

1 AN ACT concerning 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  
5 Section 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  
9 common schools for the 1998-1999 and subsequent school years.

10 (A) General Provisions.

11 (1) The provisions of this Section apply to the  
12 1998-1999 and subsequent school years. The system of general  
13 State financial aid provided for in this Section is designed  
14 to assure that, through a combination of State financial aid  
15 and required local resources, the financial support provided  
16 each 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  
21 Local Resources, equals or exceeds the Foundation Level. The  
22 amount of per pupil general State financial aid for school  
23 districts, in general, varies in inverse relation to  
24 Available Local Resources. Per pupil amounts are based upon  
25 each school district's Average Daily Attendance as that term  
26 is defined in 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  
30 supplemental general State financial aid grants as provided  
31 pursuant to subsection (H). The supplemental State aid grants

1 provided for school districts under subsection (H) shall be  
2 appropriated for distribution to school districts as part of  
3 the same line item in which the general State financial aid  
4 of school districts is 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.  
12 In case of nonrecognition of one or more attendance  
13 centers in a school district otherwise operating  
14 recognized schools, the claim of the district shall be  
15 reduced in the proportion which the Average Daily  
16 Attendance in the attendance center or centers bear to  
17 the Average Daily Attendance in the school district. A  
18 "recognized school" means any public school which meets  
19 the standards as established for recognition by the State  
20 Board of Education. A school district or attendance  
21 center not having recognition status at the end of a  
22 school term is entitled to receive State aid payments due  
23 upon a legal claim which was filed while it was  
24 recognized.

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

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

33 (d) (Blank).

34 (4) Except as provided in subsections (H) and (L), the

1 board of any district receiving any of the grants provided  
2 for in this Section may apply those funds to any fund so  
3 received for which that board is authorized to make  
4 expenditures by law.

5 School districts are not required to exert a minimum  
6 Operating Tax Rate in order to qualify for assistance under  
7 this Section.

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

10 (a) "Average Daily Attendance": A count of pupil  
11 attendance in school, averaged as provided for in  
12 subsection (C) and utilized in deriving per pupil  
13 financial support levels.

14 (b) "Available Local Resources": A computation of  
15 local financial support, calculated on the basis of  
16 Average Daily Attendance and derived as provided pursuant  
17 to subsection (D).

18 (c) "Corporate Personal Property Replacement  
19 Taxes": Funds paid to local school districts pursuant to  
20 "An Act in relation to the abolition of ad valorem  
21 personal property tax and the replacement of revenues  
22 lost thereby, and amending and repealing certain Acts and  
23 parts of Acts in connection therewith", certified August  
24 14, 1979, as amended (Public Act 81-1st S.S.-1).

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

28 (e) "Operating Tax Rate": All school district  
29 property taxes extended for all purposes, except Bond and  
30 Interest, Summer School, Rent, Capital Improvement, and  
31 Vocational Education Building purposes.

32 (B) Foundation Level.

33 (1) The Foundation Level is a figure established by the  
34 State representing the minimum level of per pupil financial

1 support that should be available to provide for the basic  
2 education of each pupil in Average Daily Attendance. As set  
3 forth in this Section, each school district is assumed to  
4 exert a sufficient local taxing effort such that, in  
5 combination with the aggregate of general State financial aid  
6 provided the district, an aggregate of State and local  
7 resources are available to meet the basic education needs of  
8 pupils in the district.

9 (2) For the 1998-1999 school year, the Foundation Level  
10 of support is \$4,225. For the 1999-2000 school year, the  
11 Foundation Level of support is \$4,325. For the 2000-2001  
12 school year, the Foundation Level of support is \$4,425.

13 (3) For the 2001-2002 school year and each school year  
14 thereafter, the Foundation Level of support is \$4,560 or such  
15 greater amount as may be established by law by the General  
16 Assembly.

17 (C) Average Daily Attendance.

18 (1) For purposes of calculating general State aid  
19 pursuant to subsection (E), an Average Daily Attendance  
20 figure shall be utilized. The Average Daily Attendance  
21 figure for formula calculation purposes shall be the monthly  
22 average of the actual number of pupils in attendance of each  
23 school district, as further averaged for the best 3 months of  
24 pupil attendance for each school district. In compiling the  
25 figures for the number of pupils in attendance, school  
26 districts and the State Board of Education shall, for  
27 purposes of general State aid funding, conform attendance  
28 figures to the requirements of subsection (F).

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

1 subsection (H) shall be the requisite attendance data for the  
2 school year immediately preceding the school year for which  
3 general State aid is being calculated.

4 (D) Available Local Resources.

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

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

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

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

11       (E) Computation of General State Aid.

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

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

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

1 paragraph 3 shall be the calculated general State aid per  
2 pupil figure multiplied by the Average Daily Attendance of  
3 the school district.

4 (4) For any school district for which Available Local  
5 Resources per pupil equals or exceeds the product of 1.75  
6 times the Foundation Level, the general State aid for the  
7 school district shall be calculated as the product of \$218  
8 multiplied by the Average Daily Attendance of the school  
9 district.

10 (5) The amount of general State aid allocated to a  
11 school district for the 1999-2000 school year meeting the  
12 requirements set forth in paragraph (4) of subsection (G)  
13 shall be increased by an amount equal to the general State  
14 aid that would have been received by the district for the  
15 1998-1999 school year by utilizing the Extension Limitation  
16 Equalized Assessed Valuation as calculated in paragraph (4)  
17 of subsection (G) less the general State aid allotted for the  
18 1998-1999 school year. This amount shall be deemed a one  
19 time increase, and shall not affect any future general State  
20 aid allocations.

21 (F) Compilation of Average Daily Attendance.

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

32 (a) In districts that do not hold year-round  
33 classes, days of attendance in August shall be added to  
34 the month of September and any days of attendance in June

1 shall be added to the month of May.

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

6 (c) In districts in which some buildings, but not  
7 all, hold year-round classes, for the non-year-round  
8 buildings, days of attendance in August shall be added to  
9 the month of September and any days of attendance in June  
10 shall be added to the month of May. The average daily  
11 attendance for the year-round buildings shall be computed  
12 as provided in subdivision (b) of this paragraph (1). To  
13 calculate the Average Daily Attendance for the district,  
14 the average daily attendance for the year-round buildings  
15 shall be multiplied by the days in session for the  
16 non-year-round buildings for each month and added to the  
17 monthly attendance of the non-year-round buildings.

18 Except as otherwise provided in this Section, days of  
19 attendance by pupils shall be counted only for sessions of  
20 not less than 5 clock hours of school work per day under  
21 direct supervision of: (i) teachers, or (ii) non-teaching  
22 personnel or volunteer personnel when engaging in  
23 non-teaching duties and supervising in those instances  
24 specified in subsection (a) of Section 10-22.34 and paragraph  
25 10 of Section 34-18, with pupils of legal school age and in  
26 kindergarten and grades 1 through 12.

27 Days of attendance by tuition pupils shall be accredited  
28 only to the districts that pay the tuition to a recognized  
29 school.

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

33 (a) Pupils regularly enrolled in a public school  
34 for only a part of the school day may be counted on the



1 basis of 1/6 day for every class hour of instruction of  
2 40 minutes or more attended pursuant to such enrollment,  
3 unless a pupil is enrolled in a block-schedule format of  
4 80 minutes or more of instruction, in which case the  
5 pupil may be counted on the basis of the proportion of  
6 minutes of school work completed each day to the minimum  
7 number of minutes that school work is required to be held  
8 that day.

9 (b) Days of attendance may be less than 5 clock  
10 hours on the opening and closing of the school term, and  
11 upon the first day of pupil attendance, if preceded by a  
12 day or days utilized as an institute or teachers'  
13 workshop.

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

19 (d) A session of 3 or more clock hours may be  
20 counted as a day of attendance (1) when the remainder of  
21 the school day or at least 2 hours in the evening of that  
22 day is utilized for an in-service training program for  
23 teachers, up to a maximum of 5 days per school year of  
24 which a maximum of 4 days of such 5 days may be used for  
25 parent-teacher conferences, provided a district conducts  
26 an in-service training program for teachers which has  
27 been approved by the State Superintendent of Education;  
28 or, in lieu of 4 such days, 2 full days may be used, in  
29 which event each such day may be counted as a day of  
30 attendance; and (2) when days in addition to those  
31 provided in item (1) are scheduled by a school pursuant  
32 to its school improvement plan adopted under Article 34  
33 or its revised or amended school improvement plan adopted  
34 under Article 2, provided that (i) such sessions of 3 or

1 more clock hours are scheduled to occur at regular  
2 intervals, (ii) the remainder of the school days in which  
3 such sessions occur are utilized for in-service training  
4 programs or other staff development activities for  
5 teachers, and (iii) a sufficient number of minutes of  
6 school work under the direct supervision of teachers are  
7 added to the school days between such regularly scheduled  
8 sessions to accumulate not less than the number of  
9 minutes by which such sessions of 3 or more clock hours  
10 fall short of 5 clock hours. Any full days used for the  
11 purposes of this paragraph shall not be considered for  
12 computing average daily attendance. Days scheduled for  
13 in-service training programs, staff development  
14 activities, or parent-teacher conferences may be  
15 scheduled separately for different grade levels and  
16 different attendance centers of the district.

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

23 (f) A session of at least 4 clock hours may be  
24 counted as a day of attendance for first grade pupils,  
25 and pupils in full day kindergartens, and a session of 2  
26 or more hours may be counted as 1/2 day of attendance by  
27 pupils in kindergartens which provide only 1/2 day of  
28 attendance.

29 (g) For children with disabilities who are below  
30 the age of 6 years and who cannot attend 2 or more clock  
31 hours because of their disability or immaturity, a  
32 session of not less than one clock hour may be counted as  
33 1/2 day of attendance; however for such children whose  
34 educational needs so require a session of 4 or more clock

1 hours may be counted as a full day of attendance.

2 (h) A recognized kindergarten which provides for  
3 only 1/2 day of attendance by each pupil shall not have  
4 more than 1/2 day of attendance counted in any one day.  
5 However, kindergartens may count 2 1/2 days of attendance  
6 in any 5 consecutive school days. When a pupil attends  
7 such a kindergarten for 2 half days on any one school  
8 day, the pupil shall have the following day as a day  
9 absent from school, unless the school district obtains  
10 permission in writing from the State Superintendent of  
11 Education. Attendance at kindergartens which provide for  
12 a full day of attendance by each pupil shall be counted  
13 the same as attendance by first grade pupils. Only the  
14 first year of attendance in one kindergarten shall be  
15 counted, except in case of children who entered the  
16 kindergarten in their fifth year whose educational  
17 development requires a second year of kindergarten as  
18 determined under the rules and regulations of the State  
19 Board of Education.

20 (i) On the days when the Prairie State Achievement  
21 Examination is administered under subsection (c) of  
22 Section 2-3.64 of this Code, the day of attendance for a  
23 pupil who is taking the examination or whose school day  
24 must be shortened to accommodate required testing  
25 procedures may be less than 5 clock hours, provided that  
26 a sufficient number of minutes of school work in excess  
27 of 5 clock hours are completed on other school days to  
28 compensate for the loss of school work on the examination  
29 days. If such pupils are required to miss one or more  
30 entire days of attendance in order to accommodate  
31 required testing procedures, those days may be counted  
32 toward the pupils' 176 days of actual attendance required  
33 under Section 10-19 of this Code; however, the school  
34 district may not count these pupils in the district's

1 Average Daily Attendance computation for those days.

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  
5 Board of Education shall secure from the Department of  
6 Revenue the value as equalized or assessed by the Department  
7 of Revenue of all taxable property of every school district,  
8 together with (i) the applicable tax rate used in extending  
9 taxes for the funds of the district as of September 30 of the  
10 previous year and (ii) the limiting rate for all school  
11 districts subject to property tax extension limitations as  
12 imposed under the 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)  
17 shall 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  
20 district within a redevelopment project area in respect  
21 to which a municipality has adopted tax increment  
22 allocation financing pursuant to the Tax Increment  
23 Allocation Redevelopment Act, Sections 11-74.4-1 through  
24 11-74.4-11 of the Illinois Municipal Code or the  
25 Industrial Jobs Recovery Law, Sections 11-74.6-1 through  
26 11-74.6-50 of the Illinois Municipal Code, no part of the  
27 current equalized assessed valuation of real property  
28 located in any such project area which is attributable to  
29 an increase above the total initial equalized assessed  
30 valuation of such property shall be used as part of the  
31 equalized assessed valuation of the district, until such  
32 time as all redevelopment project costs have been paid,  
33 as provided in Section 11-74.4-8 of the Tax Increment  
34 Allocation Redevelopment Act or in Section 11-74.6-35 of

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

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

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

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

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

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

34 "Preceding Tax Year": The property tax levy year

1 immediately preceding the Base Tax Year.

2 "Base Tax Year's Tax Extension": The product of the  
3 equalized assessed valuation utilized by the County Clerk  
4 in the Base Tax Year multiplied by the limiting rate as  
5 calculated by the County Clerk and defined in the  
6 Property Tax Extension Limitation Law.

7 "Preceding Tax Year's Tax Extension": The product of  
8 the equalized assessed valuation utilized by the County  
9 Clerk in the Preceding Tax Year multiplied by the  
10 Operating Tax Rate as defined in subsection (A).

11 "Extension Limitation Ratio": A numerical ratio,  
12 certified by the County Clerk, in which the numerator is  
13 the Base Tax Year's Tax Extension and the denominator is  
14 the Preceding Tax Year's Tax Extension.

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

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

1 calculated pursuant to subsections (G)(1) and (G)(2), then  
2 for purposes of calculating the district's general State aid  
3 for the Budget Year pursuant to subsection (E), that  
4 Extension Limitation Equalized Assessed Valuation shall be  
5 utilized to calculate the district's Available Local  
6 Resources under subsection (D).

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

27 (5) For school districts having a majority of their  
28 equalized assessed valuation in any county except Cook,  
29 DuPage, Kane, Lake, McHenry, or Will, if the amount of  
30 general State aid allocated to the school district for the  
31 1999-2000 school year under the provisions of subsection (E),  
32 (H), and (J) of this Section is less than the amount of  
33 general State aid allocated to the district for the 1998-1999  
34 school year under these subsections, then the general State

1 aid of the district for the 1999-2000 school year only shall  
2 be increased by the difference between these amounts. The  
3 total payments made under this paragraph (5) shall not exceed  
4 \$14,000,000. Claims shall be prorated if they exceed  
5 \$14,000,000.

6 (H) Supplemental General State Aid.

7 (1) In addition to the general State aid a school  
8 district is allotted pursuant to subsection (E), qualifying  
9 school districts shall receive a grant, paid in conjunction  
10 with a district's payments of general State aid, for  
11 supplemental general State aid based upon the concentration  
12 level of children from low-income households within the  
13 school district. Supplemental State aid grants provided for  
14 school districts under this subsection shall be appropriated  
15 for distribution to school districts as part of the same line  
16 item in which the general State financial aid of school  
17 districts is appropriated under this Section. For purposes of  
18 this subsection, the term "Low-Income Concentration Level"  
19 shall be the low-income eligible pupil count from the most  
20 recently available federal census divided by the Average  
21 Daily Attendance of the school district. If, however, (i) the  
22 percentage decrease from the 2 most recent federal censuses  
23 in the low-income eligible pupil count of a high school  
24 district with fewer than 400 students exceeds by 75% or more  
25 the percentage change in the total low-income eligible pupil  
26 count of contiguous elementary school districts, whose  
27 boundaries are coterminous with the high school district, or  
28 (ii) a high school district within 2 counties and serving 5  
29 elementary school districts, whose boundaries are coterminous  
30 with the high school district, has a percentage decrease from  
31 the 2 most recent federal censuses in the low-income eligible  
32 pupil count and there is a percentage increase in the total  
33 low-income eligible pupil count of a majority of the  
34 elementary school districts in excess of 50% from the 2 most



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

16 (2) Supplemental general State aid pursuant to this  
17 subsection (H) shall be provided as follows for the  
18 1998-1999, 1999-2000, and 2000-2001 school years only:

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

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

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

31 (d) For any school district with a Low Income  
32 Concentration Level of 60% or more, the grant for the  
33 1998-99 school year shall be \$1,900 multiplied by the low  
34 income eligible pupil count.

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

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

9           (2.5) Supplemental general State aid pursuant to this  
10 subsection (H) shall be provided as follows for the 2002-2003  
11 school year and each school year thereafter:

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

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

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

24           (d) For any school district with a Low Income  
25 Concentration Level of at least 35% and less than 50%,  
26 the grant for each school year shall be \$1,362 multiplied  
27 by the low income eligible pupil count.

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

32           (f) For any school district with a Low Income  
33 Concentration Level of 60% or more, the grant for each  
34 school year shall be \$2,080 multiplied by the low income

1 eligible pupil count.

2 (3) School districts with an Average Daily Attendance of  
3 more than 1,000 and less than 50,000 that qualify for  
4 supplemental general State aid pursuant to this subsection  
5 shall submit a plan to the State Board of Education prior to  
6 October 30 of each year for the use of the funds resulting  
7 from this grant of supplemental general State aid for the  
8 improvement of instruction in which priority is given to  
9 meeting the education needs of disadvantaged children. Such  
10 plan shall be submitted in accordance with rules and  
11 regulations promulgated by the State Board of Education.

12 (4) School districts with an Average Daily Attendance of  
13 50,000 or more that qualify for supplemental general State  
14 aid pursuant to this subsection shall be required to  
15 distribute from funds available pursuant to this Section, no  
16 less than \$261,000,000 in accordance with the following  
17 requirements:

18 (a) The required amounts shall be distributed to  
19 the attendance centers within the district in proportion  
20 to the number of pupils enrolled at each attendance  
21 center who are eligible to receive free or reduced-price  
22 lunches or breakfasts under the federal Child Nutrition  
23 Act of 1966 and under the National School Lunch Act  
24 during the immediately preceding school year.

25 (b) The distribution of these portions of  
26 supplemental and general State aid among attendance  
27 centers according to these requirements shall not be  
28 compensated for or contravened by adjustments of the  
29 total of other funds appropriated to any attendance  
30 centers, and the Board of Education shall utilize funding  
31 from one or several sources in order to fully implement  
32 this provision annually prior to the opening of school.

33 (c) Each attendance center shall be provided by the  
34 school district a distribution of noncategorical funds

1 and other categorical funds to which an attendance center  
2 is entitled under law in order that the general State aid  
3 and supplemental general State aid provided by  
4 application of this subsection supplements rather than  
5 supplants the noncategorical funds and other categorical  
6 funds provided by the school district to the attendance  
7 centers.

8 (d) Any funds made available under this subsection  
9 that by reason of the provisions of this subsection are  
10 not required to be allocated and provided to attendance  
11 centers may be used and appropriated by the board of the  
12 district for any lawful school purpose.

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

26 (f) Each district subject to the provisions of this  
27 subdivision (H)(4) shall submit an acceptable plan to  
28 meet the educational needs of disadvantaged children, in  
29 compliance with the requirements of this paragraph, to  
30 the State Board of Education prior to July 15 of each  
31 year. This plan shall be consistent with the decisions of  
32 local school councils concerning the school expenditure  
33 plans developed in accordance with part 4 of Section  
34 34-2.3. The State Board shall approve or reject the plan

1 within 60 days after its submission. If the plan is  
2 rejected, the district shall give written notice of  
3 intent to modify the plan within 15 days of the  
4 notification of rejection and then submit a modified plan  
5 within 30 days after the date of the written notice of  
6 intent to modify. Districts may amend approved plans  
7 pursuant to rules promulgated by the State Board of  
8 Education.

9 Upon notification by the State Board of Education  
10 that the district has not submitted a plan prior to July  
11 15 or a modified plan within the time period specified  
12 herein, the State aid funds affected by that plan or  
13 modified plan shall be withheld by the State Board of  
14 Education until a plan or modified plan is submitted.

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

22 For purposes of determining compliance with this  
23 subsection in relation to the requirements of attendance  
24 center funding, each district subject to the provisions  
25 of this subsection shall submit as a separate document by  
26 December 1 of each year a report of expenditure data for  
27 the prior year in addition to any modification of its  
28 current plan. If it is determined that there has been a  
29 failure to comply with the expenditure provisions of this  
30 subsection regarding contravention or supplanting, the  
31 State Superintendent of Education shall, within 60 days  
32 of receipt of the report, notify the district and any  
33 affected local school council. The district shall within  
34 45 days of receipt of that notification inform the State

1 Superintendent of Education of the remedial or corrective  
2 action to be taken, whether by amendment of the current  
3 plan, if feasible, or by adjustment in the plan for the  
4 following year. Failure to provide the expenditure  
5 report or the notification of remedial or corrective  
6 action in a timely manner shall result in a withholding  
7 of the affected funds.

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

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

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

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

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

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

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

18 (3.5) Claims for financial assistance under this  
19 subsection (I) shall not be recomputed except as expressly  
20 provided under this Section.

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

24 (J) Supplementary Grants in Aid.

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



1 supplementary payment made under this subsection (J), the  
2 amount of the aggregate general State aid in combination with  
3 supplemental general State aid under this Section which that  
4 district is eligible to receive for each school year shall be  
5 no less than the amount of the aggregate general State aid  
6 entitlement that was received by the district under Section  
7 18-8 (exclusive of amounts received under subsections 5(p)  
8 and 5(p-5) of that Section) for the 1997-1998 school year,  
9 pursuant to the provisions of that Section as it was then in  
10 effect.

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

22 (3) (Blank).

23 (K) Grants to Laboratory and Alternative Schools.

24 In calculating the amount to be paid to the governing  
25 board of a public university that operates a laboratory  
26 school under this Section or to any alternative school that  
27 is operated by a regional superintendent of schools, the  
28 State Board of Education shall require by rule such reporting  
29 requirements as it deems necessary.

30 As used in this Section, "laboratory school" means a  
31 public school which is created and operated by a public  
32 university and approved by the State Board of Education. The  
33 governing board of a public university which receives funds  
34 from the State Board under this subsection (K) may not

1 increase the number of students enrolled in its laboratory  
2 school from a single district, if that district is already  
3 sending 50 or more students, except under a mutual agreement  
4 between the school board of a student's district of residence  
5 and the university which operates the laboratory school. A  
6 laboratory school may not have more than 1,000 students,  
7 excluding students with disabilities in a special education  
8 program.

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

25 Each laboratory and alternative school shall file, on  
26 forms provided by the State Superintendent of Education, an  
27 annual State aid claim which states the Average Daily  
28 Attendance of the school's students by month. The best 3  
29 months' Average Daily Attendance shall be computed for each  
30 school. The general State aid entitlement shall be computed  
31 by multiplying the applicable Average Daily Attendance by the  
32 Foundation Level as determined under this Section.

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

1           (1) For a school district operating under the financial  
2 supervision of an Authority created under Article 34A, the  
3 general State aid otherwise payable to that district under  
4 this Section, but not the supplemental general State aid,  
5 shall be reduced by an amount equal to the budget for the  
6 operations of the Authority as certified by the Authority to  
7 the State Board of Education, and an amount equal to such  
8 reduction shall be paid to the Authority created for such  
9 district for its operating expenses in the manner provided in  
10 Section 18-11. The remainder of general State school aid for  
11 any such district shall be paid in accordance with Article  
12 34A when that Article provides for a disposition other than  
13 that provided by this Article.

14           (2) (Blank).

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

17           (M) Education Funding Advisory Board.

18           The Education Funding Advisory Board, hereinafter in this  
19 subsection (M) referred to as the "Board", is hereby created.  
20 The Board shall consist of 5 members who are appointed by the  
21 Governor, by and with the advice and consent of the Senate.  
22 The members appointed shall include representatives of  
23 education, business, and the general public. One of the  
24 members so appointed shall be designated by the Governor at  
25 the time the appointment is made as the chairperson of the  
26 Board. The initial members of the Board may be appointed any  
27 time after the effective date of this amendatory Act of 1997.  
28 The regular term of each member of the Board shall be for 4  
29 years from the third Monday of January of the year in which  
30 the term of the member's appointment is to commence, except  
31 that of the 5 initial members appointed to serve on the  
32 Board, the member who is appointed as the chairperson shall  
33 serve for a term that commences on the date of his or her  
34 appointment and expires on the third Monday of January, 2002,

1 and the remaining 4 members, by lots drawn at the first  
2 meeting of the Board that is held after all 5 members are  
3 appointed, shall determine 2 of their number to serve for  
4 terms that commence on the date of their respective  
5 appointments and expire on the third Monday of January, 2001,  
6 and 2 of their number to serve for terms that commence on the  
7 date of their respective appointments and expire on the third  
8 Monday of January, 2000. All members appointed to serve on  
9 the Board shall serve until their respective successors are  
10 appointed and confirmed. Vacancies shall be filled in the  
11 same manner as original appointments. If a vacancy in  
12 membership occurs at a time when the Senate is not in  
13 session, the Governor shall make a temporary appointment  
14 until the next meeting of the Senate, when he or she shall  
15 appoint, by and with the advice and consent of the Senate, a  
16 person to fill that membership for the unexpired term. If  
17 the Senate is not in session when the initial appointments  
18 are made, those appointments shall be made as in the case of  
19 vacancies.

20 The Education Funding Advisory Board shall be deemed  
21 established, and the initial members appointed by the  
22 Governor to serve as members of the Board shall take office,  
23 on the date that the Governor makes his or her appointment of  
24 the fifth initial member of the Board, whether those initial  
25 members are then serving pursuant to appointment and  
26 confirmation or pursuant to temporary appointments that are  
27 made by the Governor as in the case of vacancies.

28 The State Board of Education shall provide such staff  
29 assistance to the Education Funding Advisory Board as is  
30 reasonably required for the proper performance by the Board  
31 of its responsibilities.

32 For school years after the 2000-2001 school year, the  
33 Education Funding Advisory Board, in consultation with the  
34 State Board of Education, shall make recommendations as

1 provided in this subsection (M) to the General Assembly for  
2 the foundation level under subdivision (B)(3) of this Section  
3 and for the supplemental general State aid grant level under  
4 subsection (H) of this Section for districts with high  
5 concentrations of children from poverty. The recommended  
6 foundation level shall be determined based on a methodology  
7 which incorporates the basic education expenditures of  
8 low-spending schools exhibiting high academic performance.  
9 The Education Funding Advisory Board shall make such  
10 recommendations to the General Assembly on January 1 of odd  
11 numbered years, beginning January 1, 2001.

12 (N) (Blank).

13 (O) References.

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

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

22 (Source: P.A. 91-24, eff. 7-1-99; 91-93, eff. 7-9-99; 91-96,  
23 eff. 7-9-99; 91-111, eff. 7-14-99; 91-357, eff. 7-29-99;  
24 91-533, eff. 8-13-99; 92-7, eff. 6-29-01; 92-16, eff.  
25 6-28-01; 92-28, eff. 7-1-01; 92-29, eff. 7-1-01; 92-269, eff.  
26 8-7-01; 92-604, eff. 7-1-02; 92-636, eff. 7-11-02; 92-651,  
27 eff. 7-11-02; revised 7-26-02.)

28 Section 99. Effective date. This Act takes effect on  
29 July 1, 2003.