



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB4563

by Rep. Peter Breen

SYNOPSIS AS INTRODUCED:

35 ILCS 40/5
35 ILCS 40/10
35 ILCS 40/15
35 ILCS 40/25
35 ILCS 40/30
35 ILCS 40/35
105 ILCS 5/18-8.15

Amends the Invest in Kids Act. Provides that contributions to a school district foundation are also qualified contributions under the Act. Provides that taxpayers who make contributions to a school district foundation are also eligible for a property tax credit. Provides that the term "contribution" means a donation made by the taxpayer during the taxable year for providing scholarships or support (currently, scholarships only). Contains provisions concerning the calculation of the credit or abatement for contributions to school district foundations and the aggregate amount of the credit and abatement available for those contributions. Amends the School Code. Provides that payments under the evidence-based funding formula shall be reduced by the amount of qualified contributions received by the applicable school district foundation under the Invest in Kids Act. Amends the Property Tax Code to make conforming changes. Effective immediately.

LRB100 19951 HLH 35232 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 Invest in Kids Act is amended by changing
5 Sections 5, 10, 15, 25, 30, and 35 as follows:

6 (35 ILCS 40/5)

7 (Section scheduled to be repealed on January 1, 2024)

8 Sec. 5. Definitions. As used in this Act:

9 "Authorized contribution" means the contribution amount
10 that is listed on the contribution authorization certificate
11 issued to the taxpayer.

12 "Board" means the State Board of Education.

13 "Contribution" means a donation made by the taxpayer during
14 the taxable year for providing scholarships or support as
15 provided in this Act.

16 "Custodian" means, with respect to eligible students, an
17 Illinois resident who is a parent or legal guardian of the
18 eligible student or students.

19 "Department" means the Department of Revenue.

20 "Eligible student" means a child who:

21 (1) is a member of a household whose federal adjusted
22 gross income the year before he or she initially receives a
23 scholarship under this program, as determined by the

1 Department, does not exceed 300% of the federal poverty
2 level and, once the child receives a scholarship, does not
3 exceed 400% of the federal poverty level;

4 (2) is eligible to attend a public elementary school or
5 high school in Illinois in the semester immediately
6 preceding the semester for which he or she first receives a
7 scholarship or is starting school in Illinois for the first
8 time when he or she first receives a scholarship; and

9 (3) resides in Illinois while receiving a scholarship.

10 "Family member" means a parent, child, or sibling, whether
11 by whole blood, half blood, or adoption; spouse; or stepchild.

12 "Focus district" means a school district which has a school
13 that is either (i) a school that has one or more subgroups in
14 which the average student performance is at or below the State
15 average for the lowest 10% of student performance in that
16 subgroup or (ii) a school with an average graduation rate of
17 less than 60% and not identified for priority.

18 "Necessary costs and fees" includes the customary charge
19 for instruction and use of facilities in general and the
20 additional fixed fees charged for specified purposes that are
21 required generally of non-scholarship recipients for each
22 academic period for which the scholarship applicant actually
23 enrolls, including costs associated with student assessments,
24 but does not include fees payable only once and other
25 contingent deposits that are refundable in whole or in part.
26 The Board may prescribe, by rules consistent with this Act,

1 detailed provisions concerning the computation of necessary
2 costs and fees.

3 "Scholarship granting organization" means an entity that:

4 (1) is exempt from taxation under Section 501(c)(3) of
5 the Internal Revenue Code;

6 (2) uses at least 95% of the qualified contributions
7 received during a taxable year for scholarships;

8 (3) provides scholarships to students according to the
9 guidelines of this Act;

10 (4) deposits and holds qualified contributions and any
11 income derived from qualified contributions in an account
12 that is separate from the organization's operating fund or
13 other funds until such qualified contributions or income
14 are withdrawn for use; and

15 (5) is approved to issue certificates of receipt.

16 "School district foundation" means an entity that:

17 (1) is exempt from taxation under Section 501(c)(3) of
18 the Internal Revenue Code;

19 (2) is controlled by and established exclusively for
20 the support of a specified Illinois school district;

21 (3) uses 100% of the qualified contributions received
22 during a taxable year for support of a specified Illinois
23 school district;

24 (4) deposits and holds qualified contributions and any
25 income derived from qualified contributions in an account
26 that is separate from the organization's operating fund or

1 other funds until such qualified contributions or income
2 are withdrawn for use; and

3 (5) is approved to issue certificates of receipt.

4 "Qualified contribution" means the authorized contribution
5 made by a taxpayer to a scholarship granting organization or a
6 school district foundation for which the taxpayer has received
7 a certificate of receipt from such organization.

8 "Qualified school" means a non-public school located in
9 Illinois and recognized by the Board pursuant to Section
10 2-3.250 of the School Code.

11 "Scholarship" means an educational scholarship awarded to
12 an eligible student to attend a qualified school of their
13 custodians' choice in an amount not exceeding the necessary
14 costs and fees to attend that school.

15 "Taxpayer" means any individual, corporation, partnership,
16 trust, or other entity subject to the Illinois income tax. For
17 the purposes of this Act, 2 individuals filing a joint return
18 shall be considered one taxpayer.

19 (Source: P.A. 100-465, eff. 8-31-17.)

20 (35 ILCS 40/10)

21 (Section scheduled to be repealed on January 1, 2024)

22 Sec. 10. Credit awards.

23 (a) The Department shall award credits against the tax
24 imposed under subsections (a) and (b) of Section 201 of the
25 Illinois Income Tax Act to taxpayers who make qualified

1 contributions to scholarship granting organizations. In
2 addition, the Department shall award credits against the tax
3 imposed under subsections (a) and (b) of Section 201 of the
4 Illinois Income Tax Act and against residential property taxes
5 imposed under the Property Tax Code to taxpayers who make
6 qualified contributions to school district foundations. For
7 contributions made to scholarship granting organizations under
8 this Act, the credit shall be equal to 75% of the total amount
9 of qualified contributions made by the taxpayer to a
10 scholarship granting organization during a taxable year, not to
11 exceed a credit of \$1,000,000 per taxpayer. For contributions
12 made to school district foundations under this Act, the credit
13 shall be equal to 100% of the total amount of qualified
14 contributions made by the taxpayer during the taxable year, not
15 to exceed a credit of the combined amount of the taxpayer's
16 income taxes and residential property taxes for the taxable
17 year.

18 (b) The aggregate amount of all credits the Department may
19 award under this Act for contributions made to scholarship
20 granting organizations in any calendar year may not exceed
21 \$75,000,000. The aggregate amount of all credits the Department
22 may award under this Act against the tax imposed under the
23 Illinois Income Tax Act for contributions made to a particular
24 school district foundation in any calendar year may not exceed
25 the annual amount of funding allocated to the school district
26 supported by the school district foundation for the fiscal year

1 including January of the calendar year under the evidence-based
2 funding formula provided for in Section 18-8.15 of the School
3 Code.

4 (c) Contributions made by corporations (including
5 Subchapter S corporations), partnerships, and trusts under
6 this Act may not be directed to a particular subset of schools,
7 a particular school, a particular group of students, or a
8 particular student. Contributions made by individuals under
9 this Act may be directed to a particular subset of schools or a
10 particular school but may not be directed to a particular group
11 of students or a particular student.

12 (d) (Blank). ~~No credit shall be taken under this Act for~~
13 ~~any qualified contribution for which the taxpayer claims a~~
14 ~~federal income tax deduction.~~

15 (e) Credits shall be awarded in a manner, as determined by
16 the Department, that is geographically proportionate to
17 enrollment in recognized non-public schools in Illinois. If the
18 cap on the aggregate credits that may be awarded by the
19 Department is not reached by June 1 of a given year, the
20 Department shall award remaining credits on a first-come,
21 first-served basis, without regard to the limitation of this
22 subsection.

23 (f) In no event shall a school district foundation credit
24 under this Section reduce a taxpayer's combined income and
25 residential property tax liability to less than zero. If the
26 amount of a school district foundation credit exceeds the

1 combined income and residential property tax liability for the
2 year, the excess may be carried forward and applied to the
3 taxpayer's income tax liability for the 5 taxable years
4 following the excess credit year. The tax credit shall be
5 applied to the earliest year for which there is a tax
6 liability. If there are credits for more than one year that are
7 available to offset liability, the earlier credit shall be
8 applied first.

9 (Source: P.A. 100-465, eff. 8-31-17.)

10 (35 ILCS 40/15)

11 (Section scheduled to be repealed on January 1, 2024)

12 Sec. 15. Approval to issue certificates of receipt.

13 (a) A scholarship granting organization shall submit an
14 application for approval to issue certificates of receipt in
15 the form and manner prescribed by the Department, provided that
16 each application shall include:

17 (1) documentary evidence that the scholarship granting
18 organization has been granted an exemption from taxation
19 under Section 501(c)(3) of the Internal Revenue Code;

20 (2) certification that all qualified contributions and
21 any income derived from qualified contributions are
22 deposited and held in an account that is separate from the
23 scholarship granting organization's operating or other
24 funds until such qualified contributions or income are
25 withdrawn for use;

1 (3) certification that the scholarship granting
2 organization will use at least 95% of its annual revenue
3 from qualified contributions for scholarships;

4 (4) certification that the scholarship granting
5 organization will provide scholarships to eligible
6 students;

7 (5) a list of the names and addresses of all members of
8 the governing board of the scholarship granting
9 organization; and

10 (6) a copy of the most recent financial audit of the
11 scholarship granting organization's accounts and records
12 conducted by an independent certified public accountant in
13 accordance with auditing standards generally accepted in
14 the United States, government auditing standards, and
15 rules adopted by the Department.

16 (b) A scholarship granting organization whose owner or
17 operator in the last 7 years has filed for personal bankruptcy
18 or corporate bankruptcy in a corporation of which he or she
19 owned more than 20% shall not be eligible to provide
20 scholarships.

21 (c) A scholarship granting organization must not have an
22 owner or operator who owns or operates a qualified school or
23 has a family member who is a paid staff or board member of a
24 participating qualified school.

25 (d) A scholarship granting organization shall comply with
26 the anti-discrimination provisions of 42 U.S.C. 2000d.

1 (e) The Department shall review and either approve or deny
2 each application to issue certificates of receipt pursuant to
3 this Act. Approval or denial of an application shall be made on
4 a periodic basis. Applicants shall be notified of the
5 Department's determination within 30 business days after the
6 application is received.

7 (f) No scholarship granting organization or school
8 district foundation shall issue any certificates of receipt
9 without first being approved to issue certificates of receipt.

10 (g) A school district foundation shall submit an
11 application for approval to issue certificates of receipt in
12 the form and manner prescribed by the Department showing its
13 compliance with the requirements of this Act.

14 (Source: P.A. 100-465, eff. 8-31-17.)

15 (35 ILCS 40/25)

16 (Section scheduled to be repealed on January 1, 2024)

17 Sec. 25. Contribution authorization certificates.

18 (a) A taxpayer shall not be allowed a credit pursuant to
19 this Act for any contribution to a scholarship granting
20 organization or school district foundation that was made prior
21 to the Department's issuance of a contribution authorization
22 certificate for such contribution to the taxpayer.

23 (b) Prior to making a contribution to a scholarship
24 granting organization or school district foundation, the
25 taxpayer shall apply to the Department for a contribution

1 authorization certificate.

2 (c) A taxpayer who makes more than one contribution to a
3 scholarship granting organization or school district
4 foundation must make a separate application for each such
5 contribution authorization certificate. The application shall
6 be in the form and manner prescribed by the Department,
7 provided that the application includes:

8 (1) the taxpayer's name and address;

9 (2) the amount the taxpayer will contribute; and

10 (3) any other information the Department deems
11 necessary.

12 (d) The Department may allow taxpayers to make multiple
13 applications on the same form, provided that each application
14 shall be treated as a separate application.

15 (e) The Department shall issue credit authorization
16 certificates on a first-come, first-served basis based upon the
17 date that the Department received the taxpayer's application
18 for the certificate subject to the provisions of subsection (e)
19 of Section 10 of this Act.

20 (f) A taxpayer's aggregate authorized contribution amount
21 as listed on one or more authorized contribution certificates
22 issued to the taxpayer shall not exceed the aggregate of the
23 amounts listed on the taxpayer's applications submitted in
24 accordance with this Section.

25 (g) Each contribution authorization certificate shall
26 state:

1 (1) the date such certificate was issued;

2 (2) the date by which the authorized contributions
3 listed in the certificate must be made, which shall be 60
4 days from the date of the issuance of a credit
5 authorization certificate;

6 (3) the total amount of authorized contributions; and

7 (4) any other information the Department deems
8 necessary.

9 (h) Credit authorization certificates shall be mailed to
10 the appropriate taxpayers within 3 business days after their
11 issuance.

12 (i) A taxpayer may rescind all or part of an authorized
13 contribution approved under this Act by providing written
14 notice to the Department. Amounts rescinded shall no longer be
15 deducted from the cap prescribed in Section 10 of this Act.

16 (j) The Department shall maintain on its website a running
17 total of the amount of credits for which taxpayers may make
18 applications for contribution authorization certification. The
19 running total shall be updated every business day.

20 (Source: P.A. 100-465, eff. 8-31-17.)

21 (35 ILCS 40/30)

22 (Section scheduled to be repealed on January 1, 2024)

23 Sec. 30. Certificates of receipt.

24 (a) No scholarship granting organization or school
25 district foundation shall issue a certificate of receipt for

1 any qualified contribution made by a taxpayer under this Act
2 unless that scholarship granting organization or school
3 district foundation has been approved to issue certificates of
4 receipt pursuant to Section 15 of this Act.

5 (b) No scholarship granting organization or school
6 district foundation shall issue a certificate of receipt for a
7 contribution made by a taxpayer unless the taxpayer has been
8 issued a credit authorization certificate by the Department.

9 (c) If a taxpayer makes a contribution to a scholarship
10 granting organization or school district foundation prior to
11 the date by which the authorized contribution shall be made,
12 the scholarship granting organization or school district
13 foundation shall, within 30 days of receipt of the authorized
14 contribution, issue to the taxpayer a written certificate of
15 receipt.

16 (d) If a taxpayer fails to make all or a portion of a
17 contribution prior to the date by which such authorized
18 contribution is required to be made, the taxpayer shall not be
19 entitled to a certificate of receipt for that portion of the
20 authorized contribution not made.

21 (e) Each certificate of receipt shall state:

22 (1) the name and address of the issuing scholarship
23 granting organization or school district foundation;

24 (2) the taxpayer's name and address;

25 (3) the date for each qualified contribution;

26 (4) the amount of each qualified contribution;

1 (5) the total qualified contribution amount; and
2 (6) any other information that the Department may deem
3 necessary.

4 (f) Upon the issuance of a certificate of receipt, the
5 issuing scholarship granting organization or school district
6 foundation shall, within 10 days after issuing the certificate
7 of receipt, provide the Department with notification of the
8 issuance of such certificate in the form and manner prescribed
9 by the Department, provided that such notification shall
10 include:

11 (1) the taxpayer's name and address;

12 (2) the date of the issuance of a certificate of
13 receipt;

14 (3) the qualified contribution date or dates and the
15 amounts contributed on such dates;

16 (4) the total qualified contribution listed on such
17 certificates;

18 (5) the issuing scholarship granting organization's or
19 school district foundation's name and address; and

20 (6) any other information the Department may deem
21 necessary.

22 (g) Any portion of a contribution that a taxpayer fails to
23 make by the date indicated on the authorized contribution
24 certificate shall no longer be deducted from the cap prescribed
25 in Section 10 of this Act.

26 (Source: P.A. 100-465, eff. 8-31-17.)

1 (35 ILCS 40/35)

2 (Section scheduled to be repealed on January 1, 2024)

3 Sec. 35. Reports.

4 (a) Within 180 days after the end of its fiscal year, each
5 scholarship granting organization must provide to the
6 Department a copy of a financial audit of its accounts and
7 records conducted by an independent certified public
8 accountant in accordance with auditing standards generally
9 accepted in the United States, government auditing standards,
10 and rules adopted by the Department. The audit must include a
11 report on financial statements presented in accordance with
12 generally accepted accounting principles. The audit must
13 include evidence that no less than 95% of qualified
14 contributions received were used to provide scholarships to
15 eligible students. The Department shall review all audits
16 submitted pursuant to this subsection. The Department shall
17 request any significant items that were omitted in violation of
18 a rule adopted by the Department. The items must be provided
19 within 45 days after the date of request. If a scholarship
20 granting organization does not comply with the Department's
21 request, the Department may revoke the scholarship granting
22 organization's ability to issue certificates of receipt.

23 (b) A scholarship granting organization that is approved to
24 receive qualified contributions shall report to the
25 Department, on a form prescribed by the Department, by January

1 31 of each calendar year. The report shall include:

2 (1) the total number of certificates of receipt issued
3 during the immediately preceding calendar year;

4 (2) the total dollar amount of qualified contributions
5 received, as set forth in the certificates of receipt
6 issued during the immediately preceding calendar year;

7 (3) the total number of eligible students utilizing
8 scholarships for the immediately preceding calendar year
9 and the school year in progress and the total dollar value
10 of the scholarships;

11 (4) the name and address of each qualified school for
12 which scholarships using qualified contributions were
13 issued during the immediately preceding calendar year,
14 detailing the number, grade, race, gender, income level,
15 and residency by Zip Code of eligible students and the
16 total dollar value of scholarships being utilized at each
17 qualified school by priority group, as identified in
18 subsection (d) of Section 40 of this Act; and

19 (5) any additional information requested by the
20 Department.

21 (c) On or before the last day of March for each calendar
22 year, for the immediately preceding calendar year, the
23 Department shall submit a written report to the Governor, the
24 President of the Senate, the Speaker of the House of
25 Representatives, the Minority Leader of the Senate, and the
26 Minority Leader of the House of Representatives regarding this

1 Act. The report shall include, but not be limited to, the
2 following information:

3 (1) the names and addresses of all scholarship granting
4 organizations and school district foundations approved to
5 issue certificates of receipt;

6 (2) the number and aggregate total of certificates of
7 receipt issued by each scholarship granting organization
8 and school district foundation; and

9 (3) the information reported to the Department
10 required by subsection (b) of this Section.

11 (d) The sharing and reporting of student data under this
12 Section must be in accordance with the requirements of the
13 Family Educational Rights and Privacy Act and the Illinois
14 School Student Records Act. All parties must preserve the
15 confidentiality of such information as required by law. Data
16 reported by the Department under subsection (c) of this Section
17 must not disaggregate data to a level that will disclose
18 demographic data of individual students.

19 (Source: P.A. 100-465, eff. 8-31-17.)

20 Section 10. The School Code is amended by changing Section
21 18-8.15 as follows:

22 (105 ILCS 5/18-8.15)

23 Sec. 18-8.15. Evidence-based funding for student success
24 for the 2017-2018 and subsequent school years.

1 (a) General provisions.

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

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

23 (B) ensure all students receive the education they
24 need to graduate from high school with the skills
25 required to pursue post-secondary education and
26 training for a rewarding career;

1 (C) reduce, with a goal of eliminating, the
2 achievement gap between at-risk and non-at-risk
3 students by raising the performance of at-risk
4 students and not by reducing standards; and

5 (D) ensure this State satisfies its obligation to
6 assume the primary responsibility to fund public
7 education and simultaneously relieve the
8 disproportionate burden placed on local property taxes
9 to fund schools.

10 (2) The evidence-based funding formula under this
11 Section shall be applied to all Organizational Units in
12 this State. The evidence-based funding formula outlined in
13 this Act is based on the formula outlined in Senate Bill 1
14 of the 100th General Assembly, as passed by both
15 legislative chambers. As further defined and described in
16 this Section, there are 4 major components of the
17 evidence-based funding model:

18 (A) First, the model calculates a unique adequacy
19 target for each Organizational Unit in this State that
20 considers the costs to implement research-based
21 activities, the unit's student demographics, and
22 regional wage difference.

23 (B) Second, the model calculates each
24 Organizational Unit's local capacity, or the amount
25 each Organizational Unit is assumed to contribute
26 towards its adequacy target from local resources.

1 (C) Third, the model calculates how much funding
2 the State currently contributes to the Organizational
3 Unit, and adds that to the unit's local capacity to
4 determine the unit's overall current adequacy of
5 funding.

6 (D) Finally, the model's distribution method
7 allocates new State funding to those Organizational
8 Units that are least well-funded, considering both
9 local capacity and State funding, in relation to their
10 adequacy target.

11 (3) An Organizational Unit receiving any funding under
12 this Section may apply those funds to any fund so received
13 for which that Organizational Unit is authorized to make
14 expenditures by law.

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

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

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

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

23 "Adjusted Operating Tax Rate" means a tax rate for all
24 Organizational Units, for which the State Superintendent
25 shall calculate and subtract for the Operating Tax Rate a
26 transportation rate based on total expenses for

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

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

21 "Alternative School" means a public school that is
22 created and operated by a regional superintendent of
23 schools and approved by the State Board.

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

26 "Assessment" means any of those benchmark, progress

1 monitoring, formative, diagnostic, and other assessments,
2 in addition to the State accountability assessment, that
3 assist teachers' needs in understanding the skills and
4 meeting the needs of the students they serve.

5 "Assistant principal" means a school administrator
6 duly endorsed to be employed as an assistant principal in
7 this State.

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

17 "Average Student Enrollment" or "ASE" means, for an
18 Organizational Unit in a given school year, the greater of
19 the average number of students (grades K through 12)
20 reported to the State Board as enrolled in the
21 Organizational Unit on October 1 and March 1, plus the
22 special education pre-kindergarten students with services
23 of at least more than 2 hours a day as reported to the
24 State Board on December 1, in the immediately preceding
25 school year or the average number of students (grades K
26 through 12) reported to the State Board as enrolled in the

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

1 For any year where a count by grade level was collected
2 only once, that count shall be used as the single count
3 available for computing a 3-year average ASE. School
4 districts shall submit the data for the ASE calculation to
5 the State Board within 45 days of the dates required in
6 this Section for submission of enrollment data in order for
7 it to be included in the ASE calculation.

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

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

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

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

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

1 English learner students' adequacy elements.

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

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

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

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

26 "Core subject" means mathematics; science; reading,

1 English, writing, and language arts; history and social
2 studies; world languages; and subjects taught as Advanced
3 Placement in high schools.

4 "Core teacher" means a regular classroom teacher in
5 elementary schools and teachers of a core subject in middle
6 and high schools.

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

10 "CPPRT" means corporate personal property replacement
11 tax funds paid to an Organizational Unit during the
12 calendar year one year before the calendar year in which a
13 school year begins, pursuant to "An Act in relation to the
14 abolition of ad valorem personal property tax and the
15 replacement of revenues lost thereby, and amending and
16 repealing certain Acts and parts of Acts in connection
17 therewith", certified August 14, 1979, as amended (Public
18 Act 81-1st S.S.-1).

19 "EAV" means equalized assessed valuation as defined in
20 paragraph (2) of subsection (d) of this Section and
21 calculated in accordance with paragraph (3) of subsection
22 (d) of this Section.

23 "ECI" means the Bureau of Labor Statistics' national
24 employment cost index for civilian workers in educational
25 services in elementary and secondary schools on a
26 cumulative basis for the 12-month calendar year preceding

1 the fiscal year of the Evidence-Based Funding calculation.

2 "EIS Data" means the employment information system
3 data maintained by the State Board on educators within
4 Organizational Units.

5 "Employee benefits" means health, dental, and vision
6 insurance offered to employees of an Organizational Unit,
7 the costs associated with statutorily required payment of
8 the normal cost of the Organizational Unit's teacher
9 pensions, Social Security employer contributions, and
10 Illinois Municipal Retirement Fund employer contributions.

11 "English learner" or "EL" means a child included in the
12 definition of "English learners" under Section 14C-2 of
13 this Code participating in a program of transitional
14 bilingual education or a transitional program of
15 instruction meeting the requirements and program
16 application procedures of Article 14C of this Code. For the
17 purposes of collecting the number of EL students enrolled,
18 the same collection and calculation methodology as defined
19 above for "ASE" shall apply to English learners.

20 "Essential Elements" means those elements, resources,
21 and educational programs that have been identified through
22 academic research as necessary to improve student success,
23 improve academic performance, close achievement gaps, and
24 provide for other per student costs related to the delivery
25 and leadership of the Organizational Unit, as well as the
26 maintenance and operations of the unit, and which are

1 specified in paragraph (2) of subsection (b) of this
2 Section.

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

5 "Extended day" means academic and enrichment programs
6 provided to students outside the regular school day before
7 and after school or during non-instructional times during
8 the school day.

9 "Extension Limitation Ratio" means a numerical ratio
10 in which the numerator is the Base Tax Year's Extension and
11 the denominator is the Preceding Tax Year's Extension.

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

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

16 "Full-time equivalent" or "FTE" means the full-time
17 equivalency compensation for staffing the relevant
18 position at an Organizational Unit.

19 "Funding Gap" is defined in paragraph (1) of subsection
20 (g).

21 "Guidance counselor" means a licensed guidance
22 counselor who provides guidance and counseling support for
23 students within an Organizational Unit.

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

26 "Instructional assistant" means a core or special

1 education, non-licensed employee who assists a teacher in
2 the classroom and provides academic support to students.

3 "Instructional facilitator" means a qualified teacher
4 or licensed teacher leader who facilitates and coaches
5 continuous improvement in classroom instruction; provides
6 instructional support to teachers in the elements of
7 research-based instruction or demonstrates the alignment
8 of instruction with curriculum standards and assessment
9 tools; develops or coordinates instructional programs or
10 strategies; develops and implements training; chooses
11 standards-based instructional materials; provides teachers
12 with an understanding of current research; serves as a
13 mentor, site coach, curriculum specialist, or lead
14 teacher; or otherwise works with fellow teachers, in
15 collaboration, to use data to improve instructional
16 practice or develop model lessons.

17 "Instructional materials" means relevant instructional
18 materials for student instruction, including, but not
19 limited to, textbooks, consumable workbooks, laboratory
20 equipment, library books, and other similar materials.

21 "Laboratory School" means a public school that is
22 created and operated by a public university and approved by
23 the State Board.

24 "Librarian" means a teacher with an endorsement as a
25 library information specialist or another individual whose
26 primary responsibility is overseeing library resources

1 within an Organizational Unit.

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

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

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

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

10 "Low-Income Count" means, for an Organizational Unit
11 in a fiscal year, the higher of the average number of
12 students for the prior school year or the immediately
13 preceding 3 school years who, as of July 1 of the
14 immediately preceding fiscal year (as determined by the
15 Department of Human Services), are eligible for at least
16 one of the following low income programs: Medicaid, the
17 Children's Health Insurance Program, TANF, or the
18 Supplemental Nutrition Assistance Program, excluding
19 pupils who are eligible for services provided by the
20 Department of Children and Family Services. Until such time
21 that grade level low-income populations become available,
22 grade level low-income populations shall be determined by
23 applying the low-income percentage to total student
24 enrollments by grade level. The low-income percentage is
25 determined by dividing the Low-Income Count by the Average
26 Student Enrollment.

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

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

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

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

14 "Net State Contribution Target" means, for a given
15 school year, the amount of State funds that would be
16 necessary to fully meet the Adequacy Target of an
17 Operational Unit minus the Preliminary Resources available
18 to each unit.

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

24 "Operating Tax Rate" means the rate utilized in the
25 previous year to extend property taxes for all purposes,
26 except, Bond and Interest, Summer School, Rent, Capital

1 Improvement, and Vocational Education Building purposes.
2 For Hybrid Districts, the Operating Tax Rate shall be the
3 combined elementary and high school rates utilized in the
4 previous year to extend property taxes for all purposes,
5 except, Bond and Interest, Summer School, Rent, Capital
6 Improvement, and Vocational Education Building purposes.

7 "Organizational Unit" means a Laboratory School, an
8 Alternative School, or any public school district that is
9 recognized as such by the State Board and that contains
10 elementary schools typically serving kindergarten through
11 5th grades, middle schools typically serving 6th through
12 8th grades, or high schools typically serving 9th through
13 12th grades. The General Assembly acknowledges that the
14 actual grade levels served by a particular Organizational
15 Unit may vary slightly from what is typical.

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

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

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

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

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

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

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

26 "Professional development" means training programs for

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

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

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

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

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

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

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

1 Organizational Unit CWI by the Statewide Weighted CWI.

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

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

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

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

21 "Specially Funded Unit" means an Alternative School,
22 safe school, Department of Juvenile Justice school,
23 special education cooperative or entity recognized by the
24 State Board as a special education cooperative,
25 State-approved charter school, or alternative learning
26 opportunities program that received direct funding from

1 the State Board during the 2016-2017 school year through
2 any of the funding sources included within the calculation
3 of the Base Funding Minimum or Glenwood Academy.

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

8 "State Adequacy Level" is the sum of the Adequacy
9 Targets of all Organizational Units.

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

11 "State Superintendent" means the State Superintendent
12 of Education.

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

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

23 "Substitute teacher" means an individual teacher or
24 teaching assistant who is employed by an Organizational
25 Unit and is temporarily serving the Organizational Unit on
26 a per diem or per period-assignment basis replacing another

1 staff member.

2 "Summer school" means academic and enrichment programs
3 provided to students during the summer months outside of
4 the regular school year.

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

12 "Target Ratio" is defined in paragraph (4) of
13 subsection (g).

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

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

19 (b) Adequacy Target calculation.

20 (1) Each Organizational Unit's Adequacy Target is the
21 sum of the Organizational Unit's cost of providing
22 Essential Elements, as calculated in accordance with this
23 subsection (b), with the salary amounts in the Essential
24 Elements multiplied by a Regionalization Factor calculated
25 pursuant to paragraph (3) of this subsection (b).

26 (2) The Essential Elements are attributable on a pro

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

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

13 (i) For grades kindergarten through 3, the
14 Organizational Unit shall receive funding required
15 to support one FTE core teacher position for every
16 15 Low-Income Count students in those grades and
17 one FTE core teacher position for every 20
18 non-Low-Income Count students in those grades.

19 (ii) For grades 4 through 12, the
20 Organizational Unit shall receive funding required
21 to support one FTE core teacher position for every
22 20 Low-Income Count students in those grades and
23 one FTE core teacher position for every 25
24 non-Low-Income Count students in those grades.

25 The number of non-Low-Income Count students in a
26 grade shall be determined by subtracting the

1 Low-Income students in that grade from the ASE of the
2 Organizational Unit for that grade.

3 (B) Specialist teacher investments. Each
4 Organizational Unit shall receive the funding needed
5 to cover that number of FTE specialist teacher
6 positions that correspond to the following
7 percentages:

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

13 (ii) if such Organizational Unit operates a
14 high school, then 33.33% of the number of the
15 Organizational Unit's core teachers.

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

22 (D) Core intervention teacher (tutor) investments.
23 Each Organizational Unit shall receive the funding
24 needed to cover one FTE teacher position for each
25 prototypical elementary, middle, and high school.

26 (E) Substitute teacher investments. Each

1 Organizational Unit shall receive the funding needed
2 to cover substitute teacher costs that is equal to
3 5.70% of the minimum pupil attendance days required
4 under Section 10-19 of this Code for all full-time
5 equivalent core, specialist, and intervention
6 teachers, school nurses, special education teachers
7 and instructional assistants, instructional
8 facilitators, and summer school and extended-day
9 teacher positions, as determined under this paragraph
10 (2), at a salary rate of 33.33% of the average salary
11 for grade K through 12 teachers and 33.33% of the
12 average salary of each instructional assistant
13 position.

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

23 (G) Nurse investments. Each Organizational Unit
24 shall receive the funding needed to cover one FTE nurse
25 for each 750 combined ASE of pre-kindergarten children
26 with disabilities and all kindergarten through grade

1 12 students across all grade levels it serves.

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

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

16 (J) Principal investments. Each Organizational
17 Unit shall receive the funding needed to cover one FTE
18 principal position for each prototypical elementary
19 school, plus one FTE principal position for each
20 prototypical middle school, plus one FTE principal
21 position for each prototypical high school.

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

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

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

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

13 (N) Professional development investments. Each
14 Organizational Unit shall receive \$125 per student of
15 the combined ASE of pre-kindergarten children with
16 disabilities and all kindergarten through grade 12
17 students for trainers and other professional
18 development-related expenses for supplies and
19 materials.

20 (O) Instructional material investments. Each
21 Organizational Unit shall receive \$190 per student of
22 the combined ASE of pre-kindergarten children with
23 disabilities and all kindergarten through grade 12
24 students to cover instructional material costs.

25 (P) Assessment investments. Each Organizational
26 Unit shall receive \$25 per student of the combined ASE

1 of pre-kindergarten children with disabilities and all
2 kindergarten through grade 12 students student to
3 cover assessment costs.

4 (Q) Computer technology and equipment investments.
5 Each Organizational Unit shall receive \$285.50 per
6 student of the combined ASE of pre-kindergarten
7 children with disabilities and all kindergarten
8 through grade 12 students to cover computer technology
9 and equipment costs. For the 2018-2019 school year and
10 subsequent school years, Tier 1 and Tier 2
11 Organizational Units selected by the State Board
12 through a request for proposals process shall, upon the
13 State Board's approval of an Organizational Unit's
14 one-to-one computing technology plan, receive an
15 additional \$285.50 per student of the combined ASE of
16 pre-kindergarten children with disabilities and all
17 kindergarten through grade 12 students to cover
18 computer technology and equipment costs. The State
19 Board may establish additional requirements for
20 Organizational Unit expenditures of funds received
21 pursuant to this subparagraph (Q). It is the intent of
22 this amendatory Act of the 100th General Assembly that
23 all Tier 1 and Tier 2 districts that apply for the
24 technology grant receive the addition to their
25 Adequacy Target, subject to compliance with the
26 requirements of the State Board.

1 (R) Student activities investments. Each
2 Organizational Unit shall receive the following
3 funding amounts to cover student activities: \$100 per
4 kindergarten through grade 5 ASE student in elementary
5 school, plus \$200 per ASE student in middle school,
6 plus \$675 per ASE student in high school.

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

17 (T) Central office investments. Each
18 Organizational Unit shall receive \$742 per student of
19 the combined ASE of pre-kindergarten children with
20 disabilities and all kindergarten through grade 12
21 students to cover central office operations, including
22 administrators and classified personnel charged with
23 managing the instructional programs, business and
24 operations of the school district, and security
25 personnel. The proportion of salary for the
26 application of a Regionalization Factor and the

1 calculation of benefits is equal to \$368.48.

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

1 Pension and Retirement Fund of Chicago shall submit
2 such information as the State Superintendent may
3 require for the calculations set forth in this
4 subparagraph (U).

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

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

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

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

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

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

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

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

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

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

5 (v) one FTE core teacher position for every 100
6 English learner students.

7 (X) Special education investments. Each
8 Organizational Unit shall receive funding based on the
9 average teacher salary for grades K through 12 to cover
10 special education as follows:

11 (i) one FTE teacher position for every 141
12 combined ASE of pre-kindergarten children with
13 disabilities and all kindergarten through grade 12
14 students;

15 (ii) one FTE instructional assistant for every
16 141 combined ASE of pre-kindergarten children with
17 disabilities and all kindergarten through grade 12
18 students; and

19 (iii) one FTE psychologist position for every
20 1,000 combined ASE of pre-kindergarten children
21 with disabilities and all kindergarten through
22 grade 12 students.

23 (3) For calculating the salaries included within the
24 Essential Elements, the State Superintendent shall
25 annually calculate average salaries to the nearest dollar
26 using the employment information system data maintained by

1 the State Board, limited to public schools only and
2 excluding special education and vocational cooperatives,
3 schools operated by the Department of Juvenile Justice, and
4 charter schools, for the following positions:

5 (A) Teacher for grades K through 8.

6 (B) Teacher for grades 9 through 12.

7 (C) Teacher for grades K through 12.

8 (D) Guidance counselor for grades K through 8.

9 (E) Guidance counselor for grades 9 through 12.

10 (F) Guidance counselor for grades K through 12.

11 (G) Social worker.

12 (H) Psychologist.

13 (I) Librarian.

14 (J) Nurse.

15 (K) Principal.

16 (L) Assistant principal.

17 For the purposes of this paragraph (3), "teacher"
18 includes core teachers, specialist and elective teachers,
19 instructional facilitators, tutors, special education
20 teachers, pupil support staff teachers, English learner
21 teachers, extended-day teachers, and summer school
22 teachers. Where specific grade data is not required for the
23 Essential Elements, the average salary for corresponding
24 positions shall apply. For substitute teachers, the
25 average teacher salary for grades K through 12 shall apply.

26 For calculating the salaries included within the

1 Essential Elements for positions not included within EIS
2 Data, the following salaries shall be used in the first
3 year of implementation of Evidence-Based Funding:

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

5 (ii) non-instructional assistant, instructional
6 assistant, library aide, library media tech, or
7 supervisory aide: \$25,000.

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

11 The salary amounts for the Essential Elements
12 determined pursuant to subparagraphs (A) through (L), (S)
13 and (T), and (V) through (X) of paragraph (2) of subsection
14 (b) of this Section shall be multiplied by a
15 Regionalization Factor.

16 (c) Local capacity calculation.

17 (1) Each Organizational Unit's Local Capacity
18 represents an amount of funding it is assumed to contribute
19 toward its Adequacy Target for purposes of the
20 Evidence-Based Funding formula calculation. "Local
21 Capacity" means either (i) the Organizational Unit's Local
22 Capacity Target as calculated in accordance with paragraph
23 (2) of this subsection (c) if its Real Receipts are equal
24 to or less than its Local Capacity Target or (ii) the
25 Organizational Unit's Adjusted Local Capacity, as
26 calculated in accordance with paragraph (3) of this

1 subsection (c) if Real Receipts are more than its Local
2 Capacity Target.

3 (2) "Local Capacity Target" means, for an
4 Organizational Unit, that dollar amount that is obtained by
5 multiplying its Adequacy Target by its Local Capacity
6 Ratio.

7 (A) An Organizational Unit's Local Capacity
8 Percentage is the conversion of the Organizational
9 Unit's Local Capacity Ratio, as such ratio is
10 determined in accordance with subparagraph (B) of this
11 paragraph (2), into a normal curve equivalent score to
12 determine each Organizational Unit's relative position
13 to all other Organizational Units in this State. The
14 calculation of Local Capacity Percentage is described
15 in subparagraph (C) of this paragraph (2).

16 (B) An Organizational Unit's Local Capacity Ratio
17 in a given year is the percentage obtained by dividing
18 its Adjusted EAV or PTELL EAV, whichever is less, by
19 its Adequacy Target, with the resulting ratio further
20 adjusted as follows:

21 (i) for Organizational Units serving grades
22 kindergarten through 12 and Hybrid Districts, no
23 further adjustments shall be made;

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

1 (iii) for Organizational Units serving grades
2 9 through 12, the Local Capacity Ratio shall be
3 multiplied by 4/13; and

4 (iv) for an Organizational Unit with a
5 different grade configuration than those specified
6 in items (i) through (iii) of this subparagraph
7 (B), the State Superintendent shall determine a
8 comparable adjustment based on the grades served.

9 (C) Local Capacity Percentage converts each
10 Organizational Unit's Local Capacity Ratio to a normal
11 curve equivalent score to determine each
12 Organizational Unit's relative position to all other
13 Organizational Units in this State. The Local Capacity
14 Percentage normal curve equivalent score for each
15 Organizational Unit shall be calculated using the
16 standard normal distribution of the score in relation
17 to the weighted mean and weighted standard deviation
18 and Local Capacity Ratios of all Organizational Units.
19 If the value assigned to any Organizational Unit is in
20 excess of 90%, the value shall be adjusted to 90%. For
21 Laboratory Schools, the Local Capacity Percentage
22 shall be set at 10% in recognition of the absence of
23 EAV and resources from the public university that are
24 allocated to the Laboratory School. The weighted mean
25 for the Local Capacity Percentage shall be determined
26 by multiplying each Organizational Unit's Local

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

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

1 to the State Board of Education by the Teachers'
2 Retirement System of the State of Illinois and item
3 (ii) shall be certified to the State Board of Education
4 by the Public School Teachers' Pension and Retirement
5 Fund of the City of Chicago.

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

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

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

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

1 Unit.

2 (2) The State Superintendent shall calculate the
3 Equalized Assessed Valuation, or EAV, of all taxable
4 property of each Organizational Unit as of September 30 of
5 the previous year in accordance with paragraph (3) of this
6 subsection (d). The State Superintendent shall then
7 determine the Adjusted EAV of each Organizational Unit in
8 accordance with paragraph (4) of this subsection (d), which
9 Adjusted EAV figure shall be used for the purposes of
10 calculating Local Capacity.

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

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

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

1 property under Section 15-176 or 15-177 of the Property
2 Tax Code and the amount that would have been allowed
3 had the general homestead exemption for that parcel of
4 property been determined under Section 15-175 of the
5 Property Tax Code. It is further the intent of this
6 subparagraph (A) that if additional exemptions are
7 allowed under Section 15-175 of the Property Tax Code
8 for owners with a household income of less than
9 \$30,000, then the calculation of EAV shall not be
10 affected by the difference, if any, because of those
11 additional exemptions.

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

1 of the Industrial Jobs Recovery Law. For the purpose of
2 the EAV of the Organizational Unit, the total initial
3 EAV or the current EAV, whichever is lower, shall be
4 used until such time as all redevelopment project costs
5 have been paid.

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

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

1 property within the partial elementary unit district
2 for high school purposes, as defined in Article 11E of
3 this Code.

4 (4) An Organizational Unit's Adjusted EAV shall be the
5 average of its EAV over the immediately preceding 3 years
6 or its EAV in the immediately preceding year if the EAV in
7 the immediately preceding year has declined by 10% or more
8 compared to the 3-year average. In the event of
9 Organizational Unit reorganization, consolidation, or
10 annexation, the Organizational Unit's Adjusted EAV for the
11 first 3 years after such change shall be as follows: the
12 most current EAV shall be used in the first year, the
13 average of a 2-year EAV or its EAV in the immediately
14 preceding year if the EAV declines by 10% or more compared
15 to the 2-year average for the second year, and a 3-year
16 average EAV or its EAV in the immediately preceding year if
17 the adjusted EAV declines by 10% or more compared to the
18 3-year average for the third year.

19 "PTELL EAV" means a figure calculated by the State
20 Board for Organizational Units subject to PTELL as
21 described in this paragraph (4) for the purposes of
22 calculating an Organizational Unit's Local Capacity Ratio.
23 Except as otherwise provided in this paragraph (4), the
24 PTELL EAV of an Organizational Unit shall be equal to the
25 product of the equalized assessed valuation last used in
26 the calculation of general State aid under Section 18-8.05

1 of this Code or Evidence-Based Funding under this Section
2 and the Organizational Unit's Extension Limitation Ratio.
3 If an Organizational Unit has approved or does approve an
4 increase in its limiting rate, pursuant to Section 18-190
5 of the Property Tax Code, affecting the Base Tax Year, the
6 PTELL EAV shall be equal to the product of the equalized
7 assessed valuation last used in the calculation of general
8 State aid under Section 18-8.05 of this Code or
9 Evidence-Based Funding under this Section multiplied by an
10 amount equal to one plus the percentage increase, if any,
11 in the Consumer Price Index for All Urban Consumers for all
12 items published by the United States Department of Labor
13 for the 12-month calendar year preceding the Base Tax Year,
14 plus the equalized assessed valuation of new property,
15 annexed property, and recovered tax increment value and
16 minus the equalized assessed valuation of disconnected
17 property.

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

21 (e) Base Funding Minimum calculation.

22 (1) For the 2017-2018 school year, the Base Funding
23 Minimum of an Organizational Unit, other than a Specially
24 Funded Unit, shall be the amount of State funds distributed
25 to the Organizational Unit during the 2016-2017 school year
26 prior to any adjustments and specified appropriation

1 amounts described in this paragraph (1) from the following
2 Sections, as calculated by the State Superintendent:
3 Section 18-8.05 of this Code (general State aid); Section 5
4 of Article 224 of Public Act 99-524 (equity grants);
5 Section 14-7.02b of this Code (funding for children
6 requiring special education services); Section 14-13.01 of
7 this Code (special education facilities and staffing),
8 except for reimbursement of the cost of transportation
9 pursuant to Section 14-13.01; Section 14C-12 of this Code
10 (English learners); and Section 18-4.3 of this Code (summer
11 school), based on an appropriation level of \$13,121,600.
12 For a school district organized under Article 34 of this
13 Code, the Base Funding Minimum also includes (i) the funds
14 allocated to the school district pursuant to Section 1D-1
15 of this Code attributable to funding programs authorized by
16 the Sections of this Code listed in the preceding sentence;
17 and (ii) the difference between (I) the funds allocated to
18 the school district pursuant to Section 1D-1 of this Code
19 attributable to the funding programs authorized by Section
20 14-7.02 (non-public special education reimbursement),
21 subsection (b) of Section 14-13.01 (special education
22 transportation), Section 29-5 (transportation), Section
23 2-3.80 (agricultural education), Section 2-3.66 (truants'
24 alternative education), Section 2-3.62 (educational
25 service centers), and Section 14-7.03 (special education -
26 orphanage) of this Code and Section 15 of the Childhood

1 Hunger Relief Act (free breakfast program) and (II) the
2 school district's actual expenditures for its non-public
3 special education, special education transportation,
4 transportation programs, agricultural education, truants'
5 alternative education, services that would otherwise be
6 performed by a regional office of education, special
7 education orphanage expenditures, and free breakfast, as
8 most recently calculated and reported pursuant to
9 subsection (f) of Section 1D-1 of this Code. For Specially
10 Funded Units, the Base Funding Minimum shall be the total
11 amount of State funds allotted to the Specially Funded Unit
12 during the 2016-2017 school year. The Base Funding Minimum
13 for Glenwood Academy shall be \$625,500.

14 (2) For the 2018-2019 and subsequent school years, the
15 Base Funding Minimum of Organizational Units and Specially
16 Funded Units shall be the sum of (i) the amount of
17 Evidence-Based Funding for the prior school year and (ii)
18 the Base Funding Minimum for the prior school year.

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

20 (1) The Evidence-Based Funding formula establishes a
21 Percent of Adequacy for each Organizational Unit in order
22 to place such units into tiers for the purposes of the
23 funding distribution system described in subsection (g) of
24 this Section. Initially, an Organizational Unit's
25 Preliminary Resources and Preliminary Percent of Adequacy
26 are calculated pursuant to paragraph (2) of this subsection

1 (f). Then, an Organizational Unit's Final Resources and
2 Final Percent of Adequacy are calculated to account for the
3 Organizational Unit's poverty concentration levels
4 pursuant to paragraphs (3) and (4) of this subsection (f).

5 (2) An Organizational Unit's Preliminary Resources are
6 equal to the sum of its Local Capacity Target, CPPRT, and
7 Base Funding Minimum. An Organizational Unit's Preliminary
8 Percent of Adequacy is the lesser of (i) its Preliminary
9 Resources divided by its Adequacy Target or (ii) 100%.

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

19 (4) An Organizational Unit's Final Percent of Adequacy
20 is its Final Resources divided by its Adequacy Target. An
21 Organizational Unit's Adjusted Base Funding Minimum is
22 equal to its Base Funding Minimum less its Supplemental
23 Grant Funding, with the resulting figure added to the
24 product of its Supplemental Grant Funding and Preliminary
25 Percent of Adequacy.

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

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

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

12 (2) To ensure equitable distribution of dollars for all
13 Tier 2 Organizational Units, no Tier 2 Organizational Unit
14 shall receive fewer dollars per ASE than any Tier 3
15 Organizational Unit. Each Tier 2 and Tier 3 Organizational
16 Unit shall have its funding allocation divided by its ASE.
17 Any Tier 2 Organizational Unit with a funding allocation
18 per ASE below the greatest Tier 3 allocation per ASE shall
19 get a funding allocation equal to the greatest Tier 3
20 funding allocation per ASE multiplied by the
21 Organizational Unit's ASE. Each Tier 2 Organizational
22 Unit's Tier 2 funding allocation shall be multiplied by the
23 percentage calculated by dividing the original Tier 2
24 Aggregate Funding by the sum of all Tier 2 Organizational
25 Unit's Tier 2 funding allocation after adjusting
26 districts' funding below Tier 3 levels.

1 (3) Organizational Units are placed into one of 4 tiers
2 as follows:

3 (A) Tier 1 consists of all Organizational Units,
4 except for Specially Funded Units, with a Percent of
5 Adequacy less than the Tier 1 Target Ratio. The Tier 1
6 Target Ratio is the ratio level that allows for Tier 1
7 Aggregate Funding to be distributed, with the Tier 1
8 Allocation Rate determined pursuant to paragraph (4)
9 of this subsection (g).

10 (B) Tier 2 consists of all Tier 1 Units and all
11 other Organizational Units, except for Specially
12 Funded Units, with a Percent of Adequacy of less than
13 0.90.

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

17 (D) Tier 4 consists of all Organizational Units
18 with a Percent of Adequacy of at least 1.0 and
19 Specially Funded Units, excluding Glenwood Academy.

20 (4) The Allocation Rates for Tiers 1 through 4 is
21 determined as follows:

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

23 (B) The Tier 2 Allocation Rate is the result of the
24 following equation: Tier 2 Aggregate Funding, divided
25 by the sum of the Funding Gaps for all Tier 2
26 Organizational Units, unless the result of such

1 equation is higher than 1.0. If the result of such
2 equation is higher than 1.0, then the Tier 2 Allocation
3 Rate is 1.0.

4 (C) The Tier 3 Allocation Rate is the result of the
5 following equation: Tier 3 Aggregate Funding, divided
6 by the sum of the Adequacy Targets of all Tier 3
7 Organizational Units.

8 (D) The Tier 4 Allocation Rate is the result of the
9 following equation: Tier 4 Aggregate Funding, divided
10 by the sum of the Adequacy Targets of all Tier 4
11 Organizational Units.

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

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

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

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

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

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

26 (8) If any Specially Funded Units, excluding Glenwood

1 Academy, recognized by the State Board do not qualify for
2 direct funding following the implementation of this
3 amendatory Act of the 100th General Assembly from any of
4 the funding sources included within the definition of Base
5 Funding Minimum, the unqualified portion of the Base
6 Funding Minimum shall be transferred to one or more
7 appropriate Organizational Units as determined by the
8 State Superintendent based on the prior year ASE of the
9 Organizational Units.

10 (9) The Minimum Funding Level is intended to establish
11 a target for State funding that will keep pace with
12 inflation and continue to advance equity through the
13 Evidence-Based Funding formula. The target for State
14 funding of New Property Tax Relief Pool Funds is
15 \$50,000,000 for State fiscal year 2019 and subsequent State
16 fiscal years. The Minimum Funding Level is equal to
17 \$350,000,000. In addition to any New State Funds, no more
18 than \$50,000,000 New Property Tax Relief Pool Funds may be
19 counted towards the Minimum Funding Level. If the sum of
20 New State Funds and applicable New Property Tax Relief Pool
21 Funds are less than the Minimum Funding Level, than funding
22 for tiers shall be reduced in the following manner:

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

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

6 (C) Next, Tier 2 funding shall be reduced by an
7 amount equal to the difference between the Minimum
8 Funding level and new State Funds and the reduction
9 Tier 4 and Tier 3.

10 (D) Finally, Tier 1 funding shall be reduced by an
11 amount equal to the difference between the Minimum
12 Funding level and New State Funds and the reduction in
13 Tier 2, 3, and 4 funding. In addition, the Allocation
14 Rate for Tier 1 shall be reduced to a percentage equal
15 to 50%, multiplied by the result of New State Funds
16 divided by the Minimum Funding Level.

17 (9.5) For State fiscal year 2019 and subsequent State
18 fiscal years, if New State Funds exceed \$300,000,000, then
19 any amount in excess of \$300,000,000 shall be dedicated for
20 purposes of Section 2-3.170 of this Code up to a maximum of
21 \$50,000,000.

22 (10) In the event of a decrease in the amount of the
23 appropriation for this Section in any fiscal year after
24 implementation of this Section, the Organizational Units
25 receiving Tier 1 and Tier 2 funding, as determined under
26 paragraph (3) of this subsection (g), shall be held

1 harmless by establishing a Base Funding Guarantee equal to
2 the per pupil kindergarten through grade 12 funding
3 received in accordance with this Section in the prior
4 fiscal year. Reductions shall be made to the Base Funding
5 Minimum of Organizational Units in Tier 3 and Tier 4 on a
6 per pupil basis equivalent to the total number of the ASE
7 in Tier 3-funded and Tier 4-funded Organizational Units
8 divided by the total reduction in State funding. The Base
9 Funding Minimum as reduced shall continue to be applied to
10 Tier 3 and Tier 4 Organizational Units and adjusted by the
11 relative formula when increases in appropriations for this
12 Section resume. In no event may State funding reductions to
13 Organizational Units in Tier 3 or Tier 4 exceed an amount
14 that would be less than the Base Funding Minimum
15 established in the first year of implementation of this
16 Section. If additional reductions are required, all school
17 districts shall receive a reduction by a per pupil amount
18 equal to the aggregate additional appropriation reduction
19 divided by the total ASE of all Organizational Units.

20 (11) The State Superintendent shall make minor
21 adjustments to the distribution formula set forth in this
22 subsection (g) to account for the rounding of percentages
23 to the nearest tenth of a percentage and dollar amounts to
24 the nearest whole dollar.

25 (h) State Superintendent administration of funding and
26 district submission requirements.

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

4 (2) The State Superintendent shall calculate the
5 Adequacy Target for each Organizational Unit and Net State
6 Contribution Target for each Organizational Unit under
7 this Section. The State Superintendent shall also certify
8 the actual amounts of the New State Funds payable for each
9 eligible Organizational Unit based on the equitable
10 distribution calculation to the unit's treasurer, as soon
11 as possible after such amounts are calculated, including
12 any applicable adjusted charge-off increase. No
13 Evidence-Based Funding shall be distributed within an
14 Organizational Unit without the approval of the unit's
15 school board.

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

1 (4) Annually, the State Superintendent shall calculate
2 and report to each Organizational Unit the amount the unit
3 must expend on special education and bilingual education
4 pursuant to the unit's Base Funding Minimum, Special
5 Education Allocation, and Bilingual Education Allocation.

6 (5) Moneys distributed under this Section shall be
7 calculated on a school year basis, but paid on a fiscal
8 year basis, with payments beginning in August and extending
9 through June. Unless otherwise provided, the moneys
10 appropriated for each fiscal year shall be distributed in
11 22 equal payments at least 2 times monthly to each
12 Organizational Unit. The State Board shall publish a yearly
13 distribution schedule at its meeting in June. If moneys
14 appropriated for any fiscal year are distributed other than
15 monthly, the distribution shall be on the same basis for
16 each Organizational Unit. The equal payments provided in
17 this Section to a school district shall be reduced by the
18 amount of qualified contributions received by the
19 applicable school district foundation under the Invest in
20 Kids Act. The State Board shall adopt rules to ensure that
21 the sum of any reduced equal payments and any qualified
22 contributions is equal to the total amount of moneys that
23 would have been distributed to a school district in the
24 absence of any qualified contributions under the Invest in
25 Kids Act.

26 (6) Any school district that fails, for any given

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

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

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

1 services, as defined in Section 14-1.08 of this Code, and
2 must comply with any expenditure verification procedures
3 adopted by the State Board.

4 (9) All Organizational Units in this State must submit
5 annual spending plans by the end of September of each year
6 to the State Board as part of the annual budget process,
7 which shall describe how each Organizational Unit will
8 utilize the Base Minimum Funding and Evidence-Based
9 funding it receives from this State under this Section with
10 specific identification of the intended utilization of
11 Low-Income, English learner, and special education
12 resources. Additionally, the annual spending plans of each
13 Organizational Unit shall describe how the Organizational
14 Unit expects to achieve student growth and how the
15 Organizational Unit will achieve State education goals, as
16 defined by the State Board. The State Superintendent may,
17 from time to time, identify additional requisites for
18 Organizational Units to satisfy when compiling the annual
19 spending plans required under this subsection (h). The
20 format and scope of annual spending plans shall be
21 developed by the State Superintendent in conjunction with
22 the Professional Review Panel.

23 (10) No later than January 1, 2018, the State
24 Superintendent shall develop a 5-year strategic plan for
25 all Organizational Units to help in planning for adequacy
26 funding under this Section. The State Superintendent shall

1 submit the plan to the Governor and the General Assembly,
2 as provided in Section 3.1 of the General Assembly
3 Organization Act. The plan shall include recommendations
4 for:

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

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

10 (C) application and enhancement of the current
11 financial accountability measures, the approved State
12 plan to comply with the federal Every Student Succeeds
13 Act, and the Illinois Balanced Accountability Measures
14 in relation to student growth and elements of the
15 Evidence-Based Funding model; and

16 (D) implementation of an effective school adequacy
17 funding system based on projected and recommended
18 funding levels from the General Assembly.

19 (i) Professional Review Panel.

20 (1) A Professional Review Panel is created to study and
21 review the implementation and effect of the Evidence-Based
22 Funding model under this Section and to recommend continual
23 recalibration and future study topics and modifications to
24 the Evidence-Based Funding model. The Panel shall elect a
25 chairperson and vice chairperson by a majority vote of the
26 Panel and shall advance recommendations based on a majority

1 vote of the Panel. A minority opinion may also accompany
2 any recommendation of the majority of the Panel. The Panel
3 shall be appointed by the State Superintendent, except as
4 otherwise provided in paragraph (2) of this subsection (i)
5 and include the following members:

6 (A) Two appointees that represent district
7 superintendents, recommended by a statewide
8 organization that represents district superintendents.

9 (B) Two appointees that represent school boards,
10 recommended by a statewide organization that
11 represents school boards.

12 (C) Two appointees from districts that represent
13 school business officials, recommended by a statewide
14 organization that represents school business
15 officials.

16 (D) Two appointees that represent school
17 principals, recommended by a statewide organization
18 that represents school principals.

19 (E) Two appointees that represent teachers,
20 recommended by a statewide organization that
21 represents teachers.

22 (F) Two appointees that represent teachers,
23 recommended by another statewide organization that
24 represents teachers.

25 (G) Two appointees that represent regional
26 superintendents of schools, recommended by

1 organizations that represent regional superintendents.

2 (H) Two independent experts selected solely by the
3 State Superintendent.

4 (I) Two independent experts recommended by public
5 universities in this State.

6 (J) One member recommended by a statewide
7 organization that represents parents.

8 (K) Two representatives recommended by collective
9 impact organizations that represent major metropolitan
10 areas or geographic areas in Illinois.

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

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

17 The State Superintendent shall ensure that the
18 membership of the Panel includes representatives from
19 school districts and communities reflecting the
20 geographic, socio-economic, racial, and ethnic diversity
21 of this State. The State Superintendent shall additionally
22 ensure that the membership of the Panel includes
23 representatives with expertise in bilingual education and
24 special education. Staff from the State Board shall staff
25 the Panel.

26 (2) In addition to those Panel members appointed by the

1 State Superintendent, 4 members of the General Assembly
2 shall be appointed as follows: one member of the House of
3 Representatives appointed by the Speaker of the House of
4 Representatives, one member of the Senate appointed by the
5 President of the Senate, one member of the House of
6 Representatives appointed by the Minority Leader of the
7 House of Representatives, and one member of the Senate
8 appointed by the Minority Leader of the Senate. There shall
9 be one additional member appointed by the Governor. All
10 members appointed by legislative leaders or the Governor
11 shall be non-voting, ex officio members.

12 (3) On an annual basis, the State Superintendent shall
13 recalibrate the following per pupil elements of the
14 Adequacy Target and applied to the formulas, based on the
15 Panel's study of average expenses as reported in the most
16 recent annual financial report:

17 (A) gifted under subparagraph (M) of paragraph (2)
18 of subsection (b) of this Section;

19 (B) instructional materials under subparagraph (O)
20 of paragraph (2) of subsection (b) of this Section;

21 (C) assessment under subparagraph (P) of paragraph
22 (2) of subsection (b) of this Section;

23 (D) student activities under subparagraph (R) of
24 paragraph (2) of subsection (b) of this Section;

25 (E) maintenance and operations under subparagraph
26 (S) of paragraph (2) of subsection (b) of this Section;

1 and

2 (F) central office under subparagraph (T) of
3 paragraph (2) of subsection (b) of this Section.

4 (4) On a periodic basis, the Panel shall study all the
5 following elements and make recommendations to the State
6 Board, the General Assembly, and the Governor for
7 modification of this Section:

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

11 (B) The Comparable Wage Index under this Section,
12 to be studied by the Panel and reestablished by the
13 State Superintendent every 5 years.

14 (C) Maintenance and operations. Within 5 years
15 after the implementation of this Section, the Panel
16 shall make recommendations for the further study of
17 maintenance and operations costs, including capital
18 maintenance costs, and recommend any additional
19 reporting data required from Organizational Units.

20 (D) "At-risk student" definition. Within 5 years
21 after the implementation of this Section, the Panel
22 shall make recommendations for the further study and
23 determination of an "at-risk student" definition.
24 Within 5 years after the implementation of this
25 Section, the Panel shall evaluate and make
26 recommendations regarding adequate funding for poverty

1 concentration under the Evidence-Based Funding model.

2 (E) Benefits. Within 5 years after the
3 implementation of this Section, the Panel shall make
4 recommendations for further study of benefit costs.

5 (F) Technology. The per pupil target for
6 technology shall be reviewed every 3 years to determine
7 whether current allocations are sufficient to develop
8 21st century learning in all classrooms in this State
9 and supporting a one-to-one technological device
10 program in each school. Recommendations shall be made
11 no later than 3 years after the implementation of this
12 Section.

13 (G) Local Capacity Target. Within 3 years after the
14 implementation of this Section, the Panel shall make
15 recommendations for any additional data desired to
16 analyze possible modifications to the Local Capacity
17 Target, to be based on measures in addition to solely
18 EAV and to be completed within 5 years after
19 implementation of this Section.

20 (H) Funding for Alternative Schools, Laboratory
21 Schools, safe schools, and alternative learning
22 opportunities programs. By the beginning of the
23 2021-2022 school year, the Panel shall study and make
24 recommendations regarding the funding levels for
25 Alternative Schools, Laboratory Schools, safe schools,
26 and alternative learning opportunities programs in

1 this State.

2 (I) Funding for college and career acceleration
3 strategies. By the beginning of the 2021-2022 school
4 year, the Panel shall study and make recommendations
5 regarding funding levels to support college and career
6 acceleration strategies in high school that have been
7 demonstrated to result in improved secondary and
8 postsecondary outcomes, including Advanced Placement,
9 dual-credit opportunities, and college and career
10 pathway systems.

11 (J) Special education investments. By the
12 beginning of the 2021-2022 school year, the Panel shall
13 study and make recommendations on whether and how to
14 account for disability types within the special
15 education funding category.

16 (K) Early childhood investments. In collaboration
17 with the Illinois Early Learning Council, the Panel
18 shall include an analysis of what level of Preschool
19 for All Children funding would be necessary to serve
20 all children ages 0 through 5 years in the
21 highest-priority service tier, as specified in
22 paragraph (4.5) of subsection (a) of Section 2-3.71 of
23 this Code, and an analysis of the potential cost
24 savings that that level of Preschool for All Children
25 investment would have on the kindergarten through
26 grade 12 system.

1 (5) Within 5 years after the implementation of this
2 Section, the Panel shall complete an evaluative study of
3 the entire Evidence-Based Funding model, including an
4 assessment of whether or not the formula is achieving State
5 goals. The Panel shall report to the State Board, the
6 General Assembly, and the Governor on the findings of the
7 study.

8 (6) Within 3 years after the implementation of this
9 Section, the Panel shall evaluate and provide
10 recommendations to the Governor and the General Assembly on
11 the hold-harmless provisions of this Section found in the
12 Base Funding Minimum.

13 (j) References. Beginning July 1, 2017, references in other
14 laws to general State aid funds or calculations under Section
15 18-8.05 of this Code shall be deemed to be references to
16 evidence-based model formula funds or calculations under this
17 Section.

18 (Source: P.A. 100-465, eff. 8-31-17; 100-578, eff. 1-31-18.)

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