

104TH GENERAL ASSEMBLY State of Illinois 2025 and 2026 HB1375

Introduced 1/28/2025, by Rep. Barbara Hernandez

SYNOPSIS AS INTRODUCED:

5 ILCS 100/5-45.65 new 40 ILCS 5/16-127 40 ILCS 5/16-158 40 ILCS 5/16-203 110 ILCS 205/9.45 new

from Ch. 108 1/2, par. 16-127 from Ch. 108 1/2, par. 16-158

Amends the Illinois Administrative Procedure Act. Creates emergency rulemaking procedures for the student teaching stipend program. Amends the Downstate Teacher Article of the Illinois Pension Code. Authorizes a person to establish optional credit for periods of service as a student teacher under a specified provision of the Board of Higher Education Act. In provisions requiring an additional employer contribution for certain salary increases greater than 6%, provides that the System shall exclude any stipends paid to an eligible cooperating teacher under the Board of Higher Education Act. Provides that any benefit increase that results from the amendatory Act is excluded from the definition of "new benefit increase". Amends the Board of Higher Education Act. Creates the student teaching stipend program. Defines terms. Provides that an educator preparation program shall notify the Board of Higher Education of all eligible students and eligible cooperating teachers who qualify for the stipend program. Creates requirements for the disbursement of stipend funds under the program. Provides that an educator preparation program may not prohibit an eligible student from participating in the stipend program or from receiving a stipend from the stipend program. Requires an eligible cooperating teacher who receives a stipend to complete specific training. Requires the Board to issue a report in collaboration with the State Board of Education evaluating the impact of the stipend program. Permits the Board to adopt emergency rules regarding the administration of the stipend program in certain circumstances subject to the Illinois Administrative Procedure Act. Effective immediately.

LRB104 05627 LNS 15657 b

1 AN ACT concerning education.

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

- Section 5. The Illinois Administrative Procedure Act is amended by adding Section 5-45.65 as follows:
- 6 (5 ILCS 100/5-45.65 new)

interest, safety, and welfare.

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- 7 Sec. 5-45.65. Emergency rulemaking; student teaching stipend program. To provide for the expeditious and timely 8 9 implementation of Section 9.45 of the Board of Higher Education Act, emergency rules implementing Section 9.45 of 10 the Board of Higher Education Act may be adopted in accordance 11 12 with Section 5-45 by the Board of Higher Education. The adoption of emergency rules authorized by Section 5-45 and 13 14 this Section is deemed to be necessary for the public
- This Section is repealed one year after the effective date
 of this amendatory Act of the 104th General Assembly.
- Section 10. The Illinois Pension Code is amended by changing Sections 16-127, 16-158, and 16-203 as follows:
- 20 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)
- 21 Sec. 16-127. Computation of creditable service.

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- (a) Each member shall receive regular credit for all service as a teacher from the date membership begins, for which satisfactory evidence is supplied and all contributions have been paid.
 - (b) The following periods of service shall earn optional credit and each member shall receive credit for all such service for which satisfactory evidence is supplied and all contributions have been paid as of the date specified:
 - (1) Prior service as a teacher.
 - (2) Service in a capacity essentially similar or equivalent to that of a teacher, in the public common schools in school districts in this State not included within the provisions of this System, or of any other State, territory, dependency or possession of the United States, or in schools operated by or under the auspices of the United States, or under the auspices of any agency or department of any other State, and service during any period of professional speech correction or special education experience for a public agency within this State or any other State, territory, dependency or possession of the United States, and service prior to February 1, 1951 as a recreation worker for the Illinois Department of Public Safety, for a period not exceeding the lesser of 2/5 of the total creditable service of the member or 10 years. The maximum service of 10 years which is allowable under this paragraph shall be reduced by the service

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credit which is validated by other retirement systems under paragraph (i) of Section 15-113 and paragraph 1 of Section 17-133. Credit granted under this paragraph may not be used in determination of a retirement annuity or disability benefits unless the member has at least 5 years of creditable service earned subsequent to this employment with one or more of the following systems: Teachers' Retirement System of the State of Illinois, State Universities Retirement System, and the Public School Teachers' Pension and Retirement Fund of Chicago. Whenever such service credit exceeds the maximum allowed for all purposes of this Article, the first service rendered in point of time shall be considered. The changes to this paragraph (2) made by Public Act 86-272 shall apply not only to persons who on or after its effective date (August 23, 1989) are in service as a teacher under the System, but also to persons whose status as such a teacher terminated prior to such effective date, whether or not such person is an annuitant on that date.

(3) Any periods immediately following teaching service, under this System or under Article 17, (or immediately following service prior to February 1, 1951 as a recreation worker for the Illinois Department of Public Safety) spent in active service with the military forces of the United States; periods spent in educational programs that prepare for return to teaching sponsored by

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the federal government following such active military service; if a teacher returns to teaching service within one calendar year after discharge or after the completion of the educational program, a further period, not exceeding one calendar year, between time spent in military service or in such educational programs and the return to employment as a teacher under this System; and a period of up to 2 years of active military service not immediately following employment as a teacher.

changes to this Section and Section relating to military service made by Public Act 87-794 shall apply not only to persons who on or after its effective date are in service as a teacher under the System, but also to persons whose status as a teacher terminated prior to that date, whether or not the person is an annuitant on that date. In the case of an annuitant who applies for credit allowable under this Section for a period of military service that did not immediately follow employment, and who has made the required contributions for such credit, the annuity shall be recalculated to include the additional service credit, with the increase taking effect on the date the System received written notification of the annuitant's intent to purchase the credit, if payment of all the required contributions is made within 60 days of such notice, or else on the first annuity payment date following the date of payment of the

required contributions. In calculating the automatic annual increase for an annuity that has been recalculated under this Section, the increase attributable to the additional service allowable under Public Act 87-794 shall be included in the calculation of automatic annual increases accruing after the effective date of the recalculation.

Credit for military service shall be determined as follows: if entry occurs during the months of July, August, or September and the member was a teacher at the end of the immediately preceding school term, credit shall be granted from July 1 of the year in which he or she entered service; if entry occurs during the school term and the teacher was in teaching service at the beginning of the school term, credit shall be granted from July 1 of such year. In all other cases where credit for military service is allowed, credit shall be granted from the date of entry into the service.

The total period of military service for which credit is granted shall not exceed 5 years for any member unless the service: (A) is validated before July 1, 1964, and (B) does not extend beyond July 1, 1963. Credit for military service shall be granted under this Section only if not more than 5 years of the military service for which credit is granted under this Section is used by the member to qualify for a military retirement allotment from any

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branch of the armed forces of the United States. The changes to this paragraph (3) made by Public Act 86-272 shall apply not only to persons who on or after its effective date (August 23, 1989) are in service as a teacher under the System, but also to persons whose status as such a teacher terminated prior to such effective date, whether or not such person is an annuitant on that date.

- (4) Any periods served as a member of the General Assembly.
- (5)(i) Any periods for which a teacher, as defined in Section 16-106, is granted a leave of absence, provided he or she returns to teaching service creditable under this State Universities Retirement System or the following the leave; (ii) periods during which a teacher is involuntarily laid off from teaching, provided he or she returns to teaching following the lay-off; periods prior to July 1, 1983 during which a teacher ceased covered employment due to pregnancy, provided that the teacher returned to teaching service creditable under this System or the State Universities Retirement System following the pregnancy and submits evidence satisfactory to the Board documenting that the employment ceased due to pregnancy; and (iv) periods prior to July 1, 1983 during which a teacher ceased covered employment for the purpose of adopting an infant under 3 years of age or caring for a newly adopted infant under 3 years of age, provided that

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the teacher returned to teaching service creditable under this System or the State Universities Retirement System following the adoption and submits evidence satisfactory to the Board documenting that the employment ceased for the purpose of adopting an infant under 3 years of age or caring for a newly adopted infant under 3 years of age. However, total credit under this paragraph (5) may not exceed 3 years.

Any qualified member or annuitant may apply for credit under item (iii) or (iv) of this paragraph (5) without regard to whether service was terminated before June 27, 1997 (the effective date of Public Act 90-32). In the case of an annuitant who establishes credit under item (iii) or (iv), the annuity shall be recalculated to include the additional service credit. The increase in annuity shall take effect on the date the System receives written notification of the annuitant's intent to purchase the credit, if the required evidence is submitted and the required contribution paid within 60 days of notification, otherwise on the first annuity payment date following the System's receipt of the required evidence and contribution. The increase in an annuity recalculated under this provision shall be included in the calculation of automatic annual increases in the annuity accruing after the effective date of the recalculation.

Optional credit may be purchased under this paragraph

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(5) for periods during which a teacher has been granted a leave of absence pursuant to Section 24-13 of the School Code. Α teacher whose service under this Article terminated prior to the effective date of Public Act 86-1488 shall be eligible to purchase such optional credit. If a teacher who purchases this optional credit is already receiving a retirement annuity under this Article, the annuity shall be recalculated as if the annuitant had applied for the leave of absence credit at the time of retirement. The difference between the entitled annuity and the actual annuity shall be credited to the purchase of the optional credit. The remainder of the purchase cost of the optional credit shall be paid on or before April 1, 1992.

The change in this paragraph made by Public Act 86-273 shall be applicable to teachers who retire after June 1, 1989, as well as to teachers who are in service on that date.

(6) Any days of unused and uncompensated accumulated sick leave earned by a teacher. The service credit granted under this paragraph shall be the ratio of the number of unused and uncompensated accumulated sick leave days to 170 days, subject to a maximum of 2 years of service credit. Prior to the member's retirement, each former employer shall certify to the System the number of unused and uncompensated accumulated sick leave days credited to

the member at the time of termination of service. The period of unused sick leave shall not be considered in determining the effective date of retirement. A member is not required to make contributions in order to obtain service credit for unused sick leave.

Credit for sick leave shall, at retirement, be granted by the System for any retiring regional or assistant regional superintendent of schools at the rate of 6 days per year of creditable service or portion thereof established while serving as such superintendent or assistant superintendent.

- (7) Periods prior to February 1, 1987 served as an employee of the Illinois Mathematics and Science Academy for which credit has not been terminated under Section 15-113.9 of this Code.
- (8) Service as a substitute teacher for work performed prior to July 1, 1990.
- (9) Service as a part-time teacher for work performed prior to July 1, 1990.
- (10) Up to 2 years of employment with Southern Illinois University Carbondale from September 1, 1959 to August 31, 1961, or with Governors State University from September 1, 1972 to August 31, 1974, for which the teacher has no credit under Article 15. To receive credit under this item (10), a teacher must apply in writing to the Board and pay the required contributions before May 1,

1 1993 and have at least 12 years of service credit under this Article.

(11) Periods of service as a student teacher as described in Section 24-8.5 of the School Code for which the student teacher received a salary.

(12) Periods of service as a student teacher under Section 9.45 of the Board of Higher Education Act.

- (b-1) A member may establish optional credit for up to 2 years of service as a teacher or administrator employed by a private school recognized by the Illinois State Board of Education, provided that the teacher (i) was certified under the law governing the certification of teachers at the time the service was rendered, (ii) applies in writing on or before June 30, 2028, (iii) supplies satisfactory evidence of the employment, (iv) completes at least 10 years of contributing service as a teacher as defined in Section 16-106, and (v) pays the contribution required in subsection (d-5) of Section 16-128. The member may apply for credit under this subsection and pay the required contribution before completing the 10 years of contributing service required under item (iv), but the credit may not be used until the item (iv) contributing service requirement has been met.
- (c) The service credits specified in this Section shall be granted only if: (1) such service credits are not used for credit in any other statutory tax-supported public employee retirement system other than the federal Social Security

- 1 program; and (2) the member makes the required contributions
- 2 as specified in Section 16-128. Except as provided in
- 3 subsection (b-1) of this Section, the service credit shall be
- 4 effective as of the date the required contributions are
- 5 completed.
- 6 Any service credits granted under this Section shall
- 7 terminate upon cessation of membership for any cause.
- 8 Credit may not be granted under this Section covering any
- 9 period for which an age retirement or disability retirement
- 10 allowance has been paid.
- 11 Credit may not be granted under this Section for service
- 12 as an employee of an entity that provides substitute teaching
- services under Section 2-3.173 of the School Code and is not a
- 14 school district.
- 15 (Source: P.A. 102-525, eff. 8-20-21; 103-17, eff. 6-9-23;
- 16 103-525, eff. 8-11-23; 103-605, eff. 7-1-24.)
- 17 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)
- 18 Sec. 16-158. Contributions by State and other employing
- 19 units.
- 20 (a) The State shall make contributions to the System by
- 21 means of appropriations from the Common School Fund and other
- 22 State funds of amounts which, together with other employer
- 23 contributions, employee contributions, investment income, and
- 24 other income, will be sufficient to meet the cost of
- 25 maintaining and administering the System on a 90% funded basis

- in accordance with actuarial recommendations.
- 2 The Board shall determine the amount of State
- 3 contributions required for each fiscal year on the basis of
- 4 the actuarial tables and other assumptions adopted by the
- 5 Board and the recommendations of the actuary, using the
- formula in subsection (b-3).
- 7 (a-1) Annually, on or before November 15 until November
- 8 15, 2011, the Board shall certify to the Governor the amount of
- 9 the required State contribution for the coming fiscal year.
- 10 The certification under this subsection (a-1) shall include a
- 11 copy of the actuarial recommendations upon which it is based
- and shall specifically identify the System's projected State
- 13 normal cost for that fiscal year.
- 14 On or before May 1, 2004, the Board shall recalculate and
- 15 recertify to the Governor the amount of the required State
- 16 contribution to the System for State fiscal year 2005, taking
- into account the amounts appropriated to and received by the
- 18 System under subsection (d) of Section 7.2 of the General
- 19 Obligation Bond Act.
- On or before July 1, 2005, the Board shall recalculate and
- 21 recertify to the Governor the amount of the required State
- 22 contribution to the System for State fiscal year 2006, taking
- 23 into account the changes in required State contributions made
- by Public Act 94-4.
- On or before April 1, 2011, the Board shall recalculate
- 26 and recertify to the Governor the amount of the required State

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contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(a-5) On or before November 1 of each year, beginning November 1, 2012, the Board shall submit to the State Actuary, Governor, and the General Assembly a certification of the amount of the required State contribution to the System for the next fiscal year, along with all of the actuarial assumptions, calculations, and data upon which that proposed certification is based. On or before January 1 of each year, beginning January 1, 2013, the State Actuary shall report concerning the a preliminary proposed certification and identifying, if necessary, recommended changes in actuarial assumptions that the Board must consider before finalizing its certification of the required State contributions. On or before January 15, 2013 and each January 15 thereafter, the Board shall certify to the Governor and the General Assembly the amount of the required State contribution for the next fiscal year. The Board's certification must note any deviations from the State Actuary's recommended changes, the reason or reasons for not following the State Actuary's recommended changes, and the fiscal impact of not following the State Actuary's recommended changes on the required State contribution.

(a-10) By November 1, 2017, the Board shall recalculate

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and recertify to the State Actuary, the Governor, and the General Assembly the amount of the State contribution to the System for State fiscal year 2018, taking into account the changes in required State contributions made by Public Act 100-23. The State Actuary shall review the assumptions and valuations underlying the Board's revised certification and preliminary report concerning the recertification and identifying, if necessary, recommended changes in actuarial assumptions that the Board must consider before finalizing its certification of the required State contributions. The Board's final certification must note any deviations from the State Actuary's recommended changes, the reason or reasons for not following the State Actuary's recommended changes, and the fiscal impact of not following the State Actuary's recommended changes on the required State contribution.

(a-15) On or after June 15, 2019, but no later than June 30, 2019, the Board shall recalculate and recertify to the Governor and the General Assembly the amount of the State contribution to the System for State fiscal year 2019, taking into account the changes in required State contributions made by Public Act 100-587. The recalculation shall be made using assumptions adopted by the Board for the original fiscal year 2019 certification. The monthly voucher for the 12th month of fiscal year 2019 shall be paid by the Comptroller after the recertification required pursuant to this subsection is

- 1 submitted to the Governor, Comptroller, and General Assembly.
- 2 The recertification submitted to the General Assembly shall be
- 3 filed with the Clerk of the House of Representatives and the
- 4 Secretary of the Senate in electronic form only, in the manner
- 5 that the Clerk and the Secretary shall direct.
- 6 (b) Through State fiscal year 1995, the State
- 7 contributions shall be paid to the System in accordance with
- 8 Section 18-7 of the School Code.
- 9 (b-1) Unless otherwise directed by the Comptroller under
- 10 subsection (b-1.1), the Board shall submit vouchers for
- 11 payment of State contributions to the System for the
- 12 applicable month on the 15th day of each month, or as soon
- 13 thereafter as may be practicable. The amount vouchered for a
- 14 monthly payment shall total one-twelfth of the required annual
- 15 State contribution certified under subsection (a-1).
- 16 (b-1.1) Beginning in State fiscal year 2025, if the
- 17 Comptroller requests that the Board submit, during a State
- 18 fiscal year, vouchers for multiple monthly payments for the
- 19 advance payment of State contributions due to the System for
- 20 that State fiscal year, then the Board shall submit those
- 21 additional vouchers as directed by the Comptroller,
- 22 notwithstanding subsection (b-1). Unless an act of
- 23 appropriations provides otherwise, nothing in this Section
- 24 authorizes the Board to submit, in a State fiscal year,
- vouchers for the payment of State contributions to the System
- in an amount that exceeds the rate of payroll that is certified

1 by the System under this Section for that State fiscal year.

(b-1.2) The vouchers described in subsections (b-1) and (b-1.1) shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year.

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

- (b-2) Allocations from the Common School Fund apportioned to school districts not coming under this System shall not be diminished or affected by the provisions of this Article.
- (b-3) For State fiscal years 2012 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the

1 projected unit credit actuarial cost method.

For each of State fiscal years 2018, 2019, and 2020, the State shall make an additional contribution to the System equal to 2% of the total payroll of each employee who is deemed to have elected the benefits under Section 1-161 or who has made the election under subsection (c) of Section 1-161.

A change in an actuarial or investment assumption that increases or decreases the required State contribution and first applies in State fiscal year 2018 or thereafter shall be implemented in equal annual amounts over a 5-year period beginning in the State fiscal year in which the actuarial change first applies to the required State contribution.

A change in an actuarial or investment assumption that increases or decreases the required State contribution and first applied to the State contribution in fiscal year 2014, 2015, 2016, or 2017 shall be implemented:

- (i) as already applied in State fiscal years before 2018; and
- (ii) in the portion of the 5-year period beginning in the State fiscal year in which the actuarial change first applied that occurs in State fiscal year 2018 or thereafter, by calculating the change in equal annual amounts over that 5-year period and then implementing it at the resulting annual rate in each of the remaining fiscal years in that 5-year period.
- 26 For State fiscal years 1996 through 2005, the State

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contribution to the System, as a percentage of the applicable 1 2 employee payroll, shall be increased in equal annual 3 increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section; except 5 that in the following specified State fiscal years, the State contribution to the System shall not be less than the 6 7 following indicated percentages of the applicable employee payroll, even if the indicated percentage will produce a State 8 9 contribution in excess of the amount otherwise required under 10 this subsection and subsection (a), and notwithstanding any 11 contrary certification made under subsection (a-1) before May 12 27, 1998 (the effective date of Public Act 90-582): 10.02% in FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY 13 2002; 12.86% in FY 2003; and 13.56% in FY 2004. 14

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

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

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

1 this Section.

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

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

1 paragraph (a) of Section 16-127.

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

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under subsection (a-1), shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the

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portion of the State's total debt service payments for that fiscal year on the bonds issued in fiscal year 2003 for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued in fiscal year 2003 for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

- (b-4) Beginning in fiscal year 2018, each employer under this Article shall pay to the System a required contribution determined as a percentage of projected payroll and sufficient to produce an annual amount equal to:
 - (i) for each of fiscal years 2018, 2019, and 2020, the defined benefit normal cost of the defined benefit plan, less the employee contribution, for each employee of that employer who has elected or who is deemed to have elected the benefits under Section 1-161 or who has made the election under subsection (b) of Section 1-161; for fiscal

year 2021 and each fiscal year thereafter, the defined benefit normal cost of the defined benefit plan, less the employee contribution, plus 2%, for each employee of that employer who has elected or who is deemed to have elected the benefits under Section 1-161 or who has made the election under subsection (b) of Section 1-161; plus

(ii) the amount required for that fiscal year to amortize any unfunded actuarial accrued liability associated with the present value of liabilities attributable to the employer's account under Section 16-158.3, determined as a level percentage of payroll over a 30-year rolling amortization period.

In determining contributions required under item (i) of this subsection, the System shall determine an aggregate rate for all employers, expressed as a percentage of projected payroll.

In determining the contributions required under item (ii) of this subsection, the amount shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation.

The contributions required under this subsection (b-4) shall be paid by an employer concurrently with that employer's payroll payment period. The State, as the actual employer of an employee, shall make the required contributions under this subsection.

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

If members are paid from special trust or federal funds which are administered by the employing unit, whether school district or other unit, the employing unit shall pay to the System from such funds the full accruing retirement costs based upon that service, which, beginning July 1, 2017, shall be at a rate, expressed as a percentage of salary, equal to the total employer's normal cost, expressed as a percentage of payroll, as determined by the System. Employer contributions, based on salary paid to members from federal funds, may be forwarded by the distributing agency of the State of Illinois to the System prior to allocation, in an amount determined in accordance with quidelines established by such agency and the System. Any contribution for fiscal year 2015 collected as a result of the change made by Public Act 98-674 shall be considered a State contribution under subsection (b-3) of this Section.

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

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1 monthly in accordance with guidelines established by the 2 System.

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 5 of Section 16-106, the employer's contribution shall be 12% (rather than 20%) of the member's highest annual salary rate 6 7 for each year of creditable service granted, and the employer 8 shall also pay the required employee contribution on behalf of 9 the teacher. For the purposes of Sections 16-133.4 and 10 16-133.5, a teacher as defined in paragraph (8) of Section 16-106 who is serving in that capacity while on leave of 11 12 absence from another employer under this Article shall not be 13 considered an employee of the employer from which the teacher 14 is on leave.

- (e) Beginning July 1, 1998, every employer of a teacher shall pay to the System an employer contribution computed as follows:
- 18 (1) Beginning July 1, 1998 through June 30, 1999, the
 19 employer contribution shall be equal to 0.3% of each
 20 teacher's salary.
- 21 (2) Beginning July 1, 1999 and thereafter, the 22 employer contribution shall be equal to 0.58% of each 23 teacher's salary.

The school district or other employing unit may pay these employer contributions out of any source of funding available for that purpose and shall forward the contributions to the

System on the schedule established for the payment of member contributions.

These employer contributions are intended to offset a portion of the cost to the System of the increases in retirement benefits resulting from Public Act 90-582.

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

The additional 1% employee contribution required under Section 16-152 by Public Act 90-582 is the responsibility of the teacher and not the teacher's employer, unless the employer agrees, through collective bargaining or otherwise, to make the contribution on behalf of the teacher.

If an employer is required by a contract in effect on May 1, 1998 between the employer and an employee organization to pay, on behalf of all its full-time employees covered by this Article, all mandatory employee contributions required under this Article, then the employer shall be excused from paying the employer contribution required under this subsection (e) for the balance of the term of that contract. The employer and the employee organization shall jointly certify to the System the existence of the contractual requirement, in such form as

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the System may prescribe. This exclusion shall cease upon the termination, extension, or renewal of the contract at any time after May 1, 1998.

(f) If the amount of a teacher's salary for any school year used to determine final average salary exceeds the member's annual full-time salary rate with the same employer for the previous school year by more than 6%, the teacher's employer shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, the present value of the increase in benefits resulting from the portion of the increase in salary that is in excess of 6%. This present value shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. If a teacher's salary for the 2005-2006 school year is used to determine final average salary under this subsection (f), then the changes made to this subsection (f) by Public Act 94-1057 shall apply in calculating whether the increase in his or her salary is in excess of 6%. For the purposes of this Section, change in employment under Section 10-21.12 of the School Code on or after June 1, 2005 shall constitute a change in employer. The System may require the employer to provide any pertinent information documentation. The changes made to this subsection (f) by Public Act 94-1111 apply without regard to whether the teacher

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1 was in service on or after its effective date.

Whenever it determines that a payment is or may be required under this subsection, the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the calculations used to determine the amount due. If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application must specify in detail the grounds of the dispute and, if the employer asserts that the calculation is subject to subsection (g), (g-5), (g-10), (g-15), (g-20), (g-25), or (h) of this Section, must include an affidavit setting forth and attesting to all facts within the employer's knowledge that pertinent to the applicability of that subsection. Upon receiving a timely application for recalculation, the System shall review the application and, if appropriate, recalculate the amount due.

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

- (f-1) (Blank).
- 2 (g) This subsection (g) applies only to payments made or 3 salary increases given on or after June 1, 2005 but before July 4 1, 2011. The changes made by Public Act 94-1057 shall not 5 require the System to refund any payments received before July 6 31, 2006 (the effective date of Public Act 94-1057).
 - When assessing payment for any amount due under subsection (f), the System shall exclude salary increases paid to teachers under contracts or collective bargaining agreements entered into, amended, or renewed before June 1, 2005.
 - When assessing payment for any amount due under subsection (f), the System shall exclude salary increases paid to a teacher at a time when the teacher is 10 or more years from retirement eligibility under Section 16-132 or 16-133.2.
 - When assessing payment for any amount due under subsection (f), the System shall exclude salary increases resulting from overload work, including summer school, when the school district has certified to the System, and the System has approved the certification, that (i) the overload work is for the sole purpose of classroom instruction in excess of the standard number of classes for a full-time teacher in a school district during a school year and (ii) the salary increases are equal to or less than the rate of pay for classroom instruction computed on the teacher's current salary and work schedule.
 - When assessing payment for any amount due under subsection

(f), the System shall exclude a salary increase resulting from a promotion (i) for which the employee is required to hold a certificate or supervisory endorsement issued by the State Teacher Certification Board that is a different certification or supervisory endorsement than is required for the teacher's previous position and (ii) to a position that has existed and been filled by a member for no less than one complete academic year and the salary increase from the promotion is an increase that results in an amount no greater than the lesser of the average salary paid for other similar positions in the district requiring the same certification or the amount stipulated in the collective bargaining agreement for a similar position requiring the same certification.

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

(g-5) When assessing payment for any amount due under subsection (f), the System shall exclude salary increases resulting from overload or stipend work performed in a school year subsequent to a school year in which the employer was unable to offer or allow to be conducted overload or stipend work due to an emergency declaration limiting such activities.

(q-10) When assessing payment for any amount due under

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- subsection (f), the System shall exclude salary increases resulting from increased instructional time that exceeded the
- 3 instructional time required during the 2019-2020 school year.
- 4 (g-15) When assessing payment for any amount due under 5 subsection (f), the System shall exclude salary increases 6 resulting from teaching summer school on or after May 1, 2021
- 7 and before September 15, 2022.
 - (g-20) When assessing payment for any amount due under subsection (f), the System shall exclude salary increases necessary to bring a school board in compliance with Public Act 101-443 or this amendatory Act of the 103rd General Assembly.
- 13 <u>(g-25) When assessing payment for any amount due under</u>
 14 <u>subsection (f), the System shall exclude any stipends paid to</u>
 15 <u>an eliqible cooperating teacher under Section 9.45 of the</u>
 16 Board of Higher Education Act.
 - (h) When assessing payment for any amount due under subsection (f), the System shall exclude any salary increase described in subsection (g) of this Section given on or after July 1, 2011 but before July 1, 2014 under a contract or collective bargaining agreement entered into, amended, or renewed on or after June 1, 2005 but before July 1, 2011. Notwithstanding any other provision of this Section, any payments made or salary increases given after June 30, 2014 shall be used in assessing payment for any amount due under subsection (f) of this Section.

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- 1 (i) The System shall prepare a report and file copies of 2 the report with the Governor and the General Assembly by 3 January 1, 2007 that contains all of the following 4 information:
- 5 (1) The number of recalculations required by the 6 changes made to this Section by Public Act 94-1057 for 7 each employer.
 - (2) The dollar amount by which each employer's contribution to the System was changed due to recalculations required by Public Act 94-1057.
 - (3) The total amount the System received from each employer as a result of the changes made to this Section by Public Act 94-4.
 - (4) The increase in the required State contribution resulting from the changes made to this Section by Public Act 94-1057.
- 17 (i-5) For school years beginning on or after July 1, 2017, if the amount of a participant's salary for any school year 18 exceeds the amount of the salary set for the Governor, the 19 20 participant's employer shall pay to the System, in addition to all other payments required under this Section and in 21 22 accordance with quidelines established by the System, an 23 amount determined by the System to be equal to the employer 24 normal cost, as established by the System and expressed as a 25 total percentage of payroll, multiplied by the amount of 26 salary in excess of the amount of the salary set for the

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Governor. This amount shall be computed by the System on the 1 2 basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at 3 the time of the computation. The System may require the 5 emplover to provide any pertinent information or 6 documentation.

Whenever it determines that a payment is or may be required under this subsection, the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the calculations used to determine the amount due. If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application must specify in detail the grounds of the dispute. Upon receiving a timely application for recalculation, the System shall review the application and, if appropriate, recalculate the amount due.

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

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- 1 (j) For purposes of determining the required State
- 2 contribution to the System, the value of the System's assets
- 3 shall be equal to the actuarial value of the System's assets,
- 4 which shall be calculated as follows:
- As of June 30, 2008, the actuarial value of the System's
- 6 assets shall be equal to the market value of the assets as of
- 7 that date. In determining the actuarial value of the System's
- 8 assets for fiscal years after June 30, 2008, any actuarial
- 9 gains or losses from investment return incurred in a fiscal
- 10 year shall be recognized in equal annual amounts over the
- 11 5-year period following that fiscal year.
- 12 (k) For purposes of determining the required State
- 13 contribution to the system for a particular year, the
- 14 actuarial value of assets shall be assumed to earn a rate of
- 15 return equal to the system's actuarially assumed rate of
- 16 return.
- 17 (Source: P.A. 102-16, eff. 6-17-21; 102-525, eff. 8-20-21;
- 18 102-558, eff. 8-20-21; 102-813, eff. 5-13-22; 103-515, eff.
- 19 8-11-23; 103-588, eff. 6-5-24.)
- 20 (40 ILCS 5/16-203)
- Sec. 16-203. Application and expiration of new benefit
- 22 increases.
- 23 (a) As used in this Section, "new benefit increase" means
- 24 an increase in the amount of any benefit provided under this
- 25 Article, or an expansion of the conditions of eligibility for

- any benefit under this Article, that results from an amendment to this Code that takes effect after June 1, 2005 (the effective date of Public Act 94-4). "New benefit increase", however, does not include any benefit increase resulting from the changes made to Article 1 or this Article by Public Act 95-910, Public Act 100-23, Public Act 100-587, Public Act 100-743, Public Act 100-769, Public Act 101-10, Public Act 101-49, Public Act 102-16, or Public Act 102-871, or this amendatory Act of the 104th General Assembly.
 - (b) Notwithstanding any other provision of this Code or any subsequent amendment to this Code, every new benefit increase is subject to this Section and shall be deemed to be granted only in conformance with and contingent upon compliance with the provisions of this Section.
 - (c) The Public Act enacting a new benefit increase must identify and provide for payment to the System of additional funding at least sufficient to fund the resulting annual increase in cost to the System as it accrues.

Every new benefit increase is contingent upon the General Assembly providing the additional funding required under this subsection. The Commission on Government Forecasting and Accountability shall analyze whether adequate additional funding has been provided for the new benefit increase and shall report its analysis to the Public Pension Division of the Department of Insurance. A new benefit increase created by a Public Act that does not include the additional funding

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- required under this subsection is null and void. If the Public 1 2 Pension Division determines that the additional funding 3 provided for a new benefit increase under this subsection is or has become inadequate, it may so certify to the Governor and 5 the State Comptroller and, in the absence of corrective action by the General Assembly, the new benefit increase shall expire 6 at the end of the fiscal year in which the certification is 7 8 made.
 - (d) Every new benefit increase shall expire 5 years after its effective date or on such earlier date as may be specified in the language enacting the new benefit increase or provided under subsection (c). This does not prevent the General Assembly from extending or re-creating a new benefit increase by law.
- 15 (e) Except as otherwise provided in the language creating 16 the new benefit increase, a new benefit increase that expires 17 under this Section continues to apply to persons who applied and qualified for the affected benefit while the new benefit 18 increase was in effect and to the affected beneficiaries and 19 20 alternate payees of such persons, but does not apply to any 21 other person, including, without limitation, a person who 22 continues in service after the expiration date and did not 23 apply and qualify for the affected benefit while the new benefit increase was in effect. 24
- 25 (Source: P.A. 102-16, eff. 6-17-21; 102-558, eff. 8-20-21;
- 102-813, eff. 5-13-22; 102-871, eff. 5-13-22; 103-154, eff. 26

- 1 6-30-23.)
- 2 Section 15. The Board of Higher Education Act is amended
- 3 by adding Section 9.45 as follows:
- 4 (110 ILCS 205/9.45 new)
- 5 Sec. 9.45. Student teaching stipend program.
- 6 (a) As used in this Section:
- 7 "Educator preparation program" means an approved educator
- 8 preparation program offered by a recognized school or
- 9 institution under Article 21B of the School Code.
- "Eligible cooperating teacher" means a teacher who is
- 11 licensed under Article 21B of the School Code or has attained
- 12 the Department of Human Services' Gateways to Opportunity
- 13 Early Childhood Education Credential Level 5 or 6, qualified
- 14 to teach in the subject area assigned, and matched with an
- 15 eligible student.
- "Eligible student" means a student who is enrolled in an
- 17 <u>educator preparation program, who is maintaining satisfactory</u>
- 18 academic progress, who intends to teach in this State, who is
- 19 placed as a student teacher, and who is not contracted as the
- teacher of record for the student teaching placement.
- "Student teaching" means a supervised clinical experience
- that prepares a candidate to take full responsibility in an
- 23 instructional setting.
- 24 (b) Subject to appropriation, the Board shall create a

1 <u>student teaching stipend program to alleviate the financial</u>

burden of student teaching, to encourage students to pursue

teaching careers to alleviate this State's teacher shortage,

and to encourage teachers to be matched with student teachers.

- (c) An educator preparation program shall notify the Board of all eligible students and eligible cooperating teachers who qualify for the stipend program.
- (d) Under the stipend program and subject to available appropriations, the Board shall disburse to each educator preparation program funds to distribute to each eligible student a stipend of up to \$10,000 per semester for up to 2 consecutive semesters, plus additional funds to pay the direct costs of operating the stipend program. The educator preparation program shall distribute stipend funds using the standard methods for allocating State-based financial aid or as wages for employment to each eligible student in monthly installments.
- (e) If there is a surplus appropriated in a fiscal year for the stipend program, then the Board shall increase the amount disbursed to each educator preparation program by the same percentage that the surplus bears to the amount required to fully fund the total number of eligible students who qualify for the stipend program that fiscal year. An educator preparation program shall increase the stipend amount distributed to each eligible student in proportion to the surplus.

- (f) If the amount appropriated in a fiscal year for the stipend program is insufficient to fully fund stipends for the total number of eligible students for that fiscal year, then the Board shall prioritize eligible students based on demonstrated financial need reported by each educator preparation program.
- (g) Funds not distributed in a particular fiscal year by an educator preparation program under this Section shall be returned to the Board to be used for the subsequent fiscal year's stipend program.
- (h) An educator preparation program may not prohibit an eligible student from participating in the stipend program or from receiving a stipend from the stipend program.
- (i) Under the stipend program and subject to available appropriations, the Board shall disburse funds to the State Board of Education, who shall disburse funds to each school district or early childhood education provider employing an eligible cooperating teacher to distribute to each eligible cooperating teacher a stipend of up to \$2,000 per semester for up to 2 consecutive semesters per academic year. The school district or early childhood education provider shall distribute stipend funds to an eligible cooperating teacher in one payment.
- (j) An eligible cooperating teacher who receives a stipend must complete State-approved, evidence-based training that aligns with training for instructional coaches, covers basic

responsibilities of a cooperating teacher, includes evidence-based practices in supporting student teachers in school or early childhood settings, and includes the effective assessment of student teachers that aligns with State educator performance evaluation requirements or the equivalent for early childhood education. The State Board of Education shall develop training that meets the criteria of this subsection and that is available to cooperating teachers.

(k) If there is a surplus appropriated in a fiscal year for the stipend program, then the Board shall increase the amount disbursed to the State Board of Education to disburse to each school district or early childhood education provider by the same percentage that the surplus bears to the amount required to fully fund the total number of eligible cooperating teachers who qualify for the stipend program that fiscal year. A school district or early childhood education provider shall increase the stipend amount distributed to each eligible cooperating teacher in proportion to the surplus.

(1) If the amount appropriated in a fiscal year for the stipend program is insufficient to fully fund stipends for the total number of eligible cooperating teachers for that fiscal year, then the Board shall reduce the amount disbursed to the State Board of Education to disburse to each school district or early childhood education provider by the same percentage that the deficit bears to the amount required to fully fund the total number of eligible cooperating teachers who qualify for

- 1 the stipend program. A school district or early childhood
- 2 <u>education provider shall reduce the stipend amount distributed</u>
- 3 to each eligible cooperating teacher in proportion to the
- 4 deficit.
- 5 (m) Nothing in this Section is intended to preclude an
- 6 <u>educator preparation program from providing an eligible</u>
- 7 cooperating teacher with additional incentives.
- 8 <u>(n) An eligible cooperating teacher participating in the</u>
- 9 <u>stipend program may receive professional development hours for</u>
- 10 <u>completing cooperating teacher training that count toward the</u>
- 11 eligible cooperating teacher's license renewal or the
- 12 equivalent for early childhood education.
- 13 (o) Subject to available appropriations, the Board shall
- issue a report evaluating the impact of the stipend program on
- 15 educator preparation programs, including enrollment and
- 16 completion rates, hiring rates, and retention rates. The Board
- shall issue this report in collaboration with the State Board
- 18 of Education. The Board shall submit this report to the
- 19 General Assembly and Governor on or before June 30 of the
- 20 fiscal year following the third consecutive fiscal year during
- 21 which the stipend program has received funding of at least
- 22 \$2,000,000.
- 23 (p) The Board shall provide guidance and technical
- 24 <u>assistance</u> to educator preparation programs on the
- 25 administration of the stipend program.
- 26 (q) The Board shall adopt rules regarding the

- 1 administration of the stipend program, including, but not
 2 limited to, the allocation of funds for the stipend program.
- (r) If the stipend program is funded prior to the adoption

 of rules under subsection (q), emergency rules regarding the

 administration of the stipend program may be adopted by the

 Board subject to the provisions of Section 5-45.65 of the
- 8 Section 99. Effective date. This Act takes effect upon becoming law.

Illinois Administrative Procedure Act.