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AN ACT concerning schools.

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

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

(105 ILCS 5/18-8.05) 6

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

10 (A) General Provisions.

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

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 general State financial aid grants as provided pursuant to 30 subsection (H). The supplemental State aid grants provided for 31

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:

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

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

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

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(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. HB0404 Enrolled - 3 - LRB094 06639 NHT 36733 b

School districts are not required to exert a minimum
 Operating Tax Rate in order to qualify for assistance under
 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).

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

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

(e) "Operating Tax Rate": All school district property
taxes extended for all purposes, except Bond and Interest,
Summer School, Rent, Capital Improvement, and Vocational
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 forth in this Section, each school district is assumed to exert 32 33 a sufficient local taxing effort such that, in combination with the aggregate of general State financial aid provided the 34 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 the Foundation Level of support is \$4,425. For the 6 year, 2001-2002 school year and 2002-2003 school year, the Foundation 7 Level of support is \$4,560. For the 2003-2004 school year, the 8 9 Foundation Level of support is \$4,810.

10 (3) For the 2004-2005 school year and each school year 11 thereafter, the Foundation Level of support is \$4,964 \$5,060 or 12 such greater amount as may be established by law by the General 13 Assembly.

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(C) Average Daily Attendance.

15 (1) For purposes of calculating general State aid pursuant 16 to subsection (E), an Average Daily Attendance figure shall be utilized. The Average Daily Attendance figure for formula 17 18 calculation purposes shall be the monthly average of the actual 19 number of pupils in attendance of each school district, as further averaged for the best 3 months of pupil attendance for 20 each school district. In compiling the figures for the number 21 22 of pupils in attendance, school districts and the State Board 23 of Education shall, for purposes of general State aid funding, conform attendance figures to the requirements of subsection 24 25 (F).

26 (2) The Average Daily Attendance figures utilized in 27 subsection (E) shall be the requisite attendance data for the 28 school year immediately preceding the school year for which 29 general State aid is being calculated or the average of the 30 attendance data for the 3 preceding school years, whichever is 31 greater. The Average Daily Attendance figures utilized in subsection (H) shall be the requisite attendance data for the 32 school year immediately preceding the school year for which 33 34 general State aid is being calculated.

1 (D) Available Local Resources.

2 (1) For purposes of calculating general State aid pursuant 3 subsection (E), a representation of Available Local to Resources per pupil, as that term is defined and determined in 4 5 this subsection, shall be utilized. Available Local Resources per pupil shall include a calculated dollar amount representing 6 local school district revenues from local property taxes and 7 8 from Corporate Personal Property Replacement Taxes, expressed 9 on the basis of pupils in Average Daily Attendance. Calculation of Available Local Resources shall exclude any tax amnesty 10 funds received as a result of Public Act 93-26. 11

12 (2) In determining a school district's revenue from local 13 property taxes, the State Board of Education shall utilize the 14 equalized assessed valuation of all taxable property of each 15 school district as of September 30 of the previous year. The 16 equalized assessed valuation utilized shall be obtained and 17 determined as provided in subsection (G).

(3) For school districts maintaining grades kindergarten 18 19 through 12, local property tax revenues per pupil shall be 20 calculated as the product of the applicable equalized assessed valuation for the district multiplied by 3.00%, and divided by 21 the district's Average Daily Attendance figure. For school 22 23 districts maintaining grades kindergarten through 8, local property tax revenues per pupil shall be calculated as the 24 product of the applicable equalized assessed valuation for the 25 26 district multiplied by 2.30%, and divided by the district's 27 Average Daily Attendance figure. For school districts 28 maintaining grades 9 through 12, local property tax revenues 29 per pupil shall be the applicable equalized assessed valuation 30 of the district multiplied by 1.05%, and divided by the 31 district's Average Daily Attendance figure.

32 (4) The Corporate Personal Property Replacement Taxes paid 33 to each school district during the calendar year 2 years before 34 the calendar year in which a school year begins, divided by the 35 Average Daily Attendance figure for that district, shall be 36 added to the local property tax revenues per pupil as derived

by the application of the immediately preceding paragraph (3).
The sum of these per pupil figures for each school district
shall constitute Available Local Resources as that term is
utilized in subsection (E) in the calculation of general State
aid.

6 (E) Computation of General State Aid.

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

10 (2) For any school district for which Available Local 11 Resources per pupil is less than the product of 0.93 times the 12 Foundation Level, general State aid for that district shall be 13 calculated as an amount equal to the Foundation Level minus 14 Available Local Resources, multiplied by the Average Daily 15 Attendance of the school district.

(3) For any school district for which Available Local 16 Resources per pupil is equal to or greater than the product of 17 18 0.93 times the Foundation Level and less than the product of 19 1.75 times the Foundation Level, the general State aid per pupil shall be a decimal proportion of the Foundation Level 20 derived using a linear algorithm. Under this linear algorithm, 21 the calculated general State aid per pupil shall decline in 22 23 direct linear fashion from 0.07 times the Foundation Level for a school district with Available Local Resources equal to the 24 25 product of 0.93 times the Foundation Level, to 0.05 times the 26 Foundation Level for a school district with Available Local 27 Resources equal to the product of 1.75 times the Foundation Level. The allocation of general State aid for school districts 28 29 subject to this paragraph 3 shall be the calculated general State aid per pupil figure multiplied by the Average Daily 30 31 Attendance of the school district.

(4) For any school district for which Available Local
 Resources per pupil equals or exceeds the product of 1.75 times
 the Foundation Level, the general State aid for the school
 district shall be calculated as the product of \$218 multiplied

1 by the Average Daily Attendance of the school district.

2 (5) The amount of general State aid allocated to a school district for the 1999-2000 school year meeting the requirements 3 set forth in paragraph (4) of subsection (G) shall be increased 4 5 by an amount equal to the general State aid that would have 6 been received by the district for the 1998-1999 school year by 7 utilizing the Extension Limitation Equalized Assessed Valuation as calculated in paragraph (4) of subsection (G) less 8 the general State aid allotted for the 1998-1999 school year. 9 10 This amount shall be deemed a one time increase, and shall not 11 affect any future general State aid allocations.

12 (F) Compilation of Average Daily Attendance.

(1) Each school district shall, by July 1 of each year, 13 submit to the State Board of Education, on forms prescribed by 14 15 the State Board of Education, attendance figures for the school 16 year that began in the preceding calendar year. The attendance information so transmitted shall identify the average daily 17 attendance figures for each month of the school year. Beginning 18 19 with the general State aid claim form for the 2002-2003 school year, districts shall calculate Average Daily Attendance as 20 provided in subdivisions (a), (b), and (c) of this paragraph 21 22 (1).

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

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

31 (c) In districts in which some buildings, but not all, 32 hold year-round classes, for the non-year-round buildings, 33 days of attendance in August shall be added to the month of 34 September and any days of attendance in June shall be added 35 to the month of May. The average daily attendance for the

year-round buildings shall be computed as provided in subdivision (b) of this paragraph (1). To calculate the Average Daily Attendance for the district, the average daily attendance for the year-round buildings shall be multiplied by the days in session for the non-year-round buildings for each month and added to the monthly attendance of the non-year-round buildings.

Except as otherwise provided in this Section, days of 8 9 attendance by pupils shall be counted only for sessions of not less than 5 clock hours of school work per day under direct 10 11 supervision of: (i) teachers, or (ii) non-teaching personnel or 12 volunteer personnel when engaging in non-teaching duties and supervising in those instances specified in subsection (a) of 13 Section 10-22.34 and paragraph 10 of Section 34-18, with pupils 14 of legal school age and in kindergarten and grades 1 through 15 16 12.

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

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

23 (a) Pupils regularly enrolled in a public school for only a part of the school day may be counted on the basis 24 of 1/6 day for every class hour of instruction of 40 25 minutes or more attended pursuant to such enrollment, 26 27 unless a pupil is enrolled in a block-schedule format of 80 28 minutes or more of instruction, in which case the pupil may 29 be counted on the basis of the proportion of minutes of 30 school work completed each day to the minimum number of 31 minutes that school work is required to be held that day.

32 (b) Days of attendance may be less than 5 clock hours 33 on the opening and closing of the school term, and upon the 34 first day of pupil attendance, if preceded by a day or days 35 utilized as an institute or teachers' workshop.

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(c) A session of 4 or more clock hours may be counted

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as a day of attendance upon certification by the regional superintendent, and approved by the State Superintendent of Education to the extent that the district has been forced to use daily multiple sessions.

5 (d) A session of 3 or more clock hours may be counted as a day of attendance (1) when the remainder of the school 6 day or at least 2 hours in the evening of that day is 7 utilized for an in-service training program for teachers, 8 9 up to a maximum of 5 days per school year of which a 10 maximum of 4 days of such 5 days may be used for 11 parent-teacher conferences, provided a district conducts an in-service training program for teachers which has been 12 approved by the State Superintendent of Education; or, in 13 lieu of 4 such days, 2 full days may be used, in which 14 event each such day may be counted as a day of attendance; 15 16 and (2) when days in addition to those provided in item (1) 17 scheduled by a school pursuant to its are school improvement plan adopted under Article 34 or its revised or 18 amended school improvement plan adopted under Article 2, 19 20 provided that (i) such sessions of 3 or more clock hours are scheduled to occur at regular intervals, (ii) the 21 remainder of the school days in which such sessions occur 22 23 are utilized for in-service training programs or other staff development activities for teachers, and (iii) a 24 sufficient number of minutes of school work under the 25 direct supervision of teachers are added to the school days 26 27 between such regularly scheduled sessions to accumulate 28 not less than the number of minutes by which such sessions of 3 or more clock hours fall short of 5 clock hours. Any 29 30 full days used for the purposes of this paragraph shall not 31 be considered for computing average daily attendance. Days 32 scheduled for in-service training programs, staff development activities, or parent-teacher conferences may 33 be scheduled separately for different grade levels and 34 different attendance centers of the district. 35

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(e) A session of not less than one clock hour of

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teaching hospitalized or homebound pupils on-site or by telephone to the classroom may be counted as 1/2 day of attendance, however these pupils must receive 4 or more clock hours of instruction to be counted for a full day of attendance.

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

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

(h) A recognized kindergarten which provides for only 18 1/2 day of attendance by each pupil shall not have more 19 20 than 1/2 day of attendance counted in any one day. However, kindergartens may count 2 1/2 days of attendance in any 5 21 consecutive school days. When a pupil attends such a 22 kindergarten for 2 half days on any one school day, the 23 pupil shall have the following day as a day absent from 24 school, unless the school district obtains permission in 25 26 writing from the State Superintendent of Education. 27 Attendance at kindergartens which provide for a full day of 28 attendance by each pupil shall be counted the same as attendance by first grade pupils. Only the first year of 29 30 attendance in one kindergarten shall be counted, except in 31 case of children who entered the kindergarten in their 32 fifth year whose educational development requires a second year of kindergarten as determined under the rules and 33 regulations of the State Board of Education. 34

35(i) On the days when the Prairie State Achievement36Examination is administered under subsection (c) of

1 Section 2-3.64 of this Code, the day of attendance for a 2 pupil whose school day must be shortened to accommodate required testing procedures may be less than 5 clock hours 3 and shall be counted towards the 176 days of actual pupil 4 5 attendance required under Section 10-19 of this Code, provided that a sufficient number of minutes of school work 6 in excess of 5 clock hours are first completed on other 7 school days to compensate for the loss of school work on 8 9 the examination days.

10 (G) Equalized Assessed Valuation Data.

(1) For purposes of the calculation of Available Local 11 Resources required pursuant to subsection (D), the State Board 12 of Education shall secure from the Department of Revenue the 13 14 value as equalized or assessed by the Department of Revenue of 15 all taxable property of every school district, together with 16 (i) the applicable tax rate used in extending taxes for the funds of the district as of September 30 of the previous year 17 18 and (ii) the limiting rate for all school districts subject to 19 property tax extension limitations as imposed under the Property Tax Extension Limitation Law. 20

The Department of Revenue shall add to the equalized 21 22 assessed value of all taxable property of each school district 23 situated entirely or partially within a county that is or was 24 subject to the alternative general homestead exemption 25 provisions of Section 15-176 of the Property Tax Code (a) (i) 26 an amount equal to the total amount by which the homestead exemption allowed under Section 15-176 of the Property Tax Code 27 for real property situated in that school district exceeds the 28 total amount that would have been allowed in that school 29 district if the maximum reduction under Section 15-176 was (i) 30 31 \$4,500 in Cook County or \$3,500 in all other counties in tax year 2003 or (ii) \$5,000 in all counties in tax year 2004 and 32 thereafter and (b) (ii) an amount equal to the aggregate amount 33 for the taxable year of all additional exemptions under Section 34 15-175 of the Property Tax Code for owners with a household 35

1 income of \$30,000 or less. The county clerk of any county that 2 subject to the alternative general homestead is or was exemption provisions of Section 15-176 of the Property Tax Code 3 shall annually calculate and certify to the Department of 4 5 Revenue for each school district all homestead exemption amounts under Section 15-176 of the Property Tax Code and all 6 amounts of additional exemptions under Section 15-175 of the 7 8 Property Tax Code for owners with a household income of \$30,000 or less. It is the intent of this paragraph that if the general 9 10 homestead exemption for a parcel of property is determined 11 under Section 15-176 of the Property Tax Code rather than 12 Section 15-175, then the calculation of Available Local 13 Resources shall not be affected by the difference, if any, between the amount of the general homestead exemption allowed 14 for that parcel of property under Section 15-176 of the 15 16 Property Tax Code and the amount that would have been allowed 17 had the general homestead exemption for that parcel of property been determined under Section 15-175 of the Property Tax Code. 18 19 It is further the intent of this paragraph that if additional 20 exemptions are allowed under Section 15-175 of the Property Tax Code for owners with a household income of less than \$30,000, 21 then the calculation of Available Local Resources shall not be 22 23 affected by the difference, if any, because of those additional 24 exemptions.

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

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

30 (a) For the purposes of calculating State aid under 31 this Section, with respect to any part of a school district 32 within a redevelopment project area in respect to which a municipality adopted 33 has tax increment allocation 34 financing pursuant to the Tax Increment Allocation Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11 35 36 of the Illinois Municipal Code or the Industrial Jobs

1 Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the 2 Illinois Municipal Code, no part of the current equalized 3 assessed valuation of real property located in any such project area which is attributable to an increase above the 4 5 total initial equalized assessed valuation of such 6 property shall be used as part of the equalized assessed valuation of the district, until such time as all 7 redevelopment project costs have been paid, as provided in 8 9 Section 11-74.4-8 of the Tax Increment Allocation Section 11-74.6-35 of 10 Redevelopment Act or in the 11 Industrial Jobs Recovery Law. For the purpose of the 12 equalized assessed valuation of the district, the total equalized assessed valuation 13 initial or the current equalized assessed valuation, whichever is lower, shall be 14 used until such time as all redevelopment project costs 15 16 have been paid.

17 (b) The real property equalized assessed valuation for a school district shall be adjusted by subtracting from the 18 real property value as equalized or assessed by the 19 20 Department of Revenue for the district an amount computed by dividing the amount of any abatement of taxes under 21 Section 18-170 of the Property Tax Code by 3.00% for a 22 district maintaining grades kindergarten through 12, by 23 2.30% for a district maintaining grades kindergarten 24 through 8, or by 1.05% for a district maintaining grades 9 25 through 12 and adjusted by an amount computed by dividing 26 27 the amount of any abatement of taxes under subsection (a) 28 of Section 18-165 of the Property Tax Code by the same 29 percentage rates for district type as specified in this 30 subparagraph (b).

31 (3) For the 1999-2000 school year and each school year 32 thereafter, if a school district meets all of the criteria of 33 this subsection (G)(3), the school district's Available Local 34 Resources shall be calculated under subsection (D) using the 35 district's Extension Limitation Equalized Assessed Valuation 36 as calculated under this subsection (G)(3).

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

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

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

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

9 "Base Tax Year's Tax Extension": The product of the 10 equalized assessed valuation utilized by the County Clerk 11 in the Base Tax Year multiplied by the limiting rate as 12 calculated by the County Clerk and defined in the Property 13 Tax Extension Limitation Law.

14 "Preceding Tax Year's Tax Extension": The product of 15 the equalized assessed valuation utilized by the County 16 Clerk in the Preceding Tax Year multiplied by the Operating 17 Tax Rate as defined in subsection (A).

18 "Extension Limitation Ratio": A numerical ratio, 19 certified by the County Clerk, in which the numerator is 20 the Base Tax Year's Tax Extension and the denominator is 21 the Preceding Tax Year's Tax Extension.

"Operating Tax Rate": The operating tax rate as definedin subsection (A).

If a school district is subject to property tax extension 24 25 limitations as imposed under the Property Tax Extension Limitation Law, the State Board of Education shall calculate 26 27 the Extension Limitation Equalized Assessed Valuation of that 1999-2000 school year, the Extension 28 district. For the 29 Limitation Equalized Assessed Valuation of a school district as 30 calculated by the State Board of Education shall be equal to the product of the district's 1996 Equalized Assessed Valuation 31 and the district's Extension Limitation Ratio. For 32 the 2000-2001 school year and each school year thereafter, the 33 Extension Limitation Equalized Assessed Valuation of a school 34 35 district as calculated by the State Board of Education shall be equal to the product of the Equalized Assessed Valuation last 36

1 used in the calculation of general State aid and the district's 2 Extension Limitation Ratio. If the Extension Limitation 3 Equalized Assessed Valuation of a school district as calculated 4 under this subsection (G)(3) is less than the district's 5 equalized assessed valuation as calculated pursuant tο 6 subsections (G)(1) and (G)(2), then for purposes of calculating 7 the district's general State aid for the Budget Year pursuant 8 subsection (E), that Extension Limitation Equalized tο utilized to calculate 9 Assessed Valuation shall be the district's Available Local Resources under subsection (D). 10

11 (4) For the purposes of calculating general State aid for 12 the 1999-2000 school year only, if a school district 13 experienced a triennial reassessment on the equalized assessed valuation used in calculating its general State financial aid 14 15 apportionment for the 1998-1999 school year, the State Board of 16 Education shall calculate the Extension Limitation Equalized 17 Assessed Valuation that would have been used to calculate the district's 1998-1999 general State aid. This amount shall equal 18 19 the product of the equalized assessed valuation used to calculate general State aid for the 1997-1998 school year and 20 the district's Extension Limitation Ratio. If the Extension 21 Limitation Equalized Assessed Valuation of the school district 22 23 as calculated under this paragraph (4) is less than the 24 district's equalized valuation utilized assessed in the district's 1998-1999 general 25 calculating State aid 26 allocation, then for purposes of calculating the district's 27 general State aid pursuant to paragraph (5) of subsection (E), 28 that Extension Limitation Equalized Assessed Valuation shall 29 be utilized to calculate the district's Available Local 30 Resources.

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

allocated to the district for the 1998-1999 school year under these subsections, then the general State aid of the district for the 1999-2000 school year only shall be increased by the difference between these amounts. The total payments made under this paragraph (5) shall not exceed \$14,000,000. Claims shall be prorated if they exceed \$14,000,000.

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(H) Supplemental General State Aid.

8 (1) In addition to the general State aid a school district is allotted pursuant to subsection (E), qualifying school 9 10 districts shall receive a grant, paid in conjunction with a 11 district's payments of general State aid, for supplemental State aid based upon the concentration level of 12 general low-income households 13 children from within the school district. Supplemental State aid grants provided for school 14 15 districts under this subsection shall be appropriated for 16 distribution to school districts as part of the same line item in which the general State financial aid of school districts is 17 18 appropriated under this Section. If the appropriation in any 19 fiscal year for general State aid and supplemental general State aid is insufficient to pay the amounts required under the 20 aid and supplemental general 21 general State State aid 22 calculations, then the State Board of Education shall ensure 23 that each school district receives the full amount due for 24 general State aid and the remainder of the appropriation shall 25 be used for supplemental general State aid, which the State 26 Board of Education shall calculate and pay to eligible 27 districts on a prorated basis.

28 (1.5) This paragraph (1.5) applies only to those school 29 years preceding the 2003-2004 school year. For purposes of this 30 subsection (H), the term "Low-Income Concentration Level" 31 shall be the low-income eligible pupil count from the most recently available federal census divided by the Average Daily 32 Attendance of the school district. If, however, (i) the 33 percentage decrease from the 2 most recent federal censuses in 34 35 the low-income eligible pupil count of a high school district

with fewer than 400 students exceeds by 75% or more the 1 2 percentage change in the total low-income eligible pupil count 3 of contiguous elementary school districts, whose boundaries 4 are coterminous with the high school district, or (ii) a high 5 school district within 2 counties and serving 5 elementary school districts, whose boundaries are coterminous with the 6 high school district, has a percentage decrease from the 2 most 7 8 recent federal censuses in the low-income eligible pupil count 9 and there is a percentage increase in the total low-income 10 eligible pupil count of a majority of the elementary school 11 districts in excess of 50% from the 2 most recent federal 12 censuses, then the high school district's low-income eligible 13 pupil count from the earlier federal census shall be the number used as the low-income eligible pupil count for the high school 14 15 district, for purposes of this subsection (H). The changes made to this paragraph (1) by Public Act 92-28 shall apply to 16 17 supplemental general State aid grants for school vears preceding the 2003-2004 school year that are paid in fiscal 18 19 year 1999 or thereafter and to any State aid payments made in 20 fiscal year 1994 through fiscal year 1998 pursuant to subsection 1(n) of Section 18-8 of this Code (which was 21 repealed on July 1, 1998), and any high school district that is 22 23 affected by Public Act 92-28 is entitled to a recomputation of its supplemental general State aid grant or State aid paid in 24 any of those fiscal years. This recomputation shall not be 25 affected by any other funding. 26

27 (1.10) This paragraph (1.10) applies to the 2003-2004 28 school year and each school year thereafter. For purposes of 29 this subsection (H), the term "Low-Income Concentration Level" 30 shall, for each fiscal year, be the low-income eligible pupil 31 count as of July 1 of the immediately preceding fiscal year (as 32 determined by the Department of Human Services based on the number of pupils who are eligible for at least one of the 33 following low income programs: Medicaid, KidCare, TANF, or Food 34 35 Stamps, excluding pupils who are eligible for services provided by the Department of Children and Family Services, averaged 36

over the 2 immediately preceding fiscal years for fiscal year
2 2004 and over the 3 immediately preceding fiscal years for each
3 fiscal year thereafter) divided by the Average Daily Attendance
4 of the school district.

5 (2) Supplemental general State aid pursuant to this
6 subsection (H) shall be provided as follows for the 1998-1999,
7 1999-2000, and 2000-2001 school years only:

8 (a) For any school district with a Low Income 9 Concentration Level of at least 20% and less than 35%, the 10 grant for any school year shall be \$800 multiplied by the 11 low income eligible pupil count.

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

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

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

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

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

32 (2.5) Supplemental general State aid pursuant to this
 33 subsection (H) shall be provided as follows for the 2002-2003
 34 school year:

35 (a) For any school district with a Low Income
 36 Concentration Level of less than 10%, the grant for each

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school year shall be \$355 multiplied by the low income eligible pupil count.

3 (b) For any school district with a Low Income 4 Concentration Level of at least 10% and less than 20%, the 5 grant for each school year shall be \$675 multiplied by the 6 low income eligible pupil count.

7 (c) For any school district with a Low Income 8 Concentration Level of at least 20% and less than 35%, the 9 grant for each school year shall be \$1,330 multiplied by 10 the low income eligible pupil count.

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

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

19 (f) For any school district with a Low Income 20 Concentration Level of 60% or more, the grant for each 21 school year shall be \$2,080 multiplied by the low income 22 eligible pupil count.

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

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

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

36 For the 2003-2004 and 2004-2005 school year only, the grant

shall be no less than the grant for the 2002-2003 school year.
For the 2005-2006 school year only, the grant shall be no less
than the grant for the 2002-2003 school year multiplied by
0.66. For the 2006-2007 school year only, the grant shall be no
less than the grant for the 2002-2003 school year multiplied by
0.33.

For the 2003-2004 school year only, the grant shall be no 7 greater than the grant received during the 2002-2003 school 8 year added to the product of 0.25 multiplied by the difference 9 10 between the grant amount calculated under subsection (a) or (b) 11 of this paragraph (2.10), whichever is applicable, and the 12 grant received during the 2002-2003 school year. For the 2004-2005 school year only, the grant shall be no greater than 13 the grant received during the 2002-2003 school year added to 14 the product of 0.50 multiplied by the difference between the 15 16 grant amount calculated under subsection (a) or (b) of this 17 paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year. For the 2005-2006 18 19 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product 20 of 0.75 multiplied by the difference between the grant amount 21 calculated under subsection (a) or (b) of this paragraph 22 23 (2.10), whichever is applicable, and the grant received during the 2002-2003 school year. 24

(3) School districts with an Average Daily Attendance of 25 26 more than 1,000 and less than 50,000 that qualify for 27 supplemental general State aid pursuant to this subsection 28 shall submit a plan to the State Board of Education prior to 29 October 30 of each year for the use of the funds resulting from 30 this grant of supplemental general State aid for the improvement of instruction in which priority is given to 31 32 meeting the education needs of disadvantaged children. Such shall be submitted in accordance with rules 33 plan and 34 regulations promulgated by the State Board of Education.

35 (4) School districts with an Average Daily Attendance of
 36 50,000 or more that qualify for supplemental general State aid

pursuant to this subsection shall be required to distribute from funds available pursuant to this Section, no less than \$261,000,000 in accordance with the following requirements:

4 (a) The required amounts shall be distributed to the 5 attendance centers within the district in proportion to the 6 number of pupils enrolled at each attendance center who are 7 eligible to receive free or reduced-price lunches or 8 breakfasts under the federal Child Nutrition Act of 1966 9 and under the National School Lunch Act during the 10 immediately preceding school year.

11 (b) The distribution of these portions of supplemental 12 and general State aid among attendance centers according to requirements shall not be compensated for or 13 these contravened by adjustments of the total of other funds 14 appropriated to any attendance centers, and the Board of 15 16 Education shall utilize funding from one or several sources 17 in order to fully implement this provision annually prior to the opening of school. 18

(c) Each attendance center shall be provided by the 19 20 school district a distribution of noncategorical funds and other categorical funds to which an attendance center is 21 entitled under law in order that the general State aid and 22 23 supplemental general State aid provided by application of 24 this subsection supplements rather than supplants the 25 noncategorical funds and other categorical funds provided by the school district to the attendance centers. 26

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

32 (e) Funds received by an attendance center pursuant to 33 this subsection shall be used by the attendance center at 34 the discretion of the principal and local school council 35 for programs to improve educational opportunities at 36 qualifying schools through the following programs and 1 services: early childhood education, reduced class size or 2 improved adult to student classroom ratio, enrichment 3 programs, remedial assistance, attendance improvement, and beneficial educationally expenditures 4 other which 5 supplement the regular and basic programs as determined by the State Board of Education. Funds provided shall not be 6 expended for any political or lobbying purposes as defined 7 by board rule. 8

9 (f) Each district subject to the provisions of this 10 subdivision (H)(4) shall submit an acceptable plan to meet 11 the educational needs of disadvantaged children, in 12 compliance with the requirements of this paragraph, to the State Board of Education prior to July 15 of each year. 13 This plan shall be consistent with the decisions of local 14 school councils concerning the school expenditure plans 15 16 developed in accordance with part 4 of Section 34-2.3. The 17 State Board shall approve or reject the plan within 60 days after its submission. If the plan is rejected, the district 18 shall give written notice of intent to modify the plan 19 20 within 15 days of the notification of rejection and then 21 submit a modified plan within 30 days after the date of the written notice of intent to modify. Districts may amend 22 23 approved plans pursuant to rules promulgated by the State Board of Education. 24

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

31 If the district fails to distribute State aid to 32 attendance centers in accordance with an approved plan, the plan for the following year shall allocate funds, 33 in addition to the funds otherwise required by this 34 35 subsection, to those attendance centers which were underfunded during the previous year in amounts equal to 36

1 such underfunding.

For purposes of determining compliance with this 2 3 subsection in relation to the requirements of attendance center funding, each district subject to the provisions of 4 5 this subsection shall submit as a separate document by December 1 of each year a report of expenditure data for 6 the prior year in addition to any modification of its 7 current plan. If it is determined that there has been a 8 failure to comply with the expenditure provisions of this 9 10 subsection regarding contravention or supplanting, the 11 State Superintendent of Education shall, within 60 days of 12 receipt of the report, notify the district and any affected local school council. The district shall within 45 days of 13 receipt of that notification inform the 14 State Superintendent of Education of the remedial or corrective 15 16 action to be taken, whether by amendment of the current 17 plan, if feasible, or by adjustment in the plan for the following year. Failure to provide the expenditure report 18 or the notification of remedial or corrective action in a 19 20 timely manner shall result in a withholding of the affected 21 funds.

The State Board of Education shall promulgate rules and 22 23 regulations to implement the provisions of this shall be funds released under 24 subsection. No this 25 subdivision (H) (4) to any district that has not submitted a 26 plan that has been approved by the State Board of 27 Education.

28

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

(1) For a new school district formed by combining property included totally within 2 or more previously existing school districts, for its first year of existence the general State aid and supplemental general State aid calculated under this Section shall be computed for the new district and for the previously existing districts for which property is totally included within the new district. If the computation on the HB0404 Enrolled - 24 - LRB094 06639 NHT 36733 b

1 basis of the previously existing districts is greater, a 2 supplementary payment equal to the difference shall be made for 3 the first 4 years of existence of the new district.

(2) For a school district which annexes all of 4 the 5 territory of one or more entire other school districts, for the 6 first year during which the change of boundaries attributable to such annexation becomes effective for all purposes as 7 8 determined under Section 7-9 or 7A-8, the general State aid and 9 supplemental general State aid calculated under this Section 10 shall be computed for the annexing district as constituted 11 after the annexation and for the annexing and each annexed 12 district as constituted prior to the annexation; and if the 13 computation on the basis of the annexing and annexed districts as constituted prior to the annexation is greater, 14 а supplementary payment equal to the difference shall be made for 15 16 the first 4 years of existence of the annexing school district 17 as constituted upon such annexation.

(3) For 2 or more school districts which annex all of the 18 19 territory of one or more entire other school districts, and for 20 2 or more community unit districts which result upon the division (pursuant to petition under Section 11A-2) of one or 21 22 more other unit school districts into 2 or more parts and which 23 together include all of the parts into which such other unit 24 school district or districts are so divided, for the first year 25 during which the change of boundaries attributable to such 26 annexation or division becomes effective for all purposes as 27 determined under Section 7-9 or 11A-10, as the case may be, the 28 general State aid and supplemental general State aid calculated 29 under this Section shall be computed for each annexing or 30 resulting district as constituted after the annexation or 31 division and for each annexing and annexed district, or for 32 each resulting and divided district, as constituted prior to the annexation or division; and if the aggregate of the general 33 State aid and supplemental general State aid as so computed for 34 35 the annexing or resulting districts as constituted after the annexation or division is less than the aggregate of the 36

1 general State aid and supplemental general State aid as so 2 computed for the annexing and annexed districts, or for the 3 resulting and divided districts, as constituted prior to the 4 annexation or division, then a supplementary payment equal to 5 the difference shall be made and allocated between or among the 6 annexing or resulting districts, as constituted upon such annexation or division, for the first 4 years of their 7 8 existence. The total difference payment shall be allocated between or among the annexing or resulting districts in the 9 10 same ratio as the pupil enrollment from that portion of the 11 annexed or divided district or districts which is annexed to or 12 included in each such annexing or resulting district bears to 13 the total pupil enrollment from the entire annexed or divided district or districts, as such pupil enrollment is determined 14 15 for the school year last ending prior to the date when the 16 change of boundaries attributable to the annexation or division 17 becomes effective for all purposes. The amount of the total difference payment and the amount thereof to be allocated to 18 19 the annexing or resulting districts shall be computed by the 20 State Board of Education on the basis of pupil enrollment and other data which shall be certified to the State Board of 21 Education, on forms which it shall provide for that purpose, by 22 23 the regional superintendent of schools for each educational service region in which the annexing and annexed districts, or 24 resulting and divided districts are located. 25

26 (3.5) Claims for financial assistance under this
 27 subsection (I) shall not be recomputed except as expressly
 28 provided under this Section.

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

32 (J) Supplementary Grants in Aid.

(1) Notwithstanding any other provisions of this Section,
 the amount of the aggregate general State aid in combination
 with supplemental general State aid under this Section for

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1 which each school district is eligible shall be no less than 2 the amount of the aggregate general State aid entitlement that was received by the district under Section 18-8 (exclusive of 3 4 amounts received under subsections 5(p) and 5(p-5) of that 5 Section) for the 1997-98 school year, pursuant to the 6 provisions of that Section as it was then in effect. If a school district qualifies to receive a supplementary payment 7 8 made under this subsection (J), the amount of the aggregate 9 general State aid in combination with supplemental general State aid under this Section which that district is eligible to 10 11 receive for each school year shall be no less than the amount of the aggregate general State aid entitlement that was 12 received by the district under Section 18-8 (exclusive of 13 amounts received under subsections 5(p) and 5(p-5) of that 14 15 Section) for the 1997-1998 school year, pursuant to the 16 provisions of that Section as it was then in effect.

17 (2) If, as provided in paragraph (1) of this subsection (J), a school district is to receive aggregate general State 18 19 aid in combination with supplemental general State aid under this Section for the 1998-99 school year and any subsequent 20 school year that in any such school year is less than the 21 22 amount of the aggregate general State aid entitlement that the 23 district received for the 1997-98 school year, the school district shall also receive, from a separate appropriation made 24 for purposes of this subsection (J), a supplementary payment 25 26 that is equal to the amount of the difference in the aggregate 27 State aid figures as described in paragraph (1).

28 (3) (Blank).

29 (K) Grants to Laboratory and Alternative Schools.

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

1 As used in this Section, "laboratory school" means a public 2 school which is created and operated by a public university and approved by the State Board of Education. The governing board 3 4 of a public university which receives funds from the State 5 Board under this subsection (K) may not increase the number of 6 students enrolled in its laboratory school from a single district, if that district is already sending 50 or more 7 8 students, except under a mutual agreement between the school 9 board of a student's district of residence and the university which operates the laboratory school. A laboratory school may 10 11 not have more than 1,000 students, excluding students with 12 disabilities in a special education program.

As used in this Section, "alternative school" means a 13 public school which is created and operated by a Regional 14 15 Superintendent of Schools and approved by the State Board of 16 Education. Such alternative schools may offer courses of 17 instruction for which credit is given in regular school programs, courses to prepare students for the high school 18 19 equivalency testing program or vocational and occupational training. A regional superintendent of schools may contract 20 with a school district or a public community college district 21 22 to operate an alternative school. An alternative school serving 23 more than one educational service region may be established by 24 the regional superintendents of schools of the affected educational service regions. An alternative school serving 25 26 more than one educational service region may be operated under 27 such terms as the regional superintendents of schools of those 28 educational service regions may agree.

29 Each laboratory and alternative school shall file, on forms 30 provided by the State Superintendent of Education, an annual State aid claim which states the Average Daily Attendance of 31 32 the school's students by month. The best 3 months' Average 33 Daily Attendance shall be computed for each school. The general State aid entitlement shall be computed by multiplying the 34 35 applicable Average Daily Attendance by the Foundation Level as determined under this Section. 36

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

2 (1) For a school district operating under the financial 3 supervision of an Authority created under Article 34A, the 4 general State aid otherwise payable to that district under this 5 Section, but not the supplemental general State aid, shall be reduced by an amount equal to the budget for the operations of 6 7 the Authority as certified by the Authority to the State Board of Education, and an amount equal to such reduction shall be 8 paid to the Authority created for such district for its 9 10 operating expenses in the manner provided in Section 18-11. The 11 remainder of general State school aid for any such district shall be paid in accordance with Article 34A when that Article 12 provides for a disposition other than that provided by this 13 14 Article.

15

(2) (Blank).

16 (3) Summer school. Summer school payments shall be made as 17 provided in Section 18-4.3.

18 (M) Education Funding Advisory Board.

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

1 the third Monday of January, 2002, and the remaining 4 members, 2 by lots drawn at the first meeting of the Board that is held 3 after all 5 members are appointed, shall determine 2 of their 4 number to serve for terms that commence on the date of their 5 respective appointments and expire on the third Monday of 6 January, 2001, and 2 of their number to serve for terms that 7 commence on the date of their respective appointments and 8 expire on the third Monday of January, 2000. All members 9 appointed to serve on the Board shall serve until their 10 respective successors are appointed and confirmed. Vacancies 11 shall be filled in the same manner as original appointments. If 12 a vacancy in membership occurs at a time when the Senate is not 13 in session, the Governor shall make a temporary appointment until the next meeting of the Senate, when he or she shall 14 15 appoint, by and with the advice and consent of the Senate, a 16 person to fill that membership for the unexpired term. If the 17 Senate is not in session when the initial appointments are made, those appointments shall be made as in the case of 18 19 vacancies.

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

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

For school years after the 2000-2001 school year, the Education Funding Advisory Board, in consultation with the State Board of Education, shall make recommendations as provided in this subsection (M) to the General Assembly for the foundation level under subdivision (B)(3) of this Section and HB0404 Enrolled - 30 - LRB094 06639 NHT 36733 b

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

10 (N) (Blank).

11 (O) References.

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

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

20 (P) Public Act 93-838 This amendatory Act of the 93rd General Assembly and Public Act 93-808 House Bill 4266 of the 93rd 21 General Assembly make inconsistent changes to this Section. If 22 23 House Bill 4266 becomes law, then Under Section 6 of the 24 Statute on Statutes there is an irreconcilable conflict between Public Act 93-808 and Public Act 93-838 House Bill 4266 and 25 this amendatory Act. Public Act 93-838 This amendatory Act, 26 27 being the last acted upon, is controlling. The text of Public Act 93-838 this amendatory Act is the law regardless of the 28 text of Public Act 93-808 House Bill 4266. 29

30 (Source: P.A. 92-16, eff. 6-28-01; 92-28, eff. 7-1-01; 92-29, 31 eff. 7-1-01; 92-269, eff. 8-7-01; 92-604, eff. 7-1-02; 92-636, 32 eff. 7-11-02; 92-651, eff. 7-11-02; 93-21, eff. 7-1-03; 93-715, 33 eff. 7-12-04; 93-808, eff. 7-26-04; 93-838, eff. 7-30-04; HB0404 Enrolled - 31 - LRB094 06639 NHT 36733 b 1 93-875, eff. 8-6-04; revised 10-21-04.)

Section 99. Effective date. This Act takes effect July 1,
2005.