



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB0319

Introduced 1/29/2021, by Rep. Camille Y. Lilly

SYNOPSIS AS INTRODUCED:

New Act

105 ILCS 5/2-3.28

from Ch. 122, par. 2-3.28

105 ILCS 5/18-8.15

30 ILCS 805/8.45 new

Creates the Education Prioritization Act. Beginning with fiscal year 2022, requires the General Assembly to appropriate for the evidence-based funding formula under the School Code an amount that is equal to or exceeds the sum of: (i) the total amount appropriated for the evidence-based funding formula during the fiscal year immediately preceding the fiscal year for which the appropriation is being made; and (ii) 51% of total new general funds available for spending from estimated growth in revenues and funds available because of budgeted program growth and decline in the fiscal year for which the appropriation is being made; but in no event shall the sum be less than a certain percentage required under the Act. Requires a continuing appropriation if the General Assembly fails to make sufficient appropriations to fund the evidence-based funding formula. Amends the School Code to make changes concerning a system for accounting for revenues and expenditures and evidence-based funding. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB102 10326 CMG 15653 b

FISCAL NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning education.

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

4 Section 1. Short title. This Act may be cited as the
5 Education Prioritization Act.

6 Section 5. Educational appropriations. Beginning with
7 fiscal year 2022 and in each fiscal year thereafter, subject
8 to the provisions of Section 10 of this Act, the General
9 Assembly shall appropriate for the evidence-based funding
10 formula set forth in Section 18-8.15 of the School Code an
11 amount that is equal to or exceeds the sum of: (i) the total
12 amount appropriated for the evidence-based funding formula set
13 forth in Section 18-8.15 of the School Code during the fiscal
14 year immediately preceding the fiscal year for which the
15 appropriation is being made; and (ii) 51% of total new general
16 funds available for spending from estimated growth in revenues
17 and funds available because of budgeted program growth and
18 decline in the fiscal year for which the appropriation is
19 being made; but in no event shall the sum be less than the
20 percentage required under Section 10 of this Act. The
21 Commission on Government Forecasting and Accountability shall
22 certify the amount of total new general funds available for
23 spending.

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

10 Section 15. Continuing appropriation. If the General
11 Assembly fails to make appropriations to the State Board of
12 Education in fiscal year 2022 or in any fiscal year thereafter
13 sufficient to fund the evidence-based funding formula set
14 forth in Section 18-8.15 of the School Code, this Act shall
15 constitute a continuing appropriation of all amounts necessary
16 for that purpose.

17 Section 20. Governor's budget. Beginning with fiscal year
18 2023 and in each fiscal year thereafter, the Governor shall
19 include in his or her annual budget an allocation for
20 elementary and secondary education that conforms to the
21 provisions of this Act.

22 Section 85. The School Code is amended by changing

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

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

3 Sec. 2-3.28. Rules and regulations of budget and
4 accounting systems. To prescribe rules and regulations
5 defining what shall constitute a budget and accounting system
6 required under this Act. The rules and regulations shall
7 prescribe the minimum extent of verification, the type of
8 audit, the extent of the audit report and shall require
9 compliance with statutory requirements and standards and such
10 requirements as the State Board of Education deems necessary
11 for an adequate budget and accounting system. For the
12 2021-2022 school year and thereafter, the rules and
13 regulations shall prescribe a system for accounting for
14 revenues and expenditures at the individual school level that
15 includes, without limitation, the following:

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

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

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

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

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

5 (105 ILCS 5/18-8.15)

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

8 (a) General provisions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 subsection (b) of this Section.

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

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

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

1 the Operating Tax Rate.

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

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

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

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

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

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

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

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

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

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

1 1.

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

4 "Base Funding Minimum" is defined in subsection (e) of
5 this Section.

6 "Base Tax Year" means the property tax levy year used
7 to calculate the Budget Year allocation of primary State
8 aid.

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

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

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

24 "Central office" means individual administrators and
25 support service personnel charged with managing the
26 instructional programs, business and operations, and

1 security of the Organizational Unit.

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

15 "Computer technology and equipment" means computers
16 servers, notebooks, network equipment, copiers, printers,
17 instructional software, security software, curriculum
18 management courseware, and other similar materials and
19 equipment.

20 "Computer technology and equipment investment
21 allocation" means the final Adequacy Target amount of an
22 Organizational Unit assigned to Tier 1 or Tier 2 in the
23 prior school year attributable to the additional \$285.50
24 per student computer technology and equipment investment
25 grant divided by the Organizational Unit's final Adequacy
26 Target, the result of which shall be multiplied by the

1 amount of new funding received pursuant to this Section.
2 An Organizational Unit assigned to a Tier 1 or Tier 2 final
3 Adequacy Target attributable to the received computer
4 technology and equipment investment grant shall include
5 all additional investments in computer technology and
6 equipment adequacy elements.

7 "Core subject" means mathematics; science; reading,
8 English, writing, and language arts; history and social
9 studies; world languages; and subjects taught as Advanced
10 Placement in high schools.

11 "Core teacher" means a regular classroom teacher in
12 elementary schools and teachers of a core subject in
13 middle and high schools.

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

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

26 "EAV" means equalized assessed valuation as defined in

1 paragraph (2) of subsection (d) of this Section and
2 calculated in accordance with paragraph (3) of subsection
3 (d) of this Section.

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

9 "EIS Data" means the employment information system
10 data maintained by the State Board on educators within
11 Organizational Units.

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

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

1 learners, with the exception that EL student enrollment
2 shall include students in grades pre-kindergarten through
3 12.

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

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

15 "Extended day" means academic and enrichment programs
16 provided to students outside the regular school day before
17 and after school or during non-instructional times during
18 the school day.

19 "Extension Limitation Ratio" means a numerical ratio
20 in which the numerator is the Base Tax Year's Extension
21 and the denominator is the Preceding Tax Year's Extension.

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

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

26 "Full-time equivalent" or "FTE" means the full-time

1 equivalency compensation for staffing the relevant
2 position at an Organizational Unit.

3 "Funding Gap" is defined in paragraph (1) of
4 subsection (g).

5 "Guidance counselor" means a licensed guidance
6 counselor who provides guidance and counseling support for
7 students within an Organizational Unit.

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

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

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

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

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

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

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

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

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

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

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

23 "Low-Income Count" means, for an Organizational Unit
24 in a fiscal year, the higher of the average number of
25 students for the prior school year or the immediately
26 preceding 3 school years who, as of July 1 of the

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

25 "Maintenance and operations" means custodial services,
26 facility and ground maintenance, facility operations,

1 facility security, routine facility repairs, and other
2 similar services and functions.

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

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

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

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

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

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

1 combined elementary and high school rates utilized in the
2 previous year to extend property taxes for all purposes,
3 except Bond and Interest, Summer School, Rent, Capital
4 Improvement, and Vocational Education Building purposes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 "Regionalization Factor" means, for a particular

1 Organizational Unit, the figure derived by dividing the
2 Organizational Unit CWI by the Statewide Weighted CWI.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 (b) Adequacy Target calculation.

25 (1) Each Organizational Unit's Adequacy Target is the
26 sum of the Organizational Unit's cost of providing

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

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

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

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

24 (ii) For grades 4 through 12, the
25 Organizational Unit shall receive funding required
26 to support one FTE core teacher position for every

1 20 Low-Income Count students in those grades and
2 one FTE core teacher position for every 25
3 non-Low-Income Count students in those grades.

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

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

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

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

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

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

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

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

1 through 12 ASE high school students.

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

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

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

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

1 position for each prototypical high school.

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

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

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

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

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

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

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

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

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

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

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

1 disabilities and all kindergarten through grade 12
2 students to cover central office operations, including
3 administrators and classified personnel charged with
4 managing the instructional programs, business and
5 operations of the school district, and security
6 personnel. The proportion of salary for the
7 application of a Regionalization Factor and the
8 calculation of benefits is equal to \$368.48.

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

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

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

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

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

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

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

26 (W) Additional investments in English learner

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

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

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

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

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

14 (v) one FTE core teacher position for every
15 100 English learner students.

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

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

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

1 students; and

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

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

14 (A) Teacher for grades K through 8.

15 (B) Teacher for grades 9 through 12.

16 (C) Teacher for grades K through 12.

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

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

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

20 (G) Social worker.

21 (H) Psychologist.

22 (I) Librarian.

23 (J) Nurse.

24 (K) Principal.

25 (L) Assistant principal.

26 For the purposes of this paragraph (3), "teacher"

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

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

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

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

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

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

1 (c) Local Capacity calculation.

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

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

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

1 (C) of this paragraph (2).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 (4) An Organizational Unit's Adjusted EAV shall be the
26 average of its EAV over the immediately preceding 3 years

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

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

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

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

22 (e) Base Funding Minimum calculation.

23 (1) For the 2017-2018 school year, the Base Funding
24 Minimum of an Organizational Unit or a Specially Funded
25 Unit shall be the amount of State funds distributed to the
26 Organizational Unit or Specially Funded Unit during the

1 2016-2017 school year prior to any adjustments and
2 specified appropriation amounts described in this
3 paragraph (1) from the following Sections, as calculated
4 by the State Superintendent: Section 18-8.05 of this Code
5 (now repealed); Section 5 of Article 224 of Public Act
6 99-524 (equity grants); Section 14-7.02b of this Code
7 (funding for children requiring special education
8 services); Section 14-13.01 of this Code (special
9 education facilities and staffing), except for
10 reimbursement of the cost of transportation pursuant to
11 Section 14-13.01; Section 14C-12 of this Code (English
12 learners); and Section 18-4.3 of this Code (summer
13 school), based on an appropriation level of \$13,121,600.
14 For a school district organized under Article 34 of this
15 Code, the Base Funding Minimum also includes (i) the funds
16 allocated to the school district pursuant to Section 1D-1
17 of this Code attributable to funding programs authorized
18 by the Sections of this Code listed in the preceding
19 sentence and (ii) the difference between (I) the funds
20 allocated to the school district pursuant to Section 1D-1
21 of this Code attributable to the funding programs
22 authorized by Section 14-7.02 (non-public special
23 education reimbursement), subsection (b) of Section
24 14-13.01 (special education transportation), Section 29-5
25 (transportation), Section 2-3.80 (agricultural
26 education), Section 2-3.66 (truants' alternative

1 education), Section 2-3.62 (educational service centers),
2 and Section 14-7.03 (special education - orphanage) of
3 this Code and Section 15 of the Childhood Hunger Relief
4 Act (free breakfast program) and (II) the school
5 district's actual expenditures for its non-public special
6 education, special education transportation,
7 transportation programs, agricultural education, truants'
8 alternative education, services that would otherwise be
9 performed by a regional office of education, special
10 education orphanage expenditures, and free breakfast, as
11 most recently calculated and reported pursuant to
12 subsection (f) of Section 1D-1 of this Code. The Base
13 Funding Minimum for Glenwood Academy shall be \$625,500.
14 For programs operated by a regional office of education or
15 an intermediate service center, the Base Funding Minimum
16 must be the total amount of State funds allocated to those
17 programs in the 2018-2019 school year and amounts provided
18 pursuant to Article 34 of Public Act 100-586 and Section
19 3-16 of this Code. All programs established after June 5,
20 2019 (the effective date of Public Act 101-10) and
21 administered by a regional office of education or an
22 intermediate service center must have an initial Base
23 Funding Minimum set to an amount equal to the first-year
24 ASE multiplied by the amount of per pupil funding received
25 in the previous school year by the lowest funded similar
26 existing program type. If the enrollment for a program

1 operated by a regional office of education or an
2 intermediate service center is zero, then it may not
3 receive Base Funding Minimum funds for that program in the
4 next fiscal year, and those funds must be distributed to
5 Organizational Units under subsection (g).

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

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

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

24 (B) The Organizational Unit was designated as a
25 Tier 1 or Tier 2 Organizational Unit in the previous
26 school year under paragraph (3) of subsection (g) of

1 this Section.

2 (C) The Organizational Unit demonstrates
3 sustainability through a 5-year financial and
4 strategic plan.

5 (D) The Organizational Unit has made sufficient
6 progress and achieved sufficient stability in the
7 areas of governance, academic growth, and finances.

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

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

1 Organizational Unit's Base Funding Minimum, the District
2 Intervention Money must be added to the Base Funding
3 Minimum annually thereafter.

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

1 Organizational Unit already has a Financial Oversight
2 Panel, the State Board may extend the duration of the
3 Panel.

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

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

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

22 (3) Except for Specially Funded Units, an
23 Organizational Unit's Final Resources are equal to the sum
24 of its Local Capacity, CPPRT, and Adjusted Base Funding
25 Minimum. The Base Funding Minimum of each Specially Funded
26 Unit shall serve as its Final Resources, except that the

1 Base Funding Minimum for State-approved charter schools
2 shall not include any portion of general State aid
3 allocated in the prior year based on the per capita
4 tuition charge times the charter school enrollment.

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

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

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

1 equals 0.1% of all New State Funds. Each Organizational
2 Unit within Tier 1 or Tier 2 receives an allocation of New
3 State Funds equal to its tier Funding Gap, as defined in
4 the following sentence, multiplied by the tier's
5 Allocation Rate determined pursuant to paragraph (4) of
6 this subsection (g). For Tier 1, an Organizational Unit's
7 Funding Gap equals the tier's Target Ratio, as specified
8 in paragraph (5) of this subsection (g), multiplied by the
9 Organizational Unit's Adequacy Target, with the resulting
10 amount reduced by the Organizational Unit's Final
11 Resources. For Tier 2, an Organizational Unit's Funding
12 Gap equals the tier's Target Ratio, as described in
13 paragraph (5) of this subsection (g), multiplied by the
14 Organizational Unit's Adequacy Target, with the resulting
15 amount reduced by the Organizational Unit's Final
16 Resources and its Tier 1 funding allocation. To determine
17 the Organizational Unit's Funding Gap, the resulting
18 amount is then multiplied by a factor equal to one minus
19 the Organizational Unit's Local Capacity Target
20 percentage. Each Organizational Unit within Tier 3 or Tier
21 4 receives an allocation of New State Funds equal to the
22 product of its Adequacy Target and the tier's Allocation
23 Rate, as specified in paragraph (4) of this subsection
24 (g).

25 (2) To ensure equitable distribution of dollars for
26 all Tier 2 Organizational Units, no Tier 2 Organizational

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

14 (3) Organizational Units are placed into one of 4
15 tiers as follows:

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

23 (B) Tier 2 consists of all Tier 1 Units and all
24 other Organizational Units, except for Specially
25 Funded Units, with a Percent of Adequacy of less than
26 0.90.

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

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

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

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

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

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

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

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

25 (A) The Tier 1 Target Ratio is the ratio level that
26 allows for Tier 1 Aggregate Funding to be distributed

1 with the Tier 1 Allocation Rate.

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

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

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

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

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

21 (8.5) If a school district withdraws from a special
22 education cooperative, the portion of the Base Funding
23 Minimum that is attributable to the school district may be
24 redistributed to the school district upon withdrawal. The
25 school district and the cooperative must include the
26 amount of the Base Funding Minimum that is to be

1 reappropriated in their withdrawal agreement and notify the
2 State Board of the change with a copy of the agreement upon
3 withdrawal.

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

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

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

1 (C) Next, Tier 2 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 and Tier 3.

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

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

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

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

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

21 (h) State Superintendent administration of funding and
22 district submission requirements.

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

1 (2) The State Superintendent shall calculate the
2 Adequacy Target for each Organizational Unit and Net State
3 Contribution Target for each Organizational Unit under
4 this Section. No Evidence-Based Funding shall be
5 distributed within an Organizational Unit without the
6 approval of the unit's school board.

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

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

1 computer technology and equipment investment allocation.

2 (5) Moneys distributed under this Section shall be
3 calculated on a school year basis, but paid on a fiscal
4 year basis, with payments beginning in August and
5 extending through June. Unless otherwise provided, the
6 moneys appropriated for each fiscal year shall be
7 distributed in 22 equal payments at least 2 times monthly
8 to each Organizational Unit. If moneys appropriated for
9 any fiscal year are distributed other than monthly, the
10 distribution shall be on the same basis for each
11 Organizational Unit.

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

26 (7) School district claims filed under this Section

1 are subject to Sections 18-9 and 18-12 of this Code,
2 except as otherwise provided in this Section.

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

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

1 Organizational Unit will achieve State education goals, as
2 defined by the State Board. The State Superintendent may,
3 from time to time, identify additional requisites for
4 Organizational Units to satisfy when compiling the annual
5 spending plans required under this subsection (h). The
6 format and scope of annual spending plans shall be
7 developed by the State Superintendent and the State Board
8 of Education. School districts that serve students under
9 Article 14C of this Code shall continue to submit
10 information as required under Section 14C-12 of this Code.

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

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

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

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

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

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

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

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

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

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

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

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

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

24 (i) Professional Review Panel.

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

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

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

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

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

26 (D) Two appointees that represent school

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 (E) Benefits.

8 (F) Technology.

9 (G) Local Capacity Target.

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

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

15 (J) Special education investments.

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

18 (4) (Blank).

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

26 (6) (Blank).

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

6 (Source: P.A. 100-465, eff. 8-31-17; 100-578, eff. 1-31-18;
7 100-582, eff. 3-23-18; 101-10, eff. 6-5-19; 101-17, eff.
8 6-14-19; 101-643, eff. 6-18-20; revised 8-21-20.)

9 Section 90. The State Mandates Act is amended by adding
10 Section 8.45 as follows:

11 (30 ILCS 805/8.45 new)

12 Sec. 8.45. Exempt mandate. Notwithstanding Sections 6 and
13 8 of this Act, no reimbursement by the State is required for
14 the implementation of any mandate created by this amendatory
15 Act of the 102nd General Assembly.

16 Section 99. Effective date. This Act takes effect upon
17 becoming law.