



Sen. Andy Manar

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1 AMENDMENT TO SENATE BILL 231

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 231 by replacing  
3 everything after the enacting clause with the following:

4 "Section 1. This Act may be referred to as the Better  
5 Funding for Better Schools Act.

6 Section 905. The Economic Development Area Tax Increment  
7 Allocation Act is amended by changing Section 7 as follows:

8 (20 ILCS 620/7) (from Ch. 67 1/2, par. 1007)

9 Sec. 7. Creation of special tax allocation fund. If a  
10 municipality has adopted tax increment allocation financing  
11 for an economic development project area by ordinance, the  
12 county clerk has thereafter certified the "total initial  
13 equalized assessed value" of the taxable real property within  
14 such economic development project area in the manner provided  
15 in Section 6 of this Act, and the Department has approved and

1 certified the economic development project area, each year  
2 after the date of the certification by the county clerk of the  
3 "total initial equalized assessed value" until economic  
4 development project costs and all municipal obligations  
5 financing economic development project costs have been paid,  
6 the ad valorem taxes, if any, arising from the levies upon the  
7 taxable real property in the economic development project area  
8 by taxing districts and tax rates determined in the manner  
9 provided in subsection (b) of Section 6 of this Act shall be  
10 divided as follows:

11 (1) That portion of the taxes levied upon each taxable lot,  
12 block, tract or parcel of real property which is attributable  
13 to the lower of the current equalized assessed value or the  
14 initial equalized assessed value of each such taxable lot,  
15 block, tract, or parcel of real property existing at the time  
16 tax increment allocation financing was adopted, shall be  
17 allocated to and when collected shall be paid by the county  
18 collector to the respective affected taxing districts in the  
19 manner required by law in the absence of the adoption of tax  
20 increment allocation financing.

21 (2) That portion, if any, of those taxes which is  
22 attributable to the increase in the current equalized assessed  
23 valuation of each taxable lot, block, tract, or parcel of real  
24 property in the economic development project area, over and  
25 above the initial equalized assessed value of each property  
26 existing at the time tax increment allocation financing was

1 adopted, shall be allocated to and when collected shall be paid  
2 to the municipal treasurer, who shall deposit those taxes into  
3 a special fund called the special tax allocation fund of the  
4 municipality for the purpose of paying economic development  
5 project costs and obligations incurred in the payment thereof.

6 The municipality, by an ordinance adopting tax increment  
7 allocation financing, may pledge the funds in and to be  
8 deposited in the special tax allocation fund for the payment of  
9 obligations issued under this Act and for the payment of  
10 economic development project costs. No part of the current  
11 equalized assessed valuation of each property in the economic  
12 development project area attributable to any increase above the  
13 total initial equalized assessed value, of such properties  
14 shall be used in calculating the general State school aid  
15 formula, provided for in Section 18-8 of the School Code, or  
16 the primary State aid formula, provided for in Section 18-8.15  
17 of the School Code, until such time as all economic development  
18 projects costs have been paid as provided for in this Section.

19 When the economic development project costs, including  
20 without limitation all municipal obligations financing  
21 economic development project costs incurred under this Act,  
22 have been paid, all surplus funds then remaining in the special  
23 tax allocation fund shall be distributed by being paid by the  
24 municipal treasurer to the county collector, who shall  
25 immediately thereafter pay those funds to the taxing districts  
26 having taxable property in the economic development project

1 area in the same manner and proportion as the most recent  
2 distribution by the county collector to those taxing districts  
3 of real property taxes from real property in the economic  
4 development project area.

5 Upon the payment of all economic development project costs,  
6 retirement of obligations and the distribution of any excess  
7 monies pursuant to this Section the municipality shall adopt an  
8 ordinance dissolving the special tax allocation fund for the  
9 economic development project area, terminating the economic  
10 development project area, and terminating the use of tax  
11 increment allocation financing for the economic development  
12 project area. Thereafter the rates of the taxing districts  
13 shall be extended and taxes levied, collected and distributed  
14 in the manner applicable in the absence of the adoption of tax  
15 increment allocation financing.

16 Nothing in this Section shall be construed as relieving  
17 property in economic development project areas from being  
18 assessed as provided in the Property Tax Code, or as relieving  
19 owners of that property from paying a uniform rate of taxes, as  
20 required by Section 4 of Article IX of the Illinois  
21 Constitution.

22 (Source: P.A. 98-463, eff. 8-16-13.)

23 Section 910. The State Finance Act is amended by changing  
24 Section 13.2 as follows:

1 (30 ILCS 105/13.2) (from Ch. 127, par. 149.2)

2 Sec. 13.2. Transfers among line item appropriations.

3 (a) Transfers among line item appropriations from the same  
4 treasury fund for the objects specified in this Section may be  
5 made in the manner provided in this Section when the balance  
6 remaining in one or more such line item appropriations is  
7 insufficient for the purpose for which the appropriation was  
8 made.

9 (a-1) No transfers may be made from one agency to another  
10 agency, nor may transfers be made from one institution of  
11 higher education to another institution of higher education  
12 except as provided by subsection (a-4).

13 (a-2) Except as otherwise provided in this Section,  
14 transfers may be made only among the objects of expenditure  
15 enumerated in this Section, except that no funds may be  
16 transferred from any appropriation for personal services, from  
17 any appropriation for State contributions to the State  
18 Employees' Retirement System, from any separate appropriation  
19 for employee retirement contributions paid by the employer, nor  
20 from any appropriation for State contribution for employee  
21 group insurance. During State fiscal year 2005, an agency may  
22 transfer amounts among its appropriations within the same  
23 treasury fund for personal services, employee retirement  
24 contributions paid by employer, and State Contributions to  
25 retirement systems; notwithstanding and in addition to the  
26 transfers authorized in subsection (c) of this Section, the

1 fiscal year 2005 transfers authorized in this sentence may be  
2 made in an amount not to exceed 2% of the aggregate amount  
3 appropriated to an agency within the same treasury fund. During  
4 State fiscal year 2007, the Departments of Children and Family  
5 Services, Corrections, Human Services, and Juvenile Justice  
6 may transfer amounts among their respective appropriations  
7 within the same treasury fund for personal services, employee  
8 retirement contributions paid by employer, and State  
9 contributions to retirement systems. During State fiscal year  
10 2010, the Department of Transportation may transfer amounts  
11 among their respective appropriations within the same treasury  
12 fund for personal services, employee retirement contributions  
13 paid by employer, and State contributions to retirement  
14 systems. During State fiscal years 2010 and 2014 only, an  
15 agency may transfer amounts among its respective  
16 appropriations within the same treasury fund for personal  
17 services, employee retirement contributions paid by employer,  
18 and State contributions to retirement systems.  
19 Notwithstanding, and in addition to, the transfers authorized  
20 in subsection (c) of this Section, these transfers may be made  
21 in an amount not to exceed 2% of the aggregate amount  
22 appropriated to an agency within the same treasury fund.

23 (a-2.5) During State fiscal year 2015 only, the State's  
24 Attorneys Appellate Prosecutor may transfer amounts among its  
25 respective appropriations contained in operational line items  
26 within the same treasury fund. Notwithstanding, and in addition

1 to, the transfers authorized in subsection (c) of this Section,  
2 these transfers may be made in an amount not to exceed 4% of  
3 the aggregate amount appropriated to the State's Attorneys  
4 Appellate Prosecutor within the same treasury fund.

5 (a-3) Further, if an agency receives a separate  
6 appropriation for employee retirement contributions paid by  
7 the employer, any transfer by that agency into an appropriation  
8 for personal services must be accompanied by a corresponding  
9 transfer into the appropriation for employee retirement  
10 contributions paid by the employer, in an amount sufficient to  
11 meet the employer share of the employee contributions required  
12 to be remitted to the retirement system.

13 (a-4) Long-Term Care Rebalancing. The Governor may  
14 designate amounts set aside for institutional services  
15 appropriated from the General Revenue Fund or any other State  
16 fund that receives monies for long-term care services to be  
17 transferred to all State agencies responsible for the  
18 administration of community-based long-term care programs,  
19 including, but not limited to, community-based long-term care  
20 programs administered by the Department of Healthcare and  
21 Family Services, the Department of Human Services, and the  
22 Department on Aging, provided that the Director of Healthcare  
23 and Family Services first certifies that the amounts being  
24 transferred are necessary for the purpose of assisting persons  
25 in or at risk of being in institutional care to transition to  
26 community-based settings, including the financial data needed

1 to prove the need for the transfer of funds. The total amounts  
2 transferred shall not exceed 4% in total of the amounts  
3 appropriated from the General Revenue Fund or any other State  
4 fund that receives monies for long-term care services for each  
5 fiscal year. A notice of the fund transfer must be made to the  
6 General Assembly and posted at a minimum on the Department of  
7 Healthcare and Family Services website, the Governor's Office  
8 of Management and Budget website, and any other website the  
9 Governor sees fit. These postings shall serve as notice to the  
10 General Assembly of the amounts to be transferred. Notice shall  
11 be given at least 30 days prior to transfer.

12 (b) In addition to the general transfer authority provided  
13 under subsection (c), the following agencies have the specific  
14 transfer authority granted in this subsection:

15 The Department of Healthcare and Family Services is  
16 authorized to make transfers representing savings attributable  
17 to not increasing grants due to the births of additional  
18 children from line items for payments of cash grants to line  
19 items for payments for employment and social services for the  
20 purposes outlined in subsection (f) of Section 4-2 of the  
21 Illinois Public Aid Code.

22 The Department of Children and Family Services is  
23 authorized to make transfers not exceeding 2% of the aggregate  
24 amount appropriated to it within the same treasury fund for the  
25 following line items among these same line items: Foster Home  
26 and Specialized Foster Care and Prevention, Institutions and



1 Group Homes and Prevention, and Purchase of Adoption and  
2 Guardianship Services.

3 The Department on Aging is authorized to make transfers not  
4 exceeding 2% of the aggregate amount appropriated to it within  
5 the same treasury fund for the following Community Care Program  
6 line items among these same line items: purchase of services  
7 covered by the Community Care Program and Comprehensive Case  
8 Coordination.

9 The State Treasurer is authorized to make transfers among  
10 line item appropriations from the Capital Litigation Trust  
11 Fund, with respect to costs incurred in fiscal years 2002 and  
12 2003 only, when the balance remaining in one or more such line  
13 item appropriations is insufficient for the purpose for which  
14 the appropriation was made, provided that no such transfer may  
15 be made unless the amount transferred is no longer required for  
16 the purpose for which that appropriation was made.

17 The State Board of Education is authorized to make  
18 transfers from line item appropriations within the same  
19 treasury fund for General State Aid, ~~and~~ General State Aid -  
20 Hold Harmless, Primary State Aid, and Hold Harmless State  
21 Funding, provided that no such transfer may be made unless the  
22 amount transferred is no longer required for the purpose for  
23 which that appropriation was made, to the line item  
24 appropriation for Transitional Assistance when the balance  
25 remaining in such line item appropriation is insufficient for  
26 the purpose for which the appropriation was made.

1           The State Board of Education is authorized to make  
2 transfers between the following line item appropriations  
3 within the same treasury fund: Disabled Student  
4 Services/Materials (Section 14-13.01 of the School Code),  
5 Disabled Student Transportation Reimbursement (Section  
6 14-13.01 of the School Code), Disabled Student Tuition -  
7 Private Tuition (Section 14-7.02 of the School Code),  
8 Extraordinary Special Education (Section 14-7.02b of the  
9 School Code), Reimbursement for Free Lunch/Breakfast Program,  
10 Summer School Payments (Section 18-4.3 of the School Code), and  
11 Transportation - Regular/Vocational Reimbursement (Section  
12 29-5 of the School Code). Such transfers shall be made only  
13 when the balance remaining in one or more such line item  
14 appropriations is insufficient for the purpose for which the  
15 appropriation was made and provided that no such transfer may  
16 be made unless the amount transferred is no longer required for  
17 the purpose for which that appropriation was made.

18           The Department of Healthcare and Family Services is  
19 authorized to make transfers not exceeding 4% of the aggregate  
20 amount appropriated to it, within the same treasury fund, among  
21 the various line items appropriated for Medical Assistance.

22           (c) The sum of such transfers for an agency in a fiscal  
23 year shall not exceed 2% of the aggregate amount appropriated  
24 to it within the same treasury fund for the following objects:  
25 Personal Services; Extra Help; Student and Inmate  
26 Compensation; State Contributions to Retirement Systems; State

1 Contributions to Social Security; State Contribution for  
2 Employee Group Insurance; Contractual Services; Travel;  
3 Commodities; Printing; Equipment; Electronic Data Processing;  
4 Operation of Automotive Equipment; Telecommunications  
5 Services; Travel and Allowance for Committed, Paroled and  
6 Discharged Prisoners; Library Books; Federal Matching Grants  
7 for Student Loans; Refunds; Workers' Compensation,  
8 Occupational Disease, and Tort Claims; and, in appropriations  
9 to institutions of higher education, Awards and Grants.  
10 Notwithstanding the above, any amounts appropriated for  
11 payment of workers' compensation claims to an agency to which  
12 the authority to evaluate, administer and pay such claims has  
13 been delegated by the Department of Central Management Services  
14 may be transferred to any other expenditure object where such  
15 amounts exceed the amount necessary for the payment of such  
16 claims.

17 (c-1) Special provisions for State fiscal year 2003.  
18 Notwithstanding any other provision of this Section to the  
19 contrary, for State fiscal year 2003 only, transfers among line  
20 item appropriations to an agency from the same treasury fund  
21 may be made provided that the sum of such transfers for an  
22 agency in State fiscal year 2003 shall not exceed 3% of the  
23 aggregate amount appropriated to that State agency for State  
24 fiscal year 2003 for the following objects: personal services,  
25 except that no transfer may be approved which reduces the  
26 aggregate appropriations for personal services within an

1 agency; extra help; student and inmate compensation; State  
2 contributions to retirement systems; State contributions to  
3 social security; State contributions for employee group  
4 insurance; contractual services; travel; commodities;  
5 printing; equipment; electronic data processing; operation of  
6 automotive equipment; telecommunications services; travel and  
7 allowance for committed, paroled, and discharged prisoners;  
8 library books; federal matching grants for student loans;  
9 refunds; workers' compensation, occupational disease, and tort  
10 claims; and, in appropriations to institutions of higher  
11 education, awards and grants.

12 (c-2) Special provisions for State fiscal year 2005.  
13 Notwithstanding subsections (a), (a-2), and (c), for State  
14 fiscal year 2005 only, transfers may be made among any line  
15 item appropriations from the same or any other treasury fund  
16 for any objects or purposes, without limitation, when the  
17 balance remaining in one or more such line item appropriations  
18 is insufficient for the purpose for which the appropriation was  
19 made, provided that the sum of those transfers by a State  
20 agency shall not exceed 4% of the aggregate amount appropriated  
21 to that State agency for fiscal year 2005.

22 (c-3) Special provisions for State fiscal year 2015.  
23 Notwithstanding any other provision of this Section, for State  
24 fiscal year 2015, transfers among line item appropriations to a  
25 State agency from the same State treasury fund may be made for  
26 operational or lump sum expenses only, provided that the sum of

1 such transfers for a State agency in State fiscal year 2015  
2 shall not exceed 4% of the aggregate amount appropriated to  
3 that State agency for operational or lump sum expenses for  
4 State fiscal year 2015. For the purpose of this subsection,  
5 "operational or lump sum expenses" includes the following  
6 objects: personal services; extra help; student and inmate  
7 compensation; State contributions to retirement systems; State  
8 contributions to social security; State contributions for  
9 employee group insurance; contractual services; travel;  
10 commodities; printing; equipment; electronic data processing;  
11 operation of automotive equipment; telecommunications  
12 services; travel and allowance for committed, paroled, and  
13 discharged prisoners; library books; federal matching grants  
14 for student loans; refunds; workers' compensation,  
15 occupational disease, and tort claims; lump sum and other  
16 purposes; and lump sum operations. For the purpose of this  
17 subsection (c-3), "State agency" does not include the Attorney  
18 General, the Secretary of State, the Comptroller, the  
19 Treasurer, or the legislative or judicial branches.

20 (d) Transfers among appropriations made to agencies of the  
21 Legislative and Judicial departments and to the  
22 constitutionally elected officers in the Executive branch  
23 require the approval of the officer authorized in Section 10 of  
24 this Act to approve and certify vouchers. Transfers among  
25 appropriations made to the University of Illinois, Southern  
26 Illinois University, Chicago State University, Eastern

1 Illinois University, Governors State University, Illinois  
2 State University, Northeastern Illinois University, Northern  
3 Illinois University, Western Illinois University, the Illinois  
4 Mathematics and Science Academy and the Board of Higher  
5 Education require the approval of the Board of Higher Education  
6 and the Governor. Transfers among appropriations to all other  
7 agencies require the approval of the Governor.

8 The officer responsible for approval shall certify that the  
9 transfer is necessary to carry out the programs and purposes  
10 for which the appropriations were made by the General Assembly  
11 and shall transmit to the State Comptroller a certified copy of  
12 the approval which shall set forth the specific amounts  
13 transferred so that the Comptroller may change his records  
14 accordingly. The Comptroller shall furnish the Governor with  
15 information copies of all transfers approved for agencies of  
16 the Legislative and Judicial departments and transfers  
17 approved by the constitutionally elected officials of the  
18 Executive branch other than the Governor, showing the amounts  
19 transferred and indicating the dates such changes were entered  
20 on the Comptroller's records.

21 (e) The State Board of Education, in consultation with the  
22 State Comptroller, may transfer line item appropriations for  
23 General State Aid or Primary State Aid between the Common  
24 School Fund and the Education Assistance Fund. With the advice  
25 and consent of the Governor's Office of Management and Budget,  
26 the State Board of Education, in consultation with the State

1 Comptroller, may transfer line item appropriations between the  
2 General Revenue Fund and the Education Assistance Fund for the  
3 following programs:

4 (1) Disabled Student Personnel Reimbursement (Section  
5 14-13.01 of the School Code);

6 (2) Disabled Student Transportation Reimbursement  
7 (subsection (b) of Section 14-13.01 of the School Code);

8 (3) Disabled Student Tuition - Private Tuition  
9 (Section 14-7.02 of the School Code);

10 (4) Extraordinary Special Education (Section 14-7.02b  
11 of the School Code);

12 (5) Reimbursement for Free Lunch/Breakfast Programs;

13 (6) Summer School Payments (Section 18-4.3 of the  
14 School Code);

15 (7) Transportation - Regular/Vocational Reimbursement  
16 (Section 29-5 of the School Code);

17 (8) Regular Education Reimbursement (Section 18-3 of  
18 the School Code); and

19 (9) Special Education Reimbursement (Section 14-7.03  
20 of the School Code).

21 (Source: P.A. 98-24, eff. 6-19-13; 98-674, eff. 6-30-14; 99-2,  
22 eff. 3-26-15.)

23 Section 915. The Property Tax Code is amended by changing  
24 Sections 18-200 and 18-249 as follows:

1 (35 ILCS 200/18-200)

2 Sec. 18-200. School Code. A school district's State aid  
3 shall not be reduced under the computation under subsections  
4 5(a) through 5(h) of Part A of Section 18-8 of the School Code  
5 or under subsection (e) of Section 18-8.15 of the School Code  
6 due to the operating tax rate falling from above the minimum  
7 requirement of that Section of the School Code to below the  
8 minimum requirement of that Section of the School Code due to  
9 the operation of this Law.

10 (Source: P.A. 87-17; 88-455.)

11 (35 ILCS 200/18-249)

12 Sec. 18-249. Miscellaneous provisions.

13 (a) Certification of new property. For the 1994 levy year,  
14 the chief county assessment officer shall certify to the county  
15 clerk, after all changes by the board of review or board of  
16 appeals, as the case may be, the assessed value of new property  
17 by taxing district for the 1994 levy year under rules  
18 promulgated by the Department.

19 (b) School Code. A school district's State aid shall not be  
20 reduced under the computation under subsections 5(a) through  
21 5(h) of Part A of Section 18-8 of the School Code or under  
22 subsection (e) of Section 18-8.15 of the School Code due to the  
23 operating tax rate falling from above the minimum requirement  
24 of that Section of the School Code to below the minimum  
25 requirement of that Section of the School Code due to the



1 operation of this Law.

2 (c) Rules. The Department shall make and promulgate  
3 reasonable rules relating to the administration of the purposes  
4 and provisions of Sections 18-246 through 18-249 as may be  
5 necessary or appropriate.

6 (Source: P.A. 89-1, eff. 2-12-95.)

7 Section 917. The Illinois Pension Code is amended by  
8 changing Sections 16-158 and 17-127 as follows:

9 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

10 (Text of Section WITH the changes made by P.A. 98-599,  
11 which has been held unconstitutional)

12 Sec. 16-158. Contributions by State and other employing  
13 units.

14 (a) The State shall make contributions to the System by  
15 means of appropriations from the Common School Fund and other  
16 State funds of amounts which, together with other employer  
17 contributions, employee contributions, investment income, and  
18 other income, will be sufficient to meet the cost of  
19 maintaining and administering the System on a 100% funded basis  
20 in accordance with actuarial recommendations by the end of  
21 State fiscal year 2044.

22 The Board shall determine the amount of State contributions  
23 required for each fiscal year on the basis of the actuarial  
24 tables and other assumptions adopted by the Board and the

1 recommendations of the actuary, using the formula in subsection  
2 (b-3).

3 (a-1) Annually, on or before November 15 through November  
4 15, 2011, the Board shall certify to the Governor the amount of  
5 the required State contribution for the coming fiscal year. The  
6 certification under this subsection (a-1) shall include a copy  
7 of the actuarial recommendations upon which it is based.

8 On or before May 1, 2004, the Board shall recalculate and  
9 recertify to the Governor the amount of the required State  
10 contribution to the System for State fiscal year 2005, taking  
11 into account the amounts appropriated to and received by the  
12 System under subsection (d) of Section 7.2 of the General  
13 Obligation Bond Act.

14 On or before July 1, 2005, the Board shall recalculate and  
15 recertify to the Governor the amount of the required State  
16 contribution to the System for State fiscal year 2006, taking  
17 into account the changes in required State contributions made  
18 by this amendatory Act of the 94th General Assembly.

19 On or before April 1, 2011, the Board shall recalculate and  
20 recertify to the Governor the amount of the required State  
21 contribution to the System for State fiscal year 2011, applying  
22 the changes made by Public Act 96-889 to the System's assets  
23 and liabilities as of June 30, 2009 as though Public Act 96-889  
24 was approved on that date.

25 (a-5) On or before November 1 of each year, beginning  
26 November 1, 2012, the Board shall submit to the State Actuary,

1 the Governor, and the General Assembly a proposed certification  
2 of the amount of the required State contribution to the System  
3 for the next fiscal year, along with all of the actuarial  
4 assumptions, calculations, and data upon which that proposed  
5 certification is based. On or before January 1 of each year,  
6 beginning January 1, 2013, the State Actuary shall issue a  
7 preliminary report concerning the proposed certification and  
8 identifying, if necessary, recommended changes in actuarial  
9 assumptions that the Board must consider before finalizing its  
10 certification of the required State contributions.

11 On or before January 15, 2013 and each January 15  
12 thereafter, the Board shall certify to the Governor and the  
13 General Assembly the amount of the required State contribution  
14 for the next fiscal year. The certification shall include a  
15 copy of the actuarial recommendations upon which it is based  
16 and shall specifically identify the System's projected State  
17 normal cost for that fiscal year. The Board's certification  
18 must note any deviations from the State Actuary's recommended  
19 changes, the reason or reasons for not following the State  
20 Actuary's recommended changes, and the fiscal impact of not  
21 following the State Actuary's recommended changes on the  
22 required State contribution.

23 (a-10) For purposes of Section (c-5) of Section 20 of the  
24 Budget Stabilization Act, on or before November 1 of each year  
25 beginning November 1, 2014, the Board shall determine the  
26 amount of the State contribution to the System that would have

1 been required for the next fiscal year if this amendatory Act  
2 of the 98th General Assembly had not taken effect, using the  
3 best and most recent available data but based on the law in  
4 effect on May 31, 2014. The Board shall submit to the State  
5 Actuary, the Governor, and the General Assembly a proposed  
6 certification, along with the relevant law, actuarial  
7 assumptions, calculations, and data upon which that  
8 certification is based. On or before January 1, 2015 and every  
9 January 1 thereafter, the State Actuary shall issue a  
10 preliminary report concerning the proposed certification and  
11 identifying, if necessary, recommended changes in actuarial  
12 assumptions that the Board must consider before finalizing its  
13 certification. On or before January 15, 2015 and every January  
14 1 thereafter, the Board shall certify to the Governor and the  
15 General Assembly the amount of the State contribution to the  
16 System that would have been required for the next fiscal year  
17 if this amendatory Act of the 98th General Assembly had not  
18 taken effect, using the best and most recent available data but  
19 based on the law in effect on May 31, 2014. The Board's  
20 certification must note any deviations from the State Actuary's  
21 recommended changes, the reason or reasons for not following  
22 the State Actuary's recommended changes, and the impact of not  
23 following the State Actuary's recommended changes.

24 (b) Through State fiscal year 1995, the State contributions  
25 shall be paid to the System in accordance with Section 18-7 of  
26 the School Code.

1 (b-1) Beginning in State fiscal year 1996, on the 15th day  
2 of each month, or as soon thereafter as may be practicable, the  
3 Board shall submit vouchers for payment of State contributions  
4 to the System, in a total monthly amount of one-twelfth of the  
5 required annual State contribution certified under subsection  
6 (a-1). From the effective date of this amendatory Act of the  
7 93rd General Assembly through June 30, 2004, the Board shall  
8 not submit vouchers for the remainder of fiscal year 2004 in  
9 excess of the fiscal year 2004 certified contribution amount  
10 determined under this Section after taking into consideration  
11 the transfer to the System under subsection (a) of Section  
12 6z-61 of the State Finance Act. These vouchers shall be paid by  
13 the State Comptroller and Treasurer by warrants drawn on the  
14 funds appropriated to the System for that fiscal year.

15 If in any month the amount remaining unexpended from all  
16 other appropriations to the System for the applicable fiscal  
17 year (including the appropriations to the System under Section  
18 8.12 of the State Finance Act and Section 1 of the State  
19 Pension Funds Continuing Appropriation Act) is less than the  
20 amount lawfully vouchered under this subsection, the  
21 difference shall be paid from the Common School Fund under the  
22 continuing appropriation authority provided in Section 1.1 of  
23 the State Pension Funds Continuing Appropriation Act.

24 (b-2) Allocations from the Common School Fund apportioned  
25 to school districts not coming under this System shall not be  
26 diminished or affected by the provisions of this Article.

1           (b-3) For State fiscal years 2015 through 2044, the minimum  
2 contribution to the System to be made by the State for each  
3 fiscal year shall be an amount determined by the System to be  
4 equal to the sum of (1) the State's portion of the projected  
5 normal cost for that fiscal year, plus (2) an amount sufficient  
6 to bring the total assets of the System up to 100% of the total  
7 actuarial liabilities of the System by the end of State fiscal  
8 year 2044. In making these determinations, the required State  
9 contribution shall be calculated each year as a level  
10 percentage of payroll over the years remaining to and including  
11 fiscal year 2044 and shall be determined under the projected  
12 unit cost method for fiscal year 2015 and under the entry age  
13 normal actuarial cost method for fiscal years 2016 through  
14 2044.

15           For State fiscal years 2012 through 2014, the minimum  
16 contribution to the System to be made by the State for each  
17 fiscal year shall be an amount determined by the System to be  
18 sufficient to bring the total assets of the System up to 90% of  
19 the total actuarial liabilities of the System by the end of  
20 State fiscal year 2045. In making these determinations, the  
21 required State contribution shall be calculated each year as a  
22 level percentage of payroll over the years remaining to and  
23 including fiscal year 2045 and shall be determined under the  
24 projected unit credit actuarial cost method.

25           For State fiscal years 1996 through 2005, the State  
26 contribution to the System, as a percentage of the applicable

1 employee payroll, shall be increased in equal annual increments  
2 so that by State fiscal year 2011, the State is contributing at  
3 the rate required under this Section; except that in the  
4 following specified State fiscal years, the State contribution  
5 to the System shall not be less than the following indicated  
6 percentages of the applicable employee payroll, even if the  
7 indicated percentage will produce a State contribution in  
8 excess of the amount otherwise required under this subsection  
9 and subsection (a), and notwithstanding any contrary  
10 certification made under subsection (a-1) before the effective  
11 date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77%  
12 in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY  
13 2003; and 13.56% in FY 2004.

14 Notwithstanding any other provision of this Article, the  
15 total required State contribution for State fiscal year 2006 is  
16 \$534,627,700.

17 Notwithstanding any other provision of this Article, the  
18 total required State contribution for State fiscal year 2007 is  
19 \$738,014,500.

20 For each of State fiscal years 2008 through 2009, the State  
21 contribution to the System, as a percentage of the applicable  
22 employee payroll, shall be increased in equal annual increments  
23 from the required State contribution for State fiscal year  
24 2007, so that by State fiscal year 2011, the State is  
25 contributing at the rate otherwise required under this Section.

26 Notwithstanding any other provision of this Article, the

1 total required State contribution for State fiscal year 2010 is  
2 \$2,089,268,000 and shall be made from the proceeds of bonds  
3 sold in fiscal year 2010 pursuant to Section 7.2 of the General  
4 Obligation Bond Act, less (i) the pro rata share of bond sale  
5 expenses determined by the System's share of total bond  
6 proceeds, (ii) any amounts received from the Common School Fund  
7 in fiscal year 2010, and (iii) any reduction in bond proceeds  
8 due to the issuance of discounted bonds, if applicable.

9 Notwithstanding any other provision of this Article, the  
10 total required State contribution for State fiscal year 2011 is  
11 the amount recertified by the System on or before April 1, 2011  
12 pursuant to subsection (a-1) of this Section and shall be made  
13 from the proceeds of bonds sold in fiscal year 2011 pursuant to  
14 Section 7.2 of the General Obligation Bond Act, less (i) the  
15 pro rata share of bond sale expenses determined by the System's  
16 share of total bond proceeds, (ii) any amounts received from  
17 the Common School Fund in fiscal year 2011, and (iii) any  
18 reduction in bond proceeds due to the issuance of discounted  
19 bonds, if applicable. This amount shall include, in addition to  
20 the amount certified by the System, an amount necessary to meet  
21 employer contributions required by the State as an employer  
22 under paragraph (e) of this Section, which may also be used by  
23 the System for contributions required by paragraph (a) of  
24 Section 16-127.

25 Beginning in State fiscal year 2045, the minimum State  
26 contribution for each fiscal year shall be the amount needed to



1 maintain the total assets of the System at 100% of the total  
2 actuarial liabilities of the System.

3 Amounts received by the System pursuant to Section 25 of  
4 the Budget Stabilization Act or Section 8.12 of the State  
5 Finance Act in any fiscal year do not reduce and do not  
6 constitute payment of any portion of the minimum State  
7 contribution required under this Article in that fiscal year.  
8 Such amounts shall not reduce, and shall not be included in the  
9 calculation of, the required State contributions under this  
10 Article in any future year until the System has reached a  
11 funding ratio of at least 100%. A reference in this Article to  
12 the "required State contribution" or any substantially similar  
13 term does not include or apply to any amounts payable to the  
14 System under Section 25 of the Budget Stabilization Act.

15 Notwithstanding any other provision of this Section, the  
16 required State contribution for State fiscal year 2005 and for  
17 fiscal year 2008 and each fiscal year thereafter through State  
18 fiscal year 2014, as calculated under this Section and  
19 certified under subsection (a-1), shall not exceed an amount  
20 equal to (i) the amount of the required State contribution that  
21 would have been calculated under this Section for that fiscal  
22 year if the System had not received any payments under  
23 subsection (d) of Section 7.2 of the General Obligation Bond  
24 Act, minus (ii) the portion of the State's total debt service  
25 payments for that fiscal year on the bonds issued in fiscal  
26 year 2003 for the purposes of that Section 7.2, as determined

1 and certified by the Comptroller, that is the same as the  
2 System's portion of the total moneys distributed under  
3 subsection (d) of Section 7.2 of the General Obligation Bond  
4 Act. In determining this maximum for State fiscal years 2008  
5 through 2010, however, the amount referred to in item (i) shall  
6 be increased, as a percentage of the applicable employee  
7 payroll, in equal increments calculated from the sum of the  
8 required State contribution for State fiscal year 2007 plus the  
9 applicable portion of the State's total debt service payments  
10 for fiscal year 2007 on the bonds issued in fiscal year 2003  
11 for the purposes of Section 7.2 of the General Obligation Bond  
12 Act, so that, by State fiscal year 2011, the State is  
13 contributing at the rate otherwise required under this Section.

14 (c) Payment of the required State contributions and of all  
15 pensions, retirement annuities, death benefits, refunds, and  
16 other benefits granted under or assumed by this System, and all  
17 expenses in connection with the administration and operation  
18 thereof, are obligations of the State.

19 If members are paid from special trust or federal funds  
20 which are administered by the employing unit, whether school  
21 district or other unit, the employing unit shall pay to the  
22 System from such funds the full accruing retirement costs based  
23 upon that service, which, beginning July 1, 2016 ~~2014~~, shall be  
24 at a rate, expressed as a percentage of salary, equal to the  
25 total employer's ~~minimum contribution to the System to be made~~  
26 ~~by the State for that fiscal year, including both~~ normal cost

1 ~~and unfunded liability components~~, expressed as a percentage of  
2 payroll, as determined by the System ~~under subsection (b-3) of~~  
3 ~~this Section~~. Employer contributions, based on salary paid to  
4 members from federal funds, may be forwarded by the  
5 distributing agency of the State of Illinois to the System  
6 prior to allocation, in an amount determined in accordance with  
7 guidelines established by such agency and the System. Any  
8 contribution for fiscal year 2015 collected as a result of the  
9 change made by this amendatory Act of the 98th General Assembly  
10 shall be considered a State contribution under subsection (b-3)  
11 of this Section.

12 (d) Effective July 1, 1986, any employer of a teacher as  
13 defined in paragraph (8) of Section 16-106 shall pay the  
14 employer's normal cost of benefits based upon the teacher's  
15 service, in addition to employee contributions, as determined  
16 by the System. Such employer contributions shall be forwarded  
17 monthly in accordance with guidelines established by the  
18 System.

19 However, with respect to benefits granted under Section  
20 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)  
21 of Section 16-106, the employer's contribution shall be 12%  
22 (rather than 20%) of the member's highest annual salary rate  
23 for each year of creditable service granted, and the employer  
24 shall also pay the required employee contribution on behalf of  
25 the teacher. For the purposes of Sections 16-133.4 and  
26 16-133.5, a teacher as defined in paragraph (8) of Section

1 16-106 who is serving in that capacity while on leave of  
2 absence from another employer under this Article shall not be  
3 considered an employee of the employer from which the teacher  
4 is on leave.

5 (e) Beginning July 1, 1998, every employer of a teacher  
6 shall pay to the System an employer contribution computed as  
7 follows:

8 (1) Beginning July 1, 1998 through June 30, 1999, the  
9 employer contribution shall be equal to 0.3% of each  
10 teacher's salary.

11 (2) Beginning July 1, 1999 and thereafter, the employer  
12 contribution shall be equal to 0.58% of each teacher's  
13 salary.

14 The school district or other employing unit may pay these  
15 employer contributions out of any source of funding available  
16 for that purpose and shall forward the contributions to the  
17 System on the schedule established for the payment of member  
18 contributions.

19 These employer contributions are intended to offset a  
20 portion of the cost to the System of the increases in  
21 retirement benefits resulting from this amendatory Act of 1998.

22 Each employer of teachers is entitled to a credit against  
23 the contributions required under this subsection (e) with  
24 respect to salaries paid to teachers for the period January 1,  
25 2002 through June 30, 2003, equal to the amount paid by that  
26 employer under subsection (a-5) of Section 6.6 of the State

1 Employees Group Insurance Act of 1971 with respect to salaries  
2 paid to teachers for that period.

3 The additional 1% employee contribution required under  
4 Section 16-152 by this amendatory Act of 1998 is the  
5 responsibility of the teacher and not the teacher's employer,  
6 unless the employer agrees, through collective bargaining or  
7 otherwise, to make the contribution on behalf of the teacher.

8 If an employer is required by a contract in effect on May  
9 1, 1998 between the employer and an employee organization to  
10 pay, on behalf of all its full-time employees covered by this  
11 Article, all mandatory employee contributions required under  
12 this Article, then the employer shall be excused from paying  
13 the employer contribution required under this subsection (e)  
14 for the balance of the term of that contract. The employer and  
15 the employee organization shall jointly certify to the System  
16 the existence of the contractual requirement, in such form as  
17 the System may prescribe. This exclusion shall cease upon the  
18 termination, extension, or renewal of the contract at any time  
19 after May 1, 1998.

20 (f) If the amount of a teacher's salary for any school year  
21 used to determine final average salary exceeds the member's  
22 annual full-time salary rate with the same employer for the  
23 previous school year by more than 6%, the teacher's employer  
24 shall pay to the System, in addition to all other payments  
25 required under this Section and in accordance with guidelines  
26 established by the System, the present value of the increase in

1 benefits resulting from the portion of the increase in salary  
2 that is in excess of 6%. This present value shall be computed  
3 by the System on the basis of the actuarial assumptions and  
4 tables used in the most recent actuarial valuation of the  
5 System that is available at the time of the computation. If a  
6 teacher's salary for the 2005-2006 school year is used to  
7 determine final average salary under this subsection (f), then  
8 the changes made to this subsection (f) by Public Act 94-1057  
9 shall apply in calculating whether the increase in his or her  
10 salary is in excess of 6%. For the purposes of this Section,  
11 change in employment under Section 10-21.12 of the School Code  
12 on or after June 1, 2005 shall constitute a change in employer.  
13 The System may require the employer to provide any pertinent  
14 information or documentation. The changes made to this  
15 subsection (f) by this amendatory Act of the 94th General  
16 Assembly apply without regard to whether the teacher was in  
17 service on or after its effective date.

18 Whenever it determines that a payment is or may be required  
19 under this subsection, the System shall calculate the amount of  
20 the payment and bill the employer for that amount. The bill  
21 shall specify the calculations used to determine the amount  
22 due. If the employer disputes the amount of the bill, it may,  
23 within 30 days after receipt of the bill, apply to the System  
24 in writing for a recalculation. The application must specify in  
25 detail the grounds of the dispute and, if the employer asserts  
26 that the calculation is subject to subsection (g) or (h) of

1 this Section, must include an affidavit setting forth and  
2 attesting to all facts within the employer's knowledge that are  
3 pertinent to the applicability of that subsection. Upon  
4 receiving a timely application for recalculation, the System  
5 shall review the application and, if appropriate, recalculate  
6 the amount due.

7 The employer contributions required under this subsection  
8 (f) may be paid in the form of a lump sum within 90 days after  
9 receipt of the bill. If the employer contributions are not paid  
10 within 90 days after receipt of the bill, then interest will be  
11 charged at a rate equal to the System's annual actuarially  
12 assumed rate of return on investment compounded annually from  
13 the 91st day after receipt of the bill. Payments must be  
14 concluded within 3 years after the employer's receipt of the  
15 bill.

16 (g) This subsection (g) applies only to payments made or  
17 salary increases given on or after June 1, 2005 but before July  
18 1, 2011. The changes made by Public Act 94-1057 shall not  
19 require the System to refund any payments received before July  
20 31, 2006 (the effective date of Public Act 94-1057).

21 When assessing payment for any amount due under subsection  
22 (f), the System shall exclude salary increases paid to teachers  
23 under contracts or collective bargaining agreements entered  
24 into, amended, or renewed before June 1, 2005.

25 When assessing payment for any amount due under subsection  
26 (f), the System shall exclude salary increases paid to a

1 teacher at a time when the teacher is 10 or more years from  
2 retirement eligibility under Section 16-132 or 16-133.2.

3 When assessing payment for any amount due under subsection  
4 (f), the System shall exclude salary increases resulting from  
5 overload work, including summer school, when the school  
6 district has certified to the System, and the System has  
7 approved the certification, that (i) the overload work is for  
8 the sole purpose of classroom instruction in excess of the  
9 standard number of classes for a full-time teacher in a school  
10 district during a school year and (ii) the salary increases are  
11 equal to or less than the rate of pay for classroom instruction  
12 computed on the teacher's current salary and work schedule.

13 When assessing payment for any amount due under subsection  
14 (f), the System shall exclude a salary increase resulting from  
15 a promotion (i) for which the employee is required to hold a  
16 certificate or supervisory endorsement issued by the State  
17 Teacher Certification Board that is a different certification  
18 or supervisory endorsement than is required for the teacher's  
19 previous position and (ii) to a position that has existed and  
20 been filled by a member for no less than one complete academic  
21 year and the salary increase from the promotion is an increase  
22 that results in an amount no greater than the lesser of the  
23 average salary paid for other similar positions in the district  
24 requiring the same certification or the amount stipulated in  
25 the collective bargaining agreement for a similar position  
26 requiring the same certification.



1           When assessing payment for any amount due under subsection  
2 (f), the System shall exclude any payment to the teacher from  
3 the State of Illinois or the State Board of Education over  
4 which the employer does not have discretion, notwithstanding  
5 that the payment is included in the computation of final  
6 average salary.

7           (h) When assessing payment for any amount due under  
8 subsection (f), the System shall exclude any salary increase  
9 described in subsection (g) of this Section given on or after  
10 July 1, 2011 but before July 1, 2014 under a contract or  
11 collective bargaining agreement entered into, amended, or  
12 renewed on or after June 1, 2005 but before July 1, 2011.  
13 Notwithstanding any other provision of this Section, any  
14 payments made or salary increases given after June 30, 2014  
15 shall be used in assessing payment for any amount due under  
16 subsection (f) of this Section.

17           (i) The System shall prepare a report and file copies of  
18 the report with the Governor and the General Assembly by  
19 January 1, 2007 that contains all of the following information:

20           (1) The number of recalculations required by the  
21 changes made to this Section by Public Act 94-1057 for each  
22 employer.

23           (2) The dollar amount by which each employer's  
24 contribution to the System was changed due to  
25 recalculations required by Public Act 94-1057.

26           (3) The total amount the System received from each

1 employer as a result of the changes made to this Section by  
2 Public Act 94-4.

3 (4) The increase in the required State contribution  
4 resulting from the changes made to this Section by Public  
5 Act 94-1057.

6 (j) For purposes of determining the required State  
7 contribution to the System, the value of the System's assets  
8 shall be equal to the actuarial value of the System's assets,  
9 which shall be calculated as follows:

10 As of June 30, 2008, the actuarial value of the System's  
11 assets shall be equal to the market value of the assets as of  
12 that date. In determining the actuarial value of the System's  
13 assets for fiscal years after June 30, 2008, any actuarial  
14 gains or losses from investment return incurred in a fiscal  
15 year shall be recognized in equal annual amounts over the  
16 5-year period following that fiscal year.

17 (k) For purposes of determining the required State  
18 contribution to the system for a particular year, the actuarial  
19 value of assets shall be assumed to earn a rate of return equal  
20 to the system's actuarially assumed rate of return.

21 (Source: P.A. 97-694, eff. 6-18-12; 97-813, eff. 7-13-12;  
22 98-599, eff. 6-1-14; 98-674, eff. 6-30-14.)

23 (Text of Section WITHOUT the changes made by P.A. 98-599,  
24 which has been held unconstitutional)

25 Sec. 16-158. Contributions by State and other employing

1 units.

2 (a) The State shall make contributions to the System by  
3 means of appropriations from the Common School Fund and other  
4 State funds of amounts which, together with other employer  
5 contributions, employee contributions, investment income, and  
6 other income, will be sufficient to meet the cost of  
7 maintaining and administering the System on a 90% funded basis  
8 in accordance with actuarial recommendations.

9 The Board shall determine the amount of State contributions  
10 required for each fiscal year on the basis of the actuarial  
11 tables and other assumptions adopted by the Board and the  
12 recommendations of the actuary, using the formula in subsection  
13 (b-3).

14 (a-1) Annually, on or before November 15 until November 15,  
15 2011, the Board shall certify to the Governor the amount of the  
16 required State contribution for the coming fiscal year. The  
17 certification under this subsection (a-1) shall include a copy  
18 of the actuarial recommendations upon which it is based and  
19 shall specifically identify the System's projected State  
20 normal cost for that fiscal year.

21 On or before May 1, 2004, the Board shall recalculate and  
22 recertify to the Governor the amount of the required State  
23 contribution to the System for State fiscal year 2005, taking  
24 into account the amounts appropriated to and received by the  
25 System under subsection (d) of Section 7.2 of the General  
26 Obligation Bond Act.

1           On or before July 1, 2005, the Board shall recalculate and  
2           recertify to the Governor the amount of the required State  
3           contribution to the System for State fiscal year 2006, taking  
4           into account the changes in required State contributions made  
5           by this amendatory Act of the 94th General Assembly.

6           On or before April 1, 2011, the Board shall recalculate and  
7           recertify to the Governor the amount of the required State  
8           contribution to the System for State fiscal year 2011, applying  
9           the changes made by Public Act 96-889 to the System's assets  
10          and liabilities as of June 30, 2009 as though Public Act 96-889  
11          was approved on that date.

12          (a-5) On or before November 1 of each year, beginning  
13          November 1, 2012, the Board shall submit to the State Actuary,  
14          the Governor, and the General Assembly a proposed certification  
15          of the amount of the required State contribution to the System  
16          for the next fiscal year, along with all of the actuarial  
17          assumptions, calculations, and data upon which that proposed  
18          certification is based. On or before January 1 of each year,  
19          beginning January 1, 2013, the State Actuary shall issue a  
20          preliminary report concerning the proposed certification and  
21          identifying, if necessary, recommended changes in actuarial  
22          assumptions that the Board must consider before finalizing its  
23          certification of the required State contributions. On or before  
24          January 15, 2013 and each January 15 thereafter, the Board  
25          shall certify to the Governor and the General Assembly the  
26          amount of the required State contribution for the next fiscal

1 year. The Board's certification must note any deviations from  
2 the State Actuary's recommended changes, the reason or reasons  
3 for not following the State Actuary's recommended changes, and  
4 the fiscal impact of not following the State Actuary's  
5 recommended changes on the required State contribution.

6 (b) Through State fiscal year 1995, the State contributions  
7 shall be paid to the System in accordance with Section 18-7 of  
8 the School Code.

9 (b-1) Beginning in State fiscal year 1996, on the 15th day  
10 of each month, or as soon thereafter as may be practicable, the  
11 Board shall submit vouchers for payment of State contributions  
12 to the System, in a total monthly amount of one-twelfth of the  
13 required annual State contribution certified under subsection  
14 (a-1). From the effective date of this amendatory Act of the  
15 93rd General Assembly through June 30, 2004, the Board shall  
16 not submit vouchers for the remainder of fiscal year 2004 in  
17 excess of the fiscal year 2004 certified contribution amount  
18 determined under this Section after taking into consideration  
19 the transfer to the System under subsection (a) of Section  
20 6z-61 of the State Finance Act. These vouchers shall be paid by  
21 the State Comptroller and Treasurer by warrants drawn on the  
22 funds appropriated to the System for that fiscal year.

23 If in any month the amount remaining unexpended from all  
24 other appropriations to the System for the applicable fiscal  
25 year (including the appropriations to the System under Section  
26 8.12 of the State Finance Act and Section 1 of the State

1 Pension Funds Continuing Appropriation Act) is less than the  
2 amount lawfully vouchered under this subsection, the  
3 difference shall be paid from the Common School Fund under the  
4 continuing appropriation authority provided in Section 1.1 of  
5 the State Pension Funds Continuing Appropriation Act.

6 (b-2) Allocations from the Common School Fund apportioned  
7 to school districts not coming under this System shall not be  
8 diminished or affected by the provisions of this Article.

9 (b-3) For State fiscal years 2012 through 2045, the minimum  
10 contribution to the System to be made by the State for each  
11 fiscal year shall be an amount determined by the System to be  
12 sufficient to bring the total assets of the System up to 90% of  
13 the total actuarial liabilities of the System by the end of  
14 State fiscal year 2045. In making these determinations, the  
15 required State contribution shall be calculated each year as a  
16 level percentage of payroll over the years remaining to and  
17 including fiscal year 2045 and shall be determined under the  
18 projected unit credit actuarial cost method.

19 For State fiscal years 1996 through 2005, the State  
20 contribution to the System, as a percentage of the applicable  
21 employee payroll, shall be increased in equal annual increments  
22 so that by State fiscal year 2011, the State is contributing at  
23 the rate required under this Section; except that in the  
24 following specified State fiscal years, the State contribution  
25 to the System shall not be less than the following indicated  
26 percentages of the applicable employee payroll, even if the

1 indicated percentage will produce a State contribution in  
2 excess of the amount otherwise required under this subsection  
3 and subsection (a), and notwithstanding any contrary  
4 certification made under subsection (a-1) before the effective  
5 date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77%  
6 in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY  
7 2003; and 13.56% in FY 2004.

8 Notwithstanding any other provision of this Article, the  
9 total required State contribution for State fiscal year 2006 is  
10 \$534,627,700.

11 Notwithstanding any other provision of this Article, the  
12 total required State contribution for State fiscal year 2007 is  
13 \$738,014,500.

14 For each of State fiscal years 2008 through 2009, the State  
15 contribution to the System, as a percentage of the applicable  
16 employee payroll, shall be increased in equal annual increments  
17 from the required State contribution for State fiscal year  
18 2007, so that by State fiscal year 2011, the State is  
19 contributing at the rate otherwise required under this Section.

20 Notwithstanding any other provision of this Article, the  
21 total required State contribution for State fiscal year 2010 is  
22 \$2,089,268,000 and shall be made from the proceeds of bonds  
23 sold in fiscal year 2010 pursuant to Section 7.2 of the General  
24 Obligation Bond Act, less (i) the pro rata share of bond sale  
25 expenses determined by the System's share of total bond  
26 proceeds, (ii) any amounts received from the Common School Fund

1 in fiscal year 2010, and (iii) any reduction in bond proceeds  
2 due to the issuance of discounted bonds, if applicable.

3 Notwithstanding any other provision of this Article, the  
4 total required State contribution for State fiscal year 2011 is  
5 the amount recertified by the System on or before April 1, 2011  
6 pursuant to subsection (a-1) of this Section and shall be made  
7 from the proceeds of bonds sold in fiscal year 2011 pursuant to  
8 Section 7.2 of the General Obligation Bond Act, less (i) the  
9 pro rata share of bond sale expenses determined by the System's  
10 share of total bond proceeds, (ii) any amounts received from  
11 the Common School Fund in fiscal year 2011, and (iii) any  
12 reduction in bond proceeds due to the issuance of discounted  
13 bonds, if applicable. This amount shall include, in addition to  
14 the amount certified by the System, an amount necessary to meet  
15 employer contributions required by the State as an employer  
16 under paragraph (e) of this Section, which may also be used by  
17 the System for contributions required by paragraph (a) of  
18 Section 16-127.

19 Beginning in State fiscal year 2046, the minimum State  
20 contribution for each fiscal year shall be the amount needed to  
21 maintain the total assets of the System at 90% of the total  
22 actuarial liabilities of the System.

23 Amounts received by the System pursuant to Section 25 of  
24 the Budget Stabilization Act or Section 8.12 of the State  
25 Finance Act in any fiscal year do not reduce and do not  
26 constitute payment of any portion of the minimum State



1 contribution required under this Article in that fiscal year.  
2 Such amounts shall not reduce, and shall not be included in the  
3 calculation of, the required State contributions under this  
4 Article in any future year until the System has reached a  
5 funding ratio of at least 90%. A reference in this Article to  
6 the "required State contribution" or any substantially similar  
7 term does not include or apply to any amounts payable to the  
8 System under Section 25 of the Budget Stabilization Act.

9 Notwithstanding any other provision of this Section, the  
10 required State contribution for State fiscal year 2005 and for  
11 fiscal year 2008 and each fiscal year thereafter, as calculated  
12 under this Section and certified under subsection (a-1), shall  
13 not exceed an amount equal to (i) the amount of the required  
14 State contribution that would have been calculated under this  
15 Section for that fiscal year if the System had not received any  
16 payments under subsection (d) of Section 7.2 of the General  
17 Obligation Bond Act, minus (ii) the portion of the State's  
18 total debt service payments for that fiscal year on the bonds  
19 issued in fiscal year 2003 for the purposes of that Section  
20 7.2, as determined and certified by the Comptroller, that is  
21 the same as the System's portion of the total moneys  
22 distributed under subsection (d) of Section 7.2 of the General  
23 Obligation Bond Act. In determining this maximum for State  
24 fiscal years 2008 through 2010, however, the amount referred to  
25 in item (i) shall be increased, as a percentage of the  
26 applicable employee payroll, in equal increments calculated

1 from the sum of the required State contribution for State  
2 fiscal year 2007 plus the applicable portion of the State's  
3 total debt service payments for fiscal year 2007 on the bonds  
4 issued in fiscal year 2003 for the purposes of Section 7.2 of  
5 the General Obligation Bond Act, so that, by State fiscal year  
6 2011, the State is contributing at the rate otherwise required  
7 under this Section.

8 (c) Payment of the required State contributions and of all  
9 pensions, retirement annuities, death benefits, refunds, and  
10 other benefits granted under or assumed by this System, and all  
11 expenses in connection with the administration and operation  
12 thereof, are obligations of the State.

13 If members are paid from special trust or federal funds  
14 which are administered by the employing unit, whether school  
15 district or other unit, the employing unit shall pay to the  
16 System from such funds the full accruing retirement costs based  
17 upon that service, which, beginning July 1, 2016 ~~2014~~, shall be  
18 at a rate, expressed as a percentage of salary, equal to the  
19 total employer's ~~minimum contribution to the System to be made~~  
20 ~~by the State for that fiscal year, including both~~ normal cost  
21 ~~and unfunded liability components~~, expressed as a percentage of  
22 payroll, as determined by the System ~~under subsection (b-3) of~~  
23 ~~this Section~~. Employer contributions, based on salary paid to  
24 members from federal funds, may be forwarded by the  
25 distributing agency of the State of Illinois to the System  
26 prior to allocation, in an amount determined in accordance with

1 guidelines established by such agency and the System. Any  
2 contribution for fiscal year 2015 collected as a result of the  
3 change made by this amendatory Act of the 98th General Assembly  
4 shall be considered a State contribution under subsection (b-3)  
5 of this Section.

6 (d) Effective July 1, 1986, any employer of a teacher as  
7 defined in paragraph (8) of Section 16-106 shall pay the  
8 employer's normal cost of benefits based upon the teacher's  
9 service, in addition to employee contributions, as determined  
10 by the System. Such employer contributions shall be forwarded  
11 monthly in accordance with guidelines established by the  
12 System.

13 However, with respect to benefits granted under Section  
14 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)  
15 of Section 16-106, the employer's contribution shall be 12%  
16 (rather than 20%) of the member's highest annual salary rate  
17 for each year of creditable service granted, and the employer  
18 shall also pay the required employee contribution on behalf of  
19 the teacher. For the purposes of Sections 16-133.4 and  
20 16-133.5, a teacher as defined in paragraph (8) of Section  
21 16-106 who is serving in that capacity while on leave of  
22 absence from another employer under this Article shall not be  
23 considered an employee of the employer from which the teacher  
24 is on leave.

25 (e) Beginning July 1, 1998, every employer of a teacher  
26 shall pay to the System an employer contribution computed as

1 follows:

2 (1) Beginning July 1, 1998 through June 30, 1999, the  
3 employer contribution shall be equal to 0.3% of each  
4 teacher's salary.

5 (2) Beginning July 1, 1999 and thereafter, the employer  
6 contribution shall be equal to 0.58% of each teacher's  
7 salary.

8 The school district or other employing unit may pay these  
9 employer contributions out of any source of funding available  
10 for that purpose and shall forward the contributions to the  
11 System on the schedule established for the payment of member  
12 contributions.

13 These employer contributions are intended to offset a  
14 portion of the cost to the System of the increases in  
15 retirement benefits resulting from this amendatory Act of 1998.

16 Each employer of teachers is entitled to a credit against  
17 the contributions required under this subsection (e) with  
18 respect to salaries paid to teachers for the period January 1,  
19 2002 through June 30, 2003, equal to the amount paid by that  
20 employer under subsection (a-5) of Section 6.6 of the State  
21 Employees Group Insurance Act of 1971 with respect to salaries  
22 paid to teachers for that period.

23 The additional 1% employee contribution required under  
24 Section 16-152 by this amendatory Act of 1998 is the  
25 responsibility of the teacher and not the teacher's employer,  
26 unless the employer agrees, through collective bargaining or

1 otherwise, to make the contribution on behalf of the teacher.

2 If an employer is required by a contract in effect on May  
3 1, 1998 between the employer and an employee organization to  
4 pay, on behalf of all its full-time employees covered by this  
5 Article, all mandatory employee contributions required under  
6 this Article, then the employer shall be excused from paying  
7 the employer contribution required under this subsection (e)  
8 for the balance of the term of that contract. The employer and  
9 the employee organization shall jointly certify to the System  
10 the existence of the contractual requirement, in such form as  
11 the System may prescribe. This exclusion shall cease upon the  
12 termination, extension, or renewal of the contract at any time  
13 after May 1, 1998.

14 (f) If the amount of a teacher's salary for any school year  
15 used to determine final average salary exceeds the member's  
16 annual full-time salary rate with the same employer for the  
17 previous school year by more than 6%, the teacher's employer  
18 shall pay to the System, in addition to all other payments  
19 required under this Section and in accordance with guidelines  
20 established by the System, the present value of the increase in  
21 benefits resulting from the portion of the increase in salary  
22 that is in excess of 6%. This present value shall be computed  
23 by the System on the basis of the actuarial assumptions and  
24 tables used in the most recent actuarial valuation of the  
25 System that is available at the time of the computation. If a  
26 teacher's salary for the 2005-2006 school year is used to

1 determine final average salary under this subsection (f), then  
2 the changes made to this subsection (f) by Public Act 94-1057  
3 shall apply in calculating whether the increase in his or her  
4 salary is in excess of 6%. For the purposes of this Section,  
5 change in employment under Section 10-21.12 of the School Code  
6 on or after June 1, 2005 shall constitute a change in employer.  
7 The System may require the employer to provide any pertinent  
8 information or documentation. The changes made to this  
9 subsection (f) by this amendatory Act of the 94th General  
10 Assembly apply without regard to whether the teacher was in  
11 service on or after its effective date.

12 Whenever it determines that a payment is or may be required  
13 under this subsection, the System shall calculate the amount of  
14 the payment and bill the employer for that amount. The bill  
15 shall specify the calculations used to determine the amount  
16 due. If the employer disputes the amount of the bill, it may,  
17 within 30 days after receipt of the bill, apply to the System  
18 in writing for a recalculation. The application must specify in  
19 detail the grounds of the dispute and, if the employer asserts  
20 that the calculation is subject to subsection (g) or (h) of  
21 this Section, must include an affidavit setting forth and  
22 attesting to all facts within the employer's knowledge that are  
23 pertinent to the applicability of that subsection. Upon  
24 receiving a timely application for recalculation, the System  
25 shall review the application and, if appropriate, recalculate  
26 the amount due.

1           The employer contributions required under this subsection  
2 (f) may be paid in the form of a lump sum within 90 days after  
3 receipt of the bill. If the employer contributions are not paid  
4 within 90 days after receipt of the bill, then interest will be  
5 charged at a rate equal to the System's annual actuarially  
6 assumed rate of return on investment compounded annually from  
7 the 91st day after receipt of the bill. Payments must be  
8 concluded within 3 years after the employer's receipt of the  
9 bill.

10           (g) This subsection (g) applies only to payments made or  
11 salary increases given on or after June 1, 2005 but before July  
12 1, 2011. The changes made by Public Act 94-1057 shall not  
13 require the System to refund any payments received before July  
14 31, 2006 (the effective date of Public Act 94-1057).

15           When assessing payment for any amount due under subsection  
16 (f), the System shall exclude salary increases paid to teachers  
17 under contracts or collective bargaining agreements entered  
18 into, amended, or renewed before June 1, 2005.

19           When assessing payment for any amount due under subsection  
20 (f), the System shall exclude salary increases paid to a  
21 teacher at a time when the teacher is 10 or more years from  
22 retirement eligibility under Section 16-132 or 16-133.2.

23           When assessing payment for any amount due under subsection  
24 (f), the System shall exclude salary increases resulting from  
25 overload work, including summer school, when the school  
26 district has certified to the System, and the System has

1 approved the certification, that (i) the overload work is for  
2 the sole purpose of classroom instruction in excess of the  
3 standard number of classes for a full-time teacher in a school  
4 district during a school year and (ii) the salary increases are  
5 equal to or less than the rate of pay for classroom instruction  
6 computed on the teacher's current salary and work schedule.

7 When assessing payment for any amount due under subsection  
8 (f), the System shall exclude a salary increase resulting from  
9 a promotion (i) for which the employee is required to hold a  
10 certificate or supervisory endorsement issued by the State  
11 Teacher Certification Board that is a different certification  
12 or supervisory endorsement than is required for the teacher's  
13 previous position and (ii) to a position that has existed and  
14 been filled by a member for no less than one complete academic  
15 year and the salary increase from the promotion is an increase  
16 that results in an amount no greater than the lesser of the  
17 average salary paid for other similar positions in the district  
18 requiring the same certification or the amount stipulated in  
19 the collective bargaining agreement for a similar position  
20 requiring the same certification.

21 When assessing payment for any amount due under subsection  
22 (f), the System shall exclude any payment to the teacher from  
23 the State of Illinois or the State Board of Education over  
24 which the employer does not have discretion, notwithstanding  
25 that the payment is included in the computation of final  
26 average salary.



1           (h) When assessing payment for any amount due under  
2 subsection (f), the System shall exclude any salary increase  
3 described in subsection (g) of this Section given on or after  
4 July 1, 2011 but before July 1, 2014 under a contract or  
5 collective bargaining agreement entered into, amended, or  
6 renewed on or after June 1, 2005 but before July 1, 2011.  
7 Notwithstanding any other provision of this Section, any  
8 payments made or salary increases given after June 30, 2014  
9 shall be used in assessing payment for any amount due under  
10 subsection (f) of this Section.

11           (i) The System shall prepare a report and file copies of  
12 the report with the Governor and the General Assembly by  
13 January 1, 2007 that contains all of the following information:

14               (1) The number of recalculations required by the  
15 changes made to this Section by Public Act 94-1057 for each  
16 employer.

17               (2) The dollar amount by which each employer's  
18 contribution to the System was changed due to  
19 recalculations required by Public Act 94-1057.

20               (3) The total amount the System received from each  
21 employer as a result of the changes made to this Section by  
22 Public Act 94-4.

23               (4) The increase in the required State contribution  
24 resulting from the changes made to this Section by Public  
25 Act 94-1057.

26           (j) For purposes of determining the required State

1 contribution to the System, the value of the System's assets  
2 shall be equal to the actuarial value of the System's assets,  
3 which shall be calculated as follows:

4 As of June 30, 2008, the actuarial value of the System's  
5 assets shall be equal to the market value of the assets as of  
6 that date. In determining the actuarial value of the System's  
7 assets for fiscal years after June 30, 2008, any actuarial  
8 gains or losses from investment return incurred in a fiscal  
9 year shall be recognized in equal annual amounts over the  
10 5-year period following that fiscal year.

11 (k) For purposes of determining the required State  
12 contribution to the system for a particular year, the actuarial  
13 value of assets shall be assumed to earn a rate of return equal  
14 to the system's actuarially assumed rate of return.

15 (Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11;  
16 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-694, eff.  
17 6-18-12; 97-813, eff. 7-13-12; 98-674, eff. 6-30-14.)

18 (40 ILCS 5/17-127) (from Ch. 108 1/2, par. 17-127)

19 Sec. 17-127. Financing; revenues for the Fund.

20 (a) The revenues for the Fund shall consist of: (1) amounts  
21 paid into the Fund by contributors thereto and from employer  
22 contributions and State appropriations in accordance with this  
23 Article; (2) amounts contributed to the Fund by an Employer;  
24 (3) amounts contributed to the Fund pursuant to any law now in  
25 force or hereafter to be enacted; (4) contributions from any

1 other source; and (5) the earnings on investments.

2 (b) The General Assembly finds that for many years the  
3 State has contributed to the Fund an annual amount that is  
4 between 20% and 30% of the amount of the annual State  
5 contribution to the Article 16 retirement system, and the  
6 General Assembly declares that it is its goal and intention to  
7 continue this level of contribution to the Fund in the future.

8 (c) Beginning in State fiscal year 1999, the State shall  
9 include in its annual contribution to the Fund an additional  
10 amount equal to 0.544% of the Fund's total teacher payroll;  
11 except that this additional contribution need not be made in a  
12 fiscal year if the Board has certified in the previous fiscal  
13 year that the Fund is at least 90% funded, based on actuarial  
14 determinations. These additional State contributions are  
15 intended to offset a portion of the cost to the Fund of the  
16 increases in retirement benefits resulting from this  
17 amendatory Act of 1998.

18 (d) In addition to any other contribution required under  
19 this Article, including the contribution required under  
20 subsection (c), the State shall contribute to the Fund the  
21 following amounts:

22 (1) For State fiscal year 2017, the State shall  
23 contribute \$205,404,986.

24 (2) Beginning in State fiscal year 2018, the State  
25 shall contribute for each fiscal year an amount to be  
26 determined by the Fund, equal to the employer normal cost

1       for that fiscal year, plus the amount allowed pursuant to  
2       paragraph (3) of Section 17-142.1, to defray health  
3       insurance costs.

4       (e) The Board shall determine the amount of State  
5       contributions required for each fiscal year on the basis of the  
6       actuarial tables and other assumptions adopted by the Board and  
7       the recommendations of the actuary. On or before November 1 of  
8       each year, beginning November 1, 2016, the Board shall submit  
9       to the State Actuary, the Governor, and the General Assembly a  
10       proposed certification of the amount of the required State  
11       contribution to the Fund for the next fiscal year, along with  
12       all of the actuarial assumptions, calculations, and data upon  
13       which that proposed certification is based.

14       On or before January 1 of each year, beginning January 1,  
15       2017, the State Actuary shall issue a preliminary report  
16       concerning the proposed certification and identifying, if  
17       necessary, recommended changes in actuarial assumptions that  
18       the Board must consider before finalizing its certification of  
19       the required State contributions.

20       (f) On or before January 15, 2017 and each January 15  
21       thereafter, the Board shall certify to the Governor and the  
22       General Assembly the amount of the required State contribution  
23       for the next fiscal year. The certification shall include a  
24       copy of the actuarial recommendations upon which it is based  
25       and shall specifically identify the Fund's projected employer  
26       normal cost for that fiscal year. The Board's certification

1 must note any deviations from the State Actuary's recommended  
2 changes, the reason or reasons for not following the State  
3 Actuary's recommended changes, and the fiscal impact of not  
4 following the State Actuary's recommended changes on the  
5 required State contribution.

6 For the purposes of this Article, including issuing  
7 vouchers, and for the purposes of subsection (h) of Section 1.1  
8 of the State Pension Funds Continuing Appropriation Act, the  
9 State contribution specified for State fiscal year 2017 shall  
10 be deemed to have been certified, by operation of law and  
11 without official action by the Board or the State Actuary, in  
12 the amount provided in subsection (d) of this Section.

13 (g) Beginning in State fiscal year 2017, on the 15th day of  
14 each month, or as soon thereafter as may be practicable, the  
15 Board shall submit vouchers for payment of State contributions  
16 to the Fund, in a total monthly amount of one-twelfth of the  
17 required annual State contribution under subsection (d). These  
18 vouchers shall be paid by the State Comptroller and Treasurer  
19 by warrants drawn on the funds appropriated to the Fund for  
20 that fiscal year. If in any month the amount remaining  
21 unexpended from all other State appropriations to the Fund for  
22 the applicable fiscal year is less than the amount lawfully  
23 vouchered under this subsection, the difference shall be paid  
24 from the Common School Fund under the continuing appropriation  
25 authority provided in Section 1.1 of the State Pension Funds  
26 Continuing Appropriation Act.

1 (Source: P.A. 90-548, eff. 12-4-97; 90-566, eff. 1-2-98;  
2 90-582, eff. 5-27-98; 90-655, eff. 7-30-98.)

3 Section 918. The State Pension Funds Continuing  
4 Appropriation Act is amended by changing Section 1.1 as  
5 follows:

6 (40 ILCS 15/1.1)

7 Sec. 1.1. Appropriations to certain retirement systems.

8 (a) There is hereby appropriated from the General Revenue  
9 Fund to the General Assembly Retirement System, on a continuing  
10 monthly basis, the amount, if any, by which the total available  
11 amount of all other appropriations to that retirement system  
12 for the payment of State contributions is less than the total  
13 amount of the vouchers for required State contributions  
14 lawfully submitted by the retirement system for that month  
15 under Section 2-134 of the Illinois Pension Code.

16 (b) There is hereby appropriated from the General Revenue  
17 Fund to the State Universities Retirement System, on a  
18 continuing monthly basis, the amount, if any, by which the  
19 total available amount of all other appropriations to that  
20 retirement system for the payment of State contributions,  
21 including any deficiency in the required contributions of the  
22 optional retirement program established under Section 15-158.2  
23 of the Illinois Pension Code, is less than the total amount of  
24 the vouchers for required State contributions lawfully

1 submitted by the retirement system for that month under Section  
2 15-165 of the Illinois Pension Code.

3 (c) There is hereby appropriated from the Common School  
4 Fund to the Teachers' Retirement System of the State of  
5 Illinois, on a continuing monthly basis, the amount, if any, by  
6 which the total available amount of all other appropriations to  
7 that retirement system for the payment of State contributions  
8 is less than the total amount of the vouchers for required  
9 State contributions lawfully submitted by the retirement  
10 system for that month under Section 16-158 of the Illinois  
11 Pension Code.

12 (d) There is hereby appropriated from the General Revenue  
13 Fund to the Judges Retirement System of Illinois, on a  
14 continuing monthly basis, the amount, if any, by which the  
15 total available amount of all other appropriations to that  
16 retirement system for the payment of State contributions is  
17 less than the total amount of the vouchers for required State  
18 contributions lawfully submitted by the retirement system for  
19 that month under Section 18-140 of the Illinois Pension Code.

20 (e) The continuing appropriations provided by subsections  
21 (a), (b), (c), and (d) of this Section shall first be available  
22 in State fiscal year 1996. The continuing appropriations  
23 provided by subsection (h) of this Section shall first be  
24 available as provided in that subsection (h).

25 (f) For State fiscal year 2010 only, the continuing  
26 appropriations provided by this Section are equal to the amount

1 certified by each System on or before December 31, 2008, less  
2 (i) the gross proceeds of the bonds sold in fiscal year 2010  
3 under the authorization contained in subsection (a) of Section  
4 7.2 of the General Obligation Bond Act and (ii) any amounts  
5 received from the State Pensions Fund.

6 (g) For State fiscal year 2011 only, the continuing  
7 appropriations provided by this Section are equal to the amount  
8 certified by each System on or before April 1, 2011, less (i)  
9 the gross proceeds of the bonds sold in fiscal year 2011 under  
10 the authorization contained in subsection (a) of Section 7.2 of  
11 the General Obligation Bond Act and (ii) any amounts received  
12 from the State Pensions Fund.

13 (h) There is hereby appropriated from the Common School  
14 Fund to the Public School Teachers' Pension and Retirement Fund  
15 of Chicago, on a continuing monthly basis, the amount, if any,  
16 by which the total available amount of all other State  
17 appropriations to that Retirement Fund for the payment of State  
18 contributions under subsection (d) of Section 17-127 of the  
19 Illinois Pension Code is less than the total amount of the  
20 vouchers for required State contributions lawfully submitted  
21 by the Retirement Fund for that month under that Section  
22 17-127.

23 (Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11;  
24 96-1511, eff. 1-27-11.)

25 Section 920. The Innovation Development and Economy Act is



1 amended by changing Section 33 as follows:

2 (50 ILCS 470/33)

3 Sec. 33. STAR Bonds School Improvement and Operations Trust  
4 Fund.

5 (a) The STAR Bonds School Improvement and Operations Trust  
6 Fund is created as a trust fund in the State treasury. Deposits  
7 into the Trust Fund shall be made as provided under this  
8 Section. Moneys in the Trust Fund shall be used by the  
9 Department of Revenue only for the purpose of making payments  
10 to school districts in educational service regions that include  
11 or are adjacent to the STAR bond district. Moneys in the Trust  
12 Fund are not subject to appropriation and shall be used solely  
13 as provided in this Section. All deposits into the Trust Fund  
14 shall be held in the Trust Fund by the State Treasurer as ex  
15 officio custodian separate and apart from all public moneys or  
16 funds of this State and shall be administered by the Department  
17 exclusively for the purposes set forth in this Section. All  
18 moneys in the Trust Fund shall be invested and reinvested by  
19 the State Treasurer. All interest accruing from these  
20 investments shall be deposited in the Trust Fund.

21 (b) Upon approval of a STAR bond district, the political  
22 subdivision shall immediately transmit to the county clerk of  
23 the county in which the district is located a certified copy of  
24 the ordinance creating the district, a legal description of the  
25 district, a map of the district, identification of the year

1 that the county clerk shall use for determining the total  
2 initial equalized assessed value of the district consistent  
3 with subsection (c), and a list of the parcel or tax  
4 identification number of each parcel of property included in  
5 the district.

6 (c) Upon approval of a STAR bond district, the county clerk  
7 immediately thereafter shall determine (i) the most recently  
8 ascertained equalized assessed value of each lot, block, tract,  
9 or parcel of real property within the STAR bond district, from  
10 which shall be deducted the homestead exemptions under Article  
11 15 of the Property Tax Code, which value shall be the initial  
12 equalized assessed value of each such piece of property, and  
13 (ii) the total equalized assessed value of all taxable real  
14 property within the district by adding together the most  
15 recently ascertained equalized assessed value of each taxable  
16 lot, block, tract, or parcel of real property within the  
17 district, from which shall be deducted the homestead exemptions  
18 under Article 15 of the Property Tax Code, and shall certify  
19 that amount as the total initial equalized assessed value of  
20 the taxable real property within the STAR bond district.

21 (d) In reference to any STAR bond district created within  
22 any political subdivision, and in respect to which the county  
23 clerk has certified the total initial equalized assessed value  
24 of the property in the area, the political subdivision may  
25 thereafter request the clerk in writing to adjust the initial  
26 equalized value of all taxable real property within the STAR

1 bond district by deducting therefrom the exemptions under  
2 Article 15 of the Property Tax Code applicable to each lot,  
3 block, tract, or parcel of real property within the STAR bond  
4 district. The county clerk shall immediately, after the written  
5 request to adjust the total initial equalized value is  
6 received, determine the total homestead exemptions in the STAR  
7 bond district as provided under Article 15 of the Property Tax  
8 Code by adding together the homestead exemptions provided by  
9 said Article on each lot, block, tract, or parcel of real  
10 property within the STAR bond district and then shall deduct  
11 the total of said exemptions from the total initial equalized  
12 assessed value. The county clerk shall then promptly certify  
13 that amount as the total initial equalized assessed value as  
14 adjusted of the taxable real property within the STAR bond  
15 district.

16 (e) The county clerk or other person authorized by law  
17 shall compute the tax rates for each taxing district with all  
18 or a portion of its equalized assessed value located in the  
19 STAR bond district. The rate per cent of tax determined shall  
20 be extended to the current equalized assessed value of all  
21 property in the district in the same manner as the rate per  
22 cent of tax is extended to all other taxable property in the  
23 taxing district.

24 (f) Beginning with the assessment year in which the first  
25 destination user in the first STAR bond project in a STAR bond  
26 district makes its first retail sales and for each assessment

1 year thereafter until final maturity of the last STAR bonds  
2 issued in the district, the county clerk or other person  
3 authorized by law shall determine the increase in equalized  
4 assessed value of all real property within the STAR bond  
5 district by subtracting the initial equalized assessed value of  
6 all property in the district certified under subsection (c)  
7 from the current equalized assessed value of all property in  
8 the district. Each year, the property taxes arising from the  
9 increase in equalized assessed value in the STAR bond district  
10 shall be determined for each taxing district and shall be  
11 certified to the county collector.

12 (g) Beginning with the year in which taxes are collected  
13 based on the assessment year in which the first destination  
14 user in the first STAR bond project in a STAR bond district  
15 makes its first retail sales and for each year thereafter until  
16 final maturity of the last STAR bonds issued in the district,  
17 the county collector shall, within 30 days after receipt of  
18 property taxes, transmit to the Department to be deposited into  
19 the STAR Bonds School Improvement and Operations Trust Fund 15%  
20 of property taxes attributable to the increase in equalized  
21 assessed value within the STAR bond district from each taxing  
22 district as certified in subsection (f).

23 (h) The Department shall pay to the regional superintendent  
24 of schools whose educational service region includes Franklin  
25 and Williamson Counties, for each year for which money is  
26 remitted to the Department and paid into the STAR Bonds School

1 Improvement and Operations Trust Fund, the money in the Fund as  
2 provided in this Section. The amount paid to each school  
3 district shall be allocated proportionately, based on each  
4 qualifying school district's fall enrollment for the  
5 then-current school year, such that the school district with  
6 the largest fall enrollment receives the largest proportionate  
7 share of money paid out of the Fund or by any other method or  
8 formula that the regional superintendent of schools deems fit,  
9 equitable, and in the public interest. The regional  
10 superintendent may allocate moneys to school districts that are  
11 outside of his or her educational service region or to other  
12 regional superintendents.

13 The Department shall determine the distributions under  
14 this Section using its best judgment and information. The  
15 Department shall be held harmless for the distributions made  
16 under this Section and all distributions shall be final.

17 (i) In any year that an assessment appeal is filed, the  
18 extension of taxes on any assessment so appealed shall not be  
19 delayed. In the case of an assessment that is altered, any  
20 taxes extended upon the unauthorized assessment or part thereof  
21 shall be abated, or, if already paid, shall be refunded with  
22 interest as provided in Section 23-20 of the Property Tax Code.  
23 In the case of an assessment appeal, the county collector shall  
24 notify the Department that an assessment appeal has been filed  
25 and the amount of the tax that would have been deposited in the  
26 STAR Bonds School Improvement and Operations Trust Fund. The

1 county collector shall hold that amount in a separate fund  
2 until the appeal process is final. After the appeal process is  
3 finalized, the county collector shall transmit to the  
4 Department the amount of tax that remains, if any, after all  
5 required refunds are made. The Department shall pay any amount  
6 deposited into the Trust Fund under this Section in the same  
7 proportion as determined for payments for that taxable year  
8 under subsection (h).

9 (j) In any year that ad valorem taxes are allocated to the  
10 STAR Bonds School Improvement and Operations Trust Fund, that  
11 allocation shall not reduce or otherwise impact the school aid  
12 provided to any school district under the general State school  
13 aid formula provided for in Section 18-8.05 of the School Code  
14 or the primary State aid formula provided for in Section  
15 18-8.15 of the School Code.

16 (Source: P.A. 96-939, eff. 6-24-10.)

17 Section 925. The County Economic Development Project Area  
18 Property Tax Allocation Act is amended by changing Section 7 as  
19 follows:

20 (55 ILCS 85/7) (from Ch. 34, par. 7007)

21 Sec. 7. Creation of special tax allocation fund. If a  
22 county has adopted property tax allocation financing by  
23 ordinance for an economic development project area, the  
24 Department has approved and certified the economic development

1 project area, and the county clerk has thereafter certified the  
2 "total initial equalized value" of the taxable real property  
3 within such economic development project area in the manner  
4 provided in subsection (b) of Section 6 of this Act, each year  
5 after the date of the certification by the county clerk of the  
6 "initial equalized assessed value" until economic development  
7 project costs and all county obligations financing economic  
8 development project costs have been paid, the ad valorem taxes,  
9 if any, arising from the levies upon the taxable real property  
10 in the economic development project area by taxing districts  
11 and tax rates determined in the manner provided in subsection  
12 (b) of Section 6 of this Act shall be divided as follows:

13 (1) That portion of the taxes levied upon each taxable  
14 lot, block, tract or parcel of real property which is  
15 attributable to the lower of the current equalized assessed  
16 value or the initial equalized assessed value of each such  
17 taxable lot, block, tract, or parcel of real property  
18 existing at the time property tax allocation financing was  
19 adopted shall be allocated and when collected shall be paid  
20 by the county collector to the respective affected taxing  
21 districts in the manner required by the law in the absence  
22 of the adoption of property tax allocation financing.

23 (2) That portion, if any, of those taxes which is  
24 attributable to the increase in the current equalized  
25 assessed valuation of each taxable lot, block, tract, or  
26 parcel of real property in the economic development project

1 are, over and above the initial equalized assessed value of  
2 each property existing at the time property tax allocation  
3 financing was adopted shall be allocated to and when  
4 collected shall be paid to the county treasurer, who shall  
5 deposit those taxes into a special fund called the special  
6 tax allocation fund of the county for the purpose of paying  
7 economic development project costs and obligations  
8 incurred in the payment thereof.

9 The county, by an ordinance adopting property tax  
10 allocation financing, may pledge the funds in and to be  
11 deposited in the special tax allocation fund for the payment of  
12 obligations issued under this Act and for the payment of  
13 economic development project costs. No part of the current  
14 equalized assessed valuation of each property in the economic  
15 development project area attributable to any increase above the  
16 total initial equalized assessed value of such properties shall  
17 be used in calculating the general State school aid formula,  
18 provided for in Section 18-8 of the School Code, or the primary  
19 State aid formula, provided for in Section 18-8.15 of the  
20 School Code, until such time as all economic development  
21 projects costs have been paid as provided for in this Section.

22 Whenever a county issues bonds for the purpose of financing  
23 economic development project costs, the county may provide by  
24 ordinance for the appointment of a trustee, which may be any  
25 trust company within the State, and for the establishment of  
26 the funds or accounts to be maintained by such trustee as the



1 county shall deem necessary to provide for the security and  
2 payment of the bonds. If the county provides for the  
3 appointment of a trustee, the trustee shall be considered the  
4 assignee of any payments assigned by the county pursuant to the  
5 ordinance and this Section. Any amounts paid to the trustee as  
6 assignee shall be deposited in the funds or accounts  
7 established pursuant to the trust agreement, and shall be held  
8 by the trustee in trust for the benefit of the holders of the  
9 bonds, and the holders shall have a lien on and a security  
10 interest in those bonds or accounts so long as the bonds remain  
11 outstanding and unpaid. Upon retirement of the bonds, the  
12 trustee shall pay over any excess amounts held to the county  
13 for deposit in the special tax allocation fund.

14 When the economic development project costs, including  
15 without limitation all county obligations financing economic  
16 development project costs incurred under this Act, have been  
17 paid, all surplus funds then remaining in the special tax  
18 allocation funds shall be distributed by being paid by the  
19 county treasurer to the county collector, who shall immediately  
20 thereafter pay those funds to the taxing districts having  
21 taxable property in the economic development project area in  
22 the same manner and proportion as the most recent distribution  
23 by the county collector to those taxing districts of real  
24 property taxes from real property in the economic development  
25 project area.

26 Upon the payment of all economic development project costs,

1 retirement of obligations and the distribution of any excess  
2 monies pursuant to this Section and not later than 23 years  
3 from the date of adoption of the ordinance adopting property  
4 tax allocation financing, the county shall adopt an ordinance  
5 dissolving the special tax allocation fund for the economic  
6 development project area and terminating the designation of the  
7 economic development project area as an economic development  
8 project area. Thereafter the rates of the taxing districts  
9 shall be extended and taxes levied, collected and distributed  
10 in the manner applicable in the absence of the adoption of  
11 property tax allocation financing.

12 Nothing in this Section shall be construed as relieving  
13 property in economic development project areas from being  
14 assessed as provided in the Property Tax Code or as relieving  
15 owners of that property from paying a uniform rate of taxes, as  
16 required by Section 4 of Article IX of the Illinois  
17 Constitution of 1970.

18 (Source: P.A. 98-463, eff. 8-16-13.)

19 Section 930. The County Economic Development Project Area  
20 Tax Increment Allocation Act of 1991 is amended by changing  
21 Section 50 as follows:

22 (55 ILCS 90/50) (from Ch. 34, par. 8050)

23 Sec. 50. Special tax allocation fund.

24 (a) If a county clerk has certified the "total initial

1 equalized assessed value" of the taxable real property within  
2 an economic development project area in the manner provided in  
3 Section 45, each year after the date of the certification by  
4 the county clerk of the "total initial equalized assessed  
5 value", until economic development project costs and all county  
6 obligations financing economic development project costs have  
7 been paid, the ad valorem taxes, if any, arising from the  
8 levies upon the taxable real property in the economic  
9 development project area by taxing districts and tax rates  
10 determined in the manner provided in subsection (b) of Section  
11 45 shall be divided as follows:

12 (1) That portion of the taxes levied upon each taxable  
13 lot, block, tract, or parcel of real property that is  
14 attributable to the lower of the current equalized assessed  
15 value or the initial equalized assessed value of each  
16 taxable lot, block, tract, or parcel of real property  
17 existing at the time tax increment financing was adopted  
18 shall be allocated to (and when collected shall be paid by  
19 the county collector to) the respective affected taxing  
20 districts in the manner required by law in the absence of  
21 the adoption of tax increment allocation financing.

22 (2) That portion, if any, of the taxes that is  
23 attributable to the increase in the current equalized  
24 assessed valuation of each taxable lot, block, tract, or  
25 parcel of real property in the economic development project  
26 area, over and above the initial equalized assessed value

1 of each property existing at the time tax increment  
2 financing was adopted, shall be allocated to (and when  
3 collected shall be paid to) the county treasurer, who shall  
4 deposit the taxes into a special fund (called the special  
5 tax allocation fund of the county) for the purpose of  
6 paying economic development project costs and obligations  
7 incurred in the payment of those costs.

8 (b) The county, by an ordinance adopting tax increment  
9 allocation financing, may pledge the monies in and to be  
10 deposited into the special tax allocation fund for the payment  
11 of obligations issued under this Act and for the payment of  
12 economic development project costs. No part of the current  
13 equalized assessed valuation of each property in the economic  
14 development project area attributable to any increase above the  
15 total initial equalized assessed value of those properties  
16 shall be used in calculating the general State ~~school~~ aid  
17 formula under Section 18-8 of the School Code or the primary  
18 State aid formula under Section 18-8.15 of the School Code  
19 until all economic development projects costs have been paid as  
20 provided for in this Section.

21 (c) When the economic development projects costs,  
22 including without limitation all county obligations financing  
23 economic development project costs incurred under this Act,  
24 have been paid, all surplus monies then remaining in the  
25 special tax allocation fund shall be distributed by being paid  
26 by the county treasurer to the county collector, who shall

1 immediately pay the monies to the taxing districts having  
2 taxable property in the economic development project area in  
3 the same manner and proportion as the most recent distribution  
4 by the county collector to those taxing districts of real  
5 property taxes from real property in the economic development  
6 project area.

7 (d) Upon the payment of all economic development project  
8 costs, retirement of obligations, and distribution of any  
9 excess monies under this Section, the county shall adopt an  
10 ordinance dissolving the special tax allocation fund for the  
11 economic development project area and terminating the  
12 designation of the economic development project area as an  
13 economic development project area. Thereafter, the rates of the  
14 taxing districts shall be extended and taxes shall be levied,  
15 collected, and distributed in the manner applicable in the  
16 absence of the adoption of tax increment allocation financing.

17 (e) Nothing in this Section shall be construed as relieving  
18 property in the economic development project areas from being  
19 assessed as provided in the Property Tax Code or as relieving  
20 owners of that property from paying a uniform rate of taxes as  
21 required by Section 4 of Article IX of the Illinois  
22 Constitution.

23 (Source: P.A. 98-463, eff. 8-16-13.)

24 Section 935. The Illinois Municipal Code is amended by  
25 changing Sections 11-74.4-3, 11-74.4-8, and 11-74.6-35 as

1 follows:

2 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)

3 Sec. 11-74.4-3. Definitions. The following terms, wherever  
4 used or referred to in this Division 74.4 shall have the  
5 following respective meanings, unless in any case a different  
6 meaning clearly appears from the context.

7 (a) For any redevelopment project area that has been  
8 designated pursuant to this Section by an ordinance adopted  
9 prior to November 1, 1999 (the effective date of Public Act  
10 91-478), "blighted area" shall have the meaning set forth in  
11 this Section prior to that date.

12 On and after November 1, 1999, "blighted area" means any  
13 improved or vacant area within the boundaries of a  
14 redevelopment project area located within the territorial  
15 limits of the municipality where:

16 (1) If improved, industrial, commercial, and  
17 residential buildings or improvements are detrimental to  
18 the public safety, health, or welfare because of a  
19 combination of 5 or more of the following factors, each of  
20 which is (i) present, with that presence documented, to a  
21 meaningful extent so that a municipality may reasonably  
22 find that the factor is clearly present within the intent  
23 of the Act and (ii) reasonably distributed throughout the  
24 improved part of the redevelopment project area:

25 (A) Dilapidation. An advanced state of disrepair

1 or neglect of necessary repairs to the primary  
2 structural components of buildings or improvements in  
3 such a combination that a documented building  
4 condition analysis determines that major repair is  
5 required or the defects are so serious and so extensive  
6 that the buildings must be removed.

7 (B) Obsolescence. The condition or process of  
8 falling into disuse. Structures have become ill-suited  
9 for the original use.

10 (C) Deterioration. With respect to buildings,  
11 defects including, but not limited to, major defects in  
12 the secondary building components such as doors,  
13 windows, porches, gutters and downspouts, and fascia.  
14 With respect to surface improvements, that the  
15 condition of roadways, alleys, curbs, gutters,  
16 sidewalks, off-street parking, and surface storage  
17 areas evidence deterioration, including, but not  
18 limited to, surface cracking, crumbling, potholes,  
19 depressions, loose paving material, and weeds  
20 protruding through paved surfaces.

21 (D) Presence of structures below minimum code  
22 standards. All structures that do not meet the  
23 standards of zoning, subdivision, building, fire, and  
24 other governmental codes applicable to property, but  
25 not including housing and property maintenance codes.

26 (E) Illegal use of individual structures. The use

1 of structures in violation of applicable federal,  
2 State, or local laws, exclusive of those applicable to  
3 the presence of structures below minimum code  
4 standards.

5 (F) Excessive vacancies. The presence of buildings  
6 that are unoccupied or under-utilized and that  
7 represent an adverse influence on the area because of  
8 the frequency, extent, or duration of the vacancies.

9 (G) Lack of ventilation, light, or sanitary  
10 facilities. The absence of adequate ventilation for  
11 light or air circulation in spaces or rooms without  
12 windows, or that require the removal of dust, odor,  
13 gas, smoke, or other noxious airborne materials.  
14 Inadequate natural light and ventilation means the  
15 absence of skylights or windows for interior spaces or  
16 rooms and improper window sizes and amounts by room  
17 area to window area ratios. Inadequate sanitary  
18 facilities refers to the absence or inadequacy of  
19 garbage storage and enclosure, bathroom facilities,  
20 hot water and kitchens, and structural inadequacies  
21 preventing ingress and egress to and from all rooms and  
22 units within a building.

23 (H) Inadequate utilities. Underground and overhead  
24 utilities such as storm sewers and storm drainage,  
25 sanitary sewers, water lines, and gas, telephone, and  
26 electrical services that are shown to be inadequate.



1           Inadequate utilities are those that are: (i) of  
2           insufficient capacity to serve the uses in the  
3           redevelopment project area, (ii) deteriorated,  
4           antiquated, obsolete, or in disrepair, or (iii)  
5           lacking within the redevelopment project area.

6           (I) Excessive land coverage and overcrowding of  
7           structures and community facilities. The  
8           over-intensive use of property and the crowding of  
9           buildings and accessory facilities onto a site.  
10          Examples of problem conditions warranting the  
11          designation of an area as one exhibiting excessive land  
12          coverage are: (i) the presence of buildings either  
13          improperly situated on parcels or located on parcels of  
14          inadequate size and shape in relation to present-day  
15          standards of development for health and safety and (ii)  
16          the presence of multiple buildings on a single parcel.  
17          For there to be a finding of excessive land coverage,  
18          these parcels must exhibit one or more of the following  
19          conditions: insufficient provision for light and air  
20          within or around buildings, increased threat of spread  
21          of fire due to the close proximity of buildings, lack  
22          of adequate or proper access to a public right-of-way,  
23          lack of reasonably required off-street parking, or  
24          inadequate provision for loading and service.

25          (J) Deleterious land use or layout. The existence  
26          of incompatible land-use relationships, buildings

1           occupied by inappropriate mixed-uses, or uses  
2           considered to be noxious, offensive, or unsuitable for  
3           the surrounding area.

4           (K) Environmental clean-up. The proposed  
5           redevelopment project area has incurred Illinois  
6           Environmental Protection Agency or United States  
7           Environmental Protection Agency remediation costs for,  
8           or a study conducted by an independent consultant  
9           recognized as having expertise in environmental  
10          remediation has determined a need for, the clean-up of  
11          hazardous waste, hazardous substances, or underground  
12          storage tanks required by State or federal law,  
13          provided that the remediation costs constitute a  
14          material impediment to the development or  
15          redevelopment of the redevelopment project area.

16          (L) Lack of community planning. The proposed  
17          redevelopment project area was developed prior to or  
18          without the benefit or guidance of a community plan.  
19          This means that the development occurred prior to the  
20          adoption by the municipality of a comprehensive or  
21          other community plan or that the plan was not followed  
22          at the time of the area's development. This factor must  
23          be documented by evidence of adverse or incompatible  
24          land-use relationships, inadequate street layout,  
25          improper subdivision, parcels of inadequate shape and  
26          size to meet contemporary development standards, or

1 other evidence demonstrating an absence of effective  
2 community planning.

3 (M) The total equalized assessed value of the  
4 proposed redevelopment project area has declined for 3  
5 of the last 5 calendar years prior to the year in which  
6 the redevelopment project area is designated or is  
7 increasing at an annual rate that is less than the  
8 balance of the municipality for 3 of the last 5  
9 calendar years for which information is available or is  
10 increasing at an annual rate that is less than the  
11 Consumer Price Index for All Urban Consumers published  
12 by the United States Department of Labor or successor  
13 agency for 3 of the last 5 calendar years prior to the  
14 year in which the redevelopment project area is  
15 designated.

16 (2) If vacant, the sound growth of the redevelopment  
17 project area is impaired by a combination of 2 or more of  
18 the following factors, each of which is (i) present, with  
19 that presence documented, to a meaningful extent so that a  
20 municipality may reasonably find that the factor is clearly  
21 present within the intent of the Act and (ii) reasonably  
22 distributed throughout the vacant part of the  
23 redevelopment project area to which it pertains:

24 (A) Obsolete platting of vacant land that results  
25 in parcels of limited or narrow size or configurations  
26 of parcels of irregular size or shape that would be

1           difficult to develop on a planned basis and in a manner  
2           compatible with contemporary standards and  
3           requirements, or platting that failed to create  
4           rights-of-ways for streets or alleys or that created  
5           inadequate right-of-way widths for streets, alleys, or  
6           other public rights-of-way or that omitted easements  
7           for public utilities.

8           (B) Diversity of ownership of parcels of vacant  
9           land sufficient in number to retard or impede the  
10          ability to assemble the land for development.

11          (C) Tax and special assessment delinquencies exist  
12          or the property has been the subject of tax sales under  
13          the Property Tax Code within the last 5 years.

14          (D) Deterioration of structures or site  
15          improvements in neighboring areas adjacent to the  
16          vacant land.

17          (E) The area has incurred Illinois Environmental  
18          Protection Agency or United States Environmental  
19          Protection Agency remediation costs for, or a study  
20          conducted by an independent consultant recognized as  
21          having expertise in environmental remediation has  
22          determined a need for, the clean-up of hazardous waste,  
23          hazardous substances, or underground storage tanks  
24          required by State or federal law, provided that the  
25          remediation costs constitute a material impediment to  
26          the development or redevelopment of the redevelopment

1 project area.

2 (F) The total equalized assessed value of the  
3 proposed redevelopment project area has declined for 3  
4 of the last 5 calendar years prior to the year in which  
5 the redevelopment project area is designated or is  
6 increasing at an annual rate that is less than the  
7 balance of the municipality for 3 of the last 5  
8 calendar years for which information is available or is  
9 increasing at an annual rate that is less than the  
10 Consumer Price Index for All Urban Consumers published  
11 by the United States Department of Labor or successor  
12 agency for 3 of the last 5 calendar years prior to the  
13 year in which the redevelopment project area is  
14 designated.

15 (3) If vacant, the sound growth of the redevelopment  
16 project area is impaired by one of the following factors  
17 that (i) is present, with that presence documented, to a  
18 meaningful extent so that a municipality may reasonably  
19 find that the factor is clearly present within the intent  
20 of the Act and (ii) is reasonably distributed throughout  
21 the vacant part of the redevelopment project area to which  
22 it pertains:

23 (A) The area consists of one or more unused  
24 quarries, mines, or strip mine ponds.

25 (B) The area consists of unused rail yards, rail  
26 tracks, or railroad rights-of-way.

1           (C) The area, prior to its designation, is subject  
2 to (i) chronic flooding that adversely impacts on real  
3 property in the area as certified by a registered  
4 professional engineer or appropriate regulatory agency  
5 or (ii) surface water that discharges from all or a  
6 part of the area and contributes to flooding within the  
7 same watershed, but only if the redevelopment project  
8 provides for facilities or improvements to contribute  
9 to the alleviation of all or part of the flooding.

10           (D) The area consists of an unused or illegal  
11 disposal site containing earth, stone, building  
12 debris, or similar materials that were removed from  
13 construction, demolition, excavation, or dredge sites.

14           (E) Prior to November 1, 1999, the area is not less  
15 than 50 nor more than 100 acres and 75% of which is  
16 vacant (notwithstanding that the area has been used for  
17 commercial agricultural purposes within 5 years prior  
18 to the designation of the redevelopment project area),  
19 and the area meets at least one of the factors itemized  
20 in paragraph (1) of this subsection, the area has been  
21 designated as a town or village center by ordinance or  
22 comprehensive plan adopted prior to January 1, 1982,  
23 and the area has not been developed for that designated  
24 purpose.

25           (F) The area qualified as a blighted improved area  
26 immediately prior to becoming vacant, unless there has

1           been substantial private investment in the immediately  
2           surrounding area.

3           (b) For any redevelopment project area that has been  
4           designated pursuant to this Section by an ordinance adopted  
5           prior to November 1, 1999 (the effective date of Public Act  
6           91-478), "conservation area" shall have the meaning set forth  
7           in this Section prior to that date.

8           On and after November 1, 1999, "conservation area" means  
9           any improved area within the boundaries of a redevelopment  
10          project area located within the territorial limits of the  
11          municipality in which 50% or more of the structures in the area  
12          have an age of 35 years or more. Such an area is not yet a  
13          blighted area but because of a combination of 3 or more of the  
14          following factors is detrimental to the public safety, health,  
15          morals or welfare and such an area may become a blighted area:

16           (1) Dilapidation. An advanced state of disrepair or  
17           neglect of necessary repairs to the primary structural  
18           components of buildings or improvements in such a  
19           combination that a documented building condition analysis  
20           determines that major repair is required or the defects are  
21           so serious and so extensive that the buildings must be  
22           removed.

23           (2) Obsolescence. The condition or process of falling  
24           into disuse. Structures have become ill-suited for the  
25           original use.

26           (3) Deterioration. With respect to buildings, defects

1 including, but not limited to, major defects in the  
2 secondary building components such as doors, windows,  
3 porches, gutters and downspouts, and fascia. With respect  
4 to surface improvements, that the condition of roadways,  
5 alleys, curbs, gutters, sidewalks, off-street parking, and  
6 surface storage areas evidence deterioration, including,  
7 but not limited to, surface cracking, crumbling, potholes,  
8 depressions, loose paving material, and weeds protruding  
9 through paved surfaces.

10 (4) Presence of structures below minimum code  
11 standards. All structures that do not meet the standards of  
12 zoning, subdivision, building, fire, and other  
13 governmental codes applicable to property, but not  
14 including housing and property maintenance codes.

15 (5) Illegal use of individual structures. The use of  
16 structures in violation of applicable federal, State, or  
17 local laws, exclusive of those applicable to the presence  
18 of structures below minimum code standards.

19 (6) Excessive vacancies. The presence of buildings  
20 that are unoccupied or under-utilized and that represent an  
21 adverse influence on the area because of the frequency,  
22 extent, or duration of the vacancies.

23 (7) Lack of ventilation, light, or sanitary  
24 facilities. The absence of adequate ventilation for light  
25 or air circulation in spaces or rooms without windows, or  
26 that require the removal of dust, odor, gas, smoke, or



1 other noxious airborne materials. Inadequate natural light  
2 and ventilation means the absence or inadequacy of  
3 skylights or windows for interior spaces or rooms and  
4 improper window sizes and amounts by room area to window  
5 area ratios. Inadequate sanitary facilities refers to the  
6 absence or inadequacy of garbage storage and enclosure,  
7 bathroom facilities, hot water and kitchens, and  
8 structural inadequacies preventing ingress and egress to  
9 and from all rooms and units within a building.

10 (8) Inadequate utilities. Underground and overhead  
11 utilities such as storm sewers and storm drainage, sanitary  
12 sewers, water lines, and gas, telephone, and electrical  
13 services that are shown to be inadequate. Inadequate  
14 utilities are those that are: (i) of insufficient capacity  
15 to serve the uses in the redevelopment project area, (ii)  
16 deteriorated, antiquated, obsolete, or in disrepair, or  
17 (iii) lacking within the redevelopment project area.

18 (9) Excessive land coverage and overcrowding of  
19 structures and community facilities. The over-intensive  
20 use of property and the crowding of buildings and accessory  
21 facilities onto a site. Examples of problem conditions  
22 warranting the designation of an area as one exhibiting  
23 excessive land coverage are: the presence of buildings  
24 either improperly situated on parcels or located on parcels  
25 of inadequate size and shape in relation to present-day  
26 standards of development for health and safety and the

1 presence of multiple buildings on a single parcel. For  
2 there to be a finding of excessive land coverage, these  
3 parcels must exhibit one or more of the following  
4 conditions: insufficient provision for light and air  
5 within or around buildings, increased threat of spread of  
6 fire due to the close proximity of buildings, lack of  
7 adequate or proper access to a public right-of-way, lack of  
8 reasonably required off-street parking, or inadequate  
9 provision for loading and service.

10 (10) Deleterious land use or layout. The existence of  
11 incompatible land-use relationships, buildings occupied by  
12 inappropriate mixed-uses, or uses considered to be  
13 noxious, offensive, or unsuitable for the surrounding  
14 area.

15 (11) Lack of community planning. The proposed  
16 redevelopment project area was developed prior to or  
17 without the benefit or guidance of a community plan. This  
18 means that the development occurred prior to the adoption  
19 by the municipality of a comprehensive or other community  
20 plan or that the plan was not followed at the time of the  
21 area's development. This factor must be documented by  
22 evidence of adverse or incompatible land-use  
23 relationships, inadequate street layout, improper  
24 subdivision, parcels of inadequate shape and size to meet  
25 contemporary development standards, or other evidence  
26 demonstrating an absence of effective community planning.

1           (12) The area has incurred Illinois Environmental  
2           Protection Agency or United States Environmental  
3           Protection Agency remediation costs for, or a study  
4           conducted by an independent consultant recognized as  
5           having expertise in environmental remediation has  
6           determined a need for, the clean-up of hazardous waste,  
7           hazardous substances, or underground storage tanks  
8           required by State or federal law, provided that the  
9           remediation costs constitute a material impediment to the  
10          development or redevelopment of the redevelopment project  
11          area.

12          (13) The total equalized assessed value of the proposed  
13          redevelopment project area has declined for 3 of the last 5  
14          calendar years for which information is available or is  
15          increasing at an annual rate that is less than the balance  
16          of the municipality for 3 of the last 5 calendar years for  
17          which information is available or is increasing at an  
18          annual rate that is less than the Consumer Price Index for  
19          All Urban Consumers published by the United States  
20          Department of Labor or successor agency for 3 of the last 5  
21          calendar years for which information is available.

22          (c) "Industrial park" means an area in a blighted or  
23          conservation area suitable for use by any manufacturing,  
24          industrial, research or transportation enterprise, of  
25          facilities to include but not be limited to factories, mills,  
26          processing plants, assembly plants, packing plants,

1 fabricating plants, industrial distribution centers,  
2 warehouses, repair overhaul or service facilities, freight  
3 terminals, research facilities, test facilities or railroad  
4 facilities.

5 (d) "Industrial park conservation area" means an area  
6 within the boundaries of a redevelopment project area located  
7 within the territorial limits of a municipality that is a labor  
8 surplus municipality or within 1 1/2 miles of the territorial  
9 limits of a municipality that is a labor surplus municipality  
10 if the area is annexed to the municipality; which area is zoned  
11 as industrial no later than at the time the municipality by  
12 ordinance designates the redevelopment project area, and which  
13 area includes both vacant land suitable for use as an  
14 industrial park and a blighted area or conservation area  
15 contiguous to such vacant land.

16 (e) "Labor surplus municipality" means a municipality in  
17 which, at any time during the 6 months before the municipality  
18 by ordinance designates an industrial park conservation area,  
19 the unemployment rate was over 6% and was also 100% or more of  
20 the national average unemployment rate for that same time as  
21 published in the United States Department of Labor Bureau of  
22 Labor Statistics publication entitled "The Employment  
23 Situation" or its successor publication. For the purpose of  
24 this subsection, if unemployment rate statistics for the  
25 municipality are not available, the unemployment rate in the  
26 municipality shall be deemed to be the same as the unemployment

1 rate in the principal county in which the municipality is  
2 located.

3 (f) "Municipality" shall mean a city, village,  
4 incorporated town, or a township that is located in the  
5 unincorporated portion of a county with 3 million or more  
6 inhabitants, if the county adopted an ordinance that approved  
7 the township's redevelopment plan.

8 (g) "Initial Sales Tax Amounts" means the amount of taxes  
9 paid under the Retailers' Occupation Tax Act, Use Tax Act,  
10 Service Use Tax Act, the Service Occupation Tax Act, the  
11 Municipal Retailers' Occupation Tax Act, and the Municipal  
12 Service Occupation Tax Act by retailers and servicemen on  
13 transactions at places located in a State Sales Tax Boundary  
14 during the calendar year 1985.

15 (g-1) "Revised Initial Sales Tax Amounts" means the amount  
16 of taxes paid under the Retailers' Occupation Tax Act, Use Tax  
17 Act, Service Use Tax Act, the Service Occupation Tax Act, the  
18 Municipal Retailers' Occupation Tax Act, and the Municipal  
19 Service Occupation Tax Act by retailers and servicemen on  
20 transactions at places located within the State Sales Tax  
21 Boundary revised pursuant to Section 11-74.4-8a(9) of this Act.

22 (h) "Municipal Sales Tax Increment" means an amount equal  
23 to the increase in the aggregate amount of taxes paid to a  
24 municipality from the Local Government Tax Fund arising from  
25 sales by retailers and servicemen within the redevelopment  
26 project area or State Sales Tax Boundary, as the case may be,

1 for as long as the redevelopment project area or State Sales  
2 Tax Boundary, as the case may be, exist over and above the  
3 aggregate amount of taxes as certified by the Illinois  
4 Department of Revenue and paid under the Municipal Retailers'  
5 Occupation Tax Act and the Municipal Service Occupation Tax Act  
6 by retailers and servicemen, on transactions at places of  
7 business located in the redevelopment project area or State  
8 Sales Tax Boundary, as the case may be, during the base year  
9 which shall be the calendar year immediately prior to the year  
10 in which the municipality adopted tax increment allocation  
11 financing. For purposes of computing the aggregate amount of  
12 such taxes for base years occurring prior to 1985, the  
13 Department of Revenue shall determine the Initial Sales Tax  
14 Amounts for such taxes and deduct therefrom an amount equal to  
15 4% of the aggregate amount of taxes per year for each year the  
16 base year is prior to 1985, but not to exceed a total deduction  
17 of 12%. The amount so determined shall be known as the  
18 "Adjusted Initial Sales Tax Amounts". For purposes of  
19 determining the Municipal Sales Tax Increment, the Department  
20 of Revenue shall for each period subtract from the amount paid  
21 to the municipality from the Local Government Tax Fund arising  
22 from sales by retailers and servicemen on transactions located  
23 in the redevelopment project area or the State Sales Tax  
24 Boundary, as the case may be, the certified Initial Sales Tax  
25 Amounts, the Adjusted Initial Sales Tax Amounts or the Revised  
26 Initial Sales Tax Amounts for the Municipal Retailers'

1 Occupation Tax Act and the Municipal Service Occupation Tax  
2 Act. For the State Fiscal Year 1989, this calculation shall be  
3 made by utilizing the calendar year 1987 to determine the tax  
4 amounts received. For the State Fiscal Year 1990, this  
5 calculation shall be made by utilizing the period from January  
6 1, 1988, until September 30, 1988, to determine the tax amounts  
7 received from retailers and servicemen pursuant to the  
8 Municipal Retailers' Occupation Tax and the Municipal Service  
9 Occupation Tax Act, which shall have deducted therefrom  
10 nine-twelfths of the certified Initial Sales Tax Amounts, the  
11 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales  
12 Tax Amounts as appropriate. For the State Fiscal Year 1991,  
13 this calculation shall be made by utilizing the period from  
14 October 1, 1988, to June 30, 1989, to determine the tax amounts  
15 received from retailers and servicemen pursuant to the  
16 Municipal Retailers' Occupation Tax and the Municipal Service  
17 Occupation Tax Act which shall have deducted therefrom  
18 nine-twelfths of the certified Initial Sales Tax Amounts,  
19 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales  
20 Tax Amounts as appropriate. For every State Fiscal Year  
21 thereafter, the applicable period shall be the 12 months  
22 beginning July 1 and ending June 30 to determine the tax  
23 amounts received which shall have deducted therefrom the  
24 certified Initial Sales Tax Amounts, the Adjusted Initial Sales  
25 Tax Amounts or the Revised Initial Sales Tax Amounts, as the  
26 case may be.

1           (i) "Net State Sales Tax Increment" means the sum of the  
2 following: (a) 80% of the first \$100,000 of State Sales Tax  
3 Increment annually generated within a State Sales Tax Boundary;  
4 (b) 60% of the amount in excess of \$100,000 but not exceeding  
5 \$500,000 of State Sales Tax Increment annually generated within  
6 a State Sales Tax Boundary; and (c) 40% of all amounts in  
7 excess of \$500,000 of State Sales Tax Increment annually  
8 generated within a State Sales Tax Boundary. If, however, a  
9 municipality established a tax increment financing district in  
10 a county with a population in excess of 3,000,000 before  
11 January 1, 1986, and the municipality entered into a contract  
12 or issued bonds after January 1, 1986, but before December 31,  
13 1986, to finance redevelopment project costs within a State  
14 Sales Tax Boundary, then the Net State Sales Tax Increment  
15 means, for the fiscal years beginning July 1, 1990, and July 1,  
16 1991, 100% of the State Sales Tax Increment annually generated  
17 within a State Sales Tax Boundary; and notwithstanding any  
18 other provision of this Act, for those fiscal years the  
19 Department of Revenue shall distribute to those municipalities  
20 100% of their Net State Sales Tax Increment before any  
21 distribution to any other municipality and regardless of  
22 whether or not those other municipalities will receive 100% of  
23 their Net State Sales Tax Increment. For Fiscal Year 1999, and  
24 every year thereafter until the year 2007, for any municipality  
25 that has not entered into a contract or has not issued bonds  
26 prior to June 1, 1988 to finance redevelopment project costs



1 within a State Sales Tax Boundary, the Net State Sales Tax  
2 Increment shall be calculated as follows: By multiplying the  
3 Net State Sales Tax Increment by 90% in the State Fiscal Year  
4 1999; 80% in the State Fiscal Year 2000; 70% in the State  
5 Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the  
6 State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30%  
7 in the State Fiscal Year 2005; 20% in the State Fiscal Year  
8 2006; and 10% in the State Fiscal Year 2007. No payment shall  
9 be made for State Fiscal Year 2008 and thereafter.

10 Municipalities that issued bonds in connection with a  
11 redevelopment project in a redevelopment project area within  
12 the State Sales Tax Boundary prior to July 29, 1991, or that  
13 entered into contracts in connection with a redevelopment  
14 project in a redevelopment project area before June 1, 1988,  
15 shall continue to receive their proportional share of the  
16 Illinois Tax Increment Fund distribution until the date on  
17 which the redevelopment project is completed or terminated. If,  
18 however, a municipality that issued bonds in connection with a  
19 redevelopment project in a redevelopment project area within  
20 the State Sales Tax Boundary prior to July 29, 1991 retires the  
21 bonds prior to June 30, 2007 or a municipality that entered  
22 into contracts in connection with a redevelopment project in a  
23 redevelopment project area before June 1, 1988 completes the  
24 contracts prior to June 30, 2007, then so long as the  
25 redevelopment project is not completed or is not terminated,  
26 the Net State Sales Tax Increment shall be calculated,

1 beginning on the date on which the bonds are retired or the  
2 contracts are completed, as follows: By multiplying the Net  
3 State Sales Tax Increment by 60% in the State Fiscal Year 2002;  
4 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year  
5 2004; 30% in the State Fiscal Year 2005; 20% in the State  
6 Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No  
7 payment shall be made for State Fiscal Year 2008 and  
8 thereafter. Refunding of any bonds issued prior to July 29,  
9 1991, shall not alter the Net State Sales Tax Increment.

10 (j) "State Utility Tax Increment Amount" means an amount  
11 equal to the aggregate increase in State electric and gas tax  
12 charges imposed on owners and tenants, other than residential  
13 customers, of properties located within the redevelopment  
14 project area under Section 9-222 of the Public Utilities Act,  
15 over and above the aggregate of such charges as certified by  
16 the Department of Revenue and paid by owners and tenants, other  
17 than residential customers, of properties within the  
18 redevelopment project area during the base year, which shall be  
19 the calendar year immediately prior to the year of the adoption  
20 of the ordinance authorizing tax increment allocation  
21 financing.

22 (k) "Net State Utility Tax Increment" means the sum of the  
23 following: (a) 80% of the first \$100,000 of State Utility Tax  
24 Increment annually generated by a redevelopment project area;  
25 (b) 60% of the amount in excess of \$100,000 but not exceeding  
26 \$500,000 of the State Utility Tax Increment annually generated

1 by a redevelopment project area; and (c) 40% of all amounts in  
2 excess of \$500,000 of State Utility Tax Increment annually  
3 generated by a redevelopment project area. For the State Fiscal  
4 Year 1999, and every year thereafter until the year 2007, for  
5 any municipality that has not entered into a contract or has  
6 not issued bonds prior to June 1, 1988 to finance redevelopment  
7 project costs within a redevelopment project area, the Net  
8 State Utility Tax Increment shall be calculated as follows: By  
9 multiplying the Net State Utility Tax Increment by 90% in the  
10 State Fiscal Year 1999; 80% in the State Fiscal Year 2000; 70%  
11 in the State Fiscal Year 2001; 60% in the State Fiscal Year  
12 2002; 50% in the State Fiscal Year 2003; 40% in the State  
13 Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the  
14 State Fiscal Year 2006; and 10% in the State Fiscal Year 2007.  
15 No payment shall be made for the State Fiscal Year 2008 and  
16 thereafter.

17 Municipalities that issue bonds in connection with the  
18 redevelopment project during the period from June 1, 1988 until  
19 3 years after the effective date of this Amendatory Act of 1988  
20 shall receive the Net State Utility Tax Increment, subject to  
21 appropriation, for 15 State Fiscal Years after the issuance of  
22 such bonds. For the 16th through the 20th State Fiscal Years  
23 after issuance of the bonds, the Net State Utility Tax  
24 Increment shall be calculated as follows: By multiplying the  
25 Net State Utility Tax Increment by 90% in year 16; 80% in year  
26 17; 70% in year 18; 60% in year 19; and 50% in year 20.

1 Refunding of any bonds issued prior to June 1, 1988, shall not  
2 alter the revised Net State Utility Tax Increment payments set  
3 forth above.

4 (l) "Obligations" mean bonds, loans, debentures, notes,  
5 special certificates or other evidence of indebtedness issued  
6 by the municipality to carry out a redevelopment project or to  
7 refund outstanding obligations.

8 (m) "Payment in lieu of taxes" means those estimated tax  
9 revenues from real property in a redevelopment project area  
10 derived from real property that has been acquired by a  
11 municipality which according to the redevelopment project or  
12 plan is to be used for a private use which taxing districts  
13 would have received had a municipality not acquired the real  
14 property and adopted tax increment allocation financing and  
15 which would result from levies made after the time of the  
16 adoption of tax increment allocation financing to the time the  
17 current equalized value of real property in the redevelopment  
18 project area exceeds the total initial equalized value of real  
19 property in said area.

20 (n) "Redevelopment plan" means the comprehensive program  
21 of the municipality for development or redevelopment intended  
22 by the payment of redevelopment project costs to reduce or  
23 eliminate those conditions the existence of which qualified the  
24 redevelopment project area as a "blighted area" or  
25 "conservation area" or combination thereof or "industrial park  
26 conservation area," and thereby to enhance the tax bases of the

1 taxing districts which extend into the redevelopment project  
2 area. On and after November 1, 1999 (the effective date of  
3 Public Act 91-478), no redevelopment plan may be approved or  
4 amended that includes the development of vacant land (i) with a  
5 golf course and related clubhouse and other facilities or (ii)  
6 designated by federal, State, county, or municipal government  
7 as public land for outdoor recreational activities or for  
8 nature preserves and used for that purpose within 5 years prior  
9 to the adoption of the redevelopment plan. For the purpose of  
10 this subsection, "recreational activities" is limited to mean  
11 camping and hunting. Each redevelopment plan shall set forth in  
12 writing the program to be undertaken to accomplish the  
13 objectives and shall include but not be limited to:

14 (A) an itemized list of estimated redevelopment  
15 project costs;

16 (B) evidence indicating that the redevelopment project  
17 area on the whole has not been subject to growth and  
18 development through investment by private enterprise;

19 (C) an assessment of any financial impact of the  
20 redevelopment project area on or any increased demand for  
21 services from any taxing district affected by the plan and  
22 any program to address such financial impact or increased  
23 demand;

24 (D) the sources of funds to pay costs;

25 (E) the nature and term of the obligations to be  
26 issued;

1 (F) the most recent equalized assessed valuation of the  
2 redevelopment project area;

3 (G) an estimate as to the equalized assessed valuation  
4 after redevelopment and the general land uses to apply in  
5 the redevelopment project area;

6 (H) a commitment to fair employment practices and an  
7 affirmative action plan;

8 (I) if it concerns an industrial park conservation  
9 area, the plan shall also include a general description of  
10 any proposed developer, user and tenant of any property, a  
11 description of the type, structure and general character of  
12 the facilities to be developed, a description of the type,  
13 class and number of new employees to be employed in the  
14 operation of the facilities to be developed; and

15 (J) if property is to be annexed to the municipality,  
16 the plan shall include the terms of the annexation  
17 agreement.

18 The provisions of items (B) and (C) of this subsection (n)  
19 shall not apply to a municipality that before March 14, 1994  
20 (the effective date of Public Act 88-537) had fixed, either by  
21 its corporate authorities or by a commission designated under  
22 subsection (k) of Section 11-74.4-4, a time and place for a  
23 public hearing as required by subsection (a) of Section  
24 11-74.4-5. No redevelopment plan shall be adopted unless a  
25 municipality complies with all of the following requirements:

26 (1) The municipality finds that the redevelopment

1 project area on the whole has not been subject to growth  
2 and development through investment by private enterprise  
3 and would not reasonably be anticipated to be developed  
4 without the adoption of the redevelopment plan.

5 (2) The municipality finds that the redevelopment plan  
6 and project conform to the comprehensive plan for the  
7 development of the municipality as a whole, or, for  
8 municipalities with a population of 100,000 or more,  
9 regardless of when the redevelopment plan and project was  
10 adopted, the redevelopment plan and project either: (i)  
11 conforms to the strategic economic development or  
12 redevelopment plan issued by the designated planning  
13 authority of the municipality, or (ii) includes land uses  
14 that have been approved by the planning commission of the  
15 municipality.

16 (3) The redevelopment plan establishes the estimated  
17 dates of completion of the redevelopment project and  
18 retirement of obligations issued to finance redevelopment  
19 project costs. Those dates may not be later than the dates  
20 set forth under Section 11-74.4-3.5.

21 A municipality may by municipal ordinance amend an  
22 existing redevelopment plan to conform to this paragraph  
23 (3) as amended by Public Act 91-478, which municipal  
24 ordinance may be adopted without further hearing or notice  
25 and without complying with the procedures provided in this  
26 Act pertaining to an amendment to or the initial approval

1 of a redevelopment plan and project and designation of a  
2 redevelopment project area.

3 (3.5) The municipality finds, in the case of an  
4 industrial park conservation area, also that the  
5 municipality is a labor surplus municipality and that the  
6 implementation of the redevelopment plan will reduce  
7 unemployment, create new jobs and by the provision of new  
8 facilities enhance the tax base of the taxing districts  
9 that extend into the redevelopment project area.

10 (4) If any incremental revenues are being utilized  
11 under Section 8(a)(1) or 8(a)(2) of this Act in  
12 redevelopment project areas approved by ordinance after  
13 January 1, 1986, the municipality finds: (a) that the  
14 redevelopment project area would not reasonably be  
15 developed without the use of such incremental revenues, and  
16 (b) that such incremental revenues will be exclusively  
17 utilized for the development of the redevelopment project  
18 area.

19 (5) If the redevelopment plan will not result in  
20 displacement of residents from 10 or more inhabited  
21 residential units, and the municipality certifies in the  
22 plan that such displacement will not result from the plan,  
23 a housing impact study need not be performed. If, however,  
24 the redevelopment plan would result in the displacement of  
25 residents from 10 or more inhabited residential units, or  
26 if the redevelopment project area contains 75 or more



1       inhabited residential units and no certification is made,  
2       then the municipality shall prepare, as part of the  
3       separate feasibility report required by subsection (a) of  
4       Section 11-74.4-5, a housing impact study.

5             Part I of the housing impact study shall include (i)  
6       data as to whether the residential units are single family  
7       or multi-family units, (ii) the number and type of rooms  
8       within the units, if that information is available, (iii)  
9       whether the units are inhabited or uninhabited, as  
10      determined not less than 45 days before the date that the  
11      ordinance or resolution required by subsection (a) of  
12      Section 11-74.4-5 is passed, and (iv) data as to the racial  
13      and ethnic composition of the residents in the inhabited  
14      residential units. The data requirement as to the racial  
15      and ethnic composition of the residents in the inhabited  
16      residential units shall be deemed to be fully satisfied by  
17      data from the most recent federal census.

18            Part II of the housing impact study shall identify the  
19      inhabited residential units in the proposed redevelopment  
20      project area that are to be or may be removed. If inhabited  
21      residential units are to be removed, then the housing  
22      impact study shall identify (i) the number and location of  
23      those units that will or may be removed, (ii) the  
24      municipality's plans for relocation assistance for those  
25      residents in the proposed redevelopment project area whose  
26      residences are to be removed, (iii) the availability of

1 replacement housing for those residents whose residences  
2 are to be removed, and shall identify the type, location,  
3 and cost of the housing, and (iv) the type and extent of  
4 relocation assistance to be provided.

5 (6) On and after November 1, 1999, the housing impact  
6 study required by paragraph (5) shall be incorporated in  
7 the redevelopment plan for the redevelopment project area.

8 (7) On and after November 1, 1999, no redevelopment  
9 plan shall be adopted, nor an existing plan amended, nor  
10 shall residential housing that is occupied by households of  
11 low-income and very low-income persons in currently  
12 existing redevelopment project areas be removed after  
13 November 1, 1999 unless the redevelopment plan provides,  
14 with respect to inhabited housing units that are to be  
15 removed for households of low-income and very low-income  
16 persons, affordable housing and relocation assistance not  
17 less than that which would be provided under the federal  
18 Uniform Relocation Assistance and Real Property  
19 Acquisition Policies Act of 1970 and the regulations under  
20 that Act, including the eligibility criteria. Affordable  
21 housing may be either existing or newly constructed  
22 housing. For purposes of this paragraph (7), "low-income  
23 households", "very low-income households", and "affordable  
24 housing" have the meanings set forth in the Illinois  
25 Affordable Housing Act. The municipality shall make a good  
26 faith effort to ensure that this affordable housing is

1 located in or near the redevelopment project area within  
2 the municipality.

3 (8) On and after November 1, 1999, if, after the  
4 adoption of the redevelopment plan for the redevelopment  
5 project area, any municipality desires to amend its  
6 redevelopment plan to remove more inhabited residential  
7 units than specified in its original redevelopment plan,  
8 that change shall be made in accordance with the procedures  
9 in subsection (c) of Section 11-74.4-5.

10 (9) For redevelopment project areas designated prior  
11 to November 1, 1999, the redevelopment plan may be amended  
12 without further joint review board meeting or hearing,  
13 provided that the municipality shall give notice of any  
14 such changes by mail to each affected taxing district and  
15 registrant on the interested party registry, to authorize  
16 the municipality to expend tax increment revenues for  
17 redevelopment project costs defined by paragraphs (5) and  
18 (7.5), subparagraphs (E) and (F) of paragraph (11), and  
19 paragraph (11.5) of subsection (q) of Section 11-74.4-3, so  
20 long as the changes do not increase the total estimated  
21 redevelopment project costs set out in the redevelopment  
22 plan by more than 5% after adjustment for inflation from  
23 the date the plan was adopted.

24 (o) "Redevelopment project" means any public and private  
25 development project in furtherance of the objectives of a  
26 redevelopment plan. On and after November 1, 1999 (the

1 effective date of Public Act 91-478), no redevelopment plan may  
2 be approved or amended that includes the development of vacant  
3 land (i) with a golf course and related clubhouse and other  
4 facilities or (ii) designated by federal, State, county, or  
5 municipal government as public land for outdoor recreational  
6 activities or for nature preserves and used for that purpose  
7 within 5 years prior to the adoption of the redevelopment plan.  
8 For the purpose of this subsection, "recreational activities"  
9 is limited to mean camping and hunting.

10 (p) "Redevelopment project area" means an area designated  
11 by the municipality, which is not less in the aggregate than 1  
12 1/2 acres and in respect to which the municipality has made a  
13 finding that there exist conditions which cause the area to be  
14 classified as an industrial park conservation area or a  
15 blighted area or a conservation area, or a combination of both  
16 blighted areas and conservation areas.

17 (p-1) Notwithstanding any provision of this Act to the  
18 contrary, on and after August 25, 2009 (the effective date of  
19 Public Act 96-680), a redevelopment project area may include  
20 areas within a one-half mile radius of an existing or proposed  
21 Regional Transportation Authority Suburban Transit Access  
22 Route (STAR Line) station without a finding that the area is  
23 classified as an industrial park conservation area, a blighted  
24 area, a conservation area, or a combination thereof, but only  
25 if the municipality receives unanimous consent from the joint  
26 review board created to review the proposed redevelopment

1 project area.

2 (q) "Redevelopment project costs", except for  
3 redevelopment project areas created pursuant to subsection  
4 (p-1), means and includes the sum total of all reasonable or  
5 necessary costs incurred or estimated to be incurred, and any  
6 such costs incidental to a redevelopment plan and a  
7 redevelopment project. Such costs include, without limitation,  
8 the following:

9 (1) Costs of studies, surveys, development of plans,  
10 and specifications, implementation and administration of  
11 the redevelopment plan including but not limited to staff  
12 and professional service costs for architectural,  
13 engineering, legal, financial, planning or other services,  
14 provided however that no charges for professional services  
15 may be based on a percentage of the tax increment  
16 collected; except that on and after November 1, 1999 (the  
17 effective date of Public Act 91-478), no contracts for  
18 professional services, excluding architectural and  
19 engineering services, may be entered into if the terms of  
20 the contract extend beyond a period of 3 years. In  
21 addition, "redevelopment project costs" shall not include  
22 lobbying expenses. After consultation with the  
23 municipality, each tax increment consultant or advisor to a  
24 municipality that plans to designate or has designated a  
25 redevelopment project area shall inform the municipality  
26 in writing of any contracts that the consultant or advisor

1 has entered into with entities or individuals that have  
2 received, or are receiving, payments financed by tax  
3 increment revenues produced by the redevelopment project  
4 area with respect to which the consultant or advisor has  
5 performed, or will be performing, service for the  
6 municipality. This requirement shall be satisfied by the  
7 consultant or advisor before the commencement of services  
8 for the municipality and thereafter whenever any other  
9 contracts with those individuals or entities are executed  
10 by the consultant or advisor;

11 (1.5) After July 1, 1999, annual administrative costs  
12 shall not include general overhead or administrative costs  
13 of the municipality that would still have been incurred by  
14 the municipality if the municipality had not designated a  
15 redevelopment project area or approved a redevelopment  
16 plan;

17 (1.6) The cost of marketing sites within the  
18 redevelopment project area to prospective businesses,  
19 developers, and investors;

20 (2) Property assembly costs, including but not limited  
21 to acquisition of land and other property, real or  
22 personal, or rights or interests therein, demolition of  
23 buildings, site preparation, site improvements that serve  
24 as an engineered barrier addressing ground level or below  
25 ground environmental contamination, including, but not  
26 limited to parking lots and other concrete or asphalt

1 barriers, and the clearing and grading of land;

2 (3) Costs of rehabilitation, reconstruction or repair  
3 or remodeling of existing public or private buildings,  
4 fixtures, and leasehold improvements; and the cost of  
5 replacing an existing public building if pursuant to the  
6 implementation of a redevelopment project the existing  
7 public building is to be demolished to use the site for  
8 private investment or devoted to a different use requiring  
9 private investment; including any direct or indirect costs  
10 relating to Green Globes or LEED certified construction  
11 elements or construction elements with an equivalent  
12 certification;

13 (4) Costs of the construction of public works or  
14 improvements, including any direct or indirect costs  
15 relating to Green Globes or LEED certified construction  
16 elements or construction elements with an equivalent  
17 certification, except that on and after November 1, 1999,  
18 redevelopment project costs shall not include the cost of  
19 constructing a new municipal public building principally  
20 used to provide offices, storage space, or conference  
21 facilities or vehicle storage, maintenance, or repair for  
22 administrative, public safety, or public works personnel  
23 and that is not intended to replace an existing public  
24 building as provided under paragraph (3) of subsection (q)  
25 of Section 11-74.4-3 unless either (i) the construction of  
26 the new municipal building implements a redevelopment

1 project that was included in a redevelopment plan that was  
2 adopted by the municipality prior to November 1, 1999 or  
3 (ii) the municipality makes a reasonable determination in  
4 the redevelopment plan, supported by information that  
5 provides the basis for that determination, that the new  
6 municipal building is required to meet an increase in the  
7 need for public safety purposes anticipated to result from  
8 the implementation of the redevelopment plan;

9 (5) Costs of job training and retraining projects,  
10 including the cost of "welfare to work" programs  
11 implemented by businesses located within the redevelopment  
12 project area;

13 (6) Financing costs, including but not limited to all  
14 necessary and incidental expenses related to the issuance  
15 of obligations and which may include payment of interest on  
16 any obligations issued hereunder including interest  
17 accruing during the estimated period of construction of any  
18 redevelopment project for which such obligations are  
19 issued and for not exceeding 36 months thereafter and  
20 including reasonable reserves related thereto;

21 (7) To the extent the municipality by written agreement  
22 accepts and approves the same, all or a portion of a taxing  
23 district's capital costs resulting from the redevelopment  
24 project necessarily incurred or to be incurred within a  
25 taxing district in furtherance of the objectives of the  
26 redevelopment plan and project.



1           (7.5) For redevelopment project areas designated (or  
2           redevelopment project areas amended to add or increase the  
3           number of tax-increment-financing assisted housing units)  
4           on or after November 1, 1999, an elementary, secondary, or  
5           unit school district's increased costs attributable to  
6           assisted housing units located within the redevelopment  
7           project area for which the developer or redeveloper  
8           receives financial assistance through an agreement with  
9           the municipality or because the municipality incurs the  
10          cost of necessary infrastructure improvements within the  
11          boundaries of the assisted housing sites necessary for the  
12          completion of that housing as authorized by this Act, and  
13          which costs shall be paid by the municipality from the  
14          Special Tax Allocation Fund when the tax increment revenue  
15          is received as a result of the assisted housing units and  
16          shall be calculated annually as follows:

17                 (A) for foundation districts, excluding any school  
18                 district in a municipality with a population in excess  
19                 of 1,000,000, by multiplying the district's increase  
20                 in attendance resulting from the net increase in new  
21                 students enrolled in that school district who reside in  
22                 housing units within the redevelopment project area  
23                 that have received financial assistance through an  
24                 agreement with the municipality or because the  
25                 municipality incurs the cost of necessary  
26                 infrastructure improvements within the boundaries of

1 the housing sites necessary for the completion of that  
2 housing as authorized by this Act since the designation  
3 of the redevelopment project area by the most recently  
4 available per capita tuition cost as defined in Section  
5 10-20.12a of the School Code less any increase in  
6 general State aid as defined in Section 18-8.05 of the  
7 School Code or primary State aid as defined in Section  
8 18-8.15 of the School Code attributable to these added  
9 new students subject to the following annual  
10 limitations:

11 (i) for unit school districts with a district  
12 average 1995-96 Per Capita Tuition Charge of less  
13 than \$5,900, no more than 25% of the total amount  
14 of property tax increment revenue produced by  
15 those housing units that have received tax  
16 increment finance assistance under this Act;

17 (ii) for elementary school districts with a  
18 district average 1995-96 Per Capita Tuition Charge  
19 of less than \$5,900, no more than 17% of the total  
20 amount of property tax increment revenue produced  
21 by those housing units that have received tax  
22 increment finance assistance under this Act; and

23 (iii) for secondary school districts with a  
24 district average 1995-96 Per Capita Tuition Charge  
25 of less than \$5,900, no more than 8% of the total  
26 amount of property tax increment revenue produced

1           by those housing units that have received tax  
2           increment finance assistance under this Act.

3           (B) For alternate method districts, flat grant  
4           districts, and foundation districts with a district  
5           average 1995-96 Per Capita Tuition Charge equal to or  
6           more than \$5,900, excluding any school district with a  
7           population in excess of 1,000,000, by multiplying the  
8           district's increase in attendance resulting from the  
9           net increase in new students enrolled in that school  
10          district who reside in housing units within the  
11          redevelopment project area that have received  
12          financial assistance through an agreement with the  
13          municipality or because the municipality incurs the  
14          cost of necessary infrastructure improvements within  
15          the boundaries of the housing sites necessary for the  
16          completion of that housing as authorized by this Act  
17          since the designation of the redevelopment project  
18          area by the most recently available per capita tuition  
19          cost as defined in Section 10-20.12a of the School Code  
20          less any increase in general state aid as defined in  
21          Section 18-8.05 of the School Code or primary State aid  
22          as defined in Section 18-8.15 of the School Code  
23          attributable to these added new students subject to the  
24          following annual limitations:

25                   (i) for unit school districts, no more than 40%  
26                   of the total amount of property tax increment

1 revenue produced by those housing units that have  
2 received tax increment finance assistance under  
3 this Act;

4 (ii) for elementary school districts, no more  
5 than 27% of the total amount of property tax  
6 increment revenue produced by those housing units  
7 that have received tax increment finance  
8 assistance under this Act; and

9 (iii) for secondary school districts, no more  
10 than 13% of the total amount of property tax  
11 increment revenue produced by those housing units  
12 that have received tax increment finance  
13 assistance under this Act.

14 (C) For any school district in a municipality with  
15 a population in excess of 1,000,000, the following  
16 restrictions shall apply to the reimbursement of  
17 increased costs under this paragraph (7.5):

18 (i) no increased costs shall be reimbursed  
19 unless the school district certifies that each of  
20 the schools affected by the assisted housing  
21 project is at or over its student capacity;

22 (ii) the amount reimbursable shall be reduced  
23 by the value of any land donated to the school  
24 district by the municipality or developer, and by  
25 the value of any physical improvements made to the  
26 schools by the municipality or developer; and

1           (iii) the amount reimbursed may not affect  
2           amounts otherwise obligated by the terms of any  
3           bonds, notes, or other funding instruments, or the  
4           terms of any redevelopment agreement.

5           Any school district seeking payment under this  
6           paragraph (7.5) shall, after July 1 and before  
7           September 30 of each year, provide the municipality  
8           with reasonable evidence to support its claim for  
9           reimbursement before the municipality shall be  
10          required to approve or make the payment to the school  
11          district. If the school district fails to provide the  
12          information during this period in any year, it shall  
13          forfeit any claim to reimbursement for that year.  
14          School districts may adopt a resolution waiving the  
15          right to all or a portion of the reimbursement  
16          otherwise required by this paragraph (7.5). By  
17          acceptance of this reimbursement the school district  
18          waives the right to directly or indirectly set aside,  
19          modify, or contest in any manner the establishment of  
20          the redevelopment project area or projects;

21          (7.7) For redevelopment project areas designated (or  
22          redevelopment project areas amended to add or increase the  
23          number of tax-increment-financing assisted housing units)  
24          on or after January 1, 2005 (the effective date of Public  
25          Act 93-961), a public library district's increased costs  
26          attributable to assisted housing units located within the

1 redevelopment project area for which the developer or  
2 redeveloper receives financial assistance through an  
3 agreement with the municipality or because the  
4 municipality incurs the cost of necessary infrastructure  
5 improvements within the boundaries of the assisted housing  
6 sites necessary for the completion of that housing as  
7 authorized by this Act shall be paid to the library  
8 district by the municipality from the Special Tax  
9 Allocation Fund when the tax increment revenue is received  
10 as a result of the assisted housing units. This paragraph  
11 (7.7) applies only if (i) the library district is located  
12 in a county that is subject to the Property Tax Extension  
13 Limitation Law or (ii) the library district is not located  
14 in a county that is subject to the Property Tax Extension  
15 Limitation Law but the district is prohibited by any other  
16 law from increasing its tax levy rate without a prior voter  
17 referendum.

18 The amount paid to a library district under this  
19 paragraph (7.7) shall be calculated by multiplying (i) the  
20 net increase in the number of persons eligible to obtain a  
21 library card in that district who reside in housing units  
22 within the redevelopment project area that have received  
23 financial assistance through an agreement with the  
24 municipality or because the municipality incurs the cost of  
25 necessary infrastructure improvements within the  
26 boundaries of the housing sites necessary for the

1 completion of that housing as authorized by this Act since  
2 the designation of the redevelopment project area by (ii)  
3 the per-patron cost of providing library services so long  
4 as it does not exceed \$120. The per-patron cost shall be  
5 the Total Operating Expenditures Per Capita for the library  
6 in the previous fiscal year. The municipality may deduct  
7 from the amount that it must pay to a library district  
8 under this paragraph any amount that it has voluntarily  
9 paid to the library district from the tax increment  
10 revenue. The amount paid to a library district under this  
11 paragraph (7.7) shall be no more than 2% of the amount  
12 produced by the assisted housing units and deposited into  
13 the Special Tax Allocation Fund.

14 A library district is not eligible for any payment  
15 under this paragraph (7.7) unless the library district has  
16 experienced an increase in the number of patrons from the  
17 municipality that created the tax-increment-financing  
18 district since the designation of the redevelopment  
19 project area.

20 Any library district seeking payment under this  
21 paragraph (7.7) shall, after July 1 and before September 30  
22 of each year, provide the municipality with convincing  
23 evidence to support its claim for reimbursement before the  
24 municipality shall be required to approve or make the  
25 payment to the library district. If the library district  
26 fails to provide the information during this period in any

1 year, it shall forfeit any claim to reimbursement for that  
2 year. Library districts may adopt a resolution waiving the  
3 right to all or a portion of the reimbursement otherwise  
4 required by this paragraph (7.7). By acceptance of such  
5 reimbursement, the library district shall forfeit any  
6 right to directly or indirectly set aside, modify, or  
7 contest in any manner whatsoever the establishment of the  
8 redevelopment project area or projects;

9 (8) Relocation costs to the extent that a municipality  
10 determines that relocation costs shall be paid or is  
11 required to make payment of relocation costs by federal or  
12 State law or in order to satisfy subparagraph (7) of  
13 subsection (n);

14 (9) Payment in lieu of taxes;

15 (10) Costs of job training, retraining, advanced  
16 vocational education or career education, including but  
17 not limited to courses in occupational, semi-technical or  
18 technical fields leading directly to employment, incurred  
19 by one or more taxing districts, provided that such costs  
20 (i) are related to the establishment and maintenance of  
21 additional job training, advanced vocational education or  
22 career education programs for persons employed or to be  
23 employed by employers located in a redevelopment project  
24 area; and (ii) when incurred by a taxing district or taxing  
25 districts other than the municipality, are set forth in a  
26 written agreement by or among the municipality and the



1 taxing district or taxing districts, which agreement  
2 describes the program to be undertaken, including but not  
3 limited to the number of employees to be trained, a  
4 description of the training and services to be provided,  
5 the number and type of positions available or to be  
6 available, itemized costs of the program and sources of  
7 funds to pay for the same, and the term of the agreement.  
8 Such costs include, specifically, the payment by community  
9 college districts of costs pursuant to Sections 3-37, 3-38,  
10 3-40 and 3-40.1 of the Public Community College Act and by  
11 school districts of costs pursuant to Sections 10-22.20a  
12 and 10-23.3a of The School Code;

13 (11) Interest cost incurred by a redeveloper related to  
14 the construction, renovation or rehabilitation of a  
15 redevelopment project provided that:

16 (A) such costs are to be paid directly from the  
17 special tax allocation fund established pursuant to  
18 this Act;

19 (B) such payments in any one year may not exceed  
20 30% of the annual interest costs incurred by the  
21 redeveloper with regard to the redevelopment project  
22 during that year;

23 (C) if there are not sufficient funds available in  
24 the special tax allocation fund to make the payment  
25 pursuant to this paragraph (11) then the amounts so due  
26 shall accrue and be payable when sufficient funds are

1 available in the special tax allocation fund;

2 (D) the total of such interest payments paid  
3 pursuant to this Act may not exceed 30% of the total  
4 (i) cost paid or incurred by the redeveloper for the  
5 redevelopment project plus (ii) redevelopment project  
6 costs excluding any property assembly costs and any  
7 relocation costs incurred by a municipality pursuant  
8 to this Act; and

9 (E) the cost limits set forth in subparagraphs (B)  
10 and (D) of paragraph (11) shall be modified for the  
11 financing of rehabilitated or new housing units for  
12 low-income households and very low-income households,  
13 as defined in Section 3 of the Illinois Affordable  
14 Housing Act. The percentage of 75% shall be substituted  
15 for 30% in subparagraphs (B) and (D) of paragraph (11).

16 (F) Instead of the eligible costs provided by  
17 subparagraphs (B) and (D) of paragraph (11), as  
18 modified by this subparagraph, and notwithstanding any  
19 other provisions of this Act to the contrary, the  
20 municipality may pay from tax increment revenues up to  
21 50% of the cost of construction of new housing units to  
22 be occupied by low-income households and very  
23 low-income households as defined in Section 3 of the  
24 Illinois Affordable Housing Act. The cost of  
25 construction of those units may be derived from the  
26 proceeds of bonds issued by the municipality under this

1 Act or other constitutional or statutory authority or  
2 from other sources of municipal revenue that may be  
3 reimbursed from tax increment revenues or the proceeds  
4 of bonds issued to finance the construction of that  
5 housing.

6 The eligible costs provided under this  
7 subparagraph (F) of paragraph (11) shall be an eligible  
8 cost for the construction, renovation, and  
9 rehabilitation of all low and very low-income housing  
10 units, as defined in Section 3 of the Illinois  
11 Affordable Housing Act, within the redevelopment  
12 project area. If the low and very low-income units are  
13 part of a residential redevelopment project that  
14 includes units not affordable to low and very  
15 low-income households, only the low and very  
16 low-income units shall be eligible for benefits under  
17 subparagraph (F) of paragraph (11). The standards for  
18 maintaining the occupancy by low-income households and  
19 very low-income households, as defined in Section 3 of  
20 the Illinois Affordable Housing Act, of those units  
21 constructed with eligible costs made available under  
22 the provisions of this subparagraph (F) of paragraph  
23 (11) shall be established by guidelines adopted by the  
24 municipality. The responsibility for annually  
25 documenting the initial occupancy of the units by  
26 low-income households and very low-income households,

1 as defined in Section 3 of the Illinois Affordable  
2 Housing Act, shall be that of the then current owner of  
3 the property. For ownership units, the guidelines will  
4 provide, at a minimum, for a reasonable recapture of  
5 funds, or other appropriate methods designed to  
6 preserve the original affordability of the ownership  
7 units. For rental units, the guidelines will provide,  
8 at a minimum, for the affordability of rent to low and  
9 very low-income households. As units become available,  
10 they shall be rented to income-eligible tenants. The  
11 municipality may modify these guidelines from time to  
12 time; the guidelines, however, shall be in effect for  
13 as long as tax increment revenue is being used to pay  
14 for costs associated with the units or for the  
15 retirement of bonds issued to finance the units or for  
16 the life of the redevelopment project area, whichever  
17 is later.

18 (11.5) If the redevelopment project area is located  
19 within a municipality with a population of more than  
20 100,000, the cost of day care services for children of  
21 employees from low-income families working for businesses  
22 located within the redevelopment project area and all or a  
23 portion of the cost of operation of day care centers  
24 established by redevelopment project area businesses to  
25 serve employees from low-income families working in  
26 businesses located in the redevelopment project area. For

1 the purposes of this paragraph, "low-income families"  
2 means families whose annual income does not exceed 80% of  
3 the municipal, county, or regional median income, adjusted  
4 for family size, as the annual income and municipal,  
5 county, or regional median income are determined from time  
6 to time by the United States Department of Housing and  
7 Urban Development.

8 (12) Unless explicitly stated herein the cost of  
9 construction of new privately-owned buildings shall not be  
10 an eligible redevelopment project cost.

11 (13) After November 1, 1999 (the effective date of  
12 Public Act 91-478), none of the redevelopment project costs  
13 enumerated in this subsection shall be eligible  
14 redevelopment project costs if those costs would provide  
15 direct financial support to a retail entity initiating  
16 operations in the redevelopment project area while  
17 terminating operations at another Illinois location within  
18 10 miles of the redevelopment project area but outside the  
19 boundaries of the redevelopment project area municipality.  
20 For purposes of this paragraph, termination means a closing  
21 of a retail operation that is directly related to the  
22 opening of the same operation or like retail entity owned  
23 or operated by more than 50% of the original ownership in a  
24 redevelopment project area, but it does not mean closing an  
25 operation for reasons beyond the control of the retail  
26 entity, as documented by the retail entity, subject to a

1 reasonable finding by the municipality that the current  
2 location contained inadequate space, had become  
3 economically obsolete, or was no longer a viable location  
4 for the retailer or serviceman.

5 (14) No cost shall be a redevelopment project cost in a  
6 redevelopment project area if used to demolish, remove, or  
7 substantially modify a historic resource, after August 26,  
8 2008 (the effective date of Public Act 95-934), unless no  
9 prudent and feasible alternative exists. "Historic  
10 resource" for the purpose of this item (14) means (i) a  
11 place or structure that is included or eligible for  
12 inclusion on the National Register of Historic Places or  
13 (ii) a contributing structure in a district on the National  
14 Register of Historic Places. This item (14) does not apply  
15 to a place or structure for which demolition, removal, or  
16 modification is subject to review by the preservation  
17 agency of a Certified Local Government designated as such  
18 by the National Park Service of the United States  
19 Department of the Interior.

20 If a special service area has been established pursuant to  
21 the Special Service Area Tax Act or Special Service Area Tax  
22 Law, then any tax increment revenues derived from the tax  
23 imposed pursuant to the Special Service Area Tax Act or Special  
24 Service Area Tax Law may be used within the redevelopment  
25 project area for the purposes permitted by that Act or Law as  
26 well as the purposes permitted by this Act.

1           (q-1) For redevelopment project areas created pursuant to  
2 subsection (p-1), redevelopment project costs are limited to  
3 those costs in paragraph (q) that are related to the existing  
4 or proposed Regional Transportation Authority Suburban Transit  
5 Access Route (STAR Line) station.

6           (r) "State Sales Tax Boundary" means the redevelopment  
7 project area or the amended redevelopment project area  
8 boundaries which are determined pursuant to subsection (9) of  
9 Section 11-74.4-8a of this Act. The Department of Revenue shall  
10 certify pursuant to subsection (9) of Section 11-74.4-8a the  
11 appropriate boundaries eligible for the determination of State  
12 Sales Tax Increment.

13           (s) "State Sales Tax Increment" means an amount equal to  
14 the increase in the aggregate amount of taxes paid by retailers  
15 and servicemen, other than retailers and servicemen subject to  
16 the Public Utilities Act, on transactions at places of business  
17 located within a State Sales Tax Boundary pursuant to the  
18 Retailers' Occupation Tax Act, the Use Tax Act, the Service Use  
19 Tax Act, and the Service Occupation Tax Act, except such  
20 portion of such increase that is paid into the State and Local  
21 Sales Tax Reform Fund, the Local Government Distributive Fund,  
22 the Local Government Tax Fund and the County and Mass Transit  
23 District Fund, for as long as State participation exists, over  
24 and above the Initial Sales Tax Amounts, Adjusted Initial Sales  
25 Tax Amounts or the Revised Initial Sales Tax Amounts for such  
26 taxes as certified by the Department of Revenue and paid under

1 those Acts by retailers and servicemen on transactions at  
2 places of business located within the State Sales Tax Boundary  
3 during the base year which shall be the calendar year  
4 immediately prior to the year in which the municipality adopted  
5 tax increment allocation financing, less 3.0% of such amounts  
6 generated under the Retailers' Occupation Tax Act, Use Tax Act  
7 and Service Use Tax Act and the Service Occupation Tax Act,  
8 which sum shall be appropriated to the Department of Revenue to  
9 cover its costs of administering and enforcing this Section.  
10 For purposes of computing the aggregate amount of such taxes  
11 for base years occurring prior to 1985, the Department of  
12 Revenue shall compute the Initial Sales Tax Amount for such  
13 taxes and deduct therefrom an amount equal to 4% of the  
14 aggregate amount of taxes per year for each year the base year  
15 is prior to 1985, but not to exceed a total deduction of 12%.  
16 The amount so determined shall be known as the "Adjusted  
17 Initial Sales Tax Amount". For purposes of determining the  
18 State Sales Tax Increment the Department of Revenue shall for  
19 each period subtract from the tax amounts received from  
20 retailers and servicemen on transactions located in the State  
21 Sales Tax Boundary, the certified Initial Sales Tax Amounts,  
22 Adjusted Initial Sales Tax Amounts or Revised Initial Sales Tax  
23 Amounts for the Retailers' Occupation Tax Act, the Use Tax Act,  
24 the Service Use Tax Act and the Service Occupation Tax Act. For  
25 the State Fiscal Year 1989 this calculation shall be made by  
26 utilizing the calendar year 1987 to determine the tax amounts



1 received. For the State Fiscal Year 1990, this calculation  
2 shall be made by utilizing the period from January 1, 1988,  
3 until September 30, 1988, to determine the tax amounts received  
4 from retailers and servicemen, which shall have deducted  
5 therefrom nine-twelfths of the certified Initial Sales Tax  
6 Amounts, Adjusted Initial Sales Tax Amounts or the Revised  
7 Initial Sales Tax Amounts as appropriate. For the State Fiscal  
8 Year 1991, this calculation shall be made by utilizing the  
9 period from October 1, 1988, until June 30, 1989, to determine  
10 the tax amounts received from retailers and servicemen, which  
11 shall have deducted therefrom nine-twelfths of the certified  
12 Initial State Sales Tax Amounts, Adjusted Initial Sales Tax  
13 Amounts or the Revised Initial Sales Tax Amounts as  
14 appropriate. For every State Fiscal Year thereafter, the  
15 applicable period shall be the 12 months beginning July 1 and  
16 ending on June 30, to determine the tax amounts received which  
17 shall have deducted therefrom the certified Initial Sales Tax  
18 Amounts, Adjusted Initial Sales Tax Amounts or the Revised  
19 Initial Sales Tax Amounts. Municipalities intending to receive  
20 a distribution of State Sales Tax Increment must report a list  
21 of retailers to the Department of Revenue by October 31, 1988  
22 and by July 31, of each year thereafter.

23 (t) "Taxing districts" means counties, townships, cities  
24 and incorporated towns and villages, school, road, park,  
25 sanitary, mosquito abatement, forest preserve, public health,  
26 fire protection, river conservancy, tuberculosis sanitarium

1 and any other municipal corporations or districts with the  
2 power to levy taxes.

3 (u) "Taxing districts' capital costs" means those costs of  
4 taxing districts for capital improvements that are found by the  
5 municipal corporate authorities to be necessary and directly  
6 result from the redevelopment project.

7 (v) As used in subsection (a) of Section 11-74.4-3 of this  
8 Act, "vacant land" means any parcel or combination of parcels  
9 of real property without industrial, commercial, and  
10 residential buildings which has not been used for commercial  
11 agricultural purposes within 5 years prior to the designation  
12 of the redevelopment project area, unless the parcel is  
13 included in an industrial park conservation area or the parcel  
14 has been subdivided; provided that if the parcel was part of a  
15 larger tract that has been divided into 3 or more smaller  
16 tracts that were accepted for recording during the period from  
17 1950 to 1990, then the parcel shall be deemed to have been  
18 subdivided, and all proceedings and actions of the municipality  
19 taken in that connection with respect to any previously  
20 approved or designated redevelopment project area or amended  
21 redevelopment project area are hereby validated and hereby  
22 declared to be legally sufficient for all purposes of this Act.  
23 For purposes of this Section and only for land subject to the  
24 subdivision requirements of the Plat Act, land is subdivided  
25 when the original plat of the proposed Redevelopment Project  
26 Area or relevant portion thereof has been properly certified,

1 acknowledged, approved, and recorded or filed in accordance  
2 with the Plat Act and a preliminary plat, if any, for any  
3 subsequent phases of the proposed Redevelopment Project Area or  
4 relevant portion thereof has been properly approved and filed  
5 in accordance with the applicable ordinance of the  
6 municipality.

7 (w) "Annual Total Increment" means the sum of each  
8 municipality's annual Net Sales Tax Increment and each  
9 municipality's annual Net Utility Tax Increment. The ratio of  
10 the Annual Total Increment of each municipality to the Annual  
11 Total Increment for all municipalities, as most recently  
12 calculated by the Department, shall determine the proportional  
13 shares of the Illinois Tax Increment Fund to be distributed to  
14 each municipality.

15 (x) "LEED certified" means any certification level of  
16 construction elements by a qualified Leadership in Energy and  
17 Environmental Design Accredited Professional as determined by  
18 the U.S. Green Building Council.

19 (y) "Green Globes certified" means any certification level  
20 of construction elements by a qualified Green Globes  
21 Professional as determined by the Green Building Initiative.

22 (Source: P.A. 96-328, eff. 8-11-09; 96-630, eff. 1-1-10;  
23 96-680, eff. 8-25-09; 96-1000, eff. 7-2-10; 97-101, eff.  
24 1-1-12.)

1           Sec. 11-74.4-8. Tax increment allocation financing. A  
2 municipality may not adopt tax increment financing in a  
3 redevelopment project area after the effective date of this  
4 amendatory Act of 1997 that will encompass an area that is  
5 currently included in an enterprise zone created under the  
6 Illinois Enterprise Zone Act unless that municipality,  
7 pursuant to Section 5.4 of the Illinois Enterprise Zone Act,  
8 amends the enterprise zone designating ordinance to limit the  
9 eligibility for tax abatements as provided in Section 5.4.1 of  
10 the Illinois Enterprise Zone Act. A municipality, at the time a  
11 redevelopment project area is designated, may adopt tax  
12 increment allocation financing by passing an ordinance  
13 providing that the ad valorem taxes, if any, arising from the  
14 levies upon taxable real property in such redevelopment project  
15 area by taxing districts and tax rates determined in the manner  
16 provided in paragraph (c) of Section 11-74.4-9 each year after  
17 the effective date of the ordinance until redevelopment project  
18 costs and all municipal obligations financing redevelopment  
19 project costs incurred under this Division have been paid shall  
20 be divided as follows:

21           (a) That portion of taxes levied upon each taxable lot,  
22 block, tract or parcel of real property which is attributable  
23 to the lower of the current equalized assessed value or the  
24 initial equalized assessed value of each such taxable lot,  
25 block, tract or parcel of real property in the redevelopment  
26 project area shall be allocated to and when collected shall be

1 paid by the county collector to the respective affected taxing  
2 districts in the manner required by law in the absence of the  
3 adoption of tax increment allocation financing.

4 (b) Except from a tax levied by a township to retire bonds  
5 issued to satisfy court-ordered damages, that portion, if any,  
6 of such taxes which is attributable to the increase in the  
7 current equalized assessed valuation of each taxable lot,  
8 block, tract or parcel of real property in the redevelopment  
9 project area over and above the initial equalized assessed  
10 value of each property in the project area shall be allocated  
11 to and when collected shall be paid to the municipal treasurer  
12 who shall deposit said taxes into a special fund called the  
13 special tax allocation fund of the municipality for the purpose  
14 of paying redevelopment project costs and obligations incurred  
15 in the payment thereof. In any county with a population of  
16 3,000,000 or more that has adopted a procedure for collecting  
17 taxes that provides for one or more of the installments of the  
18 taxes to be billed and collected on an estimated basis, the  
19 municipal treasurer shall be paid for deposit in the special  
20 tax allocation fund of the municipality, from the taxes  
21 collected from estimated bills issued for property in the  
22 redevelopment project area, the difference between the amount  
23 actually collected from each taxable lot, block, tract, or  
24 parcel of real property within the redevelopment project area  
25 and an amount determined by multiplying the rate at which taxes  
26 were last extended against the taxable lot, block, track, or

1 parcel of real property in the manner provided in subsection  
2 (c) of Section 11-74.4-9 by the initial equalized assessed  
3 value of the property divided by the number of installments in  
4 which real estate taxes are billed and collected within the  
5 county; provided that the payments on or before December 31,  
6 1999 to a municipal treasurer shall be made only if each of the  
7 following conditions are met:

8 (1) The total equalized assessed value of the  
9 redevelopment project area as last determined was not less  
10 than 175% of the total initial equalized assessed value.

11 (2) Not more than 50% of the total equalized assessed  
12 value of the redevelopment project area as last determined  
13 is attributable to a piece of property assigned a single  
14 real estate index number.

15 (3) The municipal clerk has certified to the county  
16 clerk that the municipality has issued its obligations to  
17 which there has been pledged the incremental property taxes  
18 of the redevelopment project area or taxes levied and  
19 collected on any or all property in the municipality or the  
20 full faith and credit of the municipality to pay or secure  
21 payment for all or a portion of the redevelopment project  
22 costs. The certification shall be filed annually no later  
23 than September 1 for the estimated taxes to be distributed  
24 in the following year; however, for the year 1992 the  
25 certification shall be made at any time on or before March  
26 31, 1992.

1           (4) The municipality has not requested that the total  
2           initial equalized assessed value of real property be  
3           adjusted as provided in subsection (b) of Section  
4           11-74.4-9.

5           The conditions of paragraphs (1) through (4) do not apply  
6           after December 31, 1999 to payments to a municipal treasurer  
7           made by a county with 3,000,000 or more inhabitants that has  
8           adopted an estimated billing procedure for collecting taxes. If  
9           a county that has adopted the estimated billing procedure makes  
10          an erroneous overpayment of tax revenue to the municipal  
11          treasurer, then the county may seek a refund of that  
12          overpayment. The county shall send the municipal treasurer a  
13          notice of liability for the overpayment on or before the  
14          mailing date of the next real estate tax bill within the  
15          county. The refund shall be limited to the amount of the  
16          overpayment.

17          It is the intent of this Division that after the effective  
18          date of this amendatory Act of 1988 a municipality's own ad  
19          valorem tax arising from levies on taxable real property be  
20          included in the determination of incremental revenue in the  
21          manner provided in paragraph (c) of Section 11-74.4-9. If the  
22          municipality does not extend such a tax, it shall annually  
23          deposit in the municipality's Special Tax Increment Fund an  
24          amount equal to 10% of the total contributions to the fund from  
25          all other taxing districts in that year. The annual 10% deposit  
26          required by this paragraph shall be limited to the actual

1 amount of municipally produced incremental tax revenues  
2 available to the municipality from taxpayers located in the  
3 redevelopment project area in that year if: (a) the plan for  
4 the area restricts the use of the property primarily to  
5 industrial purposes, (b) the municipality establishing the  
6 redevelopment project area is a home-rule community with a 1990  
7 population of between 25,000 and 50,000, (c) the municipality  
8 is wholly located within a county with a 1990 population of  
9 over 750,000 and (d) the redevelopment project area was  
10 established by the municipality prior to June 1, 1990. This  
11 payment shall be in lieu of a contribution of ad valorem taxes  
12 on real property. If no such payment is made, any redevelopment  
13 project area of the municipality shall be dissolved.

14 If a municipality has adopted tax increment allocation  
15 financing by ordinance and the County Clerk thereafter  
16 certifies the "total initial equalized assessed value as  
17 adjusted" of the taxable real property within such  
18 redevelopment project area in the manner provided in paragraph  
19 (b) of Section 11-74.4-9, each year after the date of the  
20 certification of the total initial equalized assessed value as  
21 adjusted until redevelopment project costs and all municipal  
22 obligations financing redevelopment project costs have been  
23 paid the ad valorem taxes, if any, arising from the levies upon  
24 the taxable real property in such redevelopment project area by  
25 taxing districts and tax rates determined in the manner  
26 provided in paragraph (c) of Section 11-74.4-9 shall be divided



1 as follows:

2 (1) That portion of the taxes levied upon each taxable  
3 lot, block, tract or parcel of real property which is  
4 attributable to the lower of the current equalized assessed  
5 value or "current equalized assessed value as adjusted" or  
6 the initial equalized assessed value of each such taxable  
7 lot, block, tract, or parcel of real property existing at  
8 the time tax increment financing was adopted, minus the  
9 total current homestead exemptions under Article 15 of the  
10 Property Tax Code in the redevelopment project area shall  
11 be allocated to and when collected shall be paid by the  
12 county collector to the respective affected taxing  
13 districts in the manner required by law in the absence of  
14 the adoption of tax increment allocation financing.

15 (2) That portion, if any, of such taxes which is  
16 attributable to the increase in the current equalized  
17 assessed valuation of each taxable lot, block, tract, or  
18 parcel of real property in the redevelopment project area,  
19 over and above the initial equalized assessed value of each  
20 property existing at the time tax increment financing was  
21 adopted, minus the total current homestead exemptions  
22 pertaining to each piece of property provided by Article 15  
23 of the Property Tax Code in the redevelopment project area,  
24 shall be allocated to and when collected shall be paid to  
25 the municipal Treasurer, who shall deposit said taxes into  
26 a special fund called the special tax allocation fund of

1           the municipality for the purpose of paying redevelopment  
2           project costs and obligations incurred in the payment  
3           thereof.

4           The municipality may pledge in the ordinance the funds in  
5           and to be deposited in the special tax allocation fund for the  
6           payment of such costs and obligations. No part of the current  
7           equalized assessed valuation of each property in the  
8           redevelopment project area attributable to any increase above  
9           the total initial equalized assessed value, or the total  
10          initial equalized assessed value as adjusted, of such  
11          properties shall be used in calculating the general State  
12          ~~school~~ aid formula, provided for in Section 18-8 of the School  
13          Code, or the primary State aid formula, provided for in Section  
14          18-8.15 of the School Code, until such time as all  
15          redevelopment project costs have been paid as provided for in  
16          this Section.

17          Whenever a municipality issues bonds for the purpose of  
18          financing redevelopment project costs, such municipality may  
19          provide by ordinance for the appointment of a trustee, which  
20          may be any trust company within the State, and for the  
21          establishment of such funds or accounts to be maintained by  
22          such trustee as the municipality shall deem necessary to  
23          provide for the security and payment of the bonds. If such  
24          municipality provides for the appointment of a trustee, such  
25          trustee shall be considered the assignee of any payments  
26          assigned by the municipality pursuant to such ordinance and

1 this Section. Any amounts paid to such trustee as assignee  
2 shall be deposited in the funds or accounts established  
3 pursuant to such trust agreement, and shall be held by such  
4 trustee in trust for the benefit of the holders of the bonds,  
5 and such holders shall have a lien on and a security interest  
6 in such funds or accounts so long as the bonds remain  
7 outstanding and unpaid. Upon retirement of the bonds, the  
8 trustee shall pay over any excess amounts held to the  
9 municipality for deposit in the special tax allocation fund.

10 When such redevelopment projects costs, including without  
11 limitation all municipal obligations financing redevelopment  
12 project costs incurred under this Division, have been paid, all  
13 surplus funds then remaining in the special tax allocation fund  
14 shall be distributed by being paid by the municipal treasurer  
15 to the Department of Revenue, the municipality and the county  
16 collector; first to the Department of Revenue and the  
17 municipality in direct proportion to the tax incremental  
18 revenue received from the State and the municipality, but not  
19 to exceed the total incremental revenue received from the State  
20 or the municipality less any annual surplus distribution of  
21 incremental revenue previously made; with any remaining funds  
22 to be paid to the County Collector who shall immediately  
23 thereafter pay said funds to the taxing districts in the  
24 redevelopment project area in the same manner and proportion as  
25 the most recent distribution by the county collector to the  
26 affected districts of real property taxes from real property in

1 the redevelopment project area.

2       Upon the payment of all redevelopment project costs, the  
3 retirement of obligations, the distribution of any excess  
4 monies pursuant to this Section, and final closing of the books  
5 and records of the redevelopment project area, the municipality  
6 shall adopt an ordinance dissolving the special tax allocation  
7 fund for the redevelopment project area and terminating the  
8 designation of the redevelopment project area as a  
9 redevelopment project area. Title to real or personal property  
10 and public improvements acquired by or for the municipality as  
11 a result of the redevelopment project and plan shall vest in  
12 the municipality when acquired and shall continue to be held by  
13 the municipality after the redevelopment project area has been  
14 terminated. Municipalities shall notify affected taxing  
15 districts prior to November 1 if the redevelopment project area  
16 is to be terminated by December 31 of that same year. If a  
17 municipality extends estimated dates of completion of a  
18 redevelopment project and retirement of obligations to finance  
19 a redevelopment project, as allowed by this amendatory Act of  
20 1993, that extension shall not extend the property tax  
21 increment allocation financing authorized by this Section.  
22 Thereafter the rates of the taxing districts shall be extended  
23 and taxes levied, collected and distributed in the manner  
24 applicable in the absence of the adoption of tax increment  
25 allocation financing.

26       Nothing in this Section shall be construed as relieving

1 property in such redevelopment project areas from being  
2 assessed as provided in the Property Tax Code or as relieving  
3 owners of such property from paying a uniform rate of taxes, as  
4 required by Section 4 of Article IX of the Illinois  
5 Constitution.

6 (Source: P.A. 98-463, eff. 8-16-13.)

7 (65 ILCS 5/11-74.6-35)

8 Sec. 11-74.6-35. Ordinance for tax increment allocation  
9 financing.

10 (a) A municipality, at the time a redevelopment project  
11 area is designated, may adopt tax increment allocation  
12 financing by passing an ordinance providing that the ad valorem  
13 taxes, if any, arising from the levies upon taxable real  
14 property within the redevelopment project area by taxing  
15 districts and tax rates determined in the manner provided in  
16 subsection (b) of Section 11-74.6-40 each year after the  
17 effective date of the ordinance until redevelopment project  
18 costs and all municipal obligations financing redevelopment  
19 project costs incurred under this Act have been paid shall be  
20 divided as follows:

21 (1) That portion of the taxes levied upon each taxable  
22 lot, block, tract or parcel of real property that is  
23 attributable to the lower of the current equalized assessed  
24 value or the initial equalized assessed value or the  
25 updated initial equalized assessed value of each taxable

1 lot, block, tract or parcel of real property in the  
2 redevelopment project area shall be allocated to and when  
3 collected shall be paid by the county collector to the  
4 respective affected taxing districts in the manner  
5 required by law without regard to the adoption of tax  
6 increment allocation financing.

7 (2) That portion, if any, of those taxes that is  
8 attributable to the increase in the current equalized  
9 assessed value of each taxable lot, block, tract or parcel  
10 of real property in the redevelopment project area, over  
11 and above the initial equalized assessed value or the  
12 updated initial equalized assessed value of each property  
13 in the project area, shall be allocated to and when  
14 collected shall be paid by the county collector to the  
15 municipal treasurer who shall deposit that portion of those  
16 taxes into a special fund called the special tax allocation  
17 fund of the municipality for the purpose of paying  
18 redevelopment project costs and obligations incurred in  
19 the payment of those costs and obligations. In any county  
20 with a population of 3,000,000 or more that has adopted a  
21 procedure for collecting taxes that provides for one or  
22 more of the installments of the taxes to be billed and  
23 collected on an estimated basis, the municipal treasurer  
24 shall be paid for deposit in the special tax allocation  
25 fund of the municipality, from the taxes collected from  
26 estimated bills issued for property in the redevelopment

1 project area, the difference between the amount actually  
2 collected from each taxable lot, block, tract, or parcel of  
3 real property within the redevelopment project area and an  
4 amount determined by multiplying the rate at which taxes  
5 were last extended against the taxable lot, block, track,  
6 or parcel of real property in the manner provided in  
7 subsection (b) of Section 11-74.6-40 by the initial  
8 equalized assessed value or the updated initial equalized  
9 assessed value of the property divided by the number of  
10 installments in which real estate taxes are billed and  
11 collected within the county, provided that the payments on  
12 or before December 31, 1999 to a municipal treasurer shall  
13 be made only if each of the following conditions are met:

14 (A) The total equalized assessed value of the  
15 redevelopment project area as last determined was not  
16 less than 175% of the total initial equalized assessed  
17 value.

18 (B) Not more than 50% of the total equalized  
19 assessed value of the redevelopment project area as  
20 last determined is attributable to a piece of property  
21 assigned a single real estate index number.

22 (C) The municipal clerk has certified to the county  
23 clerk that the municipality has issued its obligations  
24 to which there has been pledged the incremental  
25 property taxes of the redevelopment project area or  
26 taxes levied and collected on any or all property in

1           the municipality or the full faith and credit of the  
2           municipality to pay or secure payment for all or a  
3           portion of the redevelopment project costs. The  
4           certification shall be filed annually no later than  
5           September 1 for the estimated taxes to be distributed  
6           in the following year.

7           The conditions of paragraphs (A) through (C) do not apply  
8           after December 31, 1999 to payments to a municipal treasurer  
9           made by a county with 3,000,000 or more inhabitants that has  
10          adopted an estimated billing procedure for collecting taxes. If  
11          a county that has adopted the estimated billing procedure makes  
12          an erroneous overpayment of tax revenue to the municipal  
13          treasurer, then the county may seek a refund of that  
14          overpayment. The county shall send the municipal treasurer a  
15          notice of liability for the overpayment on or before the  
16          mailing date of the next real estate tax bill within the  
17          county. The refund shall be limited to the amount of the  
18          overpayment.

19          (b) It is the intent of this Act that a municipality's own  
20          ad valorem tax arising from levies on taxable real property be  
21          included in the determination of incremental revenue in the  
22          manner provided in paragraph (b) of Section 11-74.6-40.

23          (c) If a municipality has adopted tax increment allocation  
24          financing for a redevelopment project area by ordinance and the  
25          county clerk thereafter certifies the total initial equalized  
26          assessed value or the total updated initial equalized assessed



1 value of the taxable real property within such redevelopment  
2 project area in the manner provided in paragraph (a) or (b) of  
3 Section 11-74.6-40, each year after the date of the  
4 certification of the total initial equalized assessed value or  
5 the total updated initial equalized assessed value until  
6 redevelopment project costs and all municipal obligations  
7 financing redevelopment project costs have been paid, the ad  
8 valorem taxes, if any, arising from the levies upon the taxable  
9 real property in the redevelopment project area by taxing  
10 districts and tax rates determined in the manner provided in  
11 paragraph (b) of Section 11-74.6-40 shall be divided as  
12 follows:

13 (1) That portion of the taxes levied upon each taxable  
14 lot, block, tract or parcel of real property that is  
15 attributable to the lower of the current equalized assessed  
16 value or the initial equalized assessed value, or the  
17 updated initial equalized assessed value of each parcel if  
18 the updated initial equalized assessed value of that parcel  
19 has been certified in accordance with Section 11-74.6-40,  
20 whichever has been most recently certified, of each taxable  
21 lot, block, tract, or parcel of real property existing at  
22 the time tax increment allocation financing was adopted in  
23 the redevelopment project area, shall be allocated to and  
24 when collected shall be paid by the county collector to the  
25 respective affected taxing districts in the manner  
26 required by law without regard to the adoption of tax

1 increment allocation financing.

2 (2) That portion, if any, of those taxes that is  
3 attributable to the increase in the current equalized  
4 assessed value of each taxable lot, block, tract, or parcel  
5 of real property in the redevelopment project area, over  
6 and above the initial equalized assessed value of each  
7 property existing at the time tax increment allocation  
8 financing was adopted in the redevelopment project area, or  
9 the updated initial equalized assessed value of each parcel  
10 if the updated initial equalized assessed value of that  
11 parcel has been certified in accordance with Section  
12 11-74.6-40, shall be allocated to and when collected shall  
13 be paid to the municipal treasurer, who shall deposit those  
14 taxes into a special fund called the special tax allocation  
15 fund of the municipality for the purpose of paying  
16 redevelopment project costs and obligations incurred in  
17 the payment thereof.

18 (d) The municipality may pledge in the ordinance the funds  
19 in and to be deposited in the special tax allocation fund for  
20 the payment of redevelopment project costs and obligations. No  
21 part of the current equalized assessed value of each property  
22 in the redevelopment project area attributable to any increase  
23 above the total initial equalized assessed value or the total  
24 initial updated equalized assessed value of the property, shall  
25 be used in calculating the general ~~General~~ State aid formula  
26 ~~School Aid Formula~~, provided for in Section 18-8 of the School

1 Code, or the primary State aid formula, provided for in Section  
2 18-8.15 of the School Code, until all redevelopment project  
3 costs have been paid as provided for in this Section.

4 Whenever a municipality issues bonds for the purpose of  
5 financing redevelopment project costs, that municipality may  
6 provide by ordinance for the appointment of a trustee, which  
7 may be any trust company within the State, and for the  
8 establishment of any funds or accounts to be maintained by that  
9 trustee, as the municipality deems necessary to provide for the  
10 security and payment of the bonds. If the municipality provides  
11 for the appointment of a trustee, the trustee shall be  
12 considered the assignee of any payments assigned by the  
13 municipality under that ordinance and this Section. Any amounts  
14 paid to the trustee as assignee shall be deposited into the  
15 funds or accounts established under the trust agreement, and  
16 shall be held by the trustee in trust for the benefit of the  
17 holders of the bonds. The holders of those bonds shall have a  
18 lien on and a security interest in those funds or accounts  
19 while the bonds remain outstanding and unpaid. Upon retirement  
20 of the bonds, the trustee shall pay over any excess amounts  
21 held to the municipality for deposit in the special tax  
22 allocation fund.

23 When the redevelopment projects costs, including without  
24 limitation all municipal obligations financing redevelopment  
25 project costs incurred under this Law, have been paid, all  
26 surplus funds then remaining in the special tax allocation fund

1 shall be distributed by being paid by the municipal treasurer  
2 to the municipality and the county collector; first to the  
3 municipality in direct proportion to the tax incremental  
4 revenue received from the municipality, but not to exceed the  
5 total incremental revenue received from the municipality,  
6 minus any annual surplus distribution of incremental revenue  
7 previously made. Any remaining funds shall be paid to the  
8 county collector who shall immediately distribute that payment  
9 to the taxing districts in the redevelopment project area in  
10 the same manner and proportion as the most recent distribution  
11 by the county collector to the affected districts of real  
12 property taxes from real property situated in the redevelopment  
13 project area.

14 Upon the payment of all redevelopment project costs,  
15 retirement of obligations and the distribution of any excess  
16 moneys under this Section, the municipality shall adopt an  
17 ordinance dissolving the special tax allocation fund for the  
18 redevelopment project area and terminating the designation of  
19 the redevelopment project area as a redevelopment project area.  
20 Thereafter the tax levies of taxing districts shall be  
21 extended, collected and distributed in the same manner  
22 applicable before the adoption of tax increment allocation  
23 financing. Municipality shall notify affected taxing districts  
24 prior to November if the redevelopment project area is to be  
25 terminated by December 31 of that same year.

26 Nothing in this Section shall be construed as relieving

1 property in a redevelopment project area from being assessed as  
2 provided in the Property Tax Code or as relieving owners of  
3 that property from paying a uniform rate of taxes, as required  
4 by Section 4 of Article IX of the Illinois Constitution.

5 (Source: P.A. 91-474, eff. 11-1-99.)

6 Section 940. The Economic Development Project Area Tax  
7 Increment Allocation Act of 1995 is amended by changing Section  
8 50 as follows:

9 (65 ILCS 110/50)

10 Sec. 50. Special tax allocation fund.

11 (a) If a county clerk has certified the "total initial  
12 equalized assessed value" of the taxable real property within  
13 an economic development project area in the manner provided in  
14 Section 45, each year after the date of the certification by  
15 the county clerk of the "total initial equalized assessed  
16 value", until economic development project costs and all  
17 municipal obligations financing economic development project  
18 costs have been paid, the ad valorem taxes, if any, arising  
19 from the levies upon the taxable real property in the economic  
20 development project area by taxing districts and tax rates  
21 determined in the manner provided in subsection (b) of Section  
22 45 shall be divided as follows:

23 (1) That portion of the taxes levied upon each taxable  
24 lot, block, tract, or parcel of real property that is

1           attributable to the lower of the current equalized assessed  
2           value or the initial equalized assessed value of each  
3           taxable lot, block, tract, or parcel of real property  
4           existing at the time tax increment financing was adopted  
5           shall be allocated to (and when collected shall be paid by  
6           the county collector to) the respective affected taxing  
7           districts in the manner required by law in the absence of  
8           the adoption of tax increment allocation financing.

9           (2) That portion, if any, of the taxes that is  
10          attributable to the increase in the current equalized  
11          assessed valuation of each taxable lot, block, tract, or  
12          parcel of real property in the economic development project  
13          area, over and above the initial equalized assessed value  
14          of each property existing at the time tax increment  
15          financing was adopted, shall be allocated to (and when  
16          collected shall be paid to) the municipal treasurer, who  
17          shall deposit the taxes into a special fund (called the  
18          special tax allocation fund of the municipality) for the  
19          purpose of paying economic development project costs and  
20          obligations incurred in the payment of those costs.

21          (b) The municipality, by an ordinance adopting tax  
22          increment allocation financing, may pledge the monies in and to  
23          be deposited into the special tax allocation fund for the  
24          payment of obligations issued under this Act and for the  
25          payment of economic development project costs. No part of the  
26          current equalized assessed valuation of each property in the

1 economic development project area attributable to any increase  
2 above the total initial equalized assessed value of those  
3 properties shall be used in calculating the general State  
4 ~~school~~ aid formula under Section 18-8 of the School Code or the  
5 primary State aid formula under Section 18-8.15 of the School  
6 Code, until all economic development projects costs have been  
7 paid as provided for in this Section.

8 (c) When the economic development projects costs,  
9 including without limitation all municipal obligations  
10 financing economic development project costs incurred under  
11 this Act, have been paid, all surplus monies then remaining in  
12 the special tax allocation fund shall be distributed by being  
13 paid by the municipal treasurer to the county collector, who  
14 shall immediately pay the monies to the taxing districts having  
15 taxable property in the economic development project area in  
16 the same manner and proportion as the most recent distribution  
17 by the county collector to those taxing districts of real  
18 property taxes from real property in the economic development  
19 project area.

20 (d) Upon the payment of all economic development project  
21 costs, retirement of obligations, and distribution of any  
22 excess monies under this Section and not later than 23 years  
23 from the date of the adoption of the ordinance establishing the  
24 economic development project area, the municipality shall  
25 adopt an ordinance dissolving the special tax allocation fund  
26 for the economic development project area and terminating the

1 designation of the economic development project area as an  
2 economic development project area. Thereafter, the rates of the  
3 taxing districts shall be extended and taxes shall be levied,  
4 collected, and distributed in the manner applicable in the  
5 absence of the adoption of tax increment allocation financing.

6 (e) Nothing in this Section shall be construed as relieving  
7 property in the economic development project areas from being  
8 assessed as provided in the Property Tax Code or as relieving  
9 owners or lessees of that property from paying a uniform rate  
10 of taxes as required by Section 4 of Article IX of the Illinois  
11 Constitution.

12 (Source: P.A. 98-463, eff. 8-16-13.)

13 Section 945. The School Code is amended by changing  
14 Sections 1A-8, 1B-5, 1B-6, 1B-7, 1B-8, 1C-1, 1C-2, 1D-1, 1E-20,  
15 1F-20, 1F-62, 1H-20, 1H-70, 2-3.28, 2-3.33, 2-3.51.5, 2-3.66,  
16 2-3.66b, 2-3.84, 2-3.109a, 3-14.21, 7-14A, 10-17a, 10-19,  
17 10-22.5a, 10-22.20, 10-29, 11E-135, 13A-8, 13B-20.20, 13B-45,  
18 13B-50, 13B-50.10, 13B-50.15, 14-7.02, 14-7.02b, 14-7.03,  
19 14-13.01, 14C-1, 14C-12, 17-1, 17-1.2, 17-1.5, 17-2.11, 17-2A,  
20 18-4.3, 18-8.05, 18-8.10, 18-9, 18-12, 26-16, 27-8.1, 27A-9,  
21 27A-11, 29-5, 34-2.3, 34-8.4, 34-18, 34-18.30, 34-43.1, and  
22 34-53 and by adding Sections 17-3.6 and 18-8.15 as follows:

23 (105 ILCS 5/1A-8) (from Ch. 122, par. 1A-8)

24 Sec. 1A-8. Powers of the Board in Assisting Districts



1 Deemed in Financial Difficulties. To promote the financial  
2 integrity of school districts, the State Board of Education  
3 shall be provided the necessary powers to promote sound  
4 financial management and continue operation of the public  
5 schools.

6 (a) The State Superintendent of Education may require a  
7 school district, including any district subject to Article 34A  
8 of this Code, to share financial information relevant to a  
9 proper investigation of the district's financial condition and  
10 the delivery of appropriate State financial, technical, and  
11 consulting services to the district if the district (i) has  
12 been designated, through the State Board of Education's School  
13 District Financial Profile System, as on financial warning or  
14 financial watch status, (ii) has failed to file an annual  
15 financial report, annual budget, deficit reduction plan, or  
16 other financial information as required by law, (iii) has been  
17 identified, through the district's annual audit or other  
18 financial and management information, as in serious financial  
19 difficulty in the current or next school year, or (iv) is  
20 determined to be likely to fail to fully meet any regularly  
21 scheduled, payroll-period obligations when due or any debt  
22 service payments when due or both. In addition to financial,  
23 technical, and consulting services provided by the State Board  
24 of Education, at the request of a school district, the State  
25 Superintendent may provide for an independent financial  
26 consultant to assist the district review its financial

1 condition and options.

2 (b) The State Board of Education, after proper  
3 investigation of a district's financial condition, may certify  
4 that a district, including any district subject to Article 34A,  
5 is in financial difficulty when any of the following conditions  
6 occur:

7 (1) The district has issued school or teacher orders  
8 for wages as permitted in Sections 8-16, 32-7.2 and 34-76  
9 of this Code.

10 (2) The district has issued tax anticipation warrants  
11 or tax anticipation notes in anticipation of a second  
12 year's taxes when warrants or notes in anticipation of  
13 current year taxes are still outstanding, as authorized by  
14 Sections 17-16, 34-23, 34-59 and 34-63 of this Code, or has  
15 issued short-term debt against 2 future revenue sources,  
16 such as, but not limited to, tax anticipation warrants and  
17 general State aid or primary State aid ~~Aid~~ certificates or  
18 tax anticipation warrants and revenue anticipation notes.

19 (3) The district has for 2 consecutive years shown an  
20 excess of expenditures and other financing uses over  
21 revenues and other financing sources and beginning fund  
22 balances on its annual financial report for the aggregate  
23 totals of the Educational, Operations and Maintenance,  
24 Transportation, and Working Cash Funds.

25 (4) The district refuses to provide financial  
26 information or cooperate with the State Superintendent in

1 an investigation of the district's financial condition.

2 (5) The district is likely to fail to fully meet any  
3 regularly scheduled, payroll-period obligations when due  
4 or any debt service payments when due or both.

5 No school district shall be certified by the State Board of  
6 Education to be in financial difficulty solely by reason of any  
7 of the above circumstances arising as a result of (i) the  
8 failure of the county to make any distribution of property tax  
9 money due the district at the time such distribution is due or  
10 (ii) the failure of this State to make timely payments of  
11 general State aid, primary State aid, or any of the mandated  
12 categoricals; or if the district clearly demonstrates to the  
13 satisfaction of the State Board of Education at the time of its  
14 determination that such condition no longer exists. If the  
15 State Board of Education certifies that a district in a city  
16 with 500,000 inhabitants or more is in financial difficulty,  
17 the State Board shall so notify the Governor and the Mayor of  
18 the city in which the district is located. The State Board of  
19 Education may require school districts certified in financial  
20 difficulty, except those districts subject to Article 34A, to  
21 develop, adopt and submit a financial plan within 45 days after  
22 certification of financial difficulty. The financial plan  
23 shall be developed according to guidelines presented to the  
24 district by the State Board of Education within 14 days of  
25 certification. Such guidelines shall address the specific  
26 nature of each district's financial difficulties. Any proposed

1 budget of the district shall be consistent with the financial  
2 plan submitted to and approved by the State Board of Education.

3 A district certified to be in financial difficulty, other  
4 than a district subject to Article 34A, shall report to the  
5 State Board of Education at such times and in such manner as  
6 the State Board may direct, concerning the district's  
7 compliance with each financial plan. The State Board may review  
8 the district's operations, obtain budgetary data and financial  
9 statements, require the district to produce reports, and have  
10 access to any other information in the possession of the  
11 district that it deems relevant. The State Board may issue  
12 recommendations or directives within its powers to the district  
13 to assist in compliance with the financial plan. The district  
14 shall produce such budgetary data, financial statements,  
15 reports and other information and comply with such directives.  
16 If the State Board of Education determines that a district has  
17 failed to comply with its financial plan, the State Board of  
18 Education may rescind approval of the plan and appoint a  
19 Financial Oversight Panel for the district as provided in  
20 Section 1B-4. This action shall be taken only after the  
21 district has been given notice and an opportunity to appear  
22 before the State Board of Education to discuss its failure to  
23 comply with its financial plan.

24 No bonds, notes, teachers orders, tax anticipation  
25 warrants or other evidences of indebtedness shall be issued or  
26 sold by a school district or be legally binding upon or

1 enforceable against a local board of education of a district  
2 certified to be in financial difficulty unless and until the  
3 financial plan required under this Section has been approved by  
4 the State Board of Education.

5 Any financial profile compiled and distributed by the State  
6 Board of Education in Fiscal Year 2009 or any fiscal year  
7 thereafter shall incorporate such adjustments as may be needed  
8 in the profile scores to reflect the financial effects of the  
9 inability or refusal of the State of Illinois to make timely  
10 disbursements of any general State aid, primary State aid, or  
11 mandated categorical aid payments due school districts or to  
12 fully reimburse school districts for mandated categorical  
13 programs pursuant to reimbursement formulas provided in this  
14 School Code.

15 (Source: P.A. 96-668, eff. 8-25-09; 96-1423, eff. 8-3-10;  
16 97-429, eff. 8-16-11.)

17 (105 ILCS 5/1B-5) (from Ch. 122, par. 1B-5)

18 Sec. 1B-5. When a petition for emergency financial  
19 assistance for a school district is allowed by the State Board  
20 under Section 1B-4, the State Superintendent shall within 10  
21 days thereafter appoint 3 members to serve at the State  
22 Superintendent's pleasure on a Financial Oversight Panel for  
23 the district. The State Superintendent shall designate one of  
24 the members of the Panel to serve as its Chairman. In the event  
25 of vacancy or resignation the State Superintendent shall

1 appoint a successor within 10 days of receiving notice thereof.

2 Members of the Panel shall be selected primarily on the  
3 basis of their experience and education in financial  
4 management, with consideration given to persons knowledgeable  
5 in education finance. A member of the Panel may not be a board  
6 member or employee of the district for which the Panel is  
7 constituted, nor may a member have a direct financial interest  
8 in that district.

9 Panel members shall serve without compensation, but may be  
10 reimbursed for travel and other necessary expenses incurred in  
11 the performance of their official duties by the State Board.  
12 The amount reimbursed Panel members for their expenses shall be  
13 charged to the school district as part of any emergency  
14 financial assistance and incorporated as a part of the terms  
15 and conditions for repayment of such assistance or shall be  
16 deducted from the district's general State aid or primary State  
17 aid as provided in Section 1B-8.

18 The first meeting of the Panel shall be held at the call of  
19 the Chairman. The Panel may elect such other officers as it  
20 deems appropriate. The Panel shall prescribe the times and  
21 places for its meetings and the manner in which regular and  
22 special meetings may be called, and shall comply with the Open  
23 Meetings Act.

24 Two members of the Panel shall constitute a quorum, and the  
25 affirmative vote of 2 members shall be necessary for any  
26 decision or action to be taken by the Panel.

1           The Panel and the State Superintendent shall cooperate with  
2 each other in the exercise of their respective powers. The  
3 Panel shall report not later than September 1 annually to the  
4 State Board and the State Superintendent with respect to its  
5 activities and the condition of the school district for the  
6 previous fiscal year.

7           Any Financial Oversight Panel established under this  
8 Article shall remain in existence for not less than 3 years nor  
9 more than 10 years from the date the State Board grants the  
10 petition under Section 1B-4. If after 3 years the school  
11 district has repaid all of its obligations resulting from  
12 emergency State financial assistance provided under this  
13 Article and has improved its financial situation, the board of  
14 education may, not more frequently than once in any 12 month  
15 period, petition the State Board to dissolve the Financial  
16 Oversight Panel, terminate the oversight responsibility, and  
17 remove the district's certification under Section 1A-8 as a  
18 district in financial difficulty. In acting on such a petition  
19 the State Board shall give additional weight to the  
20 recommendations of the State Superintendent and the Financial  
21 Oversight Panel.

22           (Source: P.A. 88-618, eff. 9-9-94.)

23           (105 ILCS 5/1B-6) (from Ch. 122, par. 1B-6)

24           Sec. 1B-6. General powers. The purpose of the Financial  
25 Oversight Panel shall be to exercise financial control over the

1 board of education, and, when approved by the State Board and  
2 the State Superintendent of Education, to furnish financial  
3 assistance so that the board can provide public education  
4 within the board's jurisdiction while permitting the board to  
5 meet its obligations to its creditors and the holders of its  
6 notes and bonds. Except as expressly limited by this Article,  
7 the Panel shall have all powers necessary to meet its  
8 responsibilities and to carry out its purposes and the purposes  
9 of this Article, including, but not limited to, the following  
10 powers:

11 (a) to sue and be sued;

12 (b) to provide for its organization and internal  
13 management;

14 (c) to appoint a Financial Administrator to serve as the  
15 chief executive officer of the Panel. The Financial  
16 Administrator may be an individual, partnership, corporation,  
17 including an accounting firm, or other entity determined by the  
18 Panel to be qualified to serve; and to appoint other officers,  
19 agents, and employees of the Panel, define their duties and  
20 qualifications and fix their compensation and employee  
21 benefits;

22 (d) to approve the local board of education appointments to  
23 the positions of treasurer in a Class I county school unit and  
24 in each school district which forms a part of a Class II county  
25 school unit but which no longer is subject to the jurisdiction  
26 and authority of a township treasurer or trustees of schools of



1 a township because the district has withdrawn from the  
2 jurisdiction and authority of the township treasurer and the  
3 trustees of schools of the township or because those offices  
4 have been abolished as provided in subsection (b) or (c) of  
5 Section 5-1, and chief school business official, if such  
6 official is not the superintendent of the district. Either the  
7 board or the Panel may remove such treasurer or chief school  
8 business official;

9 (e) to approve any and all bonds, notes, teachers orders,  
10 tax anticipation warrants, and other evidences of indebtedness  
11 prior to issuance or sale by the school district; and  
12 notwithstanding any other provision of The School Code, as now  
13 or hereafter amended, no bonds, notes, teachers orders, tax  
14 anticipation warrants or other evidences of indebtedness shall  
15 be issued or sold by the school district or be legally binding  
16 upon or enforceable against the local board of education unless  
17 and until the approval of the Panel has been received;

18 (f) to approve all property tax levies of the school  
19 district and require adjustments thereto as the Panel deems  
20 necessary or advisable;

21 (g) to require and approve a school district financial  
22 plan;

23 (h) to approve and require revisions of the school district  
24 budget;

25 (i) to approve all contracts and other obligations as the  
26 Panel deems necessary and appropriate;

1           (j) to authorize emergency State financial assistance,  
2 including requirements regarding the terms and conditions of  
3 repayment of such assistance, and to require the board of  
4 education to levy a separate local property tax, subject to the  
5 limitations of Section 1B-8, sufficient to repay such  
6 assistance consistent with the terms and conditions of  
7 repayment and the district's approved financial plan and  
8 budget;

9           (k) to request the regional superintendent to make  
10 appointments to fill all vacancies on the local school board as  
11 provided in Section 10-10;

12           (l) to recommend dissolution or reorganization of the  
13 school district to the General Assembly if in the Panel's  
14 judgment the circumstances so require;

15           (m) to direct a phased reduction in the oversight  
16 responsibilities of the Financial Administrator and of the  
17 Panel as the circumstances permit;

18           (n) to determine the amount of emergency State financial  
19 assistance to be made available to the school district, and to  
20 establish an operating budget for the Panel to be supported by  
21 funds available from such assistance, with the assistance and  
22 the budget required to be approved by the State Superintendent;

23           (o) to procure insurance against any loss in such amounts  
24 and from such insurers as it deems necessary;

25           (p) to engage the services of consultants for rendering  
26 professional and technical assistance and advice on matters

1 within the Panel's power;

2 (q) to contract for and to accept any gifts, grants or  
3 loans of funds or property or financial or other aid in any  
4 form from the federal government, State government, unit of  
5 local government, school district or any agency or  
6 instrumentality thereof, or from any other private or public  
7 source, and to comply with the terms and conditions thereof;

8 (r) to pay the expenses of its operations based on the  
9 Panel's budget as approved by the State Superintendent from  
10 emergency financial assistance funds available to the district  
11 or from deductions from the district's general State aid or  
12 primary State aid;

13 (s) to do any and all things necessary or convenient to  
14 carry out its purposes and exercise the powers given to the  
15 Panel by this Article; and

16 (t) to recommend the creation of a school finance authority  
17 pursuant to Article 1F of this Code.

18 (Source: P.A. 91-357, eff. 7-29-99; 92-855, eff. 12-6-02.)

19 (105 ILCS 5/1B-7) (from Ch. 122, par. 1B-7)

20 Sec. 1B-7. Financial Administrator; Powers and Duties. The  
21 Financial Administrator appointed by the Financial Oversight  
22 Panel shall serve as the Panel's chief executive officer. The  
23 Financial Administrator shall exercise the powers and duties  
24 required by the Panel, including but not limited to the  
25 following:

1 (a) to provide guidance and recommendations to the local  
2 board and officials of the school district in developing the  
3 district's financial plan and budget prior to board action;

4 (b) to direct the local board to reorganize its financial  
5 accounts, budgetary systems, and internal accounting and  
6 financial controls, in whatever manner the Panel deems  
7 appropriate to achieve greater financial responsibility and to  
8 reduce financial inefficiency, and to provide technical  
9 assistance to aid the district in accomplishing the  
10 reorganization;

11 (c) to make recommendations to the Financial Oversight  
12 Panel concerning the school district's financial plan and  
13 budget, and all other matters within the scope of the Panel's  
14 authority;

15 (d) to prepare and recommend to the Panel a proposal for  
16 emergency State financial assistance for the district,  
17 including recommended terms and conditions of repayment, and an  
18 operations budget for the Panel to be funded from the emergency  
19 assistance or from deductions from the district's general State  
20 aid or primary State aid;

21 (e) to require the local board to prepare and submit  
22 preliminary staffing and budgetary analyses annually prior to  
23 February 1 in such manner and form as the Financial  
24 Administrator shall prescribe; and

25 (f) subject to the direction of the Panel, to do all other  
26 things necessary or convenient to carry out its purposes and

1 exercise the powers given to the Panel under this Article.

2 (Source: P.A. 88-618, eff. 9-9-94.)

3 (105 ILCS 5/1B-8) (from Ch. 122, par. 1B-8)

4 Sec. 1B-8. There is created in the State Treasury a special  
5 fund to be known as the School District Emergency Financial  
6 Assistance Fund (the "Fund"). The School District Emergency  
7 Financial Assistance Fund shall consist of appropriations,  
8 loan repayments, grants from the federal government, and  
9 donations from any public or private source. Moneys in the Fund  
10 may be appropriated only to the Illinois Finance Authority and  
11 the State Board for those purposes authorized under this  
12 Article and Articles 1F and 1H of this Code. The appropriation  
13 may be allocated and expended by the State Board for  
14 contractual services to provide technical assistance or  
15 consultation to school districts to assess their financial  
16 condition and to Financial Oversight Panels that petition for  
17 emergency financial assistance grants. The Illinois Finance  
18 Authority may provide loans to school districts which are the  
19 subject of an approved petition for emergency financial  
20 assistance under Section 1B-4, 1F-62, or 1H-65 of this Code.  
21 Neither the State Board of Education nor the Illinois Finance  
22 Authority may collect any fees for providing these services.

23 From the amount allocated to each such school district  
24 under this Article the State Board shall identify a sum  
25 sufficient to cover all approved costs of the Financial

1 Oversight Panel established for the respective school  
2 district. If the State Board and State Superintendent of  
3 Education have not approved emergency financial assistance in  
4 conjunction with the appointment of a Financial Oversight  
5 Panel, the Panel's approved costs shall be paid from deductions  
6 from the district's general State aid or primary State aid.

7 The Financial Oversight Panel may prepare and file with the  
8 State Superintendent a proposal for emergency financial  
9 assistance for the school district and for its operations  
10 budget. No expenditures from the Fund shall be authorized by  
11 the State Superintendent until he or she has approved the  
12 request of the Panel, either as submitted or in such lesser  
13 amount determined by the State Superintendent.

14 The maximum amount of an emergency financial assistance  
15 loan which may be allocated to any school district under this  
16 Article, including moneys necessary for the operations of the  
17 Panel, shall not exceed \$4,000 times the number of pupils  
18 enrolled in the school district during the school year ending  
19 June 30 prior to the date of approval by the State Board of the  
20 petition for emergency financial assistance, as certified to  
21 the local board and the Panel by the State Superintendent. An  
22 emergency financial assistance grant shall not exceed \$1,000  
23 times the number of such pupils. A district may receive both a  
24 loan and a grant.

25 The payment of an emergency State financial assistance  
26 grant or loan shall be subject to appropriation by the General

1 Assembly. Payment of the emergency State financial assistance  
2 loan is subject to the applicable provisions of the Illinois  
3 Finance Authority Act. Emergency State financial assistance  
4 allocated and paid to a school district under this Article may  
5 be applied to any fund or funds from which the local board of  
6 education of that district is authorized to make expenditures  
7 by law.

8 Any emergency financial assistance grant proposed by the  
9 Financial Oversight Panel and approved by the State  
10 Superintendent may be paid in its entirety during the initial  
11 year of the Panel's existence or spread in equal or declining  
12 amounts over a period of years not to exceed the period of the  
13 Panel's existence. An emergency financial assistance loan  
14 proposed by the Financial Oversight Panel and approved by the  
15 Illinois Finance Authority may be paid in its entirety during  
16 the initial year of the Panel's existence or spread in equal or  
17 declining amounts over a period of years not to exceed the  
18 period of the Panel's existence. All loans made by the Illinois  
19 Finance Authority for a school district shall be required to be  
20 repaid, with simple interest over the term of the loan at a  
21 rate equal to 50% of the one-year Constant Maturity Treasury  
22 (CMT) yield as last published by the Board of Governors of the  
23 Federal Reserve System before the date on which the district's  
24 loan is approved by the Illinois Finance Authority, not later  
25 than the date the Financial Oversight Panel ceases to exist.  
26 The Panel shall establish and the Illinois Finance Authority

1 shall approve the terms and conditions, including the schedule,  
2 of repayments. The schedule shall provide for repayments  
3 commencing July 1 of each year or upon each fiscal year's  
4 receipt of moneys from a tax levy for emergency financial  
5 assistance. Repayment shall be incorporated into the annual  
6 budget of the school district and may be made from any fund or  
7 funds of the district in which there are moneys available. An  
8 emergency financial assistance loan to the Panel or district  
9 shall not be considered part of the calculation of a district's  
10 debt for purposes of the limitation specified in Section 19-1  
11 of this Code. Default on repayment is subject to the Illinois  
12 Grant Funds Recovery Act. When moneys are repaid as provided  
13 herein they shall not be made available to the local board for  
14 further use as emergency financial assistance under this  
15 Article at any time thereafter. All repayments required to be  
16 made by a school district shall be received by the State Board  
17 and deposited in the School District Emergency Financial  
18 Assistance Fund.

19 In establishing the terms and conditions for the repayment  
20 obligation of the school district the Panel shall annually  
21 determine whether a separate local property tax levy is  
22 required. The board of any school district with a tax rate for  
23 educational purposes for the prior year of less than 120% of  
24 the maximum rate for educational purposes authorized by Section  
25 17-2 shall provide for a separate tax levy for emergency  
26 financial assistance repayment purposes. Such tax levy shall



1 not be subject to referendum approval. The amount of the levy  
2 shall be equal to the amount necessary to meet the annual  
3 repayment obligations of the district as established by the  
4 Panel, or 20% of the amount levied for educational purposes for  
5 the prior year, whichever is less. However, no district shall  
6 be required to levy the tax if the district's operating tax  
7 rate as determined under Section 18-8, ~~or 18-8.05,~~ or 18-8.15  
8 exceeds 200% of the district's tax rate for educational  
9 purposes for the prior year.

10 (Source: P.A. 97-429, eff. 8-16-11.)

11 (105 ILCS 5/1C-1)

12 Sec. 1C-1. Purpose. The purpose of this Article is to  
13 permit greater flexibility and efficiency in the distribution  
14 and use of certain State funds available to local education  
15 agencies for the improvement of the quality of educational  
16 services pursuant to locally established priorities.

17 Through fiscal year 2016, this ~~This~~ Article does not apply  
18 to school districts having a population in excess of 500,000  
19 inhabitants.

20 (Source: P.A. 88-555, eff. 7-27-94; 89-15, eff. 5-30-95;  
21 89-397, eff. 8-20-95; 89-626, eff. 8-9-96.)

22 (105 ILCS 5/1C-2)

23 Sec. 1C-2. Block grants.

24 (a) For fiscal year 1999, and each fiscal year thereafter,

1 the State Board of Education shall award to school districts  
2 block grants as described in subsection (c). The State Board of  
3 Education may adopt rules and regulations necessary to  
4 implement this Section. In accordance with Section 2-3.32, all  
5 state block grants are subject to an audit. Therefore, block  
6 grant receipts and block grant expenditures shall be recorded  
7 to the appropriate fund code.

8 (b) (Blank).

9 (c) An Early Childhood Education Block Grant shall be  
10 created by combining the following programs: Preschool  
11 Education, Parental Training and Prevention Initiative. These  
12 funds shall be distributed to school districts and other  
13 entities on a competitive basis, except that the State Board of  
14 Education shall award to a school district having a population  
15 exceeding 500,000 inhabitants 37% of the funds in each fiscal  
16 year. Not less than 14% of this grant shall be used to fund  
17 programs for children ages 0-3, which percentage shall increase  
18 to at least 20% by Fiscal Year 2016. However, if, in a given  
19 fiscal year, the amount appropriated for the Early Childhood  
20 Education Block Grant is insufficient to increase the  
21 percentage of the grant to fund programs for children ages 0-3  
22 without reducing the amount of the grant for existing providers  
23 of preschool education programs, then the percentage of the  
24 grant to fund programs for children ages 0-3 may be held steady  
25 instead of increased.

26 (Source: P.A. 98-645, eff. 7-1-14.)

1 (105 ILCS 5/1D-1)

2 Sec. 1D-1. Block grant funding.

3 (a) For fiscal year 1996 through fiscal year 2016 ~~and each~~  
4 ~~fiscal year thereafter~~, the State Board of Education shall  
5 award to a school district having a population exceeding  
6 500,000 inhabitants a general education block grant and an  
7 educational services block grant, determined as provided in  
8 this Section, in lieu of distributing to the district separate  
9 State funding for the programs described in subsections (b) and  
10 (c). The provisions of this Section, however, do not apply to  
11 any federal funds that the district is entitled to receive. In  
12 accordance with Section 2-3.32, all block grants are subject to  
13 an audit. Therefore, block grant receipts and block grant  
14 expenditures shall be recorded to the appropriate fund code for  
15 the designated block grant.

16 (b) The general education block grant shall include the  
17 following programs: REI Initiative, Summer Bridges, Preschool  
18 At Risk, K-6 Comprehensive Arts, School Improvement Support,  
19 Urban Education, Scientific Literacy, Substance Abuse  
20 Prevention, Second Language Planning, Staff Development,  
21 Outcomes and Assessment, K-6 Reading Improvement, 7-12  
22 Continued Reading Improvement, Truants' Optional Education,  
23 Hispanic Programs, Agriculture Education, Parental Education,  
24 Prevention Initiative, Report Cards, and Criminal Background  
25 Investigations. Notwithstanding any other provision of law,

1 all amounts paid under the general education block grant from  
2 State appropriations to a school district in a city having a  
3 population exceeding 500,000 inhabitants shall be appropriated  
4 and expended by the board of that district for any of the  
5 programs included in the block grant or any of the board's  
6 lawful purposes.

7 (c) The educational services block grant shall include the  
8 following programs: Regular and Vocational Transportation,  
9 State Lunch and Free Breakfast Program, Special Education  
10 (Personnel, Transportation, Orphanage, Private Tuition),  
11 funding for children requiring special education services,  
12 Summer School, Educational Service Centers, and  
13 Administrator's Academy. This subsection (c) does not relieve  
14 the district of its obligation to provide the services required  
15 under a program that is included within the educational  
16 services block grant. It is the intention of the General  
17 Assembly in enacting the provisions of this subsection (c) to  
18 relieve the district of the administrative burdens that impede  
19 efficiency and accompany single-program funding. The General  
20 Assembly encourages the board to pursue mandate waivers  
21 pursuant to Section 2-3.25g.

22 The funding program included in the educational services  
23 block grant for funding for children requiring special  
24 education services in each fiscal year shall be treated in that  
25 fiscal year as a payment to the school district in respect of  
26 services provided or costs incurred in the prior fiscal year,

1 calculated in each case as provided in this Section. Nothing in  
2 this Section shall change the nature of payments for any  
3 program that, apart from this Section, would be or, prior to  
4 adoption or amendment of this Section, was on the basis of a  
5 payment in a fiscal year in respect of services provided or  
6 costs incurred in the prior fiscal year, calculated in each  
7 case as provided in this Section.

8 (d) For fiscal year 1996 through fiscal year 2016 ~~and each~~  
9 ~~fiscal year thereafter~~, the amount of the district's block  
10 grants shall be determined as follows: (i) with respect to each  
11 program that is included within each block grant, the district  
12 shall receive an amount equal to the same percentage of the  
13 current fiscal year appropriation made for that program as the  
14 percentage of the appropriation received by the district from  
15 the 1995 fiscal year appropriation made for that program, and  
16 (ii) the total amount that is due the district under the block  
17 grant shall be the aggregate of the amounts that the district  
18 is entitled to receive for the fiscal year with respect to each  
19 program that is included within the block grant that the State  
20 Board of Education shall award the district under this Section  
21 for that fiscal year. In the case of the Summer Bridges  
22 program, the amount of the district's block grant shall be  
23 equal to 44% of the amount of the current fiscal year  
24 appropriation made for that program.

25 (e) The district is not required to file any application or  
26 other claim in order to receive the block grants to which it is

1 entitled under this Section. The State Board of Education shall  
2 make payments to the district of amounts due under the  
3 district's block grants on a schedule determined by the State  
4 Board of Education.

5 (f) A school district to which this Section applies shall  
6 report to the State Board of Education on its use of the block  
7 grants in such form and detail as the State Board of Education  
8 may specify. In addition, the report must include the following  
9 description for the district, which must also be reported to  
10 the General Assembly: block grant allocation and expenditures  
11 by program; population and service levels by program; and  
12 administrative expenditures by program. The State Board of  
13 Education shall ensure that the reporting requirements for the  
14 district are the same as for all other school districts in this  
15 State.

16 (g) Through fiscal year 2016, this ~~This~~ paragraph provides  
17 for the treatment of block grants under Article 1C for purposes  
18 of calculating the amount of block grants for a district under  
19 this Section. Those block grants under Article 1C are, for this  
20 purpose, treated as included in the amount of appropriation for  
21 the various programs set forth in paragraph (b) above. The  
22 appropriation in each current fiscal year for each block grant  
23 under Article 1C shall be treated for these purposes as  
24 appropriations for the individual program included in that  
25 block grant. The proportion of each block grant so allocated to  
26 each such program included in it shall be the proportion which

1 the appropriation for that program was of all appropriations  
2 for such purposes now in that block grant, in fiscal 1995.

3 Payments to the school district under this Section with  
4 respect to each program for which payments to school districts  
5 generally, as of the date of this amendatory Act of the 92nd  
6 General Assembly, are on a reimbursement basis shall continue  
7 to be made to the district on a reimbursement basis, pursuant  
8 to the provisions of this Code governing those programs.

9 (h) Notwithstanding any other provision of law, any school  
10 district receiving a block grant under this Section may  
11 classify all or a portion of the funds that it receives in a  
12 particular fiscal year from any block grant authorized under  
13 this Code or from general State aid pursuant to Section 18-8.05  
14 of this Code (other than supplemental general State aid) as  
15 funds received in connection with any funding program for which  
16 it is entitled to receive funds from the State in that fiscal  
17 year (including, without limitation, any funding program  
18 referred to in subsection (c) of this Section), regardless of  
19 the source or timing of the receipt. The district may not  
20 classify more funds as funds received in connection with the  
21 funding program than the district is entitled to receive in  
22 that fiscal year for that program. Any classification by a  
23 district must be made by a resolution of its board of  
24 education. The resolution must identify the amount of any block  
25 grant or general State aid to be classified under this  
26 subsection (h) and must specify the funding program to which

1 the funds are to be treated as received in connection  
2 therewith. This resolution is controlling as to the  
3 classification of funds referenced therein. A certified copy of  
4 the resolution must be sent to the State Superintendent of  
5 Education. The resolution shall still take effect even though a  
6 copy of the resolution has not been sent to the State  
7 Superintendent of Education in a timely manner. No  
8 classification under this subsection (h) by a district shall  
9 affect the total amount or timing of money the district is  
10 entitled to receive under this Code. No classification under  
11 this subsection (h) by a district shall in any way relieve the  
12 district from or affect any requirements that otherwise would  
13 apply with respect to the block grant as provided in this  
14 Section, including any accounting of funds by source, reporting  
15 expenditures by original source and purpose, reporting  
16 requirements, or requirements of provision of services.

17 (Source: P.A. 97-238, eff. 8-2-11; 97-324, eff. 8-12-11;  
18 97-813, eff. 7-13-12.)

19 (105 ILCS 5/1E-20)

20 (This Section scheduled to be repealed in accordance with  
21 105 ILCS 5/1E-165)

22 Sec. 1E-20. Members of Authority; meetings.

23 (a) When a petition for a School Finance Authority is  
24 allowed by the State Board under Section 1E-15 of this Code,  
25 the State Superintendent shall within 10 days thereafter



1     appoint 5 members to serve on a School Finance Authority for  
2     the district. Of the initial members, 2 shall be appointed to  
3     serve a term of 2 years and 3 shall be appointed to serve a term  
4     of 3 years. Thereafter, each member shall serve for a term of 3  
5     years and until his or her successor has been appointed. The  
6     State Superintendent shall designate one of the members of the  
7     Authority to serve as its Chairperson. In the event of vacancy  
8     or resignation, the State Superintendent shall, within 10 days  
9     after receiving notice, appoint a successor to serve out that  
10    member's term. The State Superintendent may remove a member for  
11    incompetence, malfeasance, neglect of duty, or other just  
12    cause.

13         Members of the Authority shall be selected primarily on the  
14    basis of their experience and education in financial  
15    management, with consideration given to persons knowledgeable  
16    in education finance. Two members of the Authority shall be  
17    residents of the school district that the Authority serves. A  
18    member of the Authority may not be a member of the district's  
19    school board or an employee of the district nor may a member  
20    have a direct financial interest in the district.

21         Authority members shall serve without compensation, but  
22    may be reimbursed by the State Board for travel and other  
23    necessary expenses incurred in the performance of their  
24    official duties. Unless paid from bonds issued under Section  
25    1E-65 of this Code, the amount reimbursed members for their  
26    expenses shall be charged to the school district as part of any

1 emergency financial assistance and incorporated as a part of  
2 the terms and conditions for repayment of the assistance or  
3 shall be deducted from the district's general State aid or  
4 primary State aid as provided in Section 1B-8 of this Code.

5 The Authority may elect such officers as it deems  
6 appropriate.

7 (b) The first meeting of the Authority shall be held at the  
8 call of the Chairperson. The Authority shall prescribe the  
9 times and places for its meetings and the manner in which  
10 regular and special meetings may be called and shall comply  
11 with the Open Meetings Act.

12 Three members of the Authority shall constitute a quorum.  
13 When a vote is taken upon any measure before the Authority, a  
14 quorum being present, a majority of the votes of the members  
15 voting on the measure shall determine the outcome.

16 (Source: P.A. 92-547, eff. 6-13-02.)

17 (105 ILCS 5/1F-20)

18 (This Section scheduled to be repealed in accordance with 105  
19 ILCS 5/1F-165)

20 Sec. 1F-20. Members of Authority; meetings.

21 (a) Upon establishment of a School Finance Authority under  
22 Section 1F-15 of this Code, the State Superintendent shall  
23 within 15 days thereafter appoint 5 members to serve on a  
24 School Finance Authority for the district. Of the initial  
25 members, 2 shall be appointed to serve a term of 2 years and 3

1 shall be appointed to serve a term of 3 years. Thereafter, each  
2 member shall serve for a term of 3 years and until his or her  
3 successor has been appointed. The State Superintendent shall  
4 designate one of the members of the Authority to serve as its  
5 Chairperson. In the event of vacancy or resignation, the State  
6 Superintendent shall, within 10 days after receiving notice,  
7 appoint a successor to serve out that member's term. The State  
8 Superintendent may remove a member for incompetence,  
9 malfeasance, neglect of duty, or other just cause.

10 Members of the Authority shall be selected primarily on the  
11 basis of their experience and education in financial  
12 management, with consideration given to persons knowledgeable  
13 in education finance. Two members of the Authority shall be  
14 residents of the school district that the Authority serves. A  
15 member of the Authority may not be a member of the district's  
16 school board or an employee of the district nor may a member  
17 have a direct financial interest in the district.

18 Authority members shall be paid a stipend approved by the  
19 State Superintendent of not more than \$100 per meeting and may  
20 be reimbursed by the State Board for travel and other necessary  
21 expenses incurred in the performance of their official duties.  
22 Unless paid from bonds issued under Section 1F-65 of this Code,  
23 the amount reimbursed members for their expenses shall be  
24 charged to the school district as part of any emergency  
25 financial assistance and incorporated as a part of the terms  
26 and conditions for repayment of the assistance or shall be

1 deducted from the district's general State aid or primary State  
2 aid as provided in Section 1B-8 of this Code.

3 The Authority may elect such officers as it deems  
4 appropriate.

5 (b) The first meeting of the Authority shall be held at the  
6 call of the Chairperson. The Authority shall prescribe the  
7 times and places for its meetings and the manner in which  
8 regular and special meetings may be called and shall comply  
9 with the Open Meetings Act.

10 Three members of the Authority shall constitute a quorum.  
11 When a vote is taken upon any measure before the Authority, a  
12 quorum being present, a majority of the votes of the members  
13 voting on the measure shall determine the outcome.

14 (Source: P.A. 94-234, eff. 7-1-06.)

15 (105 ILCS 5/1F-62)

16 (This Section scheduled to be repealed in accordance with 105  
17 ILCS 5/1F-165)

18 Sec. 1F-62. School District Emergency Financial Assistance  
19 Fund; grants and loans.

20 (a) Moneys in the School District Emergency Financial  
21 Assistance Fund established under Section 1B-8 of this Code may  
22 be allocated and expended by the State Board as grants to  
23 provide technical and consulting services to school districts  
24 to assess their financial condition and by the Illinois Finance  
25 Authority for emergency financial assistance loans to a School

1 Finance Authority that petitions for emergency financial  
2 assistance. An emergency financial assistance loan to a School  
3 Finance Authority or borrowing from sources other than the  
4 State shall not be considered as part of the calculation of a  
5 district's debt for purposes of the limitation specified in  
6 Section 19-1 of this Code. From the amount allocated to each  
7 School Finance Authority, the State Board shall identify a sum  
8 sufficient to cover all approved costs of the School Finance  
9 Authority. If the State Board and State Superintendent have not  
10 approved emergency financial assistance in conjunction with  
11 the appointment of a School Finance Authority, the Authority's  
12 approved costs shall be paid from deductions from the  
13 district's general State aid or primary State aid.

14 The School Finance Authority may prepare and file with the  
15 State Superintendent a proposal for emergency financial  
16 assistance for the school district and for its operations  
17 budget. No expenditures shall be authorized by the State  
18 Superintendent until he or she has approved the proposal of the  
19 School Finance Authority, either as submitted or in such lesser  
20 amount determined by the State Superintendent.

21 (b) The amount of an emergency financial assistance loan  
22 that may be allocated to a School Finance Authority under this  
23 Article, including moneys necessary for the operations of the  
24 School Finance Authority, and borrowing from sources other than  
25 the State shall not exceed, in the aggregate, \$4,000 times the  
26 number of pupils enrolled in the district during the school

1 year ending June 30 prior to the date of approval by the State  
2 Board of the petition for emergency financial assistance, as  
3 certified to the school board and the School Finance Authority  
4 by the State Superintendent. However, this limitation does not  
5 apply to borrowing by the district secured by amounts levied by  
6 the district prior to establishment of the School Finance  
7 Authority. An emergency financial assistance grant shall not  
8 exceed \$1,000 times the number of such pupils. A district may  
9 receive both a loan and a grant.

10 (c) The payment of a State emergency financial assistance  
11 grant or loan shall be subject to appropriation by the General  
12 Assembly. State emergency financial assistance allocated and  
13 paid to a School Finance Authority under this Article may be  
14 applied to any fund or funds from which the School Finance  
15 Authority is authorized to make expenditures by law.

16 (d) Any State emergency financial assistance proposed by  
17 the School Finance Authority and approved by the State  
18 Superintendent may be paid in its entirety during the initial  
19 year of the School Finance Authority's existence or spread in  
20 equal or declining amounts over a period of years not to exceed  
21 the period of the School Finance Authority's existence. The  
22 State Superintendent shall not approve any loan to the School  
23 Finance Authority unless the School Finance Authority has been  
24 unable to borrow sufficient funds to operate the district.

25 All loan payments made from the School District Emergency  
26 Financial Assistance Fund to a School Finance Authority shall

1 be required to be repaid not later than the date the School  
2 Finance Authority ceases to exist, with simple interest over  
3 the term of the loan at a rate equal to 50% of the one-year  
4 Constant Maturity Treasury (CMT) yield as last published by the  
5 Board of Governors of the Federal Reserve System before the  
6 date on which the School Finance Authority's loan is approved  
7 by the State Board.

8 The School Finance Authority shall establish and the  
9 Illinois Finance Authority shall approve the terms and  
10 conditions of the loan, including the schedule of repayments.  
11 The schedule shall provide for repayments commencing July 1 of  
12 each year or upon each fiscal year's receipt of moneys from a  
13 tax levy for emergency financial assistance. Repayment shall be  
14 incorporated into the annual budget of the district and may be  
15 made from any fund or funds of the district in which there are  
16 moneys available. Default on repayment is subject to the  
17 Illinois Grant Funds Recovery Act. When moneys are repaid as  
18 provided in this Section, they shall not be made available to  
19 the School Finance Authority for further use as emergency  
20 financial assistance under this Article at any time thereafter.  
21 All repayments required to be made by a School Finance  
22 Authority shall be received by the State Board and deposited in  
23 the School District Emergency Financial Assistance Fund.

24 In establishing the terms and conditions for the repayment  
25 obligation of the School Finance Authority, the School Finance  
26 Authority shall annually determine whether a separate local

1 property tax levy is required to meet that obligation. The  
2 School Finance Authority shall provide for a separate tax levy  
3 for emergency financial assistance repayment purposes. This  
4 tax levy shall not be subject to referendum approval. The  
5 amount of the levy shall not exceed the amount necessary to  
6 meet the annual emergency financial repayment obligations of  
7 the district, including principal and interest, as established  
8 by the School Finance Authority.

9 (Source: P.A. 94-234, eff. 7-1-06.)

10 (105 ILCS 5/1H-20)

11 Sec. 1H-20. Members of Panel; meetings.

12 (a) Upon establishment of a Financial Oversight Panel under  
13 Section 1H-15 of this Code, the State Superintendent shall  
14 within 15 working days thereafter appoint 5 members to serve on  
15 a Financial Oversight Panel for the district. Members appointed  
16 to the Panel shall serve at the pleasure of the State  
17 Superintendent. The State Superintendent shall designate one  
18 of the members of the Panel to serve as its Chairperson. In the  
19 event of vacancy or resignation, the State Superintendent  
20 shall, within 10 days after receiving notice, appoint a  
21 successor to serve out that member's term.

22 (b) Members of the Panel shall be selected primarily on the  
23 basis of their experience and education in financial  
24 management, with consideration given to persons knowledgeable  
25 in education finance. Two members of the Panel shall be



1 residents of the school district that the Panel serves. A  
2 member of the Panel may not be a member of the district's  
3 school board or an employee of the district nor may a member  
4 have a direct financial interest in the district.

5 (c) Panel members may be reimbursed by the State Board for  
6 travel and other necessary expenses incurred in the performance  
7 of their official duties. The amount reimbursed members for  
8 their expenses shall be charged to the school district as part  
9 of any emergency financial assistance and incorporated as a  
10 part of the terms and conditions for repayment of the  
11 assistance or shall be deducted from the district's general  
12 State aid or primary State aid as provided in Section 1H-65 of  
13 this Code.

14 (d) With the exception of the chairperson, who shall be  
15 designated as provided in subsection (a) of this Section, the  
16 Panel may elect such officers as it deems appropriate.

17 (e) The first meeting of the Panel shall be held at the  
18 call of the Chairperson. The Panel shall prescribe the times  
19 and places for its meetings and the manner in which regular and  
20 special meetings may be called and shall comply with the Open  
21 Meetings Act. The Panel shall also comply with the Freedom of  
22 Information Act.

23 (f) Three members of the Panel shall constitute a quorum. A  
24 majority of members present is required to pass a measure.

25 (Source: P.A. 97-429, eff. 8-16-11.)

1 (105 ILCS 5/1H-70)

2 Sec. 1H-70. Tax anticipation warrants, tax anticipation  
3 notes, revenue anticipation certificates or notes, general  
4 State aid or primary State aid anticipation certificates, and  
5 lines of credit. With the approval of the State Superintendent  
6 and provided that the district is unable to secure short-term  
7 financing after 3 attempts, a Panel shall have the same power  
8 as a district to do the following:

9 (1) issue tax anticipation warrants under the  
10 provisions of Section 17-16 of this Code against taxes  
11 levied by either the school board or the Panel pursuant to  
12 Section 1H-25 of this Code;

13 (2) issue tax anticipation notes under the provisions  
14 of the Tax Anticipation Note Act against taxes levied by  
15 either the school board or the Panel pursuant to Section  
16 1H-25 of this Code;

17 (3) issue revenue anticipation certificates or notes  
18 under the provisions of the Revenue Anticipation Act;

19 (4) issue general State aid or primary State aid  
20 anticipation certificates under the provisions of Section  
21 18-18 of this Code; and

22 (5) establish and utilize lines of credit under the  
23 provisions of Section 17-17 of this Code.

24 Tax anticipation warrants, tax anticipation notes, revenue  
25 anticipation certificates or notes, general State aid or  
26 primary State aid anticipation certificates, and lines of

1 credit are considered borrowing from sources other than the  
2 State and are subject to Section 1H-65 of this Code.

3 (Source: P.A. 97-429, eff. 8-16-11.)

4 (105 ILCS 5/2-3.28) (from Ch. 122, par. 2-3.28)

5 Sec. 2-3.28. Rules and regulations of budget and accounting  
6 systems. To prescribe rules and regulations defining what shall  
7 constitute a budget and accounting system required under this  
8 Act. The rules and regulations shall prescribe the minimum  
9 extent of verification, the type of audit, the extent of the  
10 audit report and shall require compliance with statutory  
11 requirements and standards and such requirements as the State  
12 Board of Education deems necessary for an adequate budget and  
13 accounting system. For the 2018-2019 school year and  
14 thereafter, the rules and regulations shall prescribe a system  
15 for accounting for revenues and expenditures at the individual  
16 school level that includes without limitation the following:

17 (1) accounting for expenditures for school  
18 administration, regular instruction, special education  
19 instruction, instructional programs for children of  
20 limited English-speaking ability, instructional support  
21 services, and pupil support services;

22 (2) salary expenditures reflecting actual staff  
23 salaries at each school;

24 (3) accounting for operations, including  
25 non-instructional pupil services, facilities, and business

1           services; and

2           (4) such other requirements as the State Board of  
3           Education deems necessary to provide for a uniform and  
4           transparent system of accounting at the school level.

5           (Source: P.A. 81-1508.)

6           (105 ILCS 5/2-3.33) (from Ch. 122, par. 2-3.33)

7           Sec. 2-3.33. Recomputation of claims. To recompute within  
8           3 years from the final date for filing of a claim any claim for  
9           reimbursement to any school district if the claim has been  
10          found to be incorrect and to adjust subsequent claims  
11          accordingly, and to recompute and adjust any such claims within  
12          6 years from the final date for filing when there has been an  
13          adverse court or administrative agency decision on the merits  
14          affecting the tax revenues of the school district. However, no  
15          such adjustment shall be made regarding equalized assessed  
16          valuation unless the district's equalized assessed valuation  
17          is changed by greater than \$250,000 or 2%. Any adjustments for  
18          claims recomputed for the 2015-2016 school year and prior  
19          school years shall be applied to the apportionment of primary  
20          State financial aid in Section 18-8.15 of this Code beginning  
21          in the 2016-2017 school year and thereafter.

22          Except in the case of an adverse court or administrative  
23          agency decision, no recomputation of a State aid claim shall be  
24          made pursuant to this Section as a result of a reduction in the  
25          assessed valuation of a school district from the assessed

1 valuation of the district reported to the State Board of  
2 Education by the Department of Revenue under Section 18-8.05 or  
3 18-8.15 of this Code unless the requirements of Section 16-15  
4 of the Property Tax Code and Section 2-3.84 of this Code are  
5 complied with in all respects.

6 This paragraph applies to all requests for recomputation of  
7 a general State aid or primary State aid claim received after  
8 June 30, 2003. In recomputing a general State aid or primary  
9 State aid claim that was originally calculated using an  
10 extension limitation equalized assessed valuation under  
11 paragraph (3) of subsection (G) of Section 18-8.05 of this Code  
12 or paragraph (2) of subsection (h) of Section 18-8.15 of this  
13 Code, a qualifying reduction in equalized assessed valuation  
14 shall be deducted from the extension limitation equalized  
15 assessed valuation that was used in calculating the original  
16 claim.

17 From the total amount of general State aid or primary State  
18 aid to be provided to districts, adjustments as a result of  
19 recomputation under this Section together with adjustments  
20 under Section 2-3.84 must not exceed \$25 million, in the  
21 aggregate for all districts under both Sections combined, of  
22 the general State aid or primary State aid appropriation in any  
23 fiscal year; if necessary, amounts shall be prorated among  
24 districts. If it is necessary to prorate claims under this  
25 paragraph, then that portion of each prorated claim that is  
26 approved but not paid in the current fiscal year may be

1 resubmitted as a valid claim in the following fiscal year.

2 (Source: P.A. 93-845, eff. 7-30-04.)

3 (105 ILCS 5/2-3.51.5)

4 Sec. 2-3.51.5. School Safety and Educational Improvement  
5 Block Grant Program. To improve the level of education and  
6 safety of students from kindergarten through grade 12 in school  
7 districts and State-recognized, non-public schools. The State  
8 Board of Education is authorized to fund a School Safety and  
9 Educational Improvement Block Grant Program.

10 (1) For school districts, the program shall provide funding  
11 for school safety, textbooks and software, electronic  
12 textbooks and the technological equipment necessary to gain  
13 access to and use electronic textbooks, teacher training and  
14 curriculum development, school improvements, school report  
15 cards under Section 10-17a, and criminal history records checks  
16 under Sections 10-21.9 and 34-18.5. For State-recognized,  
17 non-public schools, the program shall provide funding for  
18 secular textbooks and software, criminal history records  
19 checks, and health and safety mandates to the extent that the  
20 funds are expended for purely secular purposes. A school  
21 district or laboratory school as defined in Section 18-8, ~~or~~  
22 18-8.05, or 18-8.15 is not required to file an application in  
23 order to receive the categorical funding to which it is  
24 entitled under this Section. Funds for the School Safety and  
25 Educational Improvement Block Grant Program shall be

1 distributed to school districts and laboratory schools based on  
2 the prior year's best 3 months average daily attendance. Funds  
3 for the School Safety and Educational Improvement Block Grant  
4 Program shall be distributed to State-recognized, non-public  
5 schools based on the average daily attendance figure for the  
6 previous school year provided to the State Board of Education.  
7 The State Board of Education shall develop an application that  
8 requires State-recognized, non-public schools to submit  
9 average daily attendance figures. A State-recognized,  
10 non-public school must submit the application and average daily  
11 attendance figure prior to receiving funds under this Section.  
12 The State Board of Education shall promulgate rules and  
13 regulations necessary for the implementation of this program.

14 (2) Distribution of moneys to school districts and  
15 State-recognized, non-public schools shall be made in 2  
16 semi-annual installments, one payment on or before October 30,  
17 and one payment prior to April 30, of each fiscal year.

18 (3) Grants under the School Safety and Educational  
19 Improvement Block Grant Program shall be awarded provided there  
20 is an appropriation for the program, and funding levels for  
21 each district shall be prorated according to the amount of the  
22 appropriation.

23 (4) The provisions of this Section are in the public  
24 interest, are for the public benefit, and serve secular public  
25 purposes.

26 (Source: P.A. 98-972, eff. 8-15-14.)

1 (105 ILCS 5/2-3.66) (from Ch. 122, par. 2-3.66)

2 Sec. 2-3.66. Truants' alternative and optional education  
3 programs. To establish projects to offer modified  
4 instructional programs or other services designed to prevent  
5 students from dropping out of school, including programs  
6 pursuant to Section 2-3.41, and to serve as a part time or full  
7 time option in lieu of regular school attendance and to award  
8 grants to local school districts, educational service regions  
9 or community college districts from appropriated funds to  
10 assist districts in establishing such projects. The education  
11 agency may operate its own program or enter into a contract  
12 with another not-for-profit entity to implement the program.  
13 The projects shall allow dropouts, up to and including age 21,  
14 potential dropouts, including truants, uninvolved, unmotivated  
15 and disaffected students, as defined by State Board of  
16 Education rules and regulations, to enroll, as an alternative  
17 to regular school attendance, in an optional education program  
18 which may be established by school board policy and is in  
19 conformance with rules adopted by the State Board of Education.  
20 Truants' Alternative and Optional Education programs funded  
21 pursuant to this Section shall be planned by a student, the  
22 student's parents or legal guardians, unless the student is 18  
23 years or older, and school officials and shall culminate in an  
24 individualized optional education plan. Such plan shall focus  
25 on academic or vocational skills, or both, and may include, but



1 not be limited to, evening school, summer school, community  
2 college courses, adult education, preparation courses for high  
3 school equivalency testing, vocational training, work  
4 experience, programs to enhance self concept and parenting  
5 courses. School districts which are awarded grants pursuant to  
6 this Section shall be authorized to provide day care services  
7 to children of students who are eligible and desire to enroll  
8 in programs established and funded under this Section, but only  
9 if and to the extent that such day care is necessary to enable  
10 those eligible students to attend and participate in the  
11 programs and courses which are conducted pursuant to this  
12 Section. School districts and regional offices of education may  
13 claim general State aid under Section 18-8.05 or primary State  
14 aid under Section 18-8.15 for students enrolled in truants'  
15 alternative and optional education programs, provided that  
16 such students are receiving services that are supplemental to a  
17 program leading to a high school diploma and are otherwise  
18 eligible to be claimed for general State aid under Section  
19 18-8.05 or primary State aid under Section 18-8.15, as  
20 applicable.

21 (Source: P.A. 98-718, eff. 1-1-15.)

22 (105 ILCS 5/2-3.66b)

23 Sec. 2-3.66b. IHOPE Program.

24 (a) There is established the Illinois Hope and Opportunity  
25 Pathways through Education (IHOPE) Program. The State Board of

1 Education shall implement and administer the IHOPE Program. The  
2 goal of the IHOPE Program is to develop a comprehensive system  
3 in this State to re-enroll significant numbers of high school  
4 dropouts in programs that will enable them to earn their high  
5 school diploma.

6 (b) The IHOPE Program shall award grants, subject to  
7 appropriation for this purpose, to educational service regions  
8 and a school district organized under Article 34 of this Code  
9 from appropriated funds to assist in establishing  
10 instructional programs and other services designed to  
11 re-enroll high school dropouts. From any funds appropriated for  
12 the IHOPE Program, the State Board of Education may use up to  
13 5% for administrative costs, including the performance of a  
14 program evaluation and the hiring of staff to implement and  
15 administer the program.

16 The IHOPE Program shall provide incentive grant funds for  
17 regional offices of education and a school district organized  
18 under Article 34 of this Code to develop partnerships with  
19 school districts, public community colleges, and community  
20 groups to build comprehensive plans to re-enroll high school  
21 dropouts in their regions or districts.

22 Programs funded through the IHOPE Program shall allow high  
23 school dropouts, up to and including age 21 notwithstanding  
24 Section 26-2 of this Code, to re-enroll in an educational  
25 program in conformance with rules adopted by the State Board of  
26 Education. Programs may include without limitation

1 comprehensive year-round programming, evening school, summer  
2 school, community college courses, adult education, vocational  
3 training, work experience, programs to enhance self-concept,  
4 and parenting courses. Any student in the IHOPE Program who  
5 wishes to earn a high school diploma must meet the  
6 prerequisites to receiving a high school diploma specified in  
7 Section 27-22 of this Code and any other graduation  
8 requirements of the student's district of residence. Any  
9 student who successfully completes the requirements for his or  
10 her graduation shall receive a diploma identifying the student  
11 as graduating from his or her district of residence.

12 (c) In order to be eligible for funding under the IHOPE  
13 Program, an interested regional office of education or a school  
14 district organized under Article 34 of this Code shall develop  
15 an IHOPE Plan to be approved by the State Board of Education.  
16 The State Board of Education shall develop rules for the IHOPE  
17 Program that shall set forth the requirements for the  
18 development of the IHOPE Plan. Each Plan shall involve school  
19 districts, public community colleges, and key community  
20 programs that work with high school dropouts located in an  
21 educational service region or the City of Chicago before the  
22 Plan is sent to the State Board for approval. No funds may be  
23 distributed to a regional office of education or a school  
24 district organized under Article 34 of this Code until the  
25 State Board has approved the Plan.

26 (d) A regional office of education or a school district

1 organized under Article 34 of this Code may operate its own  
2 program funded by the IHOPE Program or enter into a contract  
3 with other not-for-profit entities, including school  
4 districts, public community colleges, and not-for-profit  
5 community-based organizations, to operate a program.

6 A regional office of education or a school district  
7 organized under Article 34 of this Code that receives an IHOPE  
8 grant from the State Board of Education may provide funds under  
9 a sub-grant, as specified in the IHOPE Plan, to other  
10 not-for-profit entities to provide services according to the  
11 IHOPE Plan that was developed. These other entities may include  
12 school districts, public community colleges, or not-for-profit  
13 community-based organizations or a cooperative partnership  
14 among these entities.

15 (e) In order to distribute funding based upon the need to  
16 ensure delivery of programs that will have the greatest impact,  
17 IHOPE Program funding must be distributed based upon the  
18 proportion of dropouts in the educational service region or  
19 school district, in the case of a school district organized  
20 under Article 34 of this Code, to the total number of dropouts  
21 in this State. This formula shall employ the dropout data  
22 provided by school districts to the State Board of Education.

23 A regional office of education or a school district  
24 organized under Article 34 of this Code may claim State aid  
25 under Section 18-8.05 or 18-8.15 of this Code for students  
26 enrolled in a program funded by the IHOPE Program, provided

1 that the State Board of Education has approved the IHOPE Plan  
2 and that these students are receiving services that are meeting  
3 the requirements of Section 27-22 of this Code for receipt of a  
4 high school diploma and are otherwise eligible to be claimed  
5 for general State aid under Section 18-8.05 of this Code or  
6 primary State aid under Section 18-8.15 of this Code, including  
7 provisions related to the minimum number of days of pupil  
8 attendance pursuant to Section 10-19 of this Code and the  
9 minimum number of daily hours of school work and any exceptions  
10 thereto as defined by the State Board of Education in rules.

11 (f) IHOPE categories of programming may include the  
12 following:

13 (1) Full-time programs that are comprehensive,  
14 year-round programs.

15 (2) Part-time programs combining work and study  
16 scheduled at various times that are flexible to the needs  
17 of students.

18 (3) Online programs and courses in which students take  
19 courses and complete on-site, supervised tests that  
20 measure the student's mastery of a specific course needed  
21 for graduation. Students may take courses online and earn  
22 credit or students may prepare to take supervised tests for  
23 specific courses for credit leading to receipt of a high  
24 school diploma.

25 (4) Dual enrollment in which students attend high  
26 school classes in combination with community college

1 classes or students attend community college classes while  
2 simultaneously earning high school credit and eventually a  
3 high school diploma.

4 (g) In order to have successful comprehensive programs  
5 re-enrolling and graduating low-skilled high school dropouts,  
6 programs funded through the IHOPE Program shall include all of  
7 the following components:

8 (1) Small programs (70 to 100 students) at a separate  
9 school site with a distinct identity. Programs may be  
10 larger with specific need and justification, keeping in  
11 mind that it is crucial to keep programs small to be  
12 effective.

13 (2) Specific performance-based goals and outcomes and  
14 measures of enrollment, attendance, skills, credits,  
15 graduation, and the transition to college, training, and  
16 employment.

17 (3) Strong, experienced leadership and teaching staff  
18 who are provided with ongoing professional development.

19 (4) Voluntary enrollment.

20 (5) High standards for student learning, integrating  
21 work experience, and education, including during the  
22 school year and after school, and summer school programs  
23 that link internships, work, and learning.

24 (6) Comprehensive programs providing extensive support  
25 services.

26 (7) Small teams of students supported by full-time paid

1 mentors who work to retain and help those students  
2 graduate.

3 (8) A comprehensive technology learning center with  
4 Internet access and broad-based curriculum focusing on  
5 academic and career subject areas.

6 (9) Learning opportunities that incorporate action  
7 into study.

8 (h) Programs funded through the IHOPE Program must report  
9 data to the State Board of Education as requested. This  
10 information shall include, but is not limited to, student  
11 enrollment figures, attendance information, course completion  
12 data, graduation information, and post-graduation information,  
13 as available.

14 (i) Rules must be developed by the State Board of Education  
15 to set forth the fund distribution process to regional offices  
16 of education and a school district organized under Article 34  
17 of this Code, the planning and the conditions upon which an  
18 IHOPE Plan would be approved by State Board, and other rules to  
19 develop the IHOPE Program.

20 (Source: P.A. 96-106, eff. 7-30-09.)

21 (105 ILCS 5/2-3.84) (from Ch. 122, par. 2-3.84)

22 Sec. 2-3.84. In calculating the amount of State aid to be  
23 apportioned to the various school districts in this State, the  
24 State Board of Education shall incorporate and deduct the total  
25 aggregate adjustments to assessments made by the State Property

1 Tax Appeal Board or Cook County Board of Appeals, as reported  
2 pursuant to Section 16-15 of the Property Tax Code or Section  
3 129.1 of the Revenue Act of 1939 by the Department of Revenue,  
4 from the equalized assessed valuation that is otherwise to be  
5 utilized in the initial calculation.

6 From the total amount of general State aid or primary State  
7 aid to be provided to districts, adjustments under this Section  
8 together with adjustments as a result of recomputation under  
9 Section 2-3.33 must not exceed \$25 million, in the aggregate  
10 for all districts under both Sections combined, of the general  
11 State aid or primary State aid appropriation in any fiscal  
12 year; if necessary, amounts shall be prorated among districts.  
13 If it is necessary to prorate claims under this paragraph, then  
14 that portion of each prorated claim that is approved but not  
15 paid in the current fiscal year may be resubmitted as a valid  
16 claim in the following fiscal year.

17 (Source: P.A. 93-845, eff. 7-30-04.)

18 (105 ILCS 5/2-3.109a)

19 Sec. 2-3.109a. Laboratory schools grant eligibility. A  
20 laboratory school as defined in Section 18-8 or 18-8.15 may  
21 apply for and be eligible to receive, subject to the same  
22 restrictions applicable to school districts, any grant  
23 administered by the State Board of Education that is available  
24 for school districts.

25 (Source: P.A. 90-566, eff. 1-2-98.)



1 (105 ILCS 5/3-14.21) (from Ch. 122, par. 3-14.21)

2 Sec. 3-14.21. Inspection of schools.

3 (a) The regional superintendent shall inspect and survey  
4 all public schools under his or her supervision and notify the  
5 board of education, or the trustees of schools in a district  
6 with trustees, in writing before July 30, whether or not the  
7 several schools in their district have been kept as required by  
8 law, using forms provided by the State Board of Education which  
9 are based on the Health/Life Safety Code for Public Schools  
10 adopted under Section 2-3.12. The regional superintendent  
11 shall report his or her findings to the State Board of  
12 Education on forms provided by the State Board of Education.

13 (b) If the regional superintendent determines that a school  
14 board has failed in a timely manner to correct urgent items  
15 identified in a previous life-safety report completed under  
16 Section 2-3.12 or as otherwise previously ordered by the  
17 regional superintendent, the regional superintendent shall  
18 order the school board to adopt and submit to the regional  
19 superintendent a plan for the immediate correction of the  
20 building violations. This plan shall be adopted following a  
21 public hearing that is conducted by the school board on the  
22 violations and the plan and that is preceded by at least 7  
23 days' prior notice of the hearing published in a newspaper of  
24 general circulation within the school district. If the regional  
25 superintendent determines in the next annual inspection that

1 the plan has not been completed and that the violations have  
2 not been corrected, the regional superintendent shall submit a  
3 report to the State Board of Education with a recommendation  
4 that the State Board withhold from payments of general State  
5 aid or primary State aid due to the district an amount  
6 necessary to correct the outstanding violations. The State  
7 Board, upon notice to the school board and to the regional  
8 superintendent, shall consider the report at a meeting of the  
9 State Board, and may order that a sufficient amount of general  
10 State aid or primary State aid be withheld from payments due to  
11 the district to correct the violations. This amount shall be  
12 paid to the regional superintendent who shall contract on  
13 behalf of the school board for the correction of the  
14 outstanding violations.

15 (c) The Office of the State Fire Marshal or a qualified  
16 fire official, as defined in Section 2-3.12 of this Code, to  
17 whom the State Fire Marshal has delegated his or her authority  
18 shall conduct an annual fire safety inspection of each school  
19 building in this State. The State Fire Marshal or the fire  
20 official shall coordinate its inspections with the regional  
21 superintendent. The inspection shall be based on the fire  
22 safety code authorized in Section 2-3.12 of this Code. Any  
23 violations shall be reported in writing to the regional  
24 superintendent and shall reference the specific code sections  
25 where a discrepancy has been identified within 15 days after  
26 the inspection has been conducted. The regional superintendent

1 shall address those violations that are not corrected in a  
2 timely manner pursuant to subsection (b) of this Section. The  
3 inspection must be at no cost to the school district.

4 (d) If a municipality or, in the case of an unincorporated  
5 area, a county or, if applicable, a fire protection district  
6 wishes to perform new construction inspections under the  
7 jurisdiction of a regional superintendent, then the entity must  
8 register this wish with the regional superintendent. These  
9 inspections must be based on the building code authorized in  
10 Section 2-3.12 of this Code. The inspections must be at no cost  
11 to the school district.

12 (Source: P.A. 96-734, eff. 8-25-09.)

13 (105 ILCS 5/7-14A) (from Ch. 122, par. 7-14A)

14 Sec. 7-14A. Annexation Compensation. There shall be no  
15 accounting made after a mere change in boundaries when no new  
16 district is created, except that those districts whose  
17 enrollment increases by 90% or more as a result of annexing  
18 territory detached from another district pursuant to this  
19 Article are eligible for supplementary State aid payments in  
20 accordance with Section 11E-135 of this Code. Eligible annexing  
21 districts shall apply to the State Board of Education for  
22 supplementary State aid payments by submitting enrollment  
23 figures for the year immediately preceding and the year  
24 immediately following the effective date of the boundary change  
25 for both the district gaining territory and the district losing

1 territory. Copies of any intergovernmental agreements between  
2 the district gaining territory and the district losing  
3 territory detailing any transfer of fund balances and staff  
4 must also be submitted. In all instances of changes in  
5 boundaries, the district losing territory shall not count the  
6 average daily attendance of pupils living in the territory  
7 during the year preceding the effective date of the boundary  
8 change in its claim for reimbursement under Section 18-8 or  
9 18-8.15 for the school year following the effective date of the  
10 change in boundaries and the district receiving the territory  
11 shall count the average daily attendance of pupils living in  
12 the territory during the year preceding the effective date of  
13 the boundary change in its claim for reimbursement under  
14 Section 18-8 or 18-8.15 for the school year following the  
15 effective date of the change in boundaries. The changes to this  
16 Section made by this amendatory Act of the 95th General  
17 Assembly are intended to be retroactive and applicable to any  
18 annexation taking effect on or after July 1, 2004.

19 (Source: P.A. 95-707, eff. 1-11-08.)

20 (105 ILCS 5/10-17a) (from Ch. 122, par. 10-17a)

21 Sec. 10-17a. State, school district, and school report  
22 cards.

23 (1) By October 31, 2013 and October 31 of each subsequent  
24 school year, the State Board of Education, through the State  
25 Superintendent of Education, shall prepare a State report card,

1 school district report cards, and school report cards, and  
2 shall by the most economic means provide to each school  
3 district in this State, including special charter districts and  
4 districts subject to the provisions of Article 34, the report  
5 cards for the school district and each of its schools.

6 (2) In addition to any information required by federal law,  
7 the State Superintendent shall determine the indicators and  
8 presentation of the school report card, which must include, at  
9 a minimum, the most current data possessed by the State Board  
10 of Education related to the following:

11 (A) school characteristics and student demographics,  
12 including average class size, average teaching experience,  
13 student racial/ethnic breakdown, and the percentage of  
14 students classified as low-income; the percentage of  
15 students classified as English learners; the percentage of  
16 students who have individualized education plans or 504  
17 plans that provide for special education services; the  
18 percentage of students who annually transferred in or out  
19 of the school district; the per-pupil operating  
20 expenditure of the school district; and the per-pupil State  
21 average operating expenditure for the district type  
22 (elementary, high school, or unit);

23 (B) curriculum information, including, where  
24 applicable, Advanced Placement, International  
25 Baccalaureate or equivalent courses, dual enrollment  
26 courses, foreign language classes, school personnel

1 resources (including Career Technical Education teachers),  
2 before and after school programs, extracurricular  
3 activities, subjects in which elective classes are  
4 offered, health and wellness initiatives (including the  
5 average number of days of Physical Education per week per  
6 student), approved programs of study, awards received,  
7 community partnerships, and special programs such as  
8 programming for the gifted and talented, students with  
9 disabilities, and work-study students;

10 (C) student outcomes, including, where applicable, the  
11 percentage of students deemed proficient on assessments of  
12 State standards, the percentage of students in the eighth  
13 grade who pass Algebra, the percentage of students enrolled  
14 in post-secondary institutions (including colleges,  
15 universities, community colleges, trade/vocational  
16 schools, and training programs leading to career  
17 certification within 2 semesters of high school  
18 graduation), the percentage of students graduating from  
19 high school who are college and career ready, and the  
20 percentage of graduates enrolled in community colleges,  
21 colleges, and universities who are in one or more courses  
22 that the community college, college, or university  
23 identifies as a developmental course;

24 (D) student progress, including, where applicable, the  
25 percentage of students in the ninth grade who have earned 5  
26 credits or more without failing more than one core class, a

1 measure of students entering kindergarten ready to learn, a  
2 measure of growth, and the percentage of students who enter  
3 high school on track for college and career readiness;

4 (E) the school environment, including, where  
5 applicable, the percentage of students with less than 10  
6 absences in a school year, the percentage of teachers with  
7 less than 10 absences in a school year for reasons other  
8 than professional development, leaves taken pursuant to  
9 the federal Family Medical Leave Act of 1993, long-term  
10 disability, or parental leaves, the 3-year average of the  
11 percentage of teachers returning to the school from the  
12 previous year, the number of different principals at the  
13 school in the last 6 years, 2 or more indicators from any  
14 school climate survey selected or approved by the State and  
15 administered pursuant to Section 2-3.153 of this Code, with  
16 the same or similar indicators included on school report  
17 cards for all surveys selected or approved by the State  
18 pursuant to Section 2-3.153 of this Code, and the combined  
19 percentage of teachers rated as proficient or excellent in  
20 their most recent evaluation; and

21 (F) a school district's and its individual schools'  
22 balanced accountability measure, in accordance with  
23 Section 2-3.25a of this Code.

24 The school report card shall also provide information that  
25 allows for comparing the current outcome, progress, and  
26 environment data to the State average, to the school data from

1 the past 5 years, and to the outcomes, progress, and  
2 environment of similar schools based on the type of school and  
3 enrollment of low-income students, special education students,  
4 and English learners.

5 (3) At the discretion of the State Superintendent, the  
6 school district report card shall include a subset of the  
7 information identified in paragraphs (A) through (E) of  
8 subsection (2) of this Section, as well as information relating  
9 to the operating expense per pupil and other finances of the  
10 school district, and the State report card shall include a  
11 subset of the information identified in paragraphs (A) through  
12 (E) of subsection (2) of this Section. The school district  
13 report card shall include the total and per pupil normal cost  
14 amount the State contributed to the Teachers' Retirement System  
15 of the State of Illinois in the prior fiscal year for the  
16 district's employees, which shall be reported to the State  
17 Board of Education by the Teachers' Retirement System of the  
18 State of Illinois.

19 (4) Notwithstanding anything to the contrary in this  
20 Section, in consultation with key education stakeholders, the  
21 State Superintendent shall at any time have the discretion to  
22 amend or update any and all metrics on the school, district, or  
23 State report card.

24 (5) Annually, no more than 30 calendar days after receipt  
25 of the school district and school report cards from the State  
26 Superintendent of Education, each school district, including



1 special charter districts and districts subject to the  
2 provisions of Article 34, shall present such report cards at a  
3 regular school board meeting subject to applicable notice  
4 requirements, post the report cards on the school district's  
5 Internet web site, if the district maintains an Internet web  
6 site, make the report cards available to a newspaper of general  
7 circulation serving the district, and, upon request, send the  
8 report cards home to a parent (unless the district does not  
9 maintain an Internet web site, in which case the report card  
10 shall be sent home to parents without request). If the district  
11 posts the report card on its Internet web site, the district  
12 shall send a written notice home to parents stating (i) that  
13 the report card is available on the web site, (ii) the address  
14 of the web site, (iii) that a printed copy of the report card  
15 will be sent to parents upon request, and (iv) the telephone  
16 number that parents may call to request a printed copy of the  
17 report card.

18 (6) Nothing contained in this amendatory Act of the 98th  
19 General Assembly repeals, supersedes, invalidates, or  
20 nullifies final decisions in lawsuits pending on the effective  
21 date of this amendatory Act of the 98th General Assembly in  
22 Illinois courts involving the interpretation of Public Act  
23 97-8.

24 (Source: P.A. 98-463, eff. 8-16-13; 98-648, eff. 7-1-14; 99-30,  
25 eff. 7-10-15; 99-193, eff. 7-30-15; revised 10-21-15.)

1 (105 ILCS 5/10-19) (from Ch. 122, par. 10-19)

2 Sec. 10-19. Length of school term - experimental programs.  
3 Each school board shall annually prepare a calendar for the  
4 school term, specifying the opening and closing dates and  
5 providing a minimum term of at least 185 days to insure 176  
6 days of actual pupil attendance, computable under Section  
7 18-8.05 or 18-8.15, except that for the 1980-1981 school year  
8 only 175 days of actual pupil attendance shall be required  
9 because of the closing of schools pursuant to Section 24-2 on  
10 January 29, 1981 upon the appointment by the President of that  
11 day as a day of thanksgiving for the freedom of the Americans  
12 who had been held hostage in Iran. Any days allowed by law for  
13 teachers' institutes but not used as such or used as parental  
14 institutes as provided in Section 10-22.18d shall increase the  
15 minimum term by the school days not so used. Except as provided  
16 in Section 10-19.1, the board may not extend the school term  
17 beyond such closing date unless that extension of term is  
18 necessary to provide the minimum number of computable days. In  
19 case of such necessary extension school employees shall be paid  
20 for such additional time on the basis of their regular  
21 contracts. A school board may specify a closing date earlier  
22 than that set on the annual calendar when the schools of the  
23 district have provided the minimum number of computable days  
24 under this Section. Nothing in this Section prevents the board  
25 from employing superintendents of schools, principals and  
26 other nonteaching personnel for a period of 12 months, or in

1 the case of superintendents for a period in accordance with  
2 Section 10-23.8, or prevents the board from employing other  
3 personnel before or after the regular school term with payment  
4 of salary proportionate to that received for comparable work  
5 during the school term.

6 A school board may make such changes in its calendar for  
7 the school term as may be required by any changes in the legal  
8 school holidays prescribed in Section 24-2. A school board may  
9 make changes in its calendar for the school term as may be  
10 necessary to reflect the utilization of teachers' institute  
11 days as parental institute days as provided in Section  
12 10-22.18d.

13 The calendar for the school term and any changes must be  
14 submitted to and approved by the regional superintendent of  
15 schools before the calendar or changes may take effect.

16 With the prior approval of the State Board of Education and  
17 subject to review by the State Board of Education every 3  
18 years, any school board may, by resolution of its board and in  
19 agreement with affected exclusive collective bargaining  
20 agents, establish experimental educational programs, including  
21 but not limited to programs for e-learning days as authorized  
22 under Section 10-20.56 of this Code, self-directed learning, or  
23 outside of formal class periods, which programs when so  
24 approved shall be considered to comply with the requirements of  
25 this Section as respects numbers of days of actual pupil  
26 attendance and with the other requirements of this Act as

1 respects courses of instruction.

2 (Source: P.A. 98-756, eff. 7-16-14; 99-194, eff. 7-30-15.)

3 (105 ILCS 5/10-22.5a) (from Ch. 122, par. 10-22.5a)

4 Sec. 10-22.5a. Attendance by dependents of United States  
5 military personnel, foreign exchange students, and certain  
6 nonresident pupils.

7 (a) To enter into written agreements with cultural exchange  
8 organizations, or with nationally recognized eleemosynary  
9 institutions that promote excellence in the arts, mathematics,  
10 or science. The written agreements may provide for tuition free  
11 attendance at the local district school by foreign exchange  
12 students, or by nonresident pupils of eleemosynary  
13 institutions. The local board of education, as part of the  
14 agreement, may require that the cultural exchange program or  
15 the eleemosynary institutions provide services to the district  
16 in exchange for the waiver of nonresident tuition.

17 To enter into written agreements with adjacent school  
18 districts to provide for tuition free attendance by a student  
19 of the adjacent district when requested for the student's  
20 health and safety by the student or parent and both districts  
21 determine that the student's health or safety will be served by  
22 such attendance. Districts shall not be required to enter into  
23 such agreements nor be required to alter existing  
24 transportation services due to the attendance of such  
25 non-resident pupils.

1 (a-5) If, at the time of enrollment, a dependent of United  
2 States military personnel is housed in temporary housing  
3 located outside of a school district, but will be living within  
4 the district within 60 days after the time of initial  
5 enrollment, the dependent must be allowed to enroll, subject to  
6 the requirements of this subsection (a-5), and must not be  
7 charged tuition. Any United States military personnel  
8 attempting to enroll a dependent under this subsection (a-5)  
9 shall provide proof that the dependent will be living within  
10 the district within 60 days after the time of initial  
11 enrollment. Proof of residency may include, but is not limited  
12 to, postmarked mail addressed to the military personnel and  
13 sent to an address located within the district, a lease  
14 agreement for occupancy of a residence located within the  
15 district, or proof of ownership of a residence located within  
16 the district.

17 (b) Nonresident pupils and foreign exchange students  
18 attending school on a tuition free basis under such agreements  
19 and nonresident dependents of United States military personnel  
20 attending school on a tuition free basis may be counted for the  
21 purposes of determining the apportionment of State aid provided  
22 under Section 18-8.05 or 18-8.15 of this Code. No organization  
23 or institution participating in agreements authorized under  
24 this Section may exclude any individual for participation in  
25 its program on account of the person's race, color, sex,  
26 religion or nationality.

1 (Source: P.A. 98-739, eff. 7-16-14.)

2 (105 ILCS 5/10-22.20) (from Ch. 122, par. 10-22.20)

3 Sec. 10-22.20. Classes for adults and youths whose  
4 schooling has been interrupted; conditions for State  
5 reimbursement; use of child care facilities.

6 (a) To establish special classes for the instruction (1) of  
7 persons of age 21 years or over and (2) of persons less than  
8 age 21 and not otherwise in attendance in public school, for  
9 the purpose of providing adults in the community and youths  
10 whose schooling has been interrupted with such additional basic  
11 education, vocational skill training, and other instruction as  
12 may be necessary to increase their qualifications for  
13 employment or other means of self-support and their ability to  
14 meet their responsibilities as citizens, including courses of  
15 instruction regularly accepted for graduation from elementary  
16 or high schools and for Americanization and high school  
17 equivalency testing review classes.

18 The board shall pay the necessary expenses of such classes  
19 out of school funds of the district, including costs of student  
20 transportation and such facilities or provision for child-care  
21 as may be necessary in the judgment of the board to permit  
22 maximum utilization of the courses by students with children,  
23 and other special needs of the students directly related to  
24 such instruction. The expenses thus incurred shall be subject  
25 to State reimbursement, as provided in this Section. The board

1 may make a tuition charge for persons taking instruction who  
2 are not subject to State reimbursement, such tuition charge not  
3 to exceed the per capita cost of such classes.

4 The cost of such instruction, including the additional  
5 expenses herein authorized, incurred for recipients of  
6 financial aid under the Illinois Public Aid Code, or for  
7 persons for whom education and training aid has been authorized  
8 under Section 9-8 of that Code, shall be assumed in its  
9 entirety from funds appropriated by the State to the Illinois  
10 Community College Board.

11 (b) The Illinois Community College Board shall establish  
12 the standards for the courses of instruction reimbursed under  
13 this Section. The Illinois Community College Board shall  
14 supervise the administration of the programs. The Illinois  
15 Community College Board shall determine the cost of instruction  
16 in accordance with standards established by the Illinois  
17 Community College Board, including therein other incidental  
18 costs as herein authorized, which shall serve as the basis of  
19 State reimbursement in accordance with the provisions of this  
20 Section. In the approval of programs and the determination of  
21 the cost of instruction, the Illinois Community College Board  
22 shall provide for the maximum utilization of federal funds for  
23 such programs. The Illinois Community College Board shall also  
24 provide for:

25 (1) the development of an index of need for program  
26 planning and for area funding allocations, as defined by

1 the Illinois Community College Board;

2 (2) the method for calculating hours of instruction, as  
3 defined by the Illinois Community College Board, claimable  
4 for reimbursement and a method to phase in the calculation  
5 and for adjusting the calculations in cases where the  
6 services of a program are interrupted due to circumstances  
7 beyond the control of the program provider;

8 (3) a plan for the reallocation of funds to increase  
9 the amount allocated for grants based upon program  
10 performance as set forth in subsection (d) below; and

11 (4) the development of standards for determining  
12 grants based upon performance as set forth in subsection  
13 (d) below and a plan for the phased-in implementation of  
14 those standards.

15 For instruction provided by school districts and community  
16 college districts beginning July 1, 1996 and thereafter,  
17 reimbursement provided by the Illinois Community College Board  
18 for classes authorized by this Section shall be provided from  
19 funds appropriated for the reimbursement criteria set forth in  
20 subsection (c) below.

21 (c) Upon the annual approval of the Illinois Community  
22 College Board, reimbursement shall be first provided for  
23 transportation, child care services, and other special needs of  
24 the students directly related to instruction and then from the  
25 funds remaining an amount equal to the product of the total  
26 credit hours or units of instruction approved by the Illinois



1 Community College Board, multiplied by the following:

2 (1) For adult basic education, the maximum  
3 reimbursement per credit hour or per unit of instruction  
4 shall be equal to (i) through fiscal year 2016, the general  
5 state aid per pupil foundation level established in  
6 subsection (B) of Section 18-8.05, divided by 60, or (ii)  
7 in fiscal year 2017 and thereafter, the foundation level  
8 established pursuant to subsection (b) of Section 18-8.15  
9 of this Code, divided by 60;

10 (2) The maximum reimbursement per credit hour or per  
11 unit of instruction in subparagraph (1) above shall be  
12 weighted for students enrolled in classes defined as  
13 vocational skills and approved by the Illinois Community  
14 College Board by 1.25;

15 (3) The maximum reimbursement per credit hour or per  
16 unit of instruction in subparagraph (1) above shall be  
17 multiplied by .90 for students enrolled in classes defined  
18 as adult secondary education programs and approved by the  
19 Illinois Community College Board;

20 (4) (Blank); and

21 (5) Funding for program years after 1999-2000 shall be  
22 determined by the Illinois Community College Board.

23 (d) Upon its annual approval, the Illinois Community  
24 College Board shall provide grants to eligible programs for  
25 supplemental activities to improve or expand services under the  
26 Adult Education Act. Eligible programs shall be determined

1 based upon performance outcomes of students in the programs as  
2 set by the Illinois Community College Board.

3 (e) Reimbursement under this Section shall not exceed the  
4 actual costs of the approved program.

5 If the amount appropriated to the Illinois Community  
6 College Board for reimbursement under this Section is less than  
7 the amount required under this Act, the apportionment shall be  
8 proportionately reduced.

9 School districts and community college districts may  
10 assess students up to \$3.00 per credit hour, for classes other  
11 than Adult Basic Education level programs, if needed to meet  
12 program costs.

13 (f) An education plan shall be established for each adult  
14 or youth whose schooling has been interrupted and who is  
15 participating in the instructional programs provided under  
16 this Section.

17 Each school board and community college shall keep an  
18 accurate and detailed account of the students assigned to and  
19 receiving instruction under this Section who are subject to  
20 State reimbursement and shall submit reports of services  
21 provided commencing with fiscal year 1997 as required by the  
22 Illinois Community College Board.

23 For classes authorized under this Section, a credit hour or  
24 unit of instruction is equal to 15 hours of direct instruction  
25 for students enrolled in approved adult education programs at  
26 midterm and making satisfactory progress, in accordance with

1 standards established by the Illinois Community College Board.

2 (g) Upon proof submitted to the Illinois Department of  
3 Human Services of the payment of all claims submitted under  
4 this Section, that Department shall apply for federal funds  
5 made available therefor and any federal funds so received shall  
6 be paid into the General Revenue Fund in the State Treasury.

7 School districts or community colleges providing classes  
8 under this Section shall submit applications to the Illinois  
9 Community College Board for preapproval in accordance with the  
10 standards established by the Illinois Community College Board.  
11 Payments shall be made by the Illinois Community College Board  
12 based upon approved programs. Interim expenditure reports may  
13 be required by the Illinois Community College Board. Final  
14 claims for the school year shall be submitted to the regional  
15 superintendents for transmittal to the Illinois Community  
16 College Board. Final adjusted payments shall be made by  
17 September 30.

18 If a school district or community college district fails to  
19 provide, or is providing unsatisfactory or insufficient  
20 classes under this Section, the Illinois Community College  
21 Board may enter into agreements with public or private  
22 educational or other agencies other than the public schools for  
23 the establishment of such classes.

24 (h) If a school district or community college district  
25 establishes child-care facilities for the children of  
26 participants in classes established under this Section, it may

1 extend the use of these facilities to students who have  
2 obtained employment and to other persons in the community whose  
3 children require care and supervision while the parent or other  
4 person in charge of the children is employed or otherwise  
5 absent from the home during all or part of the day. It may make  
6 the facilities available before and after as well as during  
7 regular school hours to school age and preschool age children  
8 who may benefit thereby, including children who require care  
9 and supervision pending the return of their parent or other  
10 person in charge of their care from employment or other  
11 activity requiring absence from the home.

12 The Illinois Community College Board shall pay to the board  
13 the cost of care in the facilities for any child who is a  
14 recipient of financial aid under the Illinois Public Aid Code.

15 The board may charge for care of children for whom it  
16 cannot make claim under the provisions of this Section. The  
17 charge shall not exceed per capita cost, and to the extent  
18 feasible, shall be fixed at a level which will permit  
19 utilization by employed parents of low or moderate income. It  
20 may also permit any other State or local governmental agency or  
21 private agency providing care for children to purchase care.

22 After July 1, 1970 when the provisions of Section 10-20.20  
23 become operative in the district, children in a child-care  
24 facility shall be transferred to the kindergarten established  
25 under that Section for such portion of the day as may be  
26 required for the kindergarten program, and only the prorated

1 costs of care and training provided in the Center for the  
2 remaining period shall be charged to the Illinois Department of  
3 Human Services or other persons or agencies paying for such  
4 care.

5 (i) The provisions of this Section shall also apply to  
6 school districts having a population exceeding 500,000.

7 (j) In addition to claiming reimbursement under this  
8 Section, a school district may claim general State aid under  
9 Section 18-8.05 or primary State aid under Section 18-8.15 for  
10 any student under age 21 who is enrolled in courses accepted  
11 for graduation from elementary or high school and who otherwise  
12 meets the requirements of Section 18-8.05 or 18-8.15, as  
13 applicable.

14 (Source: P.A. 98-718, eff. 1-1-15.)

15 (105 ILCS 5/10-29)

16 Sec. 10-29. Remote educational programs.

17 (a) For purposes of this Section, "remote educational  
18 program" means an educational program delivered to students in  
19 the home or other location outside of a school building that  
20 meets all of the following criteria:

21 (1) A student may participate in the program only after  
22 the school district, pursuant to adopted school board  
23 policy, and a person authorized to enroll the student under  
24 Section 10-20.12b of this Code determine that a remote  
25 educational program will best serve the student's

1 individual learning needs. The adopted school board policy  
2 shall include, but not be limited to, all of the following:

3 (A) Criteria for determining that a remote  
4 educational program will best serve a student's  
5 individual learning needs. The criteria must include  
6 consideration of, at a minimum, a student's prior  
7 attendance, disciplinary record, and academic history.

8 (B) Any limitations on the number of students or  
9 grade levels that may participate in a remote  
10 educational program.

11 (C) A description of the process that the school  
12 district will use to approve participation in the  
13 remote educational program. The process must include  
14 without limitation a requirement that, for any student  
15 who qualifies to receive services pursuant to the  
16 federal Individuals with Disabilities Education  
17 Improvement Act of 2004, the student's participation  
18 in a remote educational program receive prior approval  
19 from the student's individualized education program  
20 team.

21 (D) A description of the process the school  
22 district will use to develop and approve a written  
23 remote educational plan that meets the requirements of  
24 subdivision (5) of this subsection (a).

25 (E) A description of the system the school district  
26 will establish to calculate the number of clock hours a

1 student is participating in instruction in accordance  
2 with the remote educational program.

3 (F) A description of the process for renewing a  
4 remote educational program at the expiration of its  
5 term.

6 (G) Such other terms and provisions as the school  
7 district deems necessary to provide for the  
8 establishment and delivery of a remote educational  
9 program.

10 (2) The school district has determined that the remote  
11 educational program's curriculum is aligned to State  
12 learning standards and that the program offers instruction  
13 and educational experiences consistent with those given to  
14 students at the same grade level in the district.

15 (3) The remote educational program is delivered by  
16 instructors that meet the following qualifications:

17 (A) they are certificated under Article 21 of this  
18 Code;

19 (B) they meet applicable highly qualified criteria  
20 under the federal No Child Left Behind Act of 2001; and

21 (C) they have responsibility for all of the  
22 following elements of the program: planning  
23 instruction, diagnosing learning needs, prescribing  
24 content delivery through class activities, assessing  
25 learning, reporting outcomes to administrators and  
26 parents and guardians, and evaluating the effects of

1 instruction.

2 (4) During the period of time from and including the  
3 opening date to the closing date of the regular school term  
4 of the school district established pursuant to Section  
5 10-19 of this Code, participation in a remote educational  
6 program may be claimed for general State aid purposes under  
7 Section 18-8.05 of this Code or primary State aid purposes  
8 under Section 18-8.15 of this Code on any calendar day,  
9 notwithstanding whether the day is a day of pupil  
10 attendance or institute day on the school district's  
11 calendar or any other provision of law restricting  
12 instruction on that day. If the district holds year-round  
13 classes in some buildings, the district shall classify each  
14 student's participation in a remote educational program as  
15 either on a year-round or a non-year-round schedule for  
16 purposes of claiming general State aid or primary State  
17 aid. Outside of the regular school term of the district,  
18 the remote educational program may be offered as part of  
19 any summer school program authorized by this Code.

20 (5) Each student participating in a remote educational  
21 program must have a written remote educational plan that  
22 has been approved by the school district and a person  
23 authorized to enroll the student under Section 10-20.12b of  
24 this Code. The school district and a person authorized to  
25 enroll the student under Section 10-20.12b of this Code  
26 must approve any amendment to a remote educational plan.



1           The remote educational plan must include, but is not  
2           limited to, all of the following:

3                   (A) Specific achievement goals for the student  
4                   aligned to State learning standards.

5                   (B) A description of all assessments that will be  
6                   used to measure student progress, which description  
7                   shall indicate the assessments that will be  
8                   administered at an attendance center within the school  
9                   district.

10                  (C) A description of the progress reports that will  
11                  be provided to the school district and the person or  
12                  persons authorized to enroll the student under Section  
13                  10-20.12b of this Code.

14                  (D) Expectations, processes, and schedules for  
15                  interaction between a teacher and student.

16                  (E) A description of the specific responsibilities  
17                  of the student's family and the school district with  
18                  respect to equipment, materials, phone and Internet  
19                  service, and any other requirements applicable to the  
20                  home or other location outside of a school building  
21                  necessary for the delivery of the remote educational  
22                  program.

23                  (F) If applicable, a description of how the remote  
24                  educational program will be delivered in a manner  
25                  consistent with the student's individualized education  
26                  program required by Section 614(d) of the federal

1           Individuals with Disabilities Education Improvement  
2           Act of 2004 or plan to ensure compliance with Section  
3           504 of the federal Rehabilitation Act of 1973.

4           (G) A description of the procedures and  
5           opportunities for participation in academic and  
6           extra-curricular activities and programs within the  
7           school district.

8           (H) The identification of a parent, guardian, or  
9           other responsible adult who will provide direct  
10          supervision of the program. The plan must include an  
11          acknowledgment by the parent, guardian, or other  
12          responsible adult that he or she may engage only in  
13          non-teaching duties not requiring instructional  
14          judgment or the evaluation of a student. The plan shall  
15          designate the parent, guardian, or other responsible  
16          adult as non-teaching personnel or volunteer personnel  
17          under subsection (a) of Section 10-22.34 of this Code.

18          (I) The identification of a school district  
19          administrator who will oversee the remote educational  
20          program on behalf of the school district and who may be  
21          contacted by the student's parents with respect to any  
22          issues or concerns with the program.

23          (J) The term of the student's participation in the  
24          remote educational program, which may not extend for  
25          longer than 12 months, unless the term is renewed by  
26          the district in accordance with subdivision (7) of this

1 subsection (a).

2 (K) A description of the specific location or  
3 locations in which the program will be delivered. If  
4 the remote educational program is to be delivered to a  
5 student in any location other than the student's home,  
6 the plan must include a written determination by the  
7 school district that the location will provide a  
8 learning environment appropriate for the delivery of  
9 the program. The location or locations in which the  
10 program will be delivered shall be deemed a long  
11 distance teaching reception area under subsection (a)  
12 of Section 10-22.34 of this Code.

13 (L) Certification by the school district that the  
14 plan meets all other requirements of this Section.

15 (6) Students participating in a remote educational  
16 program must be enrolled in a school district attendance  
17 center pursuant to the school district's enrollment policy  
18 or policies. A student participating in a remote  
19 educational program must be tested as part of all  
20 assessments administered by the school district pursuant  
21 to Section 2-3.64a-5 of this Code at the attendance center  
22 in which the student is enrolled and in accordance with the  
23 attendance center's assessment policies and schedule. The  
24 student must be included within all accountability  
25 determinations for the school district and attendance  
26 center under State and federal law.

1           (7) The term of a student's participation in a remote  
2 educational program may not extend for longer than 12  
3 months, unless the term is renewed by the school district.  
4 The district may only renew a student's participation in a  
5 remote educational program following an evaluation of the  
6 student's progress in the program, a determination that the  
7 student's continuation in the program will best serve the  
8 student's individual learning needs, and an amendment to  
9 the student's written remote educational plan addressing  
10 any changes for the upcoming term of the program.

11           For purposes of this Section, a remote educational program  
12 does not include instruction delivered to students through an  
13 e-learning program approved under Section 10-20.56 of this  
14 Code.

15           (b) A school district may, by resolution of its school  
16 board, establish a remote educational program.

17           (c) Clock hours of instruction by students in a remote  
18 educational program meeting the requirements of this Section  
19 may be claimed by the school district and shall be counted as  
20 school work for general State aid purposes in accordance with  
21 and subject to the limitations of Section 18-8.05 of this Code  
22 or primary State aid purposes in accordance with and subject to  
23 the limitations of Section 18-8.15 of this Code.

24           (d) The impact of remote educational programs on wages,  
25 hours, and terms and conditions of employment of educational  
26 employees within the school district shall be subject to local

1 collective bargaining agreements.

2 (e) The use of a home or other location outside of a school  
3 building for a remote educational program shall not cause the  
4 home or other location to be deemed a public school facility.

5 (f) A remote educational program may be used, but is not  
6 required, for instruction delivered to a student in the home or  
7 other location outside of a school building that is not claimed  
8 for general State aid purposes under Section 18-8.05 of this  
9 Code or primary State aid purposes under Section 18-8.15 of  
10 this Code.

11 (g) School districts that, pursuant to this Section, adopt  
12 a policy for a remote educational program must submit to the  
13 State Board of Education a copy of the policy and any  
14 amendments thereto, as well as data on student participation in  
15 a format specified by the State Board of Education. The State  
16 Board of Education may perform or contract with an outside  
17 entity to perform an evaluation of remote educational programs  
18 in this State.

19 (h) The State Board of Education may adopt any rules  
20 necessary to ensure compliance by remote educational programs  
21 with the requirements of this Section and other applicable  
22 legal requirements.

23 (Source: P.A. 98-972, eff. 8-15-14; 99-193, eff. 7-30-15;  
24 99-194, eff. 7-30-15; revised 10-9-15.)

25 (105 ILCS 5/11E-135)

1           Sec. 11E-135. Incentives. For districts reorganizing under  
2 this Article and for a district or districts that annex all of  
3 the territory of one or more entire other school districts in  
4 accordance with Article 7 of this Code, the following payments  
5 shall be made from appropriations made for these purposes:

6           (a)(1) For a combined school district, as defined in  
7 Section 11E-20 of this Code, or for a unit district, as defined  
8 in Section 11E-25 of this Code, for its first year of  
9 existence, the general State aid and supplemental general State  
10 aid calculated under Section 18-8.05 of this Code or the  
11 primary State aid and supplemental grants calculated under  
12 Section 18-8.15 of this Code, as applicable, shall be computed  
13 for the new district and for the previously existing districts  
14 for which property is totally included within the new district.  
15 If the computation on the basis of the previously existing  
16 districts is greater, a supplementary payment equal to the  
17 difference shall be made for the first 4 years of existence of  
18 the new district.

19           (2) For a school district that annexes all of the territory  
20 of one or more entire other school districts as defined in  
21 Article 7 of this Code, for the first year during which the  
22 change of boundaries attributable to the annexation becomes  
23 effective for all purposes, as determined under Section 7-9 of  
24 this Code, the general State aid and supplemental general State  
25 aid calculated under Section 18-8.05 of this Code or the  
26 primary State aid and supplemental grants calculated under

1 Section 18-8.15 of this Code, as applicable, shall be computed  
2 for the annexing district as constituted after the annexation  
3 and for the annexing and each annexed district as constituted  
4 prior to the annexation; and if the computation on the basis of  
5 the annexing and annexed districts as constituted prior to the  
6 annexation is greater, then a supplementary payment equal to  
7 the difference shall be made for the first 4 years of existence  
8 of the annexing school district as constituted upon the  
9 annexation.

10 (3) For 2 or more school districts that annex all of the  
11 territory of one or more entire other school districts, as  
12 defined in Article 7 of this Code, for the first year during  
13 which the change of boundaries attributable to the annexation  
14 becomes effective for all purposes, as determined under Section  
15 7-9 of this Code, the general State aid and supplemental  
16 general State aid calculated under Section 18-8.05 of this Code  
17 or the primary State aid and supplemental grants calculated  
18 under Section 18-8.15 of this Code, as applicable, shall be  
19 computed for each annexing district as constituted after the  
20 annexation and for each annexing and annexed district as  
21 constituted prior to the annexation; and if the aggregate of  
22 the general State aid and supplemental general State aid or  
23 primary State aid and supplemental grants, as applicable, as so  
24 computed for the annexing districts as constituted after the  
25 annexation is less than the aggregate of the general State aid  
26 and supplemental general State aid or primary State aid and

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

22 (4) For a school district conversion, as defined in Section  
23 11E-15 of this Code, or a multi-unit conversion, as defined in  
24 subsection (b) of Section 11E-30 of this Code, if in their  
25 first year of existence the newly created elementary districts  
26 and the newly created high school district, from a school



1 district conversion, or the newly created elementary district  
2 or districts and newly created combined high school - unit  
3 district, from a multi-unit conversion, qualify for less  
4 general State aid under Section 18-8.05 of this Code or primary  
5 State aid under Section 18-8.15 of this Code than would have  
6 been payable under Section 18-8.05 or 18-8.15, as applicable,  
7 for that same year to the previously existing districts, then a  
8 supplementary payment equal to that difference shall be made  
9 for the first 4 years of existence of the newly created  
10 districts. The aggregate amount of each supplementary payment  
11 shall be allocated among the newly created districts in the  
12 proportion that the deemed pupil enrollment in each district  
13 during its first year of existence bears to the actual  
14 aggregate pupil enrollment in all of the districts during their  
15 first year of existence. For purposes of each allocation:

16 (A) the deemed pupil enrollment of the newly created  
17 high school district from a school district conversion  
18 shall be an amount equal to its actual pupil enrollment for  
19 its first year of existence multiplied by 1.25;

20 (B) the deemed pupil enrollment of each newly created  
21 elementary district from a school district conversion  
22 shall be an amount equal to its actual pupil enrollment for  
23 its first year of existence reduced by an amount equal to  
24 the product obtained when the amount by which the newly  
25 created high school district's deemed pupil enrollment  
26 exceeds its actual pupil enrollment for its first year of

1 existence is multiplied by a fraction, the numerator of  
2 which is the actual pupil enrollment of the newly created  
3 elementary district for its first year of existence and the  
4 denominator of which is the actual aggregate pupil  
5 enrollment of all of the newly created elementary districts  
6 for their first year of existence;

7 (C) the deemed high school pupil enrollment of the  
8 newly created combined high school - unit district from a  
9 multi-unit conversion shall be an amount equal to its  
10 actual grades 9 through 12 pupil enrollment for its first  
11 year of existence multiplied by 1.25; and

12 (D) the deemed elementary pupil enrollment of each  
13 newly created district from a multi-unit conversion shall  
14 be an amount equal to each district's actual grade K  
15 through 8 pupil enrollment for its first year of existence,  
16 reduced by an amount equal to the product obtained when the  
17 amount by which the newly created combined high school -  
18 unit district's deemed high school pupil enrollment  
19 exceeds its actual grade 9 through 12 pupil enrollment for  
20 its first year of existence is multiplied by a fraction,  
21 the numerator of which is the actual grade K through 8  
22 pupil enrollment of each newly created district for its  
23 first year of existence and the denominator of which is the  
24 actual aggregate grade K through 8 pupil enrollment of all  
25 such newly created districts for their first year of  
26 existence.

1           The aggregate amount of each supplementary payment under  
2 this subdivision (4) and the amount thereof to be allocated to  
3 the newly created districts shall be computed by the State  
4 Board of Education on the basis of pupil enrollment and other  
5 data, which shall be certified to the State Board of Education,  
6 on forms that it shall provide for that purpose, by the  
7 regional superintendent of schools for each educational  
8 service region in which the newly created districts are  
9 located.

10           (5) For a partial elementary unit district, as defined in  
11 subsection (a) or (c) of Section 11E-30 of this Code, if, in  
12 the first year of existence, the newly created partial  
13 elementary unit district qualifies for less general State aid  
14 and supplemental general State aid under Section 18-8.05 of  
15 this Code or less primary State aid and supplemental grants  
16 under Section 18-8.15 of this Code, as applicable, than would  
17 have been payable under those Sections ~~that Section~~ for that  
18 same year to the previously existing districts that formed the  
19 partial elementary unit district, then a supplementary payment  
20 equal to that difference shall be made to the partial  
21 elementary unit district for the first 4 years of existence of  
22 that newly created district.

23           (6) For an elementary opt-in, as described in subsection  
24 (d) of Section 11E-30 of this Code, the general State aid or  
25 primary State aid difference shall be computed in accordance  
26 with paragraph (5) of this subsection (a) as if the elementary

1 opt-in was included in an optional elementary unit district at  
2 the optional elementary unit district's original effective  
3 date. If the calculation in this paragraph (6) is less than  
4 that calculated in paragraph (5) of this subsection (a) at the  
5 optional elementary unit district's original effective date,  
6 then no adjustments may be made. If the calculation in this  
7 paragraph (6) is more than that calculated in paragraph (5) of  
8 this subsection (a) at the optional elementary unit district's  
9 original effective date, then the excess must be paid as  
10 follows:

11 (A) If the effective date for the elementary opt-in is  
12 one year after the effective date for the optional  
13 elementary unit district, 100% of the calculated excess  
14 shall be paid to the optional elementary unit district in  
15 each of the first 4 years after the effective date of the  
16 elementary opt-in.

17 (B) If the effective date for the elementary opt-in is  
18 2 years after the effective date for the optional  
19 elementary unit district, 75% of the calculated excess  
20 shall be paid to the optional elementary unit district in  
21 each of the first 4 years after the effective date of the  
22 elementary opt-in.

23 (C) If the effective date for the elementary opt-in is  
24 3 years after the effective date for the optional  
25 elementary unit district, 50% of the calculated excess  
26 shall be paid to the optional elementary unit district in

1 each of the first 4 years after the effective date of the  
2 elementary opt-in.

3 (D) If the effective date for the elementary opt-in is  
4 4 years after the effective date for the optional  
5 elementary unit district, 25% of the calculated excess  
6 shall be paid to the optional elementary unit district in  
7 each of the first 4 years after the effective date of the  
8 elementary opt-in.

9 (E) If the effective date for the elementary opt-in is  
10 5 years after the effective date for the optional  
11 elementary unit district, the optional elementary unit  
12 district is not eligible for any additional incentives due  
13 to the elementary opt-in.

14 (6.5) For a school district that annexes territory detached  
15 from another school district whereby the enrollment of the  
16 annexing district increases by 90% or more as a result of the  
17 annexation, for the first year during which the change of  
18 boundaries attributable to the annexation becomes effective  
19 for all purposes as determined under Section 7-9 of this Code,  
20 the general State aid and supplemental general State aid or  
21 primary State aid and supplemental grants, as applicable,  
22 calculated under this Section shall be computed for the  
23 district gaining territory and the district losing territory as  
24 constituted after the annexation and for the same districts as  
25 constituted prior to the annexation; and if the aggregate of  
26 the general State aid and supplemental general State aid or

1 primary State aid and supplemental grants, as applicable, as so  
2 computed for the district gaining territory and the district  
3 losing territory as constituted after the annexation is less  
4 than the aggregate of the general State aid and supplemental  
5 general State aid or primary State aid and supplemental grants,  
6 as applicable, as so computed for the district gaining  
7 territory and the district losing territory as constituted  
8 prior to the annexation, then a supplementary payment shall be  
9 made to the annexing district for the first 4 years of  
10 existence after the annexation, equal to the difference  
11 multiplied by the ratio of student enrollment in the territory  
12 detached to the total student enrollment in the district losing  
13 territory for the year prior to the effective date of the  
14 annexation. The amount of the total difference and the  
15 proportion paid to the annexing district shall be computed by  
16 the State Board of Education on the basis of pupil enrollment  
17 and other data that must be submitted to the State Board of  
18 Education in accordance with Section 7-14A of this Code. The  
19 changes to this Section made by Public Act 95-707 are intended  
20 to be retroactive and applicable to any annexation taking  
21 effect on or after July 1, 2004. For annexations that are  
22 eligible for payments under this paragraph (6.5) and that are  
23 effective on or after July 1, 2004, but before January 11, 2008  
24 (the effective date of Public Act 95-707), the first required  
25 yearly payment under this paragraph (6.5) shall be paid in the  
26 fiscal year of January 11, 2008 (the effective date of Public

1 Act 95-707). Subsequent required yearly payments shall be paid  
2 in subsequent fiscal years until the payment obligation under  
3 this paragraph (6.5) is complete.

4 (7) Claims for financial assistance under this subsection  
5 (a) may not be recomputed except as expressly provided under  
6 Section 18-8.05 or 18-8.15 of this Code.

7 (8) Any supplementary payment made under this subsection  
8 (a) must be treated as separate from all other payments made  
9 pursuant to Section 18-8.05 or 18-8.15 of this Code.

10 (b) (1) After the formation of a combined school district,  
11 as defined in Section 11E-20 of this Code, or a unit district,  
12 as defined in Section 11E-25 of this Code, a computation shall  
13 be made to determine the difference between the salaries  
14 effective in each of the previously existing districts on June  
15 30, prior to the creation of the new district. For the first 4  
16 years after the formation of the new district, a supplementary  
17 State aid reimbursement shall be paid to the new district equal  
18 to the difference between the sum of the salaries earned by  
19 each of the certificated members of the new district, while  
20 employed in one of the previously existing districts during the  
21 year immediately preceding the formation of the new district,  
22 and the sum of the salaries those certificated members would  
23 have been paid during the year immediately prior to the  
24 formation of the new district if placed on the salary schedule  
25 of the previously existing district with the highest salary  
26 schedule.

1           (2) After the territory of one or more school districts is  
2 annexed by one or more other school districts as defined in  
3 Article 7 of this Code, a computation shall be made to  
4 determine the difference between the salaries effective in each  
5 annexed district and in the annexing district or districts as  
6 they were each constituted on June 30 preceding the date when  
7 the change of boundaries attributable to the annexation became  
8 effective for all purposes, as determined under Section 7-9 of  
9 this Code. For the first 4 years after the annexation, a  
10 supplementary State aid reimbursement shall be paid to each  
11 annexing district as constituted after the annexation equal to  
12 the difference between the sum of the salaries earned by each  
13 of the certificated members of the annexing district as  
14 constituted after the annexation, while employed in an annexed  
15 or annexing district during the year immediately preceding the  
16 annexation, and the sum of the salaries those certificated  
17 members would have been paid during the immediately preceding  
18 year if placed on the salary schedule of whichever of the  
19 annexing or annexed districts had the highest salary schedule  
20 during the immediately preceding year.

21           (3) For each new high school district formed under a school  
22 district conversion, as defined in Section 11E-15 of this Code,  
23 the State shall make a supplementary payment for 4 years equal  
24 to the difference between the sum of the salaries earned by  
25 each certified member of the new high school district, while  
26 employed in one of the previously existing districts, and the



1 sum of the salaries those certified members would have been  
2 paid if placed on the salary schedule of the previously  
3 existing district with the highest salary schedule.

4 (4) For each newly created partial elementary unit  
5 district, the State shall make a supplementary payment for 4  
6 years equal to the difference between the sum of the salaries  
7 earned by each certified member of the newly created partial  
8 elementary unit district, while employed in one of the  
9 previously existing districts that formed the partial  
10 elementary unit district, and the sum of the salaries those  
11 certified members would have been paid if placed on the salary  
12 schedule of the previously existing district with the highest  
13 salary schedule. The salary schedules used in the calculation  
14 shall be those in effect in the previously existing districts  
15 for the school year prior to the creation of the new partial  
16 elementary unit district.

17 (5) For an elementary district opt-in, as described in  
18 subsection (d) of Section 11E-30 of this Code, the salary  
19 difference incentive shall be computed in accordance with  
20 paragraph (4) of this subsection (b) as if the opted-in  
21 elementary district was included in the optional elementary  
22 unit district at the optional elementary unit district's  
23 original effective date. If the calculation in this paragraph  
24 (5) is less than that calculated in paragraph (4) of this  
25 subsection (b) at the optional elementary unit district's  
26 original effective date, then no adjustments may be made. If

1 the calculation in this paragraph (5) is more than that  
2 calculated in paragraph (4) of this subsection (b) at the  
3 optional elementary unit district's original effective date,  
4 then the excess must be paid as follows:

5 (A) If the effective date for the elementary opt-in is  
6 one year after the effective date for the optional  
7 elementary unit district, 100% of the calculated excess  
8 shall be paid to the optional elementary unit district in  
9 each of the first 4 years after the effective date of the  
10 elementary opt-in.

11 (B) If the effective date for the elementary opt-in is  
12 2 years after the effective date for the optional  
13 elementary unit district, 75% of the calculated excess  
14 shall be paid to the optional elementary unit district in  
15 each of the first 4 years after the effective date of the  
16 elementary opt-in.

17 (C) If the effective date for the elementary opt-in is  
18 3 years after the effective date for the optional  
19 elementary unit district, 50% of the calculated excess  
20 shall be paid to the optional elementary unit district in  
21 each of the first 4 years after the effective date of the  
22 elementary opt-in.

23 (D) If the effective date for the elementary opt-in is  
24 4 years after the effective date for the partial elementary  
25 unit district, 25% of the calculated excess shall be paid  
26 to the optional elementary unit district in each of the

1 first 4 years after the effective date of the elementary  
2 opt-in.

3 (E) If the effective date for the elementary opt-in is  
4 5 years after the effective date for the optional  
5 elementary unit district, the optional elementary unit  
6 district is not eligible for any additional incentives due  
7 to the elementary opt-in.

8 (5.5) After the formation of a cooperative high school by 2  
9 or more school districts under Section 10-22.22c of this Code,  
10 a computation shall be made to determine the difference between  
11 the salaries effective in each of the previously existing high  
12 schools on June 30 prior to the formation of the cooperative  
13 high school. For the first 4 years after the formation of the  
14 cooperative high school, a supplementary State aid  
15 reimbursement shall be paid to the cooperative high school  
16 equal to the difference between the sum of the salaries earned  
17 by each of the certificated members of the cooperative high  
18 school while employed in one of the previously existing high  
19 schools during the year immediately preceding the formation of  
20 the cooperative high school and the sum of the salaries those  
21 certificated members would have been paid during the year  
22 immediately prior to the formation of the cooperative high  
23 school if placed on the salary schedule of the previously  
24 existing high school with the highest salary schedule.

25 (5.10) After the annexation of territory detached from  
26 another school district whereby the enrollment of the annexing

1 district increases by 90% or more as a result of the  
2 annexation, a computation shall be made to determine the  
3 difference between the salaries effective in the district  
4 gaining territory and the district losing territory as they  
5 each were constituted on June 30 preceding the date when the  
6 change of boundaries attributable to the annexation became  
7 effective for all purposes as determined under Section 7-9 of  
8 this Code. For the first 4 years after the annexation, a  
9 supplementary State aid reimbursement shall be paid to the  
10 annexing district equal to the difference between the sum of  
11 the salaries earned by each of the certificated members of the  
12 annexing district as constituted after the annexation while  
13 employed in the district gaining territory or the district  
14 losing territory during the year immediately preceding the  
15 annexation and the sum of the salaries those certificated  
16 members would have been paid during such immediately preceding  
17 year if placed on the salary schedule of whichever of the  
18 district gaining territory or district losing territory had the  
19 highest salary schedule during the immediately preceding year.  
20 To be eligible for supplementary State aid reimbursement under  
21 this Section, the intergovernmental agreement to be submitted  
22 pursuant to Section 7-14A of this Code must show that staff  
23 members were transferred from the control of the district  
24 losing territory to the control of the district gaining  
25 territory in the annexation. The changes to this Section made  
26 by Public Act 95-707 are intended to be retroactive and

1 applicable to any annexation taking effect on or after July 1,  
2 2004. For annexations that are eligible for payments under this  
3 paragraph (5.10) and that are effective on or after July 1,  
4 2004, but before January 11, 2008 (the effective date of Public  
5 Act 95-707), the first required yearly payment under this  
6 paragraph (5.10) shall be paid in the fiscal year of January  
7 11, 2008 (the effective date of Public Act 95-707). Subsequent  
8 required yearly payments shall be paid in subsequent fiscal  
9 years until the payment obligation under this paragraph (5.10)  
10 is complete.

11 (5.15) After the deactivation of a school facility in  
12 accordance with Section 10-22.22b of this Code, a computation  
13 shall be made to determine the difference between the salaries  
14 effective in the sending school district and each receiving  
15 school district on June 30 prior to the deactivation of the  
16 school facility. For the lesser of the first 4 years after the  
17 deactivation of the school facility or the length of the  
18 deactivation agreement, including any renewals of the original  
19 deactivation agreement, a supplementary State aid  
20 reimbursement shall be paid to each receiving district equal to  
21 the difference between the sum of the salaries earned by each  
22 of the certificated members transferred to that receiving  
23 district as a result of the deactivation while employed in the  
24 sending district during the year immediately preceding the  
25 deactivation and the sum of the salaries those certificated  
26 members would have been paid during the year immediately

1 preceding the deactivation if placed on the salary schedule of  
2 the sending or receiving district with the highest salary  
3 schedule.

4 (6) The supplementary State aid reimbursement under this  
5 subsection (b) shall be treated as separate from all other  
6 payments made pursuant to Section 18-8.05 of this Code. In the  
7 case of the formation of a new district or cooperative high  
8 school or a deactivation, reimbursement shall begin during the  
9 first year of operation of the new district or cooperative high  
10 school or the first year of the deactivation, and in the case  
11 of an annexation of the territory of one or more school  
12 districts by one or more other school districts or the  
13 annexation of territory detached from a school district whereby  
14 the enrollment of the annexing district increases by 90% or  
15 more as a result of the annexation, reimbursement shall begin  
16 during the first year when the change in boundaries  
17 attributable to the annexation becomes effective for all  
18 purposes as determined pursuant to Section 7-9 of this Code,  
19 except that for an annexation of territory detached from a  
20 school district that is effective on or after July 1, 2004, but  
21 before January 11, 2008 (the effective date of Public Act  
22 95-707), whereby the enrollment of the annexing district  
23 increases by 90% or more as a result of the annexation,  
24 reimbursement shall begin during the fiscal year of January 11,  
25 2008 (the effective date of Public Act 95-707). Each year that  
26 the new, annexing, or receiving district or cooperative high

1 school, as the case may be, is entitled to receive  
2 reimbursement, the number of eligible certified members who are  
3 employed on October 1 in the district or cooperative high  
4 school shall be certified to the State Board of Education on  
5 prescribed forms by October 15 and payment shall be made on or  
6 before November 15 of that year.

7 (c) (1) For the first year after the formation of a combined  
8 school district, as defined in Section 11E-20 of this Code or a  
9 unit district, as defined in Section 11E-25 of this Code, a  
10 computation shall be made totaling each previously existing  
11 district's audited fund balances in the educational fund,  
12 working cash fund, operations and maintenance fund, and  
13 transportation fund for the year ending June 30 prior to the  
14 referendum for the creation of the new district. The new  
15 district shall be paid supplementary State aid equal to the sum  
16 of the differences between the deficit of the previously  
17 existing district with the smallest deficit and the deficits of  
18 each of the other previously existing districts.

19 (2) For the first year after the annexation of all of the  
20 territory of one or more entire school districts by another  
21 school district, as defined in Article 7 of this Code,  
22 computations shall be made, for the year ending June 30 prior  
23 to the date that the change of boundaries attributable to the  
24 annexation is allowed by the affirmative decision issued by the  
25 regional board of school trustees under Section 7-6 of this  
26 Code, notwithstanding any effort to seek administrative review

1 of the decision, totaling the annexing district's and totaling  
2 each annexed district's audited fund balances in their  
3 respective educational, working cash, operations and  
4 maintenance, and transportation funds. The annexing district  
5 as constituted after the annexation shall be paid supplementary  
6 State aid equal to the sum of the differences between the  
7 deficit of whichever of the annexing or annexed districts as  
8 constituted prior to the annexation had the smallest deficit  
9 and the deficits of each of the other districts as constituted  
10 prior to the annexation.

11 (3) For the first year after the annexation of all of the  
12 territory of one or more entire school districts by 2 or more  
13 other school districts, as defined by Article 7 of this Code,  
14 computations shall be made, for the year ending June 30 prior  
15 to the date that the change of boundaries attributable to the  
16 annexation is allowed by the affirmative decision of the  
17 regional board of school trustees under Section 7-6 of this  
18 Code, notwithstanding any action for administrative review of  
19 the decision, totaling each annexing and annexed district's  
20 audited fund balances in their respective educational, working  
21 cash, operations and maintenance, and transportation funds.  
22 The annexing districts as constituted after the annexation  
23 shall be paid supplementary State aid, allocated as provided in  
24 this paragraph (3), in an aggregate amount equal to the sum of  
25 the differences between the deficit of whichever of the  
26 annexing or annexed districts as constituted prior to the



1 annexation had the smallest deficit and the deficits of each of  
2 the other districts as constituted prior to the annexation. The  
3 aggregate amount of the supplementary State aid payable under  
4 this paragraph (3) shall be allocated between or among the  
5 annexing districts as follows:

6 (A) the regional superintendent of schools for each  
7 educational service region in which an annexed district is  
8 located prior to the annexation shall certify to the State  
9 Board of Education, on forms that it shall provide for that  
10 purpose, the value of all taxable property in each annexed  
11 district, as last equalized or assessed by the Department  
12 of Revenue prior to the annexation, and the equalized  
13 assessed value of each part of the annexed district that  
14 was annexed to or included as a part of an annexing  
15 district;

16 (B) using equalized assessed values as certified by the  
17 regional superintendent of schools under clause (A) of this  
18 paragraph (3), the combined audited fund balance deficit of  
19 each annexed district as determined under this Section  
20 shall be apportioned between or among the annexing  
21 districts in the same ratio as the equalized assessed value  
22 of that part of the annexed district that was annexed to or  
23 included as a part of an annexing district bears to the  
24 total equalized assessed value of the annexed district; and

25 (C) the aggregate supplementary State aid payment  
26 under this paragraph (3) shall be allocated between or

1 among, and shall be paid to, the annexing districts in the  
2 same ratio as the sum of the combined audited fund balance  
3 deficit of each annexing district as constituted prior to  
4 the annexation, plus all combined audited fund balance  
5 deficit amounts apportioned to that annexing district  
6 under clause (B) of this subsection, bears to the aggregate  
7 of the combined audited fund balance deficits of all of the  
8 annexing and annexed districts as constituted prior to the  
9 annexation.

10 (4) For the new elementary districts and new high school  
11 district formed through a school district conversion, as  
12 defined in Section 11E-15 of this Code or the new elementary  
13 district or districts and new combined high school - unit  
14 district formed through a multi-unit conversion, as defined in  
15 subsection (b) of Section 11E-30 of this Code, a computation  
16 shall be made totaling each previously existing district's  
17 audited fund balances in the educational fund, working cash  
18 fund, operations and maintenance fund, and transportation fund  
19 for the year ending June 30 prior to the referendum  
20 establishing the new districts. In the first year of the new  
21 districts, the State shall make a one-time supplementary  
22 payment equal to the sum of the differences between the deficit  
23 of the previously existing district with the smallest deficit  
24 and the deficits of each of the other previously existing  
25 districts. A district with a combined balance among the 4 funds  
26 that is positive shall be considered to have a deficit of zero.

1 The supplementary payment shall be allocated among the newly  
2 formed high school and elementary districts in the manner  
3 provided by the petition for the formation of the districts, in  
4 the form in which the petition is approved by the regional  
5 superintendent of schools or State Superintendent of Education  
6 under Section 11E-50 of this Code.

7 (5) For each newly created partial elementary unit  
8 district, as defined in subsection (a) or (c) of Section 11E-30  
9 of this Code, a computation shall be made totaling the audited  
10 fund balances of each previously existing district that formed  
11 the new partial elementary unit district in the educational  
12 fund, working cash fund, operations and maintenance fund, and  
13 transportation fund for the year ending June 30 prior to the  
14 referendum for the formation of the partial elementary unit  
15 district. In the first year of the new partial elementary unit  
16 district, the State shall make a one-time supplementary payment  
17 to the new district equal to the sum of the differences between  
18 the deficit of the previously existing district with the  
19 smallest deficit and the deficits of each of the other  
20 previously existing districts. A district with a combined  
21 balance among the 4 funds that is positive shall be considered  
22 to have a deficit of zero.

23 (6) For an elementary opt-in as defined in subsection (d)  
24 of Section 11E-30 of this Code, the deficit fund balance  
25 incentive shall be computed in accordance with paragraph (5) of  
26 this subsection (c) as if the opted-in elementary was included

1 in the optional elementary unit district at the optional  
2 elementary unit district's original effective date. If the  
3 calculation in this paragraph (6) is less than that calculated  
4 in paragraph (5) of this subsection (c) at the optional  
5 elementary unit district's original effective date, then no  
6 adjustments may be made. If the calculation in this paragraph  
7 (6) is more than that calculated in paragraph (5) of this  
8 subsection (c) at the optional elementary unit district's  
9 original effective date, then the excess must be paid as  
10 follows:

11 (A) If the effective date for the elementary opt-in is  
12 one year after the effective date for the optional  
13 elementary unit district, 100% of the calculated excess  
14 shall be paid to the optional elementary unit district in  
15 the first year after the effective date of the elementary  
16 opt-in.

17 (B) If the effective date for the elementary opt-in is  
18 2 years after the effective date for the optional  
19 elementary unit district, 75% of the calculated excess  
20 shall be paid to the optional elementary unit district in  
21 the first year after the effective date of the elementary  
22 opt-in.

23 (C) If the effective date for the elementary opt-in is  
24 3 years after the effective date for the optional  
25 elementary unit district, 50% of the calculated excess  
26 shall be paid to the optional elementary unit district in

1 the first year after the effective date of the elementary  
2 opt-in.

3 (D) If the effective date for the elementary opt-in is  
4 4 years after the effective date for the optional  
5 elementary unit district, 25% of the calculated excess  
6 shall be paid to the optional elementary unit district in  
7 the first year after the effective date of the elementary  
8 opt-in.

9 (E) If the effective date for the elementary opt-in is  
10 5 years after the effective date for the optional  
11 elementary unit district, the optional elementary unit  
12 district is not eligible for any additional incentives due  
13 to the elementary opt-in.

14 (6.5) For the first year after the annexation of territory  
15 detached from another school district whereby the enrollment of  
16 the annexing district increases by 90% or more as a result of  
17 the annexation, a computation shall be made totaling the  
18 audited fund balances of the district gaining territory and the  
19 audited fund balances of the district losing territory in the  
20 educational fund, working cash fund, operations and  
21 maintenance fund, and transportation fund for the year ending  
22 June 30 prior to the date that the change of boundaries  
23 attributable to the annexation is allowed by the affirmative  
24 decision of the regional board of school trustees under Section  
25 7-6 of this Code, notwithstanding any action for administrative  
26 review of the decision. The annexing district as constituted

1 after the annexation shall be paid supplementary State aid  
2 equal to the difference between the deficit of whichever  
3 district included in this calculation as constituted prior to  
4 the annexation had the smallest deficit and the deficit of each  
5 other district included in this calculation as constituted  
6 prior to the annexation, multiplied by the ratio of equalized  
7 assessed value of the territory detached to the total equalized  
8 assessed value of the district losing territory. The regional  
9 superintendent of schools for the educational service region in  
10 which a district losing territory is located prior to the  
11 annexation shall certify to the State Board of Education the  
12 value of all taxable property in the district losing territory  
13 and the value of all taxable property in the territory being  
14 detached, as last equalized or assessed by the Department of  
15 Revenue prior to the annexation. To be eligible for  
16 supplementary State aid reimbursement under this Section, the  
17 intergovernmental agreement to be submitted pursuant to  
18 Section 7-14A of this Code must show that fund balances were  
19 transferred from the district losing territory to the district  
20 gaining territory in the annexation. The changes to this  
21 Section made by Public Act 95-707 are intended to be  
22 retroactive and applicable to any annexation taking effect on  
23 or after July 1, 2004. For annexations that are eligible for  
24 payments under this paragraph (6.5) and that are effective on  
25 or after July 1, 2004, but before January 11, 2008 (the  
26 effective date of Public Act 95-707), the required payment

1 under this paragraph (6.5) shall be paid in the fiscal year of  
2 January 11, 2008 (the effective date of Public Act 95-707).

3 (7) For purposes of any calculation required under  
4 paragraph (1), (2), (3), (4), (5), (6), or (6.5) of this  
5 subsection (c), a district with a combined fund balance that is  
6 positive shall be considered to have a deficit of zero. For  
7 purposes of determining each district's audited fund balances  
8 in its educational fund, working cash fund, operations and  
9 maintenance fund, and transportation fund for the specified  
10 year ending June 30, as provided in paragraphs (1), (2), (3),  
11 (4), (5), (6), and (6.5) of this subsection (c), the balance of  
12 each fund shall be deemed decreased by an amount equal to the  
13 amount of the annual property tax theretofore levied in the  
14 fund by the district for collection and payment to the district  
15 during the calendar year in which the June 30 fell, but only to  
16 the extent that the tax so levied in the fund actually was  
17 received by the district on or before or comprised a part of  
18 the fund on such June 30. For purposes of determining each  
19 district's audited fund balances, a calculation shall be made  
20 for each fund to determine the average for the 3 years prior to  
21 the specified year ending June 30, as provided in paragraphs  
22 (1), (2), (3), (4), (5), (6), and (6.5) of this subsection (c),  
23 of the district's expenditures in the categories "purchased  
24 services", "supplies and materials", and "capital outlay", as  
25 those categories are defined in rules of the State Board of  
26 Education. If this 3-year average is less than the district's

1 expenditures in these categories for the specified year ending  
2 June 30, as provided in paragraphs (1), (2), (3), (4), (5),  
3 (6), and (6.5) of this subsection (c), then the 3-year average  
4 shall be used in calculating the amounts payable under this  
5 Section in place of the amounts shown in these categories for  
6 the specified year ending June 30, as provided in paragraphs  
7 (1), (2), (3), (4), (5), (6), and (6.5) of this subsection (c).  
8 Any deficit because of State aid not yet received may not be  
9 considered in determining the June 30 deficits. The same basis  
10 of accounting shall be used by all previously existing  
11 districts and by all annexing or annexed districts, as  
12 constituted prior to the annexation, in making any computation  
13 required under paragraphs (1), (2), (3), (4), (5), (6), and  
14 (6.5) of this subsection (c).

15 (8) The supplementary State aid payments under this  
16 subsection (c) shall be treated as separate from all other  
17 payments made pursuant to Section 18-8.05 of this Code.

18 (d)(1) Following the formation of a combined school  
19 district, as defined in Section 11E-20 of this Code, a new unit  
20 district, as defined in Section 11E-25 of this Code, a new  
21 elementary district or districts and a new high school district  
22 formed through a school district conversion, as defined in  
23 Section 11E-15 of this Code, a new partial elementary unit  
24 district, as defined in Section 11E-30 of this Code, or a new  
25 elementary district or districts formed through a multi-unit  
26 conversion, as defined in subsection (b) of Section 11E-30 of



1 this Code, or the annexation of all of the territory of one or  
 2 more entire school districts by one or more other school  
 3 districts, as defined in Article 7 of this Code, a  
 4 supplementary State aid reimbursement shall be paid for the  
 5 number of school years determined under the following table to  
 6 each new or annexing district equal to the sum of \$4,000 for  
 7 each certified employee who is employed by the district on a  
 8 full-time basis for the regular term of the school year:

9	Reorganized District's Rank by type of district (unit, high school, elementary) in Equalized Assessed Value Per Pupil by Quintile	Reorganized District's Rank in Average Daily Attendance By Quintile	3rd, 4th, or 5th
14		1st Quintile	2nd Quintile
15			or 5th
16		Quintile	Quintile
17	1st Quintile	1 year	1 year
18	2nd Quintile	1 year	2 years
19	3rd Quintile	2 years	3 years
20	4th Quintile	2 years	3 years
21	5th Quintile	2 years	3 years

22 The State Board of Education shall make a one-time calculation  
 23 of a reorganized district's quintile ranks. The average daily  
 24 attendance used in this calculation shall be the best 3 months'

1 average daily attendance for the district's first year. The  
2 equalized assessed value per pupil shall be the district's real  
3 property equalized assessed value used in calculating the  
4 district's first-year general State aid claim, under Section  
5 18-8.05 of this Code, or first-year primary State aid claim,  
6 under Section 18-8.15 of this Code, as applicable, divided by  
7 the best 3 months' average daily attendance.

8 No annexing or resulting school district shall be entitled  
9 to supplementary State aid under this subsection (d) unless the  
10 district acquires at least 30% of the average daily attendance  
11 of the district from which the territory is being detached or  
12 divided.

13 If a district results from multiple reorganizations that  
14 would otherwise qualify the district for multiple payments  
15 under this subsection (d) in any year, then the district shall  
16 receive a single payment only for that year based solely on the  
17 most recent reorganization.

18 (2) For an elementary opt-in, as defined in subsection (d)  
19 of Section 11E-30 of this Code, the full-time certified staff  
20 incentive shall be computed in accordance with paragraph (1) of  
21 this subsection (d), equal to the sum of \$4,000 for each  
22 certified employee of the elementary district that opts-in who  
23 is employed by the optional elementary unit district on a  
24 full-time basis for the regular term of the school year. The  
25 calculation from this paragraph (2) must be paid as follows:

26 (A) If the effective date for the elementary opt-in is

1       one year after the effective date for the optional  
2       elementary unit district, 100% of the amount calculated in  
3       this paragraph (2) shall be paid to the optional elementary  
4       unit district for the number of years calculated in  
5       paragraph (1) of this subsection (d) at the optional  
6       elementary unit district's original effective date,  
7       starting in the second year after the effective date of the  
8       elementary opt-in.

9               (B) If the effective date for the elementary opt-in is  
10       2 years after the effective date for the optional  
11       elementary unit district, 75% of the amount calculated in  
12       this paragraph (2) shall be paid to the optional elementary  
13       unit district for the number of years calculated in  
14       paragraph (1) of this subsection (d) at the optional  
15       elementary unit district's original effective date,  
16       starting in the second year after the effective date of the  
17       elementary opt-in.

18               (C) If the effective date for the elementary opt-in is  
19       3 years after the effective date for the optional  
20       elementary unit district, 50% of the amount calculated in  
21       this paragraph (2) shall be paid to the optional elementary  
22       unit district for the number of years calculated in  
23       paragraph (1) of this subsection (d) at the optional  
24       elementary unit district's original effective date,  
25       starting in the second year after the effective date of the  
26       elementary opt-in.

1 (D) If the effective date for the elementary opt-in is  
2 4 years after the effective date for the optional  
3 elementary unit district, 25% of the amount calculated in  
4 this paragraph (2) shall be paid to the optional elementary  
5 unit district for the number of years calculated in  
6 paragraph (1) of this subsection (d) at the optional  
7 elementary unit district's original effective date,  
8 starting in the second year after the effective date of the  
9 elementary opt-in.

10 (E) If the effective date for the elementary opt-in is  
11 5 years after the effective date for the optional  
12 elementary unit district, the optional elementary unit  
13 district is not eligible for any additional incentives due  
14 to the elementary opt-in.

15 (2.5) Following the formation of a cooperative high school  
16 by 2 or more school districts under Section 10-22.22c of this  
17 Code, a supplementary State aid reimbursement shall be paid for  
18 3 school years to the cooperative high school equal to the sum  
19 of \$4,000 for each certified employee who is employed by the  
20 cooperative high school on a full-time basis for the regular  
21 term of any such school year. If a cooperative high school  
22 results from multiple agreements that would otherwise qualify  
23 the cooperative high school for multiple payments under this  
24 Section in any year, the cooperative high school shall receive  
25 a single payment for that year based solely on the most recent  
26 agreement.

1           (2.10) Following the annexation of territory detached from  
2 another school district whereby the enrollment of the annexing  
3 district increases 90% or more as a result of the annexation, a  
4 supplementary State aid reimbursement shall be paid to the  
5 annexing district equal to the sum of \$4,000 for each certified  
6 employee who is employed by the annexing district on a  
7 full-time basis and shall be calculated in accordance with  
8 subsection (a) of this Section. To be eligible for  
9 supplementary State aid reimbursement under this Section, the  
10 intergovernmental agreement to be submitted pursuant to  
11 Section 7-14A of this Code must show that certified staff  
12 members were transferred from the control of the district  
13 losing territory to the control of the district gaining  
14 territory in the annexation. The changes to this Section made  
15 by Public Act 95-707 are intended to be retroactive and  
16 applicable to any annexation taking effect on or after July 1,  
17 2004. For annexations that are eligible for payments under this  
18 paragraph (2.10) and that are effective on or after July 1,  
19 2004, but before January 11, 2008 (the effective date of Public  
20 Act 95-707), the first required yearly payment under this  
21 paragraph (2.10) shall be paid in the second fiscal year after  
22 January 11, 2008 (the effective date of Public Act 95-707). Any  
23 subsequent required yearly payments shall be paid in subsequent  
24 fiscal years until the payment obligation under this paragraph  
25 (2.10) is complete.

26           (2.15) Following the deactivation of a school facility in

1 accordance with Section 10-22.22b of this Code, a supplementary  
2 State aid reimbursement shall be paid for the lesser of 3  
3 school years or the length of the deactivation agreement,  
4 including any renewals of the original deactivation agreement,  
5 to each receiving school district equal to the sum of \$4,000  
6 for each certified employee who is employed by that receiving  
7 district on a full-time basis for the regular term of any such  
8 school year who was originally transferred to the control of  
9 that receiving district as a result of the deactivation.  
10 Receiving districts are eligible for payments under this  
11 paragraph (2.15) based on the certified employees transferred  
12 to that receiving district as a result of the deactivation and  
13 are not required to receive at least 30% of the deactivating  
14 district's average daily attendance as required under  
15 paragraph (1) of this subsection (d) to be eligible for  
16 payments.

17 (3) The supplementary State aid reimbursement payable  
18 under this subsection (d) shall be separate from and in  
19 addition to all other payments made to the district pursuant to  
20 any other Section of this Article.

21 (4) During May of each school year for which a  
22 supplementary State aid reimbursement is to be paid to a new,  
23 annexing, or receiving school district or cooperative high  
24 school pursuant to this subsection (d), the school board or  
25 governing board shall certify to the State Board of Education,  
26 on forms furnished to the school board or governing board by

1 the State Board of Education for purposes of this subsection  
2 (d), the number of certified employees for which the district  
3 or cooperative high school is entitled to reimbursement under  
4 this Section, together with the names, certificate numbers, and  
5 positions held by the certified employees.

6 (5) Upon certification by the State Board of Education to  
7 the State Comptroller of the amount of the supplementary State  
8 aid reimbursement to which a school district or cooperative  
9 high school is entitled under this subsection (d), the State  
10 Comptroller shall draw his or her warrant upon the State  
11 Treasurer for the payment thereof to the school district or  
12 cooperative high school and shall promptly transmit the payment  
13 to the school district or cooperative high school through the  
14 appropriate school treasurer.

15 (Source: P.A. 95-331, eff. 8-21-07; 95-707, eff. 1-11-08;  
16 95-903, eff. 8-25-08; 96-328, eff. 8-11-09.)

17 (105 ILCS 5/13A-8)

18 Sec. 13A-8. Funding.

19 (a) The State of Illinois shall provide funding for the  
20 alternative school programs within each educational service  
21 region and within the Chicago public school system by line item  
22 appropriation made to the State Board of Education for that  
23 purpose. This money, when appropriated, shall be provided to  
24 the regional superintendent and to the Chicago Board of  
25 Education, who shall establish a budget, including salaries,

1 for their alternative school programs. Each program shall  
2 receive funding in the amount of \$30,000 plus an amount based  
3 on the ratio of the region's or Chicago's best 3 months'  
4 average daily attendance in grades pre-kindergarten through 12  
5 to the statewide totals of these amounts. For purposes of this  
6 calculation, the best 3 months' average daily attendance for  
7 each region or Chicago shall be calculated by adding to the  
8 best 3 months' average daily attendance the number of  
9 low-income students identified in the most recently available  
10 federal census multiplied by one-half times the percentage of  
11 the region's or Chicago's low-income students to the State's  
12 total low-income students. The State Board of Education shall  
13 retain up to 1.1% of the appropriation to be used to provide  
14 technical assistance, professional development, and  
15 evaluations for the programs.

16 (a-5) Notwithstanding any other provisions of this  
17 Section, for the 1998-1999 fiscal year, the total amount  
18 distributed under subsection (a) for an alternative school  
19 program shall be not less than the total amount that was  
20 distributed under that subsection for that alternative school  
21 program for the 1997-1998 fiscal year. If an alternative school  
22 program is to receive a total distribution under subsection (a)  
23 for the 1998-1999 fiscal year that is less than the total  
24 distribution that the program received under that subsection  
25 for the 1997-1998 fiscal year, that alternative school program  
26 shall also receive, from a separate appropriation made for



1 purposes of this subsection (a-5), a supplementary payment  
2 equal to the amount by which its total distribution under  
3 subsection (a) for the 1997-1998 fiscal year exceeds the amount  
4 of the total distribution that the alternative school program  
5 receives under that subsection for the 1998-1999 fiscal year.  
6 If the amount appropriated for supplementary payments to  
7 alternative school programs under this subsection (a-5) is  
8 insufficient for that purpose, those supplementary payments  
9 shall be prorated among the alternative school programs  
10 entitled to receive those supplementary payments according to  
11 the aggregate amount of the appropriation made for purposes of  
12 this subsection (a-5).

13 (b) An alternative school program shall be entitled to  
14 receive general State aid as calculated in subsection (K) of  
15 Section 18-8.05 or primary State aid as calculated in  
16 subsection (i) of Section 18-8.15 upon filing a claim as  
17 provided therein. Any time that a student who is enrolled in an  
18 alternative school program spends in work-based learning,  
19 community service, or a similar alternative educational  
20 setting shall be included in determining the student's minimum  
21 number of clock hours of daily school work that constitute a  
22 day of attendance for purposes of calculating general State aid  
23 or primary State aid.

24 (c) An alternative school program may receive additional  
25 funding from its school districts in such amount as may be  
26 agreed upon by the parties and necessary to support the

1 program. In addition, an alternative school program is  
2 authorized to accept and expend gifts, legacies, and grants,  
3 including but not limited to federal grants, from any source  
4 for purposes directly related to the conduct and operation of  
5 the program.

6 (Source: P.A. 89-383, eff. 8-18-95; 89-629, eff. 8-9-96;  
7 89-636, eff. 8-9-96; 90-14, eff. 7-1-97; 90-283, eff. 7-31-97;  
8 90-802, eff. 12-15-98.)

9 (105 ILCS 5/13B-20.20)

10 Sec. 13B-20.20. Enrollment in other programs. High school  
11 equivalency testing preparation programs are not eligible for  
12 funding under this Article. A student may enroll in a program  
13 approved under Section 18-8.05 or 18-8.15 of this Code, as  
14 appropriate, or attend both the alternative learning  
15 opportunities program and the regular school program to enhance  
16 student performance and facilitate on-time graduation.

17 (Source: P.A. 98-718, eff. 1-1-15.)

18 (105 ILCS 5/13B-45)

19 Sec. 13B-45. Days and hours of attendance. An alternative  
20 learning opportunities program shall provide students with at  
21 least the minimum number of days of pupil attendance required  
22 under Section 10-19 of this Code and the minimum number of  
23 daily hours of school work required under Section 18-8.05 or  
24 18-8.15 of this Code, provided that the State Board may approve

1 exceptions to these requirements if the program meets all of  
2 the following conditions:

3 (1) The district plan submitted under Section  
4 13B-25.15 of this Code establishes that a program providing  
5 the required minimum number of days of attendance or daily  
6 hours of school work would not serve the needs of the  
7 program's students.

8 (2) Each day of attendance shall provide no fewer than  
9 3 clock hours of school work, as defined under paragraph  
10 (1) of subsection (F) of Section 18-8.05 or subsection (f)  
11 of Section 18-8.15 of this Code.

12 (3) Each day of attendance that provides fewer than 5  
13 clock hours of school work shall also provide supplementary  
14 services, including without limitation work-based  
15 learning, student assistance programs, counseling, case  
16 management, health and fitness programs, or life-skills or  
17 conflict resolution training, in order to provide a total  
18 daily program to the student of 5 clock hours. A program  
19 may claim general State aid or primary State aid for up to  
20 2 hours of the time each day that a student is receiving  
21 supplementary services.

22 (4) Each program shall provide no fewer than 174 days  
23 of actual pupil attendance during the school term; however,  
24 approved evening programs that meet the requirements of  
25 Section 13B-45 of this Code may offer less than 174 days of  
26 actual pupil attendance during the school term.

1 (Source: P.A. 92-42, eff. 1-1-02.)

2 (105 ILCS 5/13B-50)

3 Sec. 13B-50. Eligibility to receive general State aid or  
4 primary State aid. In order to receive general State aid or  
5 primary State aid, alternative learning opportunities programs  
6 must meet the requirements for claiming general State aid as  
7 specified in Section 18-8.05 of this Code or primary State aid  
8 as specified in Section 18-8.15 of this Code, as applicable,  
9 with the exception of the length of the instructional day,  
10 which may be less than 5 hours of school work if the program  
11 meets the criteria set forth under Sections 13B-50.5 and  
12 13B-50.10 of this Code and if the program is approved by the  
13 State Board.

14 (Source: P.A. 92-42, eff. 1-1-02.)

15 (105 ILCS 5/13B-50.10)

16 Sec. 13B-50.10. Additional criteria for general State aid  
17 or primary State aid. In order to claim general State aid or  
18 primary State aid, an alternative learning opportunities  
19 program must meet the following criteria:

20 (1) Teacher professional development plans should include  
21 education in the instruction of at-risk students.

22 (2) Facilities must meet the health, life, and safety  
23 requirements in this Code.

24 (3) The program must comply with all other State and

1 federal laws applicable to education providers.

2 (Source: P.A. 92-42, eff. 1-1-02.)

3 (105 ILCS 5/13B-50.15)

4 Sec. 13B-50.15. Level of funding. Approved alternative  
5 learning opportunities programs are entitled to claim general  
6 State aid or primary State aid, subject to Sections 13B-50,  
7 13B-50.5, and 13B-50.10 of this Code. Approved programs  
8 operated by regional offices of education are entitled to  
9 receive general State aid or primary State aid at the  
10 foundation level of support. A school district or consortium  
11 must ensure that an approved program receives supplemental  
12 general State aid, transportation reimbursements, and special  
13 education resources, if appropriate, for students enrolled in  
14 the program.

15 (Source: P.A. 92-42, eff. 1-1-02.)

16 (105 ILCS 5/14-7.02) (from Ch. 122, par. 14-7.02)

17 Sec. 14-7.02. Children attending private schools, public  
18 out-of-state schools, public school residential facilities or  
19 private special education facilities. The General Assembly  
20 recognizes that non-public schools or special education  
21 facilities provide an important service in the educational  
22 system in Illinois.

23 If because of his or her disability the special education  
24 program of a district is unable to meet the needs of a child

1 and the child attends a non-public school or special education  
2 facility, a public out-of-state school or a special education  
3 facility owned and operated by a county government unit that  
4 provides special educational services required by the child and  
5 is in compliance with the appropriate rules and regulations of  
6 the State Superintendent of Education, the school district in  
7 which the child is a resident shall pay the actual cost of  
8 tuition for special education and related services provided  
9 during the regular school term and during the summer school  
10 term if the child's educational needs so require, excluding  
11 room, board and transportation costs charged the child by that  
12 non-public school or special education facility, public  
13 out-of-state school or county special education facility, or  
14 \$4,500 per year, whichever is less, and shall provide him any  
15 necessary transportation. "Nonpublic special education  
16 facility" shall include a residential facility, within or  
17 without the State of Illinois, which provides special education  
18 and related services to meet the needs of the child by  
19 utilizing private schools or public schools, whether located on  
20 the site or off the site of the residential facility.

21 The State Board of Education shall promulgate rules and  
22 regulations for determining when placement in a private special  
23 education facility is appropriate. Such rules and regulations  
24 shall take into account the various types of services needed by  
25 a child and the availability of such services to the particular  
26 child in the public school. In developing these rules and

1 regulations the State Board of Education shall consult with the  
2 Advisory Council on Education of Children with Disabilities and  
3 hold public hearings to secure recommendations from parents,  
4 school personnel, and others concerned about this matter.

5 The State Board of Education shall also promulgate rules  
6 and regulations for transportation to and from a residential  
7 school. Transportation to and from home to a residential school  
8 more than once each school term shall be subject to prior  
9 approval by the State Superintendent in accordance with the  
10 rules and regulations of the State Board.

11 A school district making tuition payments pursuant to this  
12 Section is eligible for reimbursement from the State for the  
13 amount of such payments actually made in excess of the district  
14 per capita tuition charge for students not receiving special  
15 education services. Such reimbursement shall be approved in  
16 accordance with Section 14-12.01 and each district shall file  
17 its claims, computed in accordance with rules prescribed by the  
18 State Board of Education, on forms prescribed by the State  
19 Superintendent of Education. Data used as a basis of  
20 reimbursement claims shall be for the preceding regular school  
21 term and summer school term. Each school district shall  
22 transmit its claims to the State Board of Education on or  
23 before August 15. The State Board of Education, before  
24 approving any such claims, shall determine their accuracy and  
25 whether they are based upon services and facilities provided  
26 under approved programs. Upon approval the State Board shall

1 cause vouchers to be prepared showing the amount due for  
2 payment of reimbursement claims to school districts, for  
3 transmittal to the State Comptroller on the 30th day of  
4 September, December, and March, respectively, and the final  
5 voucher, no later than June 20. If the money appropriated by  
6 the General Assembly for such purpose for any year is  
7 insufficient, it shall be apportioned on the basis of the  
8 claims approved.

9 No child shall be placed in a special education program  
10 pursuant to this Section if the tuition cost for special  
11 education and related services increases more than 10 percent  
12 over the tuition cost for the previous school year or exceeds  
13 \$4,500 per year unless such costs have been approved by the  
14 Illinois Purchased Care Review Board. The Illinois Purchased  
15 Care Review Board shall consist of the following persons, or  
16 their designees: the Directors of Children and Family Services,  
17 Public Health, Public Aid, and the Governor's Office of  
18 Management and Budget; the Secretary of Human Services; the  
19 State Superintendent of Education; and such other persons as  
20 the Governor may designate. The Review Board shall also consist  
21 of one non-voting member who is an administrator of a private,  
22 nonpublic, special education school. The Review Board shall  
23 establish rules and regulations for its determination of  
24 allowable costs and payments made by local school districts for  
25 special education, room and board, and other related services  
26 provided by non-public schools or special education facilities



1 and shall establish uniform standards and criteria which it  
2 shall follow. The Review Board shall approve the usual and  
3 customary rate or rates of a special education program that (i)  
4 is offered by an out-of-state, non-public provider of  
5 integrated autism specific educational and autism specific  
6 residential services, (ii) offers 2 or more levels of  
7 residential care, including at least one locked facility, and  
8 (iii) serves 12 or fewer Illinois students.

9 The Review Board shall establish uniform definitions and  
10 criteria for accounting separately by special education, room  
11 and board and other related services costs. The Board shall  
12 also establish guidelines for the coordination of services and  
13 financial assistance provided by all State agencies to assure  
14 that no otherwise qualified child with a disability receiving  
15 services under Article 14 shall be excluded from participation  
16 in, be denied the benefits of or be subjected to discrimination  
17 under any program or activity provided by any State agency.

18 The Review Board shall review the costs for special  
19 education and related services provided by non-public schools  
20 or special education facilities and shall approve or disapprove  
21 such facilities in accordance with the rules and regulations  
22 established by it with respect to allowable costs.

23 The State Board of Education shall provide administrative  
24 and staff support for the Review Board as deemed reasonable by  
25 the State Superintendent of Education. This support shall not  
26 include travel expenses or other compensation for any Review

1 Board member other than the State Superintendent of Education.

2 The Review Board shall seek the advice of the Advisory  
3 Council on Education of Children with Disabilities on the rules  
4 and regulations to be promulgated by it relative to providing  
5 special education services.

6 If a child has been placed in a program in which the actual  
7 per pupil costs of tuition for special education and related  
8 services based on program enrollment, excluding room, board and  
9 transportation costs, exceed \$4,500 and such costs have been  
10 approved by the Review Board, the district shall pay such total  
11 costs which exceed \$4,500. A district making such tuition  
12 payments in excess of \$4,500 pursuant to this Section shall be  
13 responsible for an amount in excess of \$4,500 equal to the  
14 district per capita tuition charge and shall be eligible for  
15 reimbursement from the State for the amount of such payments  
16 actually made in excess of the districts per capita tuition  
17 charge for students not receiving special education services.

18 If a child has been placed in an approved individual  
19 program and the tuition costs including room and board costs  
20 have been approved by the Review Board, then such room and  
21 board costs shall be paid by the appropriate State agency  
22 subject to the provisions of Section 14-8.01 of this Act. Room  
23 and board costs not provided by a State agency other than the  
24 State Board of Education shall be provided by the State Board  
25 of Education on a current basis. In no event, however, shall  
26 the State's liability for funding of these tuition costs begin

1 until after the legal obligations of third party payors have  
2 been subtracted from such costs. If the money appropriated by  
3 the General Assembly for such purpose for any year is  
4 insufficient, it shall be apportioned on the basis of the  
5 claims approved. Each district shall submit estimated claims to  
6 the State Superintendent of Education. Upon approval of such  
7 claims, the State Superintendent of Education shall direct the  
8 State Comptroller to make payments on a monthly basis. The  
9 frequency for submitting estimated claims and the method of  
10 determining payment shall be prescribed in rules and  
11 regulations adopted by the State Board of Education. Such  
12 current state reimbursement shall be reduced by an amount equal  
13 to the proceeds which the child or child's parents are eligible  
14 to receive under any public or private insurance or assistance  
15 program. Nothing in this Section shall be construed as  
16 relieving an insurer or similar third party from an otherwise  
17 valid obligation to provide or to pay for services provided to  
18 a child with a disability.

19 If it otherwise qualifies, a school district is eligible  
20 for the transportation reimbursement under Section 14-13.01  
21 and for the reimbursement of tuition payments under this  
22 Section whether the non-public school or special education  
23 facility, public out-of-state school or county special  
24 education facility, attended by a child who resides in that  
25 district and requires special educational services, is within  
26 or outside of the State of Illinois. However, a district is not

1 eligible to claim transportation reimbursement under this  
2 Section unless the district certifies to the State  
3 Superintendent of Education that the district is unable to  
4 provide special educational services required by the child for  
5 the current school year.

6 Nothing in this Section authorizes the reimbursement of a  
7 school district for the amount paid for tuition of a child  
8 attending a non-public school or special education facility,  
9 public out-of-state school or county special education  
10 facility unless the school district certifies to the State  
11 Superintendent of Education that the special education program  
12 of that district is unable to meet the needs of that child  
13 because of his disability and the State Superintendent of  
14 Education finds that the school district is in substantial  
15 compliance with Section 14-4.01. However, if a child is  
16 unilaterally placed by a State agency or any court in a  
17 non-public school or special education facility, public  
18 out-of-state school, or county special education facility, a  
19 school district shall not be required to certify to the State  
20 Superintendent of Education, for the purpose of tuition  
21 reimbursement, that the special education program of that  
22 district is unable to meet the needs of a child because of his  
23 or her disability.

24 Any educational or related services provided, pursuant to  
25 this Section in a non-public school or special education  
26 facility or a special education facility owned and operated by

1 a county government unit shall be at no cost to the parent or  
2 guardian of the child. However, current law and practices  
3 relative to contributions by parents or guardians for costs  
4 other than educational or related services are not affected by  
5 this amendatory Act of 1978.

6 Reimbursement for children attending public school  
7 residential facilities shall be made in accordance with the  
8 provisions of this Section.

9 Notwithstanding any other provision of law, any school  
10 district receiving a payment under this Section or under  
11 Section 14-7.02b, 14-13.01, or 29-5 of this Code may classify  
12 all or a portion of the funds that it receives in a particular  
13 fiscal year or from general State aid pursuant to Section  
14 18-8.05 of this Code as funds received in connection with any  
15 funding program for which it is entitled to receive funds from  
16 the State in that fiscal year (including, without limitation,  
17 any funding program referenced in this Section), regardless of  
18 the source or timing of the receipt. The district may not  
19 classify more funds as funds received in connection with the  
20 funding program than the district is entitled to receive in  
21 that fiscal year for that program. Any classification by a  
22 district must be made by a resolution of its board of  
23 education. The resolution must identify the amount of any  
24 payments or general State aid to be classified under this  
25 paragraph and must specify the funding program to which the  
26 funds are to be treated as received in connection therewith.

1 This resolution is controlling as to the classification of  
2 funds referenced therein. A certified copy of the resolution  
3 must be sent to the State Superintendent of Education. The  
4 resolution shall still take effect even though a copy of the  
5 resolution has not been sent to the State Superintendent of  
6 Education in a timely manner. No classification under this  
7 paragraph by a district shall affect the total amount or timing  
8 of money the district is entitled to receive under this Code.  
9 No classification under this paragraph by a district shall in  
10 any way relieve the district from or affect any requirements  
11 that otherwise would apply with respect to that funding  
12 program, including any accounting of funds by source, reporting  
13 expenditures by original source and purpose, reporting  
14 requirements, or requirements of providing services.

15 Notwithstanding anything to the contrary contained in this  
16 Section, the State Board of Education shall award to a school  
17 district having a population exceeding 500,000 inhabitants  
18 48.4% of the funds appropriated by the General Assembly for any  
19 fiscal year for purposes of payments to school districts under  
20 this Section.

21 (Source: P.A. 98-636, eff. 6-6-14; 98-1008, eff. 1-1-15; 99-78,  
22 eff. 7-20-15; 99-143, eff. 7-27-15.)

23 (105 ILCS 5/14-7.02b)

24 Sec. 14-7.02b. Funding for children requiring special  
25 education services. Payments to school districts for children

1 requiring special education services documented in their  
2 individualized education program regardless of the program  
3 from which these services are received, excluding children  
4 claimed under Sections 14-7.02 and 14-7.03 of this Code, shall  
5 be made in accordance with this Section. Funds received under  
6 this Section may be used only for the provision of special  
7 educational facilities and services as defined in Section  
8 14-1.08 of this Code.

9 The appropriation for fiscal year 2005 through fiscal year  
10 2016 ~~and thereafter~~ shall be based upon the IDEA child count of  
11 all students in the State, excluding students claimed under  
12 Sections 14-7.02 and 14-7.03 of this Code, on December 1 of the  
13 fiscal year 2 years preceding, multiplied by 17.5% of the  
14 general State aid foundation level of support established for  
15 that fiscal year under Section 18-8.05 of this Code.

16 Beginning with fiscal year 2005 and through fiscal year  
17 2007, individual school districts shall not receive payments  
18 under this Section totaling less than they received under the  
19 funding authorized under Section 14-7.02a of this Code during  
20 fiscal year 2004, pursuant to the provisions of Section  
21 14-7.02a as they were in effect before the effective date of  
22 this amendatory Act of the 93rd General Assembly. This base  
23 level funding shall be computed first.

24 Beginning with fiscal year 2008 through fiscal year 2016  
25 ~~and each fiscal year thereafter~~, individual school districts  
26 must not receive payments under this Section totaling less than

1 they received in fiscal year 2007. This funding shall be  
2 computed last and shall be a separate calculation from any  
3 other calculation set forth in this Section. This amount is  
4 exempt from the requirements of Section 1D-1 of this Code.

5 Through fiscal year 2016, an ~~An~~ amount equal to 85% of the  
6 funds remaining in the appropriation shall be allocated to  
7 school districts based upon the district's average daily  
8 attendance reported for purposes of Section 18-8.05 of this  
9 Code for the preceding school year. Fifteen percent of the  
10 funds remaining in the appropriation shall be allocated to  
11 school districts based upon the district's low income eligible  
12 pupil count used in the calculation of general State aid under  
13 Section 18-8.05 of this Code for the same fiscal year. One  
14 hundred percent of the funds computed and allocated to  
15 districts under this Section shall be distributed and paid to  
16 school districts.

17 For individual students with disabilities whose program  
18 costs exceed 4 times the district's per capita tuition rate as  
19 calculated under Section 10-20.12a of this Code, the costs in  
20 excess of 4 times the district's per capita tuition rate shall  
21 be paid by the State Board of Education from unexpended IDEA  
22 discretionary funds originally designated for room and board  
23 reimbursement pursuant to Section 14-8.01 of this Code. The  
24 amount of tuition for these children shall be determined by the  
25 actual cost of maintaining classes for these children, using  
26 the per capita cost formula set forth in Section 14-7.01 of



1 this Code, with the program and cost being pre-approved by the  
2 State Superintendent of Education. Reimbursement for  
3 individual students with disabilities whose program costs  
4 exceed 4 times the district's per capita tuition rate shall be  
5 claimed beginning with costs encumbered for the 2004-2005  
6 school year and thereafter.

7 The State Board of Education shall prepare vouchers equal  
8 to one-fourth the amount allocated to districts, for  
9 transmittal to the State Comptroller on the 30th day of  
10 September, December, and March, respectively, and the final  
11 voucher, no later than June 20. The Comptroller shall make  
12 payments pursuant to this Section to school districts as soon  
13 as possible after receipt of vouchers. If the money  
14 appropriated from the General Assembly for such purposes for  
15 any year is insufficient, it shall be apportioned on the basis  
16 of the payments due to school districts.

17 Nothing in this Section shall be construed to decrease or  
18 increase the percentage of all special education funds that are  
19 allocated annually under Article 1D of this Code or to alter  
20 the requirement that a school district provide special  
21 education services.

22 Nothing in this amendatory Act of the 93rd General Assembly  
23 shall eliminate any reimbursement obligation owed as of the  
24 effective date of this amendatory Act of the 93rd General  
25 Assembly to a school district with in excess of 500,000  
26 inhabitants.

1       Except for reimbursement for individual students with  
2 disabilities whose program costs exceed 4 times the district's  
3 per capita tuition rate, no funding shall be provided to school  
4 districts under this Section after fiscal year 2016.

5       (Source: P.A. 93-1022, eff. 8-24-08; 95-705, eff. 1-8-08.)

6           (105 ILCS 5/14-7.03) (from Ch. 122, par. 14-7.03)

7       Sec. 14-7.03. Special Education Classes for Children from  
8 Orphanages, ~~Foster Family Homes~~, Children's Homes, or in State  
9 Housing Units. If a school district maintains special education  
10 classes on the site of orphanages and children's homes, or if  
11 children from the orphanages, children's homes, ~~foster family~~  
12 ~~homes~~, other State agencies, or State residential units for  
13 children attend classes for children with disabilities in which  
14 the school district is a participating member of a joint  
15 agreement, or if the children from the orphanages, children's  
16 homes, ~~foster family homes~~, other State agencies, or State  
17 residential units attend classes for the children with  
18 disabilities maintained by the school district, then  
19 reimbursement shall be paid to eligible districts in accordance  
20 with the provisions of this Section by the Comptroller as  
21 directed by the State Superintendent of Education.

22       The amount of tuition for such children shall be determined  
23 by the actual cost of maintaining such classes, using the per  
24 capita cost formula set forth in Section 14-7.01, such program  
25 and cost to be pre-approved by the State Superintendent of

1 Education.

2 If a school district makes a claim for reimbursement under  
3 Section 18-3 ~~or 18-4~~ of this Code, ~~Act~~ it shall not include in  
4 any claim filed under this Section a claim for such children.  
5 Payments authorized by law, including State or federal grants  
6 for education of children included in this Section, shall be  
7 deducted in determining the tuition amount.

8 Nothing in this Act shall be construed so as to prohibit  
9 reimbursement for the tuition of children placed in for profit  
10 facilities. Private facilities shall provide adequate space at  
11 the facility for special education classes provided by a school  
12 district or joint agreement for children with disabilities who  
13 are residents of the facility at no cost to the school district  
14 or joint agreement upon request of the school district or joint  
15 agreement. If such a private facility provides space at no cost  
16 to the district or joint agreement for special education  
17 classes provided to children with disabilities who are  
18 residents of the facility, the district or joint agreement  
19 shall not include any costs for the use of those facilities in  
20 its claim for reimbursement.

21 Reimbursement for tuition may include the cost of providing  
22 summer school programs for children with severe and profound  
23 disabilities served under this Section. Claims for that  
24 reimbursement shall be filed by November 1 and shall be paid on  
25 or before December 15 from appropriations made for the purposes  
26 of this Section.

1           The State Board of Education shall establish such rules and  
2 regulations as may be necessary to implement the provisions of  
3 this Section.

4           Claims filed on behalf of programs operated under this  
5 Section housed in a jail, detention center, or county-owned  
6 shelter care facility shall be on an individual student basis  
7 only for eligible students with disabilities. These claims  
8 shall be in accordance with applicable rules.

9           Each district claiming reimbursement for a program  
10 operated as a group program shall have an approved budget on  
11 file with the State Board of Education prior to the initiation  
12 of the program's operation. On September 30, December 31, and  
13 March 31, the State Board of Education shall voucher payments  
14 to group programs based upon the approved budget during the  
15 year of operation. Final claims for group payments shall be  
16 filed on or before July 15. Final claims for group programs  
17 received at the State Board of Education on or before June 15  
18 shall be vouchered by June 30. Final claims received at the  
19 State Board of Education between June 16 and July 15 shall be  
20 vouchered by August 30. Claims for group programs received  
21 after July 15 shall not be honored.

22           Each district claiming reimbursement for individual  
23 students shall have the eligibility of those students verified  
24 by the State Board of Education. On September 30, December 31,  
25 and March 31, the State Board of Education shall voucher  
26 payments for individual students based upon an estimated cost

1 calculated from the prior year's claim. Final claims for  
2 individual students for the regular school term must be  
3 received at the State Board of Education by July 15. Claims for  
4 individual students received after July 15 shall not be  
5 honored. Final claims for individual students shall be  
6 vouchered by August 30.

7 Reimbursement shall be made based upon approved group  
8 programs or individual students. The State Superintendent of  
9 Education shall direct the Comptroller to pay a specified  
10 amount to the district by the 30th day of September, December,  
11 March, June, or August, respectively. However, notwithstanding  
12 any other provisions of this Section or the School Code,  
13 beginning with fiscal year 1994 and each fiscal year  
14 thereafter, if the amount appropriated for any fiscal year is  
15 less than the amount required for purposes of this Section, the  
16 amount required to eliminate any insufficient reimbursement  
17 for each district claim under this Section shall be reimbursed  
18 on August 30 of the next fiscal year. Payments required to  
19 eliminate any insufficiency for prior fiscal year claims shall  
20 be made before any claims are paid for the current fiscal year.

21 The claim of a school district otherwise eligible to be  
22 reimbursed in accordance with Section 14-12.01 for the 1976-77  
23 school year but for this amendatory Act of 1977 shall not be  
24 paid unless the district ceases to maintain such classes for  
25 one entire school year.

26 If a school district's current reimbursement payment for

1 the 1977-78 school year only is less than the prior year's  
2 reimbursement payment owed, the district shall be paid the  
3 amount of the difference between the payments in addition to  
4 the current reimbursement payment, and the amount so paid shall  
5 be subtracted from the amount of prior year's reimbursement  
6 payment owed to the district.

7 Regional superintendents may operate special education  
8 classes for children from orphanages, ~~foster family homes,~~  
9 children's homes, or State housing units located within the  
10 educational services region upon consent of the school board  
11 otherwise so obligated. In electing to assume the powers and  
12 duties of a school district in providing and maintaining such a  
13 special education program, the regional superintendent may  
14 enter into joint agreements with other districts and may  
15 contract with public or private schools or the orphanage,  
16 ~~foster family home,~~ children's home, or State housing unit for  
17 provision of the special education program. The regional  
18 superintendent exercising the powers granted under this  
19 Section shall claim the reimbursement authorized by this  
20 Section directly from the State Board of Education.

21 Any child who is not a resident of Illinois who is placed  
22 in a child welfare institution, private facility, ~~foster family~~  
23 ~~home,~~ State operated program, orphanage, or children's home  
24 shall have the payment for his educational tuition and any  
25 related services assured by the placing agent.

26 For each student with a disability who is placed in a

1 residential facility by an Illinois public agency or by any  
2 court in this State, the costs for educating the student are  
3 eligible for reimbursement under this Section.

4 The district of residence of the student with a disability  
5 as defined in Section 14-1.11a is responsible for the actual  
6 costs of the student's special education program and is  
7 eligible for reimbursement under this Section when placement is  
8 made by a State agency or the courts.

9 When a dispute arises over the determination of the  
10 district of residence under this Section, the district or  
11 districts may appeal the decision in writing to the State  
12 Superintendent of Education, who, upon review of materials  
13 submitted and any other items or information he or she may  
14 request for submission, shall issue a written decision on the  
15 matter. The decision of the State Superintendent of Education  
16 shall be final.

17 In the event a district does not make a tuition payment to  
18 another district that is providing the special education  
19 program and services, the State Board of Education shall  
20 immediately withhold 125% of the then remaining annual tuition  
21 cost from the State aid or categorical aid payment due to the  
22 school district that is determined to be the resident school  
23 district. All funds withheld by the State Board of Education  
24 shall immediately be forwarded to the school district where the  
25 student is being served.

26 When a child eligible for services under this Section

1 14-7.03 must be placed in a nonpublic facility, that facility  
2 shall meet the programmatic requirements of Section 14-7.02 and  
3 its regulations, and the educational services shall be funded  
4 only in accordance with this Section 14-7.03.

5 (Source: P.A. 98-739, eff. 7-16-14; 99-143, eff. 7-27-15.)

6 (105 ILCS 5/14-13.01) (from Ch. 122, par. 14-13.01)

7 Sec. 14-13.01. Reimbursement payable by State; amounts for  
8 personnel and transportation.

9 (a) Through fiscal year 2016, for ~~For~~ staff working on  
10 behalf of children who have not been identified as eligible for  
11 special education and for eligible children with physical  
12 disabilities, including all eligible children whose placement  
13 has been determined under Section 14-8.02 in hospital or home  
14 instruction, 1/2 of the teacher's salary but not more than  
15 \$1,000 annually per child or \$9,000 per teacher, whichever is  
16 less.

17 (a-5) A child qualifies for home or hospital instruction if  
18 it is anticipated that, due to a medical condition, the child  
19 will be unable to attend school, and instead must be instructed  
20 at home or in the hospital, for a period of 2 or more  
21 consecutive weeks or on an ongoing intermittent basis. For  
22 purposes of this Section, "ongoing intermittent basis" means  
23 that the child's medical condition is of such a nature or  
24 severity that it is anticipated that the child will be absent  
25 from school due to the medical condition for periods of at



1 least 2 days at a time multiple times during the school year  
2 totaling at least 10 days or more of absences. There shall be  
3 no requirement that a child be absent from school a minimum  
4 number of days before the child qualifies for home or hospital  
5 instruction. In order to establish eligibility for home or  
6 hospital services, a student's parent or guardian must submit  
7 to the child's school district of residence a written statement  
8 from a physician licensed to practice medicine in all of its  
9 branches stating the existence of such medical condition, the  
10 impact on the child's ability to participate in education, and  
11 the anticipated duration or nature of the child's absence from  
12 school. Home or hospital instruction may commence upon receipt  
13 of a written physician's statement in accordance with this  
14 Section, but instruction shall commence not later than 5 school  
15 days after the school district receives the physician's  
16 statement. Special education and related services required by  
17 the child's IEP or services and accommodations required by the  
18 child's federal Section 504 plan must be implemented as part of  
19 the child's home or hospital instruction, unless the IEP team  
20 or federal Section 504 plan team determines that modifications  
21 are necessary during the home or hospital instruction due to  
22 the child's condition.

23 (a-10) Through fiscal year 2016, eligible ~~Eligible~~  
24 children to be included in any reimbursement under this  
25 paragraph must regularly receive a minimum of one hour of  
26 instruction each school day, or in lieu thereof of a minimum of

1 5 hours of instruction in each school week in order to qualify  
2 for full reimbursement under this Section. If the attending  
3 physician for such a child has certified that the child should  
4 not receive as many as 5 hours of instruction in a school week,  
5 however, reimbursement under this paragraph on account of that  
6 child shall be computed proportionate to the actual hours of  
7 instruction per week for that child divided by 5.

8 (a-15) The State Board of Education shall establish rules  
9 governing the required qualifications of staff providing home  
10 or hospital instruction.

11 (b) For children described in Section 14-1.02, 80% of the  
12 cost of transportation approved as a related service in the  
13 Individualized Education Program for each student in order to  
14 take advantage of special educational facilities.  
15 Transportation costs shall be determined in the same fashion as  
16 provided in Section 29-5 of this Code, provided that,  
17 notwithstanding anything to the contrary contained in this  
18 subsection (b) or Section 29-5 of this Code, the State Board of  
19 Education shall award to a school district having a population  
20 exceeding 500,000 inhabitants 30.7% of the funds appropriated  
21 by the General Assembly for any fiscal year for purposes of  
22 payment of transportation cost claims under this subsection  
23 (b). For purposes of this subsection (b), the dates for  
24 processing claims specified in Section 29-5 shall apply.

25 (c) Through fiscal year 2016, for ~~For~~ each qualified  
26 worker, the annual sum of \$9,000.

1           (d) Through fiscal year 2016, for ~~For~~ one full time  
2 qualified director of the special education program of each  
3 school district which maintains a fully approved program of  
4 special education the annual sum of \$9,000. Districts  
5 participating in a joint agreement special education program  
6 shall not receive such reimbursement if reimbursement is made  
7 for a director of the joint agreement program.

8           (e) (Blank).

9           (f) (Blank).

10          (g) Through fiscal year 2016, for ~~For~~ readers, working with  
11 blind or partially seeing children 1/2 of their salary but not  
12 more than \$400 annually per child. Readers may be employed to  
13 assist such children and shall not be required to be certified  
14 but prior to employment shall meet standards set up by the  
15 State Board of Education.

16          (h) Through fiscal year 2016, for ~~For~~ non-certified  
17 employees, as defined by rules promulgated by the State Board  
18 of Education, who deliver services to students with IEPs, 1/2  
19 of the salary paid or \$3,500 per employee, whichever is less.

20          (i) The State Board of Education shall set standards and  
21 prescribe rules for determining the allocation of  
22 reimbursement under this section on less than a full time basis  
23 and for less than a school year.

24          When any school district eligible for reimbursement under  
25 this Section operates a school or program approved by the State  
26 Superintendent of Education for a number of days in excess of

1 the adopted school calendar but not to exceed 235 school days,  
2 such reimbursement shall be increased by 1/180 of the amount or  
3 rate paid hereunder for each day such school is operated in  
4 excess of 180 days per calendar year.

5 Notwithstanding any other provision of law, any school  
6 district receiving a payment under this Section or under  
7 Section 14-7.02, 14-7.02b, or 29-5 of this Code may classify  
8 all or a portion of the funds that it receives in a particular  
9 fiscal year or from primary ~~general~~ State aid pursuant to  
10 Section 18-8.15 ~~18-8.05~~ of this Code as funds received in  
11 connection with any funding program for which it is entitled to  
12 receive funds from the State in that fiscal year (including,  
13 without limitation, any funding program referenced in this  
14 Section), regardless of the source or timing of the receipt.  
15 The district may not classify more funds as funds received in  
16 connection with the funding program than the district is  
17 entitled to receive in that fiscal year for that program. Any  
18 classification by a district must be made by a resolution of  
19 its board of education. The resolution must identify the amount  
20 of any payments or primary ~~general~~ State aid to be classified  
21 under this paragraph and must specify the funding program to  
22 which the funds are to be treated as received in connection  
23 therewith. This resolution is controlling as to the  
24 classification of funds referenced therein. A certified copy of  
25 the resolution must be sent to the State Superintendent of  
26 Education. The resolution shall still take effect even though a

1 copy of the resolution has not been sent to the State  
2 Superintendent of Education in a timely manner. No  
3 classification under this paragraph by a district shall affect  
4 the total amount or timing of money the district is entitled to  
5 receive under this Code. No classification under this paragraph  
6 by a district shall in any way relieve the district from or  
7 affect any requirements that otherwise would apply with respect  
8 to that funding program, including any accounting of funds by  
9 source, reporting expenditures by original source and purpose,  
10 reporting requirements, or requirements of providing services.  
11 (Source: P.A. 96-257, eff. 8-11-09; 97-123, eff. 7-14-11.)

12 (105 ILCS 5/14C-1) (from Ch. 122, par. 14C-1)

13 Sec. 14C-1. The General Assembly finds that there are large  
14 numbers of children in this State who come from environments  
15 where the primary language is other than English. Experience  
16 has shown that public school classes in which instruction is  
17 given only in English are often inadequate for the education of  
18 children whose native tongue is another language. The General  
19 Assembly believes that a program of transitional bilingual  
20 education can meet the needs of these children and facilitate  
21 their integration into the regular public school curriculum.  
22 Therefore, pursuant to the policy of this State to ensure equal  
23 educational opportunity to every child, and in recognition of  
24 the educational needs of English learners, it is the purpose of  
25 this Act to provide for the establishment of transitional

1 bilingual education programs in the public schools, to provide  
2 supplemental financial assistance through fiscal year 2016 to  
3 help local school districts meet the extra costs of such  
4 programs, and to allow this State to directly or indirectly  
5 provide technical assistance and professional development to  
6 support transitional bilingual education programs statewide.

7 (Source: P.A. 99-30, eff. 7-10-15.)

8 (105 ILCS 5/14C-12) (from Ch. 122, par. 14C-12)

9 Sec. 14C-12. Account of expenditures; Cost report;  
10 Reimbursement. Each school district with at least one English  
11 learner shall keep an accurate, detailed and separate account  
12 of all monies paid out by it for the programs in transitional  
13 bilingual education required or permitted by this Article,  
14 including transportation costs, and shall annually report  
15 thereon for the school year ending June 30 indicating the  
16 average per pupil expenditure. Through fiscal year 2016, each  
17 ~~Each~~ school district shall be reimbursed for the amount by  
18 which such costs exceed the average per pupil expenditure by  
19 such school district for the education of children of  
20 comparable age who are not in any special education program. No  
21 funding shall be provided to school districts under this  
22 Section after fiscal year 2016. In fiscal year 2017 and each  
23 fiscal year thereafter, all funding received by a school  
24 district from the State pursuant to Section 18-8.15 of this  
25 Code that is attributable to English learner pupils must be

1 used for programs and services authorized under this Article.

2 At least 60% of transitional bilingual education funding  
3 received from the State must be used for the instructional  
4 costs of programs and services authorized under this Article  
5 ~~transitional bilingual education.~~

6 Applications for preapproval ~~for reimbursement~~ for costs  
7 of transitional bilingual education programs must be submitted  
8 to the State Superintendent of Education at least 60 days  
9 before a transitional bilingual education program is started,  
10 unless a justifiable exception is granted by the State  
11 Superintendent of Education. Applications shall set forth a  
12 plan for transitional bilingual education established and  
13 maintained in accordance with this Article.

14 Through fiscal year 2016, reimbursement ~~Reimbursement~~  
15 claims for transitional bilingual education programs shall be  
16 made as follows:

17 Each school district shall claim reimbursement on a current  
18 basis for the first 3 quarters of the fiscal year and file a  
19 final adjusted claim for the school year ended June 30  
20 preceding computed in accordance with rules prescribed by the  
21 State Superintendent's Office. The State Superintendent of  
22 Education before approving any such claims shall determine  
23 their accuracy and whether they are based upon services and  
24 facilities provided under approved programs. Upon approval he  
25 shall transmit to the Comptroller the vouchers showing the  
26 amounts due for school district reimbursement claims. Upon

1 receipt of the final adjusted claims the State Superintendent  
2 of Education shall make a final determination of the accuracy  
3 of such claims. If the money appropriated by the General  
4 Assembly for such purpose for any year is insufficient, it  
5 shall be apportioned on the basis of the claims approved.

6 Failure on the part of the school district to prepare and  
7 certify the final adjusted claims due under this Section may  
8 constitute a forfeiture by the school district of its right to  
9 be reimbursed by the State under this Section.

10 (Source: P.A. 96-1170, eff. 1-1-11.)

11 (105 ILCS 5/17-1) (from Ch. 122, par. 17-1)

12 Sec. 17-1. Annual Budget. The board of education of each  
13 school district under 500,000 inhabitants shall, within or  
14 before the first quarter of each fiscal year, adopt and file  
15 with the State Board of Education an annual balanced budget  
16 which it deems necessary to defray all necessary expenses and  
17 liabilities of the district, and in such annual budget shall  
18 specify the objects and purposes of each item and amount needed  
19 for each object or purpose.

20 The budget shall be entered upon a School District Budget  
21 form prepared and provided by the State Board of Education and  
22 therein shall contain a statement of the cash on hand at the  
23 beginning of the fiscal year, an estimate of the cash expected  
24 to be received during such fiscal year from all sources, an  
25 estimate of the expenditures contemplated for such fiscal year,



1 and a statement of the estimated cash expected to be on hand at  
2 the end of such year. The estimate of taxes to be received may  
3 be based upon the amount of actual cash receipts that may  
4 reasonably be expected by the district during such fiscal year,  
5 estimated from the experience of the district in prior years  
6 and with due regard for other circumstances that may  
7 substantially affect such receipts. Nothing in this Section  
8 shall be construed as requiring any district to change or  
9 preventing any district from changing from a cash basis of  
10 financing to a surplus or deficit basis of financing; or as  
11 requiring any district to change or preventing any district  
12 from changing its system of accounting. For the 2018-2019  
13 school year and thereafter, the budget shall conform to the  
14 school level accounting requirements adopted by the State Board  
15 of Education pursuant to Section 2-3.28 of this Code.

16 To the extent that a school district's budget is not  
17 balanced, the district shall also adopt and file with the State  
18 Board of Education a deficit reduction plan to balance the  
19 district's budget within 3 years. The deficit reduction plan  
20 must be filed at the same time as the budget, but the State  
21 Superintendent of Education may extend this deadline if the  
22 situation warrants.

23 If, as the result of an audit performed in compliance with  
24 Section 3-7 of this Code, the resulting Annual Financial Report  
25 required to be submitted pursuant to Section 3-15.1 of this  
26 Code reflects a deficit as defined for purposes of the

1 preceding paragraph, then the district shall, within 30 days  
2 after acceptance of such audit report, submit a deficit  
3 reduction plan.

4 The board of education of each district shall fix a fiscal  
5 year therefor. If the beginning of the fiscal year of a  
6 district is subsequent to the time that the tax levy due to be  
7 made in such fiscal year shall be made, then such annual budget  
8 shall be adopted prior to the time such tax levy shall be made.  
9 The failure by a board of education of any district to adopt an  
10 annual budget, or to comply in any respect with the provisions  
11 of this Section, shall not affect the validity of any tax levy  
12 of the district otherwise in conformity with the law. With  
13 respect to taxes levied either before, on, or after the  
14 effective date of this amendatory Act of the 91st General  
15 Assembly, (i) a tax levy is made for the fiscal year in which  
16 the levy is due to be made regardless of which fiscal year the  
17 proceeds of the levy are expended or are intended to be  
18 expended, and (ii) except as otherwise provided by law, a board  
19 of education's adoption of an annual budget in conformity with  
20 this Section is not a prerequisite to the adoption of a valid  
21 tax levy and is not a limit on the amount of the levy.

22 Such budget shall be prepared in tentative form by some  
23 person or persons designated by the board, and in such  
24 tentative form shall be made conveniently available to public  
25 inspection for at least 30 days prior to final action thereon.  
26 At least 1 public hearing shall be held as to such budget prior

1 to final action thereon. Notice of availability for public  
2 inspection and of such public hearing shall be given by  
3 publication in a newspaper published in such district, at least  
4 30 days prior to the time of such hearing. If there is no  
5 newspaper published in such district, notice of such public  
6 hearing shall be given by posting notices thereof in 5 of the  
7 most public places in such district. It shall be the duty of  
8 the secretary of such board to make such tentative budget  
9 available to public inspection, and to arrange for such public  
10 hearing. The board may from time to time make transfers between  
11 the various items in any fund not exceeding in the aggregate  
12 10% of the total of such fund as set forth in the budget. The  
13 board may from time to time amend such budget by the same  
14 procedure as is herein provided for its original adoption.

15 Beginning July 1, 1976, the board of education, or regional  
16 superintendent, or governing board responsible for the  
17 administration of a joint agreement shall, by September 1 of  
18 each fiscal year thereafter, adopt an annual budget for the  
19 joint agreement in the same manner and subject to the same  
20 requirements as are provided in this Section.

21 The State Board of Education shall exercise powers and  
22 duties relating to budgets as provided in Section 2-3.27 of  
23 this Code and shall require school districts to submit their  
24 annual budgets, deficit reduction plans, and other financial  
25 information, including revenue and expenditure reports and  
26 borrowing and interfund transfer plans, in such form and within

1 the timelines designated by the State Board of Education.

2 By fiscal year 1982 all school districts shall use the  
3 Program Budget Accounting System.

4 In the case of a school district receiving emergency State  
5 financial assistance under Article 1B, the school board shall  
6 also be subject to the requirements established under Article  
7 1B with respect to the annual budget.

8 (Source: P.A. 97-429, eff. 8-16-11.)

9 (105 ILCS 5/17-1.2)

10 Sec. 17-1.2. Post annual budget on web site. If a school  
11 district has an Internet web site, the school district shall  
12 post its current annual budget, itemized by receipts and  
13 expenditures, on the district's Internet web site. For the  
14 2018-2019 school year and thereafter, the budget shall include  
15 school level information conforming to the rules adopted by the  
16 State Board of Education pursuant to Section 2-3.28 of this  
17 Code. The school district shall notify the parents or guardians  
18 of its students that the budget has been posted on the  
19 district's web site and what the web site's address is.

20 (Source: P.A. 92-438, eff. 1-1-02.)

21 (105 ILCS 5/17-1.5)

22 Sec. 17-1.5. Limitation of administrative costs.

23 (a) It is the purpose of this Section to establish  
24 limitations on the growth of administrative expenditures in

1 order to maximize the proportion of school district resources  
2 available for the instructional program, building maintenance,  
3 and safety services for the students of each district.

4 (b) Definitions. For the purposes of this Section:

5 "Administrative expenditures" mean the annual expenditures  
6 of school districts properly attributable to expenditure  
7 functions defined by the rules of the State Board of Education  
8 as: 2320 (Executive Administration Services); 2330 (Special  
9 Area Administration Services); 2490 (Other Support Services -  
10 School Administration); 2510 (Direction of Business Support  
11 Services); 2570 (Internal Services); and 2610 (Direction of  
12 Central Support Services); provided, however, that  
13 "administrative expenditures" shall not include early  
14 retirement or other pension system obligations required by  
15 State law.

16 "School district" means all school districts having a  
17 population of less than 500,000.

18 (c) For the 1998-99 school year and each school year  
19 thereafter, each school district shall undertake budgetary and  
20 expenditure control actions so that the increase in  
21 administrative expenditures for that school year over the prior  
22 school year does not exceed 5%. School districts with  
23 administrative expenditures per pupil in the 25th percentile  
24 and below for all districts of the same type, as defined by the  
25 State Board of Education, may waive the limitation imposed  
26 under this Section for any year following a public hearing and

1 with the affirmative vote of at least two-thirds of the members  
2 of the school board of the district. Any district waiving the  
3 limitation shall notify the State Board within 45 days of such  
4 action.

5 (d) School districts shall file with the State Board of  
6 Education by November 15, 1998 and by each November 15th  
7 thereafter a one-page report that lists (i) the actual  
8 administrative expenditures for the prior year from the  
9 district's audited Annual Financial Report, and (ii) the  
10 projected administrative expenditures for the current year  
11 from the budget adopted by the school board pursuant to Section  
12 17-1 of this Code.

13 If a school district that is ineligible to waive the  
14 limitation imposed by subsection (c) of this Section by board  
15 action exceeds the limitation solely because of circumstances  
16 beyond the control of the district and the district has  
17 exhausted all available and reasonable remedies to comply with  
18 the limitation, the district may request a waiver pursuant to  
19 Section 2-3.25g. The waiver application shall specify the  
20 amount, nature, and reason for the relief requested, as well as  
21 all remedies the district has exhausted to comply with the  
22 limitation. Any emergency relief so requested shall apply only  
23 to the specific school year for which the request is made. The  
24 State Board of Education shall analyze all such waivers  
25 submitted and shall recommend that the General Assembly  
26 disapprove any such waiver requested that is not due solely to

1 circumstances beyond the control of the district and for which  
2 the district has not exhausted all available and reasonable  
3 remedies to comply with the limitation. The State  
4 Superintendent shall have no authority to impose any sanctions  
5 pursuant to this Section for any expenditures for which a  
6 waiver has been requested until such waiver has been reviewed  
7 by the General Assembly.

8 If the report and information required under this  
9 subsection (d) are not provided by the school district in a  
10 timely manner, or are subsequently determined by the State  
11 Superintendent of Education to be incomplete or inaccurate, the  
12 State Superintendent shall notify the district in writing of  
13 reporting deficiencies. The school district shall, within 60  
14 days of the notice, address the reporting deficiencies  
15 identified.

16 (e) If the State Superintendent determines that a school  
17 district has failed to comply with the administrative  
18 expenditure limitation imposed in subsection (c) of this  
19 Section, the State Superintendent shall notify the district of  
20 the violation and direct the district to undertake corrective  
21 action to bring the district's budget into compliance with the  
22 administrative expenditure limitation. The district shall,  
23 within 60 days of the notice, provide adequate assurance to the  
24 State Superintendent that appropriate corrective actions have  
25 been or will be taken. If the district fails to provide  
26 adequate assurance or fails to undertake the necessary

1 corrective actions, the State Superintendent may impose  
2 progressive sanctions against the district that may culminate  
3 in withholding all subsequent payments of general State aid due  
4 the district under Section 18-8.05 of this Code or primary  
5 State aid due the district under Section 18-8.15 of this Code  
6 until the assurance is provided or the corrective actions  
7 taken.

8 (f) The State Superintendent shall publish a list each year  
9 of the school districts that violate the limitation imposed by  
10 subsection (c) of this Section and a list of the districts that  
11 waive the limitation by board action as provided in subsection  
12 (c) of this Section.

13 (Source: P.A. 90-548, eff. 1-1-98; 90-653, eff. 7-29-98.)

14 (105 ILCS 5/17-2.11) (from Ch. 122, par. 17-2.11)

15 Sec. 17-2.11. School board power to levy a tax or to borrow  
16 money and issue bonds for fire prevention, safety, energy  
17 conservation, accessibility, school security, and specified  
18 repair purposes.

19 (a) Whenever, as a result of any lawful order of any  
20 agency, other than a school board, having authority to enforce  
21 any school building code applicable to any facility that houses  
22 students, or any law or regulation for the protection and  
23 safety of the environment, pursuant to the Environmental  
24 Protection Act, any school district having a population of less  
25 than 500,000 inhabitants is required to alter or reconstruct



1 any school building or permanent, fixed equipment; the district  
2 may, by proper resolution, levy a tax for the purpose of making  
3 such alteration or reconstruction, based on a survey report by  
4 an architect or engineer licensed in this State, upon all of  
5 the taxable property of the district at the value as assessed  
6 by the Department of Revenue and at a rate not to exceed 0.05%  
7 per year for a period sufficient to finance such alteration or  
8 reconstruction, upon the following conditions:

9 (1) When there are not sufficient funds available in  
10 the operations and maintenance fund of the school district,  
11 the school facility occupation tax fund of the district, or  
12 the fire prevention and safety fund of the district, as  
13 determined by the district on the basis of rules adopted by  
14 the State Board of Education, to make such alteration or  
15 reconstruction or to purchase and install such permanent,  
16 fixed equipment so ordered or determined as necessary.  
17 Appropriate school district records must be made available  
18 to the State Superintendent of Education, upon request, to  
19 confirm this insufficiency.

20 (2) When a certified estimate of an architect or  
21 engineer licensed in this State stating the estimated  
22 amount necessary to make the alteration or reconstruction  
23 or to purchase and install the equipment so ordered has  
24 been secured by the school district, and the estimate has  
25 been approved by the regional superintendent of schools  
26 having jurisdiction over the district and the State

1 Superintendent of Education. Approval must not be granted  
2 for any work that has already started without the prior  
3 express authorization of the State Superintendent of  
4 Education. If the estimate is not approved or is denied  
5 approval by the regional superintendent of schools within 3  
6 months after the date on which it is submitted to him or  
7 her, the school board of the district may submit the  
8 estimate directly to the State Superintendent of Education  
9 for approval or denial.

10 In the case of an emergency situation, where the estimated  
11 cost to effectuate emergency repairs is less than the amount  
12 specified in Section 10-20.21 of this Code, the school district  
13 may proceed with such repairs prior to approval by the State  
14 Superintendent of Education, but shall comply with the  
15 provisions of subdivision (2) of this subsection (a) as soon  
16 thereafter as may be as well as Section 10-20.21 of this Code.  
17 If the estimated cost to effectuate emergency repairs is  
18 greater than the amount specified in Section 10-20.21 of this  
19 Code, then the school district shall proceed in conformity with  
20 Section 10-20.21 of this Code and with rules established by the  
21 State Board of Education to address such situations. The rules  
22 adopted by the State Board of Education to deal with these  
23 situations shall stipulate that emergency situations must be  
24 expedited and given priority consideration. For purposes of  
25 this paragraph, an emergency is a situation that presents an  
26 imminent and continuing threat to the health and safety of

1 students or other occupants of a facility, requires complete or  
2 partial evacuation of a building or part of a building, or  
3 consumes one or more of the 5 emergency days built into the  
4 adopted calendar of the school or schools or would otherwise be  
5 expected to cause such school or schools to fall short of the  
6 minimum school calendar requirements.

7 (b) Whenever any such district determines that it is  
8 necessary for energy conservation purposes that any school  
9 building or permanent, fixed equipment should be altered or  
10 reconstructed and that such alterations or reconstruction will  
11 be made with funds not necessary for the completion of approved  
12 and recommended projects contained in any safety survey report  
13 or amendments thereto authorized by Section 2-3.12 of this Act;  
14 the district may levy a tax or issue bonds as provided in  
15 subsection (a) of this Section.

16 (c) Whenever any such district determines that it is  
17 necessary for accessibility purposes and to comply with the  
18 school building code that any school building or equipment  
19 should be altered or reconstructed and that such alterations or  
20 reconstruction will be made with funds not necessary for the  
21 completion of approved and recommended projects contained in  
22 any safety survey report or amendments thereto authorized under  
23 Section 2-3.12 of this Act, the district may levy a tax or  
24 issue bonds as provided in subsection (a) of this Section.

25 (d) Whenever any such district determines that it is  
26 necessary for school security purposes and the related

1 protection and safety of pupils and school personnel that any  
2 school building or property should be altered or reconstructed  
3 or that security systems and equipment (including but not  
4 limited to intercom, early detection and warning, access  
5 control and television monitoring systems) should be purchased  
6 and installed, and that such alterations, reconstruction or  
7 purchase and installation of equipment will be made with funds  
8 not necessary for the completion of approved and recommended  
9 projects contained in any safety survey report or amendment  
10 thereto authorized by Section 2-3.12 of this Act and will deter  
11 and prevent unauthorized entry or activities upon school  
12 property by unknown or dangerous persons, assure early  
13 detection and advance warning of any such actual or attempted  
14 unauthorized entry or activities and help assure the continued  
15 safety of pupils and school staff if any such unauthorized  
16 entry or activity is attempted or occurs; the district may levy  
17 a tax or issue bonds as provided in subsection (a) of this  
18 Section.

19 (e) If a school district does not need funds for other fire  
20 prevention and safety projects, including the completion of  
21 approved and recommended projects contained in any safety  
22 survey report or amendments thereto authorized by Section  
23 2-3.12 of this Act, and it is determined after a public hearing  
24 (which is preceded by at least one published notice (i)  
25 occurring at least 7 days prior to the hearing in a newspaper  
26 of general circulation within the school district and (ii)

1 setting forth the time, date, place, and general subject matter  
2 of the hearing) that there is a substantial, immediate, and  
3 otherwise unavoidable threat to the health, safety, or welfare  
4 of pupils due to disrepair of school sidewalks, playgrounds,  
5 parking lots, or school bus turnarounds and repairs must be  
6 made; then the district may levy a tax or issue bonds as  
7 provided in subsection (a) of this Section.

8 (f) For purposes of this Section a school district may  
9 replace a school building or build additions to replace  
10 portions of a building when it is determined that the  
11 effectuation of the recommendations for the existing building  
12 will cost more than the replacement costs. Such determination  
13 shall be based on a comparison of estimated costs made by an  
14 architect or engineer licensed in the State of Illinois. The  
15 new building or addition shall be equivalent in area (square  
16 feet) and comparable in purpose and grades served and may be on  
17 the same site or another site. Such replacement may only be  
18 done upon order of the regional superintendent of schools and  
19 the approval of the State Superintendent of Education.

20 (g) The filing of a certified copy of the resolution  
21 levying the tax when accompanied by the certificates of the  
22 regional superintendent of schools and State Superintendent of  
23 Education shall be the authority of the county clerk to extend  
24 such tax.

25 (h) The county clerk of the county in which any school  
26 district levying a tax under the authority of this Section is

1 located, in reducing raised levies, shall not consider any such  
2 tax as a part of the general levy for school purposes and shall  
3 not include the same in the limitation of any other tax rate  
4 which may be extended.

5 Such tax shall be levied and collected in like manner as  
6 all other taxes of school districts, subject to the provisions  
7 contained in this Section.

8 (i) The tax rate limit specified in this Section may be  
9 increased to .10% upon the approval of a proposition to effect  
10 such increase by a majority of the electors voting on that  
11 proposition at a regular scheduled election. Such proposition  
12 may be initiated by resolution of the school board and shall be  
13 certified by the secretary to the proper election authorities  
14 for submission in accordance with the general election law.

15 (j) When taxes are levied by any school district for fire  
16 prevention, safety, energy conservation, and school security  
17 purposes as specified in this Section, and the purposes for  
18 which the taxes have been levied are accomplished and paid in  
19 full, and there remain funds on hand in the Fire Prevention and  
20 Safety Fund from the proceeds of the taxes levied, including  
21 interest earnings thereon, the school board by resolution shall  
22 use such excess and other board restricted funds, excluding  
23 bond proceeds and earnings from such proceeds, as follows:

24 (1) for other authorized fire prevention, safety,  
25 energy conservation, and school security purposes and for  
26 required safety inspections; or

1           (2) for transfer to the Operations and Maintenance Fund  
2           for the purpose of abating an equal amount of operations  
3           and maintenance purposes taxes.

4           Notwithstanding subdivision (2) of this subsection (j) and  
5           subsection (k) of this Section, through June 30, 2019 ~~2016~~, the  
6           school board may, by proper resolution following a public  
7           hearing set by the school board or the president of the school  
8           board (that is preceded (i) by at least one published notice  
9           over the name of the clerk or secretary of the board, occurring  
10          at least 7 days and not more than 30 days prior to the hearing,  
11          in a newspaper of general circulation within the school  
12          district and (ii) by posted notice over the name of the clerk  
13          or secretary of the board, at least 48 hours before the  
14          hearing, at the principal office of the school board or at the  
15          building where the hearing is to be held if a principal office  
16          does not exist, with both notices setting forth the time, date,  
17          place, and subject matter of the hearing), transfer surplus  
18          life safety taxes and interest earnings thereon to the  
19          Operations and Maintenance Fund for building repair work.

20          (k) If any transfer is made to the Operation and  
21          Maintenance Fund, the secretary of the school board shall  
22          within 30 days notify the county clerk of the amount of that  
23          transfer and direct the clerk to abate the taxes to be extended  
24          for the purposes of operations and maintenance authorized under  
25          Section 17-2 of this Act by an amount equal to such transfer.

26          (l) If the proceeds from the tax levy authorized by this

1 Section are insufficient to complete the work approved under  
2 this Section, the school board is authorized to sell bonds  
3 without referendum under the provisions of this Section in an  
4 amount that, when added to the proceeds of the tax levy  
5 authorized by this Section, will allow completion of the  
6 approved work.

7 (m) Any bonds issued pursuant to this Section shall bear  
8 interest at a rate not to exceed the maximum rate authorized by  
9 law at the time of the making of the contract, shall mature  
10 within 20 years from date, and shall be signed by the president  
11 of the school board and the treasurer of the school district.

12 (n) In order to authorize and issue such bonds, the school  
13 board shall adopt a resolution fixing the amount of bonds, the  
14 date thereof, the maturities thereof, rates of interest  
15 thereof, place of payment and denomination, which shall be in  
16 denominations of not less than \$100 and not more than \$5,000,  
17 and provide for the levy and collection of a direct annual tax  
18 upon all the taxable property in the school district sufficient  
19 to pay the principal and interest on such bonds to maturity.  
20 Upon the filing in the office of the county clerk of the county  
21 in which the school district is located of a certified copy of  
22 the resolution, it is the duty of the county clerk to extend  
23 the tax therefor in addition to and in excess of all other  
24 taxes heretofore or hereafter authorized to be levied by such  
25 school district.

26 (o) After the time such bonds are issued as provided for by



1 this Section, if additional alterations or reconstructions are  
2 required to be made because of surveys conducted by an  
3 architect or engineer licensed in the State of Illinois, the  
4 district may levy a tax at a rate not to exceed .05% per year  
5 upon all the taxable property of the district or issue  
6 additional bonds, whichever action shall be the most feasible.

7 (p) This Section is cumulative and constitutes complete  
8 authority for the issuance of bonds as provided in this Section  
9 notwithstanding any other statute or law to the contrary.

10 (q) With respect to instruments for the payment of money  
11 issued under this Section either before, on, or after the  
12 effective date of Public Act 86-004 (June 6, 1989), it is, and  
13 always has been, the intention of the General Assembly (i) that  
14 the Omnibus Bond Acts are, and always have been, supplementary  
15 grants of power to issue instruments in accordance with the  
16 Omnibus Bond Acts, regardless of any provision of this Act that  
17 may appear to be or to have been more restrictive than those  
18 Acts, (ii) that the provisions of this Section are not a  
19 limitation on the supplementary authority granted by the  
20 Omnibus Bond Acts, and (iii) that instruments issued under this  
21 Section within the supplementary authority granted by the  
22 Omnibus Bond Acts are not invalid because of any provision of  
23 this Act that may appear to be or to have been more restrictive  
24 than those Acts.

25 (r) When the purposes for which the bonds are issued have  
26 been accomplished and paid for in full and there remain funds

1 on hand from the proceeds of the bond sale and interest  
2 earnings therefrom, the board shall, by resolution, use such  
3 excess funds in accordance with the provisions of Section  
4 10-22.14 of this Act.

5 (s) Whenever any tax is levied or bonds issued for fire  
6 prevention, safety, energy conservation, and school security  
7 purposes, such proceeds shall be deposited and accounted for  
8 separately within the Fire Prevention and Safety Fund.

9 (Source: P.A. 98-26, eff. 6-21-13; 98-1066, eff. 8-26-14;  
10 99-143, eff. 7-27-15.)

11 (105 ILCS 5/17-2A) (from Ch. 122, par. 17-2A)

12 Sec. 17-2A. Interfund Transfers.

13 (a) The school board of any district having a population of  
14 less than 500,000 inhabitants may, by proper resolution  
15 following a public hearing set by the school board or the  
16 president of the school board (that is preceded (i) by at least  
17 one published notice over the name of the clerk or secretary of  
18 the board, occurring at least 7 days and not more than 30 days  
19 prior to the hearing, in a newspaper of general circulation  
20 within the school district and (ii) by posted notice over the  
21 name of the clerk or secretary of the board, at least 48 hours  
22 before the hearing, at the principal office of the school board  
23 or at the building where the hearing is to be held if a  
24 principal office does not exist, with both notices setting  
25 forth the time, date, place, and subject matter of the

1 hearing), transfer money from (1) the Educational Fund to the  
2 Operations and Maintenance Fund or the Transportation Fund, (2)  
3 the Operations and Maintenance Fund to the Educational Fund or  
4 the Transportation Fund, or (3) the Transportation Fund to the  
5 Educational Fund or the Operations and Maintenance Fund of said  
6 district, provided that, except during the period from July 1,  
7 2003 through June 30, 2019 ~~2016~~, such transfer is made solely  
8 for the purpose of meeting one-time, non-recurring expenses.  
9 Except during the period from July 1, 2003 through June 30,  
10 2019 ~~2016~~ and except as otherwise provided in subsection (b) of  
11 this Section, any other permanent interfund transfers  
12 authorized by any provision or judicial interpretation of this  
13 Code for which the transferee fund is not precisely and  
14 specifically set forth in the provision of this Code  
15 authorizing such transfer shall be made to the fund of the  
16 school district most in need of the funds being transferred, as  
17 determined by resolution of the school board.

18 (b) Notwithstanding subsection (a) of this Section or any  
19 other provision of this Code to the contrary, the school board  
20 of any school district (i) that is subject to the Property Tax  
21 Extension Limitation Law, (ii) that has a population of less  
22 than 500,000 inhabitants, (iii) that is levying at its maximum  
23 tax rate, (iv) whose total equalized assessed valuation has  
24 declined 20% in the prior 2 years, (v) in which 80% or more of  
25 its students receive free or reduced-price lunch, and (vi) that  
26 had an equalized assessed valuation of less than \$207 million

1 but more than \$203 million in the 2011 levy year may annually,  
2 until July 1, 2016, transfer money from any fund of the  
3 district, other than the Illinois Municipal Retirement Fund and  
4 the Bonds and Interest Fund, to the educational fund, the  
5 operations and maintenance fund, or the transportation fund of  
6 the district by proper resolution following a public hearing  
7 set by the school board or the president of the school board,  
8 with notice as provided in subsection (a) of this Section, so  
9 long as the district meets the qualifications set forth in this  
10 subsection (b) on the effective date of this amendatory Act of  
11 the 98th General Assembly even if the district does not meet  
12 those qualifications at the time a given transfer is made.

13 (Source: P.A. 98-26, eff. 6-21-13; 98-131, eff. 1-1-14.)

14 (105 ILCS 5/17-3.6 new)

15 Sec. 17-3.6. Educational purposes tax rate for school  
16 districts subject to Property Tax Extension Limitation Law.  
17 Notwithstanding the provisions, requirements, or limitations  
18 of this Code or any other law, any tax levied for educational  
19 purposes by a school district subject to the Property Tax  
20 Extension Limitation Law for the 2015 levy year or any  
21 subsequent levy year may be extended at a rate exceeding the  
22 rate established for educational purposes by referendum or this  
23 Code, provided that the rate does not cause the school district  
24 to exceed the limiting rate applicable to the school district  
25 under the Property Tax Extension Limitation Law for that levy

1 year.

2 (105 ILCS 5/18-4.3) (from Ch. 122, par. 18-4.3)

3 Sec. 18-4.3. Summer school grants. Through fiscal year  
4 2016, grants ~~Grants~~ shall be determined for pupil attendance in  
5 summer schools conducted under Sections 10-22.33A and 34-18 and  
6 approved under Section 2-3.25 in the following manner.

7 The amount of grant for each accredited summer school  
8 attendance pupil shall be obtained by dividing the total amount  
9 of apportionments determined under Section 18-8.05 by the  
10 actual number of pupils in average daily attendance used for  
11 such apportionments. The number of credited summer school  
12 attendance pupils shall be determined (a) by counting clock  
13 hours of class instruction by pupils enrolled in grades 1  
14 through 12 in approved courses conducted at least 60 clock  
15 hours in summer sessions; (b) by dividing such total of clock  
16 hours of class instruction by 4 to produce days of credited  
17 pupil attendance; (c) by dividing such days of credited pupil  
18 attendance by the actual number of days in the regular term as  
19 used in computation in the general apportionment in Section  
20 18-8.05; and (d) by multiplying by 1.25.

21 The amount of the grant for a summer school program  
22 approved by the State Superintendent of Education for children  
23 with disabilities, as defined in Sections 14-1.02 through  
24 14-1.07, shall be determined in the manner contained above  
25 except that average daily membership shall be utilized in lieu

1 of average daily attendance.

2 In the case of an apportionment based on summer school  
3 attendance or membership pupils, the claim therefor shall be  
4 presented as a separate claim for the particular school year in  
5 which such summer school session ends. On or before November 1  
6 of each year the superintendent of each eligible school  
7 district shall certify to the State Superintendent of Education  
8 the claim of the district for the summer session just ended.  
9 Failure on the part of the school board to so certify shall  
10 constitute a forfeiture of its right to such payment. The State  
11 Superintendent of Education shall transmit to the Comptroller  
12 no later than December 15th of each year vouchers for payment  
13 of amounts due school districts for summer school. The State  
14 Superintendent of Education shall direct the Comptroller to  
15 draw his warrants for payments thereof by the 30th day of  
16 December. If the money appropriated by the General Assembly for  
17 such purpose for any year is insufficient, it shall be  
18 apportioned on the basis of claims approved.

19 However, notwithstanding the foregoing provisions, for  
20 each fiscal year the money appropriated by the General Assembly  
21 for the purposes of this Section shall only be used for grants  
22 for approved summer school programs for those children with  
23 disabilities served pursuant to Section 14-7.02 or 14-7.02b of  
24 this Code.

25 No funding shall be provided to school districts under this  
26 Section after fiscal year 2016.

1 (Source: P.A. 93-1022, eff. 8-24-04.)

2 (105 ILCS 5/18-8.05)

3 Sec. 18-8.05. Basis for apportionment of general State  
4 financial aid and supplemental general State aid to the common  
5 schools for the 1998-1999 through the 2015-2016 ~~and subsequent~~  
6 school years.

7 (A) General Provisions.

8 (1) The provisions of this Section relating to the  
9 calculation and apportionment of general State financial aid  
10 and supplemental general State aid apply to the 1998-1999  
11 through the 2015-2016 ~~and subsequent~~ school years. The system  
12 of general State financial aid provided for in this Section is  
13 designed to assure that, through a combination of State  
14 financial aid and required local resources, the financial  
15 support provided each pupil in Average Daily Attendance equals  
16 or exceeds a prescribed per pupil Foundation Level. This  
17 formula approach imputes a level of per pupil Available Local  
18 Resources and provides for the basis to calculate a per pupil  
19 level of general State financial aid that, when added to  
20 Available Local Resources, equals or exceeds the Foundation  
21 Level. The amount of per pupil general State financial aid for  
22 school districts, in general, varies in inverse relation to  
23 Available Local Resources. Per pupil amounts are based upon  
24 each school district's Average Daily Attendance as that term is

1 defined in this Section.

2 (2) In addition to general State financial aid, school  
3 districts with specified levels or concentrations of pupils  
4 from low income households are eligible to receive supplemental  
5 general State financial aid grants as provided pursuant to  
6 subsection (H). The supplemental State aid grants provided for  
7 school districts under subsection (H) shall be appropriated for  
8 distribution to school districts as part of the same line item  
9 in which the general State financial aid of school districts is  
10 appropriated under this Section.

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

14 (a) Any school district which fails for any given  
15 school year to maintain school as required by law, or to  
16 maintain a recognized school is not eligible to file for  
17 such school year any claim upon the Common School Fund. In  
18 case of nonrecognition of one or more attendance centers in  
19 a school district otherwise operating recognized schools,  
20 the claim of the district shall be reduced in the  
21 proportion which the Average Daily Attendance in the  
22 attendance center or centers bear to the Average Daily  
23 Attendance in the school district. A "recognized school"  
24 means any public school which meets the standards as  
25 established for recognition by the State Board of  
26 Education. A school district or attendance center not



1 having recognition status at the end of a school term is  
2 entitled to receive State aid payments due upon a legal  
3 claim which was filed while it was recognized.

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

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

12 (d) (Blank).

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

17 School districts are not required to exert a minimum  
18 Operating Tax Rate in order to qualify for assistance under  
19 this Section.

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

22 (a) "Average Daily Attendance": A count of pupil  
23 attendance in school, averaged as provided for in  
24 subsection (C) and utilized in deriving per pupil financial  
25 support levels.

26 (b) "Available Local Resources": A computation of

1 local financial support, calculated on the basis of Average  
2 Daily Attendance and derived as provided pursuant to  
3 subsection (D).

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

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

13 (e) "Operating Tax Rate": All school district property  
14 taxes extended for all purposes, except Bond and Interest,  
15 Summer School, Rent, Capital Improvement, and Vocational  
16 Education Building purposes.

17 (B) Foundation Level.

18 (1) The Foundation Level is a figure established by the  
19 State representing the minimum level of per pupil financial  
20 support that should be available to provide for the basic  
21 education of each pupil in Average Daily Attendance. As set  
22 forth in this Section, each school district is assumed to exert  
23 a sufficient local taxing effort such that, in combination with  
24 the aggregate of general State financial aid provided the  
25 district, an aggregate of State and local resources are

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

3 (2) For the 1998-1999 school year, the Foundation Level of  
4 support is \$4,225. For the 1999-2000 school year, the  
5 Foundation Level of support is \$4,325. For the 2000-2001 school  
6 year, the Foundation Level of support is \$4,425. For the  
7 2001-2002 school year and 2002-2003 school year, the Foundation  
8 Level of support is \$4,560. For the 2003-2004 school year, the  
9 Foundation Level of support is \$4,810. For the 2004-2005 school  
10 year, the Foundation Level of support is \$4,964. For the  
11 2005-2006 school year, the Foundation Level of support is  
12 \$5,164. For the 2006-2007 school year, the Foundation Level of  
13 support is \$5,334. For the 2007-2008 school year, the  
14 Foundation Level of support is \$5,734. For the 2008-2009 school  
15 year, the Foundation Level of support is \$5,959.

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

20 (C) Average Daily Attendance.

21 (1) For purposes of calculating general State aid pursuant  
22 to subsection (E), an Average Daily Attendance figure shall be  
23 utilized. The Average Daily Attendance figure for formula  
24 calculation purposes shall be the monthly average of the actual  
25 number of pupils in attendance of each school district, as

1 further averaged for the best 3 months of pupil attendance for  
2 each school district. In compiling the figures for the number  
3 of pupils in attendance, school districts and the State Board  
4 of Education shall, for purposes of general State aid funding,  
5 conform attendance figures to the requirements of subsection  
6 (F).

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

16 (D) Available Local Resources.

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

1 funds received as a result of Public Act 93-26.

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

8 (3) For school districts maintaining grades kindergarten  
9 through 12, local property tax revenues per pupil shall be  
10 calculated as the product of the applicable equalized assessed  
11 valuation for the district multiplied by 3.00%, and divided by  
12 the district's Average Daily Attendance figure. For school  
13 districts maintaining grades kindergarten through 8, local  
14 property tax revenues per pupil shall be calculated as the  
15 product of the applicable equalized assessed valuation for the  
16 district multiplied by 2.30%, and divided by the district's  
17 Average Daily Attendance figure. For school districts  
18 maintaining grades 9 through 12, local property tax revenues  
19 per pupil shall be the applicable equalized assessed valuation  
20 of the district multiplied by 1.05%, and divided by the  
21 district's Average Daily Attendance figure.

22 For partial elementary unit districts created pursuant to  
23 Article 11E of this Code, local property tax revenues per pupil  
24 shall be calculated as the product of the equalized assessed  
25 valuation for property within the partial elementary unit  
26 district for elementary purposes, as defined in Article 11E of

1 this Code, multiplied by 2.06% and divided by the district's  
2 Average Daily Attendance figure, plus the product of the  
3 equalized assessed valuation for property within the partial  
4 elementary unit district for high school purposes, as defined  
5 in Article 11E of this Code, multiplied by 0.94% and divided by  
6 the district's Average Daily Attendance figure.

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

1 Attendance of the school district.

2 (3) For any school district for which Available Local  
3 Resources per pupil is equal to or greater than the product of  
4 0.93 times the Foundation Level and less than the product of  
5 1.75 times the Foundation Level, the general State aid per  
6 pupil shall be a decimal proportion of the Foundation Level  
7 derived using a linear algorithm. Under this linear algorithm,  
8 the calculated general State aid per pupil shall decline in  
9 direct linear fashion from 0.07 times the Foundation Level for  
10 a school district with Available Local Resources equal to the  
11 product of 0.93 times the Foundation Level, to 0.05 times the  
12 Foundation Level for a school district with Available Local  
13 Resources equal to the product of 1.75 times the Foundation  
14 Level. The allocation of general State aid for school districts  
15 subject to this paragraph 3 shall be the calculated general  
16 State aid per pupil figure multiplied by the Average Daily  
17 Attendance of the school district.

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

23 (5) The amount of general State aid allocated to a school  
24 district for the 1999-2000 school year meeting the requirements  
25 set forth in paragraph (4) of subsection (G) shall be increased  
26 by an amount equal to the general State aid that would have

1 been received by the district for the 1998-1999 school year by  
2 utilizing the Extension Limitation Equalized Assessed  
3 Valuation as calculated in paragraph (4) of subsection (G) less  
4 the general State aid allotted for the 1998-1999 school year.  
5 This amount shall be deemed a one time increase, and shall not  
6 affect any future general State aid allocations.

7 (F) Compilation of Average Daily Attendance.

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

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

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



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

13          Except as otherwise provided in this Section, days of  
14          attendance by pupils shall be counted only for sessions of not  
15          less than 5 clock hours of school work per day under direct  
16          supervision of: (i) teachers, or (ii) non-teaching personnel or  
17          volunteer personnel when engaging in non-teaching duties and  
18          supervising in those instances specified in subsection (a) of  
19          Section 10-22.34 and paragraph 10 of Section 34-18, with pupils  
20          of legal school age and in kindergarten and grades 1 through  
21          12. Days of attendance by pupils through verified participation  
22          in an e-learning program approved by the State Board of  
23          Education under Section 10-20.56 of the Code shall be  
24          considered as full days of attendance for purposes of this  
25          Section.

26          Days of attendance by tuition pupils shall be accredited

1 only to the districts that pay the tuition to a recognized  
2 school.

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

6 (a) Pupils regularly enrolled in a public school for  
7 only a part of the school day may be counted on the basis  
8 of 1/6 day for every class hour of instruction of 40  
9 minutes or more attended pursuant to such enrollment,  
10 unless a pupil is enrolled in a block-schedule format of 80  
11 minutes or more of instruction, in which case the pupil may  
12 be counted on the basis of the proportion of minutes of  
13 school work completed each day to the minimum number of  
14 minutes that school work is required to be held that day.

15 (b) (Blank).

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

21 (d) A session of 3 or more clock hours may be counted  
22 as a day of attendance (1) when the remainder of the school  
23 day or at least 2 hours in the evening of that day is  
24 utilized for an in-service training program for teachers,  
25 up to a maximum of 5 days per school year, provided a  
26 district conducts an in-service training program for

1 teachers in accordance with Section 10-22.39 of this Code;  
2 or, in lieu of 4 such days, 2 full days may be used, in  
3 which event each such day may be counted as a day required  
4 for a legal school calendar pursuant to Section 10-19 of  
5 this Code; (1.5) when, of the 5 days allowed under item  
6 (1), a maximum of 4 days are used for parent-teacher  
7 conferences, or, in lieu of 4 such days, 2 full days are  
8 used, in which case each such day may be counted as a  
9 calendar day required under Section 10-19 of this Code,  
10 provided that the full-day, parent-teacher conference  
11 consists of (i) a minimum of 5 clock hours of  
12 parent-teacher conferences, (ii) both a minimum of 2 clock  
13 hours of parent-teacher conferences held in the evening  
14 following a full day of student attendance, as specified in  
15 subsection (F)(1)(c), and a minimum of 3 clock hours of  
16 parent-teacher conferences held on the day immediately  
17 following evening parent-teacher conferences, or (iii)  
18 multiple parent-teacher conferences held in the evenings  
19 following full days of student attendance, as specified in  
20 subsection (F)(1)(c), in which the time used for the  
21 parent-teacher conferences is equivalent to a minimum of 5  
22 clock hours; and (2) when days in addition to those  
23 provided in items (1) and (1.5) are scheduled by a school  
24 pursuant to its school improvement plan adopted under  
25 Article 34 or its revised or amended school improvement  
26 plan adopted under Article 2, provided that (i) such

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

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

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

1 kindergartens which provide only 1/2 day of attendance.

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

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

26 (i) On the days when the assessment that includes a

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

11 (j) Pupils enrolled in a remote educational program  
12 established under Section 10-29 of this Code may be counted  
13 on the basis of one-fifth day of attendance for every clock  
14 hour of instruction attended in the remote educational  
15 program, provided that, in any month, the school district  
16 may not claim for a student enrolled in a remote  
17 educational program more days of attendance than the  
18 maximum number of days of attendance the district can claim

19 (i) for students enrolled in a building holding year-round  
20 classes if the student is classified as participating in  
21 the remote educational program on a year-round schedule or

22 (ii) for students enrolled in a building not holding  
23 year-round classes if the student is not classified as  
24 participating in the remote educational program on a  
25 year-round schedule.

1 (G) Equalized Assessed Valuation Data.

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

12 The Department of Revenue shall add to the equalized  
13 assessed value of all taxable property of each school district  
14 situated entirely or partially within a county that is or was  
15 subject to the provisions of Section 15-176 or 15-177 of the  
16 Property Tax Code (a) an amount equal to the total amount by  
17 which the homestead exemption allowed under Section 15-176 or  
18 15-177 of the Property Tax Code for real property situated in  
19 that school district exceeds the total amount that would have  
20 been allowed in that school district if the maximum reduction  
21 under Section 15-176 was (i) \$4,500 in Cook County or \$3,500 in  
22 all other counties in tax year 2003 or (ii) \$5,000 in all  
23 counties in tax year 2004 and thereafter and (b) an amount  
24 equal to the aggregate amount for the taxable year of all  
25 additional exemptions under Section 15-175 of the Property Tax  
26 Code for owners with a household income of \$30,000 or less. The

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

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



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

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

26           (b) The real property equalized assessed valuation for

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

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

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

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

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

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

1 immediately preceding the Base Tax Year.

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

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

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

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

17 If a school district is subject to property tax extension  
18 limitations as imposed under the Property Tax Extension  
19 Limitation Law, the State Board of Education shall calculate  
20 the Extension Limitation Equalized Assessed Valuation of that  
21 district. For the 1999-2000 school year, the Extension  
22 Limitation Equalized Assessed Valuation of a school district as  
23 calculated by the State Board of Education shall be equal to  
24 the product of the district's 1996 Equalized Assessed Valuation  
25 and the district's Extension Limitation Ratio. Except as  
26 otherwise provided in this paragraph for a school district that

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

1 year preceding the Base Tax Year, plus the Equalized Assessed  
2 Valuation of new property, annexed property, and recovered tax  
3 increment value and minus the Equalized Assessed Valuation of  
4 disconnected property. New property and recovered tax  
5 increment value shall have the meanings set forth in the  
6 Property Tax Extension Limitation Law.

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

11 (3.5) For the 2010-2011 school year and each school year  
12 thereafter, if a school district's boundaries span multiple  
13 counties, then the Department of Revenue shall send to the  
14 State Board of Education, for the purpose of calculating  
15 general State aid, the limiting rate and individual rates by  
16 purpose for the county that contains the majority of the school  
17 district's Equalized Assessed Valuation.

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

1 calculate general State aid for the 1997-1998 school year and  
2 the district's Extension Limitation Ratio. If the Extension  
3 Limitation Equalized Assessed Valuation of the school district  
4 as calculated under this paragraph (4) is less than the  
5 district's equalized assessed valuation utilized in  
6 calculating the district's 1998-1999 general State aid  
7 allocation, then for purposes of calculating the district's  
8 general State aid pursuant to paragraph (5) of subsection (E),  
9 that Extension Limitation Equalized Assessed Valuation shall  
10 be utilized to calculate the district's Available Local  
11 Resources.

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

24 (H) Supplemental General State Aid.

25 (1) In addition to the general State aid a school district

1 is allotted pursuant to subsection (E), qualifying school  
2 districts shall receive a grant, paid in conjunction with a  
3 district's payments of general State aid, for supplemental  
4 general State aid based upon the concentration level of  
5 children from low-income households within the school  
6 district. Supplemental State aid grants provided for school  
7 districts under this subsection shall be appropriated for  
8 distribution to school districts as part of the same line item  
9 in which the general State financial aid of school districts is  
10 appropriated under this Section.

11 (1.5) This paragraph (1.5) applies only to those school  
12 years preceding the 2003-2004 school year. For purposes of this  
13 subsection (H), the term "Low-Income Concentration Level"  
14 shall be the low-income eligible pupil count from the most  
15 recently available federal census divided by the Average Daily  
16 Attendance of the school district. If, however, (i) the  
17 percentage decrease from the 2 most recent federal censuses in  
18 the low-income eligible pupil count of a high school district  
19 with fewer than 400 students exceeds by 75% or more the  
20 percentage change in the total low-income eligible pupil count  
21 of contiguous elementary school districts, whose boundaries  
22 are coterminous with the high school district, or (ii) a high  
23 school district within 2 counties and serving 5 elementary  
24 school districts, whose boundaries are coterminous with the  
25 high school district, has a percentage decrease from the 2 most  
26 recent federal censuses in the low-income eligible pupil count

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

19 (1.10) This paragraph (1.10) applies to the 2003-2004  
20 school year and each school year thereafter through the  
21 2015-2016 school year. For purposes of this subsection (H), the  
22 term "Low-Income Concentration Level" shall, for each fiscal  
23 year, be the low-income eligible pupil count as of July 1 of  
24 the immediately preceding fiscal year (as determined by the  
25 Department of Human Services based on the number of pupils who  
26 are eligible for at least one of the following low income



1 programs: Medicaid, the Children's Health Insurance Program,  
2 TANF, or Food Stamps, excluding pupils who are eligible for  
3 services provided by the Department of Children and Family  
4 Services, averaged over the 2 immediately preceding fiscal  
5 years for fiscal year 2004 and over the 3 immediately preceding  
6 fiscal years for each fiscal year thereafter) divided by the  
7 Average Daily Attendance of the school district.

8 (2) Supplemental general State aid pursuant to this  
9 subsection (H) shall be provided as follows for the 1998-1999,  
10 1999-2000, and 2000-2001 school years only:

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

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

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

23 (d) For any school district with a Low Income  
24 Concentration Level of 60% or more, the grant for the  
25 1998-99 school year shall be \$1,900 multiplied by the low  
26 income eligible pupil count.

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

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

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

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

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

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

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

1 the low income eligible pupil count.

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

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

10 (2.10) Except as otherwise provided, supplemental general  
11 State aid pursuant to this subsection (H) shall be provided as  
12 follows for the 2003-2004 school year and each school year  
13 thereafter:

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

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

23 For the 2003-2004 school year and each school year  
24 thereafter through the 2008-2009 school year only, the grant  
25 shall be no less than the grant for the 2002-2003 school year.  
26 For the 2009-2010 school year only, the grant shall be no less

1 than the grant for the 2002-2003 school year multiplied by  
2 0.66. For the 2010-2011 school year only, the grant shall be no  
3 less than the grant for the 2002-2003 school year multiplied by  
4 0.33. Notwithstanding the provisions of this paragraph to the  
5 contrary, if for any school year supplemental general State aid  
6 grants are prorated as provided in paragraph (1) of this  
7 subsection (H), then the grants under this paragraph shall be  
8 prorated.

9 For the 2003-2004 school year only, the grant shall be no  
10 greater than the grant received during the 2002-2003 school  
11 year added to the product of 0.25 multiplied by the difference  
12 between the grant amount calculated under subsection (a) or (b)  
13 of this paragraph (2.10), whichever is applicable, and the  
14 grant received during the 2002-2003 school year. For the  
15 2004-2005 school year only, the grant shall be no greater than  
16 the grant received during the 2002-2003 school year added to  
17 the product of 0.50 multiplied by the difference between the  
18 grant amount calculated under subsection (a) or (b) of this  
19 paragraph (2.10), whichever is applicable, and the grant  
20 received during the 2002-2003 school year. For the 2005-2006  
21 school year only, the grant shall be no greater than the grant  
22 received during the 2002-2003 school year added to the product  
23 of 0.75 multiplied by the difference between the grant amount  
24 calculated under subsection (a) or (b) of this paragraph  
25 (2.10), whichever is applicable, and the grant received during  
26 the 2002-2003 school year.

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

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

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

23           (b) The distribution of these portions of supplemental  
24 and general State aid among attendance centers according to  
25 these requirements shall not be compensated for or  
26 contravened by adjustments of the total of other funds

1       appropriated to any attendance centers, and the Board of  
2       Education shall utilize funding from one or several sources  
3       in order to fully implement this provision annually prior  
4       to the opening of school.

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

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

18          (e) Funds received by an attendance center pursuant to  
19      this subsection shall be used by the attendance center at  
20      the discretion of the principal and local school council  
21      for programs to improve educational opportunities at  
22      qualifying schools through the following programs and  
23      services: early childhood education, reduced class size or  
24      improved adult to student classroom ratio, enrichment  
25      programs, remedial assistance, attendance improvement, and  
26      other educationally beneficial expenditures which

1 supplement the regular and basic programs as determined by  
2 the State Board of Education. Funds provided shall not be  
3 expended for any political or lobbying purposes as defined  
4 by board rule.

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

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

1           If the district fails to distribute State aid to  
2 attendance centers in accordance with an approved plan, the  
3 plan for the following year shall allocate funds, in  
4 addition to the funds otherwise required by this  
5 subsection, to those attendance centers which were  
6 underfunded during the previous year in amounts equal to  
7 such underfunding.

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



1 funds.

2 The State Board of Education shall promulgate rules and  
3 regulations to implement the provisions of this  
4 subsection. No funds shall be released under this  
5 subdivision (H) (4) to any district that has not submitted a  
6 plan that has been approved by the State Board of  
7 Education.

8 (I) (Blank).

9 (J) (Blank).

10 (K) Grants to Laboratory and Alternative Schools.

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

17 As used in this Section, "laboratory school" means a public  
18 school which is created and operated by a public university and  
19 approved by the State Board of Education. The governing board  
20 of a public university which receives funds from the State  
21 Board under this subsection (K) or subsection (i) of Section  
22 18-8.15 of this Code may not increase the number of students  
23 enrolled in its laboratory school from a single district, if

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

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

23 Each laboratory and alternative school shall file, on forms  
24 provided by the State Superintendent of Education, an annual  
25 State aid claim which states the Average Daily Attendance of  
26 the school's students by month. The best 3 months' Average

1 Daily Attendance shall be computed for each school. The general  
2 State aid entitlement shall be computed by multiplying the  
3 applicable Average Daily Attendance by the Foundation Level as  
4 determined under this Section.

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

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

19 (2) (Blank).

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

22 (M) Education Funding Advisory Board.

23 The Education Funding Advisory Board, hereinafter in this  
24 subsection (M) referred to as the "Board", is hereby created.

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

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

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

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

20 For school years after the 2000-2001 school year through  
21 the 2015-2016 school year, the Education Funding Advisory  
22 Board, in consultation with the State Board of Education, shall  
23 make recommendations as provided in this subsection (M) to the  
24 General Assembly for the foundation level under subdivision  
25 (B) (3) of this Section and for the supplemental general State  
26 aid grant level under subsection (H) of this Section for

1 districts with high concentrations of children from poverty.  
2 The recommended foundation level shall be determined based on a  
3 methodology which incorporates the basic education  
4 expenditures of low-spending schools exhibiting high academic  
5 performance. The Education Funding Advisory Board shall make  
6 such recommendations to the General Assembly on January 1 of  
7 odd numbered years, beginning January 1, 2001. After the  
8 2015-2016 school year, the Education Funding Advisory Board  
9 shall make recommendations pursuant to subsection (k) of  
10 Section 18-8.15 of this Code.

11 (N) (Blank).

12 (O) References.

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

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

21 (P) Public Act 93-838 and Public Act 93-808 make inconsistent  
22 changes to this Section. Under Section 6 of the Statute on  
23 Statutes there is an irreconcilable conflict between Public Act

1 93-808 and Public Act 93-838. Public Act 93-838, being the last  
2 acted upon, is controlling. The text of Public Act 93-838 is  
3 the law regardless of the text of Public Act 93-808.

4 (Q) State Fiscal Year 2015 Payments.

5 For payments made for State fiscal year 2015, the State  
6 Board of Education shall, for each school district, calculate  
7 that district's pro-rata share of a minimum sum of \$13,600,000  
8 or additional amounts as needed from the total net General  
9 State Aid funding as calculated under this Section that shall  
10 be deemed attributable to the provision of special educational  
11 facilities and services, as defined in Section 14-1.08 of this  
12 Code, in a manner that ensures compliance with maintenance of  
13 State financial support requirements under the federal  
14 Individuals with Disabilities Education Act. Each school  
15 district must use such funds only for the provision of special  
16 educational facilities and services, as defined in Section  
17 14-1.08 of this Code, and must comply with any expenditure  
18 verification procedures adopted by the State Board of  
19 Education.

20 (Source: P.A. 98-972, eff. 8-15-14; 99-2, eff. 3-26-15; 99-194,  
21 eff. 7-30-15.)

22 (105 ILCS 5/18-8.10)

23 Sec. 18-8.10. Fast growth grants.

24 (a) If there has been an increase in a school district's

1 student population over the most recent 2 school years of (i)  
2 over 1.5% in a district with over 10,000 pupils in average  
3 daily attendance (as defined in Section 18-8.05 or 18-8.15 of  
4 this Code) or (ii) over 7.5% in any other district, then the  
5 district is eligible for a grant under this Section, subject to  
6 appropriation.

7 (b) The State Board of Education shall determine a per  
8 pupil grant amount for each school district. The total grant  
9 amount for a district for any given school year shall equal the  
10 per pupil grant amount multiplied by the difference between the  
11 number of pupils in average daily attendance for the 2 most  
12 recent school years.

13 (c) Funds for grants under this Section must be  
14 appropriated to the State Board of Education in a separate line  
15 item for this purpose. If the amount appropriated in any fiscal  
16 year is insufficient to pay all grants for a school year, then  
17 the amount appropriated shall be prorated among eligible  
18 districts. As soon as possible after funds have been  
19 appropriated to the State Board of Education, the State Board  
20 of Education shall distribute the grants to eligible districts.

21 (d) If a school district intentionally reports incorrect  
22 average daily attendance numbers to receive a grant under this  
23 Section, then the district shall be denied State aid in the  
24 same manner as State aid is denied for intentional incorrect  
25 reporting of average daily attendance numbers under Section  
26 18-8.05 or 18-8.15 of this Code.



1 (Source: P.A. 93-1042, eff. 10-8-04.)

2 (105 ILCS 5/18-8.15 new)

3 Sec. 18-8.15. Basis for apportionment of primary State  
4 financial aid to the common schools for the 2016-2017 and  
5 subsequent school years.

6 (a) General provisions.

7 (1) The provisions of this Section apply to the 2016-2017  
8 and subsequent school years. The system of primary State  
9 financial aid provided for in this Section is designed to  
10 ensure that, through a combination of State financial aid and  
11 required local resources, the financial support provided each  
12 pupil in attendance equals or exceeds a prescribed per pupil  
13 Foundation Level, with adjustments to the Foundation Level  
14 based on each school district's pupil characteristics. This  
15 formula approach imputes a level of per pupil Available Local  
16 Resources and provides for the basis to calculate a per pupil  
17 level of primary State financial aid that, when added to  
18 Available Local Resources, equals or exceeds the school  
19 district's adjusted Foundation Level. The amount of per pupil  
20 primary State financial aid for school districts, in general,  
21 varies in inverse relation to Available Local Resources.

22 (2) To address decreases in State funding resulting from  
23 this amendatory Act of the 99th General Assembly, the amount of  
24 primary State aid provided to a school district shall be  
25 subject to increase through supplemental grants as provided in

1 subsection (h) of this Section. Any supplemental grants  
2 provided for school districts under subsection (h) of this  
3 Section shall be appropriated for distribution to school  
4 districts as part of the same line item in which the primary  
5 State financial aid of school districts is appropriated under  
6 this Section.

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

10 (A) Any school district that fails, for any given  
11 school year, to maintain school as required by law or to  
12 maintain a recognized school is not eligible to receive  
13 financial assistance under this Section. In case of  
14 non-recognition of one or more attendance centers in a  
15 school district otherwise operating recognized schools,  
16 the claim of the district shall be reduced in the  
17 proportion that the enrollment in the attendance center or  
18 centers bears to the enrollment in the school district. A  
19 "recognized school" means any public school that meets the  
20 standards established for recognition by the State Board of  
21 Education. A school district or attendance center not  
22 having recognition status at the end of a school term is  
23 entitled to receive State aid payments due upon a legal  
24 claim that was filed while it was recognized.

25 (B) School district claims filed under this Section are  
26 subject to Sections 18-9 and 18-12 of this Code, except as

1 otherwise provided in this Section.

2 (C) If a school district operates a full-year school  
3 under Section 10-19.1 of this Code, the primary State aid  
4 to the school district shall be determined by the State  
5 Board of Education in accordance with this Section as near  
6 as may be applicable.

7 (4) Subject to the requirements of subsection (j) of this  
8 Section, the school board of any district receiving any of the  
9 grants provided for in this Section may apply those funds to  
10 any fund so received for which that school board is authorized  
11 to make expenditures by law.

12 (5) As used in this Section, the following terms, when  
13 capitalized, shall have the meanings ascribed in this paragraph  
14 (5):

15 "Additional Weight" means a number added to 1.0 to  
16 calculate the District Weighted Average in accordance with  
17 subsection (b) of this Section. Each Additional Weight is  
18 calculated using the Weighting Factors and Weighting  
19 Percentages in paragraph (5) of subsection (b) of this Section.

20 "Adequacy Grant Loss" means the product of (i) the absolute  
21 value of the lesser loss of a school district's Base Year Loss  
22 or Current Year Loss and (ii) the school district's Prior Year  
23 ADA.

24 "Adequacy Target" means, for a particular school district,  
25 the product of \$8,672 and the school district's District  
26 Weighted Average.

1       "Adequacy Target Percent" means, for a particular school  
2 district, the percentage figure resulting from dividing the  
3 school district's operating expense per pupil by its Adequacy  
4 Target.

5       "Adjusted Flat Grant Level" means, for each school district  
6 not subject to property tax extension limitations as imposed  
7 under the Property Tax Extension Limitation Law, the Flat Grant  
8 Level multiplied by the percentage, if any, of which the school  
9 district's combined tax rate for educational and operations and  
10 maintenance purposes is of the maximum combined tax rates for  
11 educational and operations and maintenance purposes specified  
12 for that type of school district under Section 17-2 of this  
13 Code. For a school district subject to property tax extension  
14 limitations as imposed under the Property Tax Extension  
15 Limitation Law or a school district whose combined tax rate for  
16 educational and operations and maintenance purposes is at least  
17 the maximum combined tax rates for educational and operations  
18 and maintenance purposes specified for that type of school  
19 district under Section 17-2 of this Code, the Adjusted Flat  
20 Grant Level is equal to the Flat Grant Level.

21       "Advanced Standing Pupil" means a pupil in grades 9 through  
22 12 who has completed (i) one or more Advanced Placement courses  
23 and received a score of 3 or higher on an Advanced Placement  
24 examination or (ii) a course providing dual credit through an  
25 Illinois public community college or university in which the  
26 student was awarded at least 3 credit hours of postsecondary

1 education credit.

2 "Alternative School" means a public school that is created  
3 and operated by a regional superintendent of schools and  
4 approved by the State Board of Education.

5 "Available Local Resources Per Pupil" means a computation  
6 of local financial support, calculated on the basis of Average  
7 Daily Attendance and derived as provided pursuant to subsection  
8 (d) of this Section.

9 "Average Daily Attendance" or "ADA" means the count of  
10 pupils in attendance derived as provided pursuant to subsection  
11 (c) of this Section.

12 "Base Tax Year" means the property tax levy year used to  
13 calculate the Budget Year allocation of primary State aid.

14 "Base Tax Year's Extension" means the product of the  
15 equalized assessed valuation utilized by the county clerk in  
16 the Base Tax Year multiplied by the limiting rate as calculated  
17 by the county clerk and defined in the Property Tax Extension  
18 Limitation Law.

19 "Base Year Loss" means the amount, if any, by which a  
20 school district's per-pupil primary State aid allotment in the  
21 2016-2017 school year is less than its Per-pupil Hold Harmless  
22 State Funding, after accounting for any supplemental grants to  
23 the school district pursuant to paragraphs (2) and (3) of  
24 subsection (h) of this Section.

25 "Budget Year" means the school year for which primary State  
26 aid is calculated and awarded under subsection (e) of this

1 Section.

2 "Career Pathway Completer" means a pupil who has graduated  
3 from high school and completed a Career Pathway Program in  
4 accordance with requirements established by the State Board of  
5 Education.

6 "Career Pathway Participant" means a pupil in grades 10  
7 through 12 participating in a Career Pathway Program in  
8 accordance with requirements established by the State Board of  
9 Education.

10 "Career Pathway Program" means a series of connected  
11 education and training strategies and support services meeting  
12 the requirements of this definition and other requirements  
13 established by the State Board of Education that enable  
14 individuals to secure credentials and degrees with labor market  
15 value, prepare for employment within an occupational area, and  
16 advance to higher levels of future education and employment in  
17 that area. Career pathway programs must incorporate (i)  
18 rigorous academics that prepare students for success in  
19 community colleges and universities, as well as in  
20 apprenticeship and other postsecondary training programs; (ii)  
21 career-based learning through at least 2 years of sequenced  
22 coursework or equivalent competencies emphasizing practical  
23 application within a particular sector and occupational area;  
24 (iii) professional learning, via job shadowing,  
25 apprenticeships, internships, or other professional  
26 skill-building opportunities; (iv) support services that

1 include academic and career counseling and planning; and (v)  
2 opportunities for attainment of stackable credentials and  
3 degrees with labor market value.

4 "Corporate Personal Property Replacement Taxes" means  
5 funds paid to school districts pursuant to "An Act in relation  
6 to the abolition of ad valorem personal property tax and the  
7 replacement of revenues lost thereby, and amending and  
8 repealing certain Acts and parts of Acts in connection  
9 therewith", certified August 14, 1979, as amended (Public Act  
10 81-1st S.S.-1).

11 "Current Year Loss" means the amount, if any, by which a  
12 school district's per-pupil primary State aid allotment in any  
13 school year after the 2017-2018 school year is less than its  
14 Per-pupil Hold Harmless State Funding, after accounting for any  
15 supplemental grants to the school district pursuant to  
16 paragraphs (2) and (3) of subsection (h) of this Section.

17 "DHS Low-income Eligible Count" means the low-income  
18 eligible pupil count as determined by the Department of Human  
19 Services (based on the number of pupils who are eligible for at  
20 least one of the following low-income programs: Medicaid, the  
21 Children's Health Insurance Program, TANF, or the Supplemental  
22 Nutrition Assistance Program, excluding pupils who are  
23 eligible for services provided by the Department of Children  
24 and Family Services) averaged over the 3 immediately preceding  
25 fiscal years, based on the count as of July 1 of each fiscal  
26 year.

1       "District Weighted Average" means a figure used to derive a  
2 school district's Per-pupil Aid level, calculated pursuant to  
3 subsection (b) of this Section.

4       "English Learner Pupil" means an English learner, as  
5 defined in Section 14C-2 of this Code, participating in a  
6 program of transitional bilingual education or a transitional  
7 program of instruction meeting the requirements of Article 14C  
8 of this Code.

9       "Extension Limitation Equalized Assessed Valuation" means  
10 a figure calculated by the State Board of Education pursuant to  
11 paragraph (2) of subsection (h) of this Section for school  
12 districts subject to property tax extension limitations as  
13 imposed under the Property Tax Extension Limitation Law.

14       "Extension Limitation Ratio" means a numerical ratio in  
15 which the numerator is the Base Tax Year's Tax Extension and  
16 the denominator is the Preceding Tax Year's Tax Extension.

17       "Flat Grant Level" means a dollar amount equal to 3.0% of a  
18 school district's Weighted Foundation Level.

19       "Foundation Level" means a prescribed level of per pupil  
20 financial support, as provided for in subsection (b) of this  
21 Section.

22       "Gifted Pupil" means a pupil in kindergarten through grade  
23 8 receiving services through a program for gifted and talented  
24 children that has been approved by a school board and that is  
25 described on a school district's Internet website.

26       "Hold Harmless State Funding" means the amount of State



1 funds allotted to a school district during the 2015-2016 school  
2 year pursuant to the following Sections of this Code, as  
3 calculated by the State Board of Education: Sections 18-8.05;  
4 14-7.02b; 14-7.03, but only with respect to reimbursement for  
5 children from foster family homes; 14-13.01, except for  
6 reimbursement of the cost of transportation pursuant to that  
7 Section; 14C-12; and 18-4.3. For a school district organized  
8 under Article 34 of this Code, "Hold Harmless State Funding"  
9 also includes the funds allotted to the school district  
10 pursuant to Section 1D-1 of this Code attributable to funding  
11 programs authorized by the Sections of this Code listed in this  
12 definition.

13 "Laboratory School" means a public school that is created  
14 and operated by a public university and approved by the State  
15 Board of Education.

16 "Low-income Pupil" means a pupil from a household with a  
17 household income level at or below 185% of the poverty  
18 guidelines updated periodically in the Federal Register by the  
19 U.S. Department of Health and Human Services under the  
20 authority of 42 U.S.C. 9902(2).

21 "Operating Tax Rate" means all school district property  
22 taxes extended for all purposes, except bond and interest,  
23 summer school, rent, capital improvement, and vocational  
24 education building purposes.

25 "Per-pupil Aid" means a school district's Weighted  
26 Foundation Level less its Available Local Resources Per Pupil.

1       "Per-pupil Hold Harmless State Funding" means a school  
2 district's Hold Harmless State Funding, divided by the school  
3 district's Average Daily Attendance figure as calculated  
4 pursuant to subsection (F) of Section 18-8.05 of this Code  
5 during the 2015-2016 school year.

6       "Preceding Tax Year" means the property tax levy year  
7 immediately preceding the Base Tax Year.

8       "Preceding Tax Year's Tax Extension" means the product of  
9 the equalized assessed valuation utilized by the county clerk  
10 in the Preceding Tax Year multiplied by the Operating Tax Rate.

11       "Prior Year ADA" means the number of pupils within the  
12 count of pupils in attendance used for Average Daily Attendance  
13 calculations for the school year immediately preceding the  
14 school year for which primary State aid is calculated and  
15 awarded under subsection (e) of this Section.

16       "PTELL EAV floor school district" means either (i) a school  
17 district with an Adequacy Target Percent of 100% or higher (as  
18 calculated pursuant to paragraph (4) of subsection (h) of this  
19 Section, notwithstanding any limitations in that paragraph on  
20 the school years in which adequacy grants are administered) or  
21 (ii) a school district with an Adequacy Target Percent of less  
22 than 100% if the school district has an Operating Tax Rate that  
23 is 95% or lower than the applicable statewide weighted-average  
24 Operating Tax Rate for that type of school district (as  
25 calculated pursuant to paragraph (4) of subsection (h) of this  
26 Section, notwithstanding any limitations in that paragraph on

1 the school years in which adequacy grants are administered).

2 "PTELL PSA Adjustment" means the amount of primary State  
3 aid a school district would receive under subsection (e) of  
4 this Section if the Extension Limitation Equalized Assessed  
5 Valuation was used for calculating the school district's  
6 primary State aid for the Budget Year instead of the district's  
7 equalized assessed valuation as calculated pursuant to  
8 paragraphs (1) and (2) of subsection (g) of this Section.

9 "Special Education Summer School Pupil" means a child with  
10 disabilities participating in a summer school program meeting  
11 the fiscal year 2016 eligibility requirements for a summer  
12 school grant under Section 18-4.3 of this Code.

13 "Statewide weighted-average" means an average calculation  
14 for all school districts in this State in which a weighting is  
15 assigned to each school district's quantity in the average  
16 calculation based on its Prior Year ADA.

17 "Total Primary State Aid" means the amount of primary State  
18 aid allotted to a school district pursuant to subsection (e) of  
19 this Section and any supplemental grants allotted pursuant to  
20 paragraphs (2), (3), and (4) of subsection (h) of this Section.

21 "Weighted Foundation Level" means the Foundation Level  
22 multiplied by the District Weighted Average.

23 "Weighted Foundation Level Budget" means, for a particular  
24 school district, the Weighted Foundation Level multiplied by  
25 the ADA.

26 "Weighting Factor" means, for each Additional Weight

1 classification in paragraph (5) of subsection (b) of this  
2 Section, the amount multiplied by the Weighting Percentage to  
3 calculate the Additional Weight figure.

4 "Weighting Percentage" means, for each Additional Weight  
5 classification in paragraph (5) of subsection (b) of this  
6 Section, the amount multiplied by the Weighting Factor to  
7 calculate the Additional Weight figure.

8 (b) Foundation Level; weighting for district pupil  
9 characteristics.

10 (1) The Foundation Level is a figure established by this  
11 State representing the minimum level of per pupil financial  
12 support that should be available to provide for the basic  
13 education of each pupil in Average Daily Attendance in a public  
14 school in this State. Then, for each school district, the  
15 Foundation Level is weighted in accordance with the Additional  
16 Weights set forth in paragraph (5) of this subsection (b) to  
17 account for the pupil characteristics within that school  
18 district, and, if applicable, a Regionalization Factor  
19 determined pursuant to paragraph (6) of this subsection (b) is  
20 applied to account for regional variation in wages. As set  
21 forth in this Section, each school district is assumed to exert  
22 a sufficient local taxing effort such that, in combination with  
23 the aggregate of primary State financial aid provided the  
24 district, an aggregate of State and local resources are  
25 available to meet the basic education needs of pupils in the  
26 district.

1       (2) Subject to paragraph (3) of this subsection (b), for  
2 the 2016-2017 school year and each school year thereafter, the  
3 Foundation Level of support is \$6,119 or such greater amount as  
4 may be established by law by the General Assembly.

5       (3) If the appropriation in any fiscal year for primary  
6 State aid and the supplemental grants provided for in  
7 paragraphs (2) through (4) of subsection (h) of this Section is  
8 insufficient to pay the amounts required under the calculations  
9 set forth in this Section, then the State Board of Education  
10 shall adjust the Foundation Level to an amount so that the  
11 appropriation is sufficient to pay all primary State aid and  
12 the supplemental grants provided for in paragraphs (2) through  
13 (4) of subsection (h) of this Section.

14       (4) For each school district, the Foundation Level shall be  
15 adjusted by multiplying the Foundation Level by a District  
16 Weighted Average figure, resulting in the school district's  
17 Weighted Foundation Level. The District Weighted Average  
18 figure for a particular school district shall be a number equal  
19 to 1.0 plus each of the Additional Weights described in  
20 paragraph (5) of this subsection (b) applicable to that  
21 district. In addition, if applicable for a particular school  
22 district pursuant to paragraph (6) of this subsection (b), the  
23 1.0 figure and each Additional Weight shall be multiplied by a  
24 Regionalization Factor to determine its District Weighted  
25 Average calculation. For each Additional Weight, the figure  
26 included in the District Weighted Average prior to the

1 application of any Regionalization Factor is the product of the  
2 Weighting Factor multiplied by the Weighting Percentage, as  
3 both are specified in paragraph (5) of this subsection (b). For  
4 each school district, the State Board of Education shall  
5 publicly report the district's District Weighted Average,  
6 Weighted Foundation Level, Additional Weights, Regionalization  
7 Factor multiplier, amount of the Weighted Foundation Level  
8 Budget attributable to each Additional Weight on an aggregate  
9 and per-student basis, and amount of primary State aid received  
10 attributable to each Additional Weight on an aggregate and  
11 per-student basis.

12 (5) Additional Weights:

13 (A) English Learner Pupils:

14 (i) Weighting Factor of 0.20; and

15 (ii) Weighting Percentage equal to the Prior Year  
16 ADA of English Learner Pupils, divided by the Prior  
17 Year ADA for all pupils.

18 (B) Low-Income Pupils: The higher of the weights  
19 determined through the following 2 methods:

20 (i) Regular low-income method:

21 (I) Weighting Factor of 0.25; and

22 (II) Weighting Percentage equal to the DHS  
23 Low-income Eligible Count divided by the Prior  
24 Year ADA for all pupils.

25 (ii) Low-income concentration method:

26 (I) Weighting Factor of 0.80 multiplied by the

1           Weighting Percentage as calculated in accordance  
2           with the regular low-income method, provided that  
3           the Weighting Factor pursuant to this method shall  
4           not exceed 0.75; and

5           (II) Weighting Percentage equal to the  
6           Weighting Percentage as calculated in accordance  
7           with the regular low-income method.

8           (C) Children with disabilities:

9           (i) Weighting Factor of 1.0; and

10           (ii) Weighting Percentage equal to the higher of  
11           the percentages in the following items as applicable to  
12           each school district:

13           (I) a Weighting Percentage established by the  
14           State Board of Education prior to the start of each  
15           State fiscal year representative of the statewide  
16           average percentage of students with disabilities  
17           based on the most recent data collected by the  
18           State Board of Education; and

19           (II) Weighting Percentage under this item (II)  
20           for any school district that demonstrates, in  
21           accordance with requirements established by the  
22           State Board of Education, that the percentage of  
23           its students with disabilities exceeds the  
24           representative statewide average percentage  
25           established pursuant to item (I) of this clause  
26           (ii). For any such school district, the Weighting

1           Percentage shall equal the lesser of (i) the Prior  
2           Year ADA of the district's students with  
3           disabilities (as verified by the State Board of  
4           Education) divided by the Prior Year ADA for all  
5           pupils and (ii) the representative statewide  
6           average percentage established pursuant to item  
7           (I) of this clause (ii) plus 5 percentage points.

8           (D) Special Education Summer School Pupils:

9           (i) Weighting Factor of 0.03; and

10           (ii) Weighting Percentage equal to the Prior Year  
11           ADA of Special Education Summer School Pupils, divided  
12           by the Prior Year ADA for all pupils.

13           (E) Gifted Pupils:

14           (i) Weighting Factor of 0.01; and

15           (ii) Weighting Percentage equal to the Prior Year  
16           ADA of Gifted Pupils, divided by the Prior Year ADA for  
17           all pupils, provided that the Prior Year ADA of Gifted  
18           Pupils used for such calculation shall not exceed 5% of  
19           the Prior Year ADA for pupils in kindergarten through  
20           grade 8.

21           (F) Pupils in Kindergarten Providing a Full Day of  
22           Attendance Through Grade 3:

23           (i) Weighting Factor of 0.05; and

24           (ii) Weighting Percentage equal to the Prior Year  
25           ADA of pupils in kindergarten providing a full day of  
26           attendance through grade 3, divided by the Prior Year



1           ADA for all pupils.

2           (G) Pupils in Grade 9:

3                 (i) Weighting Factor of 0.15; and

4                 (ii) Weighting Percentage equal to the Prior Year  
5           ADA of pupils in grade 9, divided by the Prior Year ADA  
6           for all pupils.

7           (H) In the 2018-2019 school year and subsequent school  
8           years, Advanced Standing Pupils, Career Pathway  
9           Participants, and Career Pathway Completers:

10                (i) For Advanced Standing Pupils:

11                    (I) Weighting Factor of 0.02; and

12                    (II) Weighting Percentage equal to the Prior  
13           Year ADA of Advanced Standing Pupils, divided by  
14           the Prior Year ADA for all pupils.

15                (ii) For Career Pathway Participants:

16                    (I) Weighting Factor of 0.02; and

17                    (II) Weighting Percentage equal to the Prior  
18           Year ADA of Career Pathway Participants, divided  
19           by the Prior Year ADA for all pupils.

20                (iii) For Career Pathway Completers:

21                    (I) Weighting Factor of 0.02; and

22                    (II) Weighting Percentage equal to the Prior  
23           Year ADA of Career Pathway Completers, divided by  
24           the Prior Year ADA for all pupils.

25           (6) For each school district with a Regionalization Index  
26           Value higher than the State weighted-average Regionalization

1 Index Value, the base value of 1.0 and each Additional Weight  
2 included in the calculation of its District Weighted Average  
3 shall be multiplied by a Regionalization Factor calculated in  
4 accordance with this paragraph (6). The Regionalization Factor  
5 shall equal the school district's Regionalization Index Value  
6 divided by the statewide weighted-average Regionalization  
7 Index Value for the most recent year that the data is compiled.  
8 For purposes of this paragraph (6), "Regionalization Index  
9 Value" means the Comparable Wage Index developed for the  
10 National Center for Education Statistics and published for each  
11 school district. This Index measures systematic, regional  
12 variations in the salaries of college graduates who are not  
13 educators. The State Board of Education may contract for the  
14 calculation of the Comparable Wage Index using the same  
15 methodology if the Comparable Wage Index developed for the  
16 National Center for Education Statistics becomes unavailable.  
17 For any school district that does not have a Comparable Wage  
18 Index, the State Board of Education shall estimate a  
19 Regionalization Index Value using reasonably available  
20 information.

21 (c) Average Daily Attendance.

22 (1) For purposes of calculating primary State aid pursuant  
23 to subsection (e) of this Section, an Average Daily Attendance  
24 figure shall be utilized. The Average Daily Attendance figure  
25 for formula calculation purposes shall be the monthly average  
26 of the total number of pupils in attendance for each school

1 district, as further averaged for the best 3 months of pupil  
2 attendance for each school district. In compiling the figures  
3 for the number of pupils in attendance, school districts and  
4 the State Board of Education shall, for purposes of primary  
5 State aid funding, conform attendance figures to the  
6 requirements of subsection (f) of this Section.

7 (2) The Average Daily Attendance figures utilized in  
8 subsections (d) and (e) of this Section shall be the requisite  
9 attendance data for the school year immediately preceding the  
10 school year for which primary State aid is being calculated or  
11 the average of the attendance data for the 3 preceding school  
12 years, whichever is greater. The Average Daily Attendance  
13 figures utilized for subsection (b) of this Section shall be  
14 the requisite attendance data for the school year immediately  
15 preceding the school year for which primary State aid is being  
16 calculated.

17 (d) Available Local Resources Per Pupil.

18 (1) For purposes of calculating primary State aid pursuant  
19 to subsection (e) of this Section, a representation of  
20 Available Local Resources Per Pupil, as that term is defined  
21 and determined in this subsection (d), shall be utilized.  
22 Available Local Resources Per Pupil shall include a calculated  
23 dollar amount representing school district revenues from local  
24 property taxes and from Corporate Personal Property  
25 Replacement Taxes, expressed on the basis of pupils in Average  
26 Daily Attendance. For a school district organized under Article

1 34 of this Code, calculation of available local resources for  
2 this subsection (d) and paragraph (2) of subsection (h) of this  
3 Section shall exclude up to, but no more than, \$250,000,000 of  
4 any amounts actually paid by the board of education into a  
5 Public School Teachers' Pension and Retirement Fund created  
6 pursuant to Article 17 of the Illinois Pension Code for its  
7 certified employer contribution during the fiscal year  
8 immediately preceding the fiscal year for which primary State  
9 aid is being calculated.

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

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

1 per pupil shall be the applicable equalized assessed valuation  
2 of the district multiplied by 1.05%, and divided by the  
3 district's Average Daily Attendance figure.

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

15 (4) The Corporate Personal Property Replacement Taxes paid  
16 to each school district during the calendar year one year  
17 before the calendar year in which a school year begins, divided  
18 by the Average Daily Attendance figure for that district, shall  
19 be added to the local property tax revenues per pupil as  
20 derived by the application of paragraph (3) of this subsection  
21 (d). The sum of these per pupil figures for each school  
22 district shall constitute Available Local Resources Per Pupil  
23 as that term is utilized in subsection (e) of this Section in  
24 the calculation of primary State aid.

25 (e) Computation of primary State aid.

26 (1) For each school year, the amount of primary State aid

1 allotted to a school district shall be computed by the State  
2 Board of Education as provided in this subsection (e).

3 (2) Subject to paragraph (4) of this subsection (e), for  
4 any school district for which the Per-pupil Aid is more than  
5 the Flat Grant Level, primary State aid for that district shall  
6 be in an amount equal to its Per-pupil Aid multiplied by its  
7 Average Daily Attendance figure.

8 (3) Subject to paragraph (4) of this subsection (e), for  
9 any school district for which the Per-pupil Aid is equal to or  
10 less than the Flat Grant Level, primary State aid for that  
11 district shall be in an amount equal to the Adjusted Flat Grant  
12 Level multiplied by the district's Average Daily Attendance  
13 figure.

14 (4) From financial assistance provided to school districts  
15 under this Section, the State Board of Education shall withhold  
16 the following amounts for the following purposes:

17 (A) For each school district with an Additional Weight  
18 for Pupils of Limited English-speaking Ability, the State  
19 Board of Education shall withhold an amount not exceeding  
20 one and one-half percent of the district's Weighted  
21 Foundation Level Budget attributable to Pupils of Limited  
22 English-speaking Ability for (i) State Board of Education  
23 staff for administration and (ii) contractual services by a  
24 not-for-profit entity for technical assistance,  
25 professional development, and other support to school  
26 districts and educators for services for these pupils. To

1 be eligible to receive the contract under clause (ii) of  
2 this subdivision (A), the not-for-profit entity must have  
3 experience providing such services in a school district  
4 having a population exceeding 500,000; one or more school  
5 districts in any of the counties of Lake, McHenry, DuPage,  
6 Kane, and Will; and one or more school districts elsewhere  
7 in this State.

8 (B) The State Board of Education shall withhold an  
9 amount not exceeding one-half percent of each school  
10 district's Weighted Foundation Level Budget attributable  
11 to children with disabilities and Special Education Summer  
12 School Pupils for State Board of Education staff and  
13 contractual services for administration, professional  
14 development, and support to school districts for services  
15 for children with disabilities. The State Board of  
16 Education shall use a portion of the withheld amounts for  
17 developing or supporting electronic individualized  
18 educational programs.

19 (f) Compilation of Average Daily Attendance.

20 (1) Each school district shall, on or before July 1 of each  
21 year, submit to the State Board of Education, in a manner  
22 prescribed by the State Board of Education, attendance figures  
23 for the school year that began in the preceding calendar year.  
24 The attendance information so transmitted shall identify the  
25 Average Daily Attendance figures for each month of the school  
26 year. School districts shall calculate Average Daily

1 Attendance as provided in subdivisions (A), (B), and (C) of  
2 this paragraph (1).

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

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

11 (C) In districts in which some buildings, but not all,  
12 hold year-round classes, for the non-year-round buildings,  
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. The Average Daily Attendance for the  
16 year-round buildings shall be computed as provided in  
17 subdivision (B) of this paragraph (1). To calculate the  
18 Average Daily Attendance for the district, the Average  
19 Daily Attendance for the year-round buildings shall be  
20 multiplied by the days in session for the non-year-round  
21 buildings for each month and added to the monthly  
22 attendance of the non-year-round buildings.

23 (2) For the 2016-2017 school year, days of attendance by  
24 pupils shall be counted in accordance with paragraphs (1) and  
25 (2) of subsection (F) of Section 18-8.05 of this Code. For the  
26 2017-2018 and subsequent school years, days of attendance by



1 pupils shall be counted in accordance with administrative rules  
2 adopted by the State Board of Education that address, without  
3 limitation, days of partial attendance, days utilized for  
4 in-service training and parent-teacher conferences,  
5 partial-day kindergarten, hospitalized or homebound students,  
6 days when assessments are administered, remote educational  
7 programs, virtual learning, work-based learning, dual credit  
8 programs, and competency-based education. Such rules shall be  
9 adopted by the State Board of Education by no later than April  
10 1, 2017.

11 (g) Equalized assessed valuation data.

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

22 The Department of Revenue shall add to the equalized  
23 assessed value of all taxable property of each school district  
24 situated entirely or partially within a county that is or was  
25 subject to the provisions of Section 15-176 or 15-177 of the  
26 Property Tax Code (A) an amount equal to the total amount by

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

1 that if additional exemptions are allowed under Section 15-175  
2 of the Property Tax Code for owners with a household income of  
3 less than \$30,000, then the calculation of Available Local  
4 Resources Per Pupil shall not be affected by the difference, if  
5 any, because of those additional exemptions.

6 This equalized assessed valuation, as adjusted further by  
7 the requirements of this subsection (g), shall be utilized in  
8 the calculation of Available Local Resources Per Pupil.

9 (2) The equalized assessed valuation in paragraph (1) of  
10 this subsection (g) shall be adjusted, as applicable, in the  
11 following manner:

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

1       Section 11-74.4-8 of the Tax Increment Allocation  
2       Redevelopment Act or in Section 11-74.6-35 of the  
3       Industrial Jobs Recovery Law. For the purpose of the  
4       equalized assessed valuation of the district, the total  
5       initial equalized assessed valuation or the current  
6       equalized assessed valuation, whichever is lower, shall be  
7       used until such time as all redevelopment project costs  
8       have been paid.

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

23       (3) If a school district's boundaries span multiple  
24       counties, then the Department of Revenue shall send to the  
25       State Board of Education, for the purpose of calculating  
26       primary State aid, the limiting rate and individual rates by

1 purpose for the county that contains the majority of the school  
2 district's Equalized Assessed Valuation.

3 (h) Supplemental grants.

4 (1) The Total Primary State Aid a school district is  
5 allotted pursuant to this Section shall be subject to  
6 adjustment as provided in this subsection (h). Any supplemental  
7 grants allotted to school districts pursuant to this subsection  
8 (h) shall be paid in conjunction with the school district's  
9 payments of primary State aid. When calculating the  
10 supplemental grants for a particular school district under this  
11 Section, the State Board of Education shall first calculate the  
12 supplemental grant, if any, under paragraph (2) of this  
13 subsection (h) for school districts subject to property tax  
14 extension limitations. The State Board of Education shall next  
15 calculate the supplemental grant under paragraph (3) of this  
16 subsection (h) if the school district has a per-pupil loss  
17 exceeding \$1,000. The State Board of Education shall then  
18 calculate the amount of the adequacy grant, if any, to the  
19 school district under paragraph (4) of this subsection (h).  
20 Finally, the State Board of Education shall calculate the  
21 supplemental grants specified in paragraph (5) of this  
22 subsection (h).

23 (2) If a school district is subject to property tax  
24 extension limitations as imposed under the Property Tax  
25 Extension Limitation Law, a school district shall receive a  
26 supplemental grant pursuant to this paragraph (2) to account

1 for the difference between its Extension Limitation Equalized  
2 Assessed Valuation and the school district's equalized  
3 assessed valuation as calculated under paragraphs (1) and (2)  
4 of subsection (g) of this Section. The State Board of Education  
5 shall calculate the Extension Limitation Equalized Assessed  
6 Valuation of each district subject to property tax extension  
7 limitations as imposed under the Property Tax Extension  
8 Limitation Law. Except as otherwise provided in this paragraph  
9 (2) for a school district that has approved or does approve an  
10 increase in its limiting rate, the "Extension Limitation  
11 Equalized Assessed Valuation" of a school district as  
12 calculated by the State Board of Education shall be equal to  
13 the product of the equalized assessed valuation last used in  
14 the calculation of general State aid under Section 18-8.05 of  
15 this Code or primary State aid under this Section and the  
16 district's Extension Limitation Ratio. If a school district has  
17 approved or does approve an increase in its limiting rate,  
18 pursuant to Section 18-190 of the Property Tax Code, affecting  
19 the Base Tax Year, the Extension Limitation Equalized Assessed  
20 Valuation of the school district, as calculated by the State  
21 Board of Education, shall be equal to the product of the  
22 equalized assessed valuation last used in the calculation of  
23 general State aid pursuant to Section 18-8.05 of this Code or  
24 primary State aid pursuant to this Section times an amount  
25 equal to one plus the percentage increase, if any, in the  
26 Consumer Price Index for all Urban Consumers for all items

1 published by the United States Department of Labor for the  
2 12-month calendar year preceding the Base Tax Year, plus the  
3 equalized assessed valuation of new property, annexed  
4 property, and recovered tax increment value and minus the  
5 equalized assessed valuation of disconnected property. New  
6 property and recovered tax increment value shall have the  
7 meanings set forth in the Property Tax Extension Limitation  
8 Law. Notwithstanding anything to the contrary contained in this  
9 paragraph (2), a PTELL EAV floor school district's Extension  
10 Limitation Equalized Assessed Valuation shall not be less than  
11 85% of the district's equalized assessed valuation as  
12 calculated pursuant to paragraphs (1) and (2) of subsection (g)  
13 of this Section.

14 If the Extension Limitation Equalized Assessed Valuation  
15 of a school district as calculated under this paragraph (2) is  
16 less than the district's equalized assessed valuation as  
17 calculated pursuant to paragraphs (1) and (2) of subsection (g)  
18 of this Section, then the school district shall receive a  
19 supplemental grant equal to its PTELL PSA Adjustment as  
20 calculated by the State Board of Education.

21 (3) Notwithstanding anything to the contrary contained in  
22 this Section, if, for any school year through and including the  
23 2023-2024 school year, a school district's per-pupil primary  
24 State aid allotment is less than its Per-pupil Hold Harmless  
25 State Funding by an amount exceeding \$1,000, then the amount of  
26 primary State aid allotted to the school district shall be

1 increased by a supplemental grant pursuant to this paragraph  
2 (3). The primary State aid supplemental grant shall equal an  
3 amount sufficient to raise the school district's per-pupil  
4 primary State aid allotment to an amount that is \$1,000 less  
5 than the school district's Per-pupil Hold Harmless State  
6 Funding. For purposes of this paragraph (3), a school  
7 district's per-pupil primary State aid allotment shall be  
8 calculated by the State Board of Education as the sum of the  
9 primary State aid allotted to the school district pursuant to  
10 subsection (e) of this Section and any supplemental grants  
11 pursuant to this paragraph (3) and paragraph (2) of this  
12 subsection (h), divided by the school district's Average Daily  
13 Attendance figure.

14 (4) Through and including the 2023-2024 school year, the  
15 State Board of Education shall administer the distribution of  
16 adequacy grants in accordance with this paragraph (4). Each  
17 school district with an Adequacy Target percent of less than  
18 110% shall receive a supplemental adequacy grant calculated in  
19 accordance with subdivision (A) of this paragraph (4), subject  
20 to appropriations for such grants and the tax rate eligibility  
21 requirements and grant adjustment provisions of subdivision  
22 (B) of this paragraph (4). For purposes of calculating a school  
23 district's Adequacy Target percent, a school district's  
24 operating expense per pupil shall be the most recent figure  
25 calculated by the State Board of Education as of the start of  
26 the fiscal year for which the calculations in this paragraph



1 (4) apply.

2 (A) Subject to subdivision (B) of this paragraph (4):

3 (i) a school district with an Adequacy Target  
4 percent of not more than 100% shall receive a  
5 supplemental adequacy grant equal to its Adequacy  
6 Grant Loss;

7 (ii) a school district with an Adequacy Target  
8 percent of more than 100% but less than 110% shall  
9 receive a supplemental adequacy grant equal to the  
10 product of its Adequacy Grant Loss and a percent figure  
11 calculated as follows: 110% less the school district's  
12 Adequacy Target percent, with the resulting percent  
13 figure multiplied by 10; and

14 (iii) a school district with an Adequacy Target  
15 percent of 110% or higher shall not receive a  
16 supplemental adequacy grant pursuant to this paragraph  
17 (4).

18 (B) The State Board of Education shall calculate a  
19 statewide weighted-average Operating Tax Rate for each of  
20 the following school district types: school districts  
21 maintaining grades kindergarten through 12, school  
22 districts maintaining grades kindergarten through 8, and  
23 school districts maintaining grades 9 through 12. If a  
24 school district's Operating Tax Rate is at least 95% of the  
25 applicable statewide weighted-average Operating Tax Rate,  
26 the school district shall receive the full amount of the

1 supplemental adequacy grant determined pursuant to  
2 subdivision (A) of this paragraph (4). If a school  
3 district's Operating Tax Rate is 85% or lower of the  
4 applicable statewide weighted-average Operating Tax Rate,  
5 the school district shall not receive any supplemental  
6 adequacy grant under this paragraph (4). If a school  
7 district's Operating Tax Rate is more than 85% but less  
8 than 95% of the applicable statewide weighted-average  
9 Operating Tax Rate, the school district shall receive a  
10 supplemental adequacy grant equal to the product of (i) the  
11 amount of the total supplemental adequacy grant determined  
12 pursuant to subdivision (A) of this paragraph (4) and (ii)  
13 the percentage of which the school district's Operating Tax  
14 Rate is of the applicable statewide weighted-average  
15 Operating Tax Rate less 85%, with the resulting percent  
16 figure multiplied by 10.

17 (5) Notwithstanding anything to the contrary contained in  
18 this Section, the Total Primary State Aid allotted to a school  
19 district for the 2016-2017 through the 2019-2020 school years  
20 shall be subject to increase through supplemental grants as  
21 follows:

22 If, for the 2016-2017 school year, the Total Primary  
23 State Aid is less than Hold Harmless State Funding, then  
24 the amount of primary State aid allotted to the school  
25 district shall be increased by a supplemental grant in the  
26 amount of 100% of the difference between Hold Harmless

1       State Funding and Total Primary State Aid.

2           If, for the 2017-2018 school year, the Total Primary  
3       State Aid remains less than Hold Harmless State Funding,  
4       then the amount of primary State aid allotted to the school  
5       district shall be increased by a supplemental grant in the  
6       amount of 75% of the difference between Hold Harmless State  
7       Funding and Total Primary State Aid.

8           If, for the 2018-2019 school year, the Total Primary  
9       State Aid remains less than Hold Harmless State Funding,  
10       then the amount of primary State aid allotted to the school  
11       district shall be increased by a supplemental grant in the  
12       amount of 50% of the difference between Hold Harmless State  
13       Funding and Total Primary State Aid.

14           If, for the 2019-2020 school year, the Total Primary  
15       State Aid remains less than Hold Harmless State Funding,  
16       then the amount of primary State aid allotted to the school  
17       district shall be increased by a supplemental grant in the  
18       amount of 25% of the difference between Hold Harmless State  
19       Funding and Total Primary State Aid.

20       (i) Grants to Laboratory and Alternative Schools. In  
21       calculating the amount to be paid to the governing board of a  
22       public university that operates a Laboratory School or to any  
23       Alternative School that is operated by a regional  
24       superintendent of schools, the State Board of Education shall  
25       require, by rule, such reporting requirements as it deems  
26       necessary. Each Laboratory and Alternative School shall file,

1 on forms provided by the State Superintendent of Education, an  
2 annual State aid claim that states the Average Daily Attendance  
3 of the school's students by month. The best 3 months' Average  
4 Daily Attendance shall be computed for each school. The primary  
5 State aid entitlement shall be computed by multiplying the  
6 applicable Average Daily Attendance by 105% of the Foundation  
7 Level.

8 (j) District improvement plans, attendance center  
9 distributions, and special education maintenance of State  
10 financial support.

11 (1) Each school district making insufficient annual  
12 progress, as determined by the State Board of Education, in the  
13 educational performance of Low-income Pupils, English Learner  
14 Pupils, or children with disabilities shall demonstrate, in  
15 accordance with requirements adopted by the State Board of  
16 Education, how local and State funds will be used for  
17 strategies that give priority to meeting the educational needs  
18 of each such category of pupils for which the school district  
19 is making insufficient annual progress. For each such category  
20 of pupils, budget information submitted in accordance with  
21 State Board of Education requirements must demonstrate that the  
22 combined amount of local funds and primary State aid funds  
23 budgeted for strategies that give priority to that category of  
24 pupils is proportionate or higher, on either an aggregate or  
25 per-pupil basis, to the proportion of the Weighted Foundation  
26 Level Budget attributable to that category of pupils. The State

1 Board of Education may adopt exceptions to the requirement for  
2 proportionate or higher budgeting to address small pupil  
3 subgroup populations, changes in pupil enrollment, or  
4 extraordinary expenditures required for any school year. The  
5 State Board of Education may also adopt exceptions to the  
6 requirement for proportionate or higher budgeting for any  
7 school district to implement district-wide or school-wide  
8 strategies if the school district or school has a high  
9 percentage of pupils in any particular category relative to  
10 statewide averages and the district can demonstrate in its plan  
11 that a district-wide or school-wide strategy is more likely to  
12 achieve the district's educational objectives for a category of  
13 pupils than a targeted strategy. If a school district fails to  
14 adhere to proportionate or higher budgeting in accordance with  
15 this paragraph (1), the school district must take corrective  
16 action in accordance with requirements adopted by the State  
17 Board of Education. If corrective action is not taken, the  
18 State Board of Education shall deduct, from primary State aid  
19 payments otherwise due the district, an amount equal to the  
20 amount by which the district failed to adhere to the  
21 proportionate or higher requirement.

22 (2) School districts with an Average Daily Attendance of  
23 50,000 or more shall be required to distribute, from funds  
24 available pursuant to this Section, no less than \$261,000,000  
25 in accordance with the following requirements:

26 (A) The required amounts shall be distributed to the

1       attendance centers within the district in proportion to the  
2       number of Low-income Pupils enrolled at each attendance  
3       center during the current school year.

4       (B) The distribution of these portions of primary State  
5       aid among attendance centers according to these  
6       requirements shall not be compensated for or contravened by  
7       adjustments of the total of other funds appropriated to any  
8       attendance centers, and the board of education shall  
9       utilize funding from one or several sources in order to  
10       fully implement this paragraph (2) annually prior to the  
11       opening of school.

12       (C) Each attendance center shall be provided, by the  
13       school district, with a distribution of other funds to  
14       which the attendance center is entitled under law in order  
15       that the primary State aid provided by application of this  
16       paragraph (2) supplements rather than supplants the other  
17       funds provided by the school district to the attendance  
18       centers.

19       (D) Funds received by an attendance center pursuant to  
20       this paragraph (2) shall be used by the attendance center  
21       at the discretion of the principal and local school council  
22       for programs to improve educational opportunities at  
23       qualifying schools through the following programs and  
24       services: early childhood education, reduced class size or  
25       improved adult to student classroom ratios, enrichment  
26       programs, remedial assistance, attendance improvement, and

1       other educationally beneficial expenditures that  
2       supplement the regular and basic programs as determined by  
3       the State Board of Education. Funds provided shall not be  
4       expended for any political or lobbying purposes as defined  
5       by rule of the State Board.

6       (E) Each district subject to the provisions of this  
7       paragraph (2) shall submit an acceptable plan to meet the  
8       educational needs of disadvantaged children, in compliance  
9       with the requirements of this subdivision (E), to the State  
10       Board of Education prior to July 15 of each year. This plan  
11       shall be consistent with the decisions of local school  
12       councils concerning the school expenditure plans developed  
13       in accordance with subdivision 4 of Section 34-2.3 of this  
14       Code. The State Board shall approve or reject the plan  
15       within 60 days after its submission. If the plan is  
16       rejected, the district shall give written notice of an  
17       intent to modify the plan within 15 days after the  
18       notification of rejection and then submit a modified plan  
19       within 30 days after the date of the written notice of an  
20       intent to modify. Districts may amend approved plans  
21       pursuant to rules adopted by the State Board of Education.

22       Upon notification by the State Board of Education that  
23       the district has not submitted a plan prior to July 15 or a  
24       modified plan within the time period specified in this  
25       subdivision (E), the State aid funds affected by that plan  
26       or modified plan shall be withheld by the State Board of

1       Education until a plan or modified plan is submitted.

2           If the district fails to distribute State aid to  
3       attendance centers in accordance with an approved plan, the  
4       plan for the following year shall allocate funds, in  
5       addition to the funds otherwise required by this paragraph  
6       (2), to those attendance centers that were underfunded  
7       during the previous year in amounts equal to such  
8       underfunding.

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



1 withholding of the affected funds.

2 The State Board of Education shall adopt rules to implement  
3 the provisions of this paragraph (2). No funds shall be  
4 released under this paragraph (2) to any district that has not  
5 submitted a plan that has been approved by the State Board of  
6 Education.

7 (3) Each fiscal year, the State Board of Education shall  
8 calculate for each school district an amount of its Total  
9 Primary State Aid funding that shall be deemed attributable to  
10 the provision of special educational facilities and services,  
11 as defined in Section 14-1.08 of this Code, in a manner that  
12 ensures compliance with maintenance of State financial support  
13 requirements under the federal Individuals with Disabilities  
14 Education Act. A school district must use such funds only for  
15 the provision of special educational facilities and services,  
16 as defined in Section 14-1.08 of this Code, and must comply  
17 with any expenditure verification procedures adopted by the  
18 State Board of Education.

19 (k) Education Funding Advisory Board. For the 2018-2019 and  
20 subsequent school years, the Education Funding Advisory Board  
21 established pursuant to subsection (M) of Section 18-8.05 of  
22 this Code, in consultation with the State Board of Education,  
23 shall make recommendations as provided in this subsection (k)  
24 to the General Assembly for the Foundation Level under  
25 paragraph (2) of subsection (b) of this Section. The  
26 recommended foundation level shall be determined based on

1 consideration of 2 separate methodologies:

2 (1) a methodology that incorporates the basic  
3 education expenditures of low-spending schools exhibiting  
4 high academic performance; and

5 (2) an evidence-based methodology that identifies an  
6 educational program that includes research-based  
7 educational strategies and uses the cost of that program to  
8 determine the cost of education.

9 The Education Funding Advisory Board shall make its  
10 recommendations to the General Assembly on or before January 31  
11 of even-numbered years, beginning on or before January 31,  
12 2018.

13 (1) Primary State Aid Review Committee. The State  
14 Superintendent of Education shall appoint a committee of no  
15 more than 20 members, consisting of school administrators,  
16 school business officials, school financing experts, parents,  
17 teachers, and concerned citizens to review the administration  
18 of primary State aid in this State and the impact on school  
19 district finances of this amendatory Act of the 99th General  
20 Assembly. The State Superintendent of Education shall ensure  
21 that the membership of the Committee includes representatives  
22 from school districts reflecting the geographic and  
23 socio-economic diversity of this State. The Committee shall  
24 make periodic recommendations to the State Superintendent of  
25 Education and the General Assembly concerning the  
26 administration of primary State aid, any administrative rules

1 needed for the implementation of this Section, and suggestions  
2 for amending this Section or other Sections of this Code to  
3 achieve a school funding system that provides adequate,  
4 equitable, transparent, and accountable distribution of funds  
5 to school districts that will prepare students for success  
6 after high school. By no later than January 31, 2018 and  
7 January 31 of each odd-numbered year thereafter, the Committee  
8 shall submit a report with recommendations to the State  
9 Superintendent and General Assembly. The report submitted by no  
10 later than January 31, 2018 must address all of the following:

11 (1) Methods for considering the adequacy of funding  
12 available to school districts that are relatively  
13 underperforming within this State's accountability system.

14 (2) Whether to include funding for State career and  
15 technical education and transportation within the primary  
16 State aid formula.

17 (3) Whether to account for municipal impact fees,  
18 distributions from a special tax allocation fund  
19 established in relation to tax increment allocation  
20 financing, available fund balances maintained by a  
21 financial institution, and other similar funds received or  
22 maintained by school districts in the calculation of  
23 Available Local Resources Per Pupil.

24 (4) Methods for reducing State liability for PTELL PSA  
25 Adjustments.

26 (5) Methods for accounting for disability types within

1       the calculation of the Weighting Factor for students with  
2       disabilities, rather than using the same Weighting Factor  
3       for all students with disabilities.

4           (6) Methods for accounting for grade levels within the  
5       calculation of District Weighted Average.

6           (7) Whether to adjust the method of calculating Average  
7       Daily Attendance for Primary State Aid formula calculation  
8       purposes, including whether to utilize an average of more  
9       than 3 months of pupil attendance.

10          (8) Recommendations for revisions to the Primary State  
11       Aid formula as the result of the adequacy study detailed in  
12       subsection (m) of this Section.

13       The report submitted by no later than January 31, 2019 must  
14       address the validity and reliability of data sources available  
15       to determine low-income status, including an analysis of the  
16       validity of both the DHS Low-income Eligible Count and the  
17       count of Low-income Pupils.

18           (m) Adequacy study. Subject to the availability of funding  
19       through appropriations made specifically for this purpose, by  
20       no later than 10 months after the first meeting of the Primary  
21       State Aid Review Committee established pursuant to subsection  
22       (l) of this Section, the State Board of Education shall  
23       contract with a public or private entity to conduct a study of  
24       the adequacy of education funding in this State, in  
25       consultation with Primary State Aid Review Committee, which  
26       study must be completed by no later than 10 months from the

1 contract's effective date. At a minimum, the adequacy study  
2 shall:

3 (1) determine the adequate per pupil cost to deliver an  
4 educational program to each child in each school district  
5 in this State based on the fundamental goal of this State  
6 to develop all children to the limits of their capacities  
7 by providing for an efficient system of high quality public  
8 educational institutions and services that this State has  
9 the primary responsibility for financing;

10 (2) consider identifiable and prototypical educational  
11 expenses based on the school district type and student  
12 population size, including, but not limited to, full-time  
13 equivalent staffing for services to meet all student needs,  
14 with delineation among regular education, special  
15 education, English learners, low-income students, and  
16 gifted students, including Career Pathway Participants and  
17 Advanced Standing Pupils;

18 (3) identify a base funding level for students without  
19 special needs necessary to meet adequate growth;

20 (4) include per pupil weights for students with special  
21 needs to be applied to the base funding level;

22 (5) include an analysis of the effect of concentrations  
23 of poverty on adequacy targets;

24 (6) include an analysis of the assumed school district  
25 tax rates that should be included within the funding  
26 formula;

1           (7) in collaboration with the Illinois Early Learning  
2           Council, include an analysis of what level of Preschool for  
3           All Children funding would be necessary to serve all  
4           children ages 0-5 years in the highest-priority service  
5           tier (as specified in paragraph (4.5) of subsection (a) of  
6           Section 2-3.71 of this Code) and an analysis of the  
7           potential cost savings that that level of Preschool for All  
8           Children investment would have on the kindergarten through  
9           grade 12 system;

10           (8) include a scalable approach to required  
11           appropriations that would result in full funding of an  
12           equitable and adequate educational opportunity for all  
13           children by the 2020-2021 school year;

14           (9) recommend the adequate per pupil amount of local  
15           revenue that must be minimally committed by each school  
16           district to the system of high quality educational  
17           institutions and services within their communities and  
18           identify the specific amount that would be required for  
19           this State to contribute to each district to ensure an  
20           equitable and adequate educational opportunity for all  
21           students; and

22           (10) make further recommendations on the apportionment  
23           of revenue sources so that adequacy can be achieved as  
24           quickly as reasonably possible within this State.

25           (n) References. On and after July 1, 2016, references in  
26           other laws to general State aid funds or calculations under

1 Section 18-8.05 of this Code shall be deemed to be references  
2 to primary State aid funds or calculations under this Section.

3 (105 ILCS 5/18-9) (from Ch. 122, par. 18-9)

4 Sec. 18-9. Requirement for special equalization and  
5 supplementary State aid. If property comprising an aggregate  
6 assessed valuation equal to 6% or more of the total assessed  
7 valuation of all taxable property in a school district is owned  
8 by a person or corporation that is the subject of bankruptcy  
9 proceedings or that has been adjudged bankrupt and, as a result  
10 thereof, has not paid taxes on the property, then the district  
11 may amend its general State aid or primary State aid claim (i)  
12 back to the inception of the bankruptcy, not to exceed 6 years,  
13 in which time those taxes were not paid and (ii) for each  
14 succeeding year that those taxes remain unpaid, by adding to  
15 the claim an amount determined by multiplying the assessed  
16 valuation of the property on which taxes have not been paid due  
17 to the bankruptcy by the lesser of the total tax rate for the  
18 district for the tax year for which the taxes are unpaid or the  
19 applicable rate used in calculating the district's general  
20 State aid under paragraph (3) of subsection (D) of Section  
21 18-8.05 of this Code or primary State aid under paragraph (3)  
22 of subsection (d) of Section 18-8.15 of this Code, as  
23 applicable. If at any time a district that receives additional  
24 State aid under this Section receives tax revenue from the  
25 property for the years that taxes were not paid, the district's

1 next claim for State aid shall be reduced in an amount equal to  
2 the taxes paid on the property, not to exceed the additional  
3 State aid received under this Section. Claims under this  
4 Section shall be filed on forms prescribed by the State  
5 Superintendent of Education, and the State Superintendent of  
6 Education, upon receipt of a claim, shall adjust the claim in  
7 accordance with the provisions of this Section. Supplementary  
8 State aid for each succeeding year under this Section shall be  
9 paid beginning with the first general State aid or primary  
10 State aid claim paid after the district has filed a completed  
11 claim in accordance with this Section.

12 (Source: P.A. 95-496, eff. 8-28-07.)

13 (105 ILCS 5/18-12) (from Ch. 122, par. 18-12)

14 Sec. 18-12. Dates for filing State aid claims. The school  
15 board of each school district shall require teachers,  
16 principals, or superintendents to furnish from records kept by  
17 them such data as it needs in preparing and certifying to the  
18 regional superintendent its school district report of claims  
19 provided in Sections 18-8.05 through 18-9 as required by the  
20 State Superintendent of Education. The district claim shall be  
21 based on the latest available equalized assessed valuation and  
22 tax rates, as provided in Section 18-8.05 or 18-8.15 and shall  
23 use the average daily attendance as determined by the method  
24 outlined in Section 18-8.05 or 18-8.15 and shall be certified  
25 and filed with the regional superintendent by June 21 for



1 districts with an official school calendar end date before June  
2 15 or within 2 weeks following the official school calendar end  
3 date for districts with a school year end date of June 15 or  
4 later. The regional superintendent shall certify and file with  
5 the State Superintendent of Education district State aid claims  
6 by July 1 for districts with an official school calendar end  
7 date before June 15 or no later than July 15 for districts with  
8 an official school calendar end date of June 15 or later.  
9 Failure to so file by these deadlines constitutes a forfeiture  
10 of the right to receive payment by the State until such claim  
11 is filed and vouchered for payment. The regional superintendent  
12 of schools shall certify the county report of claims by July  
13 15; and the State Superintendent of Education shall voucher for  
14 payment those claims to the State Comptroller as provided in  
15 Section 18-11.

16 Except as otherwise provided in this Section, if any school  
17 district fails to provide the minimum school term specified in  
18 Section 10-19, the State aid claim for that year shall be  
19 reduced by the State Superintendent of Education in an amount  
20 equivalent to 1/176 or .56818% for each day less than the  
21 number of days required by this Code.

22 If the State Superintendent of Education determines that  
23 the failure to provide the minimum school term was occasioned  
24 by an act or acts of God, or was occasioned by conditions  
25 beyond the control of the school district which posed a  
26 hazardous threat to the health and safety of pupils, the State

1 aid claim need not be reduced.

2 If a school district is precluded from providing the  
3 minimum hours of instruction required for a full day of  
4 attendance due to an adverse weather condition or a condition  
5 beyond the control of the school district that poses a  
6 hazardous threat to the health and safety of students, then the  
7 partial day of attendance may be counted if (i) the school  
8 district has provided at least one hour of instruction prior to  
9 the closure of the school district, (ii) a school building has  
10 provided at least one hour of instruction prior to the closure  
11 of the school building, or (iii) the normal start time of the  
12 school district is delayed.

13 If, prior to providing any instruction, a school district  
14 must close one or more but not all school buildings after  
15 consultation with a local emergency response agency or due to a  
16 condition beyond the control of the school district, then the  
17 school district may claim attendance for up to 2 school days  
18 based on the average attendance of the 3 school days  
19 immediately preceding the closure of the affected school  
20 building or, if approved by the State Board of Education,  
21 utilize the provisions of an e-learning program for the  
22 affected school building as prescribed in Section 10-20.56 of  
23 this Code. The partial or no day of attendance described in  
24 this Section and the reasons therefore shall be certified  
25 within a month of the closing or delayed start by the school  
26 district superintendent to the regional superintendent of

1 schools for forwarding to the State Superintendent of Education  
2 for approval.

3 Other than the utilization of any e-learning days as  
4 prescribed in Section 10-20.56 of this Code, no exception to  
5 the requirement of providing a minimum school term may be  
6 approved by the State Superintendent of Education pursuant to  
7 this Section unless a school district has first used all  
8 emergency days provided for in its regular calendar.

9 If the State Superintendent of Education declares that an  
10 energy shortage exists during any part of the school year for  
11 the State or a designated portion of the State, a district may  
12 operate the school attendance centers within the district 4  
13 days of the week during the time of the shortage by extending  
14 each existing school day by one clock hour of school work, and  
15 the State aid claim shall not be reduced, nor shall the  
16 employees of that district suffer any reduction in salary or  
17 benefits as a result thereof. A district may operate all  
18 attendance centers on this revised schedule, or may apply the  
19 schedule to selected attendance centers, taking into  
20 consideration such factors as pupil transportation schedules  
21 and patterns and sources of energy for individual attendance  
22 centers.

23 Electronically submitted State aid claims shall be  
24 submitted by duly authorized district or regional individuals  
25 over a secure network that is password protected. The  
26 electronic submission of a State aid claim must be accompanied

1 with an affirmation that all of the provisions of Sections  
2 18-8.05 through 18-9, 10-22.5, and 24-4 of this Code are met in  
3 all respects.

4 (Source: P.A. 99-194, eff. 7-30-15.)

5 (105 ILCS 5/26-16)

6 Sec. 26-16. Graduation incentives program.

7 (a) The General Assembly finds that it is critical to  
8 provide options for children to succeed in school. The purpose  
9 of this Section is to provide incentives for and encourage all  
10 Illinois students who have experienced or are experiencing  
11 difficulty in the traditional education system to enroll in  
12 alternative programs.

13 (b) Any student who is below the age of 20 years is  
14 eligible to enroll in a graduation incentives program if he or  
15 she:

16 (1) is considered a dropout pursuant to Section 26-2a  
17 of this Code;

18 (2) has been suspended or expelled pursuant to Section  
19 10-22.6 or 34-19 of this Code;

20 (3) is pregnant or is a parent;

21 (4) has been assessed as chemically dependent; or

22 (5) is enrolled in a bilingual education or LEP  
23 program.

24 (c) The following programs qualify as graduation  
25 incentives programs for students meeting the criteria

1 established in this Section:

2 (1) Any public elementary or secondary education  
3 graduation incentives program established by a school  
4 district or by a regional office of education.

5 (2) Any alternative learning opportunities program  
6 established pursuant to Article 13B of this Code.

7 (3) Vocational or job training courses approved by the  
8 State Superintendent of Education that are available  
9 through the Illinois public community college system.  
10 Students may apply for reimbursement of 50% of tuition  
11 costs for one course per semester or a maximum of 3 courses  
12 per school year. Subject to available funds, students may  
13 apply for reimbursement of up to 100% of tuition costs upon  
14 a showing of employment within 6 months after completion of  
15 a vocational or job training program. The qualifications  
16 for reimbursement shall be established by the State  
17 Superintendent of Education by rule.

18 (4) Job and career programs approved by the State  
19 Superintendent of Education that are available through  
20 Illinois-accredited private business and vocational  
21 schools. Subject to available funds, pupils may apply for  
22 reimbursement of up to 100% of tuition costs upon a showing  
23 of employment within 6 months after completion of a job or  
24 career program. The State Superintendent of Education  
25 shall establish, by rule, the qualifications for  
26 reimbursement, criteria for determining reimbursement

1 amounts, and limits on reimbursement.

2 (5) Adult education courses that offer preparation for  
3 high school equivalency testing.

4 (d) Graduation incentives programs established by school  
5 districts are entitled to claim general State aid and primary  
6 State aid, subject to Sections 13B-50, 13B-50.5, and 13B-50.10  
7 of this Code. Graduation incentives programs operated by  
8 regional offices of education are entitled to receive general  
9 State aid and primary State aid at the foundation level of  
10 support per pupil enrolled. A school district must ensure that  
11 its graduation incentives program receives supplemental  
12 general State aid, transportation reimbursements, and special  
13 education resources, if appropriate, for students enrolled in  
14 the program.

15 (Source: P.A. 98-718, eff. 1-1-15.)

16 (105 ILCS 5/27-8.1) (from Ch. 122, par. 27-8.1)

17 Sec. 27-8.1. Health examinations and immunizations.

18 (1) In compliance with rules and regulations which the  
19 Department of Public Health shall promulgate, and except as  
20 hereinafter provided, all children in Illinois shall have a  
21 health examination as follows: within one year prior to  
22 entering kindergarten or the first grade of any public,  
23 private, or parochial elementary school; upon entering the  
24 sixth and ninth grades of any public, private, or parochial  
25 school; prior to entrance into any public, private, or

1 parochial nursery school; and, irrespective of grade,  
2 immediately prior to or upon entrance into any public, private,  
3 or parochial school or nursery school, each child shall present  
4 proof of having been examined in accordance with this Section  
5 and the rules and regulations promulgated hereunder. Any child  
6 who received a health examination within one year prior to  
7 entering the fifth grade for the 2007-2008 school year is not  
8 required to receive an additional health examination in order  
9 to comply with the provisions of Public Act 95-422 when he or  
10 she attends school for the 2008-2009 school year, unless the  
11 child is attending school for the first time as provided in  
12 this paragraph.

13 A tuberculosis skin test screening shall be included as a  
14 required part of each health examination included under this  
15 Section if the child resides in an area designated by the  
16 Department of Public Health as having a high incidence of  
17 tuberculosis. Additional health examinations of pupils,  
18 including eye examinations, may be required when deemed  
19 necessary by school authorities. Parents are encouraged to have  
20 their children undergo eye examinations at the same points in  
21 time required for health examinations.

22 (1.5) In compliance with rules adopted by the Department of  
23 Public Health and except as otherwise provided in this Section,  
24 all children in kindergarten and the second and sixth grades of  
25 any public, private, or parochial school shall have a dental  
26 examination. Each of these children shall present proof of

1 having been examined by a dentist in accordance with this  
2 Section and rules adopted under this Section before May 15th of  
3 the school year. If a child in the second or sixth grade fails  
4 to present proof by May 15th, the school may hold the child's  
5 report card until one of the following occurs: (i) the child  
6 presents proof of a completed dental examination or (ii) the  
7 child presents proof that a dental examination will take place  
8 within 60 days after May 15th. The Department of Public Health  
9 shall establish, by rule, a waiver for children who show an  
10 undue burden or a lack of access to a dentist. Each public,  
11 private, and parochial school must give notice of this dental  
12 examination requirement to the parents and guardians of  
13 students at least 60 days before May 15th of each school year.

14 (1.10) Except as otherwise provided in this Section, all  
15 children enrolling in kindergarten in a public, private, or  
16 parochial school on or after the effective date of this  
17 amendatory Act of the 95th General Assembly and any student  
18 enrolling for the first time in a public, private, or parochial  
19 school on or after the effective date of this amendatory Act of  
20 the 95th General Assembly shall have an eye examination. Each  
21 of these children shall present proof of having been examined  
22 by a physician licensed to practice medicine in all of its  
23 branches or a licensed optometrist within the previous year, in  
24 accordance with this Section and rules adopted under this  
25 Section, before October 15th of the school year. If the child  
26 fails to present proof by October 15th, the school may hold the



1 child's report card until one of the following occurs: (i) the  
2 child presents proof of a completed eye examination or (ii) the  
3 child presents proof that an eye examination will take place  
4 within 60 days after October 15th. The Department of Public  
5 Health shall establish, by rule, a waiver for children who show  
6 an undue burden or a lack of access to a physician licensed to  
7 practice medicine in all of its branches who provides eye  
8 examinations or to a licensed optometrist. Each public,  
9 private, and parochial school must give notice of this eye  
10 examination requirement to the parents and guardians of  
11 students in compliance with rules of the Department of Public  
12 Health. Nothing in this Section shall be construed to allow a  
13 school to exclude a child from attending because of a parent's  
14 or guardian's failure to obtain an eye examination for the  
15 child.

16 (2) The Department of Public Health shall promulgate rules  
17 and regulations specifying the examinations and procedures  
18 that constitute a health examination, which shall include the  
19 collection of data relating to obesity (including at a minimum,  
20 date of birth, gender, height, weight, blood pressure, and date  
21 of exam), and a dental examination and may recommend by rule  
22 that certain additional examinations be performed. The rules  
23 and regulations of the Department of Public Health shall  
24 specify that a tuberculosis skin test screening shall be  
25 included as a required part of each health examination included  
26 under this Section if the child resides in an area designated

1 by the Department of Public Health as having a high incidence  
2 of tuberculosis. The Department of Public Health shall specify  
3 that a diabetes screening as defined by rule shall be included  
4 as a required part of each health examination. Diabetes testing  
5 is not required.

6 Physicians licensed to practice medicine in all of its  
7 branches, licensed advanced practice nurses, or licensed  
8 physician assistants shall be responsible for the performance  
9 of the health examinations, other than dental examinations, eye  
10 examinations, and vision and hearing screening, and shall sign  
11 all report forms required by subsection (4) of this Section  
12 that pertain to those portions of the health examination for  
13 which the physician, advanced practice nurse, or physician  
14 assistant is responsible. If a registered nurse performs any  
15 part of a health examination, then a physician licensed to  
16 practice medicine in all of its branches must review and sign  
17 all required report forms. Licensed dentists shall perform all  
18 dental examinations and shall sign all report forms required by  
19 subsection (4) of this Section that pertain to the dental  
20 examinations. Physicians licensed to practice medicine in all  
21 its branches or licensed optometrists shall perform all eye  
22 examinations required by this Section and shall sign all report  
23 forms required by subsection (4) of this Section that pertain  
24 to the eye examination. For purposes of this Section, an eye  
25 examination shall at a minimum include history, visual acuity,  
26 subjective refraction to best visual acuity near and far,

1 internal and external examination, and a glaucoma evaluation,  
2 as well as any other tests or observations that in the  
3 professional judgment of the doctor are necessary. Vision and  
4 hearing screening tests, which shall not be considered  
5 examinations as that term is used in this Section, shall be  
6 conducted in accordance with rules and regulations of the  
7 Department of Public Health, and by individuals whom the  
8 Department of Public Health has certified. In these rules and  
9 regulations, the Department of Public Health shall require that  
10 individuals conducting vision screening tests give a child's  
11 parent or guardian written notification, before the vision  
12 screening is conducted, that states, "Vision screening is not a  
13 substitute for a complete eye and vision evaluation by an eye  
14 doctor. Your child is not required to undergo this vision  
15 screening if an optometrist or ophthalmologist has completed  
16 and signed a report form indicating that an examination has  
17 been administered within the previous 12 months."

18 (3) Every child shall, at or about the same time as he or  
19 she receives a health examination required by subsection (1) of  
20 this Section, present to the local school proof of having  
21 received such immunizations against preventable communicable  
22 diseases as the Department of Public Health shall require by  
23 rules and regulations promulgated pursuant to this Section and  
24 the Communicable Disease Prevention Act.

25 (4) The individuals conducting the health examination,  
26 dental examination, or eye examination shall record the fact of

1 having conducted the examination, and such additional  
2 information as required, including for a health examination  
3 data relating to obesity (including at a minimum, date of  
4 birth, gender, height, weight, blood pressure, and date of  
5 exam), on uniform forms which the Department of Public Health  
6 and the State Board of Education shall prescribe for statewide  
7 use. The examiner shall summarize on the report form any  
8 condition that he or she suspects indicates a need for special  
9 services, including for a health examination factors relating  
10 to obesity. The individuals confirming the administration of  
11 required immunizations shall record as indicated on the form  
12 that the immunizations were administered.

13 (5) If a child does not submit proof of having had either  
14 the health examination or the immunization as required, then  
15 the child shall be examined or receive the immunization, as the  
16 case may be, and present proof by October 15 of the current  
17 school year, or by an earlier date of the current school year  
18 established by a school district. To establish a date before  
19 October 15 of the current school year for the health  
20 examination or immunization as required, a school district must  
21 give notice of the requirements of this Section 60 days prior  
22 to the earlier established date. If for medical reasons one or  
23 more of the required immunizations must be given after October  
24 15 of the current school year, or after an earlier established  
25 date of the current school year, then the child shall present,  
26 by October 15, or by the earlier established date, a schedule

1 for the administration of the immunizations and a statement of  
2 the medical reasons causing the delay, both the schedule and  
3 the statement being issued by the physician, advanced practice  
4 nurse, physician assistant, registered nurse, or local health  
5 department that will be responsible for administration of the  
6 remaining required immunizations. If a child does not comply by  
7 October 15, or by the earlier established date of the current  
8 school year, with the requirements of this subsection, then the  
9 local school authority shall exclude that child from school  
10 until such time as the child presents proof of having had the  
11 health examination as required and presents proof of having  
12 received those required immunizations which are medically  
13 possible to receive immediately. During a child's exclusion  
14 from school for noncompliance with this subsection, the child's  
15 parents or legal guardian shall be considered in violation of  
16 Section 26-1 and subject to any penalty imposed by Section  
17 26-10. This subsection (5) does not apply to dental  
18 examinations and eye examinations. If the student is an  
19 out-of-state transfer student and does not have the proof  
20 required under this subsection (5) before October 15 of the  
21 current year or whatever date is set by the school district,  
22 then he or she may only attend classes (i) if he or she has  
23 proof that an appointment for the required vaccinations has  
24 been scheduled with a party authorized to submit proof of the  
25 required vaccinations. If the proof of vaccination required  
26 under this subsection (5) is not submitted within 30 days after

1 the student is permitted to attend classes, then the student is  
2 not to be permitted to attend classes until proof of the  
3 vaccinations has been properly submitted. No school district or  
4 employee of a school district shall be held liable for any  
5 injury or illness to another person that results from admitting  
6 an out-of-state transfer student to class that has an  
7 appointment scheduled pursuant to this subsection (5).

8 (6) Every school shall report to the State Board of  
9 Education by November 15, in the manner which that agency shall  
10 require, the number of children who have received the necessary  
11 immunizations and the health examination (other than a dental  
12 examination or eye examination) as required, indicating, of  
13 those who have not received the immunizations and examination  
14 as required, the number of children who are exempt from health  
15 examination and immunization requirements on religious or  
16 medical grounds as provided in subsection (8). On or before  
17 December 1 of each year, every public school district and  
18 registered nonpublic school shall make publicly available the  
19 immunization data they are required to submit to the State  
20 Board of Education by November 15. The immunization data made  
21 publicly available must be identical to the data the school  
22 district or school has reported to the State Board of  
23 Education.

24 Every school shall report to the State Board of Education  
25 by June 30, in the manner that the State Board requires, the  
26 number of children who have received the required dental

1 examination, indicating, of those who have not received the  
2 required dental examination, the number of children who are  
3 exempt from the dental examination on religious grounds as  
4 provided in subsection (8) of this Section and the number of  
5 children who have received a waiver under subsection (1.5) of  
6 this Section.

7 Every school shall report to the State Board of Education  
8 by June 30, in the manner that the State Board requires, the  
9 number of children who have received the required eye  
10 examination, indicating, of those who have not received the  
11 required eye examination, the number of children who are exempt  
12 from the eye examination as provided in subsection (8) of this  
13 Section, the number of children who have received a waiver  
14 under subsection (1.10) of this Section, and the total number  
15 of children in noncompliance with the eye examination  
16 requirement.

17 The reported information under this subsection (6) shall be  
18 provided to the Department of Public Health by the State Board  
19 of Education.

20 (7) Upon determining that the number of pupils who are  
21 required to be in compliance with subsection (5) of this  
22 Section is below 90% of the number of pupils enrolled in the  
23 school district, 10% of each State aid payment made pursuant to  
24 Section 18-8.05 or 18-8.15 to the school district for such year  
25 may be withheld by the State Board of Education until the  
26 number of students in compliance with subsection (5) is the

1 applicable specified percentage or higher.

2 (8) Children of parents or legal guardians who object to  
3 health, dental, or eye examinations or any part thereof, to  
4 immunizations, or to vision and hearing screening tests on  
5 religious grounds shall not be required to undergo the  
6 examinations, tests, or immunizations to which they so object  
7 if such parents or legal guardians present to the appropriate  
8 local school authority a signed Certificate of Religious  
9 Exemption detailing the grounds for objection and the specific  
10 immunizations, tests, or examinations to which they object. The  
11 grounds for objection must set forth the specific religious  
12 belief that conflicts with the examination, test,  
13 immunization, or other medical intervention. The signed  
14 certificate shall also reflect the parent's or legal guardian's  
15 understanding of the school's exclusion policies in the case of  
16 a vaccine-preventable disease outbreak or exposure. The  
17 certificate must also be signed by the authorized examining  
18 health care provider responsible for the performance of the  
19 child's health examination confirming that the provider  
20 provided education to the parent or legal guardian on the  
21 benefits of immunization and the health risks to the student  
22 and to the community of the communicable diseases for which  
23 immunization is required in this State. However, the health  
24 care provider's signature on the certificate reflects only that  
25 education was provided and does not allow a health care  
26 provider grounds to determine a religious exemption. Those



1 receiving immunizations required under this Code shall be  
2 provided with the relevant vaccine information statements that  
3 are required to be disseminated by the federal National  
4 Childhood Vaccine Injury Act of 1986, which may contain  
5 information on circumstances when a vaccine should not be  
6 administered, prior to administering a vaccine. A healthcare  
7 provider may consider including without limitation the  
8 nationally accepted recommendations from federal agencies such  
9 as the Advisory Committee on Immunization Practices, the  
10 information outlined in the relevant vaccine information  
11 statement, and vaccine package inserts, along with the  
12 healthcare provider's clinical judgment, to determine whether  
13 any child may be more susceptible to experiencing an adverse  
14 vaccine reaction than the general population, and, if so, the  
15 healthcare provider may exempt the child from an immunization  
16 or adopt an individualized immunization schedule. The  
17 Certificate of Religious Exemption shall be created by the  
18 Department of Public Health and shall be made available and  
19 used by parents and legal guardians by the beginning of the  
20 2015-2016 school year. Parents or legal guardians must submit  
21 the Certificate of Religious Exemption to their local school  
22 authority prior to entering kindergarten, sixth grade, and  
23 ninth grade for each child for which they are requesting an  
24 exemption. The religious objection stated need not be directed  
25 by the tenets of an established religious organization.  
26 However, general philosophical or moral reluctance to allow

1 physical examinations, eye examinations, immunizations, vision  
2 and hearing screenings, or dental examinations does not provide  
3 a sufficient basis for an exception to statutory requirements.  
4 The local school authority is responsible for determining if  
5 the content of the Certificate of Religious Exemption  
6 constitutes a valid religious objection. The local school  
7 authority shall inform the parent or legal guardian of  
8 exclusion procedures, in accordance with the Department's  
9 rules under Part 690 of Title 77 of the Illinois Administrative  
10 Code, at the time the objection is presented.

11 If the physical condition of the child is such that any one  
12 or more of the immunizing agents should not be administered,  
13 the examining physician, advanced practice nurse, or physician  
14 assistant responsible for the performance of the health  
15 examination shall endorse that fact upon the health examination  
16 form.

17 Exempting a child from the health, dental, or eye  
18 examination does not exempt the child from participation in the  
19 program of physical education training provided in Sections  
20 27-5 through 27-7 of this Code.

21 (9) For the purposes of this Section, "nursery schools"  
22 means those nursery schools operated by elementary school  
23 systems or secondary level school units or institutions of  
24 higher learning.

25 (Source: P.A. 98-673, eff. 6-30-14; 99-173, eff. 7-29-15;  
26 99-249, eff. 8-3-15; revised 10-21-15.)

1 (105 ILCS 5/27A-9)

2 Sec. 27A-9. Term of charter; renewal.

3 (a) A charter may be granted for a period not less than 5  
4 and not more than 10 school years. A charter may be renewed in  
5 incremental periods not to exceed 5 school years.

6 (b) A charter school renewal proposal submitted to the  
7 local school board or the Commission, as the chartering entity,  
8 shall contain:

9 (1) A report on the progress of the charter school in  
10 achieving the goals, objectives, pupil performance  
11 standards, content standards, and other terms of the  
12 initial approved charter proposal; and

13 (2) A financial statement that discloses the costs of  
14 administration, instruction, and other spending categories  
15 for the charter school that is understandable to the  
16 general public and that will allow comparison of those  
17 costs to other schools or other comparable organizations,  
18 in a format required by the State Board.

19 (c) A charter may be revoked or not renewed if the local  
20 school board or the Commission, as the chartering entity,  
21 clearly demonstrates that the charter school did any of the  
22 following, or otherwise failed to comply with the requirements  
23 of this law:

24 (1) Committed a material violation of any of the  
25 conditions, standards, or procedures set forth in the

1 charter.

2 (2) Failed to meet or make reasonable progress toward  
3 achievement of the content standards or pupil performance  
4 standards identified in the charter.

5 (3) Failed to meet generally accepted standards of  
6 fiscal management.

7 (4) Violated any provision of law from which the  
8 charter school was not exempted.

9 In the case of revocation, the local school board or the  
10 Commission, as the chartering entity, shall notify the charter  
11 school in writing of the reason why the charter is subject to  
12 revocation. The charter school shall submit a written plan to  
13 the local school board or the Commission, whichever is  
14 applicable, to rectify the problem. The plan shall include a  
15 timeline for implementation, which shall not exceed 2 years or  
16 the date of the charter's expiration, whichever is earlier. If  
17 the local school board or the Commission, as the chartering  
18 entity, finds that the charter school has failed to implement  
19 the plan of remediation and adhere to the timeline, then the  
20 chartering entity shall revoke the charter. Except in  
21 situations of an emergency where the health, safety, or  
22 education of the charter school's students is at risk, the  
23 revocation shall take place at the end of a school year.  
24 Nothing in this amendatory Act of the 96th General Assembly  
25 shall be construed to prohibit an implementation timetable that  
26 is less than 2 years in duration.

1 (d) (Blank).

2 (e) Notice of a local school board's decision to deny,  
3 revoke or not to renew a charter shall be provided to the  
4 Commission and the State Board. The Commission may reverse a  
5 local board's decision if the Commission finds that the charter  
6 school or charter school proposal (i) is in compliance with  
7 this Article, and (ii) is in the best interests of the students  
8 it is designed to serve. The Commission may condition the  
9 granting of an appeal on the acceptance by the charter school  
10 of funding in an amount less than that requested in the  
11 proposal submitted to the local school board. Final decisions  
12 of the Commission shall be subject to judicial review under the  
13 Administrative Review Law.

14 (f) Notwithstanding other provisions of this Article, if  
15 the Commission on appeal reverses a local board's decision or  
16 if a charter school is approved by referendum, the Commission  
17 shall act as the authorized chartering entity for the charter  
18 school. The Commission shall approve the charter and shall  
19 perform all functions under this Article otherwise performed by  
20 the local school board. The State Board shall determine whether  
21 the charter proposal approved by the Commission is consistent  
22 with the provisions of this Article and, if the approved  
23 proposal complies, certify the proposal pursuant to this  
24 Article. The State Board shall report the aggregate number of  
25 charter school pupils resident in a school district to that  
26 district and shall notify the district of the amount of funding

1 to be paid by the State Board to the charter school enrolling  
2 such students. The Commission shall require the charter school  
3 to maintain accurate records of daily attendance that shall be  
4 deemed sufficient to file claims under Section 18-8.05 or  
5 18-8.15 notwithstanding any other requirements of that Section  
6 regarding hours of instruction and teacher certification. The  
7 State Board shall withhold from funds otherwise due the  
8 district the funds authorized by this Article to be paid to the  
9 charter school and shall pay such amounts to the charter  
10 school.

11 (g) For charter schools authorized by the Commission, the  
12 Commission shall quarterly certify to the State Board the  
13 student enrollment for each of its charter schools.

14 (h) For charter schools authorized by the Commission, the  
15 State Board shall pay directly to a charter school any federal  
16 or State aid attributable to a student with a disability  
17 attending the school.

18 (Source: P.A. 97-152, eff. 7-20-11; 98-739, eff. 7-16-14.)

19 (105 ILCS 5/27A-11)

20 Sec. 27A-11. Local financing.

21 (a) For purposes of the School Code, pupils enrolled in a  
22 charter school shall be included in the pupil enrollment of the  
23 school district within which the pupil resides. Each charter  
24 school (i) shall determine the school district in which each  
25 pupil who is enrolled in the charter school resides, (ii) shall

1 report the aggregate number of pupils resident of a school  
2 district who are enrolled in the charter school to the school  
3 district in which those pupils reside, and (iii) shall maintain  
4 accurate records of daily attendance that shall be deemed  
5 sufficient to file claims under Section 18-8 or 18-8.15  
6 notwithstanding any other requirements of that Section  
7 regarding hours of instruction and teacher certification.

8 (b) Except for a charter school established by referendum  
9 under Section 27A-6.5, as part of a charter school contract,  
10 the charter school and the local school board shall agree on  
11 funding and any services to be provided by the school district  
12 to the charter school. Agreed funding that a charter school is  
13 to receive from the local school board for a school year shall  
14 be paid in equal quarterly installments with the payment of the  
15 installment for the first quarter being made not later than  
16 July 1, unless the charter establishes a different payment  
17 schedule. However, if a charter school dismisses a pupil from  
18 the charter school after receiving a quarterly payment, the  
19 charter school shall return to the school district, on a  
20 quarterly basis, the prorated portion of public funding  
21 provided for the education of that pupil for the time the  
22 student is not enrolled at the charter school. Likewise, if a  
23 pupil transfers to a charter school between quarterly payments,  
24 the school district shall provide, on a quarterly basis, a  
25 prorated portion of the public funding to the charter school to  
26 provide for the education of that pupil.

1 All services centrally or otherwise provided by the school  
2 district including, but not limited to, rent, food services,  
3 custodial services, maintenance, curriculum, media services,  
4 libraries, transportation, and warehousing shall be subject to  
5 negotiation between a charter school and the local school board  
6 and paid for out of the revenues negotiated pursuant to this  
7 subsection (b); provided that the local school board shall not  
8 attempt, by negotiation or otherwise, to obligate a charter  
9 school to provide pupil transportation for pupils for whom a  
10 district is not required to provide transportation under the  
11 criteria set forth in subsection (a) (13) of Section 27A-7.

12 In no event shall the funding be less than 75% or more than  
13 125% of the school district's per capita student tuition  
14 multiplied by the number of students residing in the district  
15 who are enrolled in the charter school.

16 It is the intent of the General Assembly that funding and  
17 service agreements under this subsection (b) shall be neither a  
18 financial incentive nor a financial disincentive to the  
19 establishment of a charter school.

20 The charter school may set and collect reasonable fees.  
21 Fees collected from students enrolled at a charter school shall  
22 be retained by the charter school.

23 (c) Notwithstanding subsection (b) of this Section, the  
24 proportionate share of State and federal resources generated by  
25 students with disabilities or staff serving them shall be  
26 directed to charter schools enrolling those students by their



1 school districts or administrative units. The proportionate  
2 share of moneys generated under other federal or State  
3 categorical aid programs shall be directed to charter schools  
4 serving students eligible for that aid.

5 (d) The governing body of a charter school is authorized to  
6 accept gifts, donations, or grants of any kind made to the  
7 charter school and to expend or use gifts, donations, or grants  
8 in accordance with the conditions prescribed by the donor;  
9 however, a gift, donation, or grant may not be accepted by the  
10 governing body if it is subject to any condition contrary to  
11 applicable law or contrary to the terms of the contract between  
12 the charter school and the local school board. Charter schools  
13 shall be encouraged to solicit and utilize community volunteer  
14 speakers and other instructional resources when providing  
15 instruction on the Holocaust and other historical events.

16 (e) (Blank).

17 (f) The Commission shall provide technical assistance to  
18 persons and groups preparing or revising charter applications.

19 (g) At the non-renewal or revocation of its charter, each  
20 charter school shall refund to the local board of education all  
21 unspent funds.

22 (h) A charter school is authorized to incur temporary,  
23 short term debt to pay operating expenses in anticipation of  
24 receipt of funds from the local school board.

25 (Source: P.A. 98-640, eff. 6-9-14; 98-739, eff. 7-16-14; 99-78,  
26 eff. 7-20-15.)

1 (105 ILCS 5/29-5) (from Ch. 122, par. 29-5)

2 Sec. 29-5. Reimbursement by State for transportation. Any  
3 school district, maintaining a school, transporting resident  
4 pupils to another school district's vocational program,  
5 offered through a joint agreement approved by the State Board  
6 of Education, as provided in Section 10-22.22 or transporting  
7 its resident pupils to a school which meets the standards for  
8 recognition as established by the State Board of Education  
9 which provides transportation meeting the standards of safety,  
10 comfort, convenience, efficiency and operation prescribed by  
11 the State Board of Education for resident pupils in  
12 kindergarten or any of grades 1 through 12 who: (a) reside at  
13 least 1 1/2 miles as measured by the customary route of travel,  
14 from the school attended; or (b) reside in areas where  
15 conditions are such that walking constitutes a hazard to the  
16 safety of the child when determined under Section 29-3; and (c)  
17 are transported to the school attended from pick-up points at  
18 the beginning of the school day and back again at the close of  
19 the school day or transported to and from their assigned  
20 attendance centers during the school day, shall be reimbursed  
21 by the State as hereinafter provided in this Section.

22 The State will pay the cost of transporting eligible pupils  
23 less the assessed valuation in a dual school district  
24 maintaining secondary grades 9 to 12 inclusive times a  
25 qualifying rate of .05%; in elementary school districts

1 maintaining grades K to 8 times a qualifying rate of .06%; and  
2 in unit districts maintaining grades K to 12, including  
3 optional elementary unit districts and combined high school -  
4 unit districts, times a qualifying rate of .07%; provided that  
5 for optional elementary unit districts and combined high school  
6 - unit districts, assessed valuation for high school purposes,  
7 as defined in Article 11E of this Code, must be used. To be  
8 eligible to receive reimbursement in excess of 4/5 of the cost  
9 to transport eligible pupils, a school district shall have a  
10 Transportation Fund tax rate of at least .12%. If a school  
11 district does not have a .12% Transportation Fund tax rate, the  
12 amount of its claim in excess of 4/5 of the cost of  
13 transporting pupils shall be reduced by the sum arrived at by  
14 subtracting the Transportation Fund tax rate from .12% and  
15 multiplying that amount by the districts equalized or assessed  
16 valuation, provided, that in no case shall said reduction  
17 result in reimbursement of less than 4/5 of the cost to  
18 transport eligible pupils.

19 The minimum amount to be received by a district is \$16  
20 times the number of eligible pupils transported.

21 When calculating the reimbursement for transportation  
22 costs, the State Board of Education may not deduct the number  
23 of pupils enrolled in early education programs from the number  
24 of pupils eligible for reimbursement if the pupils enrolled in  
25 the early education programs are transported at the same time  
26 as other eligible pupils.

1 Any such district transporting resident pupils during the  
2 school day to an area vocational school or another school  
3 district's vocational program more than 1 1/2 miles from the  
4 school attended, as provided in Sections 10-22.20a and  
5 10-22.22, shall be reimbursed by the State for 4/5 of the cost  
6 of transporting eligible pupils.

7 School day means that period of time which the pupil is  
8 required to be in attendance for instructional purposes.

9 If a pupil is at a location within the school district  
10 other than his residence for child care purposes at the time  
11 for transportation to school, that location may be considered  
12 for purposes of determining the 1 1/2 miles from the school  
13 attended.

14 Claims for reimbursement that include children who attend  
15 any school other than a public school shall show the number of  
16 such children transported.

17 Claims for reimbursement under this Section shall not be  
18 paid for the transportation of pupils for whom transportation  
19 costs are claimed for payment under other Sections of this Act.

20 The allowable direct cost of transporting pupils for  
21 regular, vocational, and special education pupil  
22 transportation shall be limited to the sum of the cost of  
23 physical examinations required for employment as a school bus  
24 driver; the salaries of full or part-time drivers and school  
25 bus maintenance personnel; employee benefits excluding  
26 Illinois municipal retirement payments, social security

1 payments, unemployment insurance payments and workers'  
2 compensation insurance premiums; expenditures to independent  
3 carriers who operate school buses; payments to other school  
4 districts for pupil transportation services; pre-approved  
5 contractual expenditures for computerized bus scheduling; the  
6 cost of gasoline, oil, tires, and other supplies necessary for  
7 the operation of school buses; the cost of converting buses'  
8 gasoline engines to more fuel efficient engines or to engines  
9 which use alternative energy sources; the cost of travel to  
10 meetings and workshops conducted by the regional  
11 superintendent or the State Superintendent of Education  
12 pursuant to the standards established by the Secretary of State  
13 under Section 6-106 of the Illinois Vehicle Code to improve the  
14 driving skills of school bus drivers; the cost of maintenance  
15 of school buses including parts and materials used;  
16 expenditures for leasing transportation vehicles, except  
17 interest and service charges; the cost of insurance and  
18 licenses for transportation vehicles; expenditures for the  
19 rental of transportation equipment; plus a depreciation  
20 allowance of 20% for 5 years for school buses and vehicles  
21 approved for transporting pupils to and from school and a  
22 depreciation allowance of 10% for 10 years for other  
23 transportation equipment so used. Each school year, if a school  
24 district has made expenditures to the Regional Transportation  
25 Authority or any of its service boards, a mass transit  
26 district, or an urban transportation district under an

1 intergovernmental agreement with the district to provide for  
2 the transportation of pupils and if the public transit carrier  
3 received direct payment for services or passes from a school  
4 district within its service area during the 2000-2001 school  
5 year, then the allowable direct cost of transporting pupils for  
6 regular, vocational, and special education pupil  
7 transportation shall also include the expenditures that the  
8 district has made to the public transit carrier. In addition to  
9 the above allowable costs school districts shall also claim all  
10 transportation supervisory salary costs, including Illinois  
11 municipal retirement payments, and all transportation related  
12 building and building maintenance costs without limitation.

13 Special education allowable costs shall also include  
14 expenditures for the salaries of attendants or aides for that  
15 portion of the time they assist special education pupils while  
16 in transit and expenditures for parents and public carriers for  
17 transporting special education pupils when pre-approved by the  
18 State Superintendent of Education.

19 Indirect costs shall be included in the reimbursement claim  
20 for districts which own and operate their own school buses.  
21 Such indirect costs shall include administrative costs, or any  
22 costs attributable to transporting pupils from their  
23 attendance centers to another school building for  
24 instructional purposes. No school district which owns and  
25 operates its own school buses may claim reimbursement for  
26 indirect costs which exceed 5% of the total allowable direct

1 costs for pupil transportation.

2 The State Board of Education shall prescribe uniform  
3 regulations for determining the above standards and shall  
4 prescribe forms of cost accounting and standards of determining  
5 reasonable depreciation. Such depreciation shall include the  
6 cost of equipping school buses with the safety features  
7 required by law or by the rules, regulations and standards  
8 promulgated by the State Board of Education, and the Department  
9 of Transportation for the safety and construction of school  
10 buses provided, however, any equipment cost reimbursed by the  
11 Department of Transportation for equipping school buses with  
12 such safety equipment shall be deducted from the allowable cost  
13 in the computation of reimbursement under this Section in the  
14 same percentage as the cost of the equipment is depreciated.

15 On or before August 15, annually, the chief school  
16 administrator for the district shall certify to the State  
17 Superintendent of Education the district's claim for  
18 reimbursement for the school year ending on June 30 next  
19 preceding. The State Superintendent of Education shall check  
20 and approve the claims and prepare the vouchers showing the  
21 amounts due for district reimbursement claims. Each fiscal  
22 year, the State Superintendent of Education shall prepare and  
23 transmit the first 3 vouchers to the Comptroller on the 30th  
24 day of September, December and March, respectively, and the  
25 final voucher, no later than June 20.

26 If the amount appropriated for transportation

1 reimbursement is insufficient to fund total claims for any  
2 fiscal year, the State Board of Education shall reduce each  
3 school district's allowable costs and flat grant amount  
4 proportionately to make total adjusted claims equal the total  
5 amount appropriated.

6 For purposes of calculating claims for reimbursement under  
7 this Section for any school year beginning July 1, 1998, or  
8 thereafter, the equalized assessed valuation for a school  
9 district used to compute reimbursement shall be computed in the  
10 same manner as it is computed under paragraph (2) of subsection  
11 (G) of Section 18-8.05.

12 All reimbursements received from the State shall be  
13 deposited into the district's transportation fund or into the  
14 fund from which the allowable expenditures were made.

15 Notwithstanding any other provision of law, any school  
16 district receiving a payment under this Section or under  
17 Section 14-7.02, 14-7.02b, or 14-13.01 of this Code may  
18 classify all or a portion of the funds that it receives in a  
19 particular fiscal year or from general State aid pursuant to  
20 Section 18-8.05 of this Code as funds received in connection  
21 with any funding program for which it is entitled to receive  
22 funds from the State in that fiscal year (including, without  
23 limitation, any funding program referenced in this Section),  
24 regardless of the source or timing of the receipt. The district  
25 may not classify more funds as funds received in connection  
26 with the funding program than the district is entitled to



1 receive in that fiscal year for that program. Any  
2 classification by a district must be made by a resolution of  
3 its board of education. The resolution must identify the amount  
4 of any payments or general State aid to be classified under  
5 this paragraph and must specify the funding program to which  
6 the funds are to be treated as received in connection  
7 therewith. This resolution is controlling as to the  
8 classification of funds referenced therein. A certified copy of  
9 the resolution must be sent to the State Superintendent of  
10 Education. The resolution shall still take effect even though a  
11 copy of the resolution has not been sent to the State  
12 Superintendent of Education in a timely manner. No  
13 classification under this paragraph by a district shall affect  
14 the total amount or timing of money the district is entitled to  
15 receive under this Code. No classification under this paragraph  
16 by a district shall in any way relieve the district from or  
17 affect any requirements that otherwise would apply with respect  
18 to that funding program, including any accounting of funds by  
19 source, reporting expenditures by original source and purpose,  
20 reporting requirements, or requirements of providing services.

21 Any school district with a population of not more than  
22 500,000 must deposit all funds received under this Article into  
23 the transportation fund and use those funds for the provision  
24 of transportation services.

25 Notwithstanding anything to the contrary contained in this  
26 Section, the State Board of Education shall award to a school

1 district having a population exceeding 500,000 inhabitants  
2 3.9% of the funds appropriated by the General Assembly for any  
3 fiscal year for purposes of payments to school districts under  
4 this Section.

5 (Source: P.A. 95-903, eff. 8-25-08; 96-1264, eff. 1-1-11.)

6 (105 ILCS 5/34-2.3) (from Ch. 122, par. 34-2.3)

7 Sec. 34-2.3. Local school councils - Powers and duties.  
8 Each local school council shall have and exercise, consistent  
9 with the provisions of this Article and the powers and duties  
10 of the board of education, the following powers and duties:

11 1. (A) To annually evaluate the performance of the  
12 principal of the attendance center using a Board approved  
13 principal evaluation form, which shall include the evaluation  
14 of (i) student academic improvement, as defined by the school  
15 improvement plan, (ii) student absenteeism rates at the school,  
16 (iii) instructional leadership, (iv) the effective  
17 implementation of programs, policies, or strategies to improve  
18 student academic achievement, (v) school management, and (vi)  
19 any other factors deemed relevant by the local school council,  
20 including, without limitation, the principal's communication  
21 skills and ability to create and maintain a student-centered  
22 learning environment, to develop opportunities for  
23 professional development, and to encourage parental  
24 involvement and community partnerships to achieve school  
25 improvement;

1 (B) to determine in the manner provided by subsection (c)  
2 of Section 34-2.2 and subdivision 1.5 of this Section whether  
3 the performance contract of the principal shall be renewed; and

4 (C) to directly select, in the manner provided by  
5 subsection (c) of Section 34-2.2, a new principal (including a  
6 new principal to fill a vacancy) -- without submitting any list  
7 of candidates for that position to the general superintendent  
8 as provided in paragraph 2 of this Section -- to serve under a  
9 4 year performance contract; provided that (i) the  
10 determination of whether the principal's performance contract  
11 is to be renewed, based upon the evaluation required by  
12 subdivision 1.5 of this Section, shall be made no later than  
13 150 days prior to the expiration of the current  
14 performance-based contract of the principal, (ii) in cases  
15 where such performance contract is not renewed -- a direct  
16 selection of a new principal -- to serve under a 4 year  
17 performance contract shall be made by the local school council  
18 no later than 45 days prior to the expiration of the current  
19 performance contract of the principal, and (iii) a selection by  
20 the local school council of a new principal to fill a vacancy  
21 under a 4 year performance contract shall be made within 90  
22 days after the date such vacancy occurs. A Council shall be  
23 required, if requested by the principal, to provide in writing  
24 the reasons for the council's not renewing the principal's  
25 contract.

26 1.5. The local school council's determination of whether to

1 renew the principal's contract shall be based on an evaluation  
2 to assess the educational and administrative progress made at  
3 the school during the principal's current performance-based  
4 contract. The local school council shall base its evaluation on  
5 (i) student academic improvement, as defined by the school  
6 improvement plan, (ii) student absenteeism rates at the school,  
7 (iii) instructional leadership, (iv) the effective  
8 implementation of programs, policies, or strategies to improve  
9 student academic achievement, (v) school management, and (vi)  
10 any other factors deemed relevant by the local school council,  
11 including, without limitation, the principal's communication  
12 skills and ability to create and maintain a student-centered  
13 learning environment, to develop opportunities for  
14 professional development, and to encourage parental  
15 involvement and community partnerships to achieve school  
16 improvement. If a local school council fails to renew the  
17 performance contract of a principal rated by the general  
18 superintendent, or his or her designee, in the previous years'  
19 evaluations as meeting or exceeding expectations, the  
20 principal, within 15 days after the local school council's  
21 decision not to renew the contract, may request a review of the  
22 local school council's principal non-retention decision by a  
23 hearing officer appointed by the American Arbitration  
24 Association. A local school council member or members or the  
25 general superintendent may support the principal's request for  
26 review. During the period of the hearing officer's review of

1 the local school council's decision on whether or not to retain  
2 the principal, the local school council shall maintain all  
3 authority to search for and contract with a person to serve as  
4 interim or acting principal, or as the principal of the  
5 attendance center under a 4-year performance contract,  
6 provided that any performance contract entered into by the  
7 local school council shall be voidable or modified in  
8 accordance with the decision of the hearing officer. The  
9 principal may request review only once while at that attendance  
10 center. If a local school council renews the contract of a  
11 principal who failed to obtain a rating of "meets" or "exceeds  
12 expectations" in the general superintendent's evaluation for  
13 the previous year, the general superintendent, within 15 days  
14 after the local school council's decision to renew the  
15 contract, may request a review of the local school council's  
16 principal retention decision by a hearing officer appointed by  
17 the American Arbitration Association. The general  
18 superintendent may request a review only once for that  
19 principal at that attendance center. All requests to review the  
20 retention or non-retention of a principal shall be submitted to  
21 the general superintendent, who shall, in turn, forward such  
22 requests, within 14 days of receipt, to the American  
23 Arbitration Association. The general superintendent shall send  
24 a contemporaneous copy of the request that was forwarded to the  
25 American Arbitration Association to the principal and to each  
26 local school council member and shall inform the local school

1 council of its rights and responsibilities under the  
2 arbitration process, including the local school council's  
3 right to representation and the manner and process by which the  
4 Board shall pay the costs of the council's representation. If  
5 the local school council retains the principal and the general  
6 superintendent requests a review of the retention decision, the  
7 local school council and the general superintendent shall be  
8 considered parties to the arbitration, a hearing officer shall  
9 be chosen between those 2 parties pursuant to procedures  
10 promulgated by the State Board of Education, and the principal  
11 may retain counsel and participate in the arbitration. If the  
12 local school council does not retain the principal and the  
13 principal requests a review of the retention decision, the  
14 local school council and the principal shall be considered  
15 parties to the arbitration and a hearing officer shall be  
16 chosen between those 2 parties pursuant to procedures  
17 promulgated by the State Board of Education. The hearing shall  
18 begin (i) within 45 days after the initial request for review  
19 is submitted by the principal to the general superintendent or  
20 (ii) if the initial request for review is made by the general  
21 superintendent, within 45 days after that request is mailed to  
22 the American Arbitration Association. The hearing officer  
23 shall render a decision within 45 days after the hearing begins  
24 and within 90 days after the initial request for review. The  
25 Board shall contract with the American Arbitration Association  
26 for all of the hearing officer's reasonable and necessary

1 costs. In addition, the Board shall pay any reasonable costs  
2 incurred by a local school council for representation before a  
3 hearing officer.

4 1.10. The hearing officer shall conduct a hearing, which  
5 shall include (i) a review of the principal's performance,  
6 evaluations, and other evidence of the principal's service at  
7 the school, (ii) reasons provided by the local school council  
8 for its decision, and (iii) documentation evidencing views of  
9 interested persons, including, without limitation, students,  
10 parents, local school council members, school faculty and  
11 staff, the principal, the general superintendent or his or her  
12 designee, and members of the community. The burden of proof in  
13 establishing that the local school council's decision was  
14 arbitrary and capricious shall be on the party requesting the  
15 arbitration, and this party shall sustain the burden by a  
16 preponderance of the evidence. The hearing officer shall set  
17 the local school council decision aside if that decision, in  
18 light of the record developed at the hearing, is arbitrary and  
19 capricious. The decision of the hearing officer may not be  
20 appealed to the Board or the State Board of Education. If the  
21 hearing officer decides that the principal shall be retained,  
22 the retention period shall not exceed 2 years.

23 2. In the event (i) the local school council does not renew  
24 the performance contract of the principal, or the principal  
25 fails to receive a satisfactory rating as provided in  
26 subsection (h) of Section 34-8.3, or the principal is removed

1 for cause during the term of his or her performance contract in  
2 the manner provided by Section 34-85, or a vacancy in the  
3 position of principal otherwise occurs prior to the expiration  
4 of the term of a principal's performance contract, and (ii) the  
5 local school council fails to directly select a new principal  
6 to serve under a 4 year performance contract, the local school  
7 council in such event shall submit to the general  
8 superintendent a list of 3 candidates -- listed in the local  
9 school council's order of preference -- for the position of  
10 principal, one of which shall be selected by the general  
11 superintendent to serve as principal of the attendance center.  
12 If the general superintendent fails or refuses to select one of  
13 the candidates on the list to serve as principal within 30 days  
14 after being furnished with the candidate list, the general  
15 superintendent shall select and place a principal on an interim  
16 basis (i) for a period not to exceed one year or (ii) until the  
17 local school council selects a new principal with 7 affirmative  
18 votes as provided in subsection (c) of Section 34-2.2,  
19 whichever occurs first. If the local school council fails or  
20 refuses to select and appoint a new principal, as specified by  
21 subsection (c) of Section 34-2.2, the general superintendent  
22 may select and appoint a new principal on an interim basis for  
23 an additional year or until a new contract principal is  
24 selected by the local school council. There shall be no  
25 discrimination on the basis of race, sex, creed, color or  
26 disability unrelated to ability to perform in connection with



1 the submission of candidates for, and the selection of a  
2 candidate to serve as principal of an attendance center. No  
3 person shall be directly selected, listed as a candidate for,  
4 or selected to serve as principal of an attendance center (i)  
5 if such person has been removed for cause from employment by  
6 the Board or (ii) if such person does not hold a valid  
7 administrative certificate issued or exchanged under Article  
8 21 and endorsed as required by that Article for the position of  
9 principal. A principal whose performance contract is not  
10 renewed as provided under subsection (c) of Section 34-2.2 may  
11 nevertheless, if otherwise qualified and certified as herein  
12 provided and if he or she has received a satisfactory rating as  
13 provided in subsection (h) of Section 34-8.3, be included by a  
14 local school council as one of the 3 candidates listed in order  
15 of preference on any candidate list from which one person is to  
16 be selected to serve as principal of the attendance center  
17 under a new performance contract. The initial candidate list  
18 required to be submitted by a local school council to the  
19 general superintendent in cases where the local school council  
20 does not renew the performance contract of its principal and  
21 does not directly select a new principal to serve under a 4  
22 year performance contract shall be submitted not later than 30  
23 days prior to the expiration of the current performance  
24 contract. In cases where the local school council fails or  
25 refuses to submit the candidate list to the general  
26 superintendent no later than 30 days prior to the expiration of

1 the incumbent principal's contract, the general superintendent  
2 may appoint a principal on an interim basis for a period not to  
3 exceed one year, during which time the local school council  
4 shall be able to select a new principal with 7 affirmative  
5 votes as provided in subsection (c) of Section 34-2.2. In cases  
6 where a principal is removed for cause or a vacancy otherwise  
7 occurs in the position of principal and the vacancy is not  
8 filled by direct selection by the local school council, the  
9 candidate list shall be submitted by the local school council  
10 to the general superintendent within 90 days after the date  
11 such removal or vacancy occurs. In cases where the local school  
12 council fails or refuses to submit the candidate list to the  
13 general superintendent within 90 days after the date of the  
14 vacancy, the general superintendent may appoint a principal on  
15 an interim basis for a period of one year, during which time  
16 the local school council shall be able to select a new  
17 principal with 7 affirmative votes as provided in subsection  
18 (c) of Section 34-2.2.

19 2.5. Whenever a vacancy in the office of a principal occurs  
20 for any reason, the vacancy shall be filled in the manner  
21 provided by this Section by the selection of a new principal to  
22 serve under a 4 year performance contract.

23 3. To establish additional criteria to be included as part  
24 of the performance contract of its principal, provided that  
25 such additional criteria shall not discriminate on the basis of  
26 race, sex, creed, color or disability unrelated to ability to

1 perform, and shall not be inconsistent with the uniform 4 year  
2 performance contract for principals developed by the board as  
3 provided in Section 34-8.1 of the School Code or with other  
4 provisions of this Article governing the authority and  
5 responsibility of principals.

6 4. To approve the expenditure plan prepared by the  
7 principal with respect to all funds allocated and distributed  
8 to the attendance center by the Board. The expenditure plan  
9 shall be administered by the principal. Notwithstanding any  
10 other provision of this Act or any other law, any expenditure  
11 plan approved and administered under this Section 34-2.3 shall  
12 be consistent with and subject to the terms of any contract for  
13 services with a third party entered into by the Chicago School  
14 Reform Board of Trustees or the board under this Act.

15 Via a supermajority vote of 7 members of the local school  
16 council or 8 members of a high school local school council, the  
17 Council may transfer allocations pursuant to Section 34-2.3  
18 within funds; provided that such a transfer is consistent with  
19 applicable law and collective bargaining agreements.

20 Beginning in fiscal year 1991 and in each fiscal year  
21 thereafter, the Board may reserve up to 1% of its total fiscal  
22 year budget for distribution on a prioritized basis to schools  
23 throughout the school system in order to assure adequate  
24 programs to meet the needs of special student populations as  
25 determined by the Board. This distribution shall take into  
26 account the needs catalogued in the Systemwide Plan and the

1 various local school improvement plans of the local school  
2 councils. Information about these centrally funded programs  
3 shall be distributed to the local school councils so that their  
4 subsequent planning and programming will account for these  
5 provisions.

6 Beginning in fiscal year 1991 and in each fiscal year  
7 thereafter, from other amounts available in the applicable  
8 fiscal year budget, the board shall allocate a lump sum amount  
9 to each local school based upon such formula as the board shall  
10 determine taking into account the special needs of the student  
11 body. The local school principal shall develop an expenditure  
12 plan in consultation with the local school council, the  
13 professional personnel leadership committee and with all other  
14 school personnel, which reflects the priorities and activities  
15 as described in the school's local school improvement plan and  
16 is consistent with applicable law and collective bargaining  
17 agreements and with board policies and standards; however, the  
18 local school council shall have the right to request waivers of  
19 board policy from the board of education and waivers of  
20 employee collective bargaining agreements pursuant to Section  
21 34-8.1a.

22 The expenditure plan developed by the principal with  
23 respect to amounts available from the fund for prioritized  
24 special needs programs and the allocated lump sum amount must  
25 be approved by the local school council.

26 The lump sum allocation shall take into account the

1 following principles:

2 a. Teachers: Each school shall be allocated funds equal  
3 to the amount appropriated in the previous school year for  
4 compensation for teachers (regular grades kindergarten  
5 through 12th grade) plus whatever increases in  
6 compensation have been negotiated contractually or through  
7 longevity as provided in the negotiated agreement.  
8 Adjustments shall be made due to layoff or reduction in  
9 force, lack of funds or work, change in subject  
10 requirements, enrollment changes, or contracts with third  
11 parties for the performance of services or to rectify any  
12 inconsistencies with system-wide allocation formulas or  
13 for other legitimate reasons.

14 b. Other personnel: Funds for other teacher  
15 certificated and uncertificated personnel paid through  
16 non-categorical funds shall be provided according to  
17 system-wide formulas based on student enrollment and the  
18 special needs of the school as determined by the Board.

19 c. Non-compensation items: Appropriations for all  
20 non-compensation items shall be based on system-wide  
21 formulas based on student enrollment and on the special  
22 needs of the school or factors related to the physical  
23 plant, including but not limited to textbooks, electronic  
24 textbooks and the technological equipment necessary to  
25 gain access to and use electronic textbooks, supplies,  
26 electricity, equipment, and routine maintenance.

1           d. Funds for categorical programs: Schools shall  
2 receive personnel and funds based on, and shall use such  
3 personnel and funds in accordance with State and Federal  
4 requirements applicable to each categorical program  
5 provided to meet the special needs of the student body  
6 (including but not limited to, Federal Chapter I,  
7 Bilingual, and Special Education).

8           d.1. Funds for State Title I: Each school shall receive  
9 funds based on State and Board requirements applicable to  
10 each State Title I pupil provided to meet the special needs  
11 of the student body. Each school shall receive the  
12 proportion of funds as provided in Section 18-8 or 18-8.15  
13 to which they are entitled. These funds shall be spent only  
14 with the budgetary approval of the Local School Council as  
15 provided in Section 34-2.3.

16           e. The Local School Council shall have the right to  
17 request the principal to close positions and open new ones  
18 consistent with the provisions of the local school  
19 improvement plan provided that these decisions are  
20 consistent with applicable law and collective bargaining  
21 agreements. If a position is closed, pursuant to this  
22 paragraph, the local school shall have for its use the  
23 system-wide average compensation for the closed position.

24           f. Operating within existing laws and collective  
25 bargaining agreements, the local school council shall have  
26 the right to direct the principal to shift expenditures

1           within funds.

2           g. (Blank).

3           Any funds unexpended at the end of the fiscal year shall be  
4 available to the board of education for use as part of its  
5 budget for the following fiscal year.

6           5. To make recommendations to the principal concerning  
7 textbook selection and concerning curriculum developed  
8 pursuant to the school improvement plan which is consistent  
9 with systemwide curriculum objectives in accordance with  
10 Sections 34-8 and 34-18 of the School Code and in conformity  
11 with the collective bargaining agreement.

12          6. To advise the principal concerning the attendance and  
13 disciplinary policies for the attendance center, subject to the  
14 provisions of this Article and Article 26, and consistent with  
15 the uniform system of discipline established by the board  
16 pursuant to Section 34-19.

17          7. To approve a school improvement plan developed as  
18 provided in Section 34-2.4. The process and schedule for plan  
19 development shall be publicized to the entire school community,  
20 and the community shall be afforded the opportunity to make  
21 recommendations concerning the plan. At least twice a year the  
22 principal and local school council shall report publicly on  
23 progress and problems with respect to plan implementation.

24          8. To evaluate the allocation of teaching resources and  
25 other certificated and uncertificated staff to the attendance  
26 center to determine whether such allocation is consistent with

1 and in furtherance of instructional objectives and school  
2 programs reflective of the school improvement plan adopted for  
3 the attendance center; and to make recommendations to the  
4 board, the general superintendent and the principal concerning  
5 any reallocation of teaching resources or other staff whenever  
6 the council determines that any such reallocation is  
7 appropriate because the qualifications of any existing staff at  
8 the attendance center do not adequately match or support  
9 instructional objectives or school programs which reflect the  
10 school improvement plan.

11 9. To make recommendations to the principal and the general  
12 superintendent concerning their respective appointments, after  
13 August 31, 1989, and in the manner provided by Section 34-8 and  
14 Section 34-8.1, of persons to fill any vacant, additional or  
15 newly created positions for teachers at the attendance center  
16 or at attendance centers which include the attendance center  
17 served by the local school council.

18 10. To request of the Board the manner in which training  
19 and assistance shall be provided to the local school council.  
20 Pursuant to Board guidelines a local school council is  
21 authorized to direct the Board of Education to contract with  
22 personnel or not-for-profit organizations not associated with  
23 the school district to train or assist council members. If  
24 training or assistance is provided by contract with personnel  
25 or organizations not associated with the school district, the  
26 period of training or assistance shall not exceed 30 hours



1 during a given school year; person shall not be employed on a  
2 continuous basis longer than said period and shall not have  
3 been employed by the Chicago Board of Education within the  
4 preceding six months. Council members shall receive training in  
5 at least the following areas:

6 1. school budgets;

7 2. educational theory pertinent to the attendance  
8 center's particular needs, including the development of  
9 the school improvement plan and the principal's  
10 performance contract; and

11 3. personnel selection.

12 Council members shall, to the greatest extent possible,  
13 complete such training within 90 days of election.

14 11. In accordance with systemwide guidelines contained in  
15 the System-Wide Educational Reform Goals and Objectives Plan,  
16 criteria for evaluation of performance shall be established for  
17 local school councils and local school council members. If a  
18 local school council persists in noncompliance with systemwide  
19 requirements, the Board may impose sanctions and take necessary  
20 corrective action, consistent with Section 34-8.3.

21 12. Each local school council shall comply with the Open  
22 Meetings Act and the Freedom of Information Act. Each local  
23 school council shall issue and transmit to its school community  
24 a detailed annual report accounting for its activities  
25 programmatically and financially. Each local school council  
26 shall convene at least 2 well-publicized meetings annually with

1 its entire school community. These meetings shall include  
2 presentation of the proposed local school improvement plan, of  
3 the proposed school expenditure plan, and the annual report,  
4 and shall provide an opportunity for public comment.

5 13. Each local school council is encouraged to involve  
6 additional non-voting members of the school community in  
7 facilitating the council's exercise of its responsibilities.

8 14. The local school council may adopt a school uniform or  
9 dress code policy that governs the attendance center and that  
10 is necessary to maintain the orderly process of a school  
11 function or prevent endangerment of student health or safety,  
12 consistent with the policies and rules of the Board of  
13 Education. A school uniform or dress code policy adopted by a  
14 local school council: (i) shall not be applied in such manner  
15 as to discipline or deny attendance to a transfer student or  
16 any other student for noncompliance with that policy during  
17 such period of time as is reasonably necessary to enable the  
18 student to acquire a school uniform or otherwise comply with  
19 the dress code policy that is in effect at the attendance  
20 center into which the student's enrollment is transferred; and  
21 (ii) shall include criteria and procedures under which the  
22 local school council will accommodate the needs of or otherwise  
23 provide appropriate resources to assist a student from an  
24 indigent family in complying with an applicable school uniform  
25 or dress code policy. A student whose parents or legal  
26 guardians object on religious grounds to the student's

1 compliance with an applicable school uniform or dress code  
2 policy shall not be required to comply with that policy if the  
3 student's parents or legal guardians present to the local  
4 school council a signed statement of objection detailing the  
5 grounds for the objection.

6 15. All decisions made and actions taken by the local  
7 school council in the exercise of its powers and duties shall  
8 comply with State and federal laws, all applicable collective  
9 bargaining agreements, court orders and rules properly  
10 promulgated by the Board.

11 15a. To grant, in accordance with board rules and policies,  
12 the use of assembly halls and classrooms when not otherwise  
13 needed, including lighting, heat, and attendants, for public  
14 lectures, concerts, and other educational and social  
15 activities.

16 15b. To approve, in accordance with board rules and  
17 policies, receipts and expenditures for all internal accounts  
18 of the attendance center, and to approve all fund-raising  
19 activities by nonschool organizations that use the school  
20 building.

21 16. (Blank).

22 17. Names and addresses of local school council members  
23 shall be a matter of public record.

24 (Source: P.A. 96-1403, eff. 7-29-10.)

1           Sec. 34-8.4. Intervention. The Chicago Schools Academic  
2           Accountability Council may recommend to the Chicago School  
3           Reform Board of Trustees that any school placed on remediation  
4           or probation under Section 34-8.3 or schools that for the 3  
5           consecutive school years of 1992-1993, 1993-1994, and  
6           1994-1995 have met the State Board of Education's category of  
7           "does not meet expectations" be made subject to intervention  
8           under this Section 34-8.4. In addition to any powers created  
9           under this Section, the Trustees shall have all powers created  
10          under Section 34-8.3 with respect to schools subjected to  
11          intervention.

12          Prior to subjecting a school to intervention, the Trustees  
13          shall conduct a public hearing and make findings of facts  
14          concerning the recommendation of the Chicago Schools Academic  
15          Accountability Council and the factors causing the failure of  
16          the school to adequately perform. The Trustees shall afford an  
17          opportunity at the hearing for interested persons to comment  
18          about the intervention recommendation. After the hearing has  
19          been held and completion of findings of fact, the Trustees  
20          shall make a determination whether to subject the school to  
21          intervention.

22          If the Trustees determine that a school shall be subject to  
23          intervention under this Section, the Trustees shall develop an  
24          intervention implementation plan and shall cause a performance  
25          evaluation to be made of each employee at the school. Upon  
26          consideration of such evaluations, and consistent with the

1 intervention implementation plan, the Trustees may reassign,  
2 layoff, or dismiss any employees at the attendance center,  
3 notwithstanding the provisions of Sections 24A-5 and 34-85.

4 The chief educational officer shall appoint a principal for  
5 the school and shall set the terms and conditions of the  
6 principal's contract, which in no case may be longer than 2  
7 years. The principal shall select all teachers and  
8 non-certified personnel for the school as may be necessary. Any  
9 provision of Section 34-8.1 that conflicts with this Section  
10 shall not apply to a school subjected to intervention under  
11 this Section.

12 If pursuant to this Section, the general superintendent,  
13 with the approval of the board, orders new local school council  
14 elections, the general superintendent shall carry out the  
15 responsibilities of the local school council for a school  
16 subject to intervention until the new local school council  
17 members are elected and trained.

18 Each school year, 5% of the supplemental general State aid  
19 or supplemental grant funds distributed to a school subject to  
20 intervention during that school year under subsection  
21 5(i)(1)(a) of part A of Section 18-8, ~~or~~ subsection (H) of  
22 Section 18-8.05, or paragraph (2) of subsection (j) of Section  
23 18-8.15 shall be used for employee performance incentives. The  
24 Trustees shall prepare a report evaluating the results of any  
25 interventions undertaken pursuant to this Section and shall  
26 make recommendations concerning implementation of special

1 programs for dealing with underperforming schools on an ongoing  
2 basis. This report shall be submitted to the State  
3 Superintendent of Education and Mayor of the City of Chicago by  
4 January 1, 1999.

5 (Source: P.A. 89-15, eff. 5-30-95; 89-698, eff. 1-14-97;  
6 90-548, eff. 1-1-98.)

7 (105 ILCS 5/34-18) (from Ch. 122, par. 34-18)

8 Sec. 34-18. Powers of the board. The board shall exercise  
9 general supervision and jurisdiction over the public education  
10 and the public school system of the city, and, except as  
11 otherwise provided by this Article, shall have power:

12 1. To make suitable provision for the establishment and  
13 maintenance throughout the year or for such portion thereof  
14 as it may direct, not less than 9 months, of schools of all  
15 grades and kinds, including normal schools, high schools,  
16 night schools, schools for defectives and delinquents,  
17 parental and truant schools, schools for the blind, the  
18 deaf and persons with physical disabilities, schools or  
19 classes in manual training, constructural and vocational  
20 teaching, domestic arts and physical culture, vocation and  
21 extension schools and lecture courses, and all other  
22 educational courses and facilities, including  
23 establishing, equipping, maintaining and operating  
24 playgrounds and recreational programs, when such programs  
25 are conducted in, adjacent to, or connected with any public

1 school under the general supervision and jurisdiction of  
2 the board; provided that the calendar for the school term  
3 and any changes must be submitted to and approved by the  
4 State Board of Education before the calendar or changes may  
5 take effect, and provided that in allocating funds from  
6 year to year for the operation of all attendance centers  
7 within the district, the board shall ensure that  
8 supplemental general State aid or supplemental grant funds  
9 are allocated and applied in accordance with Section 18-8,  
10 ~~or~~ 18-8.05, or 18-8.15. To admit to such schools without  
11 charge foreign exchange students who are participants in an  
12 organized exchange student program which is authorized by  
13 the board. The board shall permit all students to enroll in  
14 apprenticeship programs in trade schools operated by the  
15 board, whether those programs are union-sponsored or not.  
16 No student shall be refused admission into or be excluded  
17 from any course of instruction offered in the common  
18 schools by reason of that student's sex. No student shall  
19 be denied equal access to physical education and  
20 interscholastic athletic programs supported from school  
21 district funds or denied participation in comparable  
22 physical education and athletic programs solely by reason  
23 of the student's sex. Equal access to programs supported  
24 from school district funds and comparable programs will be  
25 defined in rules promulgated by the State Board of  
26 Education in consultation with the Illinois High School

1 Association. Notwithstanding any other provision of this  
2 Article, neither the board of education nor any local  
3 school council or other school official shall recommend  
4 that children with disabilities be placed into regular  
5 education classrooms unless those children with  
6 disabilities are provided with supplementary services to  
7 assist them so that they benefit from the regular classroom  
8 instruction and are included on the teacher's regular  
9 education class register;

10 2. To furnish lunches to pupils, to make a reasonable  
11 charge therefor, and to use school funds for the payment of  
12 such expenses as the board may determine are necessary in  
13 conducting the school lunch program;

14 3. To co-operate with the circuit court;

15 4. To make arrangements with the public or quasi-public  
16 libraries and museums for the use of their facilities by  
17 teachers and pupils of the public schools;

18 5. To employ dentists and prescribe their duties for  
19 the purpose of treating the pupils in the schools, but  
20 accepting such treatment shall be optional with parents or  
21 guardians;

22 6. To grant the use of assembly halls and classrooms  
23 when not otherwise needed, including light, heat, and  
24 attendants, for free public lectures, concerts, and other  
25 educational and social interests, free of charge, under  
26 such provisions and control as the principal of the



1 affected attendance center may prescribe;

2 7. To apportion the pupils to the several schools;  
3 provided that no pupil shall be excluded from or segregated  
4 in any such school on account of his color, race, sex, or  
5 nationality. The board shall take into consideration the  
6 prevention of segregation and the elimination of  
7 separation of children in public schools because of color,  
8 race, sex, or nationality. Except that children may be  
9 committed to or attend parental and social adjustment  
10 schools established and maintained either for boys or girls  
11 only. All records pertaining to the creation, alteration or  
12 revision of attendance areas shall be open to the public.  
13 Nothing herein shall limit the board's authority to  
14 establish multi-area attendance centers or other student  
15 assignment systems for desegregation purposes or  
16 otherwise, and to apportion the pupils to the several  
17 schools. Furthermore, beginning in school year 1994-95,  
18 pursuant to a board plan adopted by October 1, 1993, the  
19 board shall offer, commencing on a phased-in basis, the  
20 opportunity for families within the school district to  
21 apply for enrollment of their children in any attendance  
22 center within the school district which does not have  
23 selective admission requirements approved by the board.  
24 The appropriate geographical area in which such open  
25 enrollment may be exercised shall be determined by the  
26 board of education. Such children may be admitted to any

1 such attendance center on a space available basis after all  
2 children residing within such attendance center's area  
3 have been accommodated. If the number of applicants from  
4 outside the attendance area exceed the space available,  
5 then successful applicants shall be selected by lottery.  
6 The board of education's open enrollment plan must include  
7 provisions that allow low income students to have access to  
8 transportation needed to exercise school choice. Open  
9 enrollment shall be in compliance with the provisions of  
10 the Consent Decree and Desegregation Plan cited in Section  
11 34-1.01;

12 8. To approve programs and policies for providing  
13 transportation services to students. Nothing herein shall  
14 be construed to permit or empower the State Board of  
15 Education to order, mandate, or require busing or other  
16 transportation of pupils for the purpose of achieving  
17 racial balance in any school;

18 9. Subject to the limitations in this Article, to  
19 establish and approve system-wide curriculum objectives  
20 and standards, including graduation standards, which  
21 reflect the multi-cultural diversity in the city and are  
22 consistent with State law, provided that for all purposes  
23 of this Article courses or proficiency in American Sign  
24 Language shall be deemed to constitute courses or  
25 proficiency in a foreign language; and to employ principals  
26 and teachers, appointed as provided in this Article, and

1 fix their compensation. The board shall prepare such  
2 reports related to minimal competency testing as may be  
3 requested by the State Board of Education, and in addition  
4 shall monitor and approve special education and bilingual  
5 education programs and policies within the district to  
6 assure that appropriate services are provided in  
7 accordance with applicable State and federal laws to  
8 children requiring services and education in those areas;

9 10. To employ non-teaching personnel or utilize  
10 volunteer personnel for: (i) non-teaching duties not  
11 requiring instructional judgment or evaluation of pupils,  
12 including library duties; and (ii) supervising study  
13 halls, long distance teaching reception areas used  
14 incident to instructional programs transmitted by  
15 electronic media such as computers, video, and audio,  
16 detention and discipline areas, and school-sponsored  
17 extracurricular activities. The board may further utilize  
18 volunteer non-certificated personnel or employ  
19 non-certificated personnel to assist in the instruction of  
20 pupils under the immediate supervision of a teacher holding  
21 a valid certificate, directly engaged in teaching subject  
22 matter or conducting activities; provided that the teacher  
23 shall be continuously aware of the non-certificated  
24 persons' activities and shall be able to control or modify  
25 them. The general superintendent shall determine  
26 qualifications of such personnel and shall prescribe rules

1 for determining the duties and activities to be assigned to  
2 such personnel;

3 10.5. To utilize volunteer personnel from a regional  
4 School Crisis Assistance Team (S.C.A.T.), created as part  
5 of the Safe to Learn Program established pursuant to  
6 Section 25 of the Illinois Violence Prevention Act of 1995,  
7 to provide assistance to schools in times of violence or  
8 other traumatic incidents within a school community by  
9 providing crisis intervention services to lessen the  
10 effects of emotional trauma on individuals and the  
11 community; the School Crisis Assistance Team Steering  
12 Committee shall determine the qualifications for  
13 volunteers;

14 11. To provide television studio facilities in not to  
15 exceed one school building and to provide programs for  
16 educational purposes, provided, however, that the board  
17 shall not construct, acquire, operate, or maintain a  
18 television transmitter; to grant the use of its studio  
19 facilities to a licensed television station located in the  
20 school district; and to maintain and operate not to exceed  
21 one school radio transmitting station and provide programs  
22 for educational purposes;

23 12. To offer, if deemed appropriate, outdoor education  
24 courses, including field trips within the State of  
25 Illinois, or adjacent states, and to use school educational  
26 funds for the expense of the said outdoor educational

1 programs, whether within the school district or not;

2 13. During that period of the calendar year not  
3 embraced within the regular school term, to provide and  
4 conduct courses in subject matters normally embraced in the  
5 program of the schools during the regular school term and  
6 to give regular school credit for satisfactory completion  
7 by the student of such courses as may be approved for  
8 credit by the State Board of Education;

9 14. To insure against any loss or liability of the  
10 board, the former School Board Nominating Commission,  
11 Local School Councils, the Chicago Schools Academic  
12 Accountability Council, or the former Subdistrict Councils  
13 or of any member, officer, agent or employee thereof,  
14 resulting from alleged violations of civil rights arising  
15 from incidents occurring on or after September 5, 1967 or  
16 from the wrongful or negligent act or omission of any such  
17 person whether occurring within or without the school  
18 premises, provided the officer, agent or employee was, at  
19 the time of the alleged violation of civil rights or  
20 wrongful act or omission, acting within the scope of his  
21 employment or under direction of the board, the former  
22 School Board Nominating Commission, the Chicago Schools  
23 Academic Accountability Council, Local School Councils, or  
24 the former Subdistrict Councils; and to provide for or  
25 participate in insurance plans for its officers and  
26 employees, including but not limited to retirement

1 annuities, medical, surgical and hospitalization benefits  
2 in such types and amounts as may be determined by the  
3 board; provided, however, that the board shall contract for  
4 such insurance only with an insurance company authorized to  
5 do business in this State. Such insurance may include  
6 provision for employees who rely on treatment by prayer or  
7 spiritual means alone for healing, in accordance with the  
8 tenets and practice of a recognized religious  
9 denomination;

10 15. To contract with the corporate authorities of any  
11 municipality or the county board of any county, as the case  
12 may be, to provide for the regulation of traffic in parking  
13 areas of property used for school purposes, in such manner  
14 as is provided by Section 11-209 of The Illinois Vehicle  
15 Code, approved September 29, 1969, as amended;

16 16. (a) To provide, on an equal basis, access to a high  
17 school campus and student directory information to the  
18 official recruiting representatives of the armed forces of  
19 Illinois and the United States for the purposes of  
20 informing students of the educational and career  
21 opportunities available in the military if the board has  
22 provided such access to persons or groups whose purpose is  
23 to acquaint students with educational or occupational  
24 opportunities available to them. The board is not required  
25 to give greater notice regarding the right of access to  
26 recruiting representatives than is given to other persons

1 and groups. In this paragraph 16, "directory information"  
2 means a high school student's name, address, and telephone  
3 number.

4 (b) If a student or his or her parent or guardian  
5 submits a signed, written request to the high school before  
6 the end of the student's sophomore year (or if the student  
7 is a transfer student, by another time set by the high  
8 school) that indicates that the student or his or her  
9 parent or guardian does not want the student's directory  
10 information to be provided to official recruiting  
11 representatives under subsection (a) of this Section, the  
12 high school may not provide access to the student's  
13 directory information to these recruiting representatives.  
14 The high school shall notify its students and their parents  
15 or guardians of the provisions of this subsection (b).

16 (c) A high school may require official recruiting  
17 representatives of the armed forces of Illinois and the  
18 United States to pay a fee for copying and mailing a  
19 student's directory information in an amount that is not  
20 more than the actual costs incurred by the high school.

21 (d) Information received by an official recruiting  
22 representative under this Section may be used only to  
23 provide information to students concerning educational and  
24 career opportunities available in the military and may not  
25 be released to a person who is not involved in recruiting  
26 students for the armed forces of Illinois or the United

1 States;

2 17. (a) To sell or market any computer program  
3 developed by an employee of the school district, provided  
4 that such employee developed the computer program as a  
5 direct result of his or her duties with the school district  
6 or through the utilization of the school district resources  
7 or facilities. The employee who developed the computer  
8 program shall be entitled to share in the proceeds of such  
9 sale or marketing of the computer program. The distribution  
10 of such proceeds between the employee and the school  
11 district shall be as agreed upon by the employee and the  
12 school district, except that neither the employee nor the  
13 school district may receive more than 90% of such proceeds.  
14 The negotiation for an employee who is represented by an  
15 exclusive bargaining representative may be conducted by  
16 such bargaining representative at the employee's request.

17 (b) For the purpose of this paragraph 17:

18 (1) "Computer" means an internally programmed,  
19 general purpose digital device capable of  
20 automatically accepting data, processing data and  
21 supplying the results of the operation.

22 (2) "Computer program" means a series of coded  
23 instructions or statements in a form acceptable to a  
24 computer, which causes the computer to process data in  
25 order to achieve a certain result.

26 (3) "Proceeds" means profits derived from



1 marketing or sale of a product after deducting the  
2 expenses of developing and marketing such product;

3 18. To delegate to the general superintendent of  
4 schools, by resolution, the authority to approve contracts  
5 and expenditures in amounts of \$10,000 or less;

6 19. Upon the written request of an employee, to  
7 withhold from the compensation of that employee any dues,  
8 payments or contributions payable by such employee to any  
9 labor organization as defined in the Illinois Educational  
10 Labor Relations Act. Under such arrangement, an amount  
11 shall be withheld from each regular payroll period which is  
12 equal to the pro rata share of the annual dues plus any  
13 payments or contributions, and the board shall transmit  
14 such withholdings to the specified labor organization  
15 within 10 working days from the time of the withholding;

16 19a. Upon receipt of notice from the comptroller of a  
17 municipality with a population of 500,000 or more, a county  
18 with a population of 3,000,000 or more, the Cook County  
19 Forest Preserve District, the Chicago Park District, the  
20 Metropolitan Water Reclamation District, the Chicago  
21 Transit Authority, or a housing authority of a municipality  
22 with a population of 500,000 or more that a debt is due and  
23 owing the municipality, the county, the Cook County Forest  
24 Preserve District, the Chicago Park District, the  
25 Metropolitan Water Reclamation District, the Chicago  
26 Transit Authority, or the housing authority by an employee

1 of the Chicago Board of Education, to withhold, from the  
2 compensation of that employee, the amount of the debt that  
3 is due and owing and pay the amount withheld to the  
4 municipality, the county, the Cook County Forest Preserve  
5 District, the Chicago Park District, the Metropolitan  
6 Water Reclamation District, the Chicago Transit Authority,  
7 or the housing authority; provided, however, that the  
8 amount deducted from any one salary or wage payment shall  
9 not exceed 25% of the net amount of the payment. Before the  
10 Board deducts any amount from any salary or wage of an  
11 employee under this paragraph, the municipality, the  
12 county, the Cook County Forest Preserve District, the  
13 Chicago Park District, the Metropolitan Water Reclamation  
14 District, the Chicago Transit Authority, or the housing  
15 authority shall certify that (i) the employee has been  
16 afforded an opportunity for a hearing to dispute the debt  
17 that is due and owing the municipality, the county, the  
18 Cook County Forest Preserve District, the Chicago Park  
19 District, the Metropolitan Water Reclamation District, the  
20 Chicago Transit Authority, or the housing authority and  
21 (ii) the employee has received notice of a wage deduction  
22 order and has been afforded an opportunity for a hearing to  
23 object to the order. For purposes of this paragraph, "net  
24 amount" means that part of the salary or wage payment  
25 remaining after the deduction of any amounts required by  
26 law to be deducted and "debt due and owing" means (i) a

1 specified sum of money owed to the municipality, the  
2 county, the Cook County Forest Preserve District, the  
3 Chicago Park District, the Metropolitan Water Reclamation  
4 District, the Chicago Transit Authority, or the housing  
5 authority for services, work, or goods, after the period  
6 granted for payment has expired, or (ii) a specified sum of  
7 money owed to the municipality, the county, the Cook County  
8 Forest Preserve District, the Chicago Park District, the  
9 Metropolitan Water Reclamation District, the Chicago  
10 Transit Authority, or the housing authority pursuant to a  
11 court order or order of an administrative hearing officer  
12 after the exhaustion of, or the failure to exhaust,  
13 judicial review;

14 20. The board is encouraged to employ a sufficient  
15 number of certified school counselors to maintain a  
16 student/counselor ratio of 250 to 1 by July 1, 1990. Each  
17 counselor shall spend at least 75% of his work time in  
18 direct contact with students and shall maintain a record of  
19 such time;

20 21. To make available to students vocational and career  
21 counseling and to establish 5 special career counseling  
22 days for students and parents. On these days  
23 representatives of local businesses and industries shall  
24 be invited to the school campus and shall inform students  
25 of career opportunities available to them in the various  
26 businesses and industries. Special consideration shall be

1 given to counseling minority students as to career  
2 opportunities available to them in various fields. For the  
3 purposes of this paragraph, minority student means a person  
4 who is any of the following:

5 (a) American Indian or Alaska Native (a person having  
6 origins in any of the original peoples of North and South  
7 America, including Central America, and who maintains  
8 tribal affiliation or community attachment).

9 (b) Asian (a person having origins in any of the  
10 original peoples of the Far East, Southeast Asia, or the  
11 Indian subcontinent, including, but not limited to,  
12 Cambodia, China, India, Japan, Korea, Malaysia, Pakistan,  
13 the Philippine Islands, Thailand, and Vietnam).

14 (c) Black or African American (a person having origins  
15 in any of the black racial groups of Africa). Terms such as  
16 "Haitian" or "Negro" can be used in addition to "Black or  
17 African American".

18 (d) Hispanic or Latino (a person of Cuban, Mexican,  
19 Puerto Rican, South or Central American, or other Spanish  
20 culture or origin, regardless of race).

21 (e) Native Hawaiian or Other Pacific Islander (a person  
22 having origins in any of the original peoples of Hawaii,  
23 Guam, Samoa, or other Pacific Islands).

24 Counseling days shall not be in lieu of regular school  
25 days;

26 22. To report to the State Board of Education the

1 annual student dropout rate and number of students who  
2 graduate from, transfer from or otherwise leave bilingual  
3 programs;

4 23. Except as otherwise provided in the Abused and  
5 Neglected Child Reporting Act or other applicable State or  
6 federal law, to permit school officials to withhold, from  
7 any person, information on the whereabouts of any child  
8 removed from school premises when the child has been taken  
9 into protective custody as a victim of suspected child  
10 abuse. School officials shall direct such person to the  
11 Department of Children and Family Services, or to the local  
12 law enforcement agency if appropriate;

13 24. To develop a policy, based on the current state of  
14 existing school facilities, projected enrollment and  
15 efficient utilization of available resources, for capital  
16 improvement of schools and school buildings within the  
17 district, addressing in that policy both the relative  
18 priority for major repairs, renovations and additions to  
19 school facilities, and the advisability or necessity of  
20 building new school facilities or closing existing schools  
21 to meet current or projected demographic patterns within  
22 the district;

23 25. To make available to the students in every high  
24 school attendance center the ability to take all courses  
25 necessary to comply with the Board of Higher Education's  
26 college entrance criteria effective in 1993;

1           26. To encourage mid-career changes into the teaching  
2 profession, whereby qualified professionals become  
3 certified teachers, by allowing credit for professional  
4 employment in related fields when determining point of  
5 entry on teacher pay scale;

6           27. To provide or contract out training programs for  
7 administrative personnel and principals with revised or  
8 expanded duties pursuant to this Act in order to assure  
9 they have the knowledge and skills to perform their duties;

10          28. To establish a fund for the prioritized special  
11 needs programs, and to allocate such funds and other lump  
12 sum amounts to each attendance center in a manner  
13 consistent with the provisions of part 4 of Section 34-2.3.  
14 Nothing in this paragraph shall be construed to require any  
15 additional appropriations of State funds for this purpose;

16          29. (Blank);

17          30. Notwithstanding any other provision of this Act or  
18 any other law to the contrary, to contract with third  
19 parties for services otherwise performed by employees,  
20 including those in a bargaining unit, and to layoff those  
21 employees upon 14 days written notice to the affected  
22 employees. Those contracts may be for a period not to  
23 exceed 5 years and may be awarded on a system-wide basis.  
24 The board may not operate more than 30 contract schools,  
25 provided that the board may operate an additional 5  
26 contract turnaround schools pursuant to item (5.5) of

1 subsection (d) of Section 34-8.3 of this Code;

2 31. To promulgate rules establishing procedures  
3 governing the layoff or reduction in force of employees and  
4 the recall of such employees, including, but not limited  
5 to, criteria for such layoffs, reductions in force or  
6 recall rights of such employees and the weight to be given  
7 to any particular criterion. Such criteria shall take into  
8 account factors including, but not be limited to,  
9 qualifications, certifications, experience, performance  
10 ratings or evaluations, and any other factors relating to  
11 an employee's job performance;

12 32. To develop a policy to prevent nepotism in the  
13 hiring of personnel or the selection of contractors;

14 33. To enter into a partnership agreement, as required  
15 by Section 34-3.5 of this Code, and, notwithstanding any  
16 other provision of law to the contrary, to promulgate  
17 policies, enter into contracts, and take any other action  
18 necessary to accomplish the objectives and implement the  
19 requirements of that agreement; and

20 34. To establish a Labor Management Council to the  
21 board comprised of representatives of the board, the chief  
22 executive officer, and those labor organizations that are  
23 the exclusive representatives of employees of the board and  
24 to promulgate policies and procedures for the operation of  
25 the Council.

26 The specifications of the powers herein granted are not to

1 be construed as exclusive but the board shall also exercise all  
2 other powers that they may be requisite or proper for the  
3 maintenance and the development of a public school system, not  
4 inconsistent with the other provisions of this Article or  
5 provisions of this Code which apply to all school districts.

6 In addition to the powers herein granted and authorized to  
7 be exercised by the board, it shall be the duty of the board to  
8 review or to direct independent reviews of special education  
9 expenditures and services. The board shall file a report of  
10 such review with the General Assembly on or before May 1, 1990.

11 (Source: P.A. 99-143, eff. 7-27-15.)

12 (105 ILCS 5/34-18.30)

13 Sec. 34-18.30. Dependents of military personnel; no  
14 tuition charge. If, at the time of enrollment, a dependent of  
15 United States military personnel is housed in temporary housing  
16 located outside of the school district, but will be living  
17 within the district within 60 days after the time of initial  
18 enrollment, the dependent must be allowed to enroll, subject to  
19 the requirements of this Section, and must not be charged  
20 tuition. Any United States military personnel attempting to  
21 enroll a dependent under this Section shall provide proof that  
22 the dependent will be living within the district within 60 days  
23 after the time of initial enrollment. Proof of residency may  
24 include, but is not limited to, postmarked mail addressed to  
25 the military personnel and sent to an address located within



1 the district, a lease agreement for occupancy of a residence  
2 located within the district, or proof of ownership of a  
3 residence located within the district. Non-resident dependents  
4 of United States military personnel attending school on a  
5 tuition-free basis may be counted for the purposes of  
6 determining the apportionment of State aid provided under  
7 Section 18-8.05 or 18-8.15 of this Code.

8 (Source: P.A. 95-331, eff. 8-21-07.)

9 (105 ILCS 5/34-43.1) (from Ch. 122, par. 34-43.1)

10 Sec. 34-43.1. (A) Limitation of noninstructional costs. It  
11 is the purpose of this Section to establish for the Board of  
12 Education and the general superintendent of schools  
13 requirements and standards which maximize the proportion of  
14 school district resources in direct support of educational,  
15 program, and building maintenance and safety services for the  
16 pupils of the district, and which correspondingly minimize the  
17 amount and proportion of such resources associated with  
18 centralized administration, administrative support services,  
19 and other noninstructional services.

20 For the 1989-90 school year and for all subsequent school  
21 years, the Board of Education shall undertake budgetary and  
22 expenditure control actions which limit the administrative  
23 expenditures of the Board of Education to levels, as provided  
24 for in this Section, which represent an average of the  
25 administrative expenses of all school districts in this State

1 not subject to Article 34.

2 (B) Certification of expenses by the State Superintendent  
3 of Education. The State Superintendent of Education shall  
4 annually certify, on or before May 1, to the Board of Education  
5 and the School Finance Authority, for the applicable school  
6 year, the following information:

7 (1) the annual expenditures of all school districts of  
8 the State not subject to Article 34 properly attributable  
9 to expenditure functions defined by the rules and  
10 regulations of the State Board of Education as: 2210  
11 (Improvement of Instructional Services); 2300 (Support  
12 Services - General Administration) excluding, however,  
13 2320 (Executive Administrative Services); 2490 (Other  
14 Support Services - School Administration); 2500 (Support  
15 Services - Business); 2600 (Support Services - Central);

16 (2) the total annual expenditures of all school  
17 districts not subject to Article 34 attributable to the  
18 Education Fund, the Operations, Building and Maintenance  
19 Fund, the Transportation Fund and the Illinois Municipal  
20 Retirement Fund of the several districts, as defined by the  
21 rules and regulations of the State Board of Education; and

22 (3) a ratio, to be called the statewide average of  
23 administrative expenditures, derived by dividing the  
24 expenditures certified pursuant to paragraph (B) (1) by the  
25 expenditures certified pursuant to paragraph (B) (2).

26 For purposes of the annual certification of expenditures

1 and ratios required by this Section, the "applicable year" of  
2 certification shall initially be the 1986-87 school year and,  
3 in sequent years, each succeeding school year.

4 The State Superintendent of Education shall consult with  
5 the Board of Education to ascertain whether particular  
6 expenditure items allocable to the administrative functions  
7 enumerated in paragraph (B)(1) are appropriately or  
8 necessarily higher in the applicable school district than in  
9 the rest of the State due to noncomparable factors. The State  
10 Superintendent shall also review the relevant cost proportions  
11 in other large urban school districts. The State Superintendent  
12 shall also review the expenditure categories in paragraph  
13 (B)(1) to ascertain whether they contain school-level  
14 expenses. If he or she finds that adjustments to the formula  
15 are appropriate or necessary to establish a more fair and  
16 comparable standard for administrative cost for the Board of  
17 Education or to exclude school-level expenses, the State  
18 Superintendent shall recommend to the School Finance Authority  
19 rules and regulations adjusting particular subcategories in  
20 this subsection (B) or adjusting certain costs in determining  
21 the budget and expenditure items properly attributable to the  
22 functions or otherwise adjust the formula.

23 (C) Administrative expenditure limitations. The annual  
24 budget of the Board of Education, as adopted and implemented,  
25 and the related annual expenditures for the school year, shall  
26 reflect a limitation on administrative outlays as required by

1 the following provisions, taking into account any adjustments  
2 established by the State Superintendent of Education: (1) the  
3 budget and expenditures of the Board of Education for the  
4 1989-90 school year shall reflect a ratio of administrative  
5 expenditures to total expenditures equal to or less than the  
6 statewide average of administrative expenditures for the  
7 1986-87 school year as certified by the State Superintendent of  
8 Education pursuant to paragraph (B)(3); (2) for the 1990-91  
9 school year and for all subsequent school years, the budget and  
10 expenditures of the Board of Education shall reflect a ratio of  
11 administrative expenditures to total expenditures equal to or  
12 less than the statewide average of administrative expenditures  
13 certified by the State Superintendent of Education for the  
14 applicable year pursuant to paragraph (B)(3); (3) if for any  
15 school year the budget of the Board of Education reflects a  
16 ratio of administrative expenditures to total expenditures  
17 which exceeds the applicable statewide average, the Board of  
18 Education shall reduce expenditure items allocable to the  
19 administrative functions enumerated in paragraph (B)(1) such  
20 that the Board of Education's ratio of administrative  
21 expenditures to total expenditures is equal to or less than the  
22 applicable statewide average ratio.

23 For purposes of this Section, the ratio of administrative  
24 expenditures to the total expenditures of the Board of  
25 Education, as applied to the budget of the Board of Education,  
26 shall mean: the budgeted expenditure items of the Board of

1 Education properly attributable to the expenditure functions  
2 identified in paragraph (B)(1) divided by the total budgeted  
3 expenditures of the Board of Education properly attributable to  
4 the Board of Education funds corresponding to those funds  
5 identified in paragraph (B)(2), exclusive of any monies  
6 budgeted for payment to the Public School Teachers' Pension and  
7 Retirement System, attributable to payments due from the  
8 General Funds of the State of Illinois.

9 The annual expenditure of the Board of Education for 2320  
10 (Executive Administrative Services) for the 1989-90 school  
11 year shall be no greater than the 2320 expenditure for the  
12 1988-89 school year. The annual expenditure of the Board of  
13 Education for 2320 for the 1990-91 school year and each  
14 subsequent school year shall be no greater than the 2320  
15 expenditure for the immediately preceding school year or the  
16 1988-89 school year, whichever is less. This annual expenditure  
17 limitation may be adjusted in each year in an amount not to  
18 exceed any change effective during the applicable school year  
19 in salary to be paid under the collective bargaining agreement  
20 with instructional personnel to which the Board is a party and  
21 in benefit costs either required by law or such collective  
22 bargaining agreement.

23 (D) Cost control measures. In undertaking actions to  
24 control or reduce expenditure items necessitated by the  
25 administrative expenditure limitations of this Section, the  
26 Board of Education shall give priority consideration to

1 reductions or cost controls with the least effect upon direct  
2 services to students or instructional services for pupils, and  
3 upon the safety and well-being of pupils, and, as applicable,  
4 with the particular costs or functions to which the Board of  
5 Education is higher than the statewide average.

6 For purposes of assuring that the cost control priorities  
7 of this subsection (D) are met, the State Superintendent of  
8 Education shall, with the assistance of the Board of Education,  
9 review the cost allocation practices of the Board of Education,  
10 and the State Superintendent of Education shall thereafter  
11 recommend to the School Finance Authority rules and regulations  
12 which define administrative areas which most impact upon the  
13 direct and instructional needs of students and upon the safety  
14 and well-being of the pupils of the district. No position  
15 closed shall be reopened using State or federal categorical  
16 funds.

17 (E) Report of Audited Information. For the 1988-89 school  
18 year and for all subsequent school years, the Board of  
19 Education shall file with the State Board of Education the  
20 Annual Financial Report and its audit, as required by the rules  
21 of the State Board of Education. Such reports shall be filed no  
22 later than February 15 following the end of the school year of  
23 the Board of Education, beginning with the report to be filed  
24 no later than February 15, 1990 for the 1988-89 school year.

25 As part of the required Annual Financial Report, the Board  
26 of Education shall provide a detailed accounting of the central

1 level, district, bureau and department costs and personnel  
2 included within expenditure functions included in paragraph  
3 (B)(1). The nature and detail of the reporting required for  
4 these functions shall be prescribed by the State Board of  
5 Education in rules and regulations. A copy of this detailed  
6 accounting shall also be provided annually to the School  
7 Finance Authority and the public. This report shall contain a  
8 reconciliation to the board of education's adopted budget for  
9 that fiscal year, specifically delineating administrative  
10 functions.

11 If the information required under this Section is not  
12 provided by the Board of Education in a timely manner, or is  
13 initially or subsequently determined by the State  
14 Superintendent of Education to be incomplete or inaccurate, the  
15 State Superintendent shall, in writing, notify the Board of  
16 Education of reporting deficiencies. The Board of Education  
17 shall, within 60 days of such notice, address the reporting  
18 deficiencies identified. If the State Superintendent of  
19 Education does not receive satisfactory response to these  
20 reporting deficiencies within 60 days, the next payment of  
21 general State aid or primary State aid due the Board of  
22 Education under Section 18-8 or Section 18-8.15, as applicable,  
23 and all subsequent payments, shall be withheld by the State  
24 Superintendent of Education until the enumerated deficiencies  
25 have been addressed.

26 Utilizing the Annual Financial Report, the State

1 Superintendent of Education shall certify on or before May 1 to  
2 the School Finance Authority the Board of Education's ratio of  
3 administrative expenditures to total expenditures for the  
4 1988-89 school year and for each succeeding school year. Such  
5 certification shall indicate the extent to which the  
6 administrative expenditure ratio of the Board of Education  
7 conformed to the limitations required in subsection (C) of this  
8 Section, taking into account any adjustments of the limitations  
9 which may have been recommended by the State Superintendent of  
10 Education to the School Finance Authority. In deriving the  
11 administrative expenditure ratio of the Chicago Board of  
12 Education, the State Superintendent of Education shall utilize  
13 the definition of this ratio prescribed in subsection (C) of  
14 this Section, except that the actual expenditures of the Board  
15 of Education shall be substituted for budgeted expenditure  
16 items.

17 (F) Approval and adjustments to administrative expenditure  
18 limitations. The School Finance Authority organized under  
19 Article 34A shall monitor the Board of Education's adherence to  
20 the requirements of this Section. As part of its responsibility  
21 the School Finance Authority shall determine whether the Board  
22 of Education's budget for the next school year, and the  
23 expenditures for a prior school year, comply with the  
24 limitation of administrative expenditures required by this  
25 Section. The Board of Education and the State Board of  
26 Education shall provide such information as is required by the



1 School Finance Authority in order for the Authority to  
2 determine compliance with the provisions of this Section. If  
3 the Authority determines that the budget proposed by the Board  
4 of Education does not meet the cost control requirements of  
5 this Section, the Board of Education shall undertake budgetary  
6 reductions, consistent with the requirements of this Section,  
7 to bring the proposed budget into compliance with such cost  
8 control limitations.

9 If, in formulating cost control and cost reduction  
10 alternatives, the Board of Education believes that meeting the  
11 cost control requirements of this Section related to the budget  
12 for the ensuing year would impair the education, safety, or  
13 well-being of the pupils of the school district, the Board of  
14 Education may request that the School Finance Authority make  
15 adjustments to the limitations required by this Section. The  
16 Board of Education shall specify the amount, nature, and  
17 reasons for the relief required and shall also identify cost  
18 reductions which can be made in expenditure functions not  
19 enumerated in paragraph (B) (1), which would serve the purposes  
20 of this Section.

21 The School Finance Authority shall consult with the State  
22 Superintendent of Education concerning the reasonableness from  
23 an educational administration perspective of the adjustments  
24 sought by the Board of Education. The School Finance Authority  
25 shall provide an opportunity for the public to comment upon the  
26 reasonableness of the Board's request. If, after such

1 consultation, the School Finance Authority determines that all  
2 or a portion of the adjustments sought by the Board of  
3 Education are reasonably appropriate or necessary, the  
4 Authority may grant such relief from the provisions of this  
5 Section which the Authority deems appropriate. Adjustments so  
6 granted apply only to the specific school year for which the  
7 request was made.

8 In the event that the School Finance Authority determines  
9 that the Board of Education has failed to achieve the required  
10 administrative expenditure limitations for a prior school  
11 year, or if the Authority determines that the Board of  
12 Education has not met the requirements of subsection (F), the  
13 Authority shall make recommendations to the Board of Education  
14 concerning appropriate corrective actions. If the Board of  
15 Education fails to provide adequate assurance to the Authority  
16 that appropriate corrective actions have been or will be taken,  
17 the Authority may, within 60 days thereafter, require the board  
18 to adjust its current budget to correct for the prior year's  
19 shortage or may recommend to the members of the General  
20 Assembly and the Governor such sanctions or remedial actions as  
21 will serve to deter any further such failures on the part of  
22 the Board of Education.

23 To assist the Authority in its monitoring  
24 responsibilities, the Board of Education shall provide such  
25 reports and information as are from time to time required by  
26 the Authority.

1           (G) Independent reviews of administrative expenditures.  
2           The School Finance Authority may direct independent reviews of  
3           the administrative and administrative support expenditures and  
4           services and other non-instructional expenditure functions of  
5           the Board of Education. The Board of Education shall afford  
6           full cooperation to the School Finance Authority in such review  
7           activity. The purpose of such reviews shall be to verify  
8           specific targets for improved operating efficiencies of the  
9           Board of Education, to identify other areas of potential  
10          efficiencies, and to assure full and proper compliance by the  
11          Board of Education with all requirements of this Section.

12          In the conduct of reviews under this subsection, the  
13          Authority may request the assistance and consultation of the  
14          State Superintendent of Education with regard to questions of  
15          efficiency and effectiveness in educational administration.

16          (H) Reports to Governor and General Assembly. On or before  
17          May 1, 1991 and no less frequently than yearly thereafter, the  
18          School Finance Authority shall provide to the Governor, the  
19          State Board of Education, and the members of the General  
20          Assembly an annual report, as outlined in Section 34A-606,  
21          which includes the following information: (1) documenting the  
22          compliance or non-compliance of the Board of Education with the  
23          requirements of this Section; (2) summarizing the costs,  
24          findings, and recommendations of any reviews directed by the  
25          School Finance Authority, and the response to such  
26          recommendations made by the Board of Education; and (3)

1 recommending sanctions or legislation necessary to fulfill the  
2 intent of this Section.

3 (Source: P.A. 86-124; 86-1477.)

4 (105 ILCS 5/34-53) (from Ch. 122, par. 34-53)

5 Sec. 34-53. Tax levies; Purpose; Rates. For the purpose of  
6 establishing and supporting free schools for not fewer than 9  
7 months in each year and defraying their expenses the board may  
8 levy annually, upon all taxable property of such district for  
9 educational purposes a tax for the fiscal years 1996 and each  
10 succeeding fiscal year at a rate of not to exceed the sum of  
11 (i) 2.81% ~~3.07%~~ (or such other rate as may be set by law  
12 independent of the rate difference described in (ii) below) and  
13 (ii) the difference between .50% and the rate per cent of taxes  
14 extended for a School Finance Authority organized under Article  
15 34A of the School Code, for the calendar year in which the  
16 applicable fiscal year of the board begins as determined by the  
17 county clerk and certified to the board pursuant to Section  
18 18-110 of the Property Tax Code, of the value as equalized or  
19 assessed by the Department of Revenue for the year in which  
20 such levy is made.

21 For fiscal year 2017 and each succeeding fiscal year, for  
22 the purpose of making an employer contribution to the Public  
23 School Teachers' Pension and Retirement Fund of Chicago, the  
24 board shall levy annually, upon all taxable property located  
25 within the district, a tax at the rate of 0.26%. The proceeds

1 from this additional tax shall be paid directly to the Pension  
2 Fund. The changes made to this Section by this amendatory Act  
3 of the 99th General Assembly: (1) do not authorize an increase  
4 in the district's maximum aggregate extension or limiting rate  
5 under the Property Tax Extension Limitation Law; and (2)  
6 constitute a continuation of the existing total maximum rate  
7 under this Section and are not a new rate for the purposes of  
8 the Property Tax Extension Limitation Law.

9       Nothing in this amendatory Act of 1995 shall in any way  
10 impair or restrict the levy or extension of taxes pursuant to  
11 any tax levies for any purposes of the board lawfully made  
12 prior to the adoption of this amendatory Act of 1995.

13       Notwithstanding any other provision of this Code and in  
14 addition to any other methods provided for increasing the tax  
15 rate the board may, by proper resolution, cause a proposition  
16 to increase the annual tax rate for educational purposes to be  
17 submitted to the voters of such district at any general or  
18 special election. The maximum rate for educational purposes  
19 shall not exceed 4.00%. The election called for such purpose  
20 shall be governed by Article 9 of this Act. If at such election  
21 a majority of the votes cast on the proposition is in favor  
22 thereof, the Board of Education may thereafter until such  
23 authority is revoked in a like manner, levy annually the tax so  
24 authorized.

25       For purposes of this Article, educational purposes for  
26 fiscal years beginning in 1995 and each subsequent year shall

1 also include, but not be limited to, in addition to those  
2 purposes authorized before this amendatory Act of 1995,  
3 constructing, acquiring, leasing (other than from the Public  
4 Building Commission of Chicago), operating, maintaining,  
5 improving, repairing, and renovating land, buildings,  
6 furnishings, and equipment for school houses and buildings, and  
7 related incidental expenses, and provision of special  
8 education, furnishing free textbooks and instructional aids  
9 and school supplies, establishing, equipping, maintaining, and  
10 operating supervised playgrounds under the control of the  
11 board, school extracurricular activities, and stadia, social  
12 center, and summer swimming pool programs open to the public in  
13 connection with any public school; making an employer  
14 contribution to the Public School Teachers' Pension and  
15 Retirement Fund as required by Section 17-129 of the Illinois  
16 Pension Code; and providing an agricultural science school,  
17 including site development and improvements, maintenance  
18 repairs, and supplies. Educational purposes also includes  
19 student transportation expenses.

20 All collections of all taxes levied for fiscal years ending  
21 before 1996 under this Section or under Sections 34-53.2,  
22 34-53.3, 34-58, 34-60, or 34-62 of this Article as in effect  
23 prior to this amendatory Act of 1995 may be used for any  
24 educational purposes as defined by this amendatory Act of 1995  
25 and need not be used for the particular purposes for which they  
26 were levied. The levy and extension of taxes pursuant to this

1 Section as amended by this amendatory Act of 1995 shall not  
2 constitute a new or increased tax rate within the meaning of  
3 the Property Tax Extension Limitation Law or the One-year  
4 Property Tax Extension Limitation Law.

5 The rate at which taxes may be levied for the fiscal year  
6 beginning September 1, 1996, for educational purposes shall be  
7 the full rate authorized by this Section for such taxes for  
8 fiscal years ending after 1995.

9 (Source: P.A. 88-511; 88-670, eff. 12-2-94; 89-15, eff.  
10 5-30-95.)

11 Section 950. The Educational Opportunity for Military  
12 Children Act is amended by changing Section 25 as follows:

13 (105 ILCS 70/25)

14 Sec. 25. Tuition for children of active duty military  
15 personnel who are transfer students. If a student who is a  
16 child of active duty military personnel is (i) placed with a  
17 non-custodial parent and (ii) as a result of placement, must  
18 attend a non-resident school district, then the student must  
19 not be charged the tuition of the school that the student  
20 attends as a result of placement with the non-custodial parent  
21 and the student must be counted in the calculation of average  
22 daily attendance under Section 18-8.05 or 18-8.15 of the School  
23 Code.

24 (Source: P.A. 98-673, eff. 6-30-14.)

1 Section 955. The Illinois Public Aid Code is amended by  
2 changing Section 5-16.4 as follows:

3 (305 ILCS 5/5-16.4)

4 Sec. 5-16.4. Medical Assistance Provider Payment Fund.

5 (a) There is created in the State treasury the Medical  
6 Assistance Provider Payment Fund. Interest earned by the Fund  
7 shall be credited to the Fund.

8 (b) The Fund is created for the purpose of disbursing  
9 moneys as follows:

10 (1) For medical services provided to recipients of aid  
11 under Articles V, VI, and XII.

12 (2) For payment of administrative expenses incurred by  
13 the Illinois Department or its agent in performing the  
14 activities authorized by this Section.

15 (3) For making transfers to the General Obligation Bond  
16 Retirement and Interest Fund, as those transfers are  
17 authorized in the proceedings authorizing debt under the  
18 Medicaid Liability Liquidity Borrowing Act, but transfers  
19 made under this paragraph (3) may not exceed the principal  
20 amount of debt issued under that Act.

21 Disbursements from the Fund, other than transfers to the  
22 General Obligation Bond Retirement and Interest Fund (which  
23 shall be made in accordance with the provisions of the Medicaid  
24 Liability Liquidity Borrowing Act), shall be by warrants drawn



1 by the State Comptroller upon receipt of vouchers duly executed  
2 and certified by the Illinois Department.

3 (c) The Fund shall consist of the following:

4 (1) All federal matching funds received by the Illinois  
5 Department as a result of expenditures made by the Illinois  
6 Department that are attributable to moneys deposited into  
7 the Fund.

8 (2) Proceeds from any short-term borrowing directed to  
9 the Fund by the Governor pursuant to the Medicaid Liability  
10 Liquidity Borrowing Act.

11 (3) Amounts transferred into the Fund under subsection  
12 (d) of this Section.

13 (4) All other moneys received for the Fund from any  
14 other source, including interest earned on those moneys.

15 (d) Beginning July 1, 1995, on the 13th and 26th days of  
16 each month the State Comptroller and Treasurer shall transfer  
17 from the General Revenue Fund to the Medical Assistance  
18 Provider Payment Fund an amount equal to 1/48th of the annual  
19 Medical Assistance appropriation to the Department of  
20 Healthcare and Family Services (formerly Illinois Department  
21 of Public Aid) from the Medical Assistance Provider Payment  
22 Fund, plus cumulative deficiencies from those prior transfers.  
23 In addition to those transfers, the State Comptroller and  
24 Treasurer may transfer from the General Revenue Fund to the  
25 Medical Assistance Provider Payment Fund as much as is  
26 necessary to pay claims pursuant to the new twice-monthly

1 payment schedule established in Section 5-16.5 and to avoid  
2 interest liabilities under the State Prompt Payment Act. No  
3 transfers made pursuant to this subsection shall interfere with  
4 the timely payment of the general State aid or primary State  
5 aid payment made pursuant to Section 18-11 of the School Code.  
6 (Source: P.A. 95-331, eff. 8-21-07.)

7 Section 995. Savings clause. Any repeal or amendment made  
8 by this Act shall not affect or impair any of the following:  
9 suits pending or rights existing at the time this Act takes  
10 effect; any grant or conveyance made or right acquired or cause  
11 of action now existing under any Section, Article, or Act  
12 repealed or amended by this Act; the validity of any bonds or  
13 other obligations issued or sold and constituting valid  
14 obligations of the issuing authority at the time this Act takes  
15 effect; the validity of any contract; the validity of any tax  
16 levied under any law in effect prior to the effective date of  
17 this Act; or any offense committed, act done, penalty,  
18 punishment, or forfeiture incurred or any claim, right, power,  
19 or remedy accrued under any law in effect prior to the  
20 effective date of this Act.

21 Section 999. Effective date. This Act takes effect upon  
22 becoming law."