



93RD GENERAL ASSEMBLY
State of Illinois
2003 and 2004

Introduced 02/05/04, by Michael K. Smith

SYNOPSIS AS INTRODUCED:

105 ILCS 5/18-8.05

Amends the State aid formula provisions of the School Code. Provides that for the purpose of calculating general State aid only, the Average Daily Attendance figure, for pupils in grades 9 through 12, shall be increased by 2% for fiscal year 2005, by 4% for fiscal year 2006, by 6% for fiscal year 2007, by 8% for fiscal year 2008, and by 10% for fiscal year 2009 and each fiscal year thereafter. Effective immediately.

LRB093 20899 LRD 46858 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT regarding schools.

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

4 Section 5. The School Code is amended by changing Section
5 18-8.05 as follows:

6 (105 ILCS 5/18-8.05)

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

10 (A) General Provisions.

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

27 (2) In addition to general State financial aid, school
28 districts with specified levels or concentrations of pupils
29 from low income households are eligible to receive supplemental
30 general State financial aid grants as provided pursuant to
31 subsection (H). The supplemental State aid grants provided for

1 school districts under subsection (H) shall be appropriated for
2 distribution to school districts as part of the same line item
3 in which the general State financial aid of school districts is
4 appropriated under this Section.

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

8 (a) Any school district which fails for any given
9 school year to maintain school as required by law, or to
10 maintain a recognized school is not eligible to file for
11 such school year any claim upon the Common School Fund. In
12 case of nonrecognition of one or more attendance centers in
13 a school district otherwise operating recognized schools,
14 the claim of the district shall be reduced in the
15 proportion which the Average Daily Attendance in the
16 attendance center or centers bear to the Average Daily
17 Attendance in the school district. A "recognized school"
18 means any public school which meets the standards as
19 established for recognition by the State Board of
20 Education. A school district or attendance center not
21 having recognition status at the end of a school term is
22 entitled to receive State aid payments due upon a legal
23 claim which was filed while it was recognized.

24 (b) School district claims filed under this Section are
25 subject to Sections 18-9, 18-10, and 18-12, except as
26 otherwise provided in this Section.

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

32 (d) (Blank).

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

1 School districts are not required to exert a minimum
2 Operating Tax Rate in order to qualify for assistance under
3 this Section.

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

6 (a) "Average Daily Attendance": A count of pupil
7 attendance in school, averaged as provided for in
8 subsection (C) and utilized in deriving per pupil financial
9 support levels.

10 (b) "Available Local Resources": A computation of
11 local financial support, calculated on the basis of Average
12 Daily Attendance and derived as provided pursuant to
13 subsection (D).

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

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

23 (e) "Operating Tax Rate": All school district property
24 taxes extended for all purposes, except Bond and Interest,
25 Summer School, Rent, Capital Improvement, and Vocational
26 Education Building purposes.

27 (B) Foundation Level.

28 (1) The Foundation Level is a figure established by the
29 State representing the minimum level of per pupil financial
30 support that should be available to provide for the basic
31 education of each pupil in Average Daily Attendance. As set
32 forth in this Section, each school district is assumed to exert
33 a sufficient local taxing effort such that, in combination with
34 the aggregate of general State financial aid provided the
35 district, an aggregate of State and local resources are

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

3 (2) For the 1998-1999 school year, the Foundation Level of
4 support is \$4,225. For the 1999-2000 school year, the
5 Foundation Level of support is \$4,325. For the 2000-2001 school
6 year, the Foundation Level of support is \$4,425.

7 (3) For the 2001-2002 school year and 2002-2003 school
8 year, the Foundation Level of support is \$4,560.

9 (4) For the 2003-2004 school year and each school year
10 thereafter, the Foundation Level of support is \$4,810 or such
11 greater amount as may be established by law by the General
12 Assembly.

13 (C) Average Daily Attendance.

14 (1) For purposes of calculating general State aid pursuant
15 to subsection (E), an Average Daily Attendance figure shall be
16 utilized. The Average Daily Attendance figure for formula
17 calculation purposes shall be the monthly average of the actual
18 number of pupils in attendance of each school district, as
19 further averaged for the best 3 months of pupil attendance for
20 each school district. However, for the purpose of calculating
21 general State aid under subsection (E) only, the Average Daily
22 Attendance figure for pupils in grades 9 through 12 shall be
23 increased by 2% for fiscal year 2005, by 4% for fiscal year
24 2006, by 6% for fiscal year 2007, by 8% for fiscal year 2008,
25 and by 10% for fiscal year 2009 and each fiscal year
26 thereafter. In compiling the figures for the number of pupils
27 in attendance, school districts and the State Board of
28 Education shall, for purposes of general State aid funding,
29 conform attendance figures to the requirements of subsection
30 (F).

31 (2) The Average Daily Attendance figures utilized in
32 subsection (E) shall be the requisite attendance data for the
33 school year immediately preceding the school year for which
34 general State aid is being calculated or the average of the
35 attendance data for the 3 preceding school years, whichever is

1 greater. The Average Daily Attendance figures utilized in
2 subsection (H) shall be the requisite attendance data for the
3 school year immediately preceding the school year for which
4 general State aid is being calculated.

5 (D) Available Local Resources.

6 (1) For purposes of calculating general State aid pursuant
7 to subsection (E), a representation of Available Local
8 Resources per pupil, as that term is defined and determined in
9 this subsection, shall be utilized. Available Local Resources
10 per pupil shall include a calculated dollar amount representing
11 local school district revenues from local property taxes and
12 from Corporate Personal Property Replacement Taxes, expressed
13 on the basis of pupils in Average Daily Attendance.

14 (2) In determining a school district's revenue from local
15 property taxes, the State Board of Education shall utilize the
16 equalized assessed valuation of all taxable property of each
17 school district as of September 30 of the previous year. The
18 equalized assessed valuation utilized shall be obtained and
19 determined as provided in subsection (G).

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

34 (4) The Corporate Personal Property Replacement Taxes paid
35 to each school district during the calendar year 2 years before

1 the calendar year in which a school year begins, divided by the
2 Average Daily Attendance figure for that district, shall be
3 added to the local property tax revenues per pupil as derived
4 by the application of the immediately preceding paragraph (3).
5 The sum of these per pupil figures for each school district
6 shall constitute Available Local Resources as that term is
7 utilized in subsection (E) in the calculation of general State
8 aid.

9 (E) Computation of General State Aid.

10 (1) For each school year, the amount of general State aid
11 allotted to a school district shall be computed by the State
12 Board of Education as provided in this subsection.

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

19 (3) For any school district for which Available Local
20 Resources per pupil is equal to or greater than the product of
21 0.93 times the Foundation Level and less than the product of
22 1.75 times the Foundation Level, the general State aid per
23 pupil shall be a decimal proportion of the Foundation Level
24 derived using a linear algorithm. Under this linear algorithm,
25 the calculated general State aid per pupil shall decline in
26 direct linear fashion from 0.07 times the Foundation Level for
27 a school district with Available Local Resources equal to the
28 product of 0.93 times the Foundation Level, to 0.05 times the
29 Foundation Level for a school district with Available Local
30 Resources equal to the product of 1.75 times the Foundation
31 Level. The allocation of general State aid for school districts
32 subject to this paragraph 3 shall be the calculated general
33 State aid per pupil figure multiplied by the Average Daily
34 Attendance of the school district.

35 (4) For any school district for which Available Local

1 Resources per pupil equals or exceeds the product of 1.75 times
2 the Foundation Level, the general State aid for the school
3 district shall be calculated as the product of \$218 multiplied
4 by the Average Daily Attendance of the school district.

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

15 (F) Compilation of Average Daily Attendance.

16 (1) Each school district shall, by July 1 of each year,
17 submit to the State Board of Education, on forms prescribed by
18 the State Board of Education, attendance figures for the school
19 year that began in the preceding calendar year. The attendance
20 information so transmitted shall identify the average daily
21 attendance figures for each month of the school year. Beginning
22 with the general State aid claim form for the 2002-2003 school
23 year, districts shall calculate Average Daily Attendance as
24 provided in subdivisions (a), (b), and (c) of this paragraph
25 (1).

26 (a) In districts that do not hold year-round classes,
27 days of attendance in August shall be added to the month of
28 September and any days of attendance in June shall be added
29 to the month of May.

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

34 (c) In districts in which some buildings, but not all,
35 hold year-round classes, for the non-year-round buildings,

1 days of attendance in August shall be added to the month of
2 September and any days of attendance in June shall be added
3 to the month of May. The average daily attendance for the
4 year-round buildings shall be computed as provided in
5 subdivision (b) of this paragraph (1). To calculate the
6 Average Daily Attendance for the district, the average
7 daily attendance for the year-round buildings shall be
8 multiplied by the days in session for the non-year-round
9 buildings for each month and added to the monthly
10 attendance of the non-year-round buildings.

11 Except as otherwise provided in this Section, days of
12 attendance by pupils shall be counted only for sessions of not
13 less than 5 clock hours of school work per day under direct
14 supervision of: (i) teachers, or (ii) non-teaching personnel or
15 volunteer personnel when engaging in non-teaching duties and
16 supervising in those instances specified in subsection (a) of
17 Section 10-22.34 and paragraph 10 of Section 34-18, with pupils
18 of legal school age and in kindergarten and grades 1 through
19 12.

20 Days of attendance by tuition pupils shall be accredited
21 only to the districts that pay the tuition to a recognized
22 school.

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

26 (a) Pupils regularly enrolled in a public school for
27 only a part of the school day may be counted on the basis
28 of 1/6 day for every class hour of instruction of 40
29 minutes or more attended pursuant to such enrollment,
30 unless a pupil is enrolled in a block-schedule format of 80
31 minutes or more of instruction, in which case the pupil may
32 be counted on the basis of the proportion of minutes of
33 school work completed each day to the minimum number of
34 minutes that school work is required to be held that day.

35 (b) Days of attendance may be less than 5 clock hours
36 on the opening and closing of the school term, and upon the

1 first day of pupil attendance, if preceded by a day or days
2 utilized as an institute or teachers' workshop.

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

8 (d) A session of 3 or more clock hours may be counted
9 as a day of attendance (1) when the remainder of the school
10 day or at least 2 hours in the evening of that day is
11 utilized for an in-service training program for teachers,
12 up to a maximum of 5 days per school year of which a
13 maximum of 4 days of such 5 days may be used for
14 parent-teacher conferences, provided a district conducts
15 an in-service training program for teachers which has been
16 approved by the State Superintendent of Education; or, in
17 lieu of 4 such days, 2 full days may be used, in which
18 event each such day may be counted as a day of attendance;
19 and (2) when days in addition to those provided in item (1)
20 are scheduled by a school pursuant to its school
21 improvement plan adopted under Article 34 or its revised or
22 amended school improvement plan adopted under Article 2,
23 provided that (i) such sessions of 3 or more clock hours
24 are scheduled to occur at regular intervals, (ii) the
25 remainder of the school days in which such sessions occur
26 are utilized for in-service training programs or other
27 staff development activities for teachers, and (iii) a
28 sufficient number of minutes of school work under the
29 direct supervision of teachers are added to the school days
30 between such regularly scheduled sessions to accumulate
31 not less than the number of minutes by which such sessions
32 of 3 or more clock hours fall short of 5 clock hours. Any
33 full days used for the purposes of this paragraph shall not
34 be considered for computing average daily attendance. Days
35 scheduled for in-service training programs, staff
36 development activities, or parent-teacher conferences may

1 be scheduled separately for different grade levels and
2 different attendance centers of the district.

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

9 (f) A session of at least 4 clock hours may be counted
10 as a day of attendance for first grade pupils, and pupils
11 in full day kindergartens, and a session of 2 or more hours
12 may be counted as 1/2 day of attendance by pupils in
13 kindergartens which provide only 1/2 day of attendance.

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

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

1 regulations of the State Board of Education.

2 (G) Equalized Assessed Valuation Data.

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

13 This equalized assessed valuation, as adjusted further by
14 the requirements of this subsection, shall be utilized in the
15 calculation of Available Local Resources.

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

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

1 equalized assessed valuation of the district, the total
2 initial equalized assessed valuation or the current
3 equalized assessed valuation, whichever is lower, shall be
4 used until such time as all redevelopment project costs
5 have been paid.

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

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

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

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

30 "Base Tax Year": The property tax levy year used to
31 calculate the Budget Year allocation of general State aid.

32 "Preceding Tax Year": The property tax levy year
33 immediately preceding the Base Tax Year.

34 "Base Tax Year's Tax Extension": The product of the
35 equalized assessed valuation utilized by the County Clerk
36 in the Base Tax Year multiplied by the limiting rate as

1 calculated by the County Clerk and defined in the Property
2 Tax Extension Limitation Law.

3 "Preceding Tax Year's Tax Extension": The product of
4 the equalized assessed valuation utilized by the County
5 Clerk in the Preceding Tax Year multiplied by the Operating
6 Tax Rate as defined in subsection (A).

7 "Extension Limitation Ratio": A numerical ratio,
8 certified by the County Clerk, in which the numerator is
9 the Base Tax Year's Tax Extension and the denominator is
10 the Preceding Tax Year's Tax Extension.

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

13 If a school district is subject to property tax extension
14 limitations as imposed under the Property Tax Extension
15 Limitation Law, the State Board of Education shall calculate
16 the Extension Limitation Equalized Assessed Valuation of that
17 district. For the 1999-2000 school year, the Extension
18 Limitation Equalized Assessed Valuation of a school district as
19 calculated by the State Board of Education shall be equal to
20 the product of the district's 1996 Equalized Assessed Valuation
21 and the district's Extension Limitation Ratio. For the
22 2000-2001 school year and each school year thereafter, the
23 Extension Limitation Equalized Assessed Valuation of a school
24 district as calculated by the State Board of Education shall be
25 equal to the product of the Equalized Assessed Valuation last
26 used in the calculation of general State aid and the district's
27 Extension Limitation Ratio. If the Extension Limitation
28 Equalized Assessed Valuation of a school district as calculated
29 under this subsection (G)(3) is less than the district's
30 equalized assessed valuation as calculated pursuant to
31 subsections (G)(1) and (G)(2), then for purposes of calculating
32 the district's general State aid for the Budget Year pursuant
33 to subsection (E), that Extension Limitation Equalized
34 Assessed Valuation shall be utilized to calculate the
35 district's Available Local Resources under subsection (D).

36 (4) For the purposes of calculating general State aid for

1 the 1999-2000 school year only, if a school district
2 experienced a triennial reassessment on the equalized assessed
3 valuation used in calculating its general State financial aid
4 apportionment for the 1998-1999 school year, the State Board of
5 Education shall calculate the Extension Limitation Equalized
6 Assessed Valuation that would have been used to calculate the
7 district's 1998-1999 general State aid. This amount shall equal
8 the product of the equalized assessed valuation used to
9 calculate general State aid for the 1997-1998 school year and
10 the district's Extension Limitation Ratio. If the Extension
11 Limitation Equalized Assessed Valuation of the school district
12 as calculated under this paragraph (4) is less than the
13 district's equalized assessed valuation utilized in
14 calculating the district's 1998-1999 general State aid
15 allocation, then for purposes of calculating the district's
16 general State aid pursuant to paragraph (5) of subsection (E),
17 that Extension Limitation Equalized Assessed Valuation shall
18 be utilized to calculate the district's Available Local
19 Resources.

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

32 (H) Supplemental General State Aid.

33 (1) In addition to the general State aid a school district
34 is allotted pursuant to subsection (E), qualifying school
35 districts shall receive a grant, paid in conjunction with a

1 district's payments of general State aid, for supplemental
2 general State aid based upon the concentration level of
3 children from low-income households within the school
4 district. Supplemental State aid grants provided for school
5 districts under this subsection shall be appropriated for
6 distribution to school districts as part of the same line item
7 in which the general State financial aid of school districts is
8 appropriated under this Section. If the appropriation in any
9 fiscal year for general State aid and supplemental general
10 State aid is insufficient to pay the amounts required under the
11 general State aid and supplemental general State aid
12 calculations, then the State Board of Education shall ensure
13 that each school district receives the full amount due for
14 general State aid and the remainder of the appropriation shall
15 be used for supplemental general State aid, which the State
16 Board of Education shall calculate and pay to eligible
17 districts on a prorated basis.

18 (1.5) This paragraph (1.5) applies only to those school
19 years preceding the 2003-2004 school year. For purposes of this
20 subsection (H), the term "Low-Income Concentration Level"
21 shall be the low-income eligible pupil count from the most
22 recently available federal census divided by the Average Daily
23 Attendance of the school district. If, however, (i) the
24 percentage decrease from the 2 most recent federal censuses in
25 the low-income eligible pupil count of a high school district
26 with fewer than 400 students exceeds by 75% or more the
27 percentage change in the total low-income eligible pupil count
28 of contiguous elementary school districts, whose boundaries
29 are coterminous with the high school district, or (ii) a high
30 school district within 2 counties and serving 5 elementary
31 school districts, whose boundaries are coterminous with the
32 high school district, has a percentage decrease from the 2 most
33 recent federal censuses in the low-income eligible pupil count
34 and there is a percentage increase in the total low-income
35 eligible pupil count of a majority of the elementary school
36 districts in excess of 50% from the 2 most recent federal

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

16 (1.10) This paragraph (1.10) applies to the 2003-2004
17 school year and each school year thereafter. For purposes of
18 this subsection (H), the term "Low-Income Concentration Level"
19 shall, for each fiscal year, be the low-income eligible pupil
20 count as of July 1 of the immediately preceding fiscal year (as
21 determined by the Department of Human Services based on the
22 number of pupils who are eligible for at least one of the
23 following low income programs: Medicaid, KidCare, TANF, or Food
24 Stamps, excluding pupils who are eligible for services provided
25 by the Department of Children and Family Services, averaged
26 over the 2 immediately preceding fiscal years for fiscal year
27 2004 and over the 3 immediately preceding fiscal years for each
28 fiscal year thereafter) divided by the Average Daily Attendance
29 of the school district.

30 (2) Supplemental general State aid pursuant to this
31 subsection (H) shall be provided as follows for the 1998-1999,
32 1999-2000, and 2000-2001 school years only:

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

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

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

9 (d) For any school district with a Low Income
10 Concentration Level of 60% or more, the grant for the
11 1998-99 school year shall be \$1,900 multiplied by the low
12 income eligible pupil count.

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

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

21 (2.5) Supplemental general State aid pursuant to this
22 subsection (H) shall be provided as follows for the 2002-2003
23 school year:

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

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

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

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

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

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

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

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

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

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

25 For the 2003-2004 school year only, the grant shall be no
26 less than the grant for the 2002-2003 school year. For the
27 2004-2005 school year only, the grant shall be no less than the
28 grant for the 2002-2003 school year multiplied by 0.66. For the
29 2005-2006 school year only, the grant shall be no less than the
30 grant for the 2002-2003 school year multiplied by 0.33.

31 For the 2003-2004 school year only, the grant shall be no
32 greater than the grant received during the 2002-2003 school
33 year added to the product of 0.25 multiplied by the difference
34 between the grant amount calculated under subsection (a) or (b)
35 of this paragraph (2.10), whichever is applicable, and the
36 grant received during the 2002-2003 school year. For the

1 2004-2005 school year only, the grant shall be no greater than
2 the grant received during the 2002-2003 school year added to
3 the product of 0.50 multiplied by the difference between the
4 grant amount calculated under subsection (a) or (b) of this
5 paragraph (2.10), whichever is applicable, and the grant
6 received during the 2002-2003 school year. For the 2005-2006
7 school year only, the grant shall be no greater than the grant
8 received during the 2002-2003 school year added to the product
9 of 0.75 multiplied by the difference between the grant amount
10 calculated under subsection (a) or (b) of this paragraph
11 (2.10), whichever is applicable, and the grant received during
12 the 2002-2003 school year.

13 (3) School districts with an Average Daily Attendance of
14 more than 1,000 and less than 50,000 that qualify for
15 supplemental general State aid pursuant to this subsection
16 shall submit a plan to the State Board of Education prior to
17 October 30 of each year for the use of the funds resulting from
18 this grant of supplemental general State aid for the
19 improvement of instruction in which priority is given to
20 meeting the education needs of disadvantaged children. Such
21 plan shall be submitted in accordance with rules and
22 regulations promulgated by the State Board of Education.

23 (4) School districts with an Average Daily Attendance of
24 50,000 or more that qualify for supplemental general State aid
25 pursuant to this subsection shall be required to distribute
26 from funds available pursuant to this Section, no less than
27 \$261,000,000 in accordance with the following requirements:

28 (a) The required amounts shall be distributed to the
29 attendance centers within the district in proportion to the
30 number of pupils enrolled at each attendance center who are
31 eligible to receive free or reduced-price lunches or
32 breakfasts under the federal Child Nutrition Act of 1966
33 and under the National School Lunch Act during the
34 immediately preceding school year.

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

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

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

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

20 (e) Funds received by an attendance center pursuant to
21 this subsection shall be used by the attendance center at
22 the discretion of the principal and local school council
23 for programs to improve educational opportunities at
24 qualifying schools through the following programs and
25 services: early childhood education, reduced class size or
26 improved adult to student classroom ratio, enrichment
27 programs, remedial assistance, attendance improvement, and
28 other educationally beneficial expenditures which
29 supplement the regular and basic programs as determined by
30 the State Board of Education. Funds provided shall not be
31 expended for any political or lobbying purposes as defined
32 by board rule.

33 (f) Each district subject to the provisions of this
34 subdivision (H)(4) shall submit an acceptable plan to meet
35 the educational needs of disadvantaged children, in
36 compliance with the requirements of this paragraph, to the

1 State Board of Education prior to July 15 of each year.
2 This plan shall be consistent with the decisions of local
3 school councils concerning the school expenditure plans
4 developed in accordance with part 4 of Section 34-2.3. The
5 State Board shall approve or reject the plan within 60 days
6 after its submission. If the plan is rejected, the district
7 shall give written notice of intent to modify the plan
8 within 15 days of the notification of rejection and then
9 submit a modified plan within 30 days after the date of the
10 written notice of intent to modify. Districts may amend
11 approved plans pursuant to rules promulgated by the State
12 Board of Education.

13 Upon notification by the State Board of Education that
14 the district has not submitted a plan prior to July 15 or a
15 modified plan within the time period specified herein, the
16 State aid funds affected by that plan or modified plan
17 shall be withheld by the State Board of Education until a
18 plan or modified plan is submitted.

19 If the district fails to distribute State aid to
20 attendance centers in accordance with an approved plan, the
21 plan for the following year shall allocate funds, in
22 addition to the funds otherwise required by this
23 subsection, to those attendance centers which were
24 underfunded during the previous year in amounts equal to
25 such underfunding.

26 For purposes of determining compliance with this
27 subsection in relation to the requirements of attendance
28 center funding, each district subject to the provisions of
29 this subsection shall submit as a separate document by
30 December 1 of each year a report of expenditure data for
31 the prior year in addition to any modification of its
32 current plan. If it is determined that there has been a
33 failure to comply with the expenditure provisions of this
34 subsection regarding contravention or supplanting, the
35 State Superintendent of Education shall, within 60 days of
36 receipt of the report, notify the district and any affected

1 local school council. The district shall within 45 days of
2 receipt of that notification inform the State
3 Superintendent of Education of the remedial or corrective
4 action to be taken, whether by amendment of the current
5 plan, if feasible, or by adjustment in the plan for the
6 following year. Failure to provide the expenditure report
7 or the notification of remedial or corrective action in a
8 timely manner shall result in a withholding of the affected
9 funds.

10 The State Board of Education shall promulgate rules and
11 regulations to implement the provisions of this
12 subsection. No funds shall be released under this
13 subdivision (H) (4) to any district that has not submitted a
14 plan that has been approved by the State Board of
15 Education.

16 (I) General State Aid for Newly Configured School Districts.

17 (1) For a new school district formed by combining property
18 included totally within 2 or more previously existing school
19 districts, for its first year of existence the general State
20 aid and supplemental general State aid calculated under this
21 Section shall be computed for the new district and for the
22 previously existing districts for which property is totally
23 included within the new district. If the computation on the
24 basis of the previously existing districts is greater, a
25 supplementary payment equal to the difference shall be made for
26 the first 4 years of existence of the new district.

27 (2) For a school district which annexes all of the
28 territory of one or more entire other school districts, for the
29 first year during which the change of boundaries attributable
30 to such annexation becomes effective for all purposes as
31 determined under Section 7-9 or 7A-8, the general State aid and
32 supplemental general State aid calculated under this Section
33 shall be computed for the annexing district as constituted
34 after the annexation and for the annexing and each annexed
35 district as constituted prior to the annexation; and if the

1 computation on the basis of the annexing and annexed districts
2 as constituted prior to the annexation is greater, a
3 supplementary payment equal to the difference shall be made for
4 the first 4 years of existence of the annexing school district
5 as constituted upon such annexation.

6 (3) For 2 or more school districts which annex all of the
7 territory of one or more entire other school districts, and for
8 2 or more community unit districts which result upon the
9 division (pursuant to petition under Section 11A-2) of one or
10 more other unit school districts into 2 or more parts and which
11 together include all of the parts into which such other unit
12 school district or districts are so divided, for the first year
13 during which the change of boundaries attributable to such
14 annexation or division becomes effective for all purposes as
15 determined under Section 7-9 or 11A-10, as the case may be, the
16 general State aid and supplemental general State aid calculated
17 under this Section shall be computed for each annexing or
18 resulting district as constituted after the annexation or
19 division and for each annexing and annexed district, or for
20 each resulting and divided district, as constituted prior to
21 the annexation or division; and if the aggregate of the general
22 State aid and supplemental general State aid as so computed for
23 the annexing or resulting districts as constituted after the
24 annexation or division is less than the aggregate of the
25 general State aid and supplemental general State aid as so
26 computed for the annexing and annexed districts, or for the
27 resulting and divided districts, as constituted prior to the
28 annexation or division, then a supplementary payment equal to
29 the difference shall be made and allocated between or among the
30 annexing or resulting districts, as constituted upon such
31 annexation or division, for the first 4 years of their
32 existence. The total difference payment shall be allocated
33 between or among the annexing or resulting districts in the
34 same ratio as the pupil enrollment from that portion of the
35 annexed or divided district or districts which is annexed to or
36 included in each such annexing or resulting district bears to

1 the total pupil enrollment from the entire annexed or divided
2 district or districts, as such pupil enrollment is determined
3 for the school year last ending prior to the date when the
4 change of boundaries attributable to the annexation or division
5 becomes effective for all purposes. The amount of the total
6 difference payment and the amount thereof to be allocated to
7 the annexing or resulting districts shall be computed by the
8 State Board of Education on the basis of pupil enrollment and
9 other data which shall be certified to the State Board of
10 Education, on forms which it shall provide for that purpose, by
11 the regional superintendent of schools for each educational
12 service region in which the annexing and annexed districts, or
13 resulting and divided districts are located.

14 (3.5) Claims for financial assistance under this
15 subsection (I) shall not be recomputed except as expressly
16 provided under this Section.

17 (4) Any supplementary payment made under this subsection
18 (I) shall be treated as separate from all other payments made
19 pursuant to this Section.

20 (J) Supplementary Grants in Aid.

21 (1) Notwithstanding any other provisions of this Section,
22 the amount of the aggregate general State aid in combination
23 with supplemental general State aid under this Section for
24 which each school district is eligible shall be no less than
25 the amount of the aggregate general State aid entitlement that
26 was received by the district under Section 18-8 (exclusive of
27 amounts received under subsections 5(p) and 5(p-5) of that
28 Section) for the 1997-98 school year, pursuant to the
29 provisions of that Section as it was then in effect. If a
30 school district qualifies to receive a supplementary payment
31 made under this subsection (J), the amount of the aggregate
32 general State aid in combination with supplemental general
33 State aid under this Section which that district is eligible to
34 receive for each school year shall be no less than the amount
35 of the aggregate general State aid entitlement that was

1 received by the district under Section 18-8 (exclusive of
2 amounts received under subsections 5(p) and 5(p-5) of that
3 Section) for the 1997-1998 school year, pursuant to the
4 provisions of that Section as it was then in effect.

5 (2) If, as provided in paragraph (1) of this subsection
6 (J), a school district is to receive aggregate general State
7 aid in combination with supplemental general State aid under
8 this Section for the 1998-99 school year and any subsequent
9 school year that in any such school year is less than the
10 amount of the aggregate general State aid entitlement that the
11 district received for the 1997-98 school year, the school
12 district shall also receive, from a separate appropriation made
13 for purposes of this subsection (J), a supplementary payment
14 that is equal to the amount of the difference in the aggregate
15 State aid figures as described in paragraph (1).

16 (3) (Blank).

17 (K) Grants to Laboratory and Alternative Schools.

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

24 As used in this Section, "laboratory school" means a public
25 school which is created and operated by a public university and
26 approved by the State Board of Education. The governing board
27 of a public university which receives funds from the State
28 Board under this subsection (K) may not increase the number of
29 students enrolled in its laboratory school from a single
30 district, if that district is already sending 50 or more
31 students, except under a mutual agreement between the school
32 board of a student's district of residence and the university
33 which operates the laboratory school. A laboratory school may
34 not have more than 1,000 students, excluding students with
35 disabilities in a special education program.

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

17 Each laboratory and alternative school shall file, on forms
18 provided by the State Superintendent of Education, an annual
19 State aid claim which states the Average Daily Attendance of
20 the school's students by month. The best 3 months' Average
21 Daily Attendance shall be computed for each school. The general
22 State aid entitlement shall be computed by multiplying the
23 applicable Average Daily Attendance by the Foundation Level as
24 determined under this Section.

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

26 (1) For a school district operating under the financial
27 supervision of an Authority created under Article 34A, the
28 general State aid otherwise payable to that district under this
29 Section, but not the supplemental general State aid, shall be
30 reduced by an amount equal to the budget for the operations of
31 the Authority as certified by the Authority to the State Board
32 of Education, and an amount equal to such reduction shall be
33 paid to the Authority created for such district for its
34 operating expenses in the manner provided in Section 18-11. The
35 remainder of general State school aid for any such district

1 shall be paid in accordance with Article 34A when that Article
2 provides for a disposition other than that provided by this
3 Article.

4 (2) (Blank).

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

7 (M) Education Funding Advisory Board.

8 The Education Funding Advisory Board, hereinafter in this
9 subsection (M) referred to as the "Board", is hereby created.
10 The Board shall consist of 5 members who are appointed by the
11 Governor, by and with the advice and consent of the Senate. The
12 members appointed shall include representatives of education,
13 business, and the general public. One of the members so
14 appointed shall be designated by the Governor at the time the
15 appointment is made as the chairperson of the Board. The
16 initial members of the Board may be appointed any time after
17 the effective date of this amendatory Act of 1997. The regular
18 term of each member of the Board shall be for 4 years from the
19 third Monday of January of the year in which the term of the
20 member's appointment is to commence, except that of the 5
21 initial members appointed to serve on the Board, the member who
22 is appointed as the chairperson shall serve for a term that
23 commences on the date of his or her appointment and expires on
24 the third Monday of January, 2002, and the remaining 4 members,
25 by lots drawn at the first meeting of the Board that is held
26 after all 5 members are appointed, shall determine 2 of their
27 number to serve for terms that commence on the date of their
28 respective appointments and expire on the third Monday of
29 January, 2001, and 2 of their number to serve for terms that
30 commence on the date of their respective appointments and
31 expire on the third Monday of January, 2000. All members
32 appointed to serve on the Board shall serve until their
33 respective successors are appointed and confirmed. Vacancies
34 shall be filled in the same manner as original appointments. If
35 a vacancy in membership occurs at a time when the Senate is not

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

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

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

20 For school years after the 2000-2001 school year, the
21 Education Funding Advisory Board, in consultation with the
22 State Board of Education, shall make recommendations as
23 provided in this subsection (M) to the General Assembly for the
24 foundation level under subdivision (B)(3) of this Section and
25 for the supplemental general State aid grant level under
26 subsection (H) of this Section for districts with high
27 concentrations of children from poverty. The recommended
28 foundation level shall be determined based on a methodology
29 which incorporates the basic education expenditures of
30 low-spending schools exhibiting high academic performance. The
31 Education Funding Advisory Board shall make such
32 recommendations to the General Assembly on January 1 of odd
33 numbered years, beginning January 1, 2001.

34 (N) (Blank).

1 (0) References.

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

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

10 (Source: P.A. 92-16, eff. 6-28-01; 92-28, eff. 7-1-01; 92-29,
11 eff. 7-1-01; 92-269, eff. 8-7-01; 92-604, eff. 7-1-02; 92-636,
12 eff. 7-11-02; 92-651, eff. 7-11-02; 93-21, eff. 7-1-03.)

13 Section 99. Effective date. This Act takes effect upon
14 becoming law.