



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

HB3460

Introduced 02/23/05, by Rep. Dave Winters - Renee Kosel

#### SYNOPSIS AS INTRODUCED:

New Act

30 ILCS 105/5.640 new

30 ILCS 105/5.641 new

35 ILCS 200/18-45

35 ILCS 200/18-185

105 ILCS 5/18-8.05

Creates the Local Option Property Tax Reduction Act and amends the School Code, the Property Tax Code, and the State Finance Act. Authorizes school districts by referendum to impose an income tax on individuals resident of the district at an annual rate not exceeding 2%. Requires the income tax revenues disbursed to a district each year to be used to abate the extension in that year of real property taxes levied by the district. Provides that for purposes of the Property Tax Extension Limitation Law the "aggregate extension base" shall not be reduced by any abatement pursuant to the Local Option Property Tax Reduction Act. Provides for a referendum repeal of the tax or a referendum change in the rate at which the tax is imposed or the percentage of the tax to be used for abatement. Provides for the manner of levying, collecting, and disbursing the tax and for the manner in which the tax revenues are used. Effective immediately.

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CORRECTIONAL  
BUDGET AND  
IMPACT NOTE ACT  
MAY APPLY

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

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 1. Short title. This Act may be cited as the Local  
5 Option Property Tax Reduction Act.

6 Section 5. Definitions. In this Act:

7 "Taxable income" means that portion of the net income of  
8 the taxpayer which is allocable and apportionable to the school  
9 district under the provisions of this Act and the regulations  
10 adopted under this Act.

11 "Net income" means the net income of the taxpayer as  
12 defined and as determined and computed for the taxable year  
13 under the provisions of the Illinois Income Tax Act.

14 "Taxable year" means the calendar year, or the fiscal year  
15 ending in such calendar year, upon the basis of which taxable  
16 income is computed under this Act, and also includes a  
17 fractional part of a year for which income is earned.

18 "Resident" means an individual that is in the school  
19 district for other than a temporary transitory purpose during  
20 the taxable year, or who is domiciled in that school district  
21 but is absent therefrom for a temporary or transitory purpose  
22 during the taxable year. "Resident" does not include a  
23 corporation.

24 Section 10. Referendum; imposition of tax; limitations.  
25 The school board of each school district, including special  
26 charter districts as defined in Section 1-3 of the School Code  
27 and school districts organized under Article 34 of that Code,  
28 may by proper resolution or shall upon petition of 5% of the  
29 number of voters who voted in the school district in the last  
30 gubernatorial election cause to be submitted to the voters of  
31 the school district at a general or primary election in

1 accordance with the general election law a proposition to  
2 authorize an annual local income tax for schools at a rate not  
3 to exceed 2%, measured as a percentage of the taxable income of  
4 individuals and imposed only in increments of 0.50%, to be  
5 imposed on every individual on the privilege of earning or  
6 receiving income in or as a resident of the school district.  
7 The resolution or petition to submit the proposition to the  
8 voters of the district shall be in accordance with the general  
9 election law. The proposition as submitted at the referendum  
10 shall specify the annual rate at which the tax is proposed to  
11 be imposed on individuals and that the taxes collected shall be  
12 used to abate the extension in that year of any real property  
13 taxes levied by the district for lawful school purposes.

14 Section 15. Apportionment of income. The method of  
15 allocating and apportioning income earned in the school  
16 district by individuals that earn only a portion of their  
17 income in that district shall be established by rules adopted  
18 by the Department of Revenue for that purpose. The method so  
19 established shall be determined, as near as may be, in  
20 accordance with the provisions of Article III of the Illinois  
21 Income Tax Act governing the manner in which income and items  
22 of deduction are allocated and apportioned to this State with  
23 respect to part-year residents and other persons.

24 Section 20. Additional referenda. The school board of a  
25 school district may by resolution, or shall upon the petition  
26 of 5% of the number of voters who voted in the school district  
27 in the last gubernatorial election, cause to be submitted to  
28 the voters of that district at a general election in accordance  
29 with the general election law any of the following:

30 (i) A proposition to decrease (but only in increments  
31 of 0.50%) or to increase (but only in increments of 0.50%)  
32 the annual rate for the local income tax for schools  
33 imposed under Section 10.

34 (ii) In case authority to impose the local income tax

1 for schools has been rejected or repealed by the voters at  
2 a prior referendum, a proposition to authorize or again  
3 authorize the local income tax for schools to be so  
4 imposed.

5 (iii) In case a proposition to authorize the imposition  
6 of or to decrease the rate of the local income tax for  
7 schools has been approved by the voters at a prior  
8 referendum, a proposition to repeal that local income tax  
9 for schools.

10 Any resolution or petition under this Section to submit to  
11 the voters of the school district a proposition to increase or  
12 decrease the annual rate for the local income tax for schools  
13 shall specify the annual rate at which the tax is proposed to  
14 be imposed.

15 Referenda under this Section shall be governed by the  
16 general election law. If a majority of the votes cast is in  
17 favor of the proposition to decrease or increase the rate of or  
18 to authorize imposition of the local income tax for schools,  
19 the school board shall thereafter, until the authority is  
20 revoked in like manner, impose the annual tax as authorized. If  
21 a majority of the votes cast is in favor of the proposition to  
22 repeal the local income tax for schools, that tax shall not  
23 thereafter be imposed unless again authorized as provided in  
24 this Section.

25 Section 25. Collection.

26 (a) Any tax authorized under this Act shall be imposed,  
27 increased, decreased, or repealed effective at the beginning of  
28 the second calendar quarter beginning after certification by  
29 the proper election officials of the results of the referendum  
30 that authorizes imposing, increasing, decreasing, or repealing  
31 the tax. The tax so imposed shall be collected by the  
32 Department of Revenue. The certification by the proper election  
33 officials of the results of the referendum authorizing the tax  
34 and the certification by the school board to the Department of  
35 Revenue of the rate of the tax to be imposed under this Act

1 shall constitute the authority of the Department of Revenue to  
2 collect the tax. Whenever a proposition to authorize imposition  
3 of the local income tax for schools is approved by the voters  
4 of any school district as provided in this Act, the county  
5 clerk of each county in which that school district is located  
6 shall promptly certify the territorial boundaries of the  
7 district to the Department of Revenue. Thereafter, the  
8 Department shall (i) promptly notify all individual residents  
9 of the district who have previously filed a return with respect  
10 to the taxes imposed by the Illinois Income Tax Act that the  
11 local income tax for schools has been imposed within the  
12 district and the manner in which the tax is to be collected by  
13 and paid to the Department of Revenue and (ii) publish notice  
14 in a newspaper published in the school district, or if there is  
15 no such newspaper then in a newspaper published in the county  
16 and having circulation in the school district, that the local  
17 income tax for schools has been imposed within the district and  
18 the manner in which the tax is to be collected by and paid to  
19 the Department of Revenue. Any tax imposed under this Act shall  
20 be collected by and paid to the Department of Revenue at the  
21 same time and in the same manner, with the same withholding and  
22 estimated payment requirements and subject to the same  
23 assessment and refund procedures, penalties, and interest, as  
24 the tax imposed by the Illinois Income Tax Act. Except as  
25 provided in subsection (b) of this Section, the Department of  
26 Revenue shall forthwith pay over to the State Treasurer, ex  
27 officio, as trustee, all moneys received by it under this  
28 Section to be deposited into a special account that the State  
29 Treasurer and State Comptroller shall establish and maintain  
30 for that school district in the Local Option Property Tax  
31 Reduction Fund, a special fund that is hereby created in the  
32 State treasury, to be held and disbursed by the Treasurer as  
33 provided in this Section and Section 30. All interest earned  
34 from the investment of any moneys from time to time held in the  
35 Local Option Property Tax Reduction Fund and any special  
36 accounts established therein shall be retained by the Treasurer

1 to be applied toward the costs incurred by the Department of  
2 Revenue in administering and enforcing this Act.

3 (b) The Local Option Property Tax Reduction Refund Fund is  
4 hereby created in the State Treasury. The Department of Revenue  
5 shall deposit a percentage of the amounts collected from the  
6 tax imposed under this Act by any school district into a  
7 special account that the State Treasurer and State Comptroller  
8 shall establish and maintain within the Local Option Property  
9 Tax Reduction Refund Fund for the purpose of paying refunds  
10 resulting from overpayment of tax liability under this Act with  
11 respect to that school district. The Department of Revenue  
12 shall determine the percentage of the amounts collected from  
13 the tax imposed under this Act by any school district that is  
14 to be deposited into the special account maintained in the  
15 Local Option Property Tax Reduction Refund Fund to pay refunds  
16 resulting from overpayment of tax liability under this Act with  
17 respect to that school district and shall certify that  
18 percentage to the Comptroller, all in accordance with rules  
19 adopted by the Department of Revenue for purposes of this  
20 Section. Money in the special account maintained in the Local  
21 Option Property Tax Reduction Refund Fund with respect to any  
22 school district shall be expended exclusively for the purpose  
23 of paying refunds resulting from overpayment of tax liability  
24 under this Act with respect to that school district. The  
25 Director of Revenue shall order payment of refunds resulting  
26 from overpayment of tax liability under this Act from the  
27 special account maintained with respect to a school district in  
28 the Local Option Property Tax Reduction Refund Fund only to the  
29 extent that amounts collected pursuant to this Act for that  
30 school district have been deposited to and retained in that  
31 special account. This Section shall constitute an irrevocable  
32 and continuing appropriation from the Local Option Property Tax  
33 Reduction Refund Fund and the special accounts established and  
34 maintained therein for the purpose of paying refunds upon the  
35 order of the Director of Revenue in accordance with the  
36 provisions of this Section.

1 (c) The Department of Revenue shall promulgate such rules  
2 and regulations as may be necessary to implement the provisions  
3 of this Act.

4 Section 30. Certification, disbursement, and use of funds.

5 (a) On or before June 15 of each calendar year, or the  
6 first following business day if June 15 falls on a Saturday,  
7 Sunday, or holiday, the Department of Revenue shall certify to  
8 the State Comptroller the disbursement of stated sums of money  
9 to each school district in which any tax authorized by this Act  
10 has been imposed, levied, and collected during the preceding  
11 calendar year. On each certification date, the amount to be  
12 certified for disbursement from the separate account  
13 maintained for a school district in the Local Option Property  
14 Tax Reduction Fund shall be the amount deposited into that  
15 special account from the tax collected under this Act for that  
16 school district for the preceding calendar year, reduced by an  
17 amount equal to 2% of the amount so deposited into that special  
18 account to be retained by the Treasurer to be applied toward  
19 the costs incurred by the Department of Revenue in  
20 administering and enforcing this Act.

21 (b) At the time of each disbursement to a school district,  
22 the Department of Revenue shall prepare and certify to the  
23 Comptroller the amount retained by the State Treasurer as  
24 provided in this Section and the interest earned from the  
25 investment of moneys from time to time held in the Local Option  
26 Property Tax Reduction Fund and any special accounts  
27 established therein as provided in subsection (a) of Section 25  
28 to be applied toward the costs incurred by the Department in  
29 administering and enforcing this Act, the amount so retained  
30 and the interest so earned to be paid into the General Revenue  
31 Fund of the State Treasury.

32 (c) Within 10 days after receipt by the Comptroller from  
33 the Department of Revenue of the certification of disbursements  
34 to the school districts and General Revenue Fund as provided in  
35 this Section, the Comptroller shall cause the warrants to be

1 drawn for the respective amounts in accordance with the  
2 directions contained in the certification.

3 (d) If for any reason the General Assembly fails to make an  
4 appropriation sufficient to pay each school district the full  
5 amount required to be disbursed and paid to it by this Section  
6 and any other provision of this Act, then this Section shall  
7 constitute an irrevocable and continuing appropriation of all  
8 amounts necessary for that purpose and the irrevocable and  
9 continuing authority for and direction to the Comptroller and  
10 Treasurer of the State to make the necessary transfers out of  
11 and disbursements from the revenues and funds of the State for  
12 that purpose.

13 (e) The school board of each school district that receives  
14 a disbursement provided for in this Act shall apply the moneys  
15 so disbursed to any funds from which the school board of the  
16 school district is authorized to make expenditures by law,  
17 provided that (i) the percentage of the amount so disbursed to  
18 the school district in any calendar year that is attributable  
19 to the required minimum abatement in the extension in that  
20 calendar year of the real property taxes levied by the district  
21 for educational purposes shall be applied to the educational  
22 purposes of the district, and (ii) if any percentage of the  
23 amount so disbursed to the school district in any calendar year  
24 is attributable to any required additional abatement in the  
25 extension in that calendar year of any real property taxes  
26 levied by the district for educational or any other lawful  
27 school purpose, that percentage of the amount so disbursed  
28 shall be applied by the district to the fund created for that  
29 purpose.

30 Section 35. Property tax abatement.

31 (a) The extension of real property taxes for a school  
32 district within which the local income tax for schools  
33 authorized by this Act already has been imposed, levied, and  
34 collected shall be abated by the county clerk in which the  
35 school district is located in the manner provided by this



1 Section, provided that (i) if any such school district is  
2 located in more than one county the amount of real property  
3 taxes of the district to be so abated shall be apportioned by  
4 the county clerks of those counties based upon the ratio of the  
5 aggregate assessed value of the taxable property of the  
6 district in each such county and (ii) prior to any abatement  
7 under this Section the county clerk shall determine whether the  
8 amount of each tax levied by the district for a lawful school  
9 purpose and certified for extension is based on a rate at which  
10 the district making the certification is authorized by statute  
11 or referendum to levy that tax, shall disregard any excess, and  
12 shall extend the levy of that tax in accordance with the  
13 provisions of Section 18-45 of the Property Tax Code, subject  
14 to abatement as provided in this Section.

15 (b) Not later than September 1 of the first calendar year  
16 in which the tax authorized by this Act is imposed, levied, and  
17 collected within a school district, the Department of Revenue  
18 shall certify to the county clerk of each county in which any  
19 part of the school district is located the estimated amount of  
20 the tax that would have been collected under this Act during  
21 the immediately preceding calendar year in that part of the  
22 district located in the county had this Act been in effect and  
23 had that tax been imposed, levied, and collected within that  
24 district during that immediately preceding calendar year at the  
25 same annual rate and for the same period of time as that tax is  
26 imposed, levied, and collected in the district during the  
27 calendar year in which the certification is made.

28 (c) During the calendar year immediately succeeding the  
29 calendar year in which the certification under subsection (b)  
30 is required to be made, in extending the real property taxes  
31 last levied by a school district for educational purposes, the  
32 county clerk shall abate that extension of the district's levy  
33 for educational purposes by an amount equal to 100% of the  
34 estimated amount that was certified to the county clerk by the  
35 Department of Revenue under the provisions of subsection (b)  
36 during the calendar year immediately preceding the calendar

1 year in which the extension is made. In each subsequent  
2 calendar year, in extending the real property taxes levied by  
3 the school district for educational purposes during the  
4 immediately preceding calendar year, the county clerk shall  
5 abate each such extension of the district's levy for  
6 educational purposes by an amount equal to 100% of the amount  
7 disbursed to the school district under Section 30 during June  
8 of the calendar year immediately preceding the calendar year in  
9 which the extension and abatement are made.

10 Section 40. Property tax rates. The provisions of this Act  
11 for abatement in the extension of the amount of real property  
12 taxes levied by school districts do not constitute and shall  
13 not be construed to be a limitation on or a reduction in the  
14 rate at which any school district now is or hereafter may be  
15 authorized by statute or referendum to levy taxes for any  
16 lawful school purpose. Notwithstanding any abatement required  
17 by Section 35 to be made in any year in any taxes levied by any  
18 school district for educational or any other lawful school  
19 purpose, for purposes of computing the operating tax rate of  
20 the school district under Section 18-8, that abatement shall be  
21 disregarded and the rate per cent applicable to the extension  
22 of the district's tax for its educational, operations and  
23 maintenance, and other school funds, as a component of its  
24 operating tax rate under Section 18-8, shall be computed on the  
25 basis of the amount actually certified by the district to be  
26 levied for those purposes, unreduced by any abatement required  
27 by Section 35.

28 Section 45. Penalties. Any person who is subject to this  
29 Act and who (i) willfully fails to file a return, (ii)  
30 willfully violates any rule or regulation of the Department of  
31 Revenue for the administration or enforcement of this Act, or  
32 (iii) willfully attempts in any other manner to evade or defeat  
33 any tax imposed by this Act or the payment thereof is, in  
34 addition to other penalties, guilty of a Class B misdemeanor. A

1 prosecution for any violation of this Act may be commenced  
2 within 3 years of the commission of that act.

3 Section 50. Collection of delinquent taxes; distribution.  
4 If the Department of Revenue collects delinquent taxes due  
5 under the Illinois Income Tax Act or under this Act, that money  
6 shall be distributed to the State or the school district in  
7 proportion to the amount of the total State income tax  
8 liability or local income tax liability in the year that the  
9 tax was due.

10 Section 905. The State Finance Act is amended by adding  
11 Sections 5.640 and 5.641 as follows:

12 (30 ILCS 105/5.640 new)

13 Sec. 5.640. The Local Option Property Tax Reduction Fund.

14 (30 ILCS 105/5.641 new)

15 Sec. 5.641. The Local Option Property Tax Reduction Refund  
16 Fund.

17 Section 910. The Property Tax Code is amended by changing  
18 Sections 18-45 and 18-185 as follows:

19 (35 ILCS 200/18-45)

20 Sec. 18-45. Computation of rates. Except as provided below,  
21 each county clerk shall estimate and determine the rate per  
22 cent upon the equalized assessed valuation for the levy year of  
23 the property in the county's taxing districts and special  
24 service areas, as established under Article VII of the Illinois  
25 Constitution, so that the rate will produce, within the proper  
26 divisions of that county, not less than the net amount that  
27 will be required by the county board or certified to the county  
28 clerk according to law. Prior to extension, the county clerk  
29 shall determine the maximum amount of tax authorized to be  
30 levied by any statute. If the amount of any tax certified to

1 the county clerk for extension exceeds the maximum, the clerk  
2 shall extend only the maximum allowable levy.

3 The county clerk shall exclude from the total equalized  
4 assessed valuation, whenever estimating and determining it  
5 under this Section and Sections 18-50 through 18-105, the  
6 equalized assessed valuation in the percentage which has been  
7 agreed to by each taxing district, of any property or portion  
8 thereof within an Enterprise Zone upon which an abatement of  
9 taxes was made under Section 18-170. However, if a municipality  
10 has adopted tax increment financing under Division 74.4 of  
11 Article 11 of the Illinois Municipal Code, the county clerk  
12 shall estimate and determine rates in accordance with Sections  
13 11-74.4-7 through 11-74.4-9 of that Act. Beginning on January  
14 1, 1998 and thereafter, the equalized assessed value of all  
15 property for the computation of the amount to be extended  
16 within a county with 3,000,000 or more inhabitants shall be the  
17 sum of (i) the equalized assessed value of such property for  
18 the year immediately preceding the levy year as established by  
19 the assessment and equalization process for the year  
20 immediately prior to the levy year, (ii) the equalized assessed  
21 value of any property that qualifies as new property, as  
22 defined in Section 18-185, or annexed property, as defined in  
23 Section 18-225, for the current levy year, and (iii) any  
24 recovered tax increment value, as defined in Section 18-185,  
25 for the current levy year, less the equalized assessed value of  
26 any property that qualifies as disconnected property, as  
27 defined in Section 18-225, for the current levy year.

28 The provisions of this Section and the authority and  
29 responsibility of the county clerks hereunder are subject to  
30 the provisions of Section 35 of the Local Option Property Tax  
31 Reduction Act relative to abatement in the extension of taxes  
32 levied by school districts, including special charter  
33 districts, in which the tax authorized by that Act is imposed,  
34 levied, and collected.

35 (Source: P.A. 90-320, eff. 1-1-98.)

1 (35 ILCS 200/18-185)

2 Sec. 18-185. Short title; definitions. This Division 5 may  
3 be cited as the Property Tax Extension Limitation Law. As used  
4 in this Division 5:

5 "Consumer Price Index" means the Consumer Price Index for  
6 All Urban Consumers for all items published by the United  
7 States Department of Labor.

8 "Extension limitation" means (a) the lesser of 5% or the  
9 percentage increase in the Consumer Price Index during the  
10 12-month calendar year preceding the levy year or (b) the rate  
11 of increase approved by voters under Section 18-205.

12 "Affected county" means a county of 3,000,000 or more  
13 inhabitants or a county contiguous to a county of 3,000,000 or  
14 more inhabitants.

15 "Taxing district" has the same meaning provided in Section  
16 1-150, except as otherwise provided in this Section. For the  
17 1991 through 1994 levy years only, "taxing district" includes  
18 only each non-home rule taxing district having the majority of  
19 its 1990 equalized assessed value within any county or counties  
20 contiguous to a county with 3,000,000 or more inhabitants.  
21 Beginning with the 1995 levy year, "taxing district" includes  
22 only each non-home rule taxing district subject to this Law  
23 before the 1995 levy year and each non-home rule taxing  
24 district not subject to this Law before the 1995 levy year  
25 having the majority of its 1994 equalized assessed value in an  
26 affected county or counties. Beginning with the levy year in  
27 which this Law becomes applicable to a taxing district as  
28 provided in Section 18-213, "taxing district" also includes  
29 those taxing districts made subject to this Law as provided in  
30 Section 18-213.

31 "Aggregate extension" for taxing districts to which this  
32 Law applied before the 1995 levy year means the annual  
33 corporate extension for the taxing district and those special  
34 purpose extensions that are made annually for the taxing  
35 district, excluding special purpose extensions: (a) made for  
36 the taxing district to pay interest or principal on general

1 obligation bonds that were approved by referendum; (b) made for  
2 any taxing district to pay interest or principal on general  
3 obligation bonds issued before October 1, 1991; (c) made for  
4 any taxing district to pay interest or principal on bonds  
5 issued to refund or continue to refund those bonds issued  
6 before October 1, 1991; (d) made for any taxing district to pay  
7 interest or principal on bonds issued to refund or continue to  
8 refund bonds issued after October 1, 1991 that were approved by  
9 referendum; (e) made for any taxing district to pay interest or  
10 principal on revenue bonds issued before October 1, 1991 for  
11 payment of which a property tax levy or the full faith and  
12 credit of the unit of local government is pledged; however, a  
13 tax for the payment of interest or principal on those bonds  
14 shall be made only after the governing body of the unit of  
15 local government finds that all other sources for payment are  
16 insufficient to make those payments; (f) made for payments  
17 under a building commission lease when the lease payments are  
18 for the retirement of bonds issued by the commission before  
19 October 1, 1991, to pay for the building project; (g) made for  
20 payments due under installment contracts entered into before  
21 October 1, 1991; (h) made for payments of principal and  
22 interest on bonds issued under the Metropolitan Water  
23 Reclamation District Act to finance construction projects  
24 initiated before October 1, 1991; (i) made for payments of  
25 principal and interest on limited bonds, as defined in Section  
26 3 of the Local Government Debt Reform Act, in an amount not to  
27 exceed the debt service extension base less the amount in items  
28 (b), (c), (e), and (h) of this definition for non-referendum  
29 obligations, except obligations initially issued pursuant to  
30 referendum; (j) made for payments of principal and interest on  
31 bonds issued under Section 15 of the Local Government Debt  
32 Reform Act; (k) made by a school district that participates in  
33 the Special Education District of Lake County, created by  
34 special education joint agreement under Section 10-22.31 of the  
35 School Code, for payment of the school district's share of the  
36 amounts required to be contributed by the Special Education

1 District of Lake County to the Illinois Municipal Retirement  
2 Fund under Article 7 of the Illinois Pension Code; the amount  
3 of any extension under this item (k) shall be certified by the  
4 school district to the county clerk; (l) made to fund expenses  
5 of providing joint recreational programs for the handicapped  
6 under Section 5-8 of the Park District Code or Section 11-95-14  
7 of the Illinois Municipal Code; (m) made for temporary  
8 relocation loan repayment purposes pursuant to Sections 2-3.77  
9 and 17-2.2d of the School Code; ~~and~~ (n) made for payment of  
10 principal and interest on any bonds issued under the authority  
11 of Section 17-2.2d of the School Code; and (o) ~~(m)~~ made for  
12 contributions to a firefighter's pension fund created under  
13 Article 4 of the Illinois Pension Code, to the extent of the  
14 amount certified under item (5) of Section 4-134 of the  
15 Illinois Pension Code.

16 "Aggregate extension" for the taxing districts to which  
17 this Law did not apply before the 1995 levy year (except taxing  
18 districts subject to this Law in accordance with Section  
19 18-213) means the annual corporate extension for the taxing  
20 district and those special purpose extensions that are made  
21 annually for the taxing district, excluding special purpose  
22 extensions: (a) made for the taxing district to pay interest or  
23 principal on general obligation bonds that were approved by  
24 referendum; (b) made for any taxing district to pay interest or  
25 principal on general obligation bonds issued before March 1,  
26 1995; (c) made for any taxing district to pay interest or  
27 principal on bonds issued to refund or continue to refund those  
28 bonds issued before March 1, 1995; (d) made for any taxing  
29 district to pay interest or principal on bonds issued to refund  
30 or continue to refund bonds issued after March 1, 1995 that  
31 were approved by referendum; (e) made for any taxing district  
32 to pay interest or principal on revenue bonds issued before  
33 March 1, 1995 for payment of which a property tax levy or the  
34 full faith and credit of the unit of local government is  
35 pledged; however, a tax for the payment of interest or  
36 principal on those bonds shall be made only after the governing

1 body of the unit of local government finds that all other  
2 sources for payment are insufficient to make those payments;  
3 (f) made for payments under a building commission lease when  
4 the lease payments are for the retirement of bonds issued by  
5 the commission before March 1, 1995 to pay for the building  
6 project; (g) made for payments due under installment contracts  
7 entered into before March 1, 1995; (h) made for payments of  
8 principal and interest on bonds issued under the Metropolitan  
9 Water Reclamation District Act to finance construction  
10 projects initiated before October 1, 1991; (h-4) made for  
11 stormwater management purposes by the Metropolitan Water  
12 Reclamation District of Greater Chicago under Section 12 of the  
13 Metropolitan Water Reclamation District Act; (i) made for  
14 payments of principal and interest on limited bonds, as defined  
15 in Section 3 of the Local Government Debt Reform Act, in an  
16 amount not to exceed the debt service extension base less the  
17 amount in items (b), (c), and (e) of this definition for  
18 non-referendum obligations, except obligations initially  
19 issued pursuant to referendum and bonds described in subsection  
20 (h) of this definition; (j) made for payments of principal and  
21 interest on bonds issued under Section 15 of the Local  
22 Government Debt Reform Act; (k) made for payments of principal  
23 and interest on bonds authorized by Public Act 88-503 and  
24 issued under Section 20a of the Chicago Park District Act for  
25 aquarium or museum projects; (l) made for payments of principal  
26 and interest on bonds authorized by Public Act 87-1191 or  
27 93-601 and (i) issued pursuant to Section 21.2 of the Cook  
28 County Forest Preserve District Act, (ii) issued under Section  
29 42 of the Cook County Forest Preserve District Act for  
30 zoological park projects, or (iii) issued under Section 44.1 of  
31 the Cook County Forest Preserve District Act for botanical  
32 gardens projects; (m) made pursuant to Section 34-53.5 of the  
33 School Code, whether levied annually or not; (n) made to fund  
34 expenses of providing joint recreational programs for the  
35 handicapped under Section 5-8 of the Park District Code or  
36 Section 11-95-14 of the Illinois Municipal Code; (o) made by



1 the Chicago Park District for recreational programs for the  
2 handicapped under subsection (c) of Section 7.06 of the Chicago  
3 Park District Act; and (p) made for contributions to a  
4 firefighter's pension fund created under Article 4 of the  
5 Illinois Pension Code, to the extent of the amount certified  
6 under item (5) of Section 4-134 of the Illinois Pension Code.

7 "Aggregate extension" for all taxing districts to which  
8 this Law applies in accordance with Section 18-213, except for  
9 those taxing districts subject to paragraph (2) of subsection  
10 (e) of Section 18-213, means the annual corporate extension for  
11 the taxing district and those special purpose extensions that  
12 are made annually for the taxing district, excluding special  
13 purpose extensions: (a) made for the taxing district to pay  
14 interest or principal on general obligation bonds that were  
15 approved by referendum; (b) made for any taxing district to pay  
16 interest or principal on general obligation bonds issued before  
17 the date on which the referendum making this Law applicable to  
18 the taxing district is held; (c) made for any taxing district  
19 to pay interest or principal on bonds issued to refund or  
20 continue to refund those bonds issued before the date on which  
21 the referendum making this Law applicable to the taxing  
22 district is held; (d) made for any taxing district to pay  
23 interest or principal on bonds issued to refund or continue to  
24 refund bonds issued after the date on which the referendum  
25 making this Law applicable to the taxing district is held if  
26 the bonds were approved by referendum after the date on which  
27 the referendum making this Law applicable to the taxing  
28 district is held; (e) made for any taxing district to pay  
29 interest or principal on revenue bonds issued before the date  
30 on which the referendum making this Law applicable to the  
31 taxing district is held for payment of which a property tax  
32 levy or the full faith and credit of the unit of local  
33 government is pledged; however, a tax for the payment of  
34 interest or principal on those bonds shall be made only after  
35 the governing body of the unit of local government finds that  
36 all other sources for payment are insufficient to make those

1 payments; (f) made for payments under a building commission  
2 lease when the lease payments are for the retirement of bonds  
3 issued by the commission before the date on which the  
4 referendum making this Law applicable to the taxing district is  
5 held to pay for the building project; (g) made for payments due  
6 under installment contracts entered into before the date on  
7 which the referendum making this Law applicable to the taxing  
8 district is held; (h) made for payments of principal and  
9 interest on limited bonds, as defined in Section 3 of the Local  
10 Government Debt Reform Act, in an amount not to exceed the debt  
11 service extension base less the amount in items (b), (c), and  
12 (e) of this definition for non-referendum obligations, except  
13 obligations initially issued pursuant to referendum; (i) made  
14 for payments of principal and interest on bonds issued under  
15 Section 15 of the Local Government Debt Reform Act; (j) made  
16 for a qualified airport authority to pay interest or principal  
17 on general obligation bonds issued for the purpose of paying  
18 obligations due under, or financing airport facilities  
19 required to be acquired, constructed, installed or equipped  
20 pursuant to, contracts entered into before March 1, 1996 (but  
21 not including any amendments to such a contract taking effect  
22 on or after that date); (k) made to fund expenses of providing  
23 joint recreational programs for the handicapped under Section  
24 5-8 of the Park District Code or Section 11-95-14 of the  
25 Illinois Municipal Code; and (l) made for contributions to a  
26 firefighter's pension fund created under Article 4 of the  
27 Illinois Pension Code, to the extent of the amount certified  
28 under item (5) of Section 4-134 of the Illinois Pension Code.

29 "Aggregate extension" for all taxing districts to which  
30 this Law applies in accordance with paragraph (2) of subsection  
31 (e) of Section 18-213 means the annual corporate extension for  
32 the taxing district and those special purpose extensions that  
33 are made annually for the taxing district, excluding special  
34 purpose extensions: (a) made for the taxing district to pay  
35 interest or principal on general obligation bonds that were  
36 approved by referendum; (b) made for any taxing district to pay

1 interest or principal on general obligation bonds issued before  
2 the effective date of this amendatory Act of 1997; (c) made for  
3 any taxing district to pay interest or principal on bonds  
4 issued to refund or continue to refund those bonds issued  
5 before the effective date of this amendatory Act of 1997; (d)  
6 made for any taxing district to pay interest or principal on  
7 bonds issued to refund or continue to refund bonds issued after  
8 the effective date of this amendatory Act of 1997 if the bonds  
9 were approved by referendum after the effective date of this  
10 amendatory Act of 1997; (e) made for any taxing district to pay  
11 interest or principal on revenue bonds issued before the  
12 effective date of this amendatory Act of 1997 for payment of  
13 which a property tax levy or the full faith and credit of the  
14 unit of local government is pledged; however, a tax for the  
15 payment of interest or principal on those bonds shall be made  
16 only after the governing body of the unit of local government  
17 finds that all other sources for payment are insufficient to  
18 make those payments; (f) made for payments under a building  
19 commission lease when the lease payments are for the retirement  
20 of bonds issued by the commission before the effective date of  
21 this amendatory Act of 1997 to pay for the building project;  
22 (g) made for payments due under installment contracts entered  
23 into before the effective date of this amendatory Act of 1997;  
24 (h) made for payments of principal and interest on limited  
25 bonds, as defined in Section 3 of the Local Government Debt  
26 Reform Act, in an amount not to exceed the debt service  
27 extension base less the amount in items (b), (c), and (e) of  
28 this definition for non-referendum obligations, except  
29 obligations initially issued pursuant to referendum; (i) made  
30 for payments of principal and interest on bonds issued under  
31 Section 15 of the Local Government Debt Reform Act; (j) made  
32 for a qualified airport authority to pay interest or principal  
33 on general obligation bonds issued for the purpose of paying  
34 obligations due under, or financing airport facilities  
35 required to be acquired, constructed, installed or equipped  
36 pursuant to, contracts entered into before March 1, 1996 (but

1 not including any amendments to such a contract taking effect  
2 on or after that date); (k) made to fund expenses of providing  
3 joint recreational programs for the handicapped under Section  
4 5-8 of the Park District Code or Section 11-95-14 of the  
5 Illinois Municipal Code; and (l) made for contributions to a  
6 firefighter's pension fund created under Article 4 of the  
7 Illinois Pension Code, to the extent of the amount certified  
8 under item (5) of Section 4-134 of the Illinois Pension Code.

9 "Debt service extension base" means an amount equal to that  
10 portion of the extension for a taxing district for the 1994  
11 levy year, or for those taxing districts subject to this Law in  
12 accordance with Section 18-213, except for those subject to  
13 paragraph (2) of subsection (e) of Section 18-213, for the levy  
14 year in which the referendum making this Law applicable to the  
15 taxing district is held, or for those taxing districts subject  
16 to this Law in accordance with paragraph (2) of subsection (e)  
17 of Section 18-213 for the 1996 levy year, constituting an  
18 extension for payment of principal and interest on bonds issued  
19 by the taxing district without referendum, but not including  
20 excluded non-referendum bonds. For park districts (i) that were  
21 first subject to this Law in 1991 or 1995 and (ii) whose  
22 extension for the 1994 levy year for the payment of principal  
23 and interest on bonds issued by the park district without  
24 referendum (but not including excluded non-referendum bonds)  
25 was less than 51% of the amount for the 1991 levy year  
26 constituting an extension for payment of principal and interest  
27 on bonds issued by the park district without referendum (but  
28 not including excluded non-referendum bonds), "debt service  
29 extension base" means an amount equal to that portion of the  
30 extension for the 1991 levy year constituting an extension for  
31 payment of principal and interest on bonds issued by the park  
32 district without referendum (but not including excluded  
33 non-referendum bonds). The debt service extension base may be  
34 established or increased as provided under Section 18-212.  
35 "Excluded non-referendum bonds" means (i) bonds authorized by  
36 Public Act 88-503 and issued under Section 20a of the Chicago

1 Park District Act for aquarium and museum projects; (ii) bonds  
2 issued under Section 15 of the Local Government Debt Reform  
3 Act; or (iii) refunding obligations issued to refund or to  
4 continue to refund obligations initially issued pursuant to  
5 referendum.

6 "Special purpose extensions" include, but are not limited  
7 to, extensions for levies made on an annual basis for  
8 unemployment and workers' compensation, self-insurance,  
9 contributions to pension plans, and extensions made pursuant to  
10 Section 6-601 of the Illinois Highway Code for a road  
11 district's permanent road fund whether levied annually or not.  
12 The extension for a special service area is not included in the  
13 aggregate extension.

14 "Aggregate extension base" means the taxing district's  
15 last preceding aggregate extension as adjusted under Sections  
16 18-215 through 18-230. The "aggregate extension base" shall not  
17 be reduced by the amount of any abatement under the Local  
18 Option Property Tax Reduction Act.

19 "Levy year" has the same meaning as "year" under Section  
20 1-155.

21 "New property" means (i) the assessed value, after final  
22 board of review or board of appeals action, of new improvements  
23 or additions to existing improvements on any parcel of real  
24 property that increase the assessed value of that real property  
25 during the levy year multiplied by the equalization factor  
26 issued by the Department under Section 17-30, (ii) the assessed  
27 value, after final board of review or board of appeals action,  
28 of real property not exempt from real estate taxation, which  
29 real property was exempt from real estate taxation for any  
30 portion of the immediately preceding levy year, multiplied by  
31 the equalization factor issued by the Department under Section  
32 17-30, and (iii) in counties that classify in accordance with  
33 Section 4 of Article IX of the Illinois Constitution, an  
34 incentive property's additional assessed value resulting from  
35 a scheduled increase in the level of assessment as applied to  
36 the first year final board of review market value. In addition,

1 the county clerk in a county containing a population of  
2 3,000,000 or more shall include in the 1997 recovered tax  
3 increment value for any school district, any recovered tax  
4 increment value that was applicable to the 1995 tax year  
5 calculations.

6 "Qualified airport authority" means an airport authority  
7 organized under the Airport Authorities Act and located in a  
8 county bordering on the State of Wisconsin and having a  
9 population in excess of 200,000 and not greater than 500,000.

10 "Recovered tax increment value" means, except as otherwise  
11 provided in this paragraph, the amount of the current year's  
12 equalized assessed value, in the first year after a  
13 municipality terminates the designation of an area as a  
14 redevelopment project area previously established under the  
15 Tax Increment Allocation Development Act in the Illinois  
16 Municipal Code, previously established under the Industrial  
17 Jobs Recovery Law in the Illinois Municipal Code, or previously  
18 established under the Economic Development Area Tax Increment  
19 Allocation Act, of each taxable lot, block, tract, or parcel of  
20 real property in the redevelopment project area over and above  
21 the initial equalized assessed value of each property in the  
22 redevelopment project area. For the taxes which are extended  
23 for the 1997 levy year, the recovered tax increment value for a  
24 non-home rule taxing district that first became subject to this  
25 Law for the 1995 levy year because a majority of its 1994  
26 equalized assessed value was in an affected county or counties  
27 shall be increased if a municipality terminated the designation  
28 of an area in 1993 as a redevelopment project area previously  
29 established under the Tax Increment Allocation Development Act  
30 in the Illinois Municipal Code, previously established under  
31 the Industrial Jobs Recovery Law in the Illinois Municipal  
32 Code, or previously established under the Economic Development  
33 Area Tax Increment Allocation Act, by an amount equal to the  
34 1994 equalized assessed value of each taxable lot, block,  
35 tract, or parcel of real property in the redevelopment project  
36 area over and above the initial equalized assessed value of

1 each property in the redevelopment project area. In the first  
2 year after a municipality removes a taxable lot, block, tract,  
3 or parcel of real property from a redevelopment project area  
4 established under the Tax Increment Allocation Development Act  
5 in the Illinois Municipal Code, the Industrial Jobs Recovery  
6 Law in the Illinois Municipal Code, or the Economic Development  
7 Area Tax Increment Allocation Act, "recovered tax increment  
8 value" means the amount of the current year's equalized  
9 assessed value of each taxable lot, block, tract, or parcel of  
10 real property removed from the redevelopment project area over  
11 and above the initial equalized assessed value of that real  
12 property before removal from the redevelopment project area.

13 Except as otherwise provided in this Section, "limiting  
14 rate" means a fraction the numerator of which is the last  
15 preceding aggregate extension base times an amount equal to one  
16 plus the extension limitation defined in this Section and the  
17 denominator of which is the current year's equalized assessed  
18 value of all real property in the territory under the  
19 jurisdiction of the taxing district during the prior levy year.  
20 For those taxing districts that reduced their aggregate  
21 extension for the last preceding levy year, the highest  
22 aggregate extension in any of the last 3 preceding levy years  
23 shall be used for the purpose of computing the limiting rate.  
24 The denominator shall not include new property. The denominator  
25 shall not include the recovered tax increment value.

26 (Source: P.A. 92-547, eff. 6-13-02; 93-601, eff. 1-1-04;  
27 93-606, eff. 11-18-03; 93-612, eff. 11-18-03; 93-689, eff.  
28 7-1-04; 93-690, eff. 7-1-04; 93-1049, eff. 11-17-04; revised  
29 12-14-04.)

30 Section 915. The School Code is amended by changing Section  
31 18-8.05 as follows:

32 (105 ILCS 5/18-8.05)

33 Sec. 18-8.05. Basis for apportionment of general State  
34 financial aid and supplemental general State aid to the common

1 schools for the 1998-1999 and subsequent school years.

2 (A) General Provisions.

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

19 (2) In addition to general State financial aid, school  
20 districts with specified levels or concentrations of pupils  
21 from low income households are eligible to receive supplemental  
22 general State financial aid grants as provided pursuant to  
23 subsection (H). The supplemental State aid grants provided for  
24 school districts under subsection (H) shall be appropriated for  
25 distribution to school districts as part of the same line item  
26 in which the general State financial aid of school districts is  
27 appropriated under this Section.

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

31 (a) Any school district which fails for any given  
32 school year to maintain school as required by law, or to  
33 maintain a recognized school is not eligible to file for  
34 such school year any claim upon the Common School Fund. In  
35 case of nonrecognition of one or more attendance centers in



1 a school district otherwise operating recognized schools,  
2 the claim of the district shall be reduced in the  
3 proportion which the Average Daily Attendance in the  
4 attendance center or centers bear to the Average Daily  
5 Attendance in the school district. A "recognized school"  
6 means any public school which meets the standards as  
7 established for recognition by the State Board of  
8 Education. A school district or attendance center not  
9 having recognition status at the end of a school term is  
10 entitled to receive State aid payments due upon a legal  
11 claim which was filed while it was recognized.

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

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

20 (d) (Blank).

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

25 School districts are not required to exert a minimum  
26 Operating Tax Rate in order to qualify for assistance under  
27 this Section.

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

30 (a) "Average Daily Attendance": A count of pupil  
31 attendance in school, averaged as provided for in  
32 subsection (C) and utilized in deriving per pupil financial  
33 support levels.

34 (b) "Available Local Resources": A computation of  
35 local financial support, calculated on the basis of Average  
36 Daily Attendance and derived as provided pursuant to

1 subsection (D).

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

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

11 (e) "Operating Tax Rate": All school district property  
12 taxes extended for all purposes, except Bond and Interest,  
13 Summer School, Rent, Capital Improvement, and Vocational  
14 Education Building purposes. In addition, in calculating  
15 the operating tax rate of any school district for purposes  
16 of this Section, any abatement required by Section 35 of  
17 the Local Option Property Tax Reduction Act in the  
18 extension of any tax levied by the school district shall be  
19 disregarded and the rate per cent applicable to the  
20 extension of the district's tax for its educational,  
21 operations and maintenance, and other school funds, as a  
22 component of its operating tax rate, shall be computed on  
23 the basis of the amount actually certified by the district  
24 to be levied for those purposes, unreduced by any abatement  
25 required under Section 35 of the Local Option Property Tax  
26 Reduction Act.

27 (6) Notwithstanding any provision of the Local Option  
28 Property Tax Reduction Act, the adoption or failure to adopt a  
29 local income tax for schools and any disbursements of funds or  
30 property tax abatements resulting from the adoption and  
31 imposition of a local income tax for schools by one or more  
32 school districts under the Local Option Property Tax Reduction  
33 Act shall not affect the computation or distribution of State  
34 aid for any school district. All computations of State aid and  
35 all other distributions of State funds to school districts  
36 shall proceed without regard to changes in school funding

1 provided in the Local Option Property Tax Reduction Act.

2 (B) Foundation Level.

3 (1) The Foundation Level is a figure established by the  
4 State representing the minimum level of per pupil financial  
5 support that should be available to provide for the basic  
6 education of each pupil in Average Daily Attendance. As set  
7 forth in this Section, each school district is assumed to exert  
8 a sufficient local taxing effort such that, in combination with  
9 the aggregate of general State financial aid provided the  
10 district, an aggregate of State and local resources are  
11 available to meet the basic education needs of pupils in the  
12 district.

13 (2) For the 1998-1999 school year, the Foundation Level of  
14 support is \$4,225. For the 1999-2000 school year, the  
15 Foundation Level of support is \$4,325. For the 2000-2001 school  
16 year, the Foundation Level of support is \$4,425. For the  
17 2001-2002 school year and 2002-2003 school year, the Foundation  
18 Level of support is \$4,560. For the 2003-2004 school year, the  
19 Foundation Level of support is \$4,810.

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

24 (C) Average Daily Attendance.

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

1 (F).

2 (2) The Average Daily Attendance figures utilized in  
3 subsection (E) shall be the requisite attendance data for the  
4 school year immediately preceding the school year for which  
5 general State aid is being calculated or the average of the  
6 attendance data for the 3 preceding school years, whichever is  
7 greater. The Average Daily Attendance figures utilized in  
8 subsection (H) shall be the requisite attendance data for the  
9 school year immediately preceding the school year for which  
10 general State aid is being calculated.

11 (D) Available Local Resources.

12 (1) For purposes of calculating general State aid pursuant  
13 to subsection (E), a representation of Available Local  
14 Resources per pupil, as that term is defined and determined in  
15 this subsection, shall be utilized. Available Local Resources  
16 per pupil shall include a calculated dollar amount representing  
17 local school district revenues from local property taxes and  
18 from Corporate Personal Property Replacement Taxes, expressed  
19 on the basis of pupils in Average Daily Attendance. Calculation  
20 of Available Local Resources shall exclude any tax amnesty  
21 funds received as a result of Public Act 93-26.

22 (2) In determining a school district's revenue from local  
23 property taxes, the State Board of Education shall utilize the  
24 equalized assessed valuation of all taxable property of each  
25 school district as of September 30 of the previous year. The  
26 equalized assessed valuation utilized shall be obtained and  
27 determined as provided in subsection (G).

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

1 district multiplied by 2.30%, and divided by the district's  
2 Average Daily Attendance figure. For school districts  
3 maintaining grades 9 through 12, local property tax revenues  
4 per pupil shall be the applicable equalized assessed valuation  
5 of the district multiplied by 1.05%, and divided by the  
6 district's Average Daily Attendance figure.

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

17 (E) Computation of General State Aid.

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

21 (2) For any school district for which Available Local  
22 Resources per pupil is less than the product of 0.93 times the  
23 Foundation Level, general State aid for that district shall be  
24 calculated as an amount equal to the Foundation Level minus  
25 Available Local Resources, multiplied by the Average Daily  
26 Attendance of the school district.

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

1 product of 0.93 times the Foundation Level, to 0.05 times the  
2 Foundation Level for a school district with Available Local  
3 Resources equal to the product of 1.75 times the Foundation  
4 Level. The allocation of general State aid for school districts  
5 subject to this paragraph 3 shall be the calculated general  
6 State aid per pupil figure multiplied by the Average Daily  
7 Attendance of the school district.

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

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

23 (F) Compilation of Average Daily Attendance.

24 (1) Each school district shall, by July 1 of each year,  
25 submit to the State Board of Education, on forms prescribed by  
26 the State Board of Education, attendance figures for the school  
27 year that began in the preceding calendar year. The attendance  
28 information so transmitted shall identify the average daily  
29 attendance figures for each month of the school year. Beginning  
30 with the general State aid claim form for the 2002-2003 school  
31 year, districts shall calculate Average Daily Attendance as  
32 provided in subdivisions (a), (b), and (c) of this paragraph  
33 (1).

34 (a) In districts that do not hold year-round classes,  
35 days of attendance in August shall be added to the month of

1 September and any days of attendance in June shall be added  
2 to the month of May.

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

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

19 Except as otherwise provided in this Section, days of  
20 attendance by pupils shall be counted only for sessions of not  
21 less than 5 clock hours of school work per day under direct  
22 supervision of: (i) teachers, or (ii) non-teaching personnel or  
23 volunteer personnel when engaging in non-teaching duties and  
24 supervising in those instances specified in subsection (a) of  
25 Section 10-22.34 and paragraph 10 of Section 34-18, with pupils  
26 of legal school age and in kindergarten and grades 1 through  
27 12.

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

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

34 (a) Pupils regularly enrolled in a public school for  
35 only a part of the school day may be counted on the basis  
36 of 1/6 day for every class hour of instruction of 40

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

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

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

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



1 direct supervision of teachers are added to the school days  
2 between such regularly scheduled sessions to accumulate  
3 not less than the number of minutes by which such sessions  
4 of 3 or more clock hours fall short of 5 clock hours. Any  
5 full days used for the purposes of this paragraph shall not  
6 be considered for computing average daily attendance. Days  
7 scheduled for in-service training programs, staff  
8 development activities, or parent-teacher conferences may  
9 be scheduled separately for different grade levels and  
10 different attendance centers of the district.

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

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

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

29 (h) A recognized kindergarten which provides for only  
30 1/2 day of attendance by each pupil shall not have more  
31 than 1/2 day of attendance counted in any one day. However,  
32 kindergartens may count 2 1/2 days of attendance in any 5  
33 consecutive school days. When a pupil attends such a  
34 kindergarten for 2 half days on any one school day, the  
35 pupil shall have the following day as a day absent from  
36 school, unless the school district obtains permission in

1 writing from the State Superintendent of Education.  
2 Attendance at kindergartens which provide for a full day of  
3 attendance by each pupil shall be counted the same as  
4 attendance by first grade pupils. Only the first year of  
5 attendance in one kindergarten shall be counted, except in  
6 case of children who entered the kindergarten in their  
7 fifth year whose educational development requires a second  
8 year of kindergarten as determined under the rules and  
9 regulations of the State Board of Education.

10 (G) Equalized Assessed Valuation Data.

11 (1) For purposes of the calculation of Available Local  
12 Resources required pursuant to subsection (D), the State Board  
13 of Education shall secure from the Department of Revenue the  
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  
17 funds of the district as of September 30 of the previous year  
18 and (ii) the limiting rate for all school districts subject to  
19 property tax extension limitations as imposed under the  
20 Property Tax Extension Limitation Law.

21 The Department of Revenue shall add to the equalized  
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  
27 exemption allowed under Section 15-176 of the Property Tax Code  
28 for real property situated in that school district exceeds the  
29 total amount that would have been allowed in that school  
30 district if the maximum reduction under Section 15-176 was (i)  
31 \$4,500 in Cook County or \$3,500 in all other counties in tax  
32 year 2003 or (ii) \$5,000 in all counties in tax year 2004 and  
33 thereafter and (b) ~~(ii)~~ an amount equal to the aggregate amount  
34 for the taxable year of all additional exemptions under Section  
35 15-175 of the Property Tax Code for owners with a household

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

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

28 (2) The equalized assessed valuation in paragraph (1) shall  
29 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  
33 municipality has adopted tax increment allocation  
34 financing pursuant to the Tax Increment Allocation  
35 Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11  
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  
4 project area which is attributable to an increase above the  
5 total initial equalized assessed valuation of such  
6 property shall be used as part of the equalized assessed  
7 valuation of the district, until such time as all  
8 redevelopment project costs have been paid, as provided in  
9 Section 11-74.4-8 of the Tax Increment Allocation  
10 Redevelopment Act or in Section 11-74.6-35 of the  
11 Industrial Jobs Recovery Law. For the purpose of the  
12 equalized assessed valuation of the district, the total  
13 initial equalized assessed valuation or the current  
14 equalized assessed valuation, whichever is lower, shall be  
15 used until such time as all redevelopment project costs  
16 have been paid.

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

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

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

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

7 "Preceding Tax Year": The property tax levy year  
8 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.

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

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

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 to  
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 to subsection (E), that Extension Limitation Equalized  
9 Assessed Valuation shall be utilized to calculate the  
10 district's Available Local Resources under subsection (D).

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  
14 valuation used in calculating its general State financial aid  
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  
18 district's 1998-1999 general State aid. This amount shall equal  
19 the product of the equalized assessed valuation used to  
20 calculate general State aid for the 1997-1998 school year and  
21 the district's Extension Limitation Ratio. If the Extension  
22 Limitation Equalized Assessed Valuation of the school district  
23 as calculated under this paragraph (4) is less than the  
24 district's equalized assessed valuation utilized in  
25 calculating the district's 1998-1999 general 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.

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

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

7 (H) Supplemental General State Aid.

8 (1) In addition to the general State aid a school district  
9 is allotted pursuant to subsection (E), qualifying school  
10 districts shall receive a grant, paid in conjunction with a  
11 district's payments of general State aid, for supplemental  
12 general State aid based upon the concentration level of  
13 children from low-income households within the school  
14 district. Supplemental State aid grants provided for school  
15 districts under this subsection shall be appropriated for  
16 distribution to school districts as part of the same line item  
17 in which the general State financial aid of school districts is  
18 appropriated under this Section. If the appropriation in any  
19 fiscal year for general State aid and supplemental general  
20 State aid is insufficient to pay the amounts required under the  
21 general State aid and supplemental general 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  
32 recently available federal census divided by the Average Daily  
33 Attendance of the school district. If, however, (i) the  
34 percentage decrease from the 2 most recent federal censuses in  
35 the low-income eligible pupil count of a high school district

1 with fewer than 400 students exceeds by 75% or more the  
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  
6 school districts, whose boundaries are coterminous with the  
7 high school district, has a percentage decrease from the 2 most  
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  
14 used as the low-income eligible pupil count for the high school  
15 district, for purposes of this subsection (H). The changes made  
16 to this paragraph (1) by Public Act 92-28 shall apply to  
17 supplemental general State aid grants for school years  
18 preceding the 2003-2004 school year that are paid in fiscal  
19 year 1999 or thereafter and to any State aid payments made in  
20 fiscal year 1994 through fiscal year 1998 pursuant to  
21 subsection 1(n) of Section 18-8 of this Code (which was  
22 repealed on July 1, 1998), and any high school district that is  
23 affected by Public Act 92-28 is entitled to a recomputation of  
24 its supplemental general State aid grant or State aid paid in  
25 any of those fiscal years. This recomputation shall not be  
26 affected by any other funding.

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  
33 number of pupils who are eligible for at least one of the  
34 following low income programs: Medicaid, KidCare, TANF, or Food  
35 Stamps, excluding pupils who are eligible for services provided  
36 by the Department of Children and Family Services, averaged



1 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.

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

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

20 (d) For any school district with a Low Income  
21 Concentration Level of 60% or more, the grant for the  
22 1998-99 school year shall be \$1,900 multiplied by the low  
23 income eligible pupil count.

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

28 (f) For the 2000-2001 school year, the per pupil  
29 amounts specified in subparagraphs (b), (c), and (d)  
30 immediately above shall be \$1,273, \$1,640, and \$2,050,  
31 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

1 school year shall be \$355 multiplied by the low income  
2 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.

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

15 (e) For any school district with a Low Income  
16 Concentration Level of at least 50% and less than 60%, the  
17 grant for each school year shall be \$1,680 multiplied by  
18 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.

23 (2.10) Except as otherwise provided, supplemental general  
24 State aid pursuant to this subsection (H) shall be provided as  
25 follows for the 2003-2004 school year and each school year  
26 thereafter:

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

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

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

1 shall be no less than the grant for the 2002-2003 school year.  
2 For the 2005-2006 school year only, the grant shall be no less  
3 than the grant for the 2002-2003 school year multiplied by  
4 0.66. For the 2006-2007 school year only, the grant shall be no  
5 less than the grant for the 2002-2003 school year multiplied by  
6 0.33.

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

25 (3) School districts with an Average Daily Attendance of  
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  
31 improvement of instruction in which priority is given to  
32 meeting the education needs of disadvantaged children. Such  
33 plan shall be submitted in accordance with rules 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

1 pursuant to this subsection shall be required to distribute  
2 from funds available pursuant to this Section, no less than  
3 \$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  
13 these requirements shall not be compensated for or  
14 contravened by adjustments of the total of other funds  
15 appropriated to any attendance centers, and the Board of  
16 Education shall utilize funding from one or several sources  
17 in order to fully implement this provision annually prior  
18 to the opening of school.

19 (c) Each attendance center shall be provided by the  
20 school district a distribution of noncategorical funds and  
21 other categorical funds to which an attendance center is  
22 entitled under law in order that the general State aid and  
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  
26 by the school district to the attendance centers.

27 (d) Any funds made available under this subsection that  
28 by reason of the provisions of this subsection are not  
29 required to be allocated and provided to attendance centers  
30 may be used and appropriated by the board of the district  
31 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  
4 other educationally beneficial expenditures which  
5 supplement the regular and basic programs as determined by  
6 the State Board of Education. Funds provided shall not be  
7 expended for any political or lobbying purposes as defined  
8 by board rule.

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  
13 State Board of Education prior to July 15 of each year.  
14 This plan shall be consistent with the decisions of local  
15 school councils concerning the school expenditure plans  
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  
18 after its submission. If the plan is rejected, the district  
19 shall give written notice of intent to modify the plan  
20 within 15 days of the notification of rejection and then  
21 submit a modified plan within 30 days after the date of the  
22 written notice of intent to modify. Districts may amend  
23 approved plans pursuant to rules promulgated by the State  
24 Board of Education.

25 Upon notification by the State Board of Education that  
26 the district has not submitted a plan prior to July 15 or a  
27 modified plan within the time period specified herein, the  
28 State aid funds affected by that plan or modified plan  
29 shall be withheld by the State Board of Education until a  
30 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  
33 plan for the following year shall allocate funds, in  
34 addition to the funds otherwise required by this  
35 subsection, to those attendance centers which were  
36 underfunded during the previous year in amounts equal to

1 such underfunding.

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

22 The State Board of Education shall promulgate rules and  
23 regulations to implement the provisions of this  
24 subsection. No funds shall be released under 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.

29 (1) For a new school district formed by combining property  
30 included totally within 2 or more previously existing school  
31 districts, for its first year of existence the general State  
32 aid and supplemental general State aid calculated under this  
33 Section shall be computed for the new district and for the  
34 previously existing districts for which property is totally  
35 included within the new district. If the computation on the

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.

4 (2) For a school district which annexes all of the  
5 territory of one or more entire other school districts, for the  
6 first year during which the change of boundaries attributable  
7 to such annexation becomes effective for all purposes as  
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  
14 as constituted prior to the annexation is greater, a  
15 supplementary payment equal to the difference shall be made for  
16 the first 4 years of existence of the annexing school district  
17 as constituted upon such annexation.

18 (3) For 2 or more school districts which annex all of the  
19 territory of one or more entire other school districts, and for  
20 2 or more community unit districts which result upon the  
21 division (pursuant to petition under Section 11A-2) of one or  
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  
33 the annexation or division; and if the aggregate of the general  
34 State aid and supplemental general State aid as so computed for  
35 the annexing or resulting districts as constituted after the  
36 annexation or division is less than the aggregate of the

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  
7 annexation or division, for the first 4 years of their  
8 existence. The total difference payment shall be allocated  
9 between or among the annexing or resulting districts in the  
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  
14 district or districts, as such pupil enrollment is determined  
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  
18 difference payment and the amount thereof to be allocated to  
19 the annexing or resulting districts shall be computed by the  
20 State Board of Education on the basis of pupil enrollment and  
21 other data which shall be certified to the State Board of  
22 Education, on forms which it shall provide for that purpose, by  
23 the regional superintendent of schools for each educational  
24 service region in which the annexing and annexed districts, or  
25 resulting and divided districts are located.

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

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

32 (J) Supplementary Grants in Aid.

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



1 which each school district is eligible shall be no less than  
2 the amount of the aggregate general State aid entitlement that  
3 was received by the district under Section 18-8 (exclusive of  
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  
7 school district qualifies to receive a supplementary payment  
8 made under this subsection (J), the amount of the aggregate  
9 general State aid in combination with supplemental general  
10 State aid under this Section which that district is eligible to  
11 receive for each school year shall be no less than the amount  
12 of the aggregate general State aid entitlement that was  
13 received by the district under Section 18-8 (exclusive of  
14 amounts received under subsections 5(p) and 5(p-5) of that  
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  
18 (J), a school district is to receive aggregate general State  
19 aid in combination with supplemental general State aid under  
20 this Section for the 1998-99 school year and any subsequent  
21 school year that in any such school year is less than the  
22 amount of the aggregate general State aid entitlement that the  
23 district received for the 1997-98 school year, the school  
24 district shall also receive, from a separate appropriation made  
25 for purposes of this subsection (J), a supplementary payment  
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.

30 In calculating the amount to be paid to the governing board  
31 of a public university that operates a laboratory school under  
32 this Section or to any alternative school that is operated by a  
33 regional superintendent of schools, the State Board of  
34 Education shall require by rule such reporting requirements as  
35 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  
3 approved by the State Board of Education. The governing board  
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  
7 district, if that district is already sending 50 or more  
8 students, except under a mutual agreement between the school  
9 board of a student's district of residence and the university  
10 which operates the laboratory school. A laboratory school may  
11 not have more than 1,000 students, excluding students with  
12 disabilities in a special education program.

13           As used in this Section, "alternative school" means a  
14 public school which is created and operated by a Regional  
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  
18 programs, courses to prepare students for the high school  
19 equivalency testing program or vocational and occupational  
20 training. A regional superintendent of schools may contract  
21 with a school district or a public community college district  
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  
25 educational service regions. An alternative school serving  
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  
31 State aid claim which states the Average Daily Attendance of  
32 the school's students by month. The best 3 months' Average  
33 Daily Attendance shall be computed for each school. The general  
34 State aid entitlement shall be computed by multiplying the  
35 applicable Average Daily Attendance by the Foundation Level as  
36 determined under this Section.

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  
6 reduced by an amount equal to the budget for the operations of  
7 the Authority as certified by the Authority to the State Board  
8 of Education, and an amount equal to such reduction shall be  
9 paid to the Authority created for such district for its  
10 operating expenses in the manner provided in Section 18-11. The  
11 remainder of general State school aid for any such district  
12 shall be paid in accordance with Article 34A when that Article  
13 provides for a disposition other than that provided by this  
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.

19 The Education Funding Advisory Board, hereinafter in this  
20 subsection (M) referred to as the "Board", is hereby created.  
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  
23 members appointed shall include representatives of education,  
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  
29 term of each member of the Board shall be for 4 years from the  
30 third Monday of January of the year in which the term of the  
31 member's appointment is to commence, except that of the 5  
32 initial members appointed to serve on the Board, the member who  
33 is appointed as the chairperson shall serve for a term that  
34 commences on the date of his or her appointment and expires on

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  
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 the  
17 Senate is not in session when the initial appointments are  
18 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 Governor  
22 to serve as members of the Board shall take office, on the date  
23 that the Governor makes his or her appointment of the fifth  
24 initial member of the Board, whether those initial members are  
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.

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 of  
31 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  
35 provided in this subsection (M) to the General Assembly for the  
36 foundation level under subdivision (B)(3) of this Section and

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

10 (N) (Blank).

11 (O) References.

12 (1) References in other laws to the various subdivisions of  
13 Section 18-8 as that Section existed before its repeal and  
14 replacement by this Section 18-8.05 shall be deemed to refer to  
15 the corresponding provisions of this Section 18-8.05, to the  
16 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~~  
21 ~~Assembly~~ and Public Act 93-808 ~~House Bill 4266 of the 93rd~~  
22 ~~General Assembly~~ make inconsistent changes to this Section. ~~If~~  
23 ~~House Bill 4266 becomes law, then~~ Under Section 6 of the  
24 Statute on Statutes there is an irreconcilable conflict between  
25 Public Act 93-808 and Public Act 93-838 ~~House Bill 4266 and~~  
26 ~~this amendatory Act.~~ Public Act 93-838 ~~This amendatory Act,~~  
27 being the last acted upon, is controlling. The text of Public  
28 Act 93-838 ~~this amendatory Act~~ is the law regardless of the  
29 text of Public Act 93-808 ~~House Bill 4266~~.

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;

1 93-875, eff. 8-6-04; revised 10-21-04.)

2 Section 999. Effective date. This Act takes effect upon  
3 becoming law.