



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB5409

Introduced 2/13/2026, by Rep. William "Will" Davis - Michael Crawford

SYNOPSIS AS INTRODUCED:

105 ILCS 5/2-3.215 new
105 ILCS 5/18-8.15

Amends the School Code. Provides that all mandated categorical programs under the Code and the School Breakfast and Lunch Program Act shall be funded at 100% of their required levels as calculated by the State Board of Education, without proration. Provides that, beginning with Fiscal Year 2027, the General Assembly shall appropriate funds for each fiscal year sufficient to fully reimburse school districts for all services and costs under mandated categorical programs, as required under the Code. Requires the State Board to annually provide to the General Assembly, no later than May 1 of each year, the appropriation levels needed to fully fund mandated categorical grant funding for the upcoming fiscal year. With respect to the evidence-based funding formula, provides that the State shall increase annual new State funds to ensure full funding of the formula beginning with Fiscal Year 2027. Requires the State Board to annually determine and report the amount necessary to bring all Tier 1 and Tier 2 organizational units to 100% of their adequacy targets, and requires the General Assembly to appropriate sufficient funds to meet this requirement no later than Fiscal Year 2027. Provides that no organizational unit may receive less than the amount determined under the formula in any fiscal year. Effective immediately.

LRB104 19019 LNS 32464 b

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 5. The School Code is amended by adding Section
5 2-3.215 and by changing Section 18-8.15 as follows:

6 (105 ILCS 5/2-3.215 new)

7 Sec. 2-3.215. Full funding of mandated categorical
8 programs.

9 (a) All mandated categorical programs under this Code and
10 the School Breakfast and Lunch Program Act, including, but not
11 limited to, those under subsection (b) of Section 14-13.01 and
12 Sections 14-7.02, 14-7.03, 18-3, and 29-5 of this Code, shall
13 be funded at 100% of their required levels as calculated by the
14 State Board of Education, without proration.

15 (b) Beginning with Fiscal Year 2027, the General Assembly
16 shall appropriate funds for each fiscal year sufficient to
17 fully reimburse school districts for all services and costs
18 under mandated categorical programs, as required under this
19 Code.

20 (c) The State Board of Education shall annually provide to
21 the General Assembly, no later than May 1 of each year, the
22 appropriation levels needed to fully fund mandated categorical
23 grant funding for the upcoming fiscal year.

1 (105 ILCS 5/18-8.15)

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

4 (a) General provisions.

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

20 (A) provide all students with a high quality
21 education that offers the academic, enrichment, social
22 and emotional support, technical, and career-focused
23 programs that will allow them to become competitive
24 workers, responsible parents, productive citizens of
25 this State, and active members of our national

1 democracy;

2 (B) ensure all students receive the education they
3 need to graduate from high school with the skills
4 required to pursue post-secondary education and
5 training for a rewarding career;

6 (C) reduce, with a goal of eliminating, the
7 achievement gap between at-risk and non-at-risk
8 students by raising the performance of at-risk
9 students and not by reducing standards; and

10 (D) ensure this State satisfies its obligation to
11 assume the primary responsibility to fund public
12 education and simultaneously relieve the
13 disproportionate burden placed on local property taxes
14 to fund schools.

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

23 (A) First, the model calculates a unique Adequacy
24 Target for each Organizational Unit in this State that
25 considers the costs to implement research-based
26 activities, the unit's student demographics, and

1 regional wage differences.

2 (B) Second, the model calculates each
3 Organizational Unit's Local Capacity, or the amount
4 each Organizational Unit is assumed to contribute
5 toward its Adequacy Target from local resources.

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

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

16 (3) An Organizational Unit receiving any funding under
17 this Section may apply those funds to any fund so received
18 for which that Organizational Unit is authorized to make
19 expenditures by law.

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

22 "Adequacy Target" is defined in paragraph (1) of
23 subsection (b) of this Section.

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

26 "Adjusted Local Capacity Target" is defined in

1 paragraph (3) of subsection (c) of this Section.

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

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

26 "Alternative School" means a public school that is

1 created and operated by a regional superintendent of
2 schools and approved by the State Board.

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

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

10 "Assistant principal" means a school administrator
11 duly endorsed to be employed as an assistant principal in
12 this State.

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

22 "Average Student Enrollment" or "ASE" for fiscal year
23 2018 means, for an Organizational Unit, the greater of the
24 average number of students (grades K through 12) reported
25 to the State Board as enrolled in the Organizational Unit
26 on October 1 in the immediately preceding school year,

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

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

1 intermediate service center must be calculated using the
2 Evidence-Based Funding formula under this Section for the
3 2019-2020 school year and each subsequent school year
4 until separate adequacy formulas are developed and adopted
5 for each type of program. ASE for a program operated by a
6 regional office of education or an intermediate service
7 center must be determined by the March 1 enrollment for
8 the program. For the 2019-2020 school year, the ASE used
9 in the calculation must be the first-year ASE and, in that
10 year only, the assignment of students served by a regional
11 office of education or intermediate service center shall
12 not result in a reduction of the March enrollment for any
13 school district. For the 2020-2021 school year, the ASE
14 must be the greater of the current-year ASE or the 2-year
15 average ASE. Beginning with the 2021-2022 school year, the
16 ASE must be the greater of the current-year ASE or the
17 3-year average ASE. School districts shall submit the data
18 for the ASE calculation to the State Board within 45 days
19 of the dates required in this Section for submission of
20 enrollment data in order for it to be included in the ASE
21 calculation. For fiscal year 2018 only, the ASE
22 calculation shall include only enrollment taken on October
23 1. In recognition of the impact of COVID-19, the
24 definition of "Average Student Enrollment" or "ASE" shall
25 be adjusted for calculations under this Section for fiscal
26 years 2022 through 2024. For fiscal years 2022 through

1 2024, the enrollment used in the calculation of ASE
2 representing the 2020-2021 school year shall be the
3 greater of the enrollment for the 2020-2021 school year or
4 the 2019-2020 school year.

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

7 "Base Funding Minimum" is defined in subsection (e) of
8 this Section.

9 "Base Tax Year" means the property tax levy year used
10 to calculate the Budget Year allocation of primary State
11 aid.

12 "Base Tax Year's Extension" means the product of the
13 equalized assessed valuation utilized by the county clerk
14 in the Base Tax Year multiplied by the limiting rate as
15 calculated by the county clerk and defined in PTELL.

16 "Bilingual Education Allocation" means the amount of
17 an Organizational Unit's final Adequacy Target
18 attributable to bilingual education divided by the
19 Organizational Unit's final Adequacy Target, the product
20 of which shall be multiplied by the amount of new funding
21 received pursuant to this Section. An Organizational
22 Unit's final Adequacy Target attributable to bilingual
23 education shall include all additional investments in
24 English learner students' adequacy elements.

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

1 "Central office" means individual administrators and
2 support service personnel charged with managing the
3 instructional programs, business and operations, and
4 security of the Organizational Unit.

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

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

24 "Computer technology and equipment investment
25 allocation" means the final Adequacy Target amount of an
26 Organizational Unit assigned to Tier 1 or Tier 2 in the

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

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

15 "Core teacher" means a regular classroom teacher in
16 elementary schools and teachers of a core subject in
17 middle and high schools.

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

21 "CPPRT" means corporate personal property replacement
22 tax funds paid to an Organizational Unit during the
23 calendar year one year before the calendar year in which a
24 school year begins, pursuant to "An Act in relation to the
25 abolition of ad valorem personal property tax and the
26 replacement of revenues lost thereby, and amending and

1 repealing certain Acts and parts of Acts in connection
2 therewith", certified August 14, 1979, as amended (Public
3 Act 81-1st S.S.-1).

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

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

13 "EIS Data" means the employment information system
14 data maintained by the State Board on educators within
15 Organizational Units.

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

22 "English learner" or "EL" means a child included in
23 the definition of "English learners" under Section 14C-2
24 of this Code participating in a program of transitional
25 bilingual education or a transitional program of
26 instruction meeting the requirements and program

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

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

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

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

23 "Extension Limitation Ratio" means a numerical ratio
24 in which the numerator is the Base Tax Year's Extension
25 and the denominator is the Preceding Tax Year's Extension.

26 "Final Percent of Adequacy" is defined in paragraph

1 (4) of subsection (f) of this Section.

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

4 "Full-time equivalent" or "FTE" means the full-time
5 equivalency compensation for staffing the relevant
6 position at an Organizational Unit.

7 "Funding Gap" is defined in paragraph (1) of
8 subsection (g).

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

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

14 "Instructional facilitator" means a qualified teacher
15 or licensed teacher leader who facilitates and coaches
16 continuous improvement in classroom instruction; provides
17 instructional support to teachers in the elements of
18 research-based instruction or demonstrates the alignment
19 of instruction with curriculum standards and assessment
20 tools; develops or coordinates instructional programs or
21 strategies; develops and implements training; chooses
22 standards-based instructional materials; provides
23 teachers with an understanding of current research; serves
24 as a mentor, site coach, curriculum specialist, or lead
25 teacher; or otherwise works with fellow teachers, in
26 collaboration, to use data to improve instructional

1 practice or develop model lessons.

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

7 "Laboratory School" means a public school that is
8 created and operated by a public university and approved
9 by the State Board.

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

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

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

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

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

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

24 "Low-Income Count" means, for an Organizational Unit
25 in a fiscal year, the higher of the average number of
26 students for the prior school year or the immediately

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

26 "Maintenance and operations" means custodial services,

1 facility and ground maintenance, facility operations,
2 facility security, routine facility repairs, and other
3 similar services and functions.

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

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

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

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

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

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

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

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

11 "Preceding Tax Year" means the property tax levy year
12 immediately preceding the Base Tax Year.

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

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

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

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

23 "Professional development" means training programs for
24 licensed staff in schools, including, but not limited to,
25 programs that assist in implementing new curriculum
26 programs, provide data focused or academic assessment data

1 training to help staff identify a student's weaknesses and
2 strengths, target interventions, improve instruction,
3 encompass instructional strategies for English learner,
4 gifted, or at-risk students, address inclusivity, cultural
5 sensitivity, or implicit bias, or otherwise provide
6 professional support for licensed staff.

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

12 "PTELL" means the Property Tax Extension Limitation
13 Law.

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

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

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

22 "Regionalization Factor" means, for a particular
23 Organizational Unit, the figure derived by dividing the
24 Organizational Unit CWI by the Statewide Weighted CWI.

25 "School counselor" means a licensed school counselor
26 who provides guidance and counseling support for students

1 within an Organizational Unit.

2 "School site staff" means the primary school secretary
3 and any additional clerical personnel assigned to a
4 school.

5 "Special education" means special educational
6 facilities and services, as defined in Section 14-1.08 of
7 this Code.

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

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

23 "Specially Funded Unit" means an Alternative School,
24 safe school, Department of Juvenile Justice school,
25 special education cooperative or entity recognized by the
26 State Board as a special education cooperative,

1 State-approved charter school, or alternative learning
2 opportunities program that received direct funding from
3 the State Board during the 2016-2017 school year through
4 any of the funding sources included within the calculation
5 of the Base Funding Minimum or Glenwood Academy.

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

11 "State Adequacy Level" is the sum of the Adequacy
12 Targets of all Organizational Units.

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

14 "State Superintendent" means the State Superintendent
15 of Education.

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

22 "Student activities" means non-credit producing
23 after-school programs, including, but not limited to,
24 clubs, bands, sports, and other activities authorized by
25 the school board of the Organizational Unit.

26 "Substitute teacher" means an individual teacher or

1 teaching assistant who is employed by an Organizational
2 Unit and is temporarily serving the Organizational Unit on
3 a per diem or per period-assignment basis to replace
4 another staff member.

5 "Summer school" means academic and enrichment programs
6 provided to students during the summer months outside of
7 the regular school year.

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

15 "Target Ratio" is defined in paragraph (4) of
16 subsection (g).

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

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

23 (b) Adequacy Target calculation.

24 (1) Each Organizational Unit's Adequacy Target is the
25 sum of the Organizational Unit's cost of providing
26 Essential Elements, as calculated in accordance with this

1 subsection (b), with the salary amounts in the Essential
2 Elements multiplied by a Regionalization Factor calculated
3 pursuant to paragraph (3) of this subsection (b).

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

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

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

23 (ii) For grades 4 through 12, the
24 Organizational Unit shall receive funding required
25 to support one FTE core teacher position for every
26 20 Low-Income Count students in those grades and

1 one FTE core teacher position for every 25
2 non-Low-Income Count students in those grades.

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

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

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

17 (ii) if such Organizational Unit operates a
18 high school, then 33.33% of the number of the
19 Organizational Unit's core teachers.

20 (C) Instructional facilitator investments. Each
21 Organizational Unit shall receive the funding needed
22 to cover one FTE instructional facilitator position
23 for every 200 combined ASE of pre-kindergarten
24 children with disabilities and all kindergarten
25 through grade 12 students of the Organizational Unit.

26 (D) Core intervention teacher (tutor) investments.

1 Each Organizational Unit shall receive the funding
2 needed to cover one FTE teacher position for each
3 prototypical elementary, middle, and high school.

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

18 (F) Core school counselor investments. Each
19 Organizational Unit shall receive the funding needed
20 to cover one FTE school counselor for each 450
21 combined ASE of pre-kindergarten children with
22 disabilities and all kindergarten through grade 5
23 students, plus one FTE school counselor for each 250
24 grades 6 through 8 ASE middle school students, plus
25 one FTE school counselor for each 250 grades 9 through
26 12 ASE high school students.

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

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

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

21 (J) Principal investments. Each Organizational
22 Unit shall receive the funding needed to cover one FTE
23 principal position for each prototypical elementary
24 school, plus one FTE principal position for each
25 prototypical middle school, plus one FTE principal
26 position for each prototypical high school.

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

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

16 (M) Gifted investments. Each Organizational Unit
17 shall receive \$40 per kindergarten through grade 12
18 ASE.

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

26 (O) Instructional material investments. Each

1 Organizational Unit shall receive \$190 per student of
2 the combined ASE of pre-kindergarten children with
3 disabilities and all kindergarten through grade 12
4 students to cover instructional material costs.

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

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

1 subparagraph (Q) may be used only for serving the
2 technology needs of the district. It is the intent of
3 Public Act 100-465 that all Tier 1 and Tier 2 districts
4 receive the addition to their Adequacy Target in the
5 following year, subject to compliance with the
6 requirements of the State Board.

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

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

23 (T) Central office investments. Each
24 Organizational Unit shall receive \$742 per student of
25 the combined ASE of pre-kindergarten children with
26 disabilities and all kindergarten through grade 12

1 students to cover central office operations, including
2 administrators and classified personnel charged with
3 managing the instructional programs, business and
4 operations of the school district, and security
5 personnel. The proportion of salary for the
6 application of a Regionalization Factor and the
7 calculation of benefits is equal to \$368.48.

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

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

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

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

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

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

23 (iv) one FTE summer school teacher position
24 for every 120 Low-Income Count students.

25 (W) Additional investments in English learner
26 students. In addition to and not in lieu of all other

1 funding under this paragraph (2), each Organizational
2 Unit shall receive funding based on the average
3 teacher salary for grades K through 12 to cover the
4 costs of:

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

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

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

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

13 (v) one FTE core teacher position for every
14 100 English learner students.

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

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

23 (ii) one FTE instructional assistant for every
24 141 combined ASE of pre-kindergarten children with
25 disabilities and all kindergarten through grade 12
26 students; and

1 (iii) one FTE psychologist position for every
2 1,000 combined ASE of pre-kindergarten children
3 with disabilities and all kindergarten through
4 grade 12 students.

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

- 13 (A) Teacher for grades K through 8.
14 (B) Teacher for grades 9 through 12.
15 (C) Teacher for grades K through 12.
16 (D) School counselor for grades K through 8.
17 (E) School counselor for grades 9 through 12.
18 (F) School counselor for grades K through 12.
19 (G) Social worker.
20 (H) Psychologist.
21 (I) Librarian.
22 (J) Nurse.
23 (K) Principal.
24 (L) Assistant principal.

25 For the purposes of this paragraph (3), "teacher"
26 includes core teachers, specialist and elective teachers,

1 instructional facilitators, tutors, special education
2 teachers, pupil support staff teachers, English learner
3 teachers, extended day teachers, and summer school
4 teachers. Where specific grade data is not required for
5 the Essential Elements, the average salary for
6 corresponding positions shall apply. For substitute
7 teachers, the average teacher salary for grades K through
8 12 shall apply.

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

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

14 (ii) non-instructional assistant, instructional
15 assistant, library aide, library media tech, or
16 supervisory aide: \$25,000.

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

21 The salary amounts for the Essential Elements
22 determined pursuant to subparagraphs (A) through (L), (S)
23 and (T), and (V) through (X) of paragraph (2) of
24 subsection (b) of this Section shall be multiplied by a
25 Regionalization Factor.

26 (c) Local Capacity calculation.

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

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

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

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

6 (i) for Organizational Units serving grades
7 kindergarten through 12 and Hybrid Districts, no
8 further adjustments shall be made;

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

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

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

20 (C) The Local Capacity Percentage is equal to the
21 percentile ranking of the district. Local Capacity
22 Percentage converts each Organizational Unit's Local
23 Capacity Ratio to a cumulative distribution resulting
24 in a percentile ranking to determine each
25 Organizational Unit's relative position to all other
26 Organizational Units in this State. The Local Capacity

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

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

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

26 (3) If an Organizational Unit's Real Receipts are more

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

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

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

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

22 (2) The State Superintendent shall calculate the
23 equalized assessed valuation, or EAV, of all taxable
24 property of each Organizational Unit as of September 30 of
25 the previous year in accordance with paragraph (3) of this
26 subsection (d). The State Superintendent shall then

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

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

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

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

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

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

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

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

25 (D) If a school district's boundaries span
26 multiple counties, then the Department of Revenue

1 shall send to the State Board, for the purposes of
2 calculating Evidence-Based Funding, the limiting rate
3 and individual rates by purpose for the county that
4 contains the majority of the school district's
5 equalized assessed valuation.

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

1 that year represents a decline of 10% or more when
2 comparing the 2 most recent years.

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

1 equalized assessed valuation of disconnected property.

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

5 (e) Base Funding Minimum calculation.

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

1 by the Sections of this Code listed in the preceding
2 sentence and (ii) the difference between (I) the funds
3 allocated to the school district pursuant to Section 1D-1
4 of this Code attributable to the funding programs
5 authorized by Section 14-7.02 (non-public special
6 education reimbursement), subsection (b) of Section
7 14-13.01 (special education transportation), Section 29-5
8 (transportation), Section 2-3.80 (agricultural
9 education), Section 2-3.66 (truants' alternative
10 education), Section 2-3.62 (educational service centers),
11 and Section 14-7.03 (special education - orphanage) of
12 this Code and Section 15 of the Childhood Hunger Relief
13 Act (free breakfast program) and (II) the school
14 district's actual expenditures for its non-public special
15 education, special education transportation,
16 transportation programs, agricultural education, truants'
17 alternative education, services that would otherwise be
18 performed by a regional office of education, special
19 education orphanage expenditures, and free breakfast, as
20 most recently calculated and reported pursuant to
21 subsection (f) of Section 1D-1 of this Code. The Base
22 Funding Minimum for Glenwood Academy shall be \$952,014.
23 For programs operated by a regional office of education or
24 an intermediate service center, the Base Funding Minimum
25 must be the total amount of State funds allocated to those
26 programs in the 2018-2019 school year and amounts provided

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

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

22 For the 2022-2023 school year, the Base Funding
23 Minimum of Organizational Units shall be the amounts
24 recalculated by the State Board of Education for Fiscal
25 Year 2019 through Fiscal Year 2022 that were necessary due
26 to average student enrollment errors for districts

1 organized under Article 34 of this Code, plus the Fiscal
2 Year 2022 property tax relief grants provided under
3 Section 2-3.170 of this Code, ensuring each Organizational
4 Unit has the correct amount of resources for Fiscal Year
5 2023 Evidence-Based Funding calculations and that Fiscal
6 Year 2023 Evidence-Based Funding Distributions are made in
7 accordance with this Section.

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

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

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

23 (C) The Organizational Unit demonstrates
24 sustainability through a 5-year financial and
25 strategic plan.

26 (D) The Organizational Unit has made sufficient

1 progress and achieved sufficient stability in the
2 areas of governance, academic growth, and finances.

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

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

25 For the first 4 years following the initial year that
26 the State Board determines that an Organizational Unit has

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

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

26 (1) The Evidence-Based Funding formula establishes a

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

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

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

26 (4) An Organizational Unit's Final Percent of Adequacy

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

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

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

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

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

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

9 (3) Organizational Units are placed into one of 4
10 tiers as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

25 (6) If, at any point, the Tier 1 Target Ratio is
26 greater than 90%, then all Tier 1 funding shall be

1 allocated to Tier 2 and no Tier 1 Organizational Unit's
2 funding may be identified.

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

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

16 (8.5) If a school district withdraws from a special
17 education cooperative, the portion of the Base Funding
18 Minimum that is attributable to the school district may be
19 redistributed to the school district upon withdrawal. The
20 school district and the cooperative must include the
21 amount of the Base Funding Minimum that is to be
22 reapportioned in their withdrawal agreement and notify the
23 State Board of the change with a copy of the agreement upon
24 withdrawal.

25 (9) The Minimum Funding Level is intended to establish
26 a target for State funding that will keep pace with

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

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

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

22 (C) Next, Tier 2 funding shall be reduced by an
23 amount equal to the difference between the Minimum
24 Funding Level and New State Funds and the reduction in
25 Tier 4 and Tier 3.

26 (D) Finally, Tier 1 funding shall be reduced by an

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

8 (9.5) For State fiscal year 2019 and subsequent State
9 fiscal years, except State fiscal year 2026, if New State
10 Funds exceed \$300,000,000, then any amount in excess of
11 \$300,000,000 shall be dedicated for purposes of Section
12 2-3.170 of this Code up to a maximum of \$50,000,000.

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

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

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

16 (g-5) Full Evidence-Based Funding for student success.

17 (1) It is the intent of the General Assembly to fully
18 fund the provisions of this Section to ensure all
19 Organizational Units receive their Adequacy Target as
20 calculated under this Section.

21 (2) Beginning with Fiscal Year 2027, the State shall
22 increase the annual New State Funds as calculated under
23 subsection (g) to ensure full funding of the
24 Evidence-Based Funding formula beginning with Fiscal Year
25 2027. The State Board of Education shall annually
26 determine and report the amount necessary to bring all

1 Tier 1 and Tier 2 Organizational Units to 100% of their
2 Adequacy Targets, and the General Assembly shall
3 appropriate sufficient funds to meet this requirement no
4 later than Fiscal Year 2027.

5 (3) Notwithstanding any other provision of law to the
6 contrary, no Organizational Unit may receive less than the
7 amount determined under this Section in any fiscal year.

8 (h) State Superintendent administration of funding and
9 district submission requirements.

10 (1) The State Superintendent shall, in accordance with
11 appropriations made by the General Assembly, meet the
12 funding obligations created under this Section.

13 (2) The State Superintendent shall calculate the
14 Adequacy Target for each Organizational Unit under this
15 Section. No Evidence-Based Funding shall be distributed
16 within an Organizational Unit without the approval of the
17 unit's school board.

18 (3) Annually, the State Superintendent shall calculate
19 and report to each Organizational Unit the unit's
20 aggregate financial adequacy amount, which shall be the
21 sum of the Adequacy Target for each Organizational Unit.
22 The State Superintendent shall calculate and report
23 separately for each Organizational Unit the unit's total
24 State funds allocated for its students with disabilities.
25 The State Superintendent shall calculate and report
26 separately for each Organizational Unit the amount of

1 funding and applicable FTE calculated for each Essential
2 Element of the unit's Adequacy Target.

3 (4) Annually, the State Superintendent shall calculate
4 and report to each Organizational Unit the amount the unit
5 must expend on special education and bilingual education
6 and computer technology and equipment for Organizational
7 Units assigned to Tier 1 or Tier 2 that received an
8 additional \$285.50 per student computer technology and
9 equipment investment grant to their Adequacy Target
10 pursuant to the unit's Base Funding Minimum, Special
11 Education Allocation, Bilingual Education Allocation, and
12 computer technology and equipment investment allocation.

13 (5) Moneys distributed under this Section shall be
14 calculated on a school year basis, but paid on a fiscal
15 year basis, with payments beginning in August and
16 extending through June. Unless otherwise provided, the
17 moneys appropriated for each fiscal year shall be
18 distributed in 22 equal payments at least 2 times monthly
19 to each Organizational Unit. If moneys appropriated for
20 any fiscal year are distributed other than monthly, the
21 distribution shall be on the same basis for each
22 Organizational Unit.

23 (6) Any school district that fails, for any given
24 school year, to maintain school as required by law or to
25 maintain a recognized school is not eligible to receive
26 Evidence-Based Funding. In case of non-recognition of one

1 or more attendance centers in a school district otherwise
2 operating recognized schools, the claim of the district
3 shall be reduced in the proportion that the enrollment in
4 the attendance center or centers bears to the enrollment
5 of the school district. "Recognized school" means any
6 public school that meets the standards for recognition by
7 the State Board. A school district or attendance center
8 not having recognition status at the end of a school term
9 is entitled to receive State aid payments due upon a legal
10 claim that was filed while it was recognized.

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

14 (8) Each fiscal year, the State Superintendent shall
15 calculate for each Organizational Unit an amount of its
16 Base Funding Minimum and Evidence-Based Funding that shall
17 be deemed attributable to the provision of special
18 educational facilities and services, as defined in Section
19 14-1.08 of this Code, in a manner that ensures compliance
20 with maintenance of State financial support requirements
21 under the federal Individuals with Disabilities Education
22 Act. An Organizational Unit must use such funds only for
23 the provision of special educational facilities and
24 services, as defined in Section 14-1.08 of this Code, and
25 must comply with any expenditure verification procedures
26 adopted by the State Board.

1 (9) All Organizational Units in this State must submit
2 annual spending plans, as part of the budget submission
3 process, no later than October 31 of each year to the State
4 Board. The spending plan shall describe how each
5 Organizational Unit will utilize the Base Funding Minimum
6 and Evidence-Based Funding it receives from this State
7 under this Section with specific identification of the
8 intended utilization of Low-Income, English learner, and
9 special education resources. Additionally, the annual
10 spending plans of each Organizational Unit shall describe
11 how the Organizational Unit expects to achieve student
12 growth and how the Organizational Unit will achieve State
13 education goals, as defined by the State Board, and shall
14 indicate which stakeholder groups the Organizational Unit
15 engaged with to inform its annual spending plans. The
16 State Superintendent may, from time to time, identify
17 additional requisites for Organizational Units to satisfy
18 when compiling the annual spending plans required under
19 this subsection (h). The format and scope of annual
20 spending plans shall be developed by the State
21 Superintendent and the State Board of Education. School
22 districts that serve students under Article 14C of this
23 Code shall continue to submit information as required
24 under Section 14C-12 of this Code. Annual spending plans
25 required under this subsection (h) shall be integrated
26 into annual school district budgets completed pursuant to

1 Section 17-1 or Section 34-43. Organizational Units that
2 do not submit a budget to the State Board shall be provided
3 with a separate planning template developed by the State
4 Board. The State Board shall create an Evidence-Based
5 Funding spending plan tool to make Evidence-Based Funding
6 spending plan data for each Organizational Unit available
7 on the State Board's website no later than December 31,
8 2025, with annual updates thereafter. The tool shall allow
9 for the selection and review of each Organizational Unit's
10 planned use of Evidence-Based Funding.

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

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

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

24 (C) application and enhancement of the current
25 financial accountability measures, the approved State
26 plan to comply with the federal Every Student Succeeds

1 Act, and the Illinois Balanced Accountability Measures
2 in relation to student growth and elements of the
3 Evidence-Based Funding model; and

4 (D) implementation of an effective school adequacy
5 funding system based on projected and recommended
6 funding levels from the General Assembly.

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

12 (A) Gifted under subparagraph (M) of paragraph (2)
13 of subsection (b).

14 (B) Instructional materials under subparagraph (O)
15 of paragraph (2) of subsection (b).

16 (C) Assessment under subparagraph (P) of paragraph
17 (2) of subsection (b).

18 (D) Student activities under subparagraph (R) of
19 paragraph (2) of subsection (b).

20 (E) Maintenance and operations under subparagraph
21 (S) of paragraph (2) of subsection (b).

22 (F) Central office under subparagraph (T) of
23 paragraph (2) of subsection (b).

24 (i) Professional Review Panel.

25 (1) A Professional Review Panel is created to study
26 and review topics related to the implementation and effect

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

16 (A) Two appointees that represent district
17 superintendents, recommended by a statewide
18 organization that represents district superintendents.

19 (B) Two appointees that represent school boards,
20 recommended by a statewide organization that
21 represents school boards.

22 (C) Two appointees from districts that represent
23 school business officials, recommended by a statewide
24 organization that represents school business
25 officials.

26 (D) Two appointees that represent school

1 principals, recommended by a statewide organization
2 that represents school principals.

3 (E) Two appointees that represent teachers,
4 recommended by a statewide organization that
5 represents teachers.

6 (F) Two appointees that represent teachers,
7 recommended by another statewide organization that
8 represents teachers.

9 (G) Two appointees that represent regional
10 superintendents of schools, recommended by
11 organizations that represent regional superintendents.

12 (H) Two independent experts selected solely by the
13 State Superintendent.

14 (I) Two independent experts recommended by public
15 universities in this State.

16 (J) One member recommended by a statewide
17 organization that represents parents.

18 (K) Two representatives recommended by collective
19 impact organizations that represent major metropolitan
20 areas or geographic areas in Illinois.

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

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

1 The State Superintendent shall ensure that the
2 membership of the Panel includes representatives from
3 school districts and communities reflecting the
4 geographic, socio-economic, racial, and ethnic diversity
5 of this State. The State Superintendent shall additionally
6 ensure that the membership of the Panel includes
7 representatives with expertise in bilingual education and
8 special education. Staff from the State Board shall staff
9 the Panel.

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

22 (3) The Panel must study topics at the direction of
23 the General Assembly or State Board of Education, as
24 provided under paragraph (1). The Panel may also study the
25 following topics at the direction of the chairperson:

26 (A) The format and scope of annual spending plans

1 referenced in paragraph (9) of subsection (h) of this
2 Section.

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

4 (C) Maintenance and operations, including capital
5 maintenance and construction costs.

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

7 (E) Benefits.

8 (F) Technology.

9 (G) Local Capacity Target.

10 (H) Funding for Alternative Schools, Laboratory
11 Schools, safe schools, and alternative learning
12 opportunities programs.

13 (I) Funding for college and career acceleration
14 strategies.

15 (J) Special education investments.

16 (K) Early childhood investments, in collaboration
17 with the Illinois Early Learning Council.

18 (4) (Blank).

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

26 (6) (Blank).

1 (7) To ensure that (i) the Adequacy Target calculation
2 under subsection (b) accurately reflects the needs of
3 students living in poverty or attending schools located in
4 areas of high poverty, (ii) racial equity within the
5 Evidence-Based Funding formula is explicitly explored and
6 advanced, and (iii) the funding goals of the formula
7 distribution system established under this Section are
8 sufficient to provide adequate funding for every student
9 and to fully fund every school in this State, the Panel
10 shall review the Essential Elements under paragraph (2) of
11 subsection (b). The Panel shall consider all of the
12 following in its review:

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

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

24 (C) Changes to the Essential Elements that may be
25 required to better promote racial equity and eliminate
26 structural racism within schools.

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

5 (E) Provide an overview of alternative funding
6 structures that would enable the State to become fully
7 funded at an earlier date.

8 (F) The potential to increase efficiency and to
9 find cost savings within the school system to expedite
10 the journey to a fully funded system.

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

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

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

5 (8) On or before April 1, 2024, the Panel must submit a
6 report to the General Assembly on annual adjustments to
7 Glenwood Academy's base-funding minimum in a similar
8 fashion to school districts under this Section.

9 (9) On or before March 31, 2026, the Professional
10 Review Panel shall make a report to the Governor and the
11 General Assembly assessing the impact of the property tax
12 relief pool grant program under Section 2-3.170, including
13 the number of districts participating in the program by
14 fiscal year since Fiscal Year 2019, the tier assignment
15 for participating school districts, and an analysis of the
16 operating tax rates of participating school districts to
17 determine if the grant program is meeting the legislative
18 intent of reducing property taxes in high-tax areas of the
19 State.

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

25 (Source: P.A. 103-8, eff. 6-7-23; 103-154, eff. 6-30-23;
26 103-175, eff. 6-30-23; 103-605, eff. 7-1-24; 103-780, eff.

1 8-2-24; 103-802, eff. 1-1-25; 104-2, eff. 6-16-25; 104-417,
2 eff. 8-15-25; 104-435, eff. 11-21-25; revised 12-9-25.)

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