimum  
18 contribution to the System to be made by the State under this  
19 subsection (b-3) for each fiscal year shall be an amount  
20 determined by the Board to be sufficient to amortize the  
21 unfunded accrued liability that is attributable to benefits  
22 that accrued before July 1, 2016 as a level percentage of  
23 payroll over the years remaining to and including fiscal year  
24 2066, determined under the projected unit credit actuarial cost  
25 method.

26 For State fiscal year 2066 and thereafter, the minimum

1 contribution to the System to be made by the State under this  
2 subsection (b-3) for each fiscal year shall be an amount  
3 determined by the Board to be sufficient to amortize, over a  
4 30-year rolling amortization period, any unfunded liability  
5 arising on or after July 1, 2065 that is attributable to  
6 benefits that accrued before July 1, 2016.

7 For State fiscal years 2012 through 2016 ~~2045~~, the minimum  
8 contribution to the System to be made by the State for each  
9 fiscal year shall be an amount determined by the System to be  
10 sufficient to bring the total assets of the System up to 90% of  
11 the total actuarial liabilities of the System by the end of  
12 State fiscal year 2045. In making these determinations, the  
13 required State contribution shall be calculated each year as a  
14 level percentage of payroll over the years remaining to and  
15 including fiscal year 2045 and shall be determined under the  
16 projected unit credit actuarial cost method.

17 For State fiscal years 1996 through 2005, the State  
18 contribution to the System, as a percentage of the applicable  
19 employee payroll, shall be increased in equal annual increments  
20 so that by State fiscal year 2011, the State is contributing at  
21 the rate required under this Section; except that in the  
22 following specified State fiscal years, the State contribution  
23 to the System shall not be less than the following indicated  
24 percentages of the applicable employee payroll, even if the  
25 indicated percentage will produce a State contribution in  
26 excess of the amount otherwise required under this subsection

1 and subsection (a), and notwithstanding any contrary  
2 certification made under subsection (a-1) before the effective  
3 date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77%  
4 in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY  
5 2003; and 13.56% in FY 2004.

6 Notwithstanding any other provision of this Article, the  
7 total required State contribution for State fiscal year 2006 is  
8 \$534,627,700.

9 Notwithstanding any other provision of this Article, the  
10 total required State contribution for State fiscal year 2007 is  
11 \$738,014,500.

12 For each of State fiscal years 2008 through 2009, the State  
13 contribution to the System, as a percentage of the applicable  
14 employee payroll, shall be increased in equal annual increments  
15 from the required State contribution for State fiscal year  
16 2007, so that by State fiscal year 2011, the State is  
17 contributing at the rate otherwise required under this Section.

18 Notwithstanding any other provision of this Article, the  
19 total required State contribution for State fiscal year 2010 is  
20 \$2,089,268,000 and shall be made from the proceeds of bonds  
21 sold in fiscal year 2010 pursuant to Section 7.2 of the General  
22 Obligation Bond Act, less (i) the pro rata share of bond sale  
23 expenses determined by the System's share of total bond  
24 proceeds, (ii) any amounts received from the Common School Fund  
25 in fiscal year 2010, and (iii) any reduction in bond proceeds  
26 due to the issuance of discounted bonds, if applicable.

1           Notwithstanding any other provision of this Article, the  
2 total required State contribution for State fiscal year 2011 is  
3 the amount recertified by the System on or before April 1, 2011  
4 pursuant to subsection (a-1) of this Section and shall be made  
5 from the proceeds of bonds sold in fiscal year 2011 pursuant to  
6 Section 7.2 of the General Obligation Bond Act, less (i) the  
7 pro rata share of bond sale expenses determined by the System's  
8 share of total bond proceeds, (ii) any amounts received from  
9 the Common School Fund in fiscal year 2011, and (iii) any  
10 reduction in bond proceeds due to the issuance of discounted  
11 bonds, if applicable. This amount shall include, in addition to  
12 the amount certified by the System, an amount necessary to meet  
13 employer contributions required by the State as an employer  
14 under paragraph (e) of this Section, which may also be used by  
15 the System for contributions required by paragraph (a) of  
16 Section 16-127.

17           ~~Beginning in State fiscal year 2046, the minimum State~~  
18 ~~contribution for each fiscal year shall be the amount needed to~~  
19 ~~maintain the total assets of the System at 90% of the total~~  
20 ~~actuarial liabilities of the System.~~

21           Amounts received by the System pursuant to Section 25 of  
22 the Budget Stabilization Act or Section 8.12 of the State  
23 Finance Act in any fiscal year do not reduce and do not  
24 constitute payment of any portion of the minimum State  
25 contribution required under this Article in that fiscal year.  
26 Such amounts shall not reduce, and shall not be included in the

1 calculation of, the required State contributions under this  
2 Article in any future year until the System has reached a  
3 funding ratio of at least 100% ~~90%~~. A reference in this Article  
4 to the "required State contribution" or any substantially  
5 similar term does not include or apply to any amounts payable  
6 to the System under Section 25 of the Budget Stabilization Act.

7 Notwithstanding any other provision of this Section, the  
8 required State contribution for State fiscal year 2005 and for  
9 fiscal year 2008 and each fiscal year thereafter through State  
10 fiscal year 2016, as calculated under this Section and  
11 certified under subsection (a-1), shall not exceed an amount  
12 equal to (i) the amount of the required State contribution that  
13 would have been calculated under this Section for that fiscal  
14 year if the System had not received any payments under  
15 subsection (d) of Section 7.2 of the General Obligation Bond  
16 Act, minus (ii) the portion of the State's total debt service  
17 payments for that fiscal year on the bonds issued in fiscal  
18 year 2003 for the purposes of that Section 7.2, as determined  
19 and certified by the Comptroller, that is the same as the  
20 System's portion of the total moneys distributed under  
21 subsection (d) of Section 7.2 of the General Obligation Bond  
22 Act. In determining this maximum for State fiscal years 2008  
23 through 2010, however, the amount referred to in item (i) shall  
24 be increased, as a percentage of the applicable employee  
25 payroll, in equal increments calculated from the sum of the  
26 required State contribution for State fiscal year 2007 plus the

1 applicable portion of the State's total debt service payments  
2 for fiscal year 2007 on the bonds issued in fiscal year 2003  
3 for the purposes of Section 7.2 of the General Obligation Bond  
4 Act, so that, by State fiscal year 2011, the State is  
5 contributing at the rate otherwise required under this Section.

6 (b-10) Subject to the limitations provided in subsection  
7 (b-15), beginning with State fiscal year 2017, the minimum  
8 required contribution of each employer under this Article shall  
9 be sufficient to produce an annual amount equal to:

10 (i) the employer's normal cost for that fiscal year;

11 plus

12 (ii) the amount required for that fiscal year to  
13 amortize that employer's portion of the unfunded accrued  
14 liability associated with the cost of benefits accrued on  
15 or after July 1, 2016 as a level percentage of payroll over  
16 a 30-year rolling amortization period, as determined for  
17 each employer by the Board.

18 Each employer under this Article shall make these  
19 contributions in the amounts determined and the manner  
20 prescribed from time to time by the Board.

21 (b-15) The System shall determine the employer's normal  
22 cost under item (i) of subsection (b-10) as a percentage of  
23 projected payroll applicable to all employers, based on  
24 actuarial assumptions applicable to the System as a whole.

25 The System shall determine the employer's portion of the  
26 unfunded accrued liability under item (ii) of subsection (b-10)

1 separately for each employer, as a percentage of that  
2 employer's projected payroll, based on the liabilities  
3 attributable to that employer and the actuarial assumptions  
4 applicable to the System as a whole.

5 For use in determining the employer's contribution for  
6 unfunded accrued liability under item (ii), the System shall  
7 maintain a separate account for each employer. The separate  
8 account shall be maintained in such form and detail as the  
9 System determines to be appropriate. The separate account shall  
10 reflect the following items to the extent that they are  
11 attributable to that employer and arise on or after July 1,  
12 2016: employer contributions, State contributions under  
13 subsection (b-20), employee contributions, investment returns,  
14 payments of benefits, and that employer's proportionate share  
15 of the System's administrative expenses.

16 In the event that the Board determines that there is a  
17 deficiency or surplus in the account of an employer with  
18 respect to the projected liabilities attributable to that  
19 employer arising on or after July 1, 2016, the Board shall  
20 determine the employer's contribution rate under item (ii) of  
21 subsection (b-10) so as to address that deficiency or surplus  
22 over a reasonable period of time as determined by the Board.

23 (c) Payment of the required State contributions and of all  
24 pensions, retirement annuities, death benefits, refunds, and  
25 other benefits granted under or assumed by this System, and all  
26 expenses in connection with the administration and operation

1       thereof, are obligations of the State.

2           If members are paid from special trust or federal funds  
3       which are administered by the employing unit, whether school  
4       district or other unit, the employing unit shall pay to the  
5       System from such funds the full accruing retirement costs based  
6       upon that service, which, beginning July 1, 2014, shall be at a  
7       rate, expressed as a percentage of salary, equal to the total  
8       minimum contribution to the System to be made by the State for  
9       that fiscal year, including both normal cost and unfunded  
10       liability components, expressed as a percentage of payroll, as  
11       determined by the System under subsection (b-3) of this  
12       Section. Employer contributions, based on salary paid to  
13       members from federal funds, may be forwarded by the  
14       distributing agency of the State of Illinois to the System  
15       prior to allocation, in an amount determined in accordance with  
16       guidelines established by such agency and the System. Any  
17       contribution for fiscal year 2015 collected as a result of the  
18       change made by this amendatory Act of the 98th General Assembly  
19       shall be considered a State contribution under subsection (b-3)  
20       of this Section.

21           (d) Effective July 1, 1986, any employer of a teacher as  
22       defined in paragraph (8) of Section 16-106 shall pay the  
23       employer's normal cost of benefits based upon the teacher's  
24       service, in addition to employee contributions, as determined  
25       by the System. Such employer contributions shall be forwarded  
26       monthly in accordance with guidelines established by the

1 System.

2 However, with respect to benefits granted under Section  
3 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)  
4 of Section 16-106, the employer's contribution shall be 12%  
5 (rather than 20%) of the member's highest annual salary rate  
6 for each year of creditable service granted, and the employer  
7 shall also pay the required employee contribution on behalf of  
8 the teacher. For the purposes of Sections 16-133.4 and  
9 16-133.5, a teacher as defined in paragraph (8) of Section  
10 16-106 who is serving in that capacity while on leave of  
11 absence from another employer under this Article shall not be  
12 considered an employee of the employer from which the teacher  
13 is on leave.

14 (e) Beginning July 1, 1998, every employer of a teacher  
15 shall pay to the System an employer contribution computed as  
16 follows:

17 (1) Beginning July 1, 1998 through June 30, 1999, the  
18 employer contribution shall be equal to 0.3% of each  
19 teacher's salary.

20 (2) Beginning July 1, 1999 and thereafter, the employer  
21 contribution shall be equal to 0.58% of each teacher's  
22 salary.

23 The school district or other employing unit may pay these  
24 employer contributions out of any source of funding available  
25 for that purpose and shall forward the contributions to the  
26 System on the schedule established for the payment of member

1 contributions.

2 These employer contributions are intended to offset a  
3 portion of the cost to the System of the increases in  
4 retirement benefits resulting from this amendatory Act of 1998.

5 Each employer of teachers is entitled to a credit against  
6 the contributions required under this subsection (e) with  
7 respect to salaries paid to teachers for the period January 1,  
8 2002 through June 30, 2003, equal to the amount paid by that  
9 employer under subsection (a-5) of Section 6.6 of the State  
10 Employees Group Insurance Act of 1971 with respect to salaries  
11 paid to teachers for that period.

12 The additional 1% employee contribution required under  
13 Section 16-152 by this amendatory Act of 1998 is the  
14 responsibility of the teacher and not the teacher's employer,  
15 unless the employer agrees, through collective bargaining or  
16 otherwise, to make the contribution on behalf of the teacher.

17 If an employer is required by a contract in effect on May  
18 1, 1998 between the employer and an employee organization to  
19 pay, on behalf of all its full-time employees covered by this  
20 Article, all mandatory employee contributions required under  
21 this Article, then the employer shall be excused from paying  
22 the employer contribution required under this subsection (e)  
23 for the balance of the term of that contract. The employer and  
24 the employee organization shall jointly certify to the System  
25 the existence of the contractual requirement, in such form as  
26 the System may prescribe. This exclusion shall cease upon the

1 termination, extension, or renewal of the contract at any time  
2 after May 1, 1998.

3 (f) If the amount of a teacher's salary for any school year  
4 used to determine final average salary exceeds the member's  
5 annual full-time salary rate with the same employer for the  
6 previous school year by more than 6%, the teacher's employer  
7 shall pay to the System, in addition to all other payments  
8 required under this Section and in accordance with guidelines  
9 established by the System, the present value of the increase in  
10 benefits resulting from the portion of the increase in salary  
11 that is in excess of 6%. This present value shall be computed  
12 by the System on the basis of the actuarial assumptions and  
13 tables used in the most recent actuarial valuation of the  
14 System that is available at the time of the computation. If a  
15 teacher's salary for the 2005-2006 school year is used to  
16 determine final average salary under this subsection (f), then  
17 the changes made to this subsection (f) by Public Act 94-1057  
18 shall apply in calculating whether the increase in his or her  
19 salary is in excess of 6%. For the purposes of this Section,  
20 change in employment under Section 10-21.12 of the School Code  
21 on or after June 1, 2005 shall constitute a change in employer.  
22 The System may require the employer to provide any pertinent  
23 information or documentation. The changes made to this  
24 subsection (f) by this amendatory Act of the 94th General  
25 Assembly apply without regard to whether the teacher was in  
26 service on or after its effective date.

1           Whenever it determines that a payment is or may be required  
2 under this subsection, the System shall calculate the amount of  
3 the payment and bill the employer for that amount. The bill  
4 shall specify the calculations used to determine the amount  
5 due. If the employer disputes the amount of the bill, it may,  
6 within 30 days after receipt of the bill, apply to the System  
7 in writing for a recalculation. The application must specify in  
8 detail the grounds of the dispute and, if the employer asserts  
9 that the calculation is subject to subsection (g) or (h) of  
10 this Section, must include an affidavit setting forth and  
11 attesting to all facts within the employer's knowledge that are  
12 pertinent to the applicability of that subsection. Upon  
13 receiving a timely application for recalculation, the System  
14 shall review the application and, if appropriate, recalculate  
15 the amount due.

16           The employer contributions required under this subsection  
17 (f) may be paid in the form of a lump sum within 90 days after  
18 receipt of the bill. If the employer contributions are not paid  
19 within 90 days after receipt of the bill, then interest will be  
20 charged at a rate equal to the System's annual actuarially  
21 assumed rate of return on investment compounded annually from  
22 the 91st day after receipt of the bill. Payments must be  
23 concluded within 3 years after the employer's receipt of the  
24 bill.

25           (g) This subsection (g) applies only to payments made or  
26 salary increases given on or after June 1, 2005 but before July

1 1, 2011. The changes made by Public Act 94-1057 shall not  
2 require the System to refund any payments received before July  
3 31, 2006 (the effective date of Public Act 94-1057).

4 When assessing payment for any amount due under subsection  
5 (f), the System shall exclude salary increases paid to teachers  
6 under contracts or collective bargaining agreements entered  
7 into, amended, or renewed before June 1, 2005.

8 When assessing payment for any amount due under subsection  
9 (f), the System shall exclude salary increases paid to a  
10 teacher at a time when the teacher is 10 or more years from  
11 retirement eligibility under Section 16-132 or 16-133.2.

12 When assessing payment for any amount due under subsection  
13 (f), the System shall exclude salary increases resulting from  
14 overload work, including summer school, when the school  
15 district has certified to the System, and the System has  
16 approved the certification, that (i) the overload work is for  
17 the sole purpose of classroom instruction in excess of the  
18 standard number of classes for a full-time teacher in a school  
19 district during a school year and (ii) the salary increases are  
20 equal to or less than the rate of pay for classroom instruction  
21 computed on the teacher's current salary and work schedule.

22 When assessing payment for any amount due under subsection  
23 (f), the System shall exclude a salary increase resulting from  
24 a promotion (i) for which the employee is required to hold a  
25 certificate or supervisory endorsement issued by the State  
26 Teacher Certification Board that is a different certification

1 or supervisory endorsement than is required for the teacher's  
2 previous position and (ii) to a position that has existed and  
3 been filled by a member for no less than one complete academic  
4 year and the salary increase from the promotion is an increase  
5 that results in an amount no greater than the lesser of the  
6 average salary paid for other similar positions in the district  
7 requiring the same certification or the amount stipulated in  
8 the collective bargaining agreement for a similar position  
9 requiring the same certification.

10 When assessing payment for any amount due under subsection  
11 (f), the System shall exclude any payment to the teacher from  
12 the State of Illinois or the State Board of Education over  
13 which the employer does not have discretion, notwithstanding  
14 that the payment is included in the computation of final  
15 average salary.

16 (h) When assessing payment for any amount due under  
17 subsection (f), the System shall exclude any salary increase  
18 described in subsection (g) of this Section given on or after  
19 July 1, 2011 but before July 1, 2014 under a contract or  
20 collective bargaining agreement entered into, amended, or  
21 renewed on or after June 1, 2005 but before July 1, 2011.  
22 Notwithstanding any other provision of this Section, any  
23 payments made or salary increases given after June 30, 2014  
24 shall be used in assessing payment for any amount due under  
25 subsection (f) of this Section.

26 (i) The System shall prepare a report and file copies of

1 the report with the Governor and the General Assembly by  
2 January 1, 2007 that contains all of the following information:

3 (1) The number of recalculations required by the  
4 changes made to this Section by Public Act 94-1057 for each  
5 employer.

6 (2) The dollar amount by which each employer's  
7 contribution to the System was changed due to  
8 recalculations required by Public Act 94-1057.

9 (3) The total amount the System received from each  
10 employer as a result of the changes made to this Section by  
11 Public Act 94-4.

12 (4) The increase in the required State contribution  
13 resulting from the changes made to this Section by Public  
14 Act 94-1057.

15 (j) For purposes of determining the required State  
16 contribution to the System, the value of the System's assets  
17 shall be equal to the actuarial value of the System's assets,  
18 which shall be calculated as follows:

19 As of June 30, 2008, the actuarial value of the System's  
20 assets shall be equal to the market value of the assets as of  
21 that date. In determining the actuarial value of the System's  
22 assets for fiscal years after June 30, 2008, any actuarial  
23 gains or losses from investment return incurred in a fiscal  
24 year shall be recognized in equal annual amounts over the  
25 5-year period following that fiscal year.

26 (k) For purposes of determining the required State

1 contribution to the system for a particular year, the actuarial  
2 value of assets shall be assumed to earn a rate of return equal  
3 to the system's actuarially assumed rate of return.

4 (Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11;  
5 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-694, eff.  
6 6-18-12; 97-813, eff. 7-13-12; 98-674, eff. 6-30-14.)

7 Section 85. The School Code is amended by changing Sections  
8 2-3.28 and 18-8.05 and by adding Section 2-3.84a as follows:

9 (105 ILCS 5/2-3.28) (from Ch. 122, par. 2-3.28)

10 Sec. 2-3.28. Rules and regulations of budget and accounting  
11 systems. To prescribe rules and regulations defining what shall  
12 constitute a budget and accounting system required under this  
13 Act. The rules and regulations shall prescribe the minimum  
14 extent of verification, the type of audit, the extent of the  
15 audit report and shall require compliance with statutory  
16 requirements and standards and such requirements as the State  
17 Board of Education deems necessary for an adequate budget and  
18 accounting system. For the 2016-2017 school year and  
19 thereafter, the rules and regulations shall prescribe a system  
20 for accounting for revenues and expenditures at the individual  
21 school level that includes without limitation the following:

22 (1) accounting for expenditures for school  
23 administration, regular instruction, special education  
24 instruction, instructional programs for children of

1 limited English-speaking ability, instructional support  
2 services, and pupil support services;

3 (2) salary expenditures reflecting actual staff  
4 salaries at each school;

5 (3) accounting for operations, including  
6 non-instructional pupil services, facilities, and business  
7 services; and

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

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

12 (105 ILCS 5/2-3.84a new)

13 Sec. 2-3.84a. Additional appropriation for general State  
14 aid. The predicted cost-shifting savings certified to the State  
15 Board of Education by the Board of Trustees of the Teachers'  
16 Retirement System of the State of Illinois under subsection  
17 (a-10) of Section 16-158 of the Illinois Pension Code shall be  
18 included in the State Board of Education's budget as a separate  
19 line item appropriation from the General Revenue Fund to the  
20 State Board of Education for additional general State aid under  
21 subsection (E) of Section 18-8.05 of the School Code and must  
22 be appropriated as such. This appropriated amount for general  
23 State aid must supplement, not supplant, funds appropriated  
24 from the Common School Fund for general State aid. On a  
25 continuing monthly basis, the State Board of Education shall

1 prepare and submit vouchers for 1/12 of the amount  
2 appropriated. The State Comptroller shall cause his or her  
3 warrants to be drawn for the amount due and payable to the  
4 State Board of Education.

5 (105 ILCS 5/18-8.05)

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

9 (A) General Provisions.

10 (1) The provisions of this Section apply to the 1998-1999  
11 and subsequent school years. The system of general State  
12 financial aid provided for in this Section is designed to  
13 assure that, through a combination of State financial aid and  
14 required local resources, the financial support provided each  
15 pupil in Average Daily Attendance equals or exceeds a  
16 prescribed per pupil Foundation Level. This formula approach  
17 imputes a level of per pupil Available Local Resources and  
18 provides for the basis to calculate a per pupil level of  
19 general State financial aid that, when added to Available Local  
20 Resources, equals or exceeds the Foundation Level. The amount  
21 of per pupil general State financial aid for school districts,  
22 in general, varies in inverse relation to Available Local  
23 Resources. Per pupil amounts are based upon each school  
24 district's Average Daily Attendance as that term is defined in

1 this Section.

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

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

14 (a) Any school district which fails for any given  
15 school year to maintain school as required by law, or to  
16 maintain a recognized school is not eligible to file for  
17 such school year any claim upon the Common School Fund. In  
18 case of nonrecognition of one or more attendance centers in  
19 a school district otherwise operating recognized schools,  
20 the claim of the district shall be reduced in the  
21 proportion which the Average Daily Attendance in the  
22 attendance center or centers bear to the Average Daily  
23 Attendance in the school district. A "recognized school"  
24 means any public school which meets the standards as  
25 established for recognition by the State Board of  
26 Education. A school district or attendance center not

1 having recognition status at the end of a school term is  
2 entitled to receive State aid payments due upon a legal  
3 claim which was filed while it was recognized.

4 (b) School district claims filed under this Section are  
5 subject to Sections 18-9 and 18-12, except as otherwise  
6 provided in this Section.

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

12 (d) (Blank).

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

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

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

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

26 (b) "Available Local Resources": A computation of

1 local financial support, calculated on the basis of Average  
2 Daily Attendance and derived as provided pursuant to  
3 subsection (D).

4 (c) "Corporate Personal Property Replacement Taxes":  
5 Funds paid to local school districts pursuant to "An Act in  
6 relation to the abolition of ad valorem personal property  
7 tax and the replacement of revenues lost thereby, and  
8 amending and repealing certain Acts and parts of Acts in  
9 connection therewith", certified August 14, 1979, as  
10 amended (Public Act 81-1st S.S.-1).

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

13 (e) "Operating Tax Rate": All school district property  
14 taxes extended for all purposes, except Bond and Interest,  
15 Summer School, Rent, Capital Improvement, and Vocational  
16 Education Building purposes.

17 (B) Foundation Level.

18 (1) The Foundation Level is a figure established by the  
19 State representing the minimum level of per pupil financial  
20 support that should be available to provide for the basic  
21 education of each pupil in Average Daily Attendance. As set  
22 forth in this Section, each school district is assumed to exert  
23 a sufficient local taxing effort such that, in combination with  
24 the aggregate of general State financial aid provided the  
25 district, an aggregate of State and local resources are

1 available to meet the basic education needs of pupils in the  
2 district.

3 (2) For the 1998-1999 school year, the Foundation Level of  
4 support is \$4,225. For the 1999-2000 school year, the  
5 Foundation Level of support is \$4,325. For the 2000-2001 school  
6 year, the Foundation Level of support is \$4,425. For the  
7 2001-2002 school year and 2002-2003 school year, the Foundation  
8 Level of support is \$4,560. For the 2003-2004 school year, the  
9 Foundation Level of support is \$4,810. For the 2004-2005 school  
10 year, the Foundation Level of support is \$4,964. For the  
11 2005-2006 school year, the Foundation Level of support is  
12 \$5,164. For the 2006-2007 school year, the Foundation Level of  
13 support is \$5,334. For the 2007-2008 school year, the  
14 Foundation Level of support is \$5,734. For the 2008-2009 school  
15 year, the Foundation Level of support is \$5,959.

16 (3) For the 2009-2010 school year and each school year  
17 thereafter, the Foundation Level of support is \$6,119 or such  
18 greater amount as may be available under the Fund Education  
19 First Act or as established by law by the General Assembly. If  
20 the total amount appropriated for general State aid under  
21 subsection (E) of this Section in a particular fiscal year is  
22 sufficient to fund a greater Foundation Level of support than  
23 specified in this paragraph (3), then the Foundation Level  
24 shall be set by the State Board of Education, for that fiscal  
25 year only, at a higher amount.

1 (C) Average Daily Attendance.

2 (1) For purposes of calculating general State aid pursuant  
3 to subsection (E), an Average Daily Attendance figure shall be  
4 utilized. The Average Daily Attendance figure for formula  
5 calculation purposes shall be the monthly average of the actual  
6 number of pupils in attendance of each school district, as  
7 further averaged for the best 3 months of pupil attendance for  
8 each school district. In compiling the figures for the number  
9 of pupils in attendance, school districts and the State Board  
10 of Education shall, for purposes of general State aid funding,  
11 conform attendance figures to the requirements of subsection  
12 (F).

13 (2) The Average Daily Attendance figures utilized in  
14 subsection (E) shall be the requisite attendance data for the  
15 school year immediately preceding the school year for which  
16 general State aid is being calculated or the average of the  
17 attendance data for the 3 preceding school years, whichever is  
18 greater. The Average Daily Attendance figures utilized in  
19 subsection (H) shall be the requisite attendance data for the  
20 school year immediately preceding the school year for which  
21 general State aid is being calculated.

22 (D) Available Local Resources.

23 (1) For purposes of calculating general State aid pursuant  
24 to subsection (E), a representation of Available Local  
25 Resources per pupil, as that term is defined and determined in

1 this subsection, shall be utilized. Available Local Resources  
2 per pupil shall include a calculated dollar amount representing  
3 local school district revenues from local property taxes and  
4 from Corporate Personal Property Replacement Taxes, expressed  
5 on the basis of pupils in Average Daily Attendance. Calculation  
6 of Available Local Resources shall exclude any tax amnesty  
7 funds received as a result of Public Act 93-26.

8 (2) In determining a school district's revenue from local  
9 property taxes, the State Board of Education shall utilize the  
10 equalized assessed valuation of all taxable property of each  
11 school district as of September 30 of the previous year. The  
12 equalized assessed valuation utilized shall be obtained and  
13 determined as provided in subsection (G).

14 (3) For school districts maintaining grades kindergarten  
15 through 12, local property tax revenues per pupil shall be  
16 calculated as the product of the applicable equalized assessed  
17 valuation for the district multiplied by 3.00%, and divided by  
18 the district's Average Daily Attendance figure. For school  
19 districts maintaining grades kindergarten through 8, local  
20 property tax revenues per pupil shall be calculated as the  
21 product of the applicable equalized assessed valuation for the  
22 district multiplied by 2.30%, and divided by the district's  
23 Average Daily Attendance figure. For school districts  
24 maintaining grades 9 through 12, local property tax revenues  
25 per pupil shall be the applicable equalized assessed valuation  
26 of the district multiplied by 1.05%, and divided by the

1 district's Average Daily Attendance figure.

2 For partial elementary unit districts created pursuant to  
3 Article 11E of this Code, local property tax revenues per pupil  
4 shall be calculated as the product of the equalized assessed  
5 valuation for property within the partial elementary unit  
6 district for elementary purposes, as defined in Article 11E of  
7 this Code, multiplied by 2.06% and divided by the district's  
8 Average Daily Attendance figure, plus the product of the  
9 equalized assessed valuation for property within the partial  
10 elementary unit district for high school purposes, as defined  
11 in Article 11E of this Code, multiplied by 0.94% and divided by  
12 the district's Average Daily Attendance figure.

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

23 (E) Computation of General State Aid.

24 (1) For each school year, the amount of general State aid  
25 allotted to a school district shall be computed by the State

1 Board of Education as provided in this subsection.

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

8 (3) For any school district for which Available Local  
9 Resources per pupil is equal to or greater than the product of  
10 0.93 times the Foundation Level and less than the product of  
11 1.75 times the Foundation Level, the general State aid per  
12 pupil shall be a decimal proportion of the Foundation Level  
13 derived using a linear algorithm. Under this linear algorithm,  
14 the calculated general State aid per pupil shall decline in  
15 direct linear fashion from 0.07 times the Foundation Level for  
16 a school district with Available Local Resources equal to the  
17 product of 0.93 times the Foundation Level, to 0.05 times the  
18 Foundation Level for a school district with Available Local  
19 Resources equal to the product of 1.75 times the Foundation  
20 Level. The allocation of general State aid for school districts  
21 subject to this paragraph 3 shall be the calculated general  
22 State aid per pupil figure multiplied by the Average Daily  
23 Attendance of the school district.

24 (4) For any school district for which Available Local  
25 Resources per pupil equals or exceeds the product of 1.75 times  
26 the Foundation Level, the general State aid for the school

1 district shall be calculated as the product of \$218 multiplied  
2 by the Average Daily Attendance of the school district.

3 (5) The amount of general State aid allocated to a school  
4 district for the 1999-2000 school year meeting the requirements  
5 set forth in paragraph (4) of subsection (G) shall be increased  
6 by an amount equal to the general State aid that would have  
7 been received by the district for the 1998-1999 school year by  
8 utilizing the Extension Limitation Equalized Assessed  
9 Valuation as calculated in paragraph (4) of subsection (G) less  
10 the general State aid allotted for the 1998-1999 school year.  
11 This amount shall be deemed a one time increase, and shall not  
12 affect any future general State aid allocations.

13 (F) Compilation of Average Daily Attendance.

14 (1) Each school district shall, by July 1 of each year,  
15 submit to the State Board of Education, on forms prescribed by  
16 the State Board of Education, attendance figures for the school  
17 year that began in the preceding calendar year. The attendance  
18 information so transmitted shall identify the average daily  
19 attendance figures for each month of the school year. Beginning  
20 with the general State aid claim form for the 2002-2003 school  
21 year, districts shall calculate Average Daily Attendance as  
22 provided in subdivisions (a), (b), and (c) of this paragraph  
23 (1).

24 (a) In districts that do not hold year-round classes,  
25 days of attendance in August shall be added to the month of

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

3           (b) In districts in which all buildings hold year-round  
4           classes, days of attendance in July and August shall be  
5           added to the month of September and any days of attendance  
6           in June shall be added to the month of May.

7           (c) In districts in which some buildings, but not all,  
8           hold year-round classes, for the non-year-round buildings,  
9           days of attendance in August shall be added to the month of  
10          September and any days of attendance in June shall be added  
11          to the month of May. The average daily attendance for the  
12          year-round buildings shall be computed as provided in  
13          subdivision (b) of this paragraph (1). To calculate the  
14          Average Daily Attendance for the district, the average  
15          daily attendance for the year-round buildings shall be  
16          multiplied by the days in session for the non-year-round  
17          buildings for each month and added to the monthly  
18          attendance of the non-year-round buildings.

19          Except as otherwise provided in this Section, days of  
20          attendance by pupils shall be counted only for sessions of not  
21          less than 5 clock hours of school work per day under direct  
22          supervision of: (i) teachers, or (ii) non-teaching personnel or  
23          volunteer personnel when engaging in non-teaching duties and  
24          supervising in those instances specified in subsection (a) of  
25          Section 10-22.34 and paragraph 10 of Section 34-18, with pupils  
26          of legal school age and in kindergarten and grades 1 through

1 12.

2 Days of attendance by tuition pupils shall be accredited  
3 only to the districts that pay the tuition to a recognized  
4 school.

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

8 (a) Pupils regularly enrolled in a public school for  
9 only a part of the school day may be counted on the basis  
10 of 1/6 day for every class hour of instruction of 40  
11 minutes or more attended pursuant to such enrollment,  
12 unless a pupil is enrolled in a block-schedule format of 80  
13 minutes or more of instruction, in which case the pupil may  
14 be counted on the basis of the proportion of minutes of  
15 school work completed each day to the minimum number of  
16 minutes that school work is required to be held that day.

17 (b) (Blank).

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

23 (d) A session of 3 or more clock hours may be counted  
24 as a day of attendance (1) when the remainder of the school  
25 day or at least 2 hours in the evening of that day is  
26 utilized for an in-service training program for teachers,

1 up to a maximum of 5 days per school year, provided a  
2 district conducts an in-service training program for  
3 teachers in accordance with Section 10-22.39 of this Code;  
4 or, in lieu of 4 such days, 2 full days may be used, in  
5 which event each such day may be counted as a day required  
6 for a legal school calendar pursuant to Section 10-19 of  
7 this Code; (1.5) when, of the 5 days allowed under item  
8 (1), a maximum of 4 days are used for parent-teacher  
9 conferences, or, in lieu of 4 such days, 2 full days are  
10 used, in which case each such day may be counted as a  
11 calendar day required under Section 10-19 of this Code,  
12 provided that the full-day, parent-teacher conference  
13 consists of (i) a minimum of 5 clock hours of  
14 parent-teacher conferences, (ii) both a minimum of 2 clock  
15 hours of parent-teacher conferences held in the evening  
16 following a full day of student attendance, as specified in  
17 subsection (F)(1)(c), and a minimum of 3 clock hours of  
18 parent-teacher conferences held on the day immediately  
19 following evening parent-teacher conferences, or (iii)  
20 multiple parent-teacher conferences held in the evenings  
21 following full days of student attendance, as specified in  
22 subsection (F)(1)(c), in which the time used for the  
23 parent-teacher conferences is equivalent to a minimum of 5  
24 clock hours; and (2) when days in addition to those  
25 provided in items (1) and (1.5) are scheduled by a school  
26 pursuant to its school improvement plan adopted under

1 Article 34 or its revised or amended school improvement  
2 plan adopted under Article 2, provided that (i) such  
3 sessions of 3 or more clock hours are scheduled to occur at  
4 regular intervals, (ii) the remainder of the school days in  
5 which such sessions occur are utilized for in-service  
6 training programs or other staff development activities  
7 for teachers, and (iii) a sufficient number of minutes of  
8 school work under the direct supervision of teachers are  
9 added to the school days between such regularly scheduled  
10 sessions to accumulate not less than the number of minutes  
11 by which such sessions of 3 or more clock hours fall short  
12 of 5 clock hours. Any full days used for the purposes of  
13 this paragraph shall not be considered for computing  
14 average daily attendance. Days scheduled for in-service  
15 training programs, staff development activities, or  
16 parent-teacher conferences may be scheduled separately for  
17 different grade levels and different attendance centers of  
18 the district.

19 (e) A session of not less than one clock hour of  
20 teaching hospitalized or homebound pupils on-site or by  
21 telephone to the classroom may be counted as 1/2 day of  
22 attendance, however these pupils must receive 4 or more  
23 clock hours of instruction to be counted for a full day of  
24 attendance.

25 (f) A session of at least 4 clock hours may be counted  
26 as a day of attendance for first grade pupils, and pupils

1 in full day kindergartens, and a session of 2 or more hours  
2 may be counted as 1/2 day of attendance by pupils in  
3 kindergartens which provide only 1/2 day of attendance.

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

11 (h) A recognized kindergarten which provides for only  
12 1/2 day of attendance by each pupil shall not have more  
13 than 1/2 day of attendance counted in any one day. However,  
14 kindergartens may count 2 1/2 days of attendance in any 5  
15 consecutive school days. When a pupil attends such a  
16 kindergarten for 2 half days on any one school day, the  
17 pupil shall have the following day as a day absent from  
18 school, unless the school district obtains permission in  
19 writing from the State Superintendent of Education.  
20 Attendance at kindergartens which provide for a full day of  
21 attendance by each pupil shall be counted the same as  
22 attendance by first grade pupils. Only the first year of  
23 attendance in one kindergarten shall be counted, except in  
24 case of children who entered the kindergarten in their  
25 fifth year whose educational development requires a second  
26 year of kindergarten as determined under the rules and

1 regulations of the State Board of Education.

2 (i) On the days when the assessment that includes a  
3 college and career ready determination is administered  
4 under subsection (c) of Section 2-3.64a-5 of this Code, the  
5 day of attendance for a pupil whose school day must be  
6 shortened to accommodate required testing procedures may  
7 be less than 5 clock hours and shall be counted towards the  
8 176 days of actual pupil attendance required under Section  
9 10-19 of this Code, provided that a sufficient number of  
10 minutes of school work in excess of 5 clock hours are first  
11 completed on other school days to compensate for the loss  
12 of school work on the examination days.

13 (j) Pupils enrolled in a remote educational program  
14 established under Section 10-29 of this Code may be counted  
15 on the basis of one-fifth day of attendance for every clock  
16 hour of instruction attended in the remote educational  
17 program, provided that, in any month, the school district  
18 may not claim for a student enrolled in a remote  
19 educational program more days of attendance than the  
20 maximum number of days of attendance the district can claim

21 (i) for students enrolled in a building holding year-round  
22 classes if the student is classified as participating in  
23 the remote educational program on a year-round schedule or  
24 (ii) for students enrolled in a building not holding  
25 year-round classes if the student is not classified as  
26 participating in the remote educational program on a

1           year-round schedule.

2           (G) Equalized Assessed Valuation Data.

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

13           The Department of Revenue shall add to the equalized  
14 assessed value of all taxable property of each school district  
15 situated entirely or partially within a county that is or was  
16 subject to the provisions of Section 15-176 or 15-177 of the  
17 Property Tax Code (a) an amount equal to the total amount by  
18 which the homestead exemption allowed under Section 15-176 or  
19 15-177 of the Property Tax Code for real property situated in  
20 that school district exceeds the total amount that would have  
21 been allowed in that school district if the maximum reduction  
22 under Section 15-176 was (i) \$4,500 in Cook County or \$3,500 in  
23 all other counties in tax year 2003 or (ii) \$5,000 in all  
24 counties in tax year 2004 and thereafter and (b) an amount  
25 equal to the aggregate amount for the taxable year of all

1 additional exemptions under Section 15-175 of the Property Tax  
2 Code for owners with a household income of \$30,000 or less. The  
3 county clerk of any county that is or was subject to the  
4 provisions of Section 15-176 or 15-177 of the Property Tax Code  
5 shall annually calculate and certify to the Department of  
6 Revenue for each school district all homestead exemption  
7 amounts under Section 15-176 or 15-177 of the Property Tax Code  
8 and all amounts of additional exemptions under Section 15-175  
9 of the Property Tax Code for owners with a household income of  
10 \$30,000 or less. It is the intent of this paragraph that if the  
11 general homestead exemption for a parcel of property is  
12 determined under Section 15-176 or 15-177 of the Property Tax  
13 Code rather than Section 15-175, then the calculation of  
14 Available Local Resources shall not be affected by the  
15 difference, if any, between the amount of the general homestead  
16 exemption allowed for that parcel of property under Section  
17 15-176 or 15-177 of the Property Tax Code and the amount that  
18 would have been allowed had the general homestead exemption for  
19 that parcel of property been determined under Section 15-175 of  
20 the Property Tax Code. It is further the intent of this  
21 paragraph that if additional exemptions are allowed under  
22 Section 15-175 of the Property Tax Code for owners with a  
23 household income of less than \$30,000, then the calculation of  
24 Available Local Resources shall not be affected by the  
25 difference, if any, because of those additional exemptions.

26 This equalized assessed valuation, as adjusted further by

1 the requirements of this subsection, shall be utilized in the  
2 calculation of Available Local Resources.

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

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

1 have been paid.

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

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

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

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

26 "Base Tax Year": The property tax levy year used to

1 calculate the Budget Year allocation of general State aid.

2 "Preceding Tax Year": The property tax levy year  
3 immediately preceding the Base Tax Year.

4 "Base Tax Year's Tax Extension": The product of the  
5 equalized assessed valuation utilized by the County Clerk  
6 in the Base Tax Year multiplied by the limiting rate as  
7 calculated by the County Clerk and defined in the Property  
8 Tax Extension Limitation Law.

9 "Preceding Tax Year's Tax Extension": The product of  
10 the equalized assessed valuation utilized by the County  
11 Clerk in the Preceding Tax Year multiplied by the Operating  
12 Tax Rate as defined in subsection (A).

13 "Extension Limitation Ratio": A numerical ratio,  
14 certified by the County Clerk, in which the numerator is  
15 the Base Tax Year's Tax Extension and the denominator is  
16 the Preceding Tax Year's Tax Extension.

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

19 If a school district is subject to property tax extension  
20 limitations as imposed under the Property Tax Extension  
21 Limitation Law, the State Board of Education shall calculate  
22 the Extension Limitation Equalized Assessed Valuation of that  
23 district. For the 1999-2000 school year, the Extension  
24 Limitation Equalized Assessed Valuation of a school district as  
25 calculated by the State Board of Education shall be equal to  
26 the product of the district's 1996 Equalized Assessed Valuation

1 and the district's Extension Limitation Ratio. Except as  
2 otherwise provided in this paragraph for a school district that  
3 has approved or does approve an increase in its limiting rate,  
4 for the 2000-2001 school year and each school year thereafter,  
5 the Extension Limitation Equalized Assessed Valuation of a  
6 school district as calculated by the State Board of Education  
7 shall be equal to the product of the Equalized Assessed  
8 Valuation last used in the calculation of general State aid and  
9 the district's Extension Limitation Ratio. If the Extension  
10 Limitation Equalized Assessed Valuation of a school district as  
11 calculated under this subsection (G)(3) is less than the  
12 district's equalized assessed valuation as calculated pursuant  
13 to subsections (G)(1) and (G)(2), then for purposes of  
14 calculating the district's general State aid for the Budget  
15 Year pursuant to subsection (E), that Extension Limitation  
16 Equalized Assessed Valuation shall be utilized to calculate the  
17 district's Available Local Resources under subsection (D). For  
18 the 2009-2010 school year and each school year thereafter, if a  
19 school district has approved or does approve an increase in its  
20 limiting rate, pursuant to Section 18-190 of the Property Tax  
21 Code, affecting the Base Tax Year, the Extension Limitation  
22 Equalized Assessed Valuation of the school district, as  
23 calculated by the State Board of Education, shall be equal to  
24 the product of the Equalized Assessed Valuation last used in  
25 the calculation of general State aid times an amount equal to  
26 one plus the percentage increase, if any, in the Consumer Price

1 Index for all Urban Consumers for all items published by the  
2 United States Department of Labor for the 12-month calendar  
3 year preceding the Base Tax Year, plus the Equalized Assessed  
4 Valuation of new property, annexed property, and recovered tax  
5 increment value and minus the Equalized Assessed Valuation of  
6 disconnected property. New property and recovered tax  
7 increment value shall have the meanings set forth in the  
8 Property Tax Extension Limitation Law.

9 Partial elementary unit districts created in accordance  
10 with Article 11E of this Code shall not be eligible for the  
11 adjustment in this subsection (G)(3) until the fifth year  
12 following the effective date of the reorganization.

13 (3.5) For the 2010-2011 school year and each school year  
14 thereafter, if a school district's boundaries span multiple  
15 counties, then the Department of Revenue shall send to the  
16 State Board of Education, for the purpose of calculating  
17 general State aid, the limiting rate and individual rates by  
18 purpose for the county that contains the majority of the school  
19 district's Equalized Assessed Valuation.

20 (4) For the purposes of calculating general State aid for  
21 the 1999-2000 school year only, if a school district  
22 experienced a triennial reassessment on the equalized assessed  
23 valuation used in calculating its general State financial aid  
24 apportionment for the 1998-1999 school year, the State Board of  
25 Education shall calculate the Extension Limitation Equalized  
26 Assessed Valuation that would have been used to calculate the

1 district's 1998-1999 general State aid. This amount shall equal  
2 the product of the equalized assessed valuation used to  
3 calculate general State aid for the 1997-1998 school year and  
4 the district's Extension Limitation Ratio. If the Extension  
5 Limitation Equalized Assessed Valuation of the school district  
6 as calculated under this paragraph (4) is less than the  
7 district's equalized assessed valuation utilized in  
8 calculating the district's 1998-1999 general State aid  
9 allocation, then for purposes of calculating the district's  
10 general State aid pursuant to paragraph (5) of subsection (E),  
11 that Extension Limitation Equalized Assessed Valuation shall  
12 be utilized to calculate the district's Available Local  
13 Resources.

14 (5) For school districts having a majority of their  
15 equalized assessed valuation in any county except Cook, DuPage,  
16 Kane, Lake, McHenry, or Will, if the amount of general State  
17 aid allocated to the school district for the 1999-2000 school  
18 year under the provisions of subsection (E), (H), and (J) of  
19 this Section is less than the amount of general State aid  
20 allocated to the district for the 1998-1999 school year under  
21 these subsections, then the general State aid of the district  
22 for the 1999-2000 school year only shall be increased by the  
23 difference between these amounts. The total payments made under  
24 this paragraph (5) shall not exceed \$14,000,000. Claims shall  
25 be prorated if they exceed \$14,000,000.

1 (H) Supplemental General State Aid.

2 (1) In addition to the general State aid a school district  
3 is allotted pursuant to subsection (E), qualifying school  
4 districts shall receive a grant, paid in conjunction with a  
5 district's payments of general State aid, for supplemental  
6 general State aid based upon the concentration level of  
7 children from low-income households within the school  
8 district. Supplemental State aid grants provided for school  
9 districts under this subsection shall be appropriated for  
10 distribution to school districts as part of the same line item  
11 in which the general State financial aid of school districts is  
12 appropriated under this Section.

13 (1.5) This paragraph (1.5) applies only to those school  
14 years preceding the 2003-2004 school year. For purposes of this  
15 subsection (H), the term "Low-Income Concentration Level"  
16 shall be the low-income eligible pupil count from the most  
17 recently available federal census divided by the Average Daily  
18 Attendance of the school district. If, however, (i) the  
19 percentage decrease from the 2 most recent federal censuses in  
20 the low-income eligible pupil count of a high school district  
21 with fewer than 400 students exceeds by 75% or more the  
22 percentage change in the total low-income eligible pupil count  
23 of contiguous elementary school districts, whose boundaries  
24 are coterminous with the high school district, or (ii) a high  
25 school district within 2 counties and serving 5 elementary  
26 school districts, whose boundaries are coterminous with the

1 high school district, has a percentage decrease from the 2 most  
2 recent federal censuses in the low-income eligible pupil count  
3 and there is a percentage increase in the total low-income  
4 eligible pupil count of a majority of the elementary school  
5 districts in excess of 50% from the 2 most recent federal  
6 censuses, then the high school district's low-income eligible  
7 pupil count from the earlier federal census shall be the number  
8 used as the low-income eligible pupil count for the high school  
9 district, for purposes of this subsection (H). The changes made  
10 to this paragraph (1) by Public Act 92-28 shall apply to  
11 supplemental general State aid grants for school years  
12 preceding the 2003-2004 school year that are paid in fiscal  
13 year 1999 or thereafter and to any State aid payments made in  
14 fiscal year 1994 through fiscal year 1998 pursuant to  
15 subsection 1(n) of Section 18-8 of this Code (which was  
16 repealed on July 1, 1998), and any high school district that is  
17 affected by Public Act 92-28 is entitled to a recomputation of  
18 its supplemental general State aid grant or State aid paid in  
19 any of those fiscal years. This recomputation shall not be  
20 affected by any other funding.

21 (1.10) This paragraph (1.10) applies to the 2003-2004  
22 school year and each school year thereafter. For purposes of  
23 this subsection (H), the term "Low-Income Concentration Level"  
24 shall, for each fiscal year, be the low-income eligible pupil  
25 count as of July 1 of the immediately preceding fiscal year (as  
26 determined by the Department of Human Services based on the

1 number of pupils who are eligible for at least one of the  
2 following low income programs: Medicaid, the Children's Health  
3 Insurance Program, TANF, or Food Stamps, excluding pupils who  
4 are eligible for services provided by the Department of  
5 Children and Family Services, averaged over the 2 immediately  
6 preceding fiscal years for fiscal year 2004 and over the 3  
7 immediately preceding fiscal years for each fiscal year  
8 thereafter) divided by the Average Daily Attendance of the  
9 school district.

10 (2) Supplemental general State aid pursuant to this  
11 subsection (H) shall be provided as follows for the 1998-1999,  
12 1999-2000, and 2000-2001 school years only:

13 (a) For any school district with a Low Income  
14 Concentration Level of at least 20% and less than 35%, the  
15 grant for any school year shall be \$800 multiplied by the  
16 low income eligible pupil count.

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

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

25 (d) For any school district with a Low Income  
26 Concentration Level of 60% or more, the grant for the

1 1998-99 school year shall be \$1,900 multiplied by the low  
2 income eligible pupil count.

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

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

11 (2.5) Supplemental general State aid pursuant to this  
12 subsection (H) shall be provided as follows for the 2002-2003  
13 school year:

14 (a) For any school district with a Low Income  
15 Concentration Level of less than 10%, the grant for each  
16 school year shall be \$355 multiplied by the low income  
17 eligible pupil count.

18 (b) For any school district with a Low Income  
19 Concentration Level of at least 10% and less than 20%, the  
20 grant for each school year shall be \$675 multiplied by the  
21 low income eligible pupil count.

22 (c) For any school district with a Low Income  
23 Concentration Level of at least 20% and less than 35%, the  
24 grant for each school year shall be \$1,330 multiplied by  
25 the low income eligible pupil count.

26 (d) For any school district with a Low Income

1 Concentration Level of at least 35% and less than 50%, the  
2 grant for each school year shall be \$1,362 multiplied by  
3 the low income eligible pupil count.

4 (e) For any school district with a Low Income  
5 Concentration Level of at least 50% and less than 60%, the  
6 grant for each school year shall be \$1,680 multiplied by  
7 the low income eligible pupil count.

8 (f) For any school district with a Low Income  
9 Concentration Level of 60% or more, the grant for each  
10 school year shall be \$2,080 multiplied by the low income  
11 eligible pupil count.

12 (2.10) Except as otherwise provided, supplemental general  
13 State aid pursuant to this subsection (H) shall be provided as  
14 follows for the 2003-2004 school year and each school year  
15 thereafter:

16 (a) For any school district with a Low Income  
17 Concentration Level of 15% or less, the grant for each  
18 school year shall be \$355 multiplied by the low income  
19 eligible pupil count.

20 (b) For any school district with a Low Income  
21 Concentration Level greater than 15%, the grant for each  
22 school year shall be \$294.25 added to the product of \$2,700  
23 and the square of the Low Income Concentration Level, all  
24 multiplied by the low income eligible pupil count.

25 For the 2003-2004 school year and each school year  
26 thereafter through the 2008-2009 school year only, the grant

1 shall be no less than the grant for the 2002-2003 school year.  
2 For the 2009-2010 school year only, the grant shall be no less  
3 than the grant for the 2002-2003 school year multiplied by  
4 0.66. For the 2010-2011 school year only, the grant shall be no  
5 less than the grant for the 2002-2003 school year multiplied by  
6 0.33. Notwithstanding the provisions of this paragraph to the  
7 contrary, if for any school year supplemental general State aid  
8 grants are prorated as provided in paragraph (1) of this  
9 subsection (H), then the grants under this paragraph shall be  
10 prorated.

11 For the 2003-2004 school year only, the grant shall be no  
12 greater than the grant received during the 2002-2003 school  
13 year added to the product of 0.25 multiplied by the difference  
14 between the grant amount calculated under subsection (a) or (b)  
15 of this paragraph (2.10), whichever is applicable, and the  
16 grant received during the 2002-2003 school year. For the  
17 2004-2005 school year only, the grant shall be no greater than  
18 the grant received during the 2002-2003 school year added to  
19 the product of 0.50 multiplied by the difference between the  
20 grant amount calculated under subsection (a) or (b) of this  
21 paragraph (2.10), whichever is applicable, and the grant  
22 received during the 2002-2003 school year. For the 2005-2006  
23 school year only, the grant shall be no greater than the grant  
24 received during the 2002-2003 school year added to the product  
25 of 0.75 multiplied by the difference between the grant amount  
26 calculated under subsection (a) or (b) of this paragraph

1 (2.10), whichever is applicable, and the grant received during  
2 the 2002-2003 school year.

3 (3) School districts with an Average Daily Attendance of  
4 more than 1,000 and less than 50,000 that qualify for  
5 supplemental general State aid pursuant to this subsection  
6 shall submit a plan to the State Board of Education prior to  
7 October 30 of each year for the use of the funds resulting from  
8 this grant of supplemental general State aid for the  
9 improvement of instruction in which priority is given to  
10 meeting the education needs of disadvantaged children. Such  
11 plan shall be submitted in accordance with rules and  
12 regulations promulgated by the State Board of Education.

13 (4) School districts with an Average Daily Attendance of  
14 50,000 or more that qualify for supplemental general State aid  
15 pursuant to this subsection shall be required to distribute  
16 from funds available pursuant to this Section, no less than  
17 \$261,000,000 in accordance with the following requirements:

18 (a) The required amounts shall be distributed to the  
19 attendance centers within the district in proportion to the  
20 number of pupils enrolled at each attendance center who are  
21 eligible to receive free or reduced-price lunches or  
22 breakfasts under the federal Child Nutrition Act of 1966  
23 and under the National School Lunch Act during the  
24 immediately preceding school year.

25 (b) The distribution of these portions of supplemental  
26 and general State aid among attendance centers according to

1           these requirements shall not be compensated for or  
2           contravened by adjustments of the total of other funds  
3           appropriated to any attendance centers, and the Board of  
4           Education shall utilize funding from one or several sources  
5           in order to fully implement this provision annually prior  
6           to the opening of school.

7           (c) Each attendance center shall be provided by the  
8           school district a distribution of noncategorical funds and  
9           other categorical funds to which an attendance center is  
10          entitled under law in order that the general State aid and  
11          supplemental general State aid provided by application of  
12          this subsection supplements rather than supplants the  
13          noncategorical funds and other categorical funds provided  
14          by the school district to the attendance centers.

15          (d) Any funds made available under this subsection that  
16          by reason of the provisions of this subsection are not  
17          required to be allocated and provided to attendance centers  
18          may be used and appropriated by the board of the district  
19          for any lawful school purpose.

20          (e) Funds received by an attendance center pursuant to  
21          this subsection shall be used by the attendance center at  
22          the discretion of the principal and local school council  
23          for programs to improve educational opportunities at  
24          qualifying schools through the following programs and  
25          services: early childhood education, reduced class size or  
26          improved adult to student classroom ratio, enrichment

1 programs, remedial assistance, attendance improvement, and  
2 other educationally beneficial expenditures which  
3 supplement the regular and basic programs as determined by  
4 the State Board of Education. Funds provided shall not be  
5 expended for any political or lobbying purposes as defined  
6 by board rule.

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

23 Upon notification by the State Board of Education that  
24 the district has not submitted a plan prior to July 15 or a  
25 modified plan within the time period specified herein, the  
26 State aid funds affected by that plan or modified plan

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

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

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

1 or the notification of remedial or corrective action in a  
2 timely manner shall result in a withholding of the affected  
3 funds.

4 The State Board of Education shall promulgate rules and  
5 regulations to implement the provisions of this  
6 subsection. No funds shall be released under this  
7 subdivision (H) (4) to any district that has not submitted a  
8 plan that has been approved by the State Board of  
9 Education.

10 (I) (Blank).

11 (J) (Blank).

12 (K) Grants to Laboratory and Alternative Schools.

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

19 As used in this Section, "laboratory school" means a public  
20 school which is created and operated by a public university and  
21 approved by the State Board of Education. The governing board  
22 of a public university which receives funds from the State  
23 Board under this subsection (K) may not increase the number of

1 students enrolled in its laboratory school from a single  
2 district, if that district is already sending 50 or more  
3 students, except under a mutual agreement between the school  
4 board of a student's district of residence and the university  
5 which operates the laboratory school. A laboratory school may  
6 not have more than 1,000 students, excluding students with  
7 disabilities in a special education program.

8 As used in this Section, "alternative school" means a  
9 public school which is created and operated by a Regional  
10 Superintendent of Schools and approved by the State Board of  
11 Education. Such alternative schools may offer courses of  
12 instruction for which credit is given in regular school  
13 programs, courses to prepare students for the high school  
14 equivalency testing program or vocational and occupational  
15 training. A regional superintendent of schools may contract  
16 with a school district or a public community college district  
17 to operate an alternative school. An alternative school serving  
18 more than one educational service region may be established by  
19 the regional superintendents of schools of the affected  
20 educational service regions. An alternative school serving  
21 more than one educational service region may be operated under  
22 such terms as the regional superintendents of schools of those  
23 educational service regions may agree.

24 Each laboratory and alternative school shall file, on forms  
25 provided by the State Superintendent of Education, an annual  
26 State aid claim which states the Average Daily Attendance of

1 the school's students by month. The best 3 months' Average  
2 Daily Attendance shall be computed for each school. The general  
3 State aid entitlement shall be computed by multiplying the  
4 applicable Average Daily Attendance by the Foundation Level as  
5 determined under this Section.

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

7 (1) For a school district operating under the financial  
8 supervision of an Authority created under Article 34A, the  
9 general State aid otherwise payable to that district under this  
10 Section, but not the supplemental general State aid, shall be  
11 reduced by an amount equal to the budget for the operations of  
12 the Authority as certified by the Authority to the State Board  
13 of Education, and an amount equal to such reduction shall be  
14 paid to the Authority created for such district for its  
15 operating expenses in the manner provided in Section 18-11. The  
16 remainder of general State school aid for any such district  
17 shall be paid in accordance with Article 34A when that Article  
18 provides for a disposition other than that provided by this  
19 Article.

20 (2) (Blank).

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

23 (M) Education Funding Advisory Board.

24 The Education Funding Advisory Board, hereinafter in this

1 subsection (M) referred to as the "Board", is hereby created.  
2 The Board shall consist of 5 members who are appointed by the  
3 Governor, by and with the advice and consent of the Senate. The  
4 members appointed shall include representatives of education,  
5 business, and the general public. One of the members so  
6 appointed shall be designated by the Governor at the time the  
7 appointment is made as the chairperson of the Board. The  
8 initial members of the Board may be appointed any time after  
9 the effective date of this amendatory Act of 1997. The regular  
10 term of each member of the Board shall be for 4 years from the  
11 third Monday of January of the year in which the term of the  
12 member's appointment is to commence, except that of the 5  
13 initial members appointed to serve on the Board, the member who  
14 is appointed as the chairperson shall serve for a term that  
15 commences on the date of his or her appointment and expires on  
16 the third Monday of January, 2002, and the remaining 4 members,  
17 by lots drawn at the first meeting of the Board that is held  
18 after all 5 members are appointed, shall determine 2 of their  
19 number to serve for terms that commence on the date of their  
20 respective appointments and expire on the third Monday of  
21 January, 2001, and 2 of their number to serve for terms that  
22 commence on the date of their respective appointments and  
23 expire on the third Monday of January, 2000. All members  
24 appointed to serve on the Board shall serve until their  
25 respective successors are appointed and confirmed. Vacancies  
26 shall be filled in the same manner as original appointments. If

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

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

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

21 For school years after the 2000-2001 school year, the  
22 Education Funding Advisory Board, in consultation with the  
23 State Board of Education, shall make recommendations as  
24 provided in this subsection (M) to the General Assembly for the  
25 foundation level under subdivision (B)(3) of this Section and  
26 for the supplemental general State aid grant level under

1 subsection (H) of this Section for districts with high  
2 concentrations of children from poverty. The recommended  
3 foundation level shall be determined based on a methodology  
4 which incorporates the basic education expenditures of  
5 low-spending schools exhibiting high academic performance. The  
6 Education Funding Advisory Board shall make such  
7 recommendations to the General Assembly on January 1 of odd  
8 numbered years, beginning January 1, 2001.

9 (N) (Blank).

10 (O) References.

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

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

19 (P) Public Act 93-838 and Public Act 93-808 make inconsistent  
20 changes to this Section. Under Section 6 of the Statute on  
21 Statutes there is an irreconcilable conflict between Public Act  
22 93-808 and Public Act 93-838. Public Act 93-838, being the last  
23 acted upon, is controlling. The text of Public Act 93-838 is

1 the law regardless of the text of Public Act 93-808.

2 (Q) State Fiscal Year 2015 Payments.

3 For payments made for State fiscal year 2015, the State  
4 Board of Education shall, for each school district, calculate  
5 that district's pro-rata share of a minimum sum of \$13,600,000  
6 or additional amounts as needed from the total net General  
7 State Aid funding as calculated under this Section that shall  
8 be deemed attributable to the provision of special educational  
9 facilities and services, as defined in Section 14-1.08 of this  
10 Code, in a manner that ensures compliance with maintenance of  
11 State financial support requirements under the federal  
12 Individuals with Disabilities Education Act. Each school  
13 district must use such funds only for the provision of special  
14 educational facilities and services, as defined in Section  
15 14-1.08 of this Code, and must comply with any expenditure  
16 verification procedures adopted by the State Board of  
17 Education.

18 (Source: P.A. 98-972, eff. 8-15-14; 99-2, eff. 3-26-15.)

19 Section 90. The State Mandates Act is amended by adding  
20 Section 8.39 as follows:

21 (30 ILCS 805/8.39 new)

22 Sec. 8.39. Exempt mandate. Notwithstanding Sections 6 and 8  
23 of this Act, no reimbursement by the State is required for the

1 implementation of any mandate created by the Fund Education  
2 First Act.

3 Section 99. Effective date. This Act takes effect upon  
4 becoming law.