



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB5773

Introduced 2/9/2010, by Rep. Ronald A. Wait

SYNOPSIS AS INTRODUCED:

New Act

30 ILCS 105/5.756 new

35 ILCS 200/18-45

105 ILCS 5/17-11

105 ILCS 5/18-8.05

from Ch. 122, par. 17-11

Creates the School District Income Tax Act. Allows school districts to tax income after referendum approval of district residents and record owners of property in the district. Provides for additional levies, administration and distribution of the tax, and penalties for violations. Applies only to income earned following 120 days after certification of the results of the referendum. Creates a credit against the tax in an amount not to exceed \$500 equal to 5% of the amounts spent by the taxpayer on monthly rent for the taxpayer's residence. Amends the Property Tax Code to provide for abatement of residential, farm, and small business property. Amends the School Code to require that school districts certify income tax levies and amounts realized for property tax abatement purposes and to coordinate the calculation of school aid with the income tax levies by adjusting the operating tax rate accordingly. Amends the State Finance Act to create the School District Income Tax Fund. Effective immediately.

LRB096 18408 HLH 33786 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning revenue.

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

4 Section 1. Short title. This Act may be cited as the
5 School District Income Tax Act.

6 Section 5. Net income tax; referendum. The school board of
7 any school district may, by proper resolution, cause a
8 proposition to authorize an annual tax, measured as a
9 percentage of net income, on the privilege of earning or
10 receiving income (i) as a resident of the district or (ii) as a
11 record owner of real property in the district to the extent of
12 the income derived from that real property, to be certified to
13 the proper election officials, who shall submit the proposition
14 to the voters in accordance with the general election law;
15 provided that the rate of such tax shall be an even multiple of
16 eighths of a percent. When imposed, this tax shall be levied on
17 every individual subject to taxation under this Act.

18 The election called for this purpose shall be governed by
19 the general election law. If a majority of the votes cast on
20 the proposition is in favor thereof, the school board may
21 thereafter levy the tax as authorized, or at any lesser rate,
22 provided such lesser rate is an even multiple of eighths of a
23 percent. Such tax may be levied only on income earned following

1 120 days after certification of the results of the referendum
2 by the proper election officials.

3 For purposes of this Act, a taxpayer's net income for a
4 taxable year shall be as defined in Section 202 of the Illinois
5 Income Tax Act for such year which is allocable to a district
6 under the provisions of this Act.

7 For purposes of this Act, (i) an individual is a resident
8 of a school district for a taxable year if he or she is a
9 resident of the State, as defined in the Illinois Income Tax
10 Act, and maintains his or her principal place of residence
11 within that school district on the first day of that taxable
12 year and (ii) an individual owns real property in the district
13 if a record owner of the property and liable for the property
14 taxes according to the property tax assessment book or roll.

15 Section 10. Additional levies; Submission to voters. The
16 school board of any school district may, by proper resolution,
17 cause a proposition to increase the annual tax rate for the tax
18 imposed under Section 5 to be submitted to the voters of the
19 district at an election in accordance with the general election
20 law, provided such increase results in a rate that is an even
21 multiple of eighths of a percent. The tax may be levied only on
22 income earned following 120 days after certification of the
23 results of the referendum by the proper election officials.

24 The election called for such purposes shall be governed by
25 the general election law. If a majority of the votes cast on

1 the proposition is in favor thereof, the school board may
2 thereafter, until such authority is revoked in like manner,
3 levy an annual tax as authorized.

4 Section 15. Collection of tax; promulgation of rules and
5 regulations. On or before July 1 of each year, the school board
6 of each district imposing a tax under this Act shall prepare
7 and certify the annual tax rate to the Department of Revenue,
8 hereinafter referred to as the Department, which rate shall be
9 applicable to the taxable year of any taxpayer which includes
10 that July 1. The tax imposed under this Act shall be collected
11 by and paid to the Department at the same time and in the same
12 manner, and subject to the same assessment procedures,
13 penalties, and interests, as the tax imposed by the Illinois
14 Income Tax Act, except that the tax imposed by this Act shall
15 not be subject to any withholding or estimated payment
16 requirements of the Illinois Income Tax Act. The Department
17 shall forthwith pay over to the State Treasurer, ex officio, as
18 trustee, all monies received by it under this Act to be
19 deposited in the School District Income Tax Fund, to be held
20 and disbursed by the Treasurer as provided in Section 20.

21 The Department shall promulgate such rules and regulations
22 as may be necessary to implement the provisions of this Act.

23 Section 20. Distribution of tax revenue. On or before
24 December 1 of each year, or the first following business day if

1 December 1 falls on a Saturday, Sunday, or holiday, the
2 Department shall certify to the Comptroller the disbursement of
3 stated sums of money to named school districts. On any given
4 certification date, the amount to be certified for disbursement
5 to each school district shall be the sum of the following:

6 (a) The amount of tax collected by the Department under
7 this Act from individuals who maintained their principal places
8 of residence or who owned real property within the school
9 district on the first day of their last full taxable year ended
10 prior to the previous January 1, and

11 (b) any amount of tax which would have been certified for
12 disbursement to the school district on a previous certification
13 date under paragraph (a) above except for the fact that it had
14 not been collected by that previous certification date; less
15 the sum of the following:

16 (c) any amount of tax previously certified for disbursement
17 to that school district but since refunded to the taxpayer, and

18 (d) an amount equal to 2% of the sum of amounts computed in
19 paragraphs (a) and (b), which shall be retained by the
20 Treasurer to cover the costs incurred by the Department in
21 administering and enforcing this Act.

22 The Department at the time of each disbursement to a school
23 district shall prepare and certify to the Comptroller the
24 amount so retained by the State Treasurer to be paid into the
25 General Revenue Fund of the State Treasury. Within 10 days
26 after receipt by the Comptroller of the certification of

1 disbursement to the school districts and to the General Revenue
2 Fund given by the Department under this Act, the Comptroller
3 shall cause the warrants to be drawn for the respective amounts
4 in accordance with the directions contained in the
5 certification.

6 The board of any district receiving any of the
7 disbursements provided for in this Section may apply those to
8 any fund from which that board is authorized to make
9 expenditures by law.

10 Section 25. Willful and fraudulent acts. Any person who is
11 subject to the provisions of this Act and who willfully fails
12 to file a return, or who willfully violates any rule or
13 regulation of the Department for the administration or
14 enforcement of this Act, or who willfully attempts in any other
15 manner to evade or defeat any tax imposed by this Act or the
16 payment thereof, shall in addition to other penalties be guilty
17 of a Class B misdemeanor. A prosecution for any violation of
18 this Section may be commenced within 3 years of the commission
19 of that act.

20 Section 30. Corporations. Nothing in this Act authorizes
21 the tax imposed on net income by school districts hereunder to
22 be levied on any corporation except a corporation that elects
23 to be taxed as an individual under the Internal Revenue Code.
24 If, however, the income tax authorized by this Act is imposed

1 by a school district, the rate of ad valorem property taxes
2 levied on the property of corporations within that district,
3 other than corporations electing to be taxed as individuals
4 under the Internal Revenue Code, shall be increased as provided
5 in Section 17-11 of the School Code.

6 Section 35. Property tax abatement.

7 (a) The extension of real property taxes for a school
8 district within which the local income tax for schools
9 authorized by this Act already has been imposed, levied, and
10 collected shall be abated by the county clerk in which the
11 school district is located on residential real property, farm
12 real property defined in Section 1-60 of the Property Tax Code,
13 and real property of a small business as defined in Section
14 1-75 of the Illinois Administrative Procedure Act only in the
15 manner provided by this Section, provided that (i) if any such
16 school district is located in more than one county the amount
17 of real property taxes of the district to be so abated shall be
18 apportioned by the county clerks of those counties based upon
19 the ratio of the aggregate assessed value of the taxable
20 property of the district in each such county and (ii) prior to
21 any abatement under this Section the county clerk shall
22 determine whether the amount of each tax levied by the district
23 for a lawful school purpose and certified for extension is
24 based on a rate at which the district making the certification
25 is authorized by statute or referendum to levy that tax, shall

1 disregard any excess, and shall extend the levy of that tax in
2 accordance with the provisions of Section 18-45 of the Property
3 Tax Code, subject to abatement as provided in this Section.

4 (b) Not later than September 1 of the first calendar year
5 in which the tax authorized by this Act is imposed, levied, and
6 collected within a school district, the Department of Revenue
7 shall certify to the county clerk of each county in which any
8 part of the school district is located the estimated amount of
9 the tax that would have been collected under this Act during
10 the immediately preceding calendar year in that part of the
11 district located in the county had this Act been in effect and
12 had that tax been imposed, levied, and collected within that
13 district during that immediately preceding calendar year at the
14 same annual rate and for the same period of time as that tax is
15 imposed, levied, and collected in the district during the
16 calendar year in which the certification is made.

17 (c) During the calendar year immediately succeeding the
18 calendar year in which the certification under subsection (b)
19 is required to be made, in extending the real property taxes
20 last levied by a school district for educational purposes, the
21 county clerk shall abate that extension of the district's levy
22 for educational purposes on the property described in
23 subsection (a) only by an amount equal to 100% of the estimated
24 amount that was certified to the county clerk by the Department
25 of Revenue under the provisions of subsection (b) during the
26 calendar year immediately preceding the calendar year in which

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

10 Section 40. Residential rent credit. Each individual
11 taxpayer residing within a school district within which the
12 local income tax for schools authorized by this Act has been
13 imposed, levied, and collected is entitled to a credit, not to
14 exceed \$500, against the tax imposed under this Act in the
15 amount of 5% of the annual rent paid by the taxpayer during the
16 taxable year for the residence of the taxpayer. In no event
17 shall a credit under this Section reduce the taxpayer's
18 liability under this Act to less than zero.

19 Section 900. The State Finance Act is amended by adding
20 Section 5.756 as follows:

21 (30 ILCS 105/5.756 new)

22 Sec. 5.756. The School District Income Tax Fund.

1 Section 905. The Property Tax Code is amended by changing
2 Section 18-45 as follows:

3 (35 ILCS 200/18-45)

4 Sec. 18-45. Computation of rates. Except as provided
5 below, each county clerk shall estimate and determine the rate
6 per cent upon the equalized assessed valuation for the levy
7 year of the property in the county's taxing districts and
8 special service areas, as established under Article VII of the
9 Illinois Constitution, so that the rate will produce, within
10 the proper divisions of that county, not less than the net
11 amount that will be required by the county board or certified
12 to the county clerk according to law. Prior to extension, the
13 county clerk shall determine the maximum amount of tax
14 authorized to be levied by any statute. If the amount of any
15 tax certified to the county clerk for extension exceeds the
16 maximum, the clerk shall extend only the maximum allowable
17 levy.

18 The county clerk shall exclude from the total equalized
19 assessed valuation, whenever estimating and determining it
20 under this Section and Sections 18-50 through 18-105, the
21 equalized assessed valuation in the percentage which has been
22 agreed to by each taxing district, of any property or portion
23 thereof within an Enterprise Zone upon which an abatement of
24 taxes was made under Section 18-170. However, if a municipality
25 has adopted tax increment financing under Division 74.4 of

1 Article 11 of the Illinois Municipal Code, the county clerk
2 shall estimate and determine rates in accordance with Sections
3 11-74.4-7 through 11-74.4-9 of that Act. Beginning on January
4 1, 1998 and thereafter, the equalized assessed value of all
5 property for the computation of the amount to be extended
6 within a county with 3,000,000 or more inhabitants shall be the
7 sum of (i) the equalized assessed value of such property for
8 the year immediately preceding the levy year as established by
9 the assessment and equalization process for the year
10 immediately prior to the levy year, (ii) the equalized assessed
11 value of any property that qualifies as new property, as
12 defined in Section 18-185, or annexed property, as defined in
13 Section 18-225, for the current levy year, and (iii) any
14 recovered tax increment value, as defined in Section 18-185,
15 for the current levy year, less the equalized assessed value of
16 any property that qualifies as disconnected property, as
17 defined in Section 18-225, for the current levy year.

18 The provisions of this Section and the authority of the
19 county clerk under this Section are subject to the abatement
20 provisions of Section 35 of the School District Income Tax Act
21 with respect to the extension of taxes levied by a school
22 district on residential property, farm real property as defined
23 in Section 1-60, and real property of a small business as
24 defined in Section 1-75 of the Illinois Administrative
25 Procedure Act.

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

1 Section 910. The School Code is amended by changing
2 Sections 17-11 and 18-8.05 as follows:

3 (105 ILCS 5/17-11) (from Ch. 122, par. 17-11)

4 Sec. 17-11. Certificate of tax levy. The school board of
5 each district shall ascertain, as near as practicable,
6 annually, how much money must be raised by special tax for
7 transportation purposes if any and for educational and for
8 operations and maintenance purposes for the next ensuing year.
9 In school districts with a population of less than 500,000,
10 these amounts shall be certified and returned to each county
11 clerk on or before the last Tuesday in December, annually. The
12 certificate shall be signed by the president and clerk or
13 secretary, and may be in the following form:

14 CERTIFICATE OF TAX LEVY

15 We hereby certify that we require the sum of
16 dollars, to be levied as a special tax for transportation
17 purposes and the sum of dollars to be levied as a
18 special tax for educational purposes, and the sum
19 dollars to be levied as a special tax for operations and
20 maintenance purposes, and the sum of to be levied as a
21 special tax for a working cash fund, on the equalized assessed
22 value of the taxable property of our district, for the year
23 (insert year).

24 Signed on (insert date).

1 A B, President
 2 C D....., Clerk (Secretary)
 3 Dist. No., County

4 A failure by the school board to file the certificate with
 5 the county clerk in the time required shall not vitiate the
 6 assessment. A district levying a tax under the School District
 7 Income Tax Act enacted by the 96th General Assembly shall,
 8 together with such certificate of tax levy, also certify for
 9 property tax abatement purposes an amount equal to the amount
 10 of revenue realized by the school district's tax on net income
 11 during the previous fiscal year, which amount shall be used by
 12 the county clerk in the manner provided by Section 35 of the
 13 School District Income Tax Act. This provision shall be
 14 effective for a school district beginning in the fiscal year
 15 following the fiscal year it begins levying a net income tax.
 16 (Source: P.A. 91-357, eff. 7-29-99.)

17 (105 ILCS 5/18-8.05)

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

21 (A) General Provisions.

22 (1) The provisions of this Section apply to the 1998-1999
 23 and subsequent school years. The system of general State

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

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

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

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

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

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

25 (d) (Blank).

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

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

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

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

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

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

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

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

26 (e) "Operating Tax Rate": All school district property

1 taxes extended for all purposes, except Bond and Interest,
2 Summer School, Rent, Capital Improvement, and Vocational
3 Education Building purposes.

4 (B) Foundation Level.

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

15 (2) For the 1998-1999 school year, the Foundation Level of
16 support is \$4,225. For the 1999-2000 school year, the
17 Foundation Level of support is \$4,325. For the 2000-2001 school
18 year, the Foundation Level of support is \$4,425. For the
19 2001-2002 school year and 2002-2003 school year, the Foundation
20 Level of support is \$4,560. For the 2003-2004 school year, the
21 Foundation Level of support is \$4,810. For the 2004-2005 school
22 year, the Foundation Level of support is \$4,964. For the
23 2005-2006 school year, the Foundation Level of support is
24 \$5,164. For the 2006-2007 school year, the Foundation Level of
25 support is \$5,334. For the 2007-2008 school year, the

1 Foundation Level of support is \$5,734. For the 2008-2009 school
2 year, the Foundation Level of support is \$5,959.

3 (3) For the 2009-2010 school year and each school year
4 thereafter, the Foundation Level of support is \$6,119 or such
5 greater amount as may be established by law by the General
6 Assembly.

7 (C) Average Daily Attendance.

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

19 (2) The Average Daily Attendance figures utilized in
20 subsection (E) shall be the requisite attendance data for the
21 school year immediately preceding the school year for which
22 general State aid is being calculated or the average of the
23 attendance data for the 3 preceding school years, whichever is
24 greater. The Average Daily Attendance figures utilized in
25 subsection (H) shall be the requisite attendance data for the

1 school year immediately preceding the school year for which
2 general State aid is being calculated.

3 (D) Available Local Resources.

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

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

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

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

9 For partial elementary unit districts created pursuant to
10 Article 11E of this Code, local property tax revenues per pupil
11 shall be calculated as the product of the equalized assessed
12 valuation for property within the partial elementary unit
13 district for elementary purposes, as defined in Article 11E of
14 this Code, multiplied by 2.06% and divided by the district's
15 Average Daily Attendance figure, plus the product of the
16 equalized assessed valuation for property within the partial
17 elementary unit district for high school purposes, as defined
18 in Article 11E of this Code, multiplied by 0.94% and divided by
19 the district's Average Daily Attendance figure.

20 (4) The Corporate Personal Property Replacement Taxes paid
21 to each school district during the calendar year one year
22 before the calendar year in which a school year begins, divided
23 by the Average Daily Attendance figure for that district, shall
24 be added to the local property tax revenues per pupil as
25 derived by the application of the immediately preceding
26 paragraph (3). The sum of these per pupil figures for each

1 school district shall constitute Available Local Resources as
2 that term is utilized in subsection (E) in the calculation of
3 general State aid.

4 (E) Computation of General State Aid.

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

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

14 (3) For any school district for which Available Local
15 Resources per pupil is equal to or greater than the product of
16 0.93 times the Foundation Level and less than the product of
17 1.75 times the Foundation Level, the general State aid per
18 pupil shall be a decimal proportion of the Foundation Level
19 derived using a linear algorithm. Under this linear algorithm,
20 the calculated general State aid per pupil shall decline in
21 direct linear fashion from 0.07 times the Foundation Level for
22 a school district with Available Local Resources equal to the
23 product of 0.93 times the Foundation Level, to 0.05 times the
24 Foundation Level for a school district with Available Local
25 Resources equal to the product of 1.75 times the Foundation

1 Level. The allocation of general State aid for school districts
2 subject to this paragraph 3 shall be the calculated general
3 State aid per pupil figure multiplied by the Average Daily
4 Attendance of the school district.

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

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

20 (6) The operating tax rate of a district levying a net
21 income tax under the School District Income Tax Act enacted by
22 the 96th General Assembly shall be increased, for the
23 calculation of aid under this Section, by a rate which when
24 applied to the equalized assessed valuation of the district
25 would yield an amount equal to the revenue received by the
26 district from its income tax during the current fiscal year.

1 (F) Compilation of Average Daily Attendance.

2 (1) Each school district shall, by July 1 of each year,
3 submit to the State Board of Education, on forms prescribed by
4 the State Board of Education, attendance figures for the school
5 year that began in the preceding calendar year. The attendance
6 information so transmitted shall identify the average daily
7 attendance figures for each month of the school year. Beginning
8 with the general State aid claim form for the 2002-2003 school
9 year, districts shall calculate Average Daily Attendance as
10 provided in subdivisions (a), (b), and (c) of this paragraph
11 (1).

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

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

20 (c) In districts in which some buildings, but not all,
21 hold year-round classes, for the non-year-round buildings,
22 days of attendance in August shall be added to the month of
23 September and any days of attendance in June shall be added
24 to the month of May. The average daily attendance for the
25 year-round buildings shall be computed as provided in

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

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

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

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

22 (a) Pupils regularly enrolled in a public school for
23 only a part of the school day may be counted on the basis
24 of 1/6 day for every class hour of instruction of 40
25 minutes or more attended pursuant to such enrollment,
26 unless a pupil is enrolled in a block-schedule format of 80

1 minutes or more of instruction, in which case the pupil may
2 be counted on the basis of the proportion of minutes of
3 school work completed each day to the minimum number of
4 minutes that school work is required to be held that day.

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

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

14 (d) A session of 3 or more clock hours may be counted
15 as a day of attendance (1) when the remainder of the school
16 day or at least 2 hours in the evening of that day is
17 utilized for an in-service training program for teachers,
18 up to a maximum of 5 days per school year, provided a
19 district conducts an in-service training program for
20 teachers in accordance with Section 10-22.39 of this Code;
21 or, in lieu of 4 such days, 2 full days may be used, in
22 which event each such day may be counted as a day required
23 for a legal school calendar pursuant to Section 10-19 of
24 this Code; (1.5) when, of the 5 days allowed under item
25 (1), a maximum of 4 days are used for parent-teacher
26 conferences, or, in lieu of 4 such days, 2 full days are

1 used, in which case each such day may be counted as a
2 calendar day required under Section 10-19 of this Code,
3 provided that the full-day, parent-teacher conference
4 consists of (i) a minimum of 5 clock hours of
5 parent-teacher conferences, (ii) both a minimum of 2 clock
6 hours of parent-teacher conferences held in the evening
7 following a full day of student attendance, as specified in
8 subsection (F)(1)(c), and a minimum of 3 clock hours of
9 parent-teacher conferences held on the day immediately
10 following evening parent-teacher conferences, or (iii)
11 multiple parent-teacher conferences held in the evenings
12 following full days of student attendance, as specified in
13 subsection (F)(1)(c), in which the time used for the
14 parent-teacher conferences is equivalent to a minimum of 5
15 clock hours; and (2) when days in addition to those
16 provided in items (1) and (1.5) are scheduled by a school
17 pursuant to its school improvement plan adopted under
18 Article 34 or its revised or amended school improvement
19 plan adopted under Article 2, provided that (i) such
20 sessions of 3 or more clock hours are scheduled to occur at
21 regular intervals, (ii) the remainder of the school days in
22 which such sessions occur are utilized for in-service
23 training programs or other staff development activities
24 for teachers, and (iii) a sufficient number of minutes of
25 school work under the direct supervision of teachers are
26 added to the school days between such regularly scheduled

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

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

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

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

1 counted as a full day of attendance.

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

19 (i) On the days when the Prairie State Achievement
20 Examination is administered under subsection (c) of
21 Section 2-3.64 of this Code, the day of attendance for a
22 pupil whose school day must be shortened to accommodate
23 required testing procedures may be less than 5 clock hours
24 and shall be counted towards the 176 days of actual pupil
25 attendance required under Section 10-19 of this Code,
26 provided that a sufficient number of minutes of school work

1 in excess of 5 clock hours are first completed on other
2 school days to compensate for the loss of school work on
3 the examination days.

4 (G) Equalized Assessed Valuation Data.

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

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

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

1 difference, if any, because of those additional exemptions.

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

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

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

1 equalized assessed valuation, whichever is lower, shall be
2 used until such time as all redevelopment project costs
3 have been paid.

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

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

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

26 "Budget Year": The school year for which general State

1 aid is calculated and awarded under subsection (E).

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

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

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

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

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

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

21 If a school district is subject to property tax extension
22 limitations as imposed under the Property Tax Extension
23 Limitation Law, the State Board of Education shall calculate
24 the Extension Limitation Equalized Assessed Valuation of that
25 district. For the 1999-2000 school year, the Extension
26 Limitation Equalized Assessed Valuation of a school district as

1 calculated by the State Board of Education shall be equal to
2 the product of the district's 1996 Equalized Assessed Valuation
3 and the district's Extension Limitation Ratio. Except as
4 otherwise provided in this paragraph for a school district that
5 has approved or does approve an increase in its limiting rate,
6 for the 2000-2001 school year and each school year thereafter,
7 the Extension Limitation Equalized Assessed Valuation of a
8 school district as calculated by the State Board of Education
9 shall be equal to the product of the Equalized Assessed
10 Valuation last used in the calculation of general State aid and
11 the district's Extension Limitation Ratio. If the Extension
12 Limitation Equalized Assessed Valuation of a school district as
13 calculated under this subsection (G)(3) is less than the
14 district's equalized assessed valuation as calculated pursuant
15 to subsections (G)(1) and (G)(2), then for purposes of
16 calculating the district's general State aid for the Budget
17 Year pursuant to subsection (E), that Extension Limitation
18 Equalized Assessed Valuation shall be utilized to calculate the
19 district's Available Local Resources under subsection (D). For
20 the 2009-2010 school year and each school year thereafter, if a
21 school district has approved or does approve an increase in its
22 limiting rate, pursuant to Section 18-190 of the Property Tax
23 Code, affecting the Base Tax Year, the Extension Limitation
24 Equalized Assessed Valuation of the school district, as
25 calculated by the State Board of Education, shall be equal to
26 the product of the Equalized Assessed Valuation last used in

1 the calculation of general State aid times an amount equal to
2 one plus the percentage increase, if any, in the Consumer Price
3 Index for all Urban Consumers for all items published by the
4 United States Department of Labor for the 12-month calendar
5 year preceding the Base Tax Year, plus the Equalized Assessed
6 Valuation of new property, annexed property, and recovered tax
7 increment value and minus the Equalized Assessed Valuation of
8 disconnected property. New property and recovered tax
9 increment value shall have the meanings set forth in the
10 Property Tax Extension Limitation Law.

11 Partial elementary unit districts created in accordance
12 with Article 11E of this Code shall not be eligible for the
13 adjustment in this subsection (G)(3) until the fifth year
14 following the effective date of the reorganization.

15 (4) For the purposes of calculating general State aid for
16 the 1999-2000 school year only, if a school district
17 experienced a triennial reassessment on the equalized assessed
18 valuation used in calculating its general State financial aid
19 apportionment for the 1998-1999 school year, the State Board of
20 Education shall calculate the Extension Limitation Equalized
21 Assessed Valuation that would have been used to calculate the
22 district's 1998-1999 general State aid. This amount shall equal
23 the product of the equalized assessed valuation used to
24 calculate general State aid for the 1997-1998 school year and
25 the district's Extension Limitation Ratio. If the Extension
26 Limitation Equalized Assessed Valuation of the school district

1 as calculated under this paragraph (4) is less than the
2 district's equalized assessed valuation utilized in
3 calculating the district's 1998-1999 general State aid
4 allocation, then for purposes of calculating the district's
5 general State aid pursuant to paragraph (5) of subsection (E),
6 that Extension Limitation Equalized Assessed Valuation shall
7 be utilized to calculate the district's Available Local
8 Resources.

9 (5) For school districts having a majority of their
10 equalized assessed valuation in any county except Cook, DuPage,
11 Kane, Lake, McHenry, or Will, if the amount of general State
12 aid allocated to the school district for the 1999-2000 school
13 year under the provisions of subsection (E), (H), and (J) of
14 this Section is less than the amount of general State aid
15 allocated to the district for the 1998-1999 school year under
16 these subsections, then the general State aid of the district
17 for the 1999-2000 school year only shall be increased by the
18 difference between these amounts. The total payments made under
19 this paragraph (5) shall not exceed \$14,000,000. Claims shall
20 be prorated if they exceed \$14,000,000.

21 (H) Supplemental General State Aid.

22 (1) In addition to the general State aid a school district
23 is allotted pursuant to subsection (E), qualifying school
24 districts shall receive a grant, paid in conjunction with a
25 district's payments of general State aid, for supplemental

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

17 (1.5) This paragraph (1.5) applies only to those school
18 years preceding the 2003-2004 school year. For purposes of this
19 subsection (H), the term "Low-Income Concentration Level"
20 shall be the low-income eligible pupil count from the most
21 recently available federal census divided by the Average Daily
22 Attendance of the school district. If, however, (i) the
23 percentage decrease from the 2 most recent federal censuses in
24 the low-income eligible pupil count of a high school district
25 with fewer than 400 students exceeds by 75% or more the
26 percentage change in the total low-income eligible pupil count

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

25 (1.10) This paragraph (1.10) applies to the 2003-2004
26 school year and each school year thereafter. For purposes of

1 this subsection (H), the term "Low-Income Concentration Level"
2 shall, for each fiscal year, be the low-income eligible pupil
3 count as of July 1 of the immediately preceding fiscal year (as
4 determined by the Department of Human Services based on the
5 number of pupils who are eligible for at least one of the
6 following low income programs: Medicaid, the Children's Health
7 Insurance Program, TANF, or Food Stamps, excluding pupils who
8 are eligible for services provided by the Department of
9 Children and Family Services, averaged over the 2 immediately
10 preceding fiscal years for fiscal year 2004 and over the 3
11 immediately preceding fiscal years for each fiscal year
12 thereafter) divided by the Average Daily Attendance of the
13 school district.

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

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

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

25 (c) For any school district with a Low Income
26 Concentration Level of at least 50% and less than 60%, the

1 grant for the 1998-99 school year shall be \$1,500
2 multiplied by the low income eligible pupil count.

3 (d) For any school district with a Low Income
4 Concentration Level of 60% or more, the grant for the
5 1998-99 school year shall be \$1,900 multiplied by the low
6 income eligible pupil count.

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

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

15 (2.5) Supplemental general State aid pursuant to this
16 subsection (H) shall be provided as follows for the 2002-2003
17 school year:

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

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

26 (c) For any school district with a Low Income

1 Concentration Level of at least 20% and less than 35%, the
2 grant for each school year shall be \$1,330 multiplied by
3 the low income eligible pupil count.

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

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

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

16 (2.10) Except as otherwise provided, supplemental general
17 State aid pursuant to this subsection (H) shall be provided as
18 follows for the 2003-2004 school year and each school year
19 thereafter:

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

24 (b) For any school district with a Low Income
25 Concentration Level greater than 15%, the grant for each
26 school year shall be \$294.25 added to the product of \$2,700

1 and the square of the Low Income Concentration Level, all
2 multiplied by the low income eligible pupil count.

3 For the 2003-2004 school year and each school year
4 thereafter through the 2008-2009 school year only, the grant
5 shall be no less than the grant for the 2002-2003 school year.
6 For the 2009-2010 school year only, the grant shall be no less
7 than the grant for the 2002-2003 school year multiplied by
8 0.66. For the 2010-2011 school year only, the grant shall be no
9 less than the grant for the 2002-2003 school year multiplied by
10 0.33. Notwithstanding the provisions of this paragraph to the
11 contrary, if for any school year supplemental general State aid
12 grants are prorated as provided in paragraph (1) of this
13 subsection (H), then the grants under this paragraph shall be
14 prorated.

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

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

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

17 (4) School districts with an Average Daily Attendance of
18 50,000 or more that qualify for supplemental general State aid
19 pursuant to this subsection shall be required to distribute
20 from funds available pursuant to this Section, no less than
21 \$261,000,000 in accordance with the following requirements:

22 (a) The required amounts shall be distributed to the
23 attendance centers within the district in proportion to the
24 number of pupils enrolled at each attendance center who are
25 eligible to receive free or reduced-price lunches or
26 breakfasts under the federal Child Nutrition Act of 1966

1 and under the National School Lunch Act during the
2 immediately preceding school year.

3 (b) The distribution of these portions of supplemental
4 and general State aid among attendance centers according to
5 these requirements shall not be compensated for or
6 contravened by adjustments of the total of other funds
7 appropriated to any attendance centers, and the Board of
8 Education shall utilize funding from one or several sources
9 in order to fully implement this provision annually prior
10 to the opening of school.

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

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

24 (e) Funds received by an attendance center pursuant to
25 this subsection shall be used by the attendance center at
26 the discretion of the principal and local school council

1 for programs to improve educational opportunities at
2 qualifying schools through the following programs and
3 services: early childhood education, reduced class size or
4 improved adult to student classroom ratio, enrichment
5 programs, remedial assistance, attendance improvement, and
6 other educationally beneficial expenditures which
7 supplement the regular and basic programs as determined by
8 the State Board of Education. Funds provided shall not be
9 expended for any political or lobbying purposes as defined
10 by board rule.

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

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

7 If the district fails to distribute State aid to
8 attendance centers in accordance with an approved plan, the
9 plan for the following year shall allocate funds, in
10 addition to the funds otherwise required by this
11 subsection, to those attendance centers which were
12 underfunded during the previous year in amounts equal to
13 such underfunding.

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

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

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

14 (I) (Blank).

15 (J) Supplementary Grants in Aid.

16 (1) Notwithstanding any other provisions of this Section,
17 the amount of the aggregate general State aid in combination
18 with supplemental general State aid under this Section for
19 which each school district is eligible shall be no less than
20 the amount of the aggregate general State aid entitlement that
21 was received by the district under Section 18-8 (exclusive of
22 amounts received under subsections 5(p) and 5(p-5) of that
23 Section) for the 1997-98 school year, pursuant to the
24 provisions of that Section as it was then in effect. If a

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

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

22 (3) (Blank).

23 (K) Grants to Laboratory and Alternative Schools.

24 In calculating the amount to be paid to the governing board
25 of a public university that operates a laboratory school under

1 this Section or to any alternative school that is operated by a
2 regional superintendent of schools, the State Board of
3 Education shall require by rule such reporting requirements as
4 it deems necessary.

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

17 As used in this Section, "alternative school" means a
18 public school which is created and operated by a Regional
19 Superintendent of Schools and approved by the State Board of
20 Education. Such alternative schools may offer courses of
21 instruction for which credit is given in regular school
22 programs, courses to prepare students for the high school
23 equivalency testing program or vocational and occupational
24 training. A regional superintendent of schools may contract
25 with a school district or a public community college district
26 to operate an alternative school. An alternative school serving

1 more than one educational service region may be established by
2 the regional superintendents of schools of the affected
3 educational service regions. An alternative school serving
4 more than one educational service region may be operated under
5 such terms as the regional superintendents of schools of those
6 educational service regions may agree.

7 Each laboratory and alternative school shall file, on forms
8 provided by the State Superintendent of Education, an annual
9 State aid claim which states the Average Daily Attendance of
10 the school's students by month. The best 3 months' Average
11 Daily Attendance shall be computed for each school. The general
12 State aid entitlement shall be computed by multiplying the
13 applicable Average Daily Attendance by the Foundation Level as
14 determined under this Section.

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

16 (1) For a school district operating under the financial
17 supervision of an Authority created under Article 34A, the
18 general State aid otherwise payable to that district under this
19 Section, but not the supplemental general State aid, shall be
20 reduced by an amount equal to the budget for the operations of
21 the Authority as certified by the Authority to the State Board
22 of Education, and an amount equal to such reduction shall be
23 paid to the Authority created for such district for its
24 operating expenses in the manner provided in Section 18-11. The
25 remainder of general State school aid for any such district

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

4 (2) (Blank).

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

7 (M) Education Funding Advisory Board.

8 The Education Funding Advisory Board, hereinafter in this
9 subsection (M) referred to as the "Board", is hereby created.
10 The Board shall consist of 5 members who are appointed by the
11 Governor, by and with the advice and consent of the Senate. The
12 members appointed shall include representatives of education,
13 business, and the general public. One of the members so
14 appointed shall be designated by the Governor at the time the
15 appointment is made as the chairperson of the Board. The
16 initial members of the Board may be appointed any time after
17 the effective date of this amendatory Act of 1997. The regular
18 term of each member of the Board shall be for 4 years from the
19 third Monday of January of the year in which the term of the
20 member's appointment is to commence, except that of the 5
21 initial members appointed to serve on the Board, the member who
22 is appointed as the chairperson shall serve for a term that
23 commences on the date of his or her appointment and expires on
24 the third Monday of January, 2002, and the remaining 4 members,
25 by lots drawn at the first meeting of the Board that is held

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

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

26 The State Board of Education shall provide such staff

1 assistance to the Education Funding Advisory Board as is
2 reasonably required for the proper performance by the Board of
3 its responsibilities.

4 For school years after the 2000-2001 school year, the
5 Education Funding Advisory Board, in consultation with the
6 State Board of Education, shall make recommendations as
7 provided in this subsection (M) to the General Assembly for the
8 foundation level under subdivision (B)(3) of this Section and
9 for the supplemental general State aid grant level under
10 subsection (H) of this Section for districts with high
11 concentrations of children from poverty. The recommended
12 foundation level shall be determined based on a methodology
13 which incorporates the basic education expenditures of
14 low-spending schools exhibiting high academic performance. The
15 Education Funding Advisory Board shall make such
16 recommendations to the General Assembly on January 1 of odd
17 numbered years, beginning January 1, 2001.

18 (N) (Blank).

19 (O) References.

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

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

4 (P) Public Act 93-838 and Public Act 93-808 make inconsistent
5 changes to this Section. Under Section 6 of the Statute on
6 Statutes there is an irreconcilable conflict between Public Act
7 93-808 and Public Act 93-838. Public Act 93-838, being the last
8 acted upon, is controlling. The text of Public Act 93-838 is
9 the law regardless of the text of Public Act 93-808.

10 (Source: P.A. 95-331, eff. 8-21-07; 95-644, eff. 10-12-07;
11 95-707, eff. 1-11-08; 95-744, eff. 7-18-08; 95-903, eff.
12 8-25-08; 96-45, eff. 7-15-09; 96-152, eff. 8-7-09; 96-300, eff.
13 8-11-09; 96-328, eff. 8-11-09; 96-640, eff. 8-24-09; revised
14 10-23-09.)

15 Section 999. Effective date. This Act takes effect upon
16 becoming law.