

1 AN ACT concerning education.

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

4 Section 1. This Act may be referred to as the School
5 Funding Reform Act of 2014.

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
16 certified the economic development project area, each year
17 after the date of the certification by the county clerk of the
18 "total initial equalized assessed value" until economic
19 development project costs and all municipal obligations
20 financing economic development project costs have been paid,
21 the ad valorem taxes, if any, arising from the levies upon the
22 taxable real property in the economic development project area

1 by taxing districts and tax rates determined in the manner
2 provided in subsection (b) of Section 6 of this Act shall be
3 divided as follows:

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

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

25 The municipality, by an ordinance adopting tax increment
26 allocation financing, may pledge the funds in and to be

1 deposited in the special tax allocation fund for the payment of
2 obligations issued under this Act and for the payment of
3 economic development project costs. No part of the current
4 equalized assessed valuation of each property in the economic
5 development project area attributable to any increase above the
6 total initial equalized assessed value, of such properties
7 shall be used in calculating the general State school aid
8 formula, provided for in Section 18-8 of the School Code, or
9 the primary State aid formula, provided for in Section 18-8.15
10 of the School Code, until such time as all economic development
11 projects costs have been paid as provided for in this Section.

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

24 Upon the payment of all economic development project costs,
25 retirement of obligations and the distribution of any excess
26 monies pursuant to this Section the municipality shall adopt an

1 ordinance dissolving the special tax allocation fund for the
2 economic development project area, terminating the economic
3 development project area, and terminating the use of tax
4 increment allocation financing for the economic development
5 project area. Thereafter the rates of the taxing districts
6 shall be extended and taxes levied, collected and distributed
7 in the manner applicable in the absence of the adoption of tax
8 increment allocation financing.

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

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

16 Section 910. The State Finance Act is amended by changing
17 Section 13.2 as follows:

18 (30 ILCS 105/13.2) (from Ch. 127, par. 149.2)

19 Sec. 13.2. Transfers among line item appropriations.

20 (a) Transfers among line item appropriations from the same
21 treasury fund for the objects specified in this Section may be
22 made in the manner provided in this Section when the balance
23 remaining in one or more such line item appropriations is
24 insufficient for the purpose for which the appropriation was

1 made.

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

6 (a-2) Except as otherwise provided in this Section,
7 transfers may be made only among the objects of expenditure
8 enumerated in this Section, except that no funds may be
9 transferred from any appropriation for personal services, from
10 any appropriation for State contributions to the State
11 Employees' Retirement System, from any separate appropriation
12 for employee retirement contributions paid by the employer, nor
13 from any appropriation for State contribution for employee
14 group insurance. During State fiscal year 2005, an agency may
15 transfer amounts among its appropriations within the same
16 treasury fund for personal services, employee retirement
17 contributions paid by employer, and State Contributions to
18 retirement systems; notwithstanding and in addition to the
19 transfers authorized in subsection (c) of this Section, the
20 fiscal year 2005 transfers authorized in this sentence may be
21 made in an amount not to exceed 2% of the aggregate amount
22 appropriated to an agency within the same treasury fund. During
23 State fiscal year 2007, the Departments of Children and Family
24 Services, Corrections, Human Services, and Juvenile Justice
25 may transfer amounts among their respective appropriations
26 within the same treasury fund for personal services, employee

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

16 (a-3) Further, if an agency receives a separate
17 appropriation for employee retirement contributions paid by
18 the employer, any transfer by that agency into an appropriation
19 for personal services must be accompanied by a corresponding
20 transfer into the appropriation for employee retirement
21 contributions paid by the employer, in an amount sufficient to
22 meet the employer share of the employee contributions required
23 to be remitted to the retirement system.

24 (a-4) Long-Term Care Rebalancing. The Governor may
25 designate amounts set aside for institutional services
26 appropriated from the General Revenue Fund or any other State

1 fund that receives monies for long-term care services to be
2 transferred to all State agencies responsible for the
3 administration of community-based long-term care programs,
4 including, but not limited to, community-based long-term care
5 programs administered by the Department of Healthcare and
6 Family Services, the Department of Human Services, and the
7 Department on Aging, provided that the Director of Healthcare
8 and Family Services first certifies that the amounts being
9 transferred are necessary for the purpose of assisting persons
10 in or at risk of being in institutional care to transition to
11 community-based settings, including the financial data needed
12 to prove the need for the transfer of funds. The total amounts
13 transferred shall not exceed 4% in total of the amounts
14 appropriated from the General Revenue Fund or any other State
15 fund that receives monies for long-term care services for each
16 fiscal year. A notice of the fund transfer must be made to the
17 General Assembly and posted at a minimum on the Department of
18 Healthcare and Family Services website, the Governor's Office
19 of Management and Budget website, and any other website the
20 Governor sees fit. These postings shall serve as notice to the
21 General Assembly of the amounts to be transferred. Notice shall
22 be given at least 30 days prior to transfer.

23 (b) In addition to the general transfer authority provided
24 under subsection (c), the following agencies have the specific
25 transfer authority granted in this subsection:

26 The Department of Healthcare and Family Services is

1 authorized to make transfers representing savings attributable
2 to not increasing grants due to the births of additional
3 children from line items for payments of cash grants to line
4 items for payments for employment and social services for the
5 purposes outlined in subsection (f) of Section 4-2 of the
6 Illinois Public Aid Code.

7 The Department of Children and Family Services is
8 authorized to make transfers not exceeding 2% of the aggregate
9 amount appropriated to it within the same treasury fund for the
10 following line items among these same line items: Foster Home
11 and Specialized Foster Care and Prevention, Institutions and
12 Group Homes and Prevention, and Purchase of Adoption and
13 Guardianship Services.

14 The Department on Aging is authorized to make transfers not
15 exceeding 2% of the aggregate amount appropriated to it within
16 the same treasury fund for the following Community Care Program
17 line items among these same line items: purchase of services
18 covered by the Community Care Program and Comprehensive Case
19 Coordination.

20 The State Treasurer is authorized to make transfers among
21 line item appropriations from the Capital Litigation Trust
22 Fund, with respect to costs incurred in fiscal years 2002 and
23 2003 only, when the balance remaining in one or more such line
24 item appropriations is insufficient for the purpose for which
25 the appropriation was made, provided that no such transfer may
26 be made unless the amount transferred is no longer required for

1 the purpose for which that appropriation was made.

2 The State Board of Education is authorized to make
3 transfers from line item appropriations within the same
4 treasury fund for General State Aid, ~~and~~ General State Aid -
5 Hold Harmless, Primary State Aid, and Hold Harmless State
6 Funding, provided that no such transfer may be made unless the
7 amount transferred is no longer required for the purpose for
8 which that appropriation was made, to the line item
9 appropriation for Transitional Assistance when the balance
10 remaining in such line item appropriation is insufficient for
11 the purpose for which the appropriation was made.

12 The State Board of Education is authorized to make
13 transfers between the following line item appropriations
14 within the same treasury fund: Disabled Student
15 Services/Materials (Section 14-13.01 of the School Code),
16 Disabled Student Transportation Reimbursement (Section
17 14-13.01 of the School Code), Disabled Student Tuition -
18 Private Tuition (Section 14-7.02 of the School Code),
19 Extraordinary Special Education (Section 14-7.02b of the
20 School Code), Reimbursement for Free Lunch/Breakfast Program,
21 Summer School Payments (Section 18-4.3 of the School Code), and
22 Transportation - Regular/Vocational Reimbursement (Section
23 29-5 of the School Code). Such transfers shall be made only
24 when the balance remaining in one or more such line item
25 appropriations is insufficient for the purpose for which the
26 appropriation was made and provided that no such transfer may

1 be made unless the amount transferred is no longer required for
2 the purpose for which that appropriation was made.

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

7 (c) The sum of such transfers for an agency in a fiscal
8 year shall not exceed 2% of the aggregate amount appropriated
9 to it within the same treasury fund for the following objects:

10 Personal Services; Extra Help; Student and Inmate
11 Compensation; State Contributions to Retirement Systems; State
12 Contributions to Social Security; State Contribution for
13 Employee Group Insurance; Contractual Services; Travel;
14 Commodities; Printing; Equipment; Electronic Data Processing;
15 Operation of Automotive Equipment; Telecommunications
16 Services; Travel and Allowance for Committed, Paroled and
17 Discharged Prisoners; Library Books; Federal Matching Grants
18 for Student Loans; Refunds; Workers' Compensation,
19 Occupational Disease, and Tort Claims; and, in appropriations
20 to institutions of higher education, Awards and Grants.
21 Notwithstanding the above, any amounts appropriated for
22 payment of workers' compensation claims to an agency to which
23 the authority to evaluate, administer and pay such claims has
24 been delegated by the Department of Central Management Services
25 may be transferred to any other expenditure object where such
26 amounts exceed the amount necessary for the payment of such

1 claims.

2 (c-1) Special provisions for State fiscal year 2003.
3 Notwithstanding any other provision of this Section to the
4 contrary, for State fiscal year 2003 only, transfers among line
5 item appropriations to an agency from the same treasury fund
6 may be made provided that the sum of such transfers for an
7 agency in State fiscal year 2003 shall not exceed 3% of the
8 aggregate amount appropriated to that State agency for State
9 fiscal year 2003 for the following objects: personal services,
10 except that no transfer may be approved which reduces the
11 aggregate appropriations for personal services within an
12 agency; extra help; student and inmate compensation; State
13 contributions to retirement systems; State contributions to
14 social security; State contributions for employee group
15 insurance; contractual services; travel; commodities;
16 printing; equipment; electronic data processing; operation of
17 automotive equipment; telecommunications services; travel and
18 allowance for committed, paroled, and discharged prisoners;
19 library books; federal matching grants for student loans;
20 refunds; workers' compensation, occupational disease, and tort
21 claims; and, in appropriations to institutions of higher
22 education, awards and grants.

23 (c-2) Special provisions for State fiscal year 2005.
24 Notwithstanding subsections (a), (a-2), and (c), for State
25 fiscal year 2005 only, transfers may be made among any line
26 item appropriations from the same or any other treasury fund

1 for any objects or purposes, without limitation, when the
2 balance remaining in one or more such line item appropriations
3 is insufficient for the purpose for which the appropriation was
4 made, provided that the sum of those transfers by a State
5 agency shall not exceed 4% of the aggregate amount appropriated
6 to that State agency for fiscal year 2005.

7 (d) Transfers among appropriations made to agencies of the
8 Legislative and Judicial departments and to the
9 constitutionally elected officers in the Executive branch
10 require the approval of the officer authorized in Section 10 of
11 this Act to approve and certify vouchers. Transfers among
12 appropriations made to the University of Illinois, Southern
13 Illinois University, Chicago State University, Eastern
14 Illinois University, Governors State University, Illinois
15 State University, Northeastern Illinois University, Northern
16 Illinois University, Western Illinois University, the Illinois
17 Mathematics and Science Academy and the Board of Higher
18 Education require the approval of the Board of Higher Education
19 and the Governor. Transfers among appropriations to all other
20 agencies require the approval of the Governor.

21 The officer responsible for approval shall certify that the
22 transfer is necessary to carry out the programs and purposes
23 for which the appropriations were made by the General Assembly
24 and shall transmit to the State Comptroller a certified copy of
25 the approval which shall set forth the specific amounts
26 transferred so that the Comptroller may change his records

1 accordingly. The Comptroller shall furnish the Governor with
2 information copies of all transfers approved for agencies of
3 the Legislative and Judicial departments and transfers
4 approved by the constitutionally elected officials of the
5 Executive branch other than the Governor, showing the amounts
6 transferred and indicating the dates such changes were entered
7 on the Comptroller's records.

8 (e) The State Board of Education, in consultation with the
9 State Comptroller, may transfer line item appropriations for
10 General State Aid or Primary State Aid between the Common
11 School Fund and the Education Assistance Fund. With the advice
12 and consent of the Governor's Office of Management and Budget,
13 the State Board of Education, in consultation with the State
14 Comptroller, may transfer line item appropriations between the
15 General Revenue Fund and the Education Assistance Fund for the
16 following programs:

17 (1) Disabled Student Personnel Reimbursement (Section
18 14-13.01 of the School Code);

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

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

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

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

26 (6) Summer School Payments (Section 18-4.3 of the

School Code);

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

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

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

(Source: P.A. 97-689, eff. 7-1-12; 98-24, eff. 6-19-13.)

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

(35 ILCS 200/18-200)

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

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

(35 ILCS 200/18-249)

Sec. 18-249. Miscellaneous provisions.

(a) Certification of new property. For the 1994 levy year,

1 the chief county assessment officer shall certify to the county
2 clerk, after all changes by the board of review or board of
3 appeals, as the case may be, the assessed value of new property
4 by taxing district for the 1994 levy year under rules
5 promulgated by the Department.

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

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

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

19 Section 920. The Innovation Development and Economy Act is
20 amended by changing Section 33 as follows:

21 (50 ILCS 470/33)

22 Sec. 33. STAR Bonds School Improvement and Operations Trust
23 Fund.

24 (a) The STAR Bonds School Improvement and Operations Trust

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

16 (b) Upon approval of a STAR bond district, the political
17 subdivision shall immediately transmit to the county clerk of
18 the county in which the district is located a certified copy of
19 the ordinance creating the district, a legal description of the
20 district, a map of the district, identification of the year
21 that the county clerk shall use for determining the total
22 initial equalized assessed value of the district consistent
23 with subsection (c), and a list of the parcel or tax
24 identification number of each parcel of property included in
25 the district.

26 (c) Upon approval of a STAR bond district, the county clerk

1 immediately thereafter shall determine (i) the most recently
2 ascertained equalized assessed value of each lot, block, tract,
3 or parcel of real property within the STAR bond district, from
4 which shall be deducted the homestead exemptions under Article
5 15 of the Property Tax Code, which value shall be the initial
6 equalized assessed value of each such piece of property, and
7 (ii) the total equalized assessed value of all taxable real
8 property within the district by adding together the most
9 recently ascertained equalized assessed value of each taxable
10 lot, block, tract, or parcel of real property within the
11 district, from which shall be deducted the homestead exemptions
12 under Article 15 of the Property Tax Code, and shall certify
13 that amount as the total initial equalized assessed value of
14 the taxable real property within the STAR bond district.

15 (d) In reference to any STAR bond district created within
16 any political subdivision, and in respect to which the county
17 clerk has certified the total initial equalized assessed value
18 of the property in the area, the political subdivision may
19 thereafter request the clerk in writing to adjust the initial
20 equalized value of all taxable real property within the STAR
21 bond district by deducting therefrom the exemptions under
22 Article 15 of the Property Tax Code applicable to each lot,
23 block, tract, or parcel of real property within the STAR bond
24 district. The county clerk shall immediately, after the written
25 request to adjust the total initial equalized value is
26 received, determine the total homestead exemptions in the STAR

1 bond district as provided under Article 15 of the Property Tax
2 Code by adding together the homestead exemptions provided by
3 said Article on each lot, block, tract, or parcel of real
4 property within the STAR bond district and then shall deduct
5 the total of said exemptions from the total initial equalized
6 assessed value. The county clerk shall then promptly certify
7 that amount as the total initial equalized assessed value as
8 adjusted of the taxable real property within the STAR bond
9 district.

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

18 (f) Beginning with the assessment year in which the first
19 destination user in the first STAR bond project in a STAR bond
20 district makes its first retail sales and for each assessment
21 year thereafter until final maturity of the last STAR bonds
22 issued in the district, the county clerk or other person
23 authorized by law shall determine the increase in equalized
24 assessed value of all real property within the STAR bond
25 district by subtracting the initial equalized assessed value of
26 all property in the district certified under subsection (c)

1 from the current equalized assessed value of all property in
2 the district. Each year, the property taxes arising from the
3 increase in equalized assessed value in the STAR bond district
4 shall be determined for each taxing district and shall be
5 certified to the county collector.

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

17 (h) The Department shall pay to the regional superintendent
18 of schools whose educational service region includes Franklin
19 and Williamson Counties, for each year for which money is
20 remitted to the Department and paid into the STAR Bonds School
21 Improvement and Operations Trust Fund, the money in the Fund as
22 provided in this Section. The amount paid to each school
23 district shall be allocated proportionately, based on each
24 qualifying school district's fall enrollment for the
25 then-current school year, such that the school district with
26 the largest fall enrollment receives the largest proportionate

1 share of money paid out of the Fund or by any other method or
2 formula that the regional superintendent of schools deems fit,
3 equitable, and in the public interest. The regional
4 superintendent may allocate moneys to school districts that are
5 outside of his or her educational service region or to other
6 regional superintendents.

7 The Department shall determine the distributions under
8 this Section using its best judgment and information. The
9 Department shall be held harmless for the distributions made
10 under this Section and all distributions shall be final.

11 (i) In any year that an assessment appeal is filed, the
12 extension of taxes on any assessment so appealed shall not be
13 delayed. In the case of an assessment that is altered, any
14 taxes extended upon the unauthorized assessment or part thereof
15 shall be abated, or, if already paid, shall be refunded with
16 interest as provided in Section 23-20 of the Property Tax Code.
17 In the case of an assessment appeal, the county collector shall
18 notify the Department that an assessment appeal has been filed
19 and the amount of the tax that would have been deposited in the
20 STAR Bonds School Improvement and Operations Trust Fund. The
21 county collector shall hold that amount in a separate fund
22 until the appeal process is final. After the appeal process is
23 finalized, the county collector shall transmit to the
24 Department the amount of tax that remains, if any, after all
25 required refunds are made. The Department shall pay any amount
26 deposited into the Trust Fund under this Section in the same

1 proportion as determined for payments for that taxable year
2 under subsection (h).

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

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

11 Section 925. The County Economic Development Project Area
12 Property Tax Allocation Act is amended by changing Section 7 as
13 follows:

14 (55 ILCS 85/7) (from Ch. 34, par. 7007)

15 Sec. 7. Creation of special tax allocation fund. If a
16 county has adopted property tax allocation financing by
17 ordinance for an economic development project area, the
18 Department has approved and certified the economic development
19 project area, and the county clerk has thereafter certified the
20 "total initial equalized value" of the taxable real property
21 within such economic development project area in the manner
22 provided in subsection (b) of Section 6 of this Act, each year
23 after the date of the certification by the county clerk of the
24 "initial equalized assessed value" until economic development

1 project costs and all county obligations financing economic
2 development project costs have been paid, the ad valorem taxes,
3 if any, arising from the levies upon the taxable real property
4 in the economic development project area by taxing districts
5 and tax rates determined in the manner provided in subsection
6 (b) of Section 6 of this Act shall be divided as follows:

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

17 (2) That portion, if any, of those taxes which is
18 attributable to the increase in the current equalized
19 assessed valuation of each taxable lot, block, tract, or
20 parcel of real property in the economic development project
21 are, over and above the initial equalized assessed value of
22 each property existing at the time property tax allocation
23 financing was adopted shall be allocated to and when
24 collected shall be paid to the county treasurer, who shall
25 deposit those taxes into a special fund called the special
26 tax allocation fund of the county for the purpose of paying

1 economic development project costs and obligations
2 incurred in the payment thereof.

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

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

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

8 When the economic development project costs, including
9 without limitation all county obligations financing economic
10 development project costs incurred under this Act, have been
11 paid, all surplus funds then remaining in the special tax
12 allocation funds shall be distributed by being paid by the
13 county treasurer to the county collector, who shall immediately
14 thereafter pay those funds 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 Upon the payment of all economic development project costs,
21 retirement of obligations and the distribution of any excess
22 monies pursuant to this Section and not later than 23 years
23 from the date of adoption of the ordinance adopting property
24 tax allocation financing, the county shall adopt an ordinance
25 dissolving the special tax allocation fund for the economic
26 development project area and terminating the designation of the

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

6 Nothing in this Section shall be construed as relieving
7 property in economic development project areas from being
8 assessed as provided in the Property Tax Code or as relieving
9 owners of that property from paying a uniform rate of taxes, as
10 required by Section 4 of Article IX of the Illinois
11 Constitution of 1970.

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

13 Section 930. The County Economic Development Project Area
14 Tax Increment Allocation Act of 1991 is amended by changing
15 Section 50 as follows:

16 (55 ILCS 90/50) (from Ch. 34, par. 8050)

17 Sec. 50. Special tax allocation fund.

18 (a) If a county clerk has certified the "total initial
19 equalized assessed value" of the taxable real property within
20 an economic development project area in the manner provided in
21 Section 45, each year after the date of the certification by
22 the county clerk of the "total initial equalized assessed
23 value", until economic development project costs and all county
24 obligations financing economic development project costs have

1 been paid, the ad valorem taxes, if any, arising from the
2 levies upon the taxable real property in the economic
3 development project area by taxing districts and tax rates
4 determined in the manner provided in subsection (b) of Section
5 45 shall be divided as follows:

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

16 (2) That portion, if any, of the taxes that is
17 attributable to the increase in the current equalized
18 assessed valuation of each taxable lot, block, tract, or
19 parcel of real property in the economic development project
20 area, over and above the initial equalized assessed value
21 of each property existing at the time tax increment
22 financing was adopted, shall be allocated to (and when
23 collected shall be paid to) the county treasurer, who shall
24 deposit the taxes into a special fund (called the special
25 tax allocation fund of the county) for the purpose of
26 paying economic development project costs and obligations

1 incurred in the payment of those costs.

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

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

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

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

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

18 Section 935. The Illinois Municipal Code is amended by
19 changing Sections 11-74.4-3, 11-74.4-8, and 11-74.6-35 as
20 follows:

21 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)

22 Sec. 11-74.4-3. Definitions. The following terms, wherever
23 used or referred to in this Division 74.4 shall have the
24 following respective meanings, unless in any case a different

1 meaning clearly appears from the context.

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

7 On and after November 1, 1999, "blighted area" means any
8 improved or vacant area within the boundaries of a
9 redevelopment project area located within the territorial
10 limits of the municipality where:

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

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

1 (B) Obsolescence. The condition or process of
2 falling into disuse. Structures have become ill-suited
3 for the original use.

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

15 (D) Presence of structures below minimum code
16 standards. All structures that do not meet the
17 standards of zoning, subdivision, building, fire, and
18 other governmental codes applicable to property, but
19 not including housing and property maintenance codes.

20 (E) Illegal use of individual structures. The use
21 of structures in violation of applicable federal,
22 State, or local laws, exclusive of those applicable to
23 the presence of structures below minimum code
24 standards.

25 (F) Excessive vacancies. The presence of buildings
26 that are unoccupied or under-utilized and that

1 represent an adverse influence on the area because of
2 the frequency, extent, or duration of the vacancies.

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

17 (H) Inadequate utilities. Underground and overhead
18 utilities such as storm sewers and storm drainage,
19 sanitary sewers, water lines, and gas, telephone, and
20 electrical services that are shown to be inadequate.
21 Inadequate utilities are those that are: (i) of
22 insufficient capacity to serve the uses in the
23 redevelopment project area, (ii) deteriorated,
24 antiquated, obsolete, or in disrepair, or (iii)
25 lacking within the redevelopment project area.

26 (I) Excessive land coverage and overcrowding of

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

19 (J) Deleterious land use or layout. The existence
20 of incompatible land-use relationships, buildings
21 occupied by inappropriate mixed-uses, or uses
22 considered to be noxious, offensive, or unsuitable for
23 the surrounding area.

24 (K) Environmental clean-up. The proposed
25 redevelopment project area has incurred Illinois
26 Environmental Protection Agency or United States

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

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

23 (M) The total equalized assessed value of the
24 proposed redevelopment project area has declined for 3
25 of the last 5 calendar years prior to the year in which
26 the redevelopment project area is designated or is

1 increasing at an annual rate that is less than the
2 balance of the municipality for 3 of the last 5
3 calendar years for which information is available or is
4 increasing at an annual rate that is less than the
5 Consumer Price Index for All Urban Consumers published
6 by the United States Department of Labor or successor
7 agency for 3 of the last 5 calendar years prior to the
8 year in which the redevelopment project area is
9 designated.

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

18 (A) Obsolete platting of vacant land that results
19 in parcels of limited or narrow size or configurations
20 of parcels of irregular size or shape that would be
21 difficult to develop on a planned basis and in a manner
22 compatible with contemporary standards and
23 requirements, or platting that failed to create
24 rights-of-ways for streets or alleys or that created
25 inadequate right-of-way widths for streets, alleys, or
26 other public rights-of-way or that omitted easements

1 for public utilities.

2 (B) Diversity of ownership of parcels of vacant
3 land sufficient in number to retard or impede the
4 ability to assemble the land for development.

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

8 (D) Deterioration of structures or site
9 improvements in neighboring areas adjacent to the
10 vacant land.

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

22 (F) The total equalized assessed value of the
23 proposed redevelopment project area has declined for 3
24 of the last 5 calendar years prior to the year in which
25 the redevelopment project area is designated or is
26 increasing at an annual rate that is less than the

1 balance of the municipality for 3 of the last 5
2 calendar years for which information is available or is
3 increasing at an annual rate that is less than the
4 Consumer Price Index for All Urban Consumers published
5 by the United States Department of Labor or successor
6 agency for 3 of the last 5 calendar years prior to the
7 year in which the redevelopment project area is
8 designated.

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

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

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

21 (C) The area, prior to its designation, is subject
22 to (i) chronic flooding that adversely impacts on real
23 property in the area as certified by a registered
24 professional engineer or appropriate regulatory agency
25 or (ii) surface water that discharges from all or a
26 part of the area and contributes to flooding within the

1 same watershed, but only if the redevelopment project
2 provides for facilities or improvements to contribute
3 to the alleviation of all or part of the flooding.

4 (D) The area consists of an unused or illegal
5 disposal site containing earth, stone, building
6 debris, or similar materials that were removed from
7 construction, demolition, excavation, or dredge sites.

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

19 (F) The area qualified as a blighted improved area
20 immediately prior to becoming vacant, unless there has
21 been substantial private investment in the immediately
22 surrounding area.

23 (b) For any redevelopment project area that has been
24 designated pursuant to this Section by an ordinance adopted
25 prior to November 1, 1999 (the effective date of Public Act
26 91-478), "conservation area" shall have the meaning set forth

1 in this Section prior to that date.

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

10 (1) Dilapidation. An advanced state of disrepair or
11 neglect of necessary repairs to the primary structural
12 components of buildings or improvements in such a
13 combination that a documented building condition analysis
14 determines that major repair is required or the defects are
15 so serious and so extensive that the buildings must be
16 removed.

17 (2) Obsolescence. The condition or process of falling
18 into disuse. Structures have become ill-suited for the
19 original use.

20 (3) Deterioration. With respect to buildings, defects
21 including, but not limited to, major defects in the
22 secondary building components such as doors, windows,
23 porches, gutters and downspouts, and fascia. With respect
24 to surface improvements, that the condition of roadways,
25 alleys, curbs, gutters, sidewalks, off-street parking, and
26 surface storage areas evidence deterioration, including,

1 but not limited to, surface cracking, crumbling, potholes,
2 depressions, loose paving material, and weeds protruding
3 through paved surfaces.

4 (4) Presence of structures below minimum code
5 standards. All structures that do not meet the standards of
6 zoning, subdivision, building, fire, and other
7 governmental codes applicable to property, but not
8 including housing and property maintenance codes.

9 (5) Illegal use of individual structures. The use of
10 structures in violation of applicable federal, State, or
11 local laws, exclusive of those applicable to the presence
12 of structures below minimum code standards.

13 (6) Excessive vacancies. The presence of buildings
14 that are unoccupied or under-utilized and that represent an
15 adverse influence on the area because of the frequency,
16 extent, or duration of the vacancies.

17 (7) Lack of ventilation, light, or sanitary
18 facilities. The absence of adequate ventilation for light
19 or air circulation in spaces or rooms without windows, or
20 that require the removal of dust, odor, gas, smoke, or
21 other noxious airborne materials. Inadequate natural light
22 and ventilation means the absence or inadequacy of
23 skylights or windows for interior spaces or rooms and
24 improper window sizes and amounts by room area to window
25 area ratios. Inadequate sanitary facilities refers to the
26 absence or inadequacy of garbage storage and enclosure,

1 bathroom facilities, hot water and kitchens, and
2 structural inadequacies preventing ingress and egress to
3 and from all rooms and units within a building.

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

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

1 adequate or proper access to a public right-of-way, lack of
2 reasonably required off-street parking, or inadequate
3 provision for loading and service.

4 (10) Deleterious land use or layout. The existence of
5 incompatible land-use relationships, buildings occupied by
6 inappropriate mixed-uses, or uses considered to be
7 noxious, offensive, or unsuitable for the surrounding
8 area.

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

21 (12) The area has incurred Illinois Environmental
22 Protection Agency or United States Environmental
23 Protection Agency remediation costs for, or a study
24 conducted by an independent consultant recognized as
25 having expertise in environmental remediation has
26 determined a need for, the clean-up of hazardous waste,

1 hazardous substances, or underground storage tanks
2 required by State or federal law, provided that the
3 remediation costs constitute a material impediment to the
4 development or redevelopment of the redevelopment project
5 area.

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

16 (c) "Industrial park" means an area in a blighted or
17 conservation area suitable for use by any manufacturing,
18 industrial, research or transportation enterprise, of
19 facilities to include but not be limited to factories, mills,
20 processing plants, assembly plants, packing plants,
21 fabricating plants, industrial distribution centers,
22 warehouses, repair overhaul or service facilities, freight
23 terminals, research facilities, test facilities or railroad
24 facilities.

25 (d) "Industrial park conservation area" means an area
26 within the boundaries of a redevelopment project area located

1 within the territorial limits of a municipality that is a labor
2 surplus municipality or within 1 1/2 miles of the territorial
3 limits of a municipality that is a labor surplus municipality
4 if the area is annexed to the municipality; which area is zoned
5 as industrial no later than at the time the municipality by
6 ordinance designates the redevelopment project area, and which
7 area includes both vacant land suitable for use as an
8 industrial park and a blighted area or conservation area
9 contiguous to such vacant land.

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

23 (f) "Municipality" shall mean a city, village,
24 incorporated town, or a township that is located in the
25 unincorporated portion of a county with 3 million or more
26 inhabitants, if the county adopted an ordinance that approved

1 the township's redevelopment plan.

2 (g) "Initial Sales Tax Amounts" means the amount of taxes
3 paid under the Retailers' Occupation Tax Act, Use Tax Act,
4 Service Use Tax Act, the Service Occupation Tax Act, the
5 Municipal Retailers' Occupation Tax Act, and the Municipal
6 Service Occupation Tax Act by retailers and servicemen on
7 transactions at places located in a State Sales Tax Boundary
8 during the calendar year 1985.

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

16 (h) "Municipal Sales Tax Increment" means an amount equal
17 to the increase in the aggregate amount of taxes paid to a
18 municipality from the Local Government Tax Fund arising from
19 sales by retailers and servicemen within the redevelopment
20 project area or State Sales Tax Boundary, as the case may be,
21 for as long as the redevelopment project area or State Sales
22 Tax Boundary, as the case may be, exist over and above the
23 aggregate amount of taxes as certified by the Illinois
24 Department of Revenue and paid under the Municipal Retailers'
25 Occupation Tax Act and the Municipal Service Occupation Tax Act
26 by retailers and servicemen, on transactions at places of

1 business located in the redevelopment project area or State
2 Sales Tax Boundary, as the case may be, during the base year
3 which shall be the calendar year immediately prior to the year
4 in which the municipality adopted tax increment allocation
5 financing. For purposes of computing the aggregate amount of
6 such taxes for base years occurring prior to 1985, the
7 Department of Revenue shall determine the Initial Sales Tax
8 Amounts for such taxes and deduct therefrom an amount equal to
9 4% of the aggregate amount of taxes per year for each year the
10 base year is prior to 1985, but not to exceed a total deduction
11 of 12%. The amount so determined shall be known as the
12 "Adjusted Initial Sales Tax Amounts". For purposes of
13 determining the Municipal Sales Tax Increment, the Department
14 of Revenue shall for each period subtract from the amount paid
15 to the municipality from the Local Government Tax Fund arising
16 from sales by retailers and servicemen on transactions located
17 in the redevelopment project area or the State Sales Tax
18 Boundary, as the case may be, the certified Initial Sales Tax
19 Amounts, the Adjusted Initial Sales Tax Amounts or the Revised
20 Initial Sales Tax Amounts for the Municipal Retailers'
21 Occupation Tax Act and the Municipal Service Occupation Tax
22 Act. For the State Fiscal Year 1989, this calculation shall be
23 made by utilizing the calendar year 1987 to determine the tax
24 amounts received. For the State Fiscal Year 1990, this
25 calculation shall be made by utilizing the period from January
26 1, 1988, until September 30, 1988, to determine the tax amounts

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

21 (i) "Net State Sales Tax Increment" means the sum of the
22 following: (a) 80% of the first \$100,000 of State Sales Tax
23 Increment annually generated within a State Sales Tax Boundary;
24 (b) 60% of the amount in excess of \$100,000 but not exceeding
25 \$500,000 of State Sales Tax Increment annually generated within
26 a State Sales Tax Boundary; and (c) 40% of all amounts in

1 excess of \$500,000 of State Sales Tax Increment annually
2 generated within a State Sales Tax Boundary. If, however, a
3 municipality established a tax increment financing district in
4 a county with a population in excess of 3,000,000 before
5 January 1, 1986, and the municipality entered into a contract
6 or issued bonds after January 1, 1986, but before December 31,
7 1986, to finance redevelopment project costs within a State
8 Sales Tax Boundary, then the Net State Sales Tax Increment
9 means, for the fiscal years beginning July 1, 1990, and July 1,
10 1991, 100% of the State Sales Tax Increment annually generated
11 within a State Sales Tax Boundary; and notwithstanding any
12 other provision of this Act, for those fiscal years the
13 Department of Revenue shall distribute to those municipalities
14 100% of their Net State Sales Tax Increment before any
15 distribution to any other municipality and regardless of
16 whether or not those other municipalities will receive 100% of
17 their Net State Sales Tax Increment. For Fiscal Year 1999, and
18 every year thereafter until the year 2007, for any municipality
19 that has not entered into a contract or has not issued bonds
20 prior to June 1, 1988 to finance redevelopment project costs
21 within a State Sales Tax Boundary, the Net State Sales Tax
22 Increment shall be calculated as follows: By multiplying the
23 Net State Sales Tax Increment by 90% in the State Fiscal Year
24 1999; 80% in the State Fiscal Year 2000; 70% in the State
25 Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the
26 State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30%

1 in the State Fiscal Year 2005; 20% in the State Fiscal Year
2 2006; and 10% in the State Fiscal Year 2007. No payment shall
3 be made for State Fiscal Year 2008 and thereafter.

4 Municipalities that issued bonds in connection with a
5 redevelopment project in a redevelopment project area within
6 the State Sales Tax Boundary prior to July 29, 1991, or that
7 entered into contracts in connection with a redevelopment
8 project in a redevelopment project area before June 1, 1988,
9 shall continue to receive their proportional share of the
10 Illinois Tax Increment Fund distribution until the date on
11 which the redevelopment project is completed or terminated. If,
12 however, a municipality that issued bonds in connection with a
13 redevelopment project in a redevelopment project area within
14 the State Sales Tax Boundary prior to July 29, 1991 retires the
15 bonds prior to June 30, 2007 or a municipality that entered
16 into contracts in connection with a redevelopment project in a
17 redevelopment project area before June 1, 1988 completes the
18 contracts prior to June 30, 2007, then so long as the
19 redevelopment project is not completed or is not terminated,
20 the Net State Sales Tax Increment shall be calculated,
21 beginning on the date on which the bonds are retired or the
22 contracts are completed, as follows: By multiplying the Net
23 State Sales Tax Increment by 60% in the State Fiscal Year 2002;
24 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year
25 2004; 30% in the State Fiscal Year 2005; 20% in the State
26 Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No

1 payment shall be made for State Fiscal Year 2008 and
2 thereafter. Refunding of any bonds issued prior to July 29,
3 1991, shall not alter the Net State Sales Tax Increment.

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

16 (k) "Net State Utility Tax Increment" means the sum of the
17 following: (a) 80% of the first \$100,000 of State Utility Tax
18 Increment annually generated by a redevelopment project area;
19 (b) 60% of the amount in excess of \$100,000 but not exceeding
20 \$500,000 of the State Utility Tax Increment annually generated
21 by a redevelopment project area; and (c) 40% of all amounts in
22 excess of \$500,000 of State Utility Tax Increment annually
23 generated by a redevelopment project area. For the State Fiscal
24 Year 1999, and every year thereafter until the year 2007, for
25 any municipality that has not entered into a contract or has
26 not issued bonds prior to June 1, 1988 to finance redevelopment

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

11 Municipalities that issue bonds in connection with the
12 redevelopment project during the period from June 1, 1988 until
13 3 years after the effective date of this Amendatory Act of 1988
14 shall receive the Net State Utility Tax Increment, subject to
15 appropriation, for 15 State Fiscal Years after the issuance of
16 such bonds. For the 16th through the 20th State Fiscal Years
17 after issuance of the bonds, the Net State Utility Tax
18 Increment shall be calculated as follows: By multiplying the
19 Net State Utility Tax Increment by 90% in year 16; 80% in year
20 17; 70% in year 18; 60% in year 19; and 50% in year 20.
21 Refunding of any bonds issued prior to June 1, 1988, shall not
22 alter the revised Net State Utility Tax Increment payments set
23 forth above.

24 (1) "Obligations" mean bonds, loans, debentures, notes,
25 special certificates or other evidence of indebtedness issued
26 by the municipality to carry out a redevelopment project or to

1 refund outstanding obligations.

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

14 (n) "Redevelopment plan" means the comprehensive program
15 of the municipality for development or redevelopment intended
16 by the payment of redevelopment project costs to reduce or
17 eliminate those conditions the existence of which qualified the
18 redevelopment project area as a "blighted area" or
19 "conservation area" or combination thereof or "industrial park
20 conservation area," and thereby to enhance the tax bases of the
21 taxing districts which extend into the redevelopment project
22 area. On and after November 1, 1999 (the effective date of
23 Public Act 91-478), no redevelopment plan may be approved or
24 amended that includes the development of vacant land (i) with a
25 golf course and related clubhouse and other facilities or (ii)
26 designated by federal, State, county, or municipal government

1 as public land for outdoor recreational activities or for
2 nature preserves and used for that purpose within 5 years prior
3 to the adoption of the redevelopment plan. For the purpose of
4 this subsection, "recreational activities" is limited to mean
5 camping and hunting. Each redevelopment plan shall set forth in
6 writing the program to be undertaken to accomplish the
7 objectives and shall include but not be limited to:

8 (A) an itemized list of estimated redevelopment
9 project costs;

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

13 (C) an assessment of any financial impact of the
14 redevelopment project area on or any increased demand for
15 services from any taxing district affected by the plan and
16 any program to address such financial impact or increased
17 demand;

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

19 (E) the nature and term of the obligations to be
20 issued;

21 (F) the most recent equalized assessed valuation of the
22 redevelopment project area;

23 (G) an estimate as to the equalized assessed valuation
24 after redevelopment and the general land uses to apply in
25 the redevelopment project area;

26 (H) a commitment to fair employment practices and an

1 affirmative action plan;

2 (I) if it concerns an industrial park conservation
3 area, the plan shall also include a general description of
4 any proposed developer, user and tenant of any property, a
5 description of the type, structure and general character of
6 the facilities to be developed, a description of the type,
7 class and number of new employees to be employed in the
8 operation of the facilities to be developed; and

9 (J) if property is to be annexed to the municipality,
10 the plan shall include the terms of the annexation
11 agreement.

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

20 (1) The municipality finds that the redevelopment
21 project area on the whole has not been subject to growth
22 and development through investment by private enterprise
23 and would not reasonably be anticipated to be developed
24 without the adoption of the redevelopment plan.

25 (2) The municipality finds that the redevelopment plan
26 and project conform to the comprehensive plan for the

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

10 (3) The redevelopment plan establishes the estimated
11 dates of completion of the redevelopment project and
12 retirement of obligations issued to finance redevelopment
13 project costs. Those dates may not be later than the dates
14 set forth under Section 11-74.4-3.5.

15 A municipality may by municipal ordinance amend an
16 existing redevelopment plan to conform to this paragraph
17 (3) as amended by Public Act 91-478, which municipal
18 ordinance may be adopted without further hearing or notice
19 and without complying with the procedures provided in this
20 Act pertaining to an amendment to or the initial approval
21 of a redevelopment plan and project and designation of a
22 redevelopment project area.

23 (3.5) The municipality finds, in the case of an
24 industrial park conservation area, also that the
25 municipality is a labor surplus municipality and that the
26 implementation of the redevelopment plan will reduce

1 unemployment, create new jobs and by the provision of new
2 facilities enhance the tax base of the taxing districts
3 that extend into the redevelopment project area.

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

13 (5) If the redevelopment plan will not result in
14 displacement of residents from 10 or more inhabited
15 residential units, and the municipality certifies in the
16 plan that such displacement will not result from the plan,
17 a housing impact study need not be performed. If, however,
18 the redevelopment plan would result in the displacement of
19 residents from 10 or more inhabited residential units, or
20 if the redevelopment project area contains 75 or more
21 inhabited residential units and no certification is made,
22 then the municipality shall prepare, as part of the
23 separate feasibility report required by subsection (a) of
24 Section 11-74.4-5, a housing impact study.

25 Part I of the housing impact study shall include (i)
26 data as to whether the residential units are single family

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

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

25 (6) On and after November 1, 1999, the housing impact
26 study required by paragraph (5) shall be incorporated in

1 the redevelopment plan for the redevelopment project area.

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

23 (8) On and after November 1, 1999, if, after the
24 adoption of the redevelopment plan for the redevelopment
25 project area, any municipality desires to amend its
26 redevelopment plan to remove more inhabited residential

1 units than specified in its original redevelopment plan,
2 that change shall be made in accordance with the procedures
3 in subsection (c) of Section 11-74.4-5.

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

18 (o) "Redevelopment project" means any public and private
19 development project in furtherance of the objectives of a
20 redevelopment plan. On and after November 1, 1999 (the
21 effective date of Public Act 91-478), no redevelopment plan may
22 be approved or amended that includes the development of vacant
23 land (i) with a golf course and related clubhouse and other
24 facilities or (ii) designated by federal, State, county, or
25 municipal government as public land for outdoor recreational
26 activities or for nature preserves and used for that purpose

1 within 5 years prior to the adoption of the redevelopment plan.
2 For the purpose of this subsection, "recreational activities"
3 is limited to mean camping and hunting.

4 (p) "Redevelopment project area" means an area designated
5 by the municipality, which is not less in the aggregate than 1
6 1/2 acres and in respect to which the municipality has made a
7 finding that there exist conditions which cause the area to be
8 classified as an industrial park conservation area or a
9 blighted area or a conservation area, or a combination of both
10 blighted areas and conservation areas.

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

22 (q) "Redevelopment project costs", except for
23 redevelopment project areas created pursuant to subsection
24 (p-1), means and includes the sum total of all reasonable or
25 necessary costs incurred or estimated to be incurred, and any
26 such costs incidental to a redevelopment plan and a

1 redevelopment project. Such costs include, without limitation,
2 the following:

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

1 consultant or advisor before the commencement of services
2 for the municipality and thereafter whenever any other
3 contracts with those individuals or entities are executed
4 by the consultant or advisor;

5 (1.5) After July 1, 1999, annual administrative costs
6 shall not include general overhead or administrative costs
7 of the municipality that would still have been incurred by
8 the municipality if the municipality had not designated a
9 redevelopment project area or approved a redevelopment
10 plan;

11 (1.6) The cost of marketing sites within the
12 redevelopment project area to prospective businesses,
13 developers, and investors;

14 (2) Property assembly costs, including but not limited
15 to acquisition of land and other property, real or
16 personal, or rights or interests therein, demolition of
17 buildings, site preparation, site improvements that serve
18 as an engineered barrier addressing ground level or below
19 ground environmental contamination, including, but not
20 limited to parking lots and other concrete or asphalt
21 barriers, and the clearing and grading of land;

22 (3) Costs of rehabilitation, reconstruction or repair
23 or remodeling of existing public or private buildings,
24 fixtures, and leasehold improvements; and the cost of
25 replacing an existing public building if pursuant to the
26 implementation of a redevelopment project the existing

1 public building is to be demolished to use the site for
2 private investment or devoted to a different use requiring
3 private investment; including any direct or indirect costs
4 relating to Green Globes or LEED certified construction
5 elements or construction elements with an equivalent
6 certification;

7 (4) Costs of the construction of public works or
8 improvements, including any direct or indirect costs
9 relating to Green Globes or LEED certified construction
10 elements or construction elements with an equivalent
11 certification, except that on and after November 1, 1999,
12 redevelopment project costs shall not include the cost of
13 constructing a new municipal public building principally
14 used to provide offices, storage space, or conference
15 facilities or vehicle storage, maintenance, or repair for
16 administrative, public safety, or public works personnel
17 and that is not intended to replace an existing public
18 building as provided under paragraph (3) of subsection (q)
19 of Section 11-74.4-3 unless either (i) the construction of
20 the new municipal building implements a redevelopment
21 project that was included in a redevelopment plan that was
22 adopted by the municipality prior to November 1, 1999 or
23 (ii) the municipality makes a reasonable determination in
24 the redevelopment plan, supported by information that
25 provides the basis for that determination, that the new
26 municipal building is required to meet an increase in the

1 need for public safety purposes anticipated to result from
2 the implementation of the redevelopment plan;

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

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

15 (7) To the extent the municipality by written agreement
16 accepts and approves the same, all or a portion of a taxing
17 district's capital costs resulting from the redevelopment
18 project necessarily incurred or to be incurred within a
19 taxing district in furtherance of the objectives of the
20 redevelopment plan and project.

21 (7.5) 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 November 1, 1999, an elementary, secondary, or
25 unit school district's increased costs attributable to
26 assisted housing units located within the redevelopment

1 project area for which the developer or redeveloper
2 receives financial assistance through an agreement with
3 the municipality or because the municipality incurs the
4 cost of necessary infrastructure improvements within the
5 boundaries of the assisted housing sites necessary for the
6 completion of that housing as authorized by this Act, and
7 which costs shall be paid by the municipality from the
8 Special Tax Allocation Fund when the tax increment revenue
9 is received as a result of the assisted housing units and
10 shall be calculated annually as follows:

11 (A) for foundation districts, excluding any school
12 district in a municipality with a population in excess
13 of 1,000,000, by multiplying the district's increase
14 in attendance resulting from the net increase in new
15 students enrolled in that school district who reside in
16 housing units within the redevelopment project area
17 that have received financial assistance through an
18 agreement with the municipality or because the
19 municipality incurs the cost of necessary
20 infrastructure improvements within the boundaries of
21 the housing sites necessary for the completion of that
22 housing as authorized by this Act since the designation
23 of the redevelopment project area by the most recently
24 available per capita tuition cost as defined in Section
25 10-20.12a of the School Code less any increase in
26 general State aid as defined in Section 18-8.05 of the

1 School Code or primary State aid as defined in Section
2 18-8.15 of the School Code attributable to these added
3 new students subject to the following annual
4 limitations:

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

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

17 (iii) for secondary school districts with a
18 district average 1995-96 Per Capita Tuition Charge
19 of less than \$5,900, no more than 8% 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.

23 (B) For alternate method districts, flat grant
24 districts, and foundation districts with a district
25 average 1995-96 Per Capita Tuition Charge equal to or
26 more than \$5,900, excluding any school district with a

1 population in excess of 1,000,000, by multiplying the
2 district's increase in attendance resulting from the
3 net increase in new students enrolled in that school
4 district who reside in housing units within the
5 redevelopment project area that have received
6 financial assistance through an agreement with the
7 municipality or because the municipality incurs the
8 cost of necessary infrastructure improvements within
9 the boundaries of the housing sites necessary for the
10 completion of that housing as authorized by this Act
11 since the designation of the redevelopment project
12 area by the most recently available per capita tuition
13 cost as defined in Section 10-20.12a of the School Code
14 less any increase in general state aid as defined in
15 Section 18-8.05 of the School Code or primary State aid
16 as defined in Section 18-8.15 of the School Code
17 attributable to these added new students subject to the
18 following annual limitations:

19 (i) for unit school districts, no more than 40%
20 of the total amount of property tax increment
21 revenue produced by those housing units that have
22 received tax increment finance assistance under
23 this Act;

24 (ii) for elementary school districts, no more
25 than 27% of the total amount of property tax
26 increment revenue produced by those housing units

1 that have received tax increment finance
2 assistance under this Act; and

3 (iii) for secondary school districts, no more
4 than 13% of the total amount of property tax
5 increment revenue produced by those housing units
6 that have received tax increment finance
7 assistance under this Act.

8 (C) For any school district in a municipality with
9 a population in excess of 1,000,000, the following
10 restrictions shall apply to the reimbursement of
11 increased costs under this paragraph (7.5):

12 (i) no increased costs shall be reimbursed
13 unless the school district certifies that each of
14 the schools affected by the assisted housing
15 project is at or over its student capacity;

16 (ii) the amount reimbursable shall be reduced
17 by the value of any land donated to the school
18 district by the municipality or developer, and by
19 the value of any physical improvements made to the
20 schools by the municipality or developer; and

21 (iii) the amount reimbursed may not affect
22 amounts otherwise obligated by the terms of any
23 bonds, notes, or other funding instruments, or the
24 terms of any redevelopment agreement.

25 Any school district seeking payment under this
26 paragraph (7.5) shall, after July 1 and before

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

15 (7.7) For redevelopment project areas designated (or
16 redevelopment project areas amended to add or increase the
17 number of tax-increment-financing assisted housing units)
18 on or after January 1, 2005 (the effective date of Public
19 Act 93-961), a public library district's increased costs
20 attributable to assisted housing units located within the
21 redevelopment project area for which the developer or
22 redeveloper receives financial assistance through an
23 agreement with the municipality or because the
24 municipality incurs the cost of necessary infrastructure
25 improvements within the boundaries of the assisted housing
26 sites necessary for the completion of that housing as

1 authorized by this Act shall be paid to the library
2 district by the municipality from the Special Tax
3 Allocation Fund when the tax increment revenue is received
4 as a result of the assisted housing units. This paragraph
5 (7.7) applies only if (i) the library district is located
6 in a county that is subject to the Property Tax Extension
7 Limitation Law or (ii) the library district is not located
8 in a county that is subject to the Property Tax Extension
9 Limitation Law but the district is prohibited by any other
10 law from increasing its tax levy rate without a prior voter
11 referendum.

12 The amount paid to a library district under this
13 paragraph (7.7) shall be calculated by multiplying (i) the
14 net increase in the number of persons eligible to obtain a
15 library card in that district who reside in housing units
16 within the redevelopment project area that have received
17 financial assistance through an agreement with the
18 municipality or because the municipality incurs the cost of
19 necessary infrastructure improvements within the
20 boundaries of the housing sites necessary for the
21 completion of that housing as authorized by this Act since
22 the designation of the redevelopment project area by (ii)
23 the per-patron cost of providing library services so long
24 as it does not exceed \$120. The per-patron cost shall be
25 the Total Operating Expenditures Per Capita for the library
26 in the previous fiscal year. The municipality may deduct

1 from the amount that it must pay to a library district
2 under this paragraph any amount that it has voluntarily
3 paid to the library district from the tax increment
4 revenue. The amount paid to a library district under this
5 paragraph (7.7) shall be no more than 2% of the amount
6 produced by the assisted housing units and deposited into
7 the Special Tax Allocation Fund.

8 A library district is not eligible for any payment
9 under this paragraph (7.7) unless the library district has
10 experienced an increase in the number of patrons from the
11 municipality that created the tax-increment-financing
12 district since the designation of the redevelopment
13 project area.

14 Any library district seeking payment under this
15 paragraph (7.7) shall, after July 1 and before September 30
16 of each year, provide the municipality with convincing
17 evidence to support its claim for reimbursement before the
18 municipality shall be required to approve or make the
19 payment to the library district. If the library district
20 fails to provide the information during this period in any
21 year, it shall forfeit any claim to reimbursement for that
22 year. Library districts may adopt a resolution waiving the
23 right to all or a portion of the reimbursement otherwise
24 required by this paragraph (7.7). By acceptance of such
25 reimbursement, the library district shall forfeit any
26 right to directly or indirectly set aside, modify, or

1 contest in any manner whatsoever the establishment of the
2 redevelopment project area or projects;

3 (8) Relocation costs to the extent that a municipality
4 determines that relocation costs shall be paid or is
5 required to make payment of relocation costs by federal or
6 State law or in order to satisfy subparagraph (7) of
7 subsection (n);

8 (9) Payment in lieu of taxes;

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

1 funds to pay for the same, and the term of the agreement.
2 Such costs include, specifically, the payment by community
3 college districts of costs pursuant to Sections 3-37, 3-38,
4 3-40 and 3-40.1 of the Public Community College Act and by
5 school districts of costs pursuant to Sections 10-22.20a
6 and 10-23.3a of The School Code;

7 (11) Interest cost incurred by a redeveloper related to
8 the construction, renovation or rehabilitation of a
9 redevelopment project provided that:

10 (A) such costs are to be paid directly from the
11 special tax allocation fund established pursuant to
12 this Act;

13 (B) such payments in any one year may not exceed
14 30% of the annual interest costs incurred by the
15 redeveloper with regard to the redevelopment project
16 during that year;

17 (C) if there are not sufficient funds available in
18 the special tax allocation fund to make the payment
19 pursuant to this paragraph (11) then the amounts so due
20 shall accrue and be payable when sufficient funds are
21 available in the special tax allocation fund;

22 (D) the total of such interest payments paid
23 pursuant to this Act may not exceed 30% of the total
24 (i) cost paid or incurred by the redeveloper for the
25 redevelopment project plus (ii) redevelopment project
26 costs excluding any property assembly costs and any

1 relocation costs incurred by a municipality pursuant
2 to this Act; and

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

10 (F) Instead of the eligible costs provided by
11 subparagraphs (B) and (D) of paragraph (11), as
12 modified by this subparagraph, and notwithstanding any
13 other provisions of this Act to the contrary, the
14 municipality may pay from tax increment revenues up to
15 50% of the cost of construction of new housing units to
16 be occupied by low-income households and very
17 low-income households as defined in Section 3 of the
18 Illinois Affordable Housing Act. The cost of
19 construction of those units may be derived from the
20 proceeds of bonds issued by the municipality under this
21 Act or other constitutional or statutory authority or
22 from other sources of municipal revenue that may be
23 reimbursed from tax increment revenues or the proceeds
24 of bonds issued to finance the construction of that
25 housing.

26 The eligible costs provided under this

1 subparagraph (F) of paragraph (11) shall be an eligible
2 cost for the construction, renovation, and
3 rehabilitation of all low and very low-income housing
4 units, as defined in Section 3 of the Illinois
5 Affordable Housing Act, within the redevelopment
6 project area. If the low and very low-income units are
7 part of a residential redevelopment project that
8 includes units not affordable to low and very
9 low-income households, only the low and very
10 low-income units shall be eligible for benefits under
11 subparagraph (F) of paragraph (11). The standards for
12 maintaining the occupancy by low-income households and
13 very low-income households, as defined in Section 3 of
14 the Illinois Affordable Housing Act, of those units
15 constructed with eligible costs made available under
16 the provisions of this subparagraph (F) of paragraph
17 (11) shall be established by guidelines adopted by the
18 municipality. The responsibility for annually
19 documenting the initial occupancy of the units by
20 low-income households and very low-income households,
21 as defined in Section 3 of the Illinois Affordable
22 Housing Act, shall be that of the then current owner of
23 the property. For ownership units, the guidelines will
24 provide, at a minimum, for a reasonable recapture of
25 funds, or other appropriate methods designed to
26 preserve the original affordability of the ownership

1 units. For rental units, the guidelines will provide,
2 at a minimum, for the affordability of rent to low and
3 very low-income households. As units become available,
4 they shall be rented to income-eligible tenants. The
5 municipality may modify these guidelines from time to
6 time; the guidelines, however, shall be in effect for
7 as long as tax increment revenue is being used to pay
8 for costs associated with the units or for the
9 retirement of bonds issued to finance the units or for
10 the life of the redevelopment project area, whichever
11 is later.

12 (11.5) If the redevelopment project area is located
13 within a municipality with a population of more than
14 100,000, the cost of day care services for children of
15 employees from low-income families working for businesses
16 located within the redevelopment project area and all or a
17 portion of the cost of operation of day care centers
18 established by redevelopment project area businesses to
19 serve employees from low-income families working in
20 businesses located in the redevelopment project area. For
21 the purposes of this paragraph, "low-income families"
22 means families whose annual income does not exceed 80% of
23 the municipal, county, or regional median income, adjusted
24 for family size, as the annual income and municipal,
25 county, or regional median income are determined from time
26 to time by the United States Department of Housing and

1 Urban Development.

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

5 (13) After November 1, 1999 (the effective date of
6 Public Act 91-478), none of the redevelopment project costs
7 enumerated in this subsection shall be eligible
8 redevelopment project costs if those costs would provide
9 direct financial support to a retail entity initiating
10 operations in the redevelopment project area while
11 terminating operations at another Illinois location within
12 10 miles of the redevelopment project area but outside the
13 boundaries of the redevelopment project area municipality.
14 For purposes of this paragraph, termination means a closing
15 of a retail operation that is directly related to the
16 opening of the same operation or like retail entity owned
17 or operated by more than 50% of the original ownership in a
18 redevelopment project area, but it does not mean closing an
19 operation for reasons beyond the control of the retail
20 entity, as documented by the retail entity, subject to a
21 reasonable finding by the municipality that the current
22 location contained inadequate space, had become
23 economically obsolete, or was no longer a viable location
24 for the retailer or serviceman.

25 (14) No cost shall be a redevelopment project cost in a
26 redevelopment project area if used to demolish, remove, or

1 substantially modify a historic resource, after August 26,
2 2008 (the effective date of Public Act 95-934), unless no
3 prudent and feasible alternative exists. "Historic
4 resource" for the purpose of this item (14) means (i) a
5 place or structure that is included or eligible for
6 inclusion on the National Register of Historic Places or
7 (ii) a contributing structure in a district on the National
8 Register of Historic Places. This item (14) does not apply
9 to a place or structure for which demolition, removal, or
10 modification is subject to review by the preservation
11 agency of a Certified Local Government designated as such
12 by the National Park Service of the United States
13 Department of the Interior.

14 If a special service area has been established pursuant to
15 the Special Service Area Tax Act or Special Service Area Tax
16 Law, then any tax increment revenues derived from the tax
17 imposed pursuant to the Special Service Area Tax Act or Special
18 Service Area Tax Law may be used within the redevelopment
19 project area for the purposes permitted by that Act or Law as
20 well as the purposes permitted by this Act.

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

26 (r) "State Sales Tax Boundary" means the redevelopment

1 project area or the amended redevelopment project area
2 boundaries which are determined pursuant to subsection (9) of
3 Section 11-74.4-8a of this Act. The Department of Revenue shall
4 certify pursuant to subsection (9) of Section 11-74.4-8a the
5 appropriate boundaries eligible for the determination of State
6 Sales Tax Increment.

7 (s) "State Sales Tax Increment" means an amount equal to
8 the increase in the aggregate amount of taxes paid by retailers
9 and servicemen, other than retailers and servicemen subject to
10 the Public Utilities Act, on transactions at places of business
11 located within a State Sales Tax Boundary pursuant to the
12 Retailers' Occupation Tax Act, the Use Tax Act, the Service Use
13 Tax Act, and the Service Occupation Tax Act, except such
14 portion of such increase that is paid into the State and Local
15 Sales Tax Reform Fund, the Local Government Distributive Fund,
16 the Local Government Tax Fund and the County and Mass Transit
17 District Fund, for as long as State participation exists, over
18 and above the Initial Sales Tax Amounts, Adjusted Initial Sales
19 Tax Amounts or the Revised Initial Sales Tax Amounts for such
20 taxes as certified by the Department of Revenue and paid under
21 those Acts by retailers and servicemen on transactions at
22 places of business located within the State Sales Tax Boundary
23 during the base year which shall be the calendar year
24 immediately prior to the year in which the municipality adopted
25 tax increment allocation financing, less 3.0% of such amounts
26 generated under the Retailers' Occupation Tax Act, Use Tax Act

1 and Service Use Tax Act and the Service Occupation Tax Act,
2 which sum shall be appropriated to the Department of Revenue to
3 cover its costs of administering and enforcing this Section.
4 For purposes of computing the aggregate amount of such taxes
5 for base years occurring prior to 1985, the Department of
6 Revenue shall compute the Initial Sales Tax Amount for such
7 taxes and deduct therefrom an amount equal to 4% of the
8 aggregate amount of taxes per year for each year the base year
9 is prior to 1985, but not to exceed a total deduction of 12%.
10 The amount so determined shall be known as the "Adjusted
11 Initial Sales Tax Amount". For purposes of determining the
12 State Sales Tax Increment the Department of Revenue shall for
13 each period subtract from the tax amounts received from
14 retailers and servicemen on transactions located in the State
15 Sales Tax Boundary, the certified Initial Sales Tax Amounts,
16 Adjusted Initial Sales Tax Amounts or Revised Initial Sales Tax
17 Amounts for the Retailers' Occupation Tax Act, the Use Tax Act,
18 the Service Use Tax Act and the Service Occupation Tax Act. For
19 the State Fiscal Year 1989 this calculation shall be made by
20 utilizing the calendar year 1987 to determine the tax amounts
21 received. For the State Fiscal Year 1990, this calculation
22 shall be made by utilizing the period from January 1, 1988,
23 until September 30, 1988, to determine the tax amounts received
24 from retailers and servicemen, which shall have deducted
25 therefrom nine-twelfths of the certified Initial Sales Tax
26 Amounts, Adjusted Initial Sales Tax Amounts or the Revised

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

17 (t) "Taxing districts" means counties, townships, cities
18 and incorporated towns and villages, school, road, park,
19 sanitary, mosquito abatement, forest preserve, public health,
20 fire protection, river conservancy, tuberculosis sanitarium
21 and any other municipal corporations or districts with the
22 power to levy taxes.

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

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

1 (w) "Annual Total Increment" means the sum of each
2 municipality's annual Net Sales Tax Increment and each
3 municipality's annual Net Utility Tax Increment. The ratio of
4 the Annual Total Increment of each municipality to the Annual
5 Total Increment for all municipalities, as most recently
6 calculated by the Department, shall determine the proportional
7 shares of the Illinois Tax Increment Fund to be distributed to
8 each municipality.

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

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

16 (Source: P.A. 96-328, eff. 8-11-09; 96-630, eff. 1-1-10;
17 96-680, eff. 8-25-09; 96-1000, eff. 7-2-10; 97-101, eff.
18 1-1-12.)

19 (65 ILCS 5/11-74.4-8) (from Ch. 24, par. 11-74.4-8)

20 Sec. 11-74.4-8. Tax increment allocation financing. A
21 municipality may not adopt tax increment financing in a
22 redevelopment project area after the effective date of this
23 amendatory Act of 1997 that will encompass an area that is
24 currently included in an enterprise zone created under the
25 Illinois Enterprise Zone Act unless that municipality,

1 pursuant to Section 5.4 of the Illinois Enterprise Zone Act,
2 amends the enterprise zone designating ordinance to limit the
3 eligibility for tax abatements as provided in Section 5.4.1 of
4 the Illinois Enterprise Zone Act. A municipality, at the time a
5 redevelopment project area is designated, may adopt tax
6 increment allocation financing by passing an ordinance
7 providing that the ad valorem taxes, if any, arising from the
8 levies upon taxable real property in such redevelopment project
9 area by taxing districts and tax rates determined in the manner
10 provided in paragraph (c) of Section 11-74.4-9 each year after
11 the effective date of the ordinance until redevelopment project
12 costs and all municipal obligations financing redevelopment
13 project costs incurred under this Division have been paid shall
14 be divided as follows:

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

24 (b) Except from a tax levied by a township to retire bonds
25 issued to satisfy court-ordered damages, that portion, if any,
26 of such taxes which is attributable to the increase in the

1 current equalized assessed valuation of each taxable lot,
2 block, tract or parcel of real property in the redevelopment
3 project area over and above the initial equalized assessed
4 value of each property in the project area shall be allocated
5 to and when collected shall be paid to the municipal treasurer
6 who shall deposit said taxes into a special fund called the
7 special tax allocation fund of the municipality for the purpose
8 of paying redevelopment project costs and obligations incurred
9 in the payment thereof. In any county with a population of
10 3,000,000 or more that has adopted a procedure for collecting
11 taxes that provides for one or more of the installments of the
12 taxes to be billed and collected on an estimated basis, the
13 municipal treasurer shall be paid for deposit in the special
14 tax allocation fund of the municipality, from the taxes
15 collected from estimated bills issued for property in the
16 redevelopment project area, the difference between the amount
17 actually collected from each taxable lot, block, tract, or
18 parcel of real property within the redevelopment project area
19 and an amount determined by multiplying the rate at which taxes
20 were last extended against the taxable lot, block, track, or
21 parcel of real property in the manner provided in subsection
22 (c) of Section 11-74.4-9 by the initial equalized assessed
23 value of the property divided by the number of installments in
24 which real estate taxes are billed and collected within the
25 county; provided that the payments on or before December 31,
26 1999 to a municipal treasurer shall be made only if each of the

1 following conditions are met:

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

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

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

21 (4) The municipality has not requested that the total
22 initial equalized assessed value of real property be
23 adjusted as provided in subsection (b) of Section
24 11-74.4-9.

25 The conditions of paragraphs (1) through (4) do not apply
26 after December 31, 1999 to payments to a municipal treasurer

1 made by a county with 3,000,000 or more inhabitants that has
2 adopted an estimated billing procedure for collecting taxes. If
3 a county that has adopted the estimated billing procedure makes
4 an erroneous overpayment of tax revenue to the municipal
5 treasurer, then the county may seek a refund of that
6 overpayment. The county shall send the municipal treasurer a
7 notice of liability for the overpayment on or before the
8 mailing date of the next real estate tax bill within the
9 county. The refund shall be limited to the amount of the
10 overpayment.

11 It is the intent of this Division that after the effective
12 date of this amendatory Act of 1988 a municipality's own ad
13 valorem tax arising from levies on taxable real property be
14 included in the determination of incremental revenue in the
15 manner provided in paragraph (c) of Section 11-74.4-9. If the
16 municipality does not extend such a tax, it shall annually
17 deposit in the municipality's Special Tax Increment Fund an
18 amount equal to 10% of the total contributions to the fund from
19 all other taxing districts in that year. The annual 10% deposit
20 required by this paragraph shall be limited to the actual
21 amount of municipally produced incremental tax revenues
22 available to the municipality from taxpayers located in the
23 redevelopment project area in that year if: (a) the plan for
24 the area restricts the use of the property primarily to
25 industrial purposes, (b) the municipality establishing the
26 redevelopment project area is a home-rule community with a 1990

1 population of between 25,000 and 50,000, (c) the municipality
2 is wholly located within a county with a 1990 population of
3 over 750,000 and (d) the redevelopment project area was
4 established by the municipality prior to June 1, 1990. This
5 payment shall be in lieu of a contribution of ad valorem taxes
6 on real property. If no such payment is made, any redevelopment
7 project area of the municipality shall be dissolved.

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

22 (1) That portion of the taxes levied upon each taxable
23 lot, block, tract or parcel of real property which is
24 attributable to the lower of the current equalized assessed
25 value or "current equalized assessed value as adjusted" or
26 the initial equalized assessed value of each such taxable

1 lot, block, tract, or parcel of real property existing at
2 the time tax increment financing was adopted, minus the
3 total current homestead exemptions under Article 15 of the
4 Property Tax Code in the redevelopment project area shall
5 be allocated to and when collected shall be paid by the
6 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 such taxes which 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 redevelopment project area,
13 over and above the initial equalized assessed value of each
14 property existing at the time tax increment financing was
15 adopted, minus the total current homestead exemptions
16 pertaining to each piece of property provided by Article 15
17 of the Property Tax Code in the redevelopment project area,
18 shall be allocated to and when collected shall be paid to
19 the municipal Treasurer, who shall deposit said taxes into
20 a special fund called the special tax allocation fund of
21 the municipality for the purpose of paying redevelopment
22 project costs and obligations incurred in the payment
23 thereof.

24 The municipality may pledge in the ordinance the funds in
25 and to be deposited in the special tax allocation fund for the
26 payment of such costs and obligations. No part of the current

1 equalized assessed valuation of each property in the
2 redevelopment project area attributable to any increase above
3 the total initial equalized assessed value, or the total
4 initial equalized assessed value as adjusted, of such
5 properties shall be used in calculating the general State
6 ~~school~~ aid formula, provided for in Section 18-8 of the School
7 Code, or the primary State aid formula, provided for in Section
8 18-8.15 of the School Code, until such time as all
9 redevelopment project costs have been paid as provided for in
10 this Section.

11 Whenever a municipality issues bonds for the purpose of
12 financing redevelopment project costs, such municipality may
13 provide by ordinance for the appointment of a trustee, which
14 may be any trust company within the State, and for the
15 establishment of such funds or accounts to be maintained by
16 such trustee as the municipality shall deem necessary to
17 provide for the security and payment of the bonds. If such
18 municipality provides for the appointment of a trustee, such
19 trustee shall be considered the assignee of any payments
20 assigned by the municipality pursuant to such ordinance and
21 this Section. Any amounts paid to such trustee as assignee
22 shall be deposited in the funds or accounts established
23 pursuant to such trust agreement, and shall be held by such
24 trustee in trust for the benefit of the holders of the bonds,
25 and such holders shall have a lien on and a security interest
26 in such funds or accounts so long as the bonds remain

1 outstanding and unpaid. Upon retirement of the bonds, the
2 trustee shall pay over any excess amounts held to the
3 municipality for deposit in the special tax allocation fund.

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

22 Upon the payment of all redevelopment project costs, the
23 retirement of obligations, the distribution of any excess
24 monies pursuant to this Section, and final closing of the books
25 and records of the redevelopment project area, the municipality
26 shall adopt an ordinance dissolving the special tax allocation

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

20 Nothing in this Section shall be construed as relieving
21 property in such redevelopment project areas from being
22 assessed as provided in the Property Tax Code or as relieving
23 owners of such property from paying a uniform rate of taxes, as
24 required by Section 4 of Article IX of the Illinois
25 Constitution.

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

1 (65 ILCS 5/11-74.6-35)

2 Sec. 11-74.6-35. Ordinance for tax increment allocation
3 financing.

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

15 (1) That portion of the taxes levied upon each taxable
16 lot, block, tract or parcel of real property that is
17 attributable to the lower of the current equalized assessed
18 value or the initial equalized assessed value or the
19 updated initial equalized assessed value of each taxable
20 lot, block, tract or parcel of real property in the
21 redevelopment project area shall be allocated to and when
22 collected shall be paid by the county collector to the
23 respective affected taxing districts in the manner
24 required by law without regard to the adoption of tax
25 increment allocation financing.

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

1 subsection (b) of Section 11-74.6-40 by the initial
2 equalized assessed value or the updated initial equalized
3 assessed value of the property divided by the number of
4 installments in which real estate taxes are billed and
5 collected within the county, provided that the payments on
6 or before December 31, 1999 to a municipal treasurer shall
7 be made only if each of the following conditions are met:

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

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

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

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

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

17 (c) If a municipality has adopted tax increment allocation
18 financing for a redevelopment project area by ordinance and the
19 county clerk thereafter certifies the total initial equalized
20 assessed value or the total updated initial equalized assessed
21 value of the taxable real property within such redevelopment
22 project area in the manner provided in paragraph (a) or (b) of
23 Section 11-74.6-40, each year after the date of the
24 certification of the total initial equalized assessed value or
25 the total updated initial equalized assessed value until
26 redevelopment project costs and all municipal obligations

1 financing redevelopment project costs have been paid, the ad
2 valorem taxes, if any, arising from the levies upon the taxable
3 real property in the redevelopment project area by taxing
4 districts and tax rates determined in the manner provided in
5 paragraph (b) of Section 11-74.6-40 shall be divided as
6 follows:

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

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

1 property existing at the time tax increment allocation
2 financing was adopted in the redevelopment project area, or
3 the updated initial equalized assessed value of each parcel
4 if the updated initial equalized assessed value of that
5 parcel has been certified in accordance with Section
6 11-74.6-40, shall be allocated to and when collected shall
7 be paid to the municipal treasurer, who shall deposit those
8 taxes into a special fund called the special tax allocation
9 fund of the municipality for the purpose of paying
10 redevelopment project costs and obligations incurred in
11 the payment thereof.

12 (d) The municipality may pledge in the ordinance the funds
13 in and to be deposited in the special tax allocation fund for
14 the payment of redevelopment project costs and obligations. No
15 part of the current equalized assessed value of each property
16 in the redevelopment project area attributable to any increase
17 above the total initial equalized assessed value or the total
18 initial updated equalized assessed value of the property, shall
19 be used in calculating the general ~~General~~ State aid formula
20 ~~School Aid Formula~~, provided for in Section 18-8 of the School
21 Code, or the primary State aid formula, provided for in Section
22 18-8.15 of the School Code, until all redevelopment project
23 costs have been paid as provided for in this Section.

24 Whenever a municipality issues bonds for the purpose of
25 financing redevelopment project costs, that municipality may
26 provide by ordinance for the appointment of a trustee, which

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

17 When the redevelopment projects costs, including without
18 limitation all municipal obligations financing redevelopment
19 project costs incurred under this Law, have been paid, all
20 surplus funds then remaining in the special tax allocation fund
21 shall be distributed by being paid by the municipal treasurer
22 to the municipality and the county collector; first to the
23 municipality in direct proportion to the tax incremental
24 revenue received from the municipality, but not to exceed the
25 total incremental revenue received from the municipality,
26 minus any annual surplus distribution of incremental revenue

1 previously made. Any remaining funds shall be paid to the
2 county collector who shall immediately distribute that payment
3 to the taxing districts in the redevelopment project area in
4 the same manner and proportion as the most recent distribution
5 by the county collector to the affected districts of real
6 property taxes from real property situated in the redevelopment
7 project area.

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

20 Nothing in this Section shall be construed as relieving
21 property in a redevelopment project area from being assessed as
22 provided in the Property Tax Code or as relieving owners of
23 that property from paying a uniform rate of taxes, as required
24 by Section 4 of Article IX of the Illinois Constitution.

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

1 Section 940. The Economic Development Project Area Tax
2 Increment Allocation Act of 1995 is amended by changing Section
3 50 as follows:

4 (65 ILCS 110/50)

5 Sec. 50. Special tax allocation fund.

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

18 (1) That portion of the taxes levied upon each taxable
19 lot, block, tract, or parcel of real property that is
20 attributable to the lower of the current equalized assessed
21 value or the initial equalized assessed value of each
22 taxable lot, block, tract, or parcel of real property
23 existing at the time tax increment financing was adopted
24 shall be allocated to (and when collected shall be paid by
25 the county collector to) the respective affected taxing

1 districts in the manner required by law in the absence of
2 the adoption of tax increment allocation financing.

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

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

1 paid as provided for in this Section.

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

14 (d) Upon the payment of all economic development project
15 costs, retirement of obligations, and distribution of any
16 excess monies under this Section and not later than 23 years
17 from the date of the adoption of the ordinance establishing the
18 economic development project area, the municipality shall
19 adopt an ordinance dissolving the special tax allocation fund
20 for the economic development project area and terminating the
21 designation of the economic development project area as an
22 economic development project area. Thereafter, the rates of the
23 taxing districts shall be extended and taxes shall be levied,
24 collected, and distributed in the manner applicable in the
25 absence of the adoption of tax increment allocation financing.

26 (e) Nothing in this Section shall be construed as relieving

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

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

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

17 (105 ILCS 5/1A-8) (from Ch. 122, par. 1A-8)

18 Sec. 1A-8. Powers of the Board in Assisting Districts
19 Deemed in Financial Difficulties. To promote the financial
20 integrity of school districts, the State Board of Education
21 shall be provided the necessary powers to promote sound
22 financial management and continue operation of the public
23 schools.

24 (a) The State Superintendent of Education may require a

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

22 (b) The State Board of Education, after proper
23 investigation of a district's financial condition, may certify
24 that a district, including any district subject to Article 34A,
25 is in financial difficulty when any of the following conditions
26 occur:

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

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

13 (3) The district has for 2 consecutive years shown an
14 excess of expenditures and other financing uses over
15 revenues and other financing sources and beginning fund
16 balances on its annual financial report for the aggregate
17 totals of the Educational, Operations and Maintenance,
18 Transportation, and Working Cash Funds.

19 (4) The district refuses to provide financial
20 information or cooperate with the State Superintendent in
21 an investigation of the district's financial condition.

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

25 No school district shall be certified by the State Board of
26 Education to be in financial difficulty solely by reason of any

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

23 A district certified to be in financial difficulty, other
24 than a district subject to Article 34A, shall report to the
25 State Board of Education at such times and in such manner as
26 the State Board may direct, concerning the district's

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

18 No bonds, notes, teachers orders, tax anticipation
19 warrants or other evidences of indebtedness shall be issued or
20 sold by a school district or be legally binding upon or
21 enforceable against a local board of education of a district
22 certified to be in financial difficulty unless and until the
23 financial plan required under this Section has been approved by
24 the State Board of Education.

25 Any financial profile compiled and distributed by the State
26 Board of Education in Fiscal Year 2009 or any fiscal year

1 thereafter shall incorporate such adjustments as may be needed
2 in the profile scores to reflect the financial effects of the
3 inability or refusal of the State of Illinois to make timely
4 disbursements of any general State aid, primary State aid, or
5 mandated categorical aid payments due school districts or to
6 fully reimburse school districts for mandated categorical
7 programs pursuant to reimbursement formulas provided in this
8 School Code.

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

11 (105 ILCS 5/1B-5) (from Ch. 122, par. 1B-5)

12 Sec. 1B-5. When a petition for emergency financial
13 assistance for a school district is allowed by the State Board
14 under Section 1B-4, the State Superintendent shall within 10
15 days thereafter appoint 3 members to serve at the State
16 Superintendent's pleasure on a Financial Oversight Panel for
17 the district. The State Superintendent shall designate one of
18 the members of the Panel to serve as its Chairman. In the event
19 of vacancy or resignation the State Superintendent shall
20 appoint a successor within 10 days of receiving notice thereof.

21 Members of the Panel shall be selected primarily on the
22 basis of their experience and education in financial
23 management, with consideration given to persons knowledgeable
24 in education finance. A member of the Panel may not be a board
25 member or employee of the district for which the Panel is

1 constituted, nor may a member have a direct financial interest
2 in that district.

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

12 The first meeting of the Panel shall be held at the call of
13 the Chairman. The Panel may elect such other officers as it
14 deems appropriate. The Panel shall prescribe the times and
15 places for its meetings and the manner in which regular and
16 special meetings may be called, and shall comply with the Open
17 Meetings Act.

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

21 The Panel and the State Superintendent shall cooperate with
22 each other in the exercise of their respective powers. The
23 Panel shall report not later than September 1 annually to the
24 State Board and the State Superintendent with respect to its
25 activities and the condition of the school district for the
26 previous fiscal year.

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

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

17 (105 ILCS 5/1B-6) (from Ch. 122, par. 1B-6)

18 Sec. 1B-6. General powers. The purpose of the Financial
19 Oversight Panel shall be to exercise financial control over the
20 board of education, and, when approved by the State Board and
21 the State Superintendent of Education, to furnish financial
22 assistance so that the board can provide public education
23 within the board's jurisdiction while permitting the board to
24 meet its obligations to its creditors and the holders of its
25 notes and bonds. Except as expressly limited by this Article,

1 the Panel shall have all powers necessary to meet its
2 responsibilities and to carry out its purposes and the purposes
3 of this Article, including, but not limited to, the following
4 powers:

5 (a) to sue and be sued;

6 (b) to provide for its organization and internal
7 management;

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

16 (d) to approve the local board of education appointments to
17 the positions of treasurer in a Class I county school unit and
18 in each school district which forms a part of a Class II county
19 school unit but which no longer is subject to the jurisdiction
20 and authority of a township treasurer or trustees of schools of
21 a township because the district has withdrawn from the
22 jurisdiction and authority of the township treasurer and the
23 trustees of schools of the township or because those offices
24 have been abolished as provided in subsection (b) or (c) of
25 Section 5-1, and chief school business official, if such
26 official is not the superintendent of the district. Either the

1 board or the Panel may remove such treasurer or chief school
2 business official;

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

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

15 (g) to require and approve a school district financial
16 plan;

17 (h) to approve and require revisions of the school district
18 budget;

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

21 (j) to authorize emergency State financial assistance,
22 including requirements regarding the terms and conditions of
23 repayment of such assistance, and to require the board of
24 education to levy a separate local property tax, subject to the
25 limitations of Section 1B-8, sufficient to repay such
26 assistance consistent with the terms and conditions of

1 repayment and the district's approved financial plan and
2 budget;

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

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

9 (m) to direct a phased reduction in the oversight
10 responsibilities of the Financial Administrator and of the
11 Panel as the circumstances permit;

12 (n) to determine the amount of emergency State financial
13 assistance to be made available to the school district, and to
14 establish an operating budget for the Panel to be supported by
15 funds available from such assistance, with the assistance and
16 the budget required to be approved by the State Superintendent;

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

19 (p) to engage the services of consultants for rendering
20 professional and technical assistance and advice on matters
21 within the Panel's power;

22 (q) to contract for and to accept any gifts, grants or
23 loans of funds or property or financial or other aid in any
24 form from the federal government, State government, unit of
25 local government, school district or any agency or
26 instrumentality thereof, or from any other private or public

1 source, and to comply with the terms and conditions thereof;

2 (r) to pay the expenses of its operations based on the
3 Panel's budget as approved by the State Superintendent from
4 emergency financial assistance funds available to the district
5 or from deductions from the district's general State aid or
6 primary State aid;

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

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

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

13 (105 ILCS 5/1B-7) (from Ch. 122, par. 1B-7)

14 Sec. 1B-7. Financial Administrator; Powers and Duties. The
15 Financial Administrator appointed by the Financial Oversight
16 Panel shall serve as the Panel's chief executive officer. The
17 Financial Administrator shall exercise the powers and duties
18 required by the Panel, including but not limited to the
19 following:

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

23 (b) to direct the local board to reorganize its financial
24 accounts, budgetary systems, and internal accounting and
25 financial controls, in whatever manner the Panel deems

1 appropriate to achieve greater financial responsibility and to
2 reduce financial inefficiency, and to provide technical
3 assistance to aid the district in accomplishing the
4 reorganization;

5 (c) to make recommendations to the Financial Oversight
6 Panel concerning the school district's financial plan and
7 budget, and all other matters within the scope of the Panel's
8 authority;

9 (d) to prepare and recommend to the Panel a proposal for
10 emergency State financial assistance for the district,
11 including recommended terms and conditions of repayment, and an
12 operations budget for the Panel to be funded from the emergency
13 assistance or from deductions from the district's general State
14 aid or primary State aid;

15 (e) to require the local board to prepare and submit
16 preliminary staffing and budgetary analyses annually prior to
17 February 1 in such manner and form as the Financial
18 Administrator shall prescribe; and

19 (f) subject to the direction of the Panel, to do all other
20 things necessary or convenient to carry out its purposes and
21 exercise the powers given to the Panel under this Article.

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

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

24 Sec. 1B-8. There is created in the State Treasury a special
25 fund to be known as the School District Emergency Financial

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

18 From the amount allocated to each such school district
19 under this Article the State Board shall identify a sum
20 sufficient to cover all approved costs of the Financial
21 Oversight Panel established for the respective school
22 district. If the State Board and State Superintendent of
23 Education have not approved emergency financial assistance in
24 conjunction with the appointment of a Financial Oversight
25 Panel, the Panel's approved costs shall be paid from deductions
26 from the district's general State aid or primary State aid.

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

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

19 The payment of an emergency State financial assistance
20 grant or loan shall be subject to appropriation by the General
21 Assembly. Payment of the emergency State financial assistance
22 loan is subject to the applicable provisions of the Illinois
23 Finance Authority Act. Emergency State financial assistance
24 allocated and paid to a school district under this Article may
25 be applied to any fund or funds from which the local board of
26 education of that district is authorized to make expenditures

1 by law.

2 Any emergency financial assistance grant proposed by the
3 Financial Oversight Panel and approved by the State
4 Superintendent may be paid in its entirety during the initial
5 year of the Panel's existence or spread in equal or declining
6 amounts over a period of years not to exceed the period of the
7 Panel's existence. An emergency financial assistance loan
8 proposed by the Financial Oversight Panel and approved by the
9 Illinois Finance Authority may be paid in its entirety during
10 the initial year of the Panel's existence or spread in equal or
11 declining amounts over a period of years not to exceed the
12 period of the Panel's existence. All loans made by the Illinois
13 Finance Authority for a school district shall be required to be
14 repaid, with simple interest over the term of the loan at a
15 rate equal to 50% of the one-year Constant Maturity Treasury
16 (CMT) yield as last published by the Board of Governors of the
17 Federal Reserve System before the date on which the district's
18 loan is approved by the Illinois Finance Authority, not later
19 than the date the Financial Oversight Panel ceases to exist.
20 The Panel shall establish and the Illinois Finance Authority
21 shall approve the terms and conditions, including the schedule,
22 of repayments. The schedule shall provide for repayments
23 commencing July 1 of each year or upon each fiscal year's
24 receipt of moneys from a tax levy for emergency financial
25 assistance. Repayment shall be incorporated into the annual
26 budget of the school district and may be made from any fund or

1 funds of the district in which there are moneys available. An
2 emergency financial assistance loan to the Panel or district
3 shall not be considered part of the calculation of a district's
4 debt for purposes of the limitation specified in Section 19-1
5 of this Code. Default on repayment is subject to the Illinois
6 Grant Funds Recovery Act. When moneys are repaid as provided
7 herein they shall not be made available to the local board for
8 further use as emergency financial assistance under this
9 Article at any time thereafter. All repayments required to be
10 made by a school district shall be received by the State Board
11 and deposited in the School District Emergency Financial
12 Assistance Fund.

13 In establishing the terms and conditions for the repayment
14 obligation of the school district the Panel shall annually
15 determine whether a separate local property tax levy is
16 required. The board of any school district with a tax rate for
17 educational purposes for the prior year of less than 120% of
18 the maximum rate for educational purposes authorized by Section
19 17-2 shall provide for a separate tax levy for emergency
20 financial assistance repayment purposes. Such tax levy shall
21 not be subject to referendum approval. The amount of the levy
22 shall be equal to the amount necessary to meet the annual
23 repayment obligations of the district as established by the
24 Panel, or 20% of the amount levied for educational purposes for
25 the prior year, whichever is less. However, no district shall
26 be required to levy the tax if the district's operating tax

1 rate as determined under Section 18-8, ~~or~~ 18-8.05, or 18-8.15
2 exceeds 200% of the district's tax rate for educational
3 purposes for the prior year.

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

5 (105 ILCS 5/1C-1)

6 Sec. 1C-1. Purpose. The purpose of this Article is to
7 permit greater flexibility and efficiency in the distribution
8 and use of certain State funds available to local education
9 agencies for the improvement of the quality of educational
10 services pursuant to locally established priorities.

11 Through fiscal year 2014, this ~~This~~ Article does not apply
12 to school districts having a population in excess of 500,000
13 inhabitants.

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

16 (105 ILCS 5/1C-2)

17 Sec. 1C-2. Block grants.

18 (a) For fiscal year 1999, and each fiscal year thereafter,
19 the State Board of Education shall award to school districts
20 block grants as described in subsection (c). The State Board of
21 Education may adopt rules and regulations necessary to
22 implement this Section. In accordance with Section 2-3.32, all
23 state block grants are subject to an audit. Therefore, block
24 grant receipts and block grant expenditures shall be recorded

1 to the appropriate fund code.

2 (b) (Blank).

3 (c) An Early Childhood Education Block Grant shall be
4 created by combining the following programs: Preschool
5 Education, Parental Training and Prevention Initiative. These
6 funds shall be distributed to school districts and other
7 entities on a competitive basis, except that the State Board of
8 Education shall award to a school district having a population
9 exceeding 500,000 inhabitants 37% of the funds in each fiscal
10 year. Not less than 11% of this grant shall be used to fund
11 programs for children ages 0-3, which percentage shall increase
12 to at least 20% by Fiscal Year 2015. However, if, in a given
13 fiscal year, the amount appropriated for the Early Childhood
14 Education Block Grant is insufficient to increase the
15 percentage of the grant to fund programs for children ages 0-3
16 without reducing the amount of the grant for existing providers
17 of preschool education programs, then the percentage of the
18 grant to fund programs for children ages 0-3 may be held steady
19 instead of increased.

20 (Source: P.A. 95-793, eff. 1-1-09; 96-423, eff. 8-13-09.)

21 (105 ILCS 5/1D-1)

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

23 (a) For fiscal year 1996 through fiscal year 2014 ~~and each~~
24 ~~fiscal year thereafter~~, the State Board of Education shall
25 award to a school district having a population exceeding

1 500,000 inhabitants a general education block grant and an
2 educational services block grant, determined as provided in
3 this Section, in lieu of distributing to the district separate
4 State funding for the programs described in subsections (b) and
5 (c). The provisions of this Section, however, do not apply to
6 any federal funds that the district is entitled to receive. In
7 accordance with Section 2-3.32, all block grants are subject to
8 an audit. Therefore, block grant receipts and block grant
9 expenditures shall be recorded to the appropriate fund code for
10 the designated block grant.

11 (b) The general education block grant shall include the
12 following programs: REI Initiative, Summer Bridges, Preschool
13 At Risk, K-6 Comprehensive Arts, School Improvement Support,
14 Urban Education, Scientific Literacy, Substance Abuse
15 Prevention, Second Language Planning, Staff Development,
16 Outcomes and Assessment, K-6 Reading Improvement, 7-12
17 Continued Reading Improvement, Truants' Optional Education,
18 Hispanic Programs, Agriculture Education, Parental Education,
19 Prevention Initiative, Report Cards, and Criminal Background
20 Investigations. Notwithstanding any other provision of law,
21 all amounts paid under the general education block grant from
22 State appropriations to a school district in a city having a
23 population exceeding 500,000 inhabitants shall be appropriated
24 and expended by the board of that district for any of the
25 programs included in the block grant or any of the board's
26 lawful purposes.

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

16 The funding program included in the educational services
17 block grant for funding for children requiring special
18 education services in each fiscal year shall be treated in that
19 fiscal year as a payment to the school district in respect of
20 services provided or costs incurred in the prior fiscal year,
21 calculated in each case as provided in this Section. Nothing in
22 this Section shall change the nature of payments for any
23 program that, apart from this Section, would be or, prior to
24 adoption or amendment of this Section, was on the basis of a
25 payment in a fiscal year in respect of services provided or
26 costs incurred in the prior fiscal year, calculated in each

1 case as provided in this Section.

2 (d) For fiscal year 1996 through fiscal year 2014 ~~and each~~
3 ~~fiscal year thereafter~~, the amount of the district's block
4 grants shall be determined as follows: (i) with respect to each
5 program that is included within each block grant, the district
6 shall receive an amount equal to the same percentage of the
7 current fiscal year appropriation made for that program as the
8 percentage of the appropriation received by the district from
9 the 1995 fiscal year appropriation made for that program, and
10 (ii) the total amount that is due the district under the block
11 grant shall be the aggregate of the amounts that the district
12 is entitled to receive for the fiscal year with respect to each
13 program that is included within the block grant that the State
14 Board of Education shall award the district under this Section
15 for that fiscal year. In the case of the Summer Bridges
16 program, the amount of the district's block grant shall be
17 equal to 44% of the amount of the current fiscal year
18 appropriation made for that program.

19 (e) The district is not required to file any application or
20 other claim in order to receive the block grants to which it is
21 entitled under this Section. The State Board of Education shall
22 make payments to the district of amounts due under the
23 district's block grants on a schedule determined by the State
24 Board of Education.

25 (f) A school district to which this Section applies shall
26 report to the State Board of Education on its use of the block

1 grants in such form and detail as the State Board of Education
2 may specify. In addition, the report must include the following
3 description for the district, which must also be reported to
4 the General Assembly: block grant allocation and expenditures
5 by program; population and service levels by program; and
6 administrative expenditures by program. The State Board of
7 Education shall ensure that the reporting requirements for the
8 district are the same as for all other school districts in this
9 State.

10 (g) Through fiscal year 2014, this ~~This~~ paragraph provides
11 for the treatment of block grants under Article 1C for purposes
12 of calculating the amount of block grants for a district under
13 this Section. Those block grants under Article 1C are, for this
14 purpose, treated as included in the amount of appropriation for
15 the various programs set forth in paragraph (b) above. The
16 appropriation in each current fiscal year for each block grant
17 under Article 1C shall be treated for these purposes as
18 appropriations for the individual program included in that
19 block grant. The proportion of each block grant so allocated to
20 each such program included in it shall be the proportion which
21 the appropriation for that program was of all appropriations
22 for such purposes now in that block grant, in fiscal 1995.

23 Payments to the school district under this Section with
24 respect to each program for which payments to school districts
25 generally, as of the date of this amendatory Act of the 92nd
26 General Assembly, are on a reimbursement basis shall continue

1 to be made to the district on a reimbursement basis, pursuant
2 to the provisions of this Code governing those programs.

3 (h) Notwithstanding any other provision of law, any school
4 district receiving a block grant under this Section may
5 classify all or a portion of the funds that it receives in a
6 particular fiscal year from any block grant authorized under
7 this Code or from general State aid pursuant to Section 18-8.05
8 of this Code (other than supplemental general State aid) as
9 funds received in connection with any funding program for which
10 it is entitled to receive funds from the State in that fiscal
11 year (including, without limitation, any funding program
12 referred to in subsection (c) of this Section), regardless of
13 the source or timing of the receipt. The district may not
14 classify more funds as funds received in connection with the
15 funding program than the district is entitled to receive in
16 that fiscal year for that program. Any classification by a
17 district must be made by a resolution of its board of
18 education. The resolution must identify the amount of any block
19 grant or general State aid to be classified under this
20 subsection (h) and must specify the funding program to which
21 the funds are to be treated as received in connection
22 therewith. This resolution is controlling as to the
23 classification of funds referenced therein. A certified copy of
24 the resolution must be sent to the State Superintendent of
25 Education. The resolution shall still take effect even though a
26 copy of the resolution has not been sent to the State

1 Superintendent of Education in a timely manner. No
2 classification under this subsection (h) by a district shall
3 affect the total amount or timing of money the district is
4 entitled to receive under this Code. No classification under
5 this subsection (h) by a district shall in any way relieve the
6 district from or affect any requirements that otherwise would
7 apply with respect to the block grant as provided in this
8 Section, including any accounting of funds by source, reporting
9 expenditures by original source and purpose, reporting
10 requirements, or requirements of provision of services.

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

13 (105 ILCS 5/1E-20)

14 (This Section scheduled to be repealed in accordance with
15 105 ILCS 5/1E-165)

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

17 (a) When a petition for a School Finance Authority is
18 allowed by the State Board under Section 1E-15 of this Code,
19 the State Superintendent shall within 10 days thereafter
20 appoint 5 members to serve on a School Finance Authority for
21 the district. Of the initial members, 2 shall be appointed to
22 serve a term of 2 years and 3 shall be appointed to serve a term
23 of 3 years. Thereafter, each member shall serve for a term of 3
24 years and until his or her successor has been appointed. The
25 State Superintendent shall designate one of the members of the

1 Authority to serve as its Chairperson. In the event of vacancy
2 or resignation, the State Superintendent shall, within 10 days
3 after receiving notice, appoint a successor to serve out that
4 member's term. The State Superintendent may remove a member for
5 incompetence, malfeasance, neglect of duty, or other just
6 cause.

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

15 Authority members shall serve without compensation, but
16 may be reimbursed by the State Board for travel and other
17 necessary expenses incurred in the performance of their
18 official duties. Unless paid from bonds issued under Section
19 1E-65 of this Code, the amount reimbursed members for their
20 expenses shall be charged to the school district as part of any
21 emergency financial assistance and incorporated as a part of
22 the terms and conditions for repayment of the assistance or
23 shall be deducted from the district's general State aid or
24 primary State aid as provided in Section 1B-8 of this Code.

25 The Authority may elect such officers as it deems
26 appropriate.

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

6 Three members of the Authority shall constitute a quorum.
7 When a vote is taken upon any measure before the Authority, a
8 quorum being present, a majority of the votes of the members
9 voting on the measure shall determine the outcome.

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

11 (105 ILCS 5/1F-20)

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

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

15 (a) Upon establishment of a School Finance Authority under
16 Section 1F-15 of this Code, the State Superintendent shall
17 within 15 days thereafter appoint 5 members to serve on a
18 School Finance Authority for the district. Of the initial
19 members, 2 shall be appointed to serve a term of 2 years and 3
20 shall be appointed to serve a term of 3 years. Thereafter, each
21 member shall serve for a term of 3 years and until his or her
22 successor has been appointed. The State Superintendent shall
23 designate one of the members of the Authority to serve as its
24 Chairperson. In the event of vacancy or resignation, the State
25 Superintendent shall, within 10 days after receiving notice,

1 appoint a successor to serve out that member's term. The State
2 Superintendent may remove a member for incompetence,
3 malfeasance, neglect of duty, or other just cause.

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

12 Authority members shall be paid a stipend approved by the
13 State Superintendent of not more than \$100 per meeting and may
14 be reimbursed by the State Board for travel and other necessary
15 expenses incurred in the performance of their official duties.
16 Unless paid from bonds issued under Section 1F-65 of this Code,
17 the amount reimbursed members for their expenses shall be
18 charged to the school district as part of any emergency
19 financial assistance and incorporated as a part of the terms
20 and conditions for repayment of the assistance or shall be
21 deducted from the district's general State aid or primary State
22 aid as provided in Section 1B-8 of this Code.

23 The Authority may elect such officers as it deems
24 appropriate.

25 (b) The first meeting of the Authority shall be held at the
26 call of the Chairperson. The Authority shall prescribe the

1 times and places for its meetings and the manner in which
2 regular and special meetings may be called and shall comply
3 with the Open Meetings Act.

4 Three members of the Authority shall constitute a quorum.
5 When a vote is taken upon any measure before the Authority, a
6 quorum being present, a majority of the votes of the members
7 voting on the measure shall determine the outcome.

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

9 (105 ILCS 5/1F-62)

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

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

14 (a) Moneys in the School District Emergency Financial
15 Assistance Fund established under Section 1B-8 of this Code may
16 be allocated and expended by the State Board as grants to
17 provide technical and consulting services to school districts
18 to assess their financial condition and by the Illinois Finance
19 Authority for emergency financial assistance loans to a School
20 Finance Authority that petitions for emergency financial
21 assistance. An emergency financial assistance loan to a School
22 Finance Authority or borrowing from sources other than the
23 State shall not be considered as part of the calculation of a
24 district's debt for purposes of the limitation specified in
25 Section 19-1 of this Code. From the amount allocated to each

1 School Finance Authority, the State Board shall identify a sum
2 sufficient to cover all approved costs of the School Finance
3 Authority. If the State Board and State Superintendent have not
4 approved emergency financial assistance in conjunction with
5 the appointment of a School Finance Authority, the Authority's
6 approved costs shall be paid from deductions from the
7 district's general State aid or primary State aid.

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

15 (b) The amount of an emergency financial assistance loan
16 that may be allocated to a School Finance Authority under this
17 Article, including moneys necessary for the operations of the
18 School Finance Authority, and borrowing from sources other than
19 the State shall not exceed, in the aggregate, \$4,000 times the
20 number of pupils enrolled in the district during the school
21 year ending June 30 prior to the date of approval by the State
22 Board of the petition for emergency financial assistance, as
23 certified to the school board and the School Finance Authority
24 by the State Superintendent. However, this limitation does not
25 apply to borrowing by the district secured by amounts levied by
26 the district prior to establishment of the School Finance

1 Authority. An emergency financial assistance grant shall not
2 exceed \$1,000 times the number of such pupils. A district may
3 receive both a loan and a grant.

4 (c) The payment of a State emergency financial assistance
5 grant or loan shall be subject to appropriation by the General
6 Assembly. State emergency financial assistance allocated and
7 paid to a School Finance Authority under this Article may be
8 applied to any fund or funds from which the School Finance
9 Authority is authorized to make expenditures by law.

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

19 All loan payments made from the School District Emergency
20 Financial Assistance Fund to a School Finance Authority shall
21 be required to be repaid not later than the date the School
22 Finance Authority ceases to exist, with simple interest over
23 the term of the loan at a rate equal to 50% of the one-year
24 Constant Maturity Treasury (CMT) yield as last published by the
25 Board of Governors of the Federal Reserve System before the
26 date on which the School Finance Authority's loan is approved

1 by the State Board.

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

18 In establishing the terms and conditions for the repayment
19 obligation of the School Finance Authority, the School Finance
20 Authority shall annually determine whether a separate local
21 property tax levy is required to meet that obligation. The
22 School Finance Authority shall provide for a separate tax levy
23 for emergency financial assistance repayment purposes. This
24 tax levy shall not be subject to referendum approval. The
25 amount of the levy shall not exceed the amount necessary to
26 meet the annual emergency financial repayment obligations of

1 the district, including principal and interest, as established
2 by the School Finance Authority.

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

4 (105 ILCS 5/1H-20)

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

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

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

24 (c) Panel members may be reimbursed by the State Board for
25 travel and other necessary expenses incurred in the performance

1 of their official duties. The amount reimbursed members for
2 their expenses shall be charged to the school district as part
3 of any emergency financial assistance and incorporated as a
4 part of the terms and conditions for repayment of the
5 assistance or shall be deducted from the district's general
6 State aid or primary State aid as provided in Section 1H-65 of
7 this Code.

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

11 (e) The first meeting of the Panel shall be held at the
12 call of the Chairperson. The Panel shall prescribe the times
13 and places for its meetings and the manner in which regular and
14 special meetings may be called and shall comply with the Open
15 Meetings Act. The Panel shall also comply with the Freedom of
16 Information Act.

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

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

20 (105 ILCS 5/1H-70)

21 Sec. 1H-70. Tax anticipation warrants, tax anticipation
22 notes, revenue anticipation certificates or notes, general
23 State aid or primary State aid anticipation certificates, and
24 lines of credit. With the approval of the State Superintendent
25 and provided that the district is unable to secure short-term

1 financing after 3 attempts, a Panel shall have the same power
2 as a district to do the following:

3 (1) issue tax anticipation warrants under the
4 provisions of Section 17-16 of this Code against taxes
5 levied by either the school board or the Panel pursuant to
6 Section 1H-25 of this Code;

7 (2) issue tax anticipation notes under the provisions
8 of the Tax Anticipation Note Act against taxes levied by
9 either the school board or the Panel pursuant to Section
10 1H-25 of this Code;

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

13 (4) issue general State aid or primary State aid
14 anticipation certificates under the provisions of Section
15 18-18 of this Code; and

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

18 Tax anticipation warrants, tax anticipation notes, revenue
19 anticipation certificates or notes, general State aid or
20 primary State aid anticipation certificates, and lines of
21 credit are considered borrowing from sources other than the
22 State and are subject to Section 1H-65 of this Code.

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

24 (105 ILCS 5/2-3.28) (from Ch. 122, par. 2-3.28)

25 Sec. 2-3.28. Rules and regulations of budget and accounting

1 systems. To prescribe rules and regulations defining what shall
2 constitute a budget and accounting system required under this
3 Act. The rules and regulations shall prescribe the minimum
4 extent of verification, the type of audit, the extent of the
5 audit report and shall require compliance with statutory
6 requirements and standards and such requirements as the State
7 Board of Education deems necessary for an adequate budget and
8 accounting system. For the 2015-2016 school year and
9 thereafter, the rules and regulations shall prescribe a system
10 for accounting for revenues and expenditures at the individual
11 school level that includes without limitation the following:

12 (1) accounting for expenditures for school
13 administration, regular instruction, special education
14 instruction, instructional support services, and pupil
15 support services;

16 (2) salary expenditures reflecting actual staff
17 salaries at each school;

18 (3) accounting for operations, including
19 non-instructional pupil services, facilities, and business
20 services; and

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

24 (Source: P.A. 81-1508.)

25 (105 ILCS 5/2-3.33) (from Ch. 122, par. 2-3.33)

1 Sec. 2-3.33. Recomputation of claims. To recompute within
2 3 years from the final date for filing of a claim any claim for
3 reimbursement to any school district if the claim has been
4 found to be incorrect and to adjust subsequent claims
5 accordingly, and to recompute and adjust any such claims within
6 6 years from the final date for filing when there has been an
7 adverse court or administrative agency decision on the merits
8 affecting the tax revenues of the school district. However, no
9 such adjustment shall be made regarding equalized assessed
10 valuation unless the district's equalized assessed valuation
11 is changed by greater than \$250,000 or 2%. Any adjustments for
12 claims recomputed for the 2013-2014 school year and prior
13 school years shall be applied to the apportionment of primary
14 State financial aid in Section 18-8.15 of this Code beginning
15 in the 2014-2015 school year and thereafter.

16 Except in the case of an adverse court or administrative
17 agency decision, no recomputation of a State aid claim shall be
18 made pursuant to this Section as a result of a reduction in the
19 assessed valuation of a school district from the assessed
20 valuation of the district reported to the State Board of
21 Education by the Department of Revenue under Section 18-8.05 or
22 18-8.15 of this Code unless the requirements of Section 16-15
23 of the Property Tax Code and Section 2-3.84 of this Code are
24 complied with in all respects.

25 This paragraph applies to all requests for recomputation of
26 a general State aid or primary State aid claim received after

1 June 30, 2003. In recomputing a general State aid or primary
2 State aid claim that was originally calculated using an
3 extension limitation equalized assessed valuation under
4 paragraph (3) of subsection (G) of Section 18-8.05 of this Code
5 or paragraph (3) of subsection (h) of Section 18-8.15 of this
6 Code, a qualifying reduction in equalized assessed valuation
7 shall be deducted from the extension limitation equalized
8 assessed valuation that was used in calculating the original
9 claim.

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

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

22 (105 ILCS 5/2-3.51.5)

23 Sec. 2-3.51.5. School Safety and Educational Improvement
24 Block Grant Program. To improve the level of education and
25 safety of students from kindergarten through grade 12 in school

1 districts and State-recognized, non-public schools. The State
2 Board of Education is authorized to fund a School Safety and
3 Educational Improvement Block Grant Program.

4 (1) For school districts, the program shall provide funding
5 for school safety, textbooks and software, electronic
6 textbooks and the technological equipment necessary to gain
7 access to and use electronic textbooks, teacher training and
8 curriculum development, school improvements, remediation
9 programs under subsection (a) of Section 2-3.64, school report
10 cards under Section 10-17a, and criminal history records checks
11 under Sections 10-21.9 and 34-18.5. For State-recognized,
12 non-public schools, the program shall provide funding for
13 secular textbooks and software, criminal history records
14 checks, and health and safety mandates to the extent that the
15 funds are expended for purely secular purposes. A school
16 district or laboratory school as defined in Section 18-8, ~~or~~
17 18-8.05, or 18-8.15 is not required to file an application in
18 order to receive the categorical funding to which it is
19 entitled under this Section. Funds for the School Safety and
20 Educational Improvement Block Grant Program shall be
21 distributed to school districts and laboratory schools based on
22 the prior year's best 3 months average daily attendance. Funds
23 for the School Safety and Educational Improvement Block Grant
24 Program shall be distributed to State-recognized, non-public
25 schools based on the average daily attendance figure for the
26 previous school year provided to the State Board of Education.

1 The State Board of Education shall develop an application that
2 requires State-recognized, non-public schools to submit
3 average daily attendance figures. A State-recognized,
4 non-public school must submit the application and average daily
5 attendance figure prior to receiving funds under this Section.
6 The State Board of Education shall promulgate rules and
7 regulations necessary for the implementation of this program.

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

12 (3) Grants under the School Safety and Educational
13 Improvement Block Grant Program shall be awarded provided there
14 is an appropriation for the program, and funding levels for
15 each district shall be prorated according to the amount of the
16 appropriation.

17 (4) The provisions of this Section are in the public
18 interest, are for the public benefit, and serve secular public
19 purposes.

20 (Source: P.A. 95-707, eff. 1-11-08; 96-1403, eff. 7-29-10.)

21 (105 ILCS 5/2-3.66) (from Ch. 122, par. 2-3.66)

22 Sec. 2-3.66. Truants' alternative and optional education
23 programs. To establish projects to offer modified
24 instructional programs or other services designed to prevent
25 students from dropping out of school, including programs

1 pursuant to Section 2-3.41, and to serve as a part time or full
2 time option in lieu of regular school attendance and to award
3 grants to local school districts, educational service regions
4 or community college districts from appropriated funds to
5 assist districts in establishing such projects. The education
6 agency may operate its own program or enter into a contract
7 with another not-for-profit entity to implement the program.
8 The projects shall allow dropouts, up to and including age 21,
9 potential dropouts, including truants, uninvolved, unmotivated
10 and disaffected students, as defined by State Board of
11 Education rules and regulations, to enroll, as an alternative
12 to regular school attendance, in an optional education program
13 which may be established by school board policy and is in
14 conformance with rules adopted by the State Board of Education.
15 Truants' Alternative and Optional Education programs funded
16 pursuant to this Section shall be planned by a student, the
17 student's parents or legal guardians, unless the student is 18
18 years or older, and school officials and shall culminate in an
19 individualized optional education plan. Such plan shall focus
20 on academic or vocational skills, or both, and may include, but
21 not be limited to, evening school, summer school, community
22 college courses, adult education, preparation courses for the
23 high school level test of General Educational Development,
24 vocational training, work experience, programs to enhance self
25 concept and parenting courses. School districts which are
26 awarded grants pursuant to this Section shall be authorized to

1 provide day care services to children of students who are
2 eligible and desire to enroll in programs established and
3 funded under this Section, but only if and to the extent that
4 such day care is necessary to enable those eligible students to
5 attend and participate in the programs and courses which are
6 conducted pursuant to this Section. School districts and
7 regional offices of education may claim general State aid under
8 Section 18-8.05 or primary State aid under Section 18-8.15 for
9 students enrolled in truants' alternative and optional
10 education programs, provided that such students are receiving
11 services that are supplemental to a program leading to a high
12 school diploma and are otherwise eligible to be claimed for
13 general State aid under Section 18-8.05 or primary State aid
14 under Section 18-8.15, as applicable.

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

16 (105 ILCS 5/2-3.66b)

17 Sec. 2-3.66b. IHOPE Program.

18 (a) There is established the Illinois Hope and Opportunity
19 Pathways through Education (IHOPE) Program. The State Board of
20 Education shall implement and administer the IHOPE Program. The
21 goal of the IHOPE Program is to develop a comprehensive system
22 in this State to re-enroll significant numbers of high school
23 dropouts in programs that will enable them to earn their high
24 school diploma.

25 (b) The IHOPE Program shall award grants, subject to

1 appropriation for this purpose, to educational service regions
2 and a school district organized under Article 34 of this Code
3 from appropriated funds to assist in establishing
4 instructional programs and other services designed to
5 re-enroll high school dropouts. From any funds appropriated for
6 the IHOPE Program, the State Board of Education may use up to
7 5% for administrative costs, including the performance of a
8 program evaluation and the hiring of staff to implement and
9 administer the program.

10 The IHOPE Program shall provide incentive grant funds for
11 regional offices of education and a school district organized
12 under Article 34 of this Code to develop partnerships with
13 school districts, public community colleges, and community
14 groups to build comprehensive plans to re-enroll high school
15 dropouts in their regions or districts.

16 Programs funded through the IHOPE Program shall allow high
17 school dropouts, up to and including age 21 notwithstanding
18 Section 26-2 of this Code, to re-enroll in an educational
19 program in conformance with rules adopted by the State Board of
20 Education. Programs may include without limitation
21 comprehensive year-round programming, evening school, summer
22 school, community college courses, adult education, vocational
23 training, work experience, programs to enhance self-concept,
24 and parenting courses. Any student in the IHOPE Program who
25 wishes to earn a high school diploma must meet the
26 prerequisites to receiving a high school diploma specified in

1 Section 27-22 of this Code and any other graduation
2 requirements of the student's district of residence. Any
3 student who successfully completes the requirements for his or
4 her graduation shall receive a diploma identifying the student
5 as graduating from his or her district of residence.

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

20 (d) A regional office of education or a school district
21 organized under Article 34 of this Code may operate its own
22 program funded by the IHOPE Program or enter into a contract
23 with other not-for-profit entities, including school
24 districts, public community colleges, and not-for-profit
25 community-based organizations, to operate a program.

26 A regional office of education or a school district

1 organized under Article 34 of this Code that receives an IHOPE
2 grant from the State Board of Education may provide funds under
3 a sub-grant, as specified in the IHOPE Plan, to other
4 not-for-profit entities to provide services according to the
5 IHOPE Plan that was developed. These other entities may include
6 school districts, public community colleges, or not-for-profit
7 community-based organizations or a cooperative partnership
8 among these entities.

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

17 A regional office of education or a school district
18 organized under Article 34 of this Code may claim State aid
19 under Section 18-8.05 or 18-8.15 of this Code for students
20 enrolled in a program funded by the IHOPE Program, provided
21 that the State Board of Education has approved the IHOPE Plan
22 and that these students are receiving services that are meeting
23 the requirements of Section 27-22 of this Code for receipt of a
24 high school diploma and are otherwise eligible to be claimed
25 for general State aid under Section 18-8.05 of this Code or
26 primary State aid under Section 18-8.15 of this Code, including

1 provisions related to the minimum number of days of pupil
2 attendance pursuant to Section 10-19 of this Code and the
3 minimum number of daily hours of school work and any exceptions
4 thereto as defined by the State Board of Education in rules.

5 (f) IHOPE categories of programming may include the
6 following:

7 (1) Full-time programs that are comprehensive,
8 year-round programs.

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

12 (3) Online programs and courses in which students take
13 courses and complete on-site, supervised tests that
14 measure the student's mastery of a specific course needed
15 for graduation. Students may take courses online and earn
16 credit or students may prepare to take supervised tests for
17 specific courses for credit leading to receipt of a high
18 school diploma.

19 (4) Dual enrollment in which students attend high
20 school classes in combination with community college
21 classes or students attend community college classes while
22 simultaneously earning high school credit and eventually a
23 high school diploma.

24 (g) In order to have successful comprehensive programs
25 re-enrolling and graduating low-skilled high school dropouts,
26 programs funded through the IHOPE Program shall include all of

1 the following components:

2 (1) Small programs (70 to 100 students) at a separate
3 school site with a distinct identity. Programs may be
4 larger with specific need and justification, keeping in
5 mind that it is crucial to keep programs small to be
6 effective.

7 (2) Specific performance-based goals and outcomes and
8 measures of enrollment, attendance, skills, credits,
9 graduation, and the transition to college, training, and
10 employment.

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

13 (4) Voluntary enrollment.

14 (5) High standards for student learning, integrating
15 work experience, and education, including during the
16 school year and after school, and summer school programs
17 that link internships, work, and learning.

18 (6) Comprehensive programs providing extensive support
19 services.

20 (7) Small teams of students supported by full-time paid
21 mentors who work to retain and help those students
22 graduate.

23 (8) A comprehensive technology learning center with
24 Internet access and broad-based curriculum focusing on
25 academic and career subject areas.

26 (9) Learning opportunities that incorporate action

1 into study.

2 (h) Programs funded through the IHOPE Program must report
3 data to the State Board of Education as requested. This
4 information shall include, but is not limited to, student
5 enrollment figures, attendance information, course completion
6 data, graduation information, and post-graduation information,
7 as available.

8 (i) Rules must be developed by the State Board of Education
9 to set forth the fund distribution process to regional offices
10 of education and a school district organized under Article 34
11 of this Code, the planning and the conditions upon which an
12 IHOPE Plan would be approved by State Board, and other rules to
13 develop the IHOPE Program.

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

15 (105 ILCS 5/2-3.84) (from Ch. 122, par. 2-3.84)

16 Sec. 2-3.84. In calculating the amount of State aid to be
17 apportioned to the various school districts in this State, the
18 State Board of Education shall incorporate and deduct the total
19 aggregate adjustments to assessments made by the State Property
20 Tax Appeal Board or Cook County Board of Appeals, as reported
21 pursuant to Section 16-15 of the Property Tax Code or Section
22 129.1 of the Revenue Act of 1939 by the Department of Revenue,
23 from the equalized assessed valuation that is otherwise to be
24 utilized in the initial calculation.

25 From the total amount of general State aid or primary State

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

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

12 (105 ILCS 5/2-3.109a)

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

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

20 (105 ILCS 5/3-14.21) (from Ch. 122, par. 3-14.21)

21 Sec. 3-14.21. Inspection of schools.

22 (a) The regional superintendent shall inspect and survey
23 all public schools under his or her supervision and notify the
24 board of education, or the trustees of schools in a district

1 with trustees, in writing before July 30, whether or not the
2 several schools in their district have been kept as required by
3 law, using forms provided by the State Board of Education which
4 are based on the Health/Life Safety Code for Public Schools
5 adopted under Section 2-3.12. The regional superintendent
6 shall report his or her findings to the State Board of
7 Education on forms provided by the State Board of Education.

8 (b) If the regional superintendent determines that a school
9 board has failed in a timely manner to correct urgent items
10 identified in a previous life-safety report completed under
11 Section 2-3.12 or as otherwise previously ordered by the
12 regional superintendent, the regional superintendent shall
13 order the school board to adopt and submit to the regional
14 superintendent a plan for the immediate correction of the
15 building violations. This plan shall be adopted following a
16 public hearing that is conducted by the school board on the
17 violations and the plan and that is preceded by at least 7
18 days' prior notice of the hearing published in a newspaper of
19 general circulation within the school district. If the regional
20 superintendent determines in the next annual inspection that
21 the plan has not been completed and that the violations have
22 not been corrected, the regional superintendent shall submit a
23 report to the State Board of Education with a recommendation
24 that the State Board withhold from payments of general State
25 aid or primary State aid due to the district an amount
26 necessary to correct the outstanding violations. The State

1 Board, upon notice to the school board and to the regional
2 superintendent, shall consider the report at a meeting of the
3 State Board, and may order that a sufficient amount of general
4 State aid or primary State aid be withheld from payments due to
5 the district to correct the violations. This amount shall be
6 paid to the regional superintendent who shall contract on
7 behalf of the school board for the correction of the
8 outstanding violations.

9 (c) The Office of the State Fire Marshal or a qualified
10 fire official, as defined in Section 2-3.12 of this Code, to
11 whom the State Fire Marshal has delegated his or her authority
12 shall conduct an annual fire safety inspection of each school
13 building in this State. The State Fire Marshal or the fire
14 official shall coordinate its inspections with the regional
15 superintendent. The inspection shall be based on the fire
16 safety code authorized in Section 2-3.12 of this Code. Any
17 violations shall be reported in writing to the regional
18 superintendent and shall reference the specific code sections
19 where a discrepancy has been identified within 15 days after
20 the inspection has been conducted. The regional superintendent
21 shall address those violations that are not corrected in a
22 timely manner pursuant to subsection (b) of this Section. The
23 inspection must be at no cost to the school district.

24 (d) If a municipality or, in the case of an unincorporated
25 area, a county or, if applicable, a fire protection district
26 wishes to perform new construction inspections under the

1 jurisdiction of a regional superintendent, then the entity must
2 register this wish with the regional superintendent. These
3 inspections must be based on the building code authorized in
4 Section 2-3.12 of this Code. The inspections must be at no cost
5 to the school district.

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

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

8 Sec. 7-14A. Annexation Compensation. There shall be no
9 accounting made after a mere change in boundaries when no new
10 district is created, except that those districts whose
11 enrollment increases by 90% or more as a result of annexing
12 territory detached from another district pursuant to this
13 Article are eligible for supplementary State aid payments in
14 accordance with Section 11E-135 of this Code. Eligible annexing
15 districts shall apply to the State Board of Education for
16 supplementary State aid payments by submitting enrollment
17 figures for the year immediately preceding and the year
18 immediately following the effective date of the boundary change
19 for both the district gaining territory and the district losing
20 territory. Copies of any intergovernmental agreements between
21 the district gaining territory and the district losing
22 territory detailing any transfer of fund balances and staff
23 must also be submitted. In all instances of changes in
24 boundaries, the district losing territory shall not count the
25 average daily attendance of pupils living in the territory

1 during the year preceding the effective date of the boundary
2 change in its claim for reimbursement under Section 18-8 or
3 18-8.15 for the school year following the effective date of the
4 change in boundaries and the district receiving the territory
5 shall count the average daily attendance of pupils living in
6 the territory during the year preceding the effective date of
7 the boundary change in its claim for reimbursement under
8 Section 18-8 or 18-8.15 for the school year following the
9 effective date of the change in boundaries. The changes to this
10 Section made by this amendatory Act of the 95th General
11 Assembly are intended to be retroactive and applicable to any
12 annexation taking effect on or after July 1, 2004.

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

14 (105 ILCS 5/10-19) (from Ch. 122, par. 10-19)

15 Sec. 10-19. Length of school term - experimental programs.
16 Each school board shall annually prepare a calendar for the
17 school term, specifying the opening and closing dates and
18 providing a minimum term of at least 185 days to insure 176
19 days of actual pupil attendance, computable under Section
20 18-8.05 or 18-8.15, except that for the 1980-1981 school year
21 only 175 days of actual pupil attendance shall be required
22 because of the closing of schools pursuant to Section 24-2 on
23 January 29, 1981 upon the appointment by the President of that
24 day as a day of thanksgiving for the freedom of the Americans
25 who had been held hostage in Iran. Any days allowed by law for

1 teachers' institutes ~~institute~~ but not used as such or used as
2 parental institutes as provided in Section 10-22.18d shall
3 increase the minimum term by the school days not so used.
4 Except as provided in Section 10-19.1, the board may not extend
5 the school term beyond such closing date unless that extension
6 of term is necessary to provide the minimum number of
7 computable days. In case of such necessary extension school
8 employees shall be paid for such additional time on the basis
9 of their regular contracts. A school board may specify a
10 closing date earlier than that set on the annual calendar when
11 the schools of the district have provided the minimum number of
12 computable days under this Section. Nothing in this Section
13 prevents the board from employing superintendents of schools,
14 principals and other nonteaching personnel for a period of 12
15 months, or in the case of superintendents for a period in
16 accordance with Section 10-23.8, or prevents the board from
17 employing other personnel before or after the regular school
18 term with payment of salary proportionate to that received for
19 comparable work during the school term.

20 A school board may make such changes in its calendar for
21 the school term as may be required by any changes in the legal
22 school holidays prescribed in Section 24-2. A school board may
23 make changes in its calendar for the school term as may be
24 necessary to reflect the utilization of teachers' institute
25 days as parental institute days as provided in Section
26 10-22.18d.

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

4 With the prior approval of the State Board of Education and
5 subject to review by the State Board of Education every 3
6 years, any school board may, by resolution of its board and in
7 agreement with affected exclusive collective bargaining
8 agents, establish experimental educational programs, including
9 but not limited to programs for self-directed learning or
10 outside of formal class periods, which programs when so
11 approved shall be considered to comply with the requirements of
12 this Section as respects numbers of days of actual pupil
13 attendance and with the other requirements of this Act as
14 respects courses of instruction.

15 (Source: P.A. 93-1036, eff. 9-14-04; revised 11-12-13.)

16 (105 ILCS 5/10-22.5a) (from Ch. 122, par. 10-22.5a)

17 Sec. 10-22.5a. Attendance by dependents of United States
18 military personnel, foreign exchange students, and certain
19 nonresident pupils.

20 (a) To enter into written agreements with cultural exchange
21 organizations, or with nationally recognized eleemosynary
22 institutions that promote excellence in the arts, mathematics,
23 or science. The written agreements may provide for tuition free
24 attendance at the local district school by foreign exchange
25 students, or by nonresident pupils of eleemosynary

1 institutions. The local board of education, as part of the
2 agreement, may require that the cultural exchange program or
3 the eleemosynary institutions provide services to the district
4 in exchange for the waiver of nonresident tuition.

5 To enter into written agreements with adjacent school
6 districts to provide for tuition free attendance by a student
7 of the adjacent district when requested for the student's
8 health and safety by the student or parent and both districts
9 determine that the student's health or safety will be served by
10 such attendance. Districts shall not be required to enter into
11 such agreements nor be required to alter existing
12 transportation services due to the attendance of such
13 non-resident pupils.

14 (a-5) If, at the time of enrollment, a dependent of United
15 States military personnel is housed in temporary housing
16 located outside of a school district, but will be living within
17 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 subsection (a-5), and must not be
20 charged tuition. Any United States military personnel
21 attempting to enroll a dependent under this subsection (a-5)
22 shall provide proof that the dependent will be living within
23 the district within 60 days after the time of initial
24 enrollment. Proof of residency may include, but is not limited
25 to, postmarked mail addressed to the military personnel and
26 sent to an address located within the district, a lease

1 agreement for occupancy of a residence located within the
2 district, or proof of ownership of a residence located within
3 the district.

4 (b) Nonresident pupils and foreign exchange students
5 attending school on a tuition free basis under such agreements
6 and nonresident dependents of United States military personnel
7 attending school on a tuition free basis may be counted for the
8 purposes of determining the apportionment of State aid provided
9 under Section 18-8.05 or 18-8.15 of this Code, provided that
10 any cultural exchange organization or eleemosynary
11 institutions wishing to participate in an agreement authorized
12 under this Section must be approved in writing by the State
13 Board of Education. The State Board of Education may establish
14 reasonable rules to determine the eligibility of cultural
15 exchange organizations or eleemosynary institutions wishing to
16 participate in agreements authorized under this Section. No
17 organization or institution participating in agreements
18 authorized under this Section may exclude any individual for
19 participation in its program on account of the person's race,
20 color, sex, religion or nationality.

21 (Source: P.A. 93-740, eff. 7-15-04.)

22 (105 ILCS 5/10-22.20) (from Ch. 122, par. 10-22.20)

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

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

14 The board shall pay the necessary expenses of such classes
15 out of school funds of the district, including costs of student
16 transportation and such facilities or provision for child-care
17 as may be necessary in the judgment of the board to permit
18 maximum utilization of the courses by students with children,
19 and other special needs of the students directly related to
20 such instruction. The expenses thus incurred shall be subject
21 to State reimbursement, as provided in this Section. The board
22 may make a tuition charge for persons taking instruction who
23 are not subject to State reimbursement, such tuition charge not
24 to exceed the per capita cost of such classes.

25 The cost of such instruction, including the additional
26 expenses herein authorized, incurred for recipients of

1 financial aid under the Illinois Public Aid Code, or for
2 persons for whom education and training aid has been authorized
3 under Section 9-8 of that Code, shall be assumed in its
4 entirety from funds appropriated by the State to the Illinois
5 Community College Board.

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

20 (1) the development of an index of need for program
21 planning and for area funding allocations, as defined by
22 the Illinois Community College Board;

23 (2) the method for calculating hours of instruction, as
24 defined by the Illinois Community College Board, claimable
25 for reimbursement and a method to phase in the calculation
26 and for adjusting the calculations in cases where the

1 services of a program are interrupted due to circumstances
2 beyond the control of the program provider;

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

6 (4) the development of standards for determining
7 grants based upon performance as set forth in subsection
8 (d) below and a plan for the phased-in implementation of
9 those standards.

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

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

23 (1) For adult basic education, the maximum
24 reimbursement per credit hour or per unit of instruction
25 shall be equal to (i) through fiscal year 2014, the general
26 state aid per pupil foundation level established in

1 subsection (B) of Section 18-8.05, divided by 60, or (ii)
2 in fiscal year 2015 and thereafter, the foundation level
3 established pursuant to subsection (b) of Section 18-8.15
4 of this Code, divided by 60;

5 (2) The maximum reimbursement per credit hour or per
6 unit of instruction in subparagraph (1) above shall be
7 weighted for students enrolled in classes defined as
8 vocational skills and approved by the Illinois Community
9 College Board by 1.25;

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

15 (4) (Blank); and

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

18 (d) Upon its annual approval, the Illinois Community
19 College Board shall provide grants to eligible programs for
20 supplemental activities to improve or expand services under the
21 Adult Education Act. Eligible programs shall be determined
22 based upon performance outcomes of students in the programs as
23 set by the Illinois Community College Board.

24 (e) Reimbursement under this Section shall not exceed the
25 actual costs of the approved program.

26 If the amount appropriated to the Illinois Community

1 College Board for reimbursement under this Section is less than
2 the amount required under this Act, the apportionment shall be
3 proportionately reduced.

4 School districts and community college districts may
5 assess students up to \$3.00 per credit hour, for classes other
6 than Adult Basic Education level programs, if needed to meet
7 program costs.

8 (f) An education plan shall be established for each adult
9 or youth whose schooling has been interrupted and who is
10 participating in the instructional programs provided under
11 this Section.

12 Each school board and community college shall keep an
13 accurate and detailed account of the students assigned to and
14 receiving instruction under this Section who are subject to
15 State reimbursement and shall submit reports of services
16 provided commencing with fiscal year 1997 as required by the
17 Illinois Community College Board.

18 For classes authorized under this Section, a credit hour or
19 unit of instruction is equal to 15 hours of direct instruction
20 for students enrolled in approved adult education programs at
21 midterm and making satisfactory progress, in accordance with
22 standards established by the Illinois Community College Board.

23 (g) Upon proof submitted to the Illinois Department of
24 Human Services of the payment of all claims submitted under
25 this Section, that Department shall apply for federal funds
26 made available therefor and any federal funds so received shall

1 be paid into the General Revenue Fund in the State Treasury.

2 School districts or community colleges providing classes
3 under this Section shall submit applications to the Illinois
4 Community College Board for preapproval in accordance with the
5 standards established by the Illinois Community College Board.
6 Payments shall be made by the Illinois Community College Board
7 based upon approved programs. Interim expenditure reports may
8 be required by the Illinois Community College Board. Final
9 claims for the school year shall be submitted to the regional
10 superintendents for transmittal to the Illinois Community
11 College Board. Final adjusted payments shall be made by
12 September 30.

13 If a school district or community college district fails to
14 provide, or is providing unsatisfactory or insufficient
15 classes under this Section, the Illinois Community College
16 Board may enter into agreements with public or private
17 educational or other agencies other than the public schools for
18 the establishment of such classes.

19 (h) If a school district or community college district
20 establishes child-care facilities for the children of
21 participants in classes established under this Section, it may
22 extend the use of these facilities to students who have
23 obtained employment and to other persons in the community whose
24 children require care and supervision while the parent or other
25 person in charge of the children is employed or otherwise
26 absent from the home during all or part of the day. It may make

1 the facilities available before and after as well as during
2 regular school hours to school age and preschool age children
3 who may benefit thereby, including children who require care
4 and supervision pending the return of their parent or other
5 person in charge of their care from employment or other
6 activity requiring absence from the home.

7 The Illinois Community College Board shall pay to the board
8 the cost of care in the facilities for any child who is a
9 recipient of financial aid under the Illinois Public Aid Code.

10 The board may charge for care of children for whom it
11 cannot make claim under the provisions of this Section. The
12 charge shall not exceed per capita cost, and to the extent
13 feasible, shall be fixed at a level which will permit
14 utilization by employed parents of low or moderate income. It
15 may also permit any other State or local governmental agency or
16 private agency providing care for children to purchase care.

17 After July 1, 1970 when the provisions of Section 10-20.20
18 become operative in the district, children in a child-care
19 facility shall be transferred to the kindergarten established
20 under that Section for such portion of the day as may be
21 required for the kindergarten program, and only the prorated
22 costs of care and training provided in the Center for the
23 remaining period shall be charged to the Illinois Department of
24 Human Services or other persons or agencies paying for such
25 care.

26 (i) The provisions of this Section shall also apply to

1 school districts having a population exceeding 500,000.

2 (j) In addition to claiming reimbursement under this
3 Section, a school district may claim general State aid under
4 Section 18-8.05 or primary State aid under Section 18-8.15 for
5 any student under age 21 who is enrolled in courses accepted
6 for graduation from elementary or high school and who otherwise
7 meets the requirements of Section 18-8.05 or 18-8.15, as
8 applicable.

9 (Source: P.A. 95-331, eff. 8-21-07.)

10 (105 ILCS 5/10-29)

11 Sec. 10-29. Remote educational programs.

12 (a) For purposes of this Section, "remote educational
13 program" means an educational program delivered to students in
14 the home or other location outside of a school building that
15 meets all of the following criteria:

16 (1) A student may participate in the program only after
17 the school district, pursuant to adopted school board
18 policy, and a person authorized to enroll the student under
19 Section 10-20.12b of this Code determine that a remote
20 educational program will best serve the student's
21 individual learning needs. The adopted school board policy
22 shall include, but not be limited to, all of the following:

23 (A) Criteria for determining that a remote
24 educational program will best serve a student's
25 individual learning needs. The criteria must include

1 consideration of, at a minimum, a student's prior
2 attendance, disciplinary record, and academic history.

3 (B) Any limitations on the number of students or
4 grade levels that may participate in a remote
5 educational program.

6 (C) A description of the process that the school
7 district will use to approve participation in the
8 remote educational program. The process must include
9 without limitation a requirement that, for any student
10 who qualifies to receive services pursuant to the
11 federal Individuals with Disabilities Education
12 Improvement Act of 2004, the student's participation
13 in a remote educational program receive prior approval
14 from the student's individualized education program
15 team.

16 (D) A description of the process the school
17 district will use to develop and approve a written
18 remote educational plan that meets the requirements of
19 subdivision (5) of this subsection (a).

20 (E) A description of the system the school district
21 will establish to calculate the number of clock hours a
22 student is participating in instruction in accordance
23 with the remote educational program.

24 (F) A description of the process for renewing a
25 remote educational program at the expiration of its
26 term.

1 (G) Such other terms and provisions as the school
2 district deems necessary to provide for the
3 establishment and delivery of a remote educational
4 program.

5 (2) The school district has determined that the remote
6 educational program's curriculum is aligned to State
7 learning standards and that the program offers instruction
8 and educational experiences consistent with those given to
9 students at the same grade level in the district.

10 (3) The remote educational program is delivered by
11 instructors that meet the following qualifications:

12 (A) they are certificated under Article 21 of this
13 Code;

14 (B) they meet applicable highly qualified criteria
15 under the federal No Child Left Behind Act of 2001; and

16 (C) they have responsibility for all of the
17 following elements of the program: planning
18 instruction, diagnosing learning needs, prescribing
19 content delivery through class activities, assessing
20 learning, reporting outcomes to administrators and
21 parents and guardians, and evaluating the effects of
22 instruction.

23 (4) During the period of time from and including the
24 opening date to the closing date of the regular school term
25 of the school district established pursuant to Section
26 10-19 of this Code, participation in a remote educational

1 program may be claimed for general State aid purposes under
2 Section 18-8.05 of this Code or primary State aid purposes
3 under Section 18-8.15 of this Code on any calendar day,
4 notwithstanding whether the day is a day of pupil
5 attendance or institute day on the school district's
6 calendar or any other provision of law restricting
7 instruction on that day. If the district holds year-round
8 classes in some buildings, the district shall classify each
9 student's participation in a remote educational program as
10 either on a year-round or a non-year-round schedule for
11 purposes of claiming general State aid or primary State
12 aid. Outside of the regular school term of the district,
13 the remote educational program may be offered as part of
14 any summer school program authorized by this Code.

15 (5) Each student participating in a remote educational
16 program must have a written remote educational plan that
17 has been approved by the school district and a person
18 authorized to enroll the student under Section 10-20.12b of
19 this Code. The school district and a person authorized to
20 enroll the student under Section 10-20.12b of this Code
21 must approve any amendment to a remote educational plan.
22 The remote educational plan must include, but is not
23 limited to, all of the following:

24 (A) Specific achievement goals for the student
25 aligned to State learning standards.

26 (B) A description of all assessments that will be

1 used to measure student progress, which description
2 shall indicate the assessments that will be
3 administered at an attendance center within the school
4 district.

5 (C) A description of the progress reports that will
6 be provided to the school district and the person or
7 persons authorized to enroll the student under Section
8 10-20.12b of this Code.

9 (D) Expectations, processes, and schedules for
10 interaction between a teacher and student.

11 (E) A description of the specific responsibilities
12 of the student's family and the school district with
13 respect to equipment, materials, phone and Internet
14 service, and any other requirements applicable to the
15 home or other location outside of a school building
16 necessary for the delivery of the remote educational
17 program.

18 (F) If applicable, a description of how the remote
19 educational program will be delivered in a manner
20 consistent with the student's individualized education
21 program required by Section 614(d) of the federal
22 Individuals with Disabilities Education Improvement
23 Act of 2004 or plan to ensure compliance with Section
24 504 of the federal Rehabilitation Act of 1973.

25 (G) A description of the procedures and
26 opportunities for participation in academic and

1 extra-curricular activities and programs within the
2 school district.

3 (H) The identification of a parent, guardian, or
4 other responsible adult who will provide direct
5 supervision of the program. The plan must include an
6 acknowledgment by the parent, guardian, or other
7 responsible adult that he or she may engage only in
8 non-teaching duties not requiring instructional
9 judgment or the evaluation of a student. The plan shall
10 designate the parent, guardian, or other responsible
11 adult as non-teaching personnel or volunteer personnel
12 under subsection (a) of Section 10-22.34 of this Code.

13 (I) The identification of a school district
14 administrator who will oversee the remote educational
15 program on behalf of the school district and who may be
16 contacted by the student's parents with respect to any
17 issues or concerns with the program.

18 (J) The term of the student's participation in the
19 remote educational program, which may not extend for
20 longer than 12 months, unless the term is renewed by
21 the district in accordance with subdivision (7) of this
22 subsection (a).

23 (K) A description of the specific location or
24 locations in which the program will be delivered. If
25 the remote educational program is to be delivered to a
26 student in any location other than the student's home,

1 the plan must include a written determination by the
2 school district that the location will provide a
3 learning environment appropriate for the delivery of
4 the program. The location or locations in which the
5 program will be delivered shall be deemed a long
6 distance teaching reception area under subsection (a)
7 of Section 10-22.34 of this Code.

8 (L) Certification by the school district that the
9 plan meets all other requirements of this Section.

10 (6) Students participating in a remote educational
11 program must be enrolled in a school district attendance
12 center pursuant to the school district's enrollment policy
13 or policies. A student participating in a remote
14 educational program must be tested as part of all
15 assessments administered by the school district pursuant
16 to Section 2-3.64 of this Code at the attendance center in
17 which the student is enrolled and in accordance with the
18 attendance center's assessment policies and schedule. The
19 student must be included within all adequate yearly
20 progress and other accountability determinations for the
21 school district and attendance center under State and
22 federal law.

23 (7) The term of a student's participation in a remote
24 educational program may not extend for longer than 12
25 months, unless the term is renewed by the school district.
26 The district may only renew a student's participation in a

1 remote educational program following an evaluation of the
2 student's progress in the program, a determination that the
3 student's continuation in the program will best serve the
4 student's individual learning needs, and an amendment to
5 the student's written remote educational plan addressing
6 any changes for the upcoming term of the program.

7 (b) A school district may, by resolution of its school
8 board, establish a remote educational program.

9 (c) Clock hours of instruction by students in a remote
10 educational program meeting the requirements of this Section
11 may be claimed by the school district and shall be counted as
12 school work for general State aid purposes in accordance with
13 and subject to the limitations of Section 18-8.05 of this Code
14 or primary State aid purposes in accordance with and subject to
15 the limitations of Section 18-8.15 of this Code.

16 (d) The impact of remote educational programs on wages,
17 hours, and terms and conditions of employment of educational
18 employees within the school district shall be subject to local
19 collective bargaining agreements.

20 (e) The use of a home or other location outside of a school
21 building for a remote educational program shall not cause the
22 home or other location to be deemed a public school facility.

23 (f) A remote educational program may be used, but is not
24 required, for instruction delivered to a student in the home or
25 other location outside of a school building that is not claimed
26 for general State aid purposes under Section 18-8.05 of this

1 Code or primary State aid purposes under Section 18-8.15 of
2 this Code.

3 (g) School districts that, pursuant to this Section, adopt
4 a policy for a remote educational program must submit to the
5 State Board of Education a copy of the policy and any
6 amendments thereto, as well as data on student participation in
7 a format specified by the State Board of Education. The State
8 Board of Education may perform or contract with an outside
9 entity to perform an evaluation of remote educational programs
10 in this State.

11 (h) The State Board of Education may adopt any rules
12 necessary to ensure compliance by remote educational programs
13 with the requirements of this Section and other applicable
14 legal requirements.

15 (Source: P.A. 96-684, eff. 8-25-09; 97-339, eff. 8-12-11.)

16 (105 ILCS 5/11E-135)

17 Sec. 11E-135. Incentives. For districts reorganizing under
18 this Article and for a district or districts that annex all of
19 the territory of one or more entire other school districts in
20 accordance with Article 7 of this Code, the following payments
21 shall be made from appropriations made for these purposes:

22 (a)(1) For a combined school district, as defined in
23 Section 11E-20 of this Code, or for a unit district, as defined
24 in Section 11E-25 of this Code, for its first year of
25 existence, the general State aid and supplemental general State

1 aid calculated under Section 18-8.05 of this Code or the
2 primary State aid and supplemental grants calculated under
3 Section 18-8.15 of this Code, as applicable, shall be computed
4 for the new district and for the previously existing districts
5 for which property is totally included within the new district.
6 If the computation on the basis of the previously existing
7 districts is greater, a supplementary payment equal to the
8 difference shall be made for the first 4 years of existence of
9 the new district.

10 (2) For a school district that annexes all of the territory
11 of one or more entire other school districts as defined in
12 Article 7 of this Code, for the first year during which the
13 change of boundaries attributable to the annexation becomes
14 effective for all purposes, as determined under Section 7-9 of
15 this Code, the general State aid and supplemental general State
16 aid calculated under Section 18-8.05 of this Code or the
17 primary State aid and supplemental grants calculated under
18 Section 18-8.15 of this Code, as applicable, shall be computed
19 for the annexing district as constituted after the annexation
20 and for the annexing and each annexed district as constituted
21 prior to the annexation; and if the computation on the basis of
22 the annexing and annexed districts as constituted prior to the
23 annexation is greater, then a supplementary payment equal to
24 the difference shall be made for the first 4 years of existence
25 of the annexing school district as constituted upon the
26 annexation.

1 (3) For 2 or more school districts that annex all of the
2 territory of one or more entire other school districts, as
3 defined in Article 7 of this Code, for the first year during
4 which the change of boundaries attributable to the annexation
5 becomes effective for all purposes, as determined under Section
6 7-9 of this Code, the general State aid and supplemental
7 general State aid calculated under Section 18-8.05 of this Code
8 or the primary State aid and supplemental grants calculated
9 under Section 18-8.15 of this Code, as applicable, shall be
10 computed for each annexing district as constituted after the
11 annexation and for each annexing and annexed district as
12 constituted prior to the annexation; and if the aggregate of
13 the general State aid and supplemental general State aid or
14 primary State aid and supplemental grants, as applicable, as so
15 computed for the annexing districts as constituted after the
16 annexation is less than the aggregate of the general State aid
17 and supplemental general State aid or primary State aid and
18 supplemental grants, as applicable, as so computed for the
19 annexing and annexed districts, as constituted prior to the
20 annexation, then a supplementary payment equal to the
21 difference shall be made and allocated between or among the
22 annexing districts, as constituted upon the annexation, for the
23 first 4 years of their existence. The total difference payment
24 shall be allocated between or among the annexing districts in
25 the same ratio as the pupil enrollment from that portion of the
26 annexed district or districts that is annexed to each annexing

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

13 (4) For a school district conversion, as defined in Section
14 11E-15 of this Code, or a multi-unit conversion, as defined in
15 subsection (b) of Section 11E-30 of this Code, if in their
16 first year of existence the newly created elementary districts
17 and the newly created high school district, from a school
18 district conversion, or the newly created elementary district
19 or districts and newly created combined high school - unit
20 district, from a multi-unit conversion, qualify for less
21 general State aid under Section 18-8.05 of this Code or primary
22 State aid under Section 18-8.15 of this Code than would have
23 been payable under Section 18-8.05 or 18-8.15, as applicable,
24 for that same year to the previously existing districts, then a
25 supplementary payment equal to that difference shall be made
26 for the first 4 years of existence of the newly created

1 districts. The aggregate amount of each supplementary payment
2 shall be allocated among the newly created districts in the
3 proportion that the deemed pupil enrollment in each district
4 during its first year of existence bears to the actual
5 aggregate pupil enrollment in all of the districts during their
6 first year of existence. For purposes of each allocation:

7 (A) the deemed pupil enrollment of the newly created
8 high school district from a school district conversion
9 shall be an amount equal to its actual pupil enrollment for
10 its first year of existence multiplied by 1.25;

11 (B) the deemed pupil enrollment of each newly created
12 elementary district from a school district conversion
13 shall be an amount equal to its actual pupil enrollment for
14 its first year of existence reduced by an amount equal to
15 the product obtained when the amount by which the newly
16 created high school district's deemed pupil enrollment
17 exceeds its actual pupil enrollment for its first year of
18 existence is multiplied by a fraction, the numerator of
19 which is the actual pupil enrollment of the newly created
20 elementary district for its first year of existence and the
21 denominator of which is the actual aggregate pupil
22 enrollment of all of the newly created elementary districts
23 for their first year of existence;

24 (C) the deemed high school pupil enrollment of the
25 newly created combined high school - unit district from a
26 multi-unit conversion shall be an amount equal to its

1 actual grades 9 through 12 pupil enrollment for its first
2 year of existence multiplied by 1.25; and

3 (D) the deemed elementary pupil enrollment of each
4 newly created district from a multi-unit conversion shall
5 be an amount equal to each district's actual grade K
6 through 8 pupil enrollment for its first year of existence,
7 reduced by an amount equal to the product obtained when the
8 amount by which the newly created combined high school -
9 unit district's deemed high school pupil enrollment
10 exceeds its actual grade 9 through 12 pupil enrollment for
11 its first year of existence is multiplied by a fraction,
12 the numerator of which is the actual grade K through 8
13 pupil enrollment of each newly created district for its
14 first year of existence and the denominator of which is the
15 actual aggregate grade K through 8 pupil enrollment of all
16 such newly created districts for their first year of
17 existence.

18 The aggregate amount of each supplementary payment under
19 this subdivision (4) and the amount thereof to be allocated to
20 the newly created districts shall be computed by the State
21 Board of Education on the basis of pupil enrollment and other
22 data, which shall be certified to the State Board of Education,
23 on forms that it shall provide for that purpose, by the
24 regional superintendent of schools for each educational
25 service region in which the newly created districts are
26 located.

1 (5) For a partial elementary unit district, as defined in
2 subsection (a) or (c) of Section 11E-30 of this Code, if, in
3 the first year of existence, the newly created partial
4 elementary unit district qualifies for less general State aid
5 and supplemental general State aid under Section 18-8.05 of
6 this Code or less primary State aid and supplemental grants
7 under Section 18-8.15 of this Code, as applicable, than would
8 have been payable under those Sections ~~that Section~~ for that
9 same year to the previously existing districts that formed the
10 partial elementary unit district, then a supplementary payment
11 equal to that difference shall be made to the partial
12 elementary unit district for the first 4 years of existence of
13 that newly created district.

14 (6) For an elementary opt-in, as described in subsection
15 (d) of Section 11E-30 of this Code, the general State aid or
16 primary State aid difference shall be computed in accordance
17 with paragraph (5) of this subsection (a) as if the elementary
18 opt-in was included in an optional elementary unit district at
19 the optional elementary unit district's original effective
20 date. If the calculation in this paragraph (6) is less than
21 that calculated in paragraph (5) of this subsection (a) at the
22 optional elementary unit district's original effective date,
23 then no adjustments may be made. If the calculation in this
24 paragraph (6) is more than that calculated in paragraph (5) of
25 this subsection (a) at the optional elementary unit district's
26 original effective date, then the excess must be paid as

1 follows:

2 (A) If the effective date for the elementary opt-in is
3 one year after the effective date for the optional
4 elementary unit district, 100% of the calculated excess
5 shall be paid to the optional elementary unit district in
6 each of the first 4 years after the effective date of the
7 elementary opt-in.

8 (B) If the effective date for the elementary opt-in is
9 2 years after the effective date for the optional
10 elementary unit district, 75% of the calculated excess
11 shall be paid to the optional elementary unit district in
12 each of the first 4 years after the effective date of the
13 elementary opt-in.

14 (C) If the effective date for the elementary opt-in is
15 3 years after the effective date for the optional
16 elementary unit district, 50% of the calculated excess
17 shall be paid to the optional elementary unit district in
18 each of the first 4 years after the effective date of the
19 elementary opt-in.

20 (D) If the effective date for the elementary opt-in is
21 4 years after the effective date for the optional
22 elementary unit district, 25% of the calculated excess
23 shall be paid to the optional elementary unit district in
24 each of the first 4 years after the effective date of the
25 elementary opt-in.

26 (E) If the effective date for the elementary opt-in is

1 5 years after the effective date for the optional
2 elementary unit district, the optional elementary unit
3 district is not eligible for any additional incentives due
4 to the elementary opt-in.

5 (6.5) For a school district that annexes territory detached
6 from another school district whereby the enrollment of the
7 annexing district increases by 90% or more as a result of the
8 annexation, for the first year during which the change of
9 boundaries attributable to the annexation becomes effective
10 for all purposes as determined under Section 7-9 of this Code,
11 the general State aid and supplemental general State aid or
12 primary State aid and supplemental grants, as applicable,
13 calculated under this Section shall be computed for the
14 district gaining territory and the district losing territory as
15 constituted after the annexation and for the same districts as
16 constituted prior to the annexation; and if the aggregate of
17 the general State aid and supplemental general State aid or
18 primary State aid and supplemental grants, as applicable, as so
19 computed for the district gaining territory and the district
20 losing territory as constituted after the annexation is less
21 than the aggregate of the general State aid and supplemental
22 general State aid or primary State aid and supplemental grants,
23 as applicable, as so computed for the district gaining
24 territory and the district losing territory as constituted
25 prior to the annexation, then a supplementary payment shall be
26 made to the annexing district for the first 4 years of

1 existence after the annexation, equal to the difference
2 multiplied by the ratio of student enrollment in the territory
3 detached to the total student enrollment in the district losing
4 territory for the year prior to the effective date of the
5 annexation. The amount of the total difference and the
6 proportion paid to the annexing district shall be computed by
7 the State Board of Education on the basis of pupil enrollment
8 and other data that must be submitted to the State Board of
9 Education in accordance with Section 7-14A of this Code. The
10 changes to this Section made by Public Act 95-707 are intended
11 to be retroactive and applicable to any annexation taking
12 effect on or after July 1, 2004. For annexations that are
13 eligible for payments under this paragraph (6.5) and that are
14 effective on or after July 1, 2004, but before January 11, 2008
15 (the effective date of Public Act 95-707), the first required
16 yearly payment under this paragraph (6.5) shall be paid in the
17 fiscal year of January 11, 2008 (the effective date of Public
18 Act 95-707). Subsequent required yearly payments shall be paid
19 in subsequent fiscal years until the payment obligation under
20 this paragraph (6.5) is complete.

21 (7) Claims for financial assistance under this subsection
22 (a) may not be recomputed except as expressly provided under
23 Section 18-8.05 or 18-8.15 of this Code.

24 (8) Any supplementary payment made under this subsection
25 (a) must be treated as separate from all other payments made
26 pursuant to Section 18-8.05 or 18-8.15 of this Code.

1 (b)(1) After the formation of a combined school district,
2 as defined in Section 11E-20 of this Code, or a unit district,
3 as defined in Section 11E-25 of this Code, a computation shall
4 be made to determine the difference between the salaries
5 effective in each of the previously existing districts on June
6 30, prior to the creation of the new district. For the first 4
7 years after the formation of the new district, a supplementary
8 State aid reimbursement shall be paid to the new district equal
9 to the difference between the sum of the salaries earned by
10 each of the certificated members of the new district, while
11 employed in one of the previously existing districts during the
12 year immediately preceding the formation of the new district,
13 and the sum of the salaries those certificated members would
14 have been paid during the year immediately prior to the
15 formation of the new district if placed on the salary schedule
16 of the previously existing district with the highest salary
17 schedule.

18 (2) After the territory of one or more school districts is
19 annexed by one or more other school districts as defined in
20 Article 7 of this Code, a computation shall be made to
21 determine the difference between the salaries effective in each
22 annexed district and in the annexing district or districts as
23 they were each constituted on June 30 preceding the date when
24 the change of boundaries attributable to the annexation became
25 effective for all purposes, as determined under Section 7-9 of
26 this Code. For the first 4 years after the annexation, a

1 supplementary State aid reimbursement shall be paid to each
2 annexing district as constituted after the annexation equal to
3 the difference between the sum of the salaries earned by each
4 of the certificated members of the annexing district as
5 constituted after the annexation, while employed in an annexed
6 or annexing district during the year immediately preceding the
7 annexation, and the sum of the salaries those certificated
8 members would have been paid during the immediately preceding
9 year if placed on the salary schedule of whichever of the
10 annexing or annexed districts had the highest salary schedule
11 during the immediately preceding year.

12 (3) For each new high school district formed under a school
13 district conversion, as defined in Section 11E-15 of this Code,
14 the State shall make a supplementary payment for 4 years equal
15 to the difference between the sum of the salaries earned by
16 each certified member of the new high school district, while
17 employed in one of the previously existing districts, and the
18 sum of the salaries those certified members would have been
19 paid if placed on the salary schedule of the previously
20 existing district with the highest salary schedule.

21 (4) For each newly created partial elementary unit
22 district, the State shall make a supplementary payment for 4
23 years equal to the difference between the sum of the salaries
24 earned by each certified member of the newly created partial
25 elementary unit district, while employed in one of the
26 previously existing districts that formed the partial

1 elementary unit district, and the sum of the salaries those
2 certified members would have been paid if placed on the salary
3 schedule of the previously existing district with the highest
4 salary schedule. The salary schedules used in the calculation
5 shall be those in effect in the previously existing districts
6 for the school year prior to the creation of the new partial
7 elementary unit district.

8 (5) For an elementary district opt-in, as described in
9 subsection (d) of Section 11E-30 of this Code, the salary
10 difference incentive shall be computed in accordance with
11 paragraph (4) of this subsection (b) as if the opted-in
12 elementary district was included in the optional elementary
13 unit district at the optional elementary unit district's
14 original effective date. If the calculation in this paragraph
15 (5) is less than that calculated in paragraph (4) of this
16 subsection (b) at the optional elementary unit district's
17 original effective date, then no adjustments may be made. If
18 the calculation in this paragraph (5) is more than that
19 calculated in paragraph (4) of this subsection (b) at the
20 optional elementary unit district's original effective date,
21 then the excess must be paid as follows:

22 (A) If the effective date for the elementary opt-in is
23 one year after the effective date for the optional
24 elementary unit district, 100% of the calculated excess
25 shall be paid to the optional elementary unit district in
26 each of the first 4 years after the effective date of the

1 elementary opt-in.

2 (B) If the effective date for the elementary opt-in is
3 2 years after the effective date for the optional
4 elementary unit district, 75% of the calculated excess
5 shall be paid to the optional elementary unit district in
6 each of the first 4 years after the effective date of the
7 elementary opt-in.

8 (C) If the effective date for the elementary opt-in is
9 3 years after the effective date for the optional
10 elementary unit district, 50% of the calculated excess
11 shall be paid to the optional elementary unit district in
12 each of the first 4 years after the effective date of the
13 elementary opt-in.

14 (D) If the effective date for the elementary opt-in is
15 4 years after the effective date for the partial elementary
16 unit district, 25% of the calculated excess shall be paid
17 to the optional elementary unit district in each of the
18 first 4 years after the effective date of the elementary
19 opt-in.

20 (E) If the effective date for the elementary opt-in is
21 5 years after the effective date for the optional
22 elementary unit district, the optional elementary unit
23 district is not eligible for any additional incentives due
24 to the elementary opt-in.

25 (5.5) After the formation of a cooperative high school by 2
26 or more school districts under Section 10-22.22c of this Code,

1 a computation shall be made to determine the difference between
2 the salaries effective in each of the previously existing high
3 schools on June 30 prior to the formation of the cooperative
4 high school. For the first 4 years after the formation of the
5 cooperative high school, a supplementary State aid
6 reimbursement shall be paid to the cooperative high school
7 equal to the difference between the sum of the salaries earned
8 by each of the certificated members of the cooperative high
9 school while employed in one of the previously existing high
10 schools during the year immediately preceding the formation of
11 the cooperative high school and the sum of the salaries those
12 certificated members would have been paid during the year
13 immediately prior to the formation of the cooperative high
14 school if placed on the salary schedule of the previously
15 existing high school with the highest salary schedule.

16 (5.10) After the annexation of territory detached from
17 another school district whereby the enrollment of the annexing
18 district increases by 90% or more as a result of the
19 annexation, a computation shall be made to determine the
20 difference between the salaries effective in the district
21 gaining territory and the district losing territory as they
22 each were constituted on June 30 preceding the date when the
23 change of boundaries attributable to the annexation became
24 effective for all purposes as determined under Section 7-9 of
25 this Code. For the first 4 years after the annexation, a
26 supplementary State aid reimbursement shall be paid to the

1 annexing district equal to the difference between the sum of
2 the salaries earned by each of the certificated members of the
3 annexing district as constituted after the annexation while
4 employed in the district gaining territory or the district
5 losing territory during the year immediately preceding the
6 annexation and the sum of the salaries those certificated
7 members would have been paid during such immediately preceding
8 year if placed on the salary schedule of whichever of the
9 district gaining territory or district losing territory had the
10 highest salary schedule during the immediately preceding year.
11 To be eligible for supplementary State aid reimbursement under
12 this Section, the intergovernmental agreement to be submitted
13 pursuant to Section 7-14A of this Code must show that staff
14 members were transferred from the control of the district
15 losing territory to the control of the district gaining
16 territory in the annexation. The changes to this Section made
17 by Public Act 95-707 are intended to be retroactive and
18 applicable to any annexation taking effect on or after July 1,
19 2004. For annexations that are eligible for payments under this
20 paragraph (5.10) and that are effective on or after July 1,
21 2004, but before January 11, 2008 (the effective date of Public
22 Act 95-707), the first required yearly payment under this
23 paragraph (5.10) shall be paid in the fiscal year of January
24 11, 2008 (the effective date of Public Act 95-707). Subsequent
25 required yearly payments shall be paid in subsequent fiscal
26 years until the payment obligation under this paragraph (5.10)

1 is complete.

2 (5.15) After the deactivation of a school facility in
3 accordance with Section 10-22.22b of this Code, a computation
4 shall be made to determine the difference between the salaries
5 effective in the sending school district and each receiving
6 school district on June 30 prior to the deactivation of the
7 school facility. For the lesser of the first 4 years after the
8 deactivation of the school facility or the length of the
9 deactivation agreement, including any renewals of the original
10 deactivation agreement, a supplementary State aid
11 reimbursement shall be paid to each receiving district equal to
12 the difference between the sum of the salaries earned by each
13 of the certificated members transferred to that receiving
14 district as a result of the deactivation while employed in the
15 sending district during the year immediately preceding the
16 deactivation and the sum of the salaries those certificated
17 members would have been paid during the year immediately
18 preceding the deactivation if placed on the salary schedule of
19 the sending or receiving district with the highest salary
20 schedule.

21 (6) The supplementary State aid reimbursement under this
22 subsection (b) shall be treated as separate from all other
23 payments made pursuant to Section 18-8.05 of this Code. In the
24 case of the formation of a new district or cooperative high
25 school or a deactivation, reimbursement shall begin during the
26 first year of operation of the new district or cooperative high

1 school or the first year of the deactivation, and in the case
2 of an annexation of the territory of one or more school
3 districts by one or more other school districts or the
4 annexation of territory detached from a school district whereby
5 the enrollment of the annexing district increases by 90% or
6 more as a result of the annexation, reimbursement shall begin
7 during the first year when the change in boundaries
8 attributable to the annexation becomes effective for all
9 purposes as determined pursuant to Section 7-9 of this Code,
10 except that for an annexation of territory detached from a
11 school district that is effective on or after July 1, 2004, but
12 before January 11, 2008 (the effective date of Public Act
13 95-707), whereby the enrollment of the annexing district
14 increases by 90% or more as a result of the annexation,
15 reimbursement shall begin during the fiscal year of January 11,
16 2008 (the effective date of Public Act 95-707). Each year that
17 the new, annexing, or receiving district or cooperative high
18 school, as the case may be, is entitled to receive
19 reimbursement, the number of eligible certified members who are
20 employed on October 1 in the district or cooperative high
21 school shall be certified to the State Board of Education on
22 prescribed forms by October 15 and payment shall be made on or
23 before November 15 of that year.

24 (c) (1) For the first year after the formation of a combined
25 school district, as defined in Section 11E-20 of this Code or a
26 unit district, as defined in Section 11E-25 of this Code, a

1 computation shall be made totaling each previously existing
2 district's audited fund balances in the educational fund,
3 working cash fund, operations and maintenance fund, and
4 transportation fund for the year ending June 30 prior to the
5 referendum for the creation of the new district. The new
6 district shall be paid supplementary State aid equal to the sum
7 of the differences between the deficit of the previously
8 existing district with the smallest deficit and the deficits of
9 each of the other previously existing districts.

10 (2) For the first year after the annexation of all of the
11 territory of one or more entire school districts by another
12 school district, as defined in Article 7 of this Code,
13 computations shall be made, for the year ending June 30 prior
14 to the date that the change of boundaries attributable to the
15 annexation is allowed by the affirmative decision issued by the
16 regional board of school trustees under Section 7-6 of this
17 Code, notwithstanding any effort to seek administrative review
18 of the decision, totaling the annexing district's and totaling
19 each annexed district's audited fund balances in their
20 respective educational, working cash, operations and
21 maintenance, and transportation funds. The annexing district
22 as constituted after the annexation shall be paid supplementary
23 State aid equal to the sum of the differences between the
24 deficit of whichever of the annexing or annexed districts as
25 constituted prior to the annexation had the smallest deficit
26 and the deficits of each of the other districts as constituted

1 prior to the annexation.

2 (3) For the first year after the annexation of all of the
3 territory of one or more entire school districts by 2 or more
4 other school districts, as defined by Article 7 of this Code,
5 computations shall be made, for the year ending June 30 prior
6 to the date that the change of boundaries attributable to the
7 annexation is allowed by the affirmative decision of the
8 regional board of school trustees under Section 7-6 of this
9 Code, notwithstanding any action for administrative review of
10 the decision, totaling each annexing and annexed district's
11 audited fund balances in their respective educational, working
12 cash, operations and maintenance, and transportation funds.
13 The annexing districts as constituted after the annexation
14 shall be paid supplementary State aid, allocated as provided in
15 this paragraph (3), in an aggregate amount equal to the sum of
16 the differences between the deficit of whichever of the
17 annexing or annexed districts as constituted prior to the
18 annexation had the smallest deficit and the deficits of each of
19 the other districts as constituted prior to the annexation. The
20 aggregate amount of the supplementary State aid payable under
21 this paragraph (3) shall be allocated between or among the
22 annexing districts as follows:

23 (A) the regional superintendent of schools for each
24 educational service region in which an annexed district is
25 located prior to the annexation shall certify to the State
26 Board of Education, on forms that it shall provide for that

1 purpose, the value of all taxable property in each annexed
2 district, as last equalized or assessed by the Department
3 of Revenue prior to the annexation, and the equalized
4 assessed value of each part of the annexed district that
5 was annexed to or included as a part of an annexing
6 district;

7 (B) using equalized assessed values as certified by the
8 regional superintendent of schools under clause (A) of this
9 paragraph (3), the combined audited fund balance deficit of
10 each annexed district as determined under this Section
11 shall be apportioned between or among the annexing
12 districts in the same ratio as the equalized assessed value
13 of that part of the annexed district that was annexed to or
14 included as a part of an annexing district bears to the
15 total equalized assessed value of the annexed district; and

16 (C) the aggregate supplementary State aid payment
17 under this paragraph (3) shall be allocated between or
18 among, and shall be paid to, the annexing districts in the
19 same ratio as the sum of the combined audited fund balance
20 deficit of each annexing district as constituted prior to
21 the annexation, plus all combined audited fund balance
22 deficit amounts apportioned to that annexing district
23 under clause (B) of this subsection, bears to the aggregate
24 of the combined audited fund balance deficits of all of the
25 annexing and annexed districts as constituted prior to the
26 annexation.

1 (4) For the new elementary districts and new high school
2 district formed through a school district conversion, as
3 defined in Section 11E-15 of this Code or the new elementary
4 district or districts and new combined high school - unit
5 district formed through a multi-unit conversion, as defined in
6 subsection (b) of Section 11E-30 of this Code, a computation
7 shall be made totaling each previously existing district's
8 audited fund balances in the educational fund, working cash
9 fund, operations and maintenance fund, and transportation fund
10 for the year ending June 30 prior to the referendum
11 establishing the new districts. In the first year of the new
12 districts, the State shall make a one-time supplementary
13 payment equal to the sum of the differences between the deficit
14 of the previously existing district with the smallest deficit
15 and the deficits of each of the other previously existing
16 districts. A district with a combined balance among the 4 funds
17 that is positive shall be considered to have a deficit of zero.
18 The supplementary payment shall be allocated among the newly
19 formed high school and elementary districts in the manner
20 provided by the petition for the formation of the districts, in
21 the form in which the petition is approved by the regional
22 superintendent of schools or State Superintendent of Education
23 under Section 11E-50 of this Code.

24 (5) For each newly created partial elementary unit
25 district, as defined in subsection (a) or (c) of Section 11E-30
26 of this Code, a computation shall be made totaling the audited

1 fund balances of each previously existing district that formed
2 the new partial elementary unit district in the educational
3 fund, working cash fund, operations and maintenance fund, and
4 transportation fund for the year ending June 30 prior to the
5 referendum for the formation of the partial elementary unit
6 district. In the first year of the new partial elementary unit
7 district, the State shall make a one-time supplementary payment
8 to the new district equal to the sum of the differences between
9 the deficit of the previously existing district with the
10 smallest deficit and the deficits of each of the other
11 previously existing districts. A district with a combined
12 balance among the 4 funds that is positive shall be considered
13 to have a deficit of zero.

14 (6) For an elementary opt-in as defined in subsection (d)
15 of Section 11E-30 of this Code, the deficit fund balance
16 incentive shall be computed in accordance with paragraph (5) of
17 this subsection (c) as if the opted-in elementary was included
18 in the optional elementary unit district at the optional
19 elementary unit district's original effective date. If the
20 calculation in this paragraph (6) is less than that calculated
21 in paragraph (5) of this subsection (c) at the optional
22 elementary unit district's original effective date, then no
23 adjustments may be made. If the calculation in this paragraph
24 (6) is more than that calculated in paragraph (5) of this
25 subsection (c) at the optional elementary unit district's
26 original effective date, then the excess must be paid as

1 follows:

2 (A) If the effective date for the elementary opt-in is
3 one year after the effective date for the optional
4 elementary unit district, 100% of the calculated excess
5 shall be paid to the optional elementary unit district in
6 the first year after the effective date of the elementary
7 opt-in.

8 (B) If the effective date for the elementary opt-in is
9 2 years after the effective date for the optional
10 elementary unit district, 75% of the calculated excess
11 shall be paid to the optional elementary unit district in
12 the first year after the effective date of the elementary
13 opt-in.

14 (C) If the effective date for the elementary opt-in is
15 3 years after the effective date for the optional
16 elementary unit district, 50% of the calculated excess
17 shall be paid to the optional elementary unit district in
18 the first year after the effective date of the elementary
19 opt-in.

20 (D) If the effective date for the elementary opt-in is
21 4 years after the effective date for the optional
22 elementary unit district, 25% of the calculated excess
23 shall be paid to the optional elementary unit district in
24 the first year after the effective date of the elementary
25 opt-in.

26 (E) If the effective date for the elementary opt-in is

1 5 years after the effective date for the optional
2 elementary unit district, the optional elementary unit
3 district is not eligible for any additional incentives due
4 to the elementary opt-in.

5 (6.5) For the first year after the annexation of territory
6 detached from another school district whereby the enrollment of
7 the annexing district increases by 90% or more as a result of
8 the annexation, a computation shall be made totaling the
9 audited fund balances of the district gaining territory and the
10 audited fund balances of the district losing territory in the
11 educational fund, working cash fund, operations and
12 maintenance fund, and transportation fund for the year ending
13 June 30 prior to the date that the change of boundaries
14 attributable to the annexation is allowed by the affirmative
15 decision of the regional board of school trustees under Section
16 7-6 of this Code, notwithstanding any action for administrative
17 review of the decision. The annexing district as constituted
18 after the annexation shall be paid supplementary State aid
19 equal to the difference between the deficit of whichever
20 district included in this calculation as constituted prior to
21 the annexation had the smallest deficit and the deficit of each
22 other district included in this calculation as constituted
23 prior to the annexation, multiplied by the ratio of equalized
24 assessed value of the territory detached to the total equalized
25 assessed value of the district losing territory. The regional
26 superintendent of schools for the educational service region in

1 which a district losing territory is located prior to the
2 annexation shall certify to the State Board of Education the
3 value of all taxable property in the district losing territory
4 and the value of all taxable property in the territory being
5 detached, as last equalized or assessed by the Department of
6 Revenue prior to the annexation. To be eligible for
7 supplementary State aid reimbursement under this Section, the
8 intergovernmental agreement to be submitted pursuant to
9 Section 7-14A of this Code must show that fund balances were
10 transferred from the district losing territory to the district
11 gaining territory in the annexation. The changes to this
12 Section made by Public Act 95-707 are intended to be
13 retroactive and applicable to any annexation taking effect on
14 or after July 1, 2004. For annexations that are eligible for
15 payments under this paragraph (6.5) and that are effective on
16 or after July 1, 2004, but before January 11, 2008 (the
17 effective date of Public Act 95-707), the required payment
18 under this paragraph (6.5) shall be paid in the fiscal year of
19 January 11, 2008 (the effective date of Public Act 95-707).

20 (7) For purposes of any calculation required under
21 paragraph (1), (2), (3), (4), (5), (6), or (6.5) of this
22 subsection (c), a district with a combined fund balance that is
23 positive shall be considered to have a deficit of zero. For
24 purposes of determining each district's audited fund balances
25 in its educational fund, working cash fund, operations and
26 maintenance fund, and transportation fund for the specified

1 year ending June 30, as provided in paragraphs (1), (2), (3),
2 (4), (5), (6), and (6.5) of this subsection (c), the balance of
3 each fund shall be deemed decreased by an amount equal to the
4 amount of the annual property tax theretofore levied in the
5 fund by the district for collection and payment to the district
6 during the calendar year in which the June 30 fell, but only to
7 the extent that the tax so levied in the fund actually was
8 received by the district on or before or comprised a part of
9 the fund on such June 30. For purposes of determining each
10 district's audited fund balances, a calculation shall be made
11 for each fund to determine the average for the 3 years prior to
12 the specified year ending June 30, as provided in paragraphs
13 (1), (2), (3), (4), (5), (6), and (6.5) of this subsection (c),
14 of the district's expenditures in the categories "purchased
15 services", "supplies and materials", and "capital outlay", as
16 those categories are defined in rules of the State Board of
17 Education. If this 3-year average is less than the district's
18 expenditures in these categories for the specified year ending
19 June 30, as provided in paragraphs (1), (2), (3), (4), (5),
20 (6), and (6.5) of this subsection (c), then the 3-year average
21 shall be used in calculating the amounts payable under this
22 Section in place of the amounts shown in these categories for
23 the specified year ending June 30, as provided in paragraphs
24 (1), (2), (3), (4), (5), (6), and (6.5) of this subsection (c).
25 Any deficit because of State aid not yet received may not be
26 considered in determining the June 30 deficits. The same basis

1 of accounting shall be used by all previously existing
2 districts and by all annexing or annexed districts, as
3 constituted prior to the annexation, in making any computation
4 required under paragraphs (1), (2), (3), (4), (5), (6), and
5 (6.5) of this subsection (c).

6 (8) The supplementary State aid payments under this
7 subsection (c) shall be treated as separate from all other
8 payments made pursuant to Section 18-8.05 of this Code.

9 (d)(1) Following the formation of a combined school
10 district, as defined in Section 11E-20 of this Code, a new unit
11 district, as defined in Section 11E-25 of this Code, a new
12 elementary district or districts and a new high school district
13 formed through a school district conversion, as defined in
14 Section 11E-15 of this Code, a new partial elementary unit
15 district, as defined in Section 11E-30 of this Code, or a new
16 elementary district or districts formed through a multi-unit
17 conversion, as defined in subsection (b) of Section 11E-30 of
18 this Code, or the annexation of all of the territory of one or
19 more entire school districts by one or more other school
20 districts, as defined in Article 7 of this Code, a
21 supplementary State aid reimbursement shall be paid for the
22 number of school years determined under the following table to
23 each new or annexing district equal to the sum of \$4,000 for
24 each certified employee who is employed by the district on a
25 full-time basis for the regular term of the school year:

Reorganized District's Rank Reorganized District's Rank
 by type of district (unit, in Average Daily Attendance
 high school, elementary) By Quintile
 in Equalized Assessed Value
 Per Pupil by Quintile

				3rd, 4th,
		1st	2nd	or 5th
		Quintile	Quintile	Quintile
	1st Quintile	1 year	1 year	1 year
	2nd Quintile	1 year	2 years	2 years
	3rd Quintile	2 years	3 years	3 years
	4th Quintile	2 years	3 years	3 years
	5th Quintile	2 years	3 years	3 years

The State Board of Education shall make a one-time calculation of a reorganized district's quintile ranks. The average daily attendance used in this calculation shall be the best 3 months' average daily attendance for the district's first year. The equalized assessed value per pupil shall be the district's real property equalized assessed value used in calculating the district's first-year general State aid claim, under Section 18-8.05 of this Code, or first-year primary State aid claim, under Section 18-8.15 of this Code, as applicable, divided by the best 3 months' average daily attendance.

No annexing or resulting school district shall be entitled to supplementary State aid under this subsection (d) unless the

1 district acquires at least 30% of the average daily attendance
2 of the district from which the territory is being detached or
3 divided.

4 If a district results from multiple reorganizations that
5 would otherwise qualify the district for multiple payments
6 under this subsection (d) in any year, then the district shall
7 receive a single payment only for that year based solely on the
8 most recent reorganization.

9 (2) For an elementary opt-in, as defined in subsection (d)
10 of Section 11E-30 of this Code, the full-time certified staff
11 incentive shall be computed in accordance with paragraph (1) of
12 this subsection (d), equal to the sum of \$4,000 for each
13 certified employee of the elementary district that opts-in who
14 is employed by the optional elementary unit district on a
15 full-time basis for the regular term of the school year. The
16 calculation from this paragraph (2) must be paid as follows:

17 (A) If the effective date for the elementary opt-in is
18 one year after the effective date for the optional
19 elementary unit district, 100% of the amount calculated in
20 this paragraph (2) shall be paid to the optional elementary
21 unit district for the number of years calculated in
22 paragraph (1) of this subsection (d) at the optional
23 elementary unit district's original effective date,
24 starting in the second year after the effective date of the
25 elementary opt-in.

26 (B) If the effective date for the elementary opt-in is

1 2 years after the effective date for the optional
2 elementary unit district, 75% 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 (C) If the effective date for the elementary opt-in is
10 3 years after the effective date for the optional
11 elementary unit district, 50% 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 (D) If the effective date for the elementary opt-in is
19 4 years after the effective date for the optional
20 elementary unit district, 25% 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 (E) If the effective date for the elementary opt-in is
2 5 years after the effective date for the optional
3 elementary unit district, the optional elementary unit
4 district is not eligible for any additional incentives due
5 to the elementary opt-in.

6 (2.5) Following the formation of a cooperative high school
7 by 2 or more school districts under Section 10-22.22c of this
8 Code, a supplementary State aid reimbursement shall be paid for
9 3 school years to the cooperative high school equal to the sum
10 of \$4,000 for each certified employee who is employed by the
11 cooperative high school on a full-time basis for the regular
12 term of any such school year. If a cooperative high school
13 results from multiple agreements that would otherwise qualify
14 the cooperative high school for multiple payments under this
15 Section in any year, the cooperative high school shall receive
16 a single payment for that year based solely on the most recent
17 agreement.

18 (2.10) Following the annexation of territory detached from
19 another school district whereby the enrollment of the annexing
20 district increases 90% or more as a result of the annexation, a
21 supplementary State aid reimbursement shall be paid to the
22 annexing district equal to the sum of \$4,000 for each certified
23 employee who is employed by the annexing district on a
24 full-time basis and shall be calculated in accordance with
25 subsection (a) of this Section. To be eligible for
26 supplementary State aid reimbursement under this Section, the

1 intergovernmental agreement to be submitted pursuant to
2 Section 7-14A of this Code must show that certified staff
3 members were transferred from the control of the district
4 losing territory to the control of the district gaining
5 territory in the annexation. The changes to this Section made
6 by Public Act 95-707 are intended to be retroactive and
7 applicable to any annexation taking effect on or after July 1,
8 2004. For annexations that are eligible for payments under this
9 paragraph (2.10) and that are effective on or after July 1,
10 2004, but before January 11, 2008 (the effective date of Public
11 Act 95-707), the first required yearly payment under this
12 paragraph (2.10) shall be paid in the second fiscal year after
13 January 11, 2008 (the effective date of Public Act 95-707). Any
14 subsequent required yearly payments shall be paid in subsequent
15 fiscal years until the payment obligation under this paragraph
16 (2.10) is complete.

17 (2.15) Following the deactivation of a school facility in
18 accordance with Section 10-22.22b of this Code, a supplementary
19 State aid reimbursement shall be paid for the lesser of 3
20 school years or the length of the deactivation agreement,
21 including any renewals of the original deactivation agreement,
22 to each receiving school district equal to the sum of \$4,000
23 for each certified employee who is employed by that receiving
24 district on a full-time basis for the regular term of any such
25 school year who was originally transferred to the control of
26 that receiving district as a result of the deactivation.

1 Receiving districts are eligible for payments under this
2 paragraph (2.15) based on the certified employees transferred
3 to that receiving district as a result of the deactivation and
4 are not required to receive at least 30% of the deactivating
5 district's average daily attendance as required under
6 paragraph (1) of this subsection (d) to be eligible for
7 payments.

8 (3) The supplementary State aid reimbursement payable
9 under this subsection (d) shall be separate from and in
10 addition to all other payments made to the district pursuant to
11 any other Section of this Article.

12 (4) During May of each school year for which a
13 supplementary State aid reimbursement is to be paid to a new,
14 annexing, or receiving school district or cooperative high
15 school pursuant to this subsection (d), the school board or
16 governing board shall certify to the State Board of Education,
17 on forms furnished to the school board or governing board by
18 the State Board of Education for purposes of this subsection
19 (d), the number of certified employees for which the district
20 or cooperative high school is entitled to reimbursement under
21 this Section, together with the names, certificate numbers, and
22 positions held by the certified employees.

23 (5) Upon certification by the State Board of Education to
24 the State Comptroller of the amount of the supplementary State
25 aid reimbursement to which a school district or cooperative
26 high school is entitled under this subsection (d), the State

1 Comptroller shall draw his or her warrant upon the State
2 Treasurer for the payment thereof to the school district or
3 cooperative high school and shall promptly transmit the payment
4 to the school district or cooperative high school through the
5 appropriate school treasurer.

6 (Source: P.A. 95-331, eff. 8-21-07; 95-707, eff. 1-11-08;
7 95-903, eff. 8-25-08; 96-328, eff. 8-11-09.)

8 (105 ILCS 5/13A-8)

9 Sec. 13A-8. Funding.

10 (a) The State of Illinois shall provide funding for the
11 alternative school programs within each educational service
12 region and within the Chicago public school system by line item
13 appropriation made to the State Board of Education for that
14 purpose. This money, when appropriated, shall be provided to
15 the regional superintendent and to the Chicago Board of
16 Education, who shall establish a budget, including salaries,
17 for their alternative school programs. Each program shall
18 receive funding in the amount of \$30,000 plus an amount based
19 on the ratio of the region's or Chicago's best 3 months'
20 average daily attendance in grades pre-kindergarten through 12
21 to the statewide totals of these amounts. For purposes of this
22 calculation, the best 3 months' average daily attendance for
23 each region or Chicago shall be calculated by adding to the
24 best 3 months' average daily attendance the number of
25 low-income students identified in the most recently available

1 federal census multiplied by one-half times the percentage of
2 the region's or Chicago's low-income students to the State's
3 total low-income students. The State Board of Education shall
4 retain up to 1.1% of the appropriation to be used to provide
5 technical assistance, professional development, and
6 evaluations for the programs.

7 (a-5) Notwithstanding any other provisions of this
8 Section, for the 1998-1999 fiscal year, the total amount
9 distributed under subsection (a) for an alternative school
10 program shall be not less than the total amount that was
11 distributed under that subsection for that alternative school
12 program for the 1997-1998 fiscal year. If an alternative school
13 program is to receive a total distribution under subsection (a)
14 for the 1998-1999 fiscal year that is less than the total
15 distribution that the program received under that subsection
16 for the 1997-1998 fiscal year, that alternative school program
17 shall also receive, from a separate appropriation made for
18 purposes of this subsection (a-5), a supplementary payment
19 equal to the amount by which its total distribution under
20 subsection (a) for the 1997-1998 fiscal year exceeds the amount
21 of the total distribution that the alternative school program
22 receives under that subsection for the 1998-1999 fiscal year.
23 If the amount appropriated for supplementary payments to
24 alternative school programs under this subsection (a-5) is
25 insufficient for that purpose, those supplementary payments
26 shall be prorated among the alternative school programs

1 entitled to receive those supplementary payments according to
2 the aggregate amount of the appropriation made for purposes of
3 this subsection (a-5).

4 (b) An alternative school program shall be entitled to
5 receive general State aid as calculated in subsection (K) of
6 Section 18-8.05 or primary State aid as calculated in
7 subsection (i) of Section 18-8.15 upon filing a claim as
8 provided therein. Any time that a student who is enrolled in an
9 alternative school program spends in work-based learning,
10 community service, or a similar alternative educational
11 setting shall be included in determining the student's minimum
12 number of clock hours of daily school work that constitute a
13 day of attendance for purposes of calculating general State aid
14 or primary State aid.

15 (c) An alternative school program may receive additional
16 funding from its school districts in such amount as may be
17 agreed upon by the parties and necessary to support the
18 program. In addition, an alternative school program is
19 authorized to accept and expend gifts, legacies, and grants,
20 including but not limited to federal grants, from any source
21 for purposes directly related to the conduct and operation of
22 the program.

23 (Source: P.A. 89-383, eff. 8-18-95; 89-629, eff. 8-9-96;
24 89-636, eff. 8-9-96; 90-14, eff. 7-1-97; 90-283, eff. 7-31-97;
25 90-802, eff. 12-15-98.)

1 (105 ILCS 5/13B-20.20)

2 Sec. 13B-20.20. Enrollment in other programs. General
3 Educational Development preparation programs are not eligible
4 for funding under this Article. A student may enroll in a
5 program approved under Section 18-8.05 or 18-8.15 of this Code,
6 as appropriate, or attend both the alternative learning
7 opportunities program and the regular school program to enhance
8 student performance and facilitate on-time graduation.

9 (Source: P.A. 92-42, eff. 1-1-02.)

10 (105 ILCS 5/13B-45)

11 Sec. 13B-45. Days and hours of attendance. An alternative
12 learning opportunities program shall provide students with at
13 least the minimum number of days of pupil attendance required
14 under Section 10-19 of this Code and the minimum number of
15 daily hours of school work required under Section 18-8.05 or
16 18-8.15 of this Code, provided that the State Board may approve
17 exceptions to these requirements if the program meets all of
18 the following conditions:

19 (1) The district plan submitted under Section
20 13B-25.15 of this Code establishes that a program providing
21 the required minimum number of days of attendance or daily
22 hours of school work would not serve the needs of the
23 program's students.

24 (2) Each day of attendance shall provide no fewer than
25 3 clock hours of school work, as defined under paragraph

1 (1) of subsection (F) of Section 18-8.05 or subsection (f)
2 of Section 18-8.15 of this Code.

3 (3) Each day of attendance that provides fewer than 5
4 clock hours of school work shall also provide supplementary
5 services, including without limitation work-based
6 learning, student assistance programs, counseling, case
7 management, health and fitness programs, or life-skills or
8 conflict resolution training, in order to provide a total
9 daily program to the student of 5 clock hours. A program
10 may claim general State aid or primary State aid for up to
11 2 hours of the time each day that a student is receiving
12 supplementary services.

13 (4) Each program shall provide no fewer than 174 days
14 of actual pupil attendance during the school term; however,
15 approved evening programs that meet the requirements of
16 Section 13B-45 of this Code may offer less than 174 days of
17 actual pupil attendance during the school term.

18 (Source: P.A. 92-42, eff. 1-1-02.)

19 (105 ILCS 5/13B-50)

20 Sec. 13B-50. Eligibility to receive general State aid or
21 primary State aid. In order to receive general State aid or
22 primary State aid, alternative learning opportunities programs
23 must meet the requirements for claiming general State aid as
24 specified in Section 18-8.05 of this Code or primary State aid
25 as specified in Section 18-8.15 of this Code, as applicable,

1 with the exception of the length of the instructional day,
2 which may be less than 5 hours of school work if the program
3 meets the criteria set forth under Sections 13B-50.5 and
4 13B-50.10 of this Code and if the program is approved by the
5 State Board.

6 (Source: P.A. 92-42, eff. 1-1-02.)

7 (105 ILCS 5/13B-50.10)

8 Sec. 13B-50.10. Additional criteria for general State aid
9 or primary State aid. In order to claim general State aid or
10 primary State aid, an alternative learning opportunities
11 program must meet the following criteria:

12 (1) Teacher professional development plans should include
13 education in the instruction of at-risk students.

14 (2) Facilities must meet the health, life, and safety
15 requirements in this Code.

16 (3) The program must comply with all other State and
17 federal laws applicable to education providers.

18 (Source: P.A. 92-42, eff. 1-1-02.)

19 (105 ILCS 5/13B-50.15)

20 Sec. 13B-50.15. Level of funding. Approved alternative
21 learning opportunities programs are entitled to claim general
22 State aid or primary State aid, subject to Sections 13B-50,
23 13B-50.5, and 13B-50.10 of this Code. Approved programs
24 operated by regional offices of education are entitled to

1 receive general State aid or primary State aid at the
2 foundation level of support. A school district or consortium
3 must ensure that an approved program receives supplemental
4 general State aid, transportation reimbursements, and special
5 education resources, if appropriate, for students enrolled in
6 the program.

7 (Source: P.A. 92-42, eff. 1-1-02.)

8 (105 ILCS 5/14-7.02b)

9 Sec. 14-7.02b. Funding for children requiring special
10 education services. Payments to school districts for children
11 requiring special education services documented in their
12 individualized education program regardless of the program
13 from which these services are received, excluding children
14 claimed under Sections 14-7.02 and 14-7.03 of this Code, shall
15 be made in accordance with this Section. Funds received under
16 this Section may be used only for the provision of special
17 educational facilities and services as defined in Section
18 14-1.08 of this Code.

19 The appropriation for fiscal year 2005 through fiscal year
20 2014 ~~and thereafter~~ shall be based upon the IDEA child count of
21 all students in the State, excluding students claimed under
22 Sections 14-7.02 and 14-7.03 of this Code, on December 1 of the
23 fiscal year 2 years preceding, multiplied by 17.5% of the
24 general State aid foundation level of support established for
25 that fiscal year under Section 18-8.05 of this Code.

1 Beginning with fiscal year 2005 and through fiscal year
2 2007, individual school districts shall not receive payments
3 under this Section totaling less than they received under the
4 funding authorized under Section 14-7.02a of this Code during
5 fiscal year 2004, pursuant to the provisions of Section
6 14-7.02a as they were in effect before the effective date of
7 this amendatory Act of the 93rd General Assembly. This base
8 level funding shall be computed first.

9 Beginning with fiscal year 2008 through fiscal year 2014
10 ~~and each fiscal year thereafter~~, individual school districts
11 must not receive payments under this Section totaling less than
12 they received in fiscal year 2007. This funding shall be
13 computed last and shall be a separate calculation from any
14 other calculation set forth in this Section. This amount is
15 exempt from the requirements of Section 1D-1 of this Code.

16 Through fiscal year 2014, an ~~An~~ amount equal to 85% of the
17 funds remaining in the appropriation shall be allocated to
18 school districts based upon the district's average daily
19 attendance reported for purposes of Section 18-8.05 of this
20 Code for the preceding school year. Fifteen percent of the
21 funds remaining in the appropriation shall be allocated to
22 school districts based upon the district's low income eligible
23 pupil count used in the calculation of general State aid under
24 Section 18-8.05 of this Code for the same fiscal year. One
25 hundred percent of the funds computed and allocated to
26 districts under this Section shall be distributed and paid to

1 school districts.

2 Through fiscal year 2014, for ~~For~~ individual students with
3 disabilities whose program costs exceed 4 times the district's
4 per capita tuition rate as calculated under Section 10-20.12a
5 of this Code, the costs in excess of 4 times the district's per
6 capita tuition rate shall be paid by the State Board of
7 Education from unexpended IDEA discretionary funds originally
8 designated for room and board reimbursement pursuant to Section
9 14-8.01 of this Code. The amount of tuition for these children
10 shall be determined by the actual cost of maintaining classes
11 for these children, using the per capita cost formula set forth
12 in Section 14-7.01 of this Code, with the program and cost
13 being pre-approved by the State Superintendent of Education.
14 Reimbursement for individual students with disabilities whose
15 program costs exceed 4 times the district's per capita tuition
16 rate shall be claimed beginning with costs encumbered for the
17 2004-2005 school year through the 2013-2014 school year ~~and~~
18 ~~thereafter.~~

19 Through fiscal year 2014, the ~~The~~ State Board of Education
20 shall prepare vouchers equal to one-fourth the amount allocated
21 to districts, for transmittal to the State Comptroller on the
22 30th day of September, December, and March, respectively, and
23 the final voucher, no later than June 20. Through fiscal year
24 2014, the ~~The~~ Comptroller shall make payments pursuant to this
25 Section to school districts as soon as possible after receipt
26 of vouchers. If the money appropriated from the General

1 Assembly for such purposes for any year is insufficient, it
2 shall be apportioned on the basis of the payments due to school
3 districts.

4 Nothing in this Section shall be construed to decrease or
5 increase the percentage of all special education funds that are
6 allocated annually under Article 1D of this Code or to alter
7 the requirement that a school district provide special
8 education services.

9 Nothing in this amendatory Act of the 93rd General Assembly
10 shall eliminate any reimbursement obligation owed as of the
11 effective date of this amendatory Act of the 93rd General
12 Assembly to a school district with in excess of 500,000
13 inhabitants.

14 No funding shall be provided to school districts under this
15 Section after fiscal year 2014.

16 (Source: P.A. 93-1022, eff. 8-24-08. 95-705, eff. 1-8-08.)

17 (105 ILCS 5/14-7.03) (from Ch. 122, par. 14-7.03)

18 Sec. 14-7.03. Special Education Classes for Children from
19 Orphanages, ~~Foster Family Homes~~, Children's Homes, or in State
20 Housing Units. If a school district maintains special education
21 classes on the site of orphanages and children's homes, or if
22 children from the orphanages, children's homes, ~~foster family~~
23 ~~homes~~, other State agencies, or State residential units for
24 children attend classes for children with disabilities in which
25 the school district is a participating member of a joint

1 agreement, or if the children from the orphanages, children's
2 homes, ~~foster family homes,~~ other State agencies, or State
3 residential units attend classes for the children with
4 disabilities maintained by the school district, then
5 reimbursement shall be paid to eligible districts in accordance
6 with the provisions of this Section by the Comptroller as
7 directed by the State Superintendent of Education.

8 The amount of tuition for such children shall be determined
9 by the actual cost of maintaining such classes, using the per
10 capita cost formula set forth in Section 14-7.01, such program
11 and cost to be pre-approved by the State Superintendent of
12 Education.

13 On forms prepared by the State Superintendent of Education,
14 the district shall certify ~~to the regional superintendent~~ the
15 following:

16 (1) The name of the home or State residential unit with
17 the name of the owner or proprietor and address of those
18 maintaining it;

19 (2) That no service charges or other payments
20 authorized by law were collected in lieu of taxes therefrom
21 or on account thereof during either of the calendar years
22 included in the school year for which claim is being made;

23 (3) The number of children qualifying under this Act in
24 special education classes for instruction on the site of
25 the orphanages and children's homes;

26 (4) The number of children attending special education

1 classes for children with disabilities in which the
2 district is a participating member of a special education
3 joint agreement;

4 (5) The number of children attending special education
5 classes for children with disabilities maintained by the
6 district;

7 (6) The computed amount of tuition payment claimed as
8 due, as approved by the State Superintendent of Education,
9 for maintaining these classes.

10 If a school district makes a claim for reimbursement under
11 Section 18-3 ~~or 18-4~~ of this Code, ~~Act~~ it shall not include in
12 any claim filed under this Section a claim for such children.
13 Payments authorized by law, including State or federal grants
14 for education of children included in this Section, shall be
15 deducted in determining the tuition amount.

16 Nothing in this Act shall be construed so as to prohibit
17 reimbursement for the tuition of children placed in for profit
18 facilities. Private facilities shall provide adequate space at
19 the facility for special education classes provided by a school
20 district or joint agreement for children with disabilities who
21 are residents of the facility at no cost to the school district
22 or joint agreement upon request of the school district or joint
23 agreement. If such a private facility provides space at no cost
24 to the district or joint agreement for special education
25 classes provided to children with disabilities who are
26 residents of the facility, the district or joint agreement

1 shall not include any costs for the use of those facilities in
2 its claim for reimbursement.

3 Reimbursement for tuition may include the cost of providing
4 summer school programs for children with severe and profound
5 disabilities served under this Section. Claims for that
6 reimbursement shall be filed by November 1 and shall be paid on
7 or before December 15 from appropriations made for the purposes
8 of this Section.

9 The State Board of Education shall establish such rules and
10 regulations as may be necessary to implement the provisions of
11 this Section.

12 Claims filed on behalf of programs operated under this
13 Section housed in a jail, detention center, or county-owned
14 shelter care facility shall be on an individual student basis
15 only for eligible students with disabilities. These claims
16 shall be in accordance with applicable rules.

17 Each district claiming reimbursement for a program
18 operated as a group program shall have an approved budget on
19 file with the State Board of Education prior to the initiation
20 of the program's operation. On September 30, December 31, and
21 March 31, the State Board of Education shall voucher payments
22 to group programs based upon the approved budget during the
23 year of operation. Final claims for group payments shall be
24 filed on or before July 15. Final claims for group programs
25 received at the State Board of Education on or before June 15
26 shall be vouchered by June 30. Final claims received at the

1 State Board of Education between June 16 and July 15 shall be
2 vouchered by August 30. Claims for group programs received
3 after July 15 shall not be honored.

4 Each district claiming reimbursement for individual
5 students shall have the eligibility of those students verified
6 by the State Board of Education. On September 30, December 31,
7 and March 31, the State Board of Education shall voucher
8 payments for individual students based upon an estimated cost
9 calculated from the prior year's claim. Final claims for
10 individual students for the regular school term must be
11 received at the State Board of Education by July 15. Claims for
12 individual students received after July 15 shall not be
13 honored. Final claims for individual students shall be
14 vouchered by August 30.

15 Reimbursement shall be made based upon approved group
16 programs or individual students. The State Superintendent of
17 Education shall direct the Comptroller to pay a specified
18 amount to the district by the 30th day of September, December,
19 March, June, or August, respectively. However, notwithstanding
20 any other provisions of this Section or the School Code,
21 beginning with fiscal year 1994 and each fiscal year
22 thereafter, if the amount appropriated for any fiscal year is
23 less than the amount required for purposes of this Section, the
24 amount required to eliminate any insufficient reimbursement
25 for each district claim under this Section shall be reimbursed
26 on August 30 of the next fiscal year. Payments required to

1 eliminate any insufficiency for prior fiscal year claims shall
2 be made before any claims are paid for the current fiscal year.

3 The claim of a school district otherwise eligible to be
4 reimbursed in accordance with Section 14-12.01 for the 1976-77
5 school year but for this amendatory Act of 1977 shall not be
6 paid unless the district ceases to maintain such classes for
7 one entire school year.

8 If a school district's current reimbursement payment for
9 the 1977-78 school year only is less than the prior year's
10 reimbursement payment owed, the district shall be paid the
11 amount of the difference between the payments in addition to
12 the current reimbursement payment, and the amount so paid shall
13 be subtracted from the amount of prior year's reimbursement
14 payment owed to the district.

15 Regional superintendents may operate special education
16 classes for children from orphanages, ~~foster family homes,~~
17 children's homes, or State housing units located within the
18 educational services region upon consent of the school board
19 otherwise so obligated. In electing to assume the powers and
20 duties of a school district in providing and maintaining such a
21 special education program, the regional superintendent may
22 enter into joint agreements with other districts and may
23 contract with public or private schools or the orphanage,
24 ~~foster family home,~~ children's home, or State housing unit for
25 provision of the special education program. The regional
26 superintendent exercising the powers granted under this

1 Section shall claim the reimbursement authorized by this
2 Section directly from the State Board of Education.

3 Any child who is not a resident of Illinois who is placed
4 in a child welfare institution, private facility, ~~foster family~~
5 ~~home,~~ State operated program, orphanage, or children's home
6 shall have the payment for his educational tuition and any
7 related services assured by the placing agent.

8 For each disabled student who is placed in a residential
9 facility by an Illinois public agency or by any court in this
10 State, the costs for educating the student are eligible for
11 reimbursement under this Section.

12 The district of residence of the disabled student as
13 defined in Section 14-1.11a is responsible for the actual costs
14 of the student's special education program and is eligible for
15 reimbursement under this Section when placement is made by a
16 State agency or the courts.

17 When a dispute arises over the determination of the
18 district of residence under this Section, the district or
19 districts may appeal the decision in writing to the State
20 Superintendent of Education, who, upon review of materials
21 submitted and any other items or information he or she may
22 request for submission, shall issue a written decision on the
23 matter. The decision of the State Superintendent of Education
24 shall be final.

25 In the event a district does not make a tuition payment to
26 another district that is providing the special education

1 program and services, the State Board of Education shall
2 immediately withhold 125% of the then remaining annual tuition
3 cost from the State aid or categorical aid payment due to the
4 school district that is determined to be the resident school
5 district. All funds withheld by the State Board of Education
6 shall immediately be forwarded to the school district where the
7 student is being served.

8 When a child eligible for services under this Section
9 14-7.03 must be placed in a nonpublic facility, that facility
10 shall meet the programmatic requirements of Section 14-7.02 and
11 its regulations, and the educational services shall be funded
12 only in accordance with this Section 14-7.03.

13 (Source: P.A. 95-313, eff. 8-20-07; 95-844, eff. 8-15-08.)

14 (105 ILCS 5/14-13.01) (from Ch. 122, par. 14-13.01)

15 Sec. 14-13.01. Reimbursement payable by State; amounts for
16 personnel and transportation.

17 (a) Through fiscal year 2014, for ~~For~~ staff working on
18 behalf of children who have not been identified as eligible for
19 special education and for eligible children with physical
20 disabilities, including all eligible children whose placement
21 has been determined under Section 14-8.02 in hospital or home
22 instruction, 1/2 of the teacher's salary but not more than
23 \$1,000 annually per child or \$9,000 per teacher, whichever is
24 less.

25 (a-5) A child qualifies for home or hospital instruction if

1 it is anticipated that, due to a medical condition, the child
2 will be unable to attend school, and instead must be instructed
3 at home or in the hospital, for a period of 2 or more
4 consecutive weeks or on an ongoing intermittent basis. For
5 purposes of this Section, "ongoing intermittent basis" means
6 that the child's medical condition is of such a nature or
7 severity that it is anticipated that the child will be absent
8 from school due to the medical condition for periods of at
9 least 2 days at a time multiple times during the school year
10 totaling at least 10 days or more of absences. There shall be
11 no requirement that a child be absent from school a minimum
12 number of days before the child qualifies for home or hospital
13 instruction. In order to establish eligibility for home or
14 hospital services, a student's parent or guardian must submit
15 to the child's school district of residence a written statement
16 from a physician licensed to practice medicine in all of its
17 branches stating the existence of such medical condition, the
18 impact on the child's ability to participate in education, and
19 the anticipated duration or nature of the child's absence from
20 school. Home or hospital instruction may commence upon receipt
21 of a written physician's statement in accordance with this
22 Section, but instruction shall commence not later than 5 school
23 days after the school district receives the physician's
24 statement. Special education and related services required by
25 the child's IEP or services and accommodations required by the
26 child's federal Section 504 plan must be implemented as part of

1 the child's home or hospital instruction, unless the IEP team
2 or federal Section 504 plan team determines that modifications
3 are necessary during the home or hospital instruction due to
4 the child's condition.

5 (a-10) Through fiscal year 2014, eligible ~~Eligible~~
6 children to be included in any reimbursement under this
7 paragraph must regularly receive a minimum of one hour of
8 instruction each school day, or in lieu thereof of a minimum of
9 5 hours of instruction in each school week in order to qualify
10 for full reimbursement under this Section. If the attending
11 physician for such a child has certified that the child should
12 not receive as many as 5 hours of instruction in a school week,
13 however, reimbursement under this paragraph on account of that
14 child shall be computed proportionate to the actual hours of
15 instruction per week for that child divided by 5.

16 (a-15) The State Board of Education shall establish rules
17 governing the required qualifications of staff providing home
18 or hospital instruction.

19 (b) For children described in Section 14-1.02, 80% of the
20 cost of transportation approved as a related service in the
21 Individualized Education Program for each student in order to
22 take advantage of special educational facilities.
23 Transportation costs shall be determined in the same fashion as
24 provided in Section 29-5 of this Code, notwithstanding any
25 limitation in Section 29-5 of this Code on the fiscal years for
26 which reimbursement may be claimed, provided that,

1 notwithstanding anything to the contrary contained in this
2 subsection (b) or Section 29-5 of this Code, the State Board of
3 Education shall award to a school district having a population
4 exceeding 500,000 inhabitants 30.7% of the funds appropriated
5 by the General Assembly for any fiscal year for purposes of
6 payment of transportation cost claims under this subsection
7 (b). For purposes of this subsection (b), the dates for
8 processing claims specified in Section 29-5 shall apply.

9 (c) Through fiscal year 2014, for ~~For~~ each qualified
10 worker, the annual sum of \$9,000.

11 (d) Through fiscal year 2014, for ~~For~~ one full time
12 qualified director of the special education program of each
13 school district which maintains a fully approved program of
14 special education the annual sum of \$9,000. Districts
15 participating in a joint agreement special education program
16 shall not receive such reimbursement if reimbursement is made
17 for a director of the joint agreement program.

18 (e) (Blank).

19 (f) (Blank).

20 (g) Through fiscal year 2014, for ~~For~~ readers, working with
21 blind or partially seeing children 1/2 of their salary but not
22 more than \$400 annually per child. Readers may be employed to
23 assist such children and shall not be required to be certified
24 but prior to employment shall meet standards set up by the
25 State Board of Education.

26 (h) Through fiscal year 2014, for ~~For~~ non-certified

1 employees, as defined by rules promulgated by the State Board
2 of Education, who deliver services to students with IEPs, 1/2
3 of the salary paid or \$3,500 per employee, whichever is less.

4 (i) The State Board of Education shall set standards and
5 prescribe rules for determining the allocation of
6 reimbursement under this section on less than a full time basis
7 and for less than a school year.

8 When any school district eligible for reimbursement under
9 this Section operates a school or program approved by the State
10 Superintendent of Education for a number of days in excess of
11 the adopted school calendar but not to exceed 235 school days,
12 such reimbursement shall be increased by 1/180 of the amount or
13 rate paid hereunder for each day such school is operated in
14 excess of 180 days per calendar year.

15 Notwithstanding any other provision of law, any school
16 district receiving a payment under this Section or under
17 Section 14-7.02c ~~14-7.02, 14-7.02b, or 29-5~~ of this Code may
18 classify all or a portion of the funds that it receives in a
19 particular fiscal year or from primary ~~general~~ State aid
20 pursuant to Section 18-8.15 ~~18-8.05~~ of this Code as funds
21 received in connection with any funding program for which it is
22 entitled to receive funds from the State in that fiscal year
23 (including, without limitation, any funding program referenced
24 in this Section), regardless of the source or timing of the
25 receipt. The district may not classify more funds as funds
26 received in connection with the funding program than the

1 district is entitled to receive in that fiscal year for that
2 program. Any classification by a district must be made by a
3 resolution of its board of education. The resolution must
4 identify the amount of any payments or primary ~~general~~ State
5 aid to be classified under this paragraph and must specify the
6 funding program to which the funds are to be treated as
7 received in connection therewith. This resolution is
8 controlling as to the classification of funds referenced
9 therein. A certified copy of the resolution must be sent to the
10 State Superintendent of Education. The resolution shall still
11 take effect even though a copy of the resolution has not been
12 sent to the State Superintendent of Education in a timely
13 manner. No classification under this paragraph by a district
14 shall affect the total amount or timing of money the district
15 is entitled to receive under this Code. No classification under
16 this paragraph by a district shall in any way relieve the
17 district from or affect any requirements that otherwise would
18 apply with respect to that funding program, including any
19 accounting of funds by source, reporting expenditures by
20 original source and purpose, reporting requirements, or
21 requirements of providing services.

22 (Source: P.A. 96-257, eff. 8-11-09; 97-123, eff. 7-14-11.)

23 (105 ILCS 5/14C-12) (from Ch. 122, par. 14C-12)

24 Sec. 14C-12. Account of expenditures; Cost report;
25 Reimbursement. Each school district shall keep an accurate,

1 detailed and separate account of all monies paid out by it for
2 the programs in transitional bilingual education required or
3 permitted by this Article, including transportation costs, and
4 shall annually report thereon for the school year ending June
5 30 indicating the average per pupil expenditure. Through fiscal
6 year 2014, each ~~Each~~ school district shall be reimbursed for
7 the amount by which such costs exceed the average per pupil
8 expenditure by such school district for the education of
9 children of comparable age who are not in any special education
10 program. Through fiscal year 2014, at ~~At~~ least 60% of
11 transitional bilingual education funding received from the
12 State must be used for the instructional costs of transitional
13 bilingual education.

14 Through fiscal year 2014, applications ~~Applications~~ for
15 preapproval for reimbursement for costs of transitional
16 bilingual education programs must be submitted to the State
17 Superintendent of Education at least 60 days before a
18 transitional bilingual education program is started, unless a
19 justifiable exception is granted by the State Superintendent of
20 Education. Applications shall set forth a plan for transitional
21 bilingual education established and maintained in accordance
22 with this Article.

23 Through fiscal year 2014, reimbursement ~~Reimbursement~~
24 claims for transitional bilingual education programs shall be
25 made as follows:

26 Each school district shall claim reimbursement on a current

1 basis for the first 3 quarters of the fiscal year and file a
2 final adjusted claim for the school year ended June 30
3 preceding computed in accordance with rules prescribed by the
4 State Superintendent's Office. The State Superintendent of
5 Education before approving any such claims shall determine
6 their accuracy and whether they are based upon services and
7 facilities provided under approved programs. Upon approval he
8 shall transmit to the Comptroller the vouchers showing the
9 amounts due for school district reimbursement claims. Upon
10 receipt of the final adjusted claims the State Superintendent
11 of Education shall make a final determination of the accuracy
12 of such claims. If the money appropriated by the General
13 Assembly for such purpose for any year is insufficient, it
14 shall be apportioned on the basis of the claims approved.

15 Failure on the part of the school district to prepare and
16 certify the final adjusted claims due under this Section may
17 constitute a forfeiture by the school district of its right to
18 be reimbursed by the State under this Section.

19 (Source: P.A. 96-1170, eff. 1-1-11.)

20 (105 ILCS 5/17-1) (from Ch. 122, par. 17-1)

21 Sec. 17-1. Annual Budget. The board of education of each
22 school district under 500,000 inhabitants shall, within or
23 before the first quarter of each fiscal year, adopt and file
24 with the State Board of Education an annual balanced budget
25 which it deems necessary to defray all necessary expenses and

1 liabilities of the district, and in such annual budget shall
2 specify the objects and purposes of each item and amount needed
3 for each object or purpose.

4 The budget shall be entered upon a School District Budget
5 form prepared and provided by the State Board of Education and
6 therein shall contain a statement of the cash on hand at the
7 beginning of the fiscal year, an estimate of the cash expected
8 to be received during such fiscal year from all sources, an
9 estimate of the expenditures contemplated for such fiscal year,
10 and a statement of the estimated cash expected to be on hand at
11 the end of such year. The estimate of taxes to be received may
12 be based upon the amount of actual cash receipts that may
13 reasonably be expected by the district during such fiscal year,
14 estimated from the experience of the district in prior years
15 and with due regard for other circumstances that may
16 substantially affect such receipts. Nothing in this Section
17 shall be construed as requiring any district to change or
18 preventing any district from changing from a cash basis of
19 financing to a surplus or deficit basis of financing; or as
20 requiring any district to change or preventing any district
21 from changing its system of accounting. For the 2015-2016
22 school year and thereafter, the budget shall conform to the
23 school level accounting requirements adopted by the State Board
24 of Education pursuant to Section 2-3.28 of this Code.

25 To the extent that a school district's budget is not
26 balanced, the district shall also adopt and file with the State

1 Board of Education a deficit reduction plan to balance the
2 district's budget within 3 years. The deficit reduction plan
3 must be filed at the same time as the budget, but the State
4 Superintendent of Education may extend this deadline if the
5 situation warrants.

6 If, as the result of an audit performed in compliance with
7 Section 3-7 of this Code, the resulting Annual Financial Report
8 required to be submitted pursuant to Section 3-15.1 of this
9 Code reflects a deficit as defined for purposes of the
10 preceding paragraph, then the district shall, within 30 days
11 after acceptance of such audit report, submit a deficit
12 reduction plan.

13 The board of education of each district shall fix a fiscal
14 year therefor. If the beginning of the fiscal year of a
15 district is subsequent to the time that the tax levy due to be
16 made in such fiscal year shall be made, then such annual budget
17 shall be adopted prior to the time such tax levy shall be made.
18 The failure by a board of education of any district to adopt an
19 annual budget, or to comply in any respect with the provisions
20 of this Section, shall not affect the validity of any tax levy
21 of the district otherwise in conformity with the law. With
22 respect to taxes levied either before, on, or after the
23 effective date of this amendatory Act of the 91st General
24 Assembly, (i) a tax levy is made for the fiscal year in which
25 the levy is due to be made regardless of which fiscal year the
26 proceeds of the levy are expended or are intended to be

1 expended, and (ii) except as otherwise provided by law, a board
2 of education's adoption of an annual budget in conformity with
3 this Section is not a prerequisite to the adoption of a valid
4 tax levy and is not a limit on the amount of the levy.

5 Such budget shall be prepared in tentative form by some
6 person or persons designated by the board, and in such
7 tentative form shall be made conveniently available to public
8 inspection for at least 30 days prior to final action thereon.
9 At least 1 public hearing shall be held as to such budget prior
10 to final action thereon. Notice of availability for public
11 inspection and of such public hearing shall be given by
12 publication in a newspaper published in such district, at least
13 30 days prior to the time of such hearing. If there is no
14 newspaper published in such district, notice of such public
15 hearing shall be given by posting notices thereof in 5 of the
16 most public places in such district. It shall be the duty of
17 the secretary of such board to make such tentative budget
18 available to public inspection, and to arrange for such public
19 hearing. The board may from time to time make transfers between
20 the various items in any fund not exceeding in the aggregate
21 10% of the total of such fund as set forth in the budget. The
22 board may from time to time amend such budget by the same
23 procedure as is herein provided for its original adoption.

24 Beginning July 1, 1976, the board of education, or regional
25 superintendent, or governing board responsible for the
26 administration of a joint agreement shall, by September 1 of

1 each fiscal year thereafter, adopt an annual budget for the
2 joint agreement in the same manner and subject to the same
3 requirements as are provided in this Section.

4 The State Board of Education shall exercise powers and
5 duties relating to budgets as provided in Section 2-3.27 of
6 this Code and shall require school districts to submit their
7 annual budgets, deficit reduction plans, and other financial
8 information, including revenue and expenditure reports and
9 borrowing and interfund transfer plans, in such form and within
10 the timelines designated by the State Board of Education.

11 By fiscal year 1982 all school districts shall use the
12 Program Budget Accounting System.

13 In the case of a school district receiving emergency State
14 financial assistance under Article 1B, the school board shall
15 also be subject to the requirements established under Article
16 1B with respect to the annual budget.

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

18 (105 ILCS 5/17-1.2)

19 Sec. 17-1.2. Post annual budget on web site. If a school
20 district has an Internet web site, the school district shall
21 post its current annual budget, itemized by receipts and
22 expenditures, on the district's Internet web site. For the
23 2015-2016 school year and thereafter, the budget shall include
24 school level information conforming to the rules adopted by the
25 State Board of Education pursuant to Section 2-3.28 of this

1 Code. The school district shall notify the parents or guardians
2 of its students that the budget has been posted on the
3 district's web site and what the web site's address is.

4 (Source: P.A. 92-438, eff. 1-1-02.)

5 (105 ILCS 5/17-1.5)

6 Sec. 17-1.5. Limitation of administrative costs.

7 (a) It is the purpose of this Section to establish
8 limitations on the growth of administrative expenditures in
9 order to maximize the proportion of school district resources
10 available for the instructional program, building maintenance,
11 and safety services for the students of each district.

12 (b) Definitions. For the purposes of this Section:

13 "Administrative expenditures" mean the annual expenditures
14 of school districts properly attributable to expenditure
15 functions defined by the rules of the State Board of Education
16 as: 2320 (Executive Administration Services); 2330 (Special
17 Area Administration Services); 2490 (Other Support Services -
18 School Administration); 2510 (Direction of Business Support
19 Services); 2570 (Internal Services); and 2610 (Direction of
20 Central Support Services); provided, however, that
21 "administrative expenditures" shall not include early
22 retirement or other pension system obligations required by
23 State law.

24 "School district" means all school districts having a
25 population of less than 500,000.

1 (c) For the 1998-99 school year and each school year
2 thereafter, each school district shall undertake budgetary and
3 expenditure control actions so that the increase in
4 administrative expenditures for that school year over the prior
5 school year does not exceed 5%. School districts with
6 administrative expenditures per pupil in the 25th percentile
7 and below for all districts of the same type, as defined by the
8 State Board of Education, may waive the limitation imposed
9 under this Section for any year following a public hearing and
10 with the affirmative vote of at least two-thirds of the members
11 of the school board of the district. Any district waiving the
12 limitation shall notify the State Board within 45 days of such
13 action.

14 (d) School districts shall file with the State Board of
15 Education by November 15, 1998 and by each November 15th
16 thereafter a one-page report that lists (i) the actual
17 administrative expenditures for the prior year from the
18 district's audited Annual Financial Report, and (ii) the
19 projected administrative expenditures for the current year
20 from the budget adopted by the school board pursuant to Section
21 17-1 of this Code.

22 If a school district that is ineligible to waive the
23 limitation imposed by subsection (c) of this Section by board
24 action exceeds the limitation solely because of circumstances
25 beyond the control of the district and the district has
26 exhausted all available and reasonable remedies to comply with

1 the limitation, the district may request a waiver pursuant to
2 Section 2-3.25g. The waiver application shall specify the
3 amount, nature, and reason for the relief requested, as well as
4 all remedies the district has exhausted to comply with the
5 limitation. Any emergency relief so requested shall apply only
6 to the specific school year for which the request is made. The
7 State Board of Education shall analyze all such waivers
8 submitted and shall recommend that the General Assembly
9 disapprove any such waiver requested that is not due solely to
10 circumstances beyond the control of the district and for which
11 the district has not exhausted all available and reasonable
12 remedies to comply with the limitation. The State
13 Superintendent shall have no authority to impose any sanctions
14 pursuant to this Section for any expenditures for which a
15 waiver has been requested until such waiver has been reviewed
16 by the General Assembly.

17 If the report and information required under this
18 subsection (d) are not provided by the school district in a
19 timely manner, or are subsequently determined by the State
20 Superintendent of Education to be incomplete or inaccurate, the
21 State Superintendent shall notify the district in writing of
22 reporting deficiencies. The school district shall, within 60
23 days of the notice, address the reporting deficiencies
24 identified.

25 (e) If the State Superintendent determines that a school
26 district has failed to comply with the administrative

1 expenditure limitation imposed in subsection (c) of this
2 Section, the State Superintendent shall notify the district of
3 the violation and direct the district to undertake corrective
4 action to bring the district's budget into compliance with the
5 administrative expenditure limitation. The district shall,
6 within 60 days of the notice, provide adequate assurance to the
7 State Superintendent that appropriate corrective actions have
8 been or will be taken. If the district fails to provide
9 adequate assurance or fails to undertake the necessary
10 corrective actions, the State Superintendent may impose
11 progressive sanctions against the district that may culminate
12 in withholding all subsequent payments of general State aid due
13 the district under Section 18-8.05 of this Code or primary
14 State aid due the district under Section 18-8.15 of this Code
15 until the assurance is provided or the corrective actions
16 taken.

17 (f) The State Superintendent shall publish a list each year
18 of the school districts that violate the limitation imposed by
19 subsection (c) of this Section and a list of the districts that
20 waive the limitation by board action as provided in subsection
21 (c) of this Section.

22 (Source: P.A. 90-548, eff. 1-1-98; 90-653, eff. 7-29-98.)

23 (105 ILCS 5/17-2.11) (from Ch. 122, par. 17-2.11)

24 Sec. 17-2.11. School board power to levy a tax or to borrow
25 money and issue bonds for fire prevention, safety, energy

1 conservation, disabled accessibility, school security, and
2 specified repair purposes.

3 (a) Whenever, as a result of any lawful order of any
4 agency, other than a school board, having authority to enforce
5 any school building code applicable to any facility that houses
6 students, or any law or regulation for the protection and
7 safety of the environment, pursuant to the Environmental
8 Protection Act, any school district having a population of less
9 than 500,000 inhabitants is required to alter or reconstruct
10 any school building or permanent, fixed equipment; the district
11 may, by proper resolution, levy a tax for the purpose of making
12 such alteration or reconstruction, based on a survey report by
13 an architect or engineer licensed in this State, upon all of
14 the taxable property of the district at the value as assessed
15 by the Department of Revenue and at a rate not to exceed 0.05%
16 per year for a period sufficient to finance such alteration or
17 reconstruction, upon the following conditions:

18 (1) When there are not sufficient funds available in
19 the operations and maintenance fund of the school district,
20 the school facility occupation tax fund of the district, or
21 the fire prevention and safety fund of the district, as
22 determined by the district on the basis of rules adopted by
23 the State Board of Education, to make such alteration or
24 reconstruction or to purchase and install such permanent,
25 fixed equipment so ordered or determined as necessary.
26 Appropriate school district records must be made available

1 to the State Superintendent of Education, upon request, to
2 confirm this insufficiency.

3 (2) When a certified estimate of an architect or
4 engineer licensed in this State stating the estimated
5 amount necessary to make the alteration or reconstruction
6 or to purchase and install the equipment so ordered has
7 been secured by the school district, and the estimate has
8 been approved by the regional superintendent of schools
9 having jurisdiction over the district and the State
10 Superintendent of Education. Approval must not be granted
11 for any work that has already started without the prior
12 express authorization of the State Superintendent of
13 Education. If the estimate is not approved or is denied
14 approval by the regional superintendent of schools within 3
15 months after the date on which it is submitted to him or
16 her, the school board of the district may submit the
17 estimate directly to the State Superintendent of Education
18 for approval or denial.

19 In the case of an emergency situation, where the estimated
20 cost to effectuate emergency repairs is less than the amount
21 specified in Section 10-20.21 of this Code, the school district
22 may proceed with such repairs prior to approval by the State
23 Superintendent of Education, but shall comply with the
24 provisions of subdivision (2) of this subsection (a) as soon
25 thereafter as may be as well as Section 10-20.21 of this Code.
26 If the estimated cost to effectuate emergency repairs is

1 greater than the amount specified in Section 10-20.21 of this
2 Code, then the school district shall proceed in conformity with
3 Section 10-20.21 of this Code and with rules established by the
4 State Board of Education to address such situations. The rules
5 adopted by the State Board of Education to deal with these
6 situations shall stipulate that emergency situations must be
7 expedited and given priority consideration. For purposes of
8 this paragraph, an emergency is a situation that presents an
9 imminent and continuing threat to the health and safety of
10 students or other occupants of a facility, requires complete or
11 partial evacuation of a building or part of a building, or
12 consumes one or more of the 5 emergency days built into the
13 adopted calendar of the school or schools or would otherwise be
14 expected to cause such school or schools to fall short of the
15 minimum school calendar requirements.

16 (b) Whenever any such district determines that it is
17 necessary for energy conservation purposes that any school
18 building or permanent, fixed equipment should be altered or
19 reconstructed and that such alterations or reconstruction will
20 be made with funds not necessary for the completion of approved
21 and recommended projects contained in any safety survey report
22 or amendments thereto authorized by Section 2-3.12 of this Act;
23 the district may levy a tax or issue bonds as provided in
24 subsection (a) of this Section.

25 (c) Whenever any such district determines that it is
26 necessary for disabled accessibility purposes and to comply

1 with the school building code that any school building or
2 equipment should be altered or reconstructed and that such
3 alterations or reconstruction will be made with funds not
4 necessary for the completion of approved and recommended
5 projects contained in any safety survey report or amendments
6 thereto authorized under Section 2-3.12 of this Act, the
7 district may levy a tax or issue bonds as provided in
8 subsection (a) of this Section.

9 (d) Whenever any such district determines that it is
10 necessary for school security purposes and the related
11 protection and safety of pupils and school personnel that any
12 school building or property should be altered or reconstructed
13 or that security systems and equipment (including but not
14 limited to intercom, early detection and warning, access
15 control and television monitoring systems) should be purchased
16 and installed, and that such alterations, reconstruction or
17 purchase and installation of equipment will be made with funds
18 not necessary for the completion of approved and recommended
19 projects contained in any safety survey report or amendment
20 thereto authorized by Section 2-3.12 of this Act and will deter
21 and prevent unauthorized entry or activities upon school
22 property by unknown or dangerous persons, assure early
23 detection and advance warning of any such actual or attempted
24 unauthorized entry or activities and help assure the continued
25 safety of pupils and school staff if any such unauthorized
26 entry or activity is attempted or occurs; the district may levy

1 a tax or issue bonds as provided in subsection (a) of this
2 Section.

3 (e) If a school district does not need funds for other fire
4 prevention and safety projects, including the completion of
5 approved and recommended projects contained in any safety
6 survey report or amendments thereto authorized by Section
7 2-3.12 of this Act, and it is determined after a public hearing
8 (which is preceded by at least one published notice (i)
9 occurring at least 7 days prior to the hearing in a newspaper
10 of general circulation within the school district and (ii)
11 setting forth the time, date, place, and general subject matter
12 of the hearing) that there is a substantial, immediate, and
13 otherwise unavoidable threat to the health, safety, or welfare
14 of pupils due to disrepair of school sidewalks, playgrounds,
15 parking lots, or school bus turnarounds and repairs must be
16 made; then the district may levy a tax or issue bonds as
17 provided in subsection (a) of this Section.

18 (f) For purposes of this Section a school district may
19 replace a school building or build additions to replace
20 portions of a building when it is determined that the
21 effectuation of the recommendations for the existing building
22 will cost more than the replacement costs. Such determination
23 shall be based on a comparison of estimated costs made by an
24 architect or engineer licensed in the State of Illinois. The
25 new building or addition shall be equivalent in area (square
26 feet) and comparable in purpose and grades served and may be on

1 the same site or another site. Such replacement may only be
2 done upon order of the regional superintendent of schools and
3 the approval of the State Superintendent of Education.

4 (g) The filing of a certified copy of the resolution
5 levying the tax when accompanied by the certificates of the
6 regional superintendent of schools and State Superintendent of
7 Education shall be the authority of the county clerk to extend
8 such tax.

9 (h) The county clerk of the county in which any school
10 district levying a tax under the authority of this Section is
11 located, in reducing raised levies, shall not consider any such
12 tax as a part of the general levy for school purposes and shall
13 not include the same in the limitation of any other tax rate
14 which may be extended.

15 Such tax shall be levied and collected in like manner as
16 all other taxes of school districts, subject to the provisions
17 contained in this Section.

18 (i) The tax rate limit specified in this Section may be
19 increased to .10% upon the approval of a proposition to effect
20 such increase by a majority of the electors voting on that
21 proposition at a regular scheduled election. Such proposition
22 may be initiated by resolution of the school board and shall be
23 certified by the secretary to the proper election authorities
24 for submission in accordance with the general election law.

25 (j) When taxes are levied by any school district for fire
26 prevention, safety, energy conservation, and school security

1 purposes as specified in this Section, and the purposes for
2 which the taxes have been levied are accomplished and paid in
3 full, and there remain funds on hand in the Fire Prevention and
4 Safety Fund from the proceeds of the taxes levied, including
5 interest earnings thereon, the school board by resolution shall
6 use such excess and other board restricted funds, excluding
7 bond proceeds and earnings from such proceeds, as follows:

8 (1) for other authorized fire prevention, safety,
9 energy conservation, and school security purposes; or

10 (2) for transfer to the Operations and Maintenance Fund
11 for the purpose of abating an equal amount of operations
12 and maintenance purposes taxes.

13 Notwithstanding subdivision (2) of this subsection (j) and
14 subsection (k) of this Section, through June 30, 2017 ~~2016~~, the
15 school board may, by proper resolution following a public
16 hearing set by the school board or the president of the school
17 board (that is preceded (i) by at least one published notice
18 over the name of the clerk or secretary of the board, occurring
19 at least 7 days and not more than 30 days prior to the hearing,
20 in a newspaper of general circulation within the school
21 district and (ii) by posted notice over the name of the clerk
22 or secretary of the board, at least 48 hours before the
23 hearing, at the principal office of the school board or at the
24 building where the hearing is to be held if a principal office
25 does not exist, with both notices setting forth the time, date,
26 place, and subject matter of the hearing), transfer surplus

1 life safety taxes and interest earnings thereon to the
2 Operations and Maintenance Fund for building repair work.

3 (k) If any transfer is made to the Operation and
4 Maintenance Fund, the secretary of the school board shall
5 within 30 days notify the county clerk of the amount of that
6 transfer and direct the clerk to abate the taxes to be extended
7 for the purposes of operations and maintenance authorized under
8 Section 17-2 of this Act by an amount equal to such transfer.

9 (l) If the proceeds from the tax levy authorized by this
10 Section are insufficient to complete the work approved under
11 this Section, the school board is authorized to sell bonds
12 without referendum under the provisions of this Section in an
13 amount that, when added to the proceeds of the tax levy
14 authorized by this Section, will allow completion of the
15 approved work.

16 (m) Any bonds issued pursuant to this Section shall bear
17 interest at a rate not to exceed the maximum rate authorized by
18 law at the time of the making of the contract, shall mature
19 within 20 years from date, and shall be signed by the president
20 of the school board and the treasurer of the school district.

21 (n) In order to authorize and issue such bonds, the school
22 board shall adopt a resolution fixing the amount of bonds, the
23 date thereof, the maturities thereof, rates of interest
24 thereof, place of payment and denomination, which shall be in
25 denominations of not less than \$100 and not more than \$5,000,
26 and provide for the levy and collection of a direct annual tax

1 upon all the taxable property in the school district sufficient
2 to pay the principal and interest on such bonds to maturity.
3 Upon the filing in the office of the county clerk of the county
4 in which the school district is located of a certified copy of
5 the resolution, it is the duty of the county clerk to extend
6 the tax therefor in addition to and in excess of all other
7 taxes heretofore or hereafter authorized to be levied by such
8 school district.

9 (o) After the time such bonds are issued as provided for by
10 this Section, if additional alterations or reconstructions are
11 required to be made because of surveys conducted by an
12 architect or engineer licensed in the State of Illinois, the
13 district may levy a tax at a rate not to exceed .05% per year
14 upon all the taxable property of the district or issue
15 additional bonds, whichever action shall be the most feasible.

16 (p) This Section is cumulative and constitutes complete
17 authority for the issuance of bonds as provided in this Section
18 notwithstanding any other statute or law to the contrary.

19 (q) With respect to instruments for the payment of money
20 issued under this Section either before, on, or after the
21 effective date of Public Act 86-004 (June 6, 1989), it is, and
22 always has been, the intention of the General Assembly (i) that
23 the Omnibus Bond Acts are, and always have been, supplementary
24 grants of power to issue instruments in accordance with the
25 Omnibus Bond Acts, regardless of any provision of this Act that
26 may appear to be or to have been more restrictive than those

1 Acts, (ii) that the provisions of this Section are not a
2 limitation on the supplementary authority granted by the
3 Omnibus Bond Acts, and (iii) that instruments issued under this
4 Section within the supplementary authority granted by the
5 Omnibus Bond Acts are not invalid because of any provision of
6 this Act that may appear to be or to have been more restrictive
7 than those Acts.

8 (r) When the purposes for which the bonds are issued have
9 been accomplished and paid for in full and there remain funds
10 on hand from the proceeds of the bond sale and interest
11 earnings therefrom, the board shall, by resolution, use such
12 excess funds in accordance with the provisions of Section
13 10-22.14 of this Act.

14 (s) Whenever any tax is levied or bonds issued for fire
15 prevention, safety, energy conservation, and school security
16 purposes, such proceeds shall be deposited and accounted for
17 separately within the Fire Prevention and Safety Fund.

18 (Source: P.A. 98-26, eff. 6-21-13.)

19 (105 ILCS 5/17-2A) (from Ch. 122, par. 17-2A)

20 Sec. 17-2A. Interfund Transfers.

21 (a) The school board of any district having a population of
22 less than 500,000 inhabitants may, by proper resolution
23 following a public hearing set by the school board or the
24 president of the school board (that is preceded (i) by at least
25 one published notice over the name of the clerk or secretary of

1 the board, occurring at least 7 days and not more than 30 days
2 prior to the hearing, in a newspaper of general circulation
3 within the school district and (ii) by posted notice over the
4 name of the clerk or secretary of the board, at least 48 hours
5 before the hearing, at the principal office of the school board
6 or at the building where the hearing is to be held if a
7 principal office does not exist, with both notices setting
8 forth the time, date, place, and subject matter of the
9 hearing), transfer money from (1) the Educational Fund to the
10 Operations and Maintenance Fund or the Transportation Fund, (2)
11 the Operations and Maintenance Fund to the Educational Fund or
12 the Transportation Fund, or (3) the Transportation Fund to the
13 Educational Fund or the Operations and Maintenance Fund of said
14 district, provided that, except during the period from July 1,
15 2003 through June 30, 2017 ~~2016~~, such transfer is made solely
16 for the purpose of meeting one-time, non-recurring expenses.
17 Except during the period from July 1, 2003 through June 30,
18 2017 ~~2016~~ and except as otherwise provided in subsection (b) of
19 this Section, any other permanent interfund transfers
20 authorized by any provision or judicial interpretation of this
21 Code for which the transferee fund is not precisely and
22 specifically set forth in the provision of this Code
23 authorizing such transfer shall be made to the fund of the
24 school district most in need of the funds being transferred, as
25 determined by resolution of the school board.

26 (b) Notwithstanding subsection (a) of this Section or any

1 other provision of this Code to the contrary, the school board
2 of any school district (i) that is subject to the Property Tax
3 Extension Limitation Law, (ii) that has a population of less
4 than 500,000 inhabitants, (iii) that is levying at its maximum
5 tax rate, (iv) whose total equalized assessed valuation has
6 declined 20% in the prior 2 years, (v) in which 80% or more of
7 its students receive free or reduced-price lunch, and (vi) that
8 had an equalized assessed valuation of less than \$207 million
9 but more than \$203 million in the 2011 levy year may annually,
10 until July 1, 2016, transfer money from any fund of the
11 district, other than the Illinois Municipal Retirement Fund and
12 the Bonds and Interest Fund, to the educational fund, the
13 operations and maintenance fund, or the transportation fund of
14 the district by proper resolution following a public hearing
15 set by the school board or the president of the school board,
16 with notice as provided in subsection (a) of this Section, so
17 long as the district meets the qualifications set forth in this
18 subsection (b) on the effective date of this amendatory Act of
19 the 98th General Assembly even if the district does not meet
20 those qualifications at the time a given transfer is made.

21 (Source: P.A. 98-26, eff. 6-21-13; 98-131, eff. 1-1-14.)

22 (105 ILCS 5/18-4.3) (from Ch. 122, par. 18-4.3)

23 Sec. 18-4.3. Summer school grants. Through fiscal year
24 2014, grants ~~Grants~~ shall be determined for pupil attendance in
25 summer schools conducted under Sections 10-22.33A and 34-18 and

1 approved under Section 2-3.25 in the following manner.

2 The amount of grant for each accredited summer school
3 attendance pupil shall be obtained by dividing the total amount
4 of apportionments determined under Section 18-8.05 by the
5 actual number of pupils in average daily attendance used for
6 such apportionments. The number of credited summer school
7 attendance pupils shall be determined (a) by counting clock
8 hours of class instruction by pupils enrolled in grades 1
9 through 12 in approved courses conducted at least 60 clock
10 hours in summer sessions; (b) by dividing such total of clock
11 hours of class instruction by 4 to produce days of credited
12 pupil attendance; (c) by dividing such days of credited pupil
13 attendance by the actual number of days in the regular term as
14 used in computation in the general apportionment in Section
15 18-8.05; and (d) by multiplying by 1.25.

16 The amount of the grant for a summer school program
17 approved by the State Superintendent of Education for children
18 with disabilities, as defined in Sections 14-1.02 through
19 14-1.07, shall be determined in the manner contained above
20 except that average daily membership shall be utilized in lieu
21 of average daily attendance.

22 In the case of an apportionment based on summer school
23 attendance or membership pupils, the claim therefor shall be
24 presented as a separate claim for the particular school year in
25 which such summer school session ends. On or before November 1
26 of each year the superintendent of each eligible school

1 district shall certify to the State Superintendent of Education
2 the claim of the district for the summer session just ended.
3 Failure on the part of the school board to so certify shall
4 constitute a forfeiture of its right to such payment. The State
5 Superintendent of Education shall transmit to the Comptroller
6 no later than December 15th of each year vouchers for payment
7 of amounts due school districts for summer school. The State
8 Superintendent of Education shall direct the Comptroller to
9 draw his warrants for payments thereof by the 30th day of
10 December. If the money appropriated by the General Assembly for
11 such purpose for any year is insufficient, it shall be
12 apportioned on the basis of claims approved.

13 However, notwithstanding the foregoing provisions, for
14 each fiscal year the money appropriated by the General Assembly
15 for the purposes of this Section shall only be used for grants
16 for approved summer school programs for those children with
17 disabilities served pursuant to Section 14-7.02 or 14-7.02b of
18 this Code.

19 No funding shall be provided to school districts under this
20 Section after fiscal year 2014.

21 (Source: P.A. 93-1022, eff. 8-24-04.)

22 (105 ILCS 5/18-8.05)

23 Sec. 18-8.05. Basis for apportionment of general State
24 financial aid and supplemental general State aid to the common
25 schools for the 1998-1999 through the 2013-2014 ~~and subsequent~~

1 school years.

2 (A) General Provisions.

3 (1) The provisions of this Section relating to the
4 calculation and apportionment of general State financial aid
5 and supplemental general State aid apply to the 1998-1999
6 through the 2013-2014 ~~and subsequent~~ school years. The system
7 of general State financial aid provided for in this Section is
8 designed to assure that, through a combination of State
9 financial aid and required local resources, the financial
10 support provided each pupil in Average Daily Attendance equals
11 or exceeds a prescribed per pupil Foundation Level. This
12 formula approach imputes a level of per pupil Available Local
13 Resources and provides for the basis to calculate a per pupil
14 level of general State financial aid that, when added to
15 Available Local Resources, equals or exceeds the Foundation
16 Level. The amount of per pupil general State financial aid for
17 school districts, in general, varies in inverse relation to
18 Available Local Resources. Per pupil amounts are based upon
19 each school district's Average Daily Attendance as that term is
20 defined in this Section.

21 (2) In addition to general State financial aid, school
22 districts with specified levels or concentrations of pupils
23 from low income households are eligible to receive supplemental
24 general State financial aid grants as provided pursuant to
25 subsection (H). The supplemental State aid grants provided for

1 school districts under subsection (H) shall be appropriated for
2 distribution to school districts as part of the same line item
3 in which the general State financial aid of school districts is
4 appropriated under this Section.

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

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

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

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

6 (d) (Blank).

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

11 School districts are not required to exert a minimum
12 Operating Tax Rate in order to qualify for assistance under
13 this Section.

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

16 (a) "Average Daily Attendance": A count of pupil
17 attendance in school, averaged as provided for in
18 subsection (C) and utilized in deriving per pupil financial
19 support levels.

20 (b) "Available Local Resources": A computation of
21 local financial support, calculated on the basis of Average
22 Daily Attendance and derived as provided pursuant to
23 subsection (D).

24 (c) "Corporate Personal Property Replacement Taxes":
25 Funds paid to local school districts pursuant to "An Act in
26 relation to the abolition of ad valorem personal property

1 tax and the replacement of revenues lost thereby, and
2 amending and repealing certain Acts and parts of Acts in
3 connection therewith", certified August 14, 1979, as
4 amended (Public Act 81-1st S.S.-1).

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

7 (e) "Operating Tax Rate": All school district property
8 taxes extended for all purposes, except Bond and Interest,
9 Summer School, Rent, Capital Improvement, and Vocational
10 Education Building purposes.

11 (B) Foundation Level.

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

22 (2) For the 1998-1999 school year, the Foundation Level of
23 support is \$4,225. For the 1999-2000 school year, the
24 Foundation Level of support is \$4,325. For the 2000-2001 school
25 year, the Foundation Level of support is \$4,425. For the

1 2001-2002 school year and 2002-2003 school year, the Foundation
2 Level of support is \$4,560. For the 2003-2004 school year, the
3 Foundation Level of support is \$4,810. For the 2004-2005 school
4 year, the Foundation Level of support is \$4,964. For the
5 2005-2006 school year, the Foundation Level of support is
6 \$5,164. For the 2006-2007 school year, the Foundation Level of
7 support is \$5,334. For the 2007-2008 school year, the
8 Foundation Level of support is \$5,734. For the 2008-2009 school
9 year, the Foundation Level of support is \$5,959.

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

14 (C) Average Daily Attendance.

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

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

10 (D) Available Local Resources.

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

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

1 determined as provided in subsection (G).

2 (3) For school districts maintaining grades kindergarten
3 through 12, local property tax revenues per pupil shall be
4 calculated as the product of the applicable equalized assessed
5 valuation for the district multiplied by 3.00%, and divided by
6 the district's Average Daily Attendance figure. For school
7 districts maintaining grades kindergarten through 8, local
8 property tax revenues per pupil shall be calculated as the
9 product of the applicable equalized assessed valuation for the
10 district multiplied by 2.30%, and divided by the district's
11 Average Daily Attendance figure. For school districts
12 maintaining grades 9 through 12, local property tax revenues
13 per pupil shall be the applicable equalized assessed valuation
14 of the district multiplied by 1.05%, and divided by the
15 district's Average Daily Attendance figure.

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

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

11 (E) Computation of General State Aid.

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

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

21 (3) For any school district for which Available Local
22 Resources per pupil is equal to or greater than the product of
23 0.93 times the Foundation Level and less than the product of
24 1.75 times the Foundation Level, the general State aid per
25 pupil shall be a decimal proportion of the Foundation Level

1 derived using a linear algorithm. Under this linear algorithm,
2 the calculated general State aid per pupil shall decline in
3 direct linear fashion from 0.07 times the Foundation Level for
4 a school district with Available Local Resources equal to the
5 product of 0.93 times the Foundation Level, to 0.05 times the
6 Foundation Level for a school district with Available Local
7 Resources equal to the product of 1.75 times the Foundation
8 Level. The allocation of general State aid for school districts
9 subject to this paragraph 3 shall be the calculated general
10 State aid per pupil figure multiplied by the Average Daily
11 Attendance of the school district.

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

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

1 (F) Compilation of Average Daily Attendance.

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

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

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

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

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

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

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

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

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

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

5 (b) (Blank).

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

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

1 consists of (i) a minimum of 5 clock hours of
2 parent-teacher conferences, (ii) both a minimum of 2 clock
3 hours of parent-teacher conferences held in the evening
4 following a full day of student attendance, as specified in
5 subsection (F)(1)(c), and a minimum of 3 clock hours of
6 parent-teacher conferences held on the day immediately
7 following evening parent-teacher conferences, or (iii)
8 multiple parent-teacher conferences held in the evenings
9 following full days of student attendance, as specified in
10 subsection (F)(1)(c), in which the time used for the
11 parent-teacher conferences is equivalent to a minimum of 5
12 clock hours; and (2) when days in addition to those
13 provided in items (1) and (1.5) are scheduled by a school
14 pursuant to its school improvement plan adopted under
15 Article 34 or its revised or amended school improvement
16 plan adopted under Article 2, provided that (i) such
17 sessions of 3 or more clock hours are scheduled to occur at
18 regular intervals, (ii) the remainder of the school days in
19 which such sessions occur are utilized for in-service
20 training programs or other staff development activities
21 for teachers, and (iii) a sufficient number of minutes of
22 school work under the direct supervision of teachers are
23 added to the school days between such regularly scheduled
24 sessions to accumulate not less than the number of minutes
25 by which such sessions of 3 or more clock hours fall short
26 of 5 clock hours. Any full days used for the purposes of

1 this paragraph shall not be considered for computing
2 average daily attendance. Days scheduled for in-service
3 training programs, staff development activities, or
4 parent-teacher conferences may be scheduled separately for
5 different grade levels and different attendance centers of
6 the district.

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

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

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

25 (h) A recognized kindergarten which provides for only
26 1/2 day of attendance by each pupil shall not have more

1 than 1/2 day of attendance counted in any one day. However,
2 kindergartens may count 2 1/2 days of attendance in any 5
3 consecutive school days. When a pupil attends such a
4 kindergarten for 2 half days on any one school day, the
5 pupil shall have the following day as a day absent from
6 school, unless the school district obtains permission in
7 writing from the State Superintendent of Education.
8 Attendance at kindergartens which provide for a full day of
9 attendance by each pupil shall be counted the same as
10 attendance by first grade pupils. Only the first year of
11 attendance in one kindergarten shall be counted, except in
12 case of children who entered the kindergarten in their
13 fifth year whose educational development requires a second
14 year of kindergarten as determined under the rules and
15 regulations of the State Board of Education.

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

(j) Pupils enrolled in a remote educational program established under Section 10-29 of this Code may be counted on the basis of one-fifth day of attendance for every clock hour of instruction attended in the remote educational program, provided that, in any month, the school district may not claim for a student enrolled in a remote educational program more days of attendance than the maximum number of days of attendance the district can claim

(i) for students enrolled in a building holding year-round classes if the student is classified as participating in the remote educational program on a year-round schedule or

(ii) for students enrolled in a building not holding year-round classes if the student is not classified as participating in the remote educational program on a year-round schedule.

(G) Equalized Assessed Valuation Data.

(1) For purposes of the calculation of Available Local Resources required pursuant to subsection (D), the State Board of Education shall secure from the Department of Revenue the value as equalized or assessed by the Department of Revenue of all taxable property of every school district, together with (i) the applicable tax rate used in extending taxes for the funds of the district as of September 30 of the previous year and (ii) the limiting rate for all school districts subject to property tax extension limitations as imposed under the

1 Property Tax Extension Limitation Law.

2 The Department of Revenue shall add to the equalized
3 assessed value of all taxable property of each school district
4 situated entirely or partially within a county that is or was
5 subject to the provisions of Section 15-176 or 15-177 of the
6 Property Tax Code (a) an amount equal to the total amount by
7 which the homestead exemption allowed under Section 15-176 or
8 15-177 of the Property Tax Code for real property situated in
9 that school district exceeds the total amount that would have
10 been allowed in that school district if the maximum reduction
11 under Section 15-176 was (i) \$4,500 in Cook County or \$3,500 in
12 all other counties in tax year 2003 or (ii) \$5,000 in all
13 counties in tax year 2004 and thereafter and (b) an amount
14 equal to the aggregate amount for the taxable year of all
15 additional exemptions under Section 15-175 of the Property Tax
16 Code for owners with a household income of \$30,000 or less. The
17 county clerk of any county that is or was subject to the
18 provisions of Section 15-176 or 15-177 of the Property Tax Code
19 shall annually calculate and certify to the Department of
20 Revenue for each school district all homestead exemption
21 amounts under Section 15-176 or 15-177 of the Property Tax Code
22 and all amounts of additional exemptions under Section 15-175
23 of the Property Tax Code for owners with a household income of
24 \$30,000 or less. It is the intent of this paragraph that if the
25 general homestead exemption for a parcel of property is
26 determined under Section 15-176 or 15-177 of the Property Tax

1 Code rather than Section 15-175, then the calculation of
2 Available Local Resources shall not be affected by the
3 difference, if any, between the amount of the general homestead
4 exemption allowed for that parcel of property under Section
5 15-176 or 15-177 of the Property Tax Code and the amount that
6 would have been allowed had the general homestead exemption for
7 that parcel of property been determined under Section 15-175 of
8 the Property Tax Code. It is further the intent of this
9 paragraph that if additional exemptions are allowed under
10 Section 15-175 of the Property Tax Code for owners with a
11 household income of less than \$30,000, then the calculation of
12 Available Local Resources shall not be affected by the
13 difference, if any, because of those additional exemptions.

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

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

19 (a) For the purposes of calculating State aid under
20 this Section, with respect to any part of a school district
21 within a redevelopment project area in respect to which a
22 municipality has adopted tax increment allocation
23 financing pursuant to the Tax Increment Allocation
24 Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11
25 of the Illinois Municipal Code or the Industrial Jobs
26 Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the

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

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

1 of Section 18-165 of the Property Tax Code by the same
2 percentage rates for district type as specified in this
3 subparagraph (b).

4 (3) For the 1999-2000 school year and each school year
5 thereafter, if a school district meets all of the criteria of
6 this subsection (G) (3), the school district's Available Local
7 Resources shall be calculated under subsection (D) using the
8 district's Extension Limitation Equalized Assessed Valuation
9 as calculated under this subsection (G) (3).

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

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

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

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

18 "Base Tax Year's Tax Extension": The product of the
19 equalized assessed valuation utilized by the County Clerk
20 in the Base Tax Year multiplied by the limiting rate as
21 calculated by the County Clerk and defined in the Property
22 Tax Extension Limitation Law.

23 "Preceding Tax Year's Tax Extension": The product of
24 the equalized assessed valuation utilized by the County
25 Clerk in the Preceding Tax Year multiplied by the Operating
26 Tax Rate as defined in subsection (A).

1 "Extension Limitation Ratio": A numerical ratio,
2 certified by the County Clerk, in which the numerator is
3 the Base Tax Year's Tax Extension and the denominator is
4 the Preceding Tax Year's Tax Extension.

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

7 If a school district is subject to property tax extension
8 limitations as imposed under the Property Tax Extension
9 Limitation Law, the State Board of Education shall calculate
10 the Extension Limitation Equalized Assessed Valuation of that
11 district. For the 1999-2000 school year, the Extension
12 Limitation Equalized Assessed Valuation of a school district as
13 calculated by the State Board of Education shall be equal to
14 the product of the district's 1996 Equalized Assessed Valuation
15 and the district's Extension Limitation Ratio. Except as
16 otherwise provided in this paragraph for a school district that
17 has approved or does approve an increase in its limiting rate,
18 for the 2000-2001 school year and each school year thereafter,
19 the Extension Limitation Equalized Assessed Valuation of a
20 school district as calculated by the State Board of Education
21 shall be equal to the product of the Equalized Assessed
22 Valuation last used in the calculation of general State aid and
23 the district's Extension Limitation Ratio. If the Extension
24 Limitation Equalized Assessed Valuation of a school district as
25 calculated under this subsection (G)(3) is less than the
26 district's equalized assessed valuation as calculated pursuant

1 to subsections (G)(1) and (G)(2), then for purposes of
2 calculating the district's general State aid for the Budget
3 Year pursuant to subsection (E), that Extension Limitation
4 Equalized Assessed Valuation shall be utilized to calculate the
5 district's Available Local Resources under subsection (D). For
6 the 2009-2010 school year and each school year thereafter, if a
7 school district has approved or does approve an increase in its
8 limiting rate, pursuant to Section 18-190 of the Property Tax
9 Code, affecting the Base Tax Year, the Extension Limitation
10 Equalized Assessed Valuation of the school district, as
11 calculated by the State Board of Education, shall be equal to
12 the product of the Equalized Assessed Valuation last used in
13 the calculation of general State aid times an amount equal to
14 one plus the percentage increase, if any, in the Consumer Price
15 Index for all Urban Consumers for all items published by the
16 United States Department of Labor for the 12-month calendar
17 year preceding the Base Tax Year, plus the Equalized Assessed
18 Valuation of new property, annexed property, and recovered tax
19 increment value and minus the Equalized Assessed Valuation of
20 disconnected property. New property and recovered tax
21 increment value shall have the meanings set forth in the
22 Property Tax Extension Limitation Law.

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

1 (3.5) For the 2010-2011 school year and each school year
2 thereafter, if a school district's boundaries span multiple
3 counties, then the Department of Revenue shall send to the
4 State Board of Education, for the purpose of calculating
5 general State aid, the limiting rate and individual rates by
6 purpose for the county that contains the majority of the school
7 district's Equalized Assessed Valuation.

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

1 Resources.

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

14 (H) Supplemental General State Aid.

15 (1) In addition to the general State aid a school district
16 is allotted pursuant to subsection (E), qualifying school
17 districts shall receive a grant, paid in conjunction with a
18 district's payments of general State aid, for supplemental
19 general State aid based upon the concentration level of
20 children from low-income households within the school
21 district. Supplemental State aid grants provided for school
22 districts under this subsection shall be appropriated for
23 distribution to school districts as part of the same line item
24 in which the general State financial aid of school districts is
25 appropriated under this Section.

1 (1.5) This paragraph (1.5) applies only to those school
2 years preceding the 2003-2004 school year. For purposes of this
3 subsection (H), the term "Low-Income Concentration Level"
4 shall be the low-income eligible pupil count from the most
5 recently available federal census divided by the Average Daily
6 Attendance of the school district. If, however, (i) the
7 percentage decrease from the 2 most recent federal censuses in
8 the low-income eligible pupil count of a high school district
9 with fewer than 400 students exceeds by 75% or more the
10 percentage change in the total low-income eligible pupil count
11 of contiguous elementary school districts, whose boundaries
12 are coterminous with the high school district, or (ii) a high
13 school district within 2 counties and serving 5 elementary
14 school districts, whose boundaries are coterminous with the
15 high school district, has a percentage decrease from the 2 most
16 recent federal censuses in the low-income eligible pupil count
17 and there is a percentage increase in the total low-income
18 eligible pupil count of a majority of the elementary school
19 districts in excess of 50% from the 2 most recent federal
20 censuses, then the high school district's low-income eligible
21 pupil count from the earlier federal census shall be the number
22 used as the low-income eligible pupil count for the high school
23 district, for purposes of this subsection (H). The changes made
24 to this paragraph (1) by Public Act 92-28 shall apply to
25 supplemental general State aid grants for school years
26 preceding the 2003-2004 school year that are paid in fiscal

1 year 1999 or thereafter and to any State aid payments made in
2 fiscal year 1994 through fiscal year 1998 pursuant to
3 subsection 1(n) of Section 18-8 of this Code (which was
4 repealed on July 1, 1998), and any high school district that is
5 affected by Public Act 92-28 is entitled to a recomputation of
6 its supplemental general State aid grant or State aid paid in
7 any of those fiscal years. This recomputation shall not be
8 affected by any other funding.

9 (1.10) This paragraph (1.10) applies to the 2003-2004
10 school year and each school year thereafter through the
11 2013-2014 school year. For purposes of this subsection (H), the
12 term "Low-Income Concentration Level" shall, for each fiscal
13 year, be the low-income eligible pupil count as of July 1 of
14 the immediately preceding fiscal year (as determined by the
15 Department of Human Services based on the number of pupils who
16 are eligible for at least one of the following low income
17 programs: Medicaid, the Children's Health Insurance Program,
18 TANF, or Food Stamps, excluding pupils who are eligible for
19 services provided by the Department of Children and Family
20 Services, averaged over the 2 immediately preceding fiscal
21 years for fiscal year 2004 and over the 3 immediately preceding
22 fiscal years for each fiscal year thereafter) divided by the
23 Average Daily Attendance of the school district.

24 (2) Supplemental general State aid pursuant to this
25 subsection (H) shall be provided as follows for the 1998-1999,
26 1999-2000, and 2000-2001 school years only:

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

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

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

13 (d) For any school district with a Low Income
14 Concentration Level of 60% or more, the grant for the
15 1998-99 school year shall be \$1,900 multiplied by the low
16 income eligible pupil count.

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

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

25 (2.5) Supplemental general State aid pursuant to this
26 subsection (H) shall be provided as follows for the 2002-2003

1 school year:

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

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

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

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

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

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

26 (2.10) Except as otherwise provided, supplemental general

1 State aid pursuant to this subsection (H) shall be provided as
2 follows for the 2003-2004 school year and each school year
3 thereafter:

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

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

13 For the 2003-2004 school year and each school year
14 thereafter through the 2008-2009 school year only, the grant
15 shall be no less than the grant for the 2002-2003 school year.
16 For the 2009-2010 school year only, the grant shall be no less
17 than the grant for the 2002-2003 school year multiplied by
18 0.66. For the 2010-2011 school year only, the grant shall be no
19 less than the grant for the 2002-2003 school year multiplied by
20 0.33. Notwithstanding the provisions of this paragraph to the
21 contrary, if for any school year supplemental general State aid
22 grants are prorated as provided in paragraph (1) of this
23 subsection (H), then the grants under this paragraph shall be
24 prorated.

25 For the 2003-2004 school year only, the grant shall be no
26 greater than the grant received during the 2002-2003 school

1 year added to the product of 0.25 multiplied by the difference
2 between the grant amount calculated under subsection (a) or (b)
3 of this paragraph (2.10), whichever is applicable, and the
4 grant received during the 2002-2003 school year. For the
5 2004-2005 school year only, the grant shall be no greater than
6 the grant received during the 2002-2003 school year added to
7 the product of 0.50 multiplied by the difference between the
8 grant amount calculated under subsection (a) or (b) of this
9 paragraph (2.10), whichever is applicable, and the grant
10 received during the 2002-2003 school year. For the 2005-2006
11 school year only, the grant shall be no greater than the grant
12 received during the 2002-2003 school year added to the product
13 of 0.75 multiplied by the difference between the grant amount
14 calculated under subsection (a) or (b) of this paragraph
15 (2.10), whichever is applicable, and the grant received during
16 the 2002-2003 school year.

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

1 (4) School districts with an Average Daily Attendance of
2 50,000 or more that qualify for supplemental general State aid
3 pursuant to this subsection shall be required to distribute
4 from funds available pursuant to this Section, no less than
5 \$261,000,000 in accordance with the following requirements:

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

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

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

1 noncategorical funds and other categorical funds provided
2 by the school district to the attendance centers.

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

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

21 (f) Each district subject to the provisions of this
22 subdivision (H) (4) shall submit an acceptable plan to meet
23 the educational needs of disadvantaged children, in
24 compliance with the requirements of this paragraph, to the
25 State Board of Education prior to July 15 of each year.
26 This plan shall be consistent with the decisions of local

1 school councils concerning the school expenditure plans
2 developed in accordance with part 4 of Section 34-2.3. The
3 State Board shall approve or reject the plan within 60 days
4 after its submission. If the plan is rejected, the district
5 shall give written notice of intent to modify the plan
6 within 15 days of the notification of rejection and then
7 submit a modified plan within 30 days after the date of the
8 written notice of intent to modify. Districts may amend
9 approved plans pursuant to rules promulgated by the State
10 Board of Education.

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

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

24 For purposes of determining compliance with this
25 subsection in relation to the requirements of attendance
26 center funding, each district subject to the provisions of

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

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

24 (I) (Blank) .

1 (J) (Blank).

2 (K) Grants to Laboratory and Alternative Schools.

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

9 As used in this Section, "laboratory school" means a public
10 school which is created and operated by a public university and
11 approved by the State Board of Education. The governing board
12 of a public university which receives funds from the State
13 Board under this subsection (K) or subsection (i) of Section
14 18-8.15 of this Code may not increase the number of students
15 enrolled in its laboratory school from a single district, if
16 that district is already sending 50 or more students, except
17 under a mutual agreement between the school board of a
18 student's district of residence and the university which
19 operates the laboratory school. A laboratory school may not
20 have more than 1,000 students, excluding students with
21 disabilities in a special education program.

22 As used in this Section, "alternative school" means a
23 public school which is created and operated by a Regional
24 Superintendent of Schools and approved by the State Board of
25 Education. Such alternative schools may offer courses of

1 instruction for which credit is given in regular school
2 programs, courses to prepare students for the high school
3 equivalency testing program or vocational and occupational
4 training. A regional superintendent of schools may contract
5 with a school district or a public community college district
6 to operate an alternative school. An alternative school serving
7 more than one educational service region may be established by
8 the regional superintendents of schools of the affected
9 educational service regions. An alternative school serving
10 more than one educational service region may be operated under
11 such terms as the regional superintendents of schools of those
12 educational service regions may agree.

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

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

22 (1) For a school district operating under the financial
23 supervision of an Authority created under Article 34A, the
24 general State aid otherwise payable to that district under this
25 Section, but not the supplemental general State aid, shall be

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

10 (2) (Blank).

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

13 (M) Education Funding Advisory Board.

14 The Education Funding Advisory Board, hereinafter in this
15 subsection (M) referred to as the "Board", is hereby created.
16 The Board shall consist of 5 members who are appointed by the
17 Governor, by and with the advice and consent of the Senate. The
18 members appointed shall include representatives of education,
19 business, and the general public. One of the members so
20 appointed shall be designated by the Governor at the time the
21 appointment is made as the chairperson of the Board. The
22 initial members of the Board may be appointed any time after
23 the effective date of this amendatory Act of 1997. The regular
24 term of each member of the Board shall be for 4 years from the
25 third Monday of January of the year in which the term of the

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

24 The Education Funding Advisory Board shall be deemed
25 established, and the initial members appointed by the Governor
26 to serve as members of the Board shall take office, on the date

1 that the Governor makes his or her appointment of the fifth
2 initial member of the Board, whether those initial members are
3 then serving pursuant to appointment and confirmation or
4 pursuant to temporary appointments that are made by the
5 Governor as in the case of vacancies.

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

10 For school years after the 2000-2001 school year through
11 the 2013-2014 school year, the Education Funding Advisory
12 Board, in consultation with the State Board of Education, shall
13 make recommendations as provided in this subsection (M) to the
14 General Assembly for the foundation level under subdivision
15 (B) (3) of this Section and for the supplemental general State
16 aid grant level under subsection (H) of this Section for
17 districts with high concentrations of children from poverty.
18 The recommended foundation level shall be determined based on a
19 methodology which incorporates the basic education
20 expenditures of low-spending schools exhibiting high academic
21 performance. The Education Funding Advisory Board shall make
22 such recommendations to the General Assembly on January 1 of
23 odd numbered years, beginning January 1, 2001. After the
24 2013-2014 school year, the Education Funding Advisory Board
25 shall make recommendations pursuant to subsection (k) of
26 Section 18-8.15 of this Code.

1 (N) (Blank) .

2 (O) References.

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

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

11 (P) Public Act 93-838 and Public Act 93-808 make inconsistent
12 changes to this Section. Under Section 6 of the Statute on
13 Statutes there is an irreconcilable conflict between Public Act
14 93-808 and Public Act 93-838. Public Act 93-838, being the last
15 acted upon, is controlling. The text of Public Act 93-838 is
16 the law regardless of the text of Public Act 93-808.

17 (Source: P.A. 96-45, eff. 7-15-09; 96-152, eff. 8-7-09; 96-300,
18 eff. 8-11-09; 96-328, eff. 8-11-09; 96-640, eff. 8-24-09;
19 96-959, eff. 7-1-10; 96-1000, eff. 7-2-10; 96-1480, eff.
20 11-18-10; 97-339, eff. 8-12-11; 97-351, eff. 8-12-11; 97-742,
21 eff. 6-30-13; 97-813, eff. 7-13-12.)

22 (105 ILCS 5/18-8.10)

1 Sec. 18-8.10. Fast growth grants.

2 (a) If there has been an increase in a school district's
3 student population over the most recent 2 school years of (i)
4 over 1.5% in a district with over 10,000 pupils in average
5 daily attendance (as defined in Section 18-8.05 or 18-8.15 of
6 this Code) or (ii) over 7.5% in any other district, then the
7 district is eligible for a grant under this Section, subject to
8 appropriation.

9 (b) The State Board of Education shall determine a per
10 pupil grant amount for each school district. The total grant
11 amount for a district for any given school year shall equal the
12 per pupil grant amount multiplied by the difference between the
13 number of pupils in average daily attendance for the 2 most
14 recent school years.

15 (c) Funds for grants under this Section must be
16 appropriated to the State Board of Education in a separate line
17 item for this purpose. If the amount appropriated in any fiscal
18 year is insufficient to pay all grants for a school year, then
19 the amount appropriated shall be prorated among eligible
20 districts. As soon as possible after funds have been
21 appropriated to the State Board of Education, the State Board
22 of Education shall distribute the grants to eligible districts.

23 (d) If a school district intentionally reports incorrect
24 average daily attendance numbers to receive a grant under this
25 Section, then the district shall be denied State aid in the
26 same manner as State aid is denied for intentional incorrect

1 reporting of average daily attendance numbers under Section
2 18-8.05 or 18-8.15 of this Code.

3 (Source: P.A. 93-1042, eff. 10-8-04.)

4 (105 ILCS 5/18-8.15 new)

5 Sec. 18-8.15. Basis for apportionment of primary State
6 financial aid to the common schools for the 2014-2015 and
7 subsequent school years.

8 (a) General provisions.

9 (1) The provisions of this Section apply to the 2014-2015
10 and subsequent school years. The system of primary State
11 financial aid provided for in this Section is designed to
12 ensure that, through a combination of State financial aid and
13 required local resources, the financial support provided each
14 pupil in attendance equals or exceeds a prescribed per pupil
15 Foundation Level, with adjustments to the Foundation Level
16 based on each school district's pupil characteristics. 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 primary State financial aid that, when added to
20 Available Local Resources, equals or exceeds the Foundation
21 Level. The amount of per pupil primary State financial aid for
22 school districts, in general, varies in inverse relation to
23 Available Local Resources.

24 (2) To address increases and decreases in State funding
25 resulting from this amendatory Act of the 98th General

1 Assembly, the amount of primary State aid provided to a school
2 district shall be subject to adjustment as provided in
3 subsection (h) of this Section. Any supplemental grants
4 provided for school districts under subsection (h) of this
5 Section shall be appropriated for distribution to school
6 districts as part of the same line item in which the primary
7 State financial aid of school districts is appropriated under
8 this Section.

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

12 (A) Any school district that fails, for any given
13 school year, to maintain school as required by law or to
14 maintain a recognized school is not eligible to receive
15 financial assistance under this Section. In case of
16 non-recognition of one or more attendance centers in a
17 school district otherwise operating recognized schools,
18 the claim of the district shall be reduced in the
19 proportion that the enrollment in the attendance center or
20 centers bears to the enrollment in the school district. A
21 "recognized school" means any public school that meets the
22 standards established for recognition by the State Board of
23 Education. A school district or attendance center not
24 having recognition status at the end of a school term is
25 entitled to receive State aid payments due upon a legal
26 claim that was filed while it was recognized.

1 (B) School district claims filed under this Section are
2 subject to Sections 18-9 and 18-12 of this Code, except as
3 otherwise provided in this Section.

4 (C) If a school district operates a full-year school
5 under Section 10-19.1 of this Code, the primary State aid
6 to the school district shall be determined by the State
7 Board of Education in accordance with this Section as near
8 as may be applicable.

9 (4) Subject to the requirements of subsection (j) of this
10 Section, the school board of any district receiving any of the
11 grants provided for in this Section may apply those funds to
12 any fund so received for which that school board is authorized
13 to make expenditures by law.

14 (5) As used in this Section, the following terms, when
15 capitalized, shall have the meanings ascribed in this paragraph
16 (5):

17 "Additional Weight" means a number added to 1.0 to
18 calculate the District Weighted Average in accordance with
19 subsection (b) of this Section. Each Additional Weight is
20 calculated using the Weighting Factors and Weighting
21 Percentages in paragraph (5) of subsection (b) of this Section.

22 "Adjusted Flat Grant Level" means, for each school district
23 not subject to property tax extension limitations as imposed
24 under the Property Tax Extension Limitation Law, the Flat Grant
25 Level multiplied by the percentage, if any, of which the school
26 district's combined tax rate for educational and operations and

1 maintenance purposes is of the maximum combined tax rates for
2 educational and operations and maintenance purposes specified
3 for that type of school district under Section 17-2 of this
4 Code. For a school district subject to property tax extension
5 limitations as imposed under the Property Tax Extension
6 Limitation Law or a school district whose combined tax rate for
7 educational and operations and maintenance purposes is at least
8 the maximum combined tax rates for educational and operations
9 and maintenance purposes specified for that type of school
10 district under Section 17-2 of this Code, the Adjusted Flat
11 Grant Level is equal to the Flat Grant Level.

12 "Advanced Standing Pupil" means a pupil in grades 9 through
13 12, other than a pupil counted as a Career Pathway Completer,
14 that has completed (i) one or more Advanced Placement courses
15 and received a score of 3 or higher on an Advanced Placement
16 examination or (ii) a course providing dual credit through an
17 Illinois public community college or university in which the
18 student was awarded at least 3 credit hours of postsecondary
19 education credit.

20 "Alternative School" means a public school that is created
21 and operated by a regional superintendent of schools and
22 approved by the State Board of Education.

23 "Available Local Resources Per Pupil" means a computation
24 of local financial support, calculated on the basis of Average
25 Daily Attendance and derived as provided pursuant to subsection
26 (d) of this Section.

1 "Average Daily Attendance" or "ADA" means the count of
2 pupils in attendance derived as provided pursuant to subsection
3 (c) of this Section.

4 "Base Tax Year" means the property tax levy year used to
5 calculate the Budget Year allocation of primary State aid.

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

11 "Budget Year" means the school year for which primary State
12 aid is calculated and awarded under subsection (e) of this
13 Section.

14 "Career Pathway Completer" means a pupil that has graduated
15 from high school and completed a series of connected education
16 and training strategies and support services meeting the
17 requirements of this definition and other requirements
18 established by the State Board of Education that enable
19 individuals to secure industry-relevant credentials and
20 degrees and obtain employment within an occupational area and
21 to advance to higher levels of future education and employment
22 in that area. Career pathway programs must incorporate (i)
23 rigorous academics that prepare students for success in
24 community colleges and universities, as well as in
25 apprenticeship and other postsecondary programs; (ii)
26 career-based learning through a cluster of 3 or more courses

1 emphasizing the practical application of academic learning and
2 preparing students for employment in high skill occupational
3 areas; (iii) professional learning, via job shadowing,
4 apprenticeships, internships, or other professional
5 skill-building opportunities; (iv) support services that
6 include academic and career counseling; and (v) opportunities
7 for attainment of stackable, industry-relevant credentials and
8 degrees.

9 "Corporate Personal Property Replacement Taxes" means
10 funds paid to school districts pursuant to "An Act in relation
11 to the abolition of ad valorem personal property tax and the
12 replacement of revenues lost thereby, and amending and
13 repealing certain Acts and parts of Acts in connection
14 therewith", certified August 14, 1979, as amended (Public Act
15 81-1st S.S.-1).

16 "District Weighted Average" means a figure used to derive a
17 school district's Per-pupil Aid level, calculated pursuant to
18 subsection (b) of this Section.

19 "Extension Limitation Equalized Assessed Valuation" means
20 a figure calculated by the State Board of Education pursuant to
21 paragraph (3) of subsection (h) of this Section for school
22 districts subject to property tax extension limitations as
23 imposed under the Property Tax Extension Limitation Law.

24 "Extension Limitation Ratio" means a numerical ratio in
25 which the numerator is the Base Tax Year's Extension and the
26 denominator is the Preceding Tax Year's Tax Extension.

1 "Flat Grant Level" means a dollar amount equal to 3.5% of
2 the Foundation Level.

3 "Foundation Level" means a prescribed level of per pupil
4 financial support, as provided for in subsection (b) of this
5 Section.

6 "Gifted Pupil" means a pupil in kindergarten through grade
7 8 receiving services through a program for gifted and talented
8 children that has been approved by a school board and that is
9 described on a school district's Internet website.

10 "Hold Harmless State Funding" means the amount of State
11 funds allotted to a school district during the 2013-2014 school
12 year pursuant to the following Sections of this Code, as
13 calculated by the State Board of Education: Sections 18-8.05;
14 14-7.02b; 14-7.03, but only with respect to reimbursement for
15 children from foster family homes; 14-13.01, except for
16 reimbursement of the cost of transportation pursuant to that
17 Section; 14C-12; 18-4.3; and 29-5. For a school district
18 organized under Article 34 of this Code, "Hold Harmless State
19 Funding" also includes the funds allotted to the school
20 district pursuant to Section 1D-1 of this Code attributable to
21 funding programs authorized by the Sections of this Code listed
22 in this definition.

23 "Laboratory School" means a public school that is created
24 and operated by a public university and approved by the State
25 Board of Education.

26 "Low-income Pupil" means a pupil from a household with a

1 household income level at or below 185% of the poverty
2 guidelines updated periodically in the Federal Register by the
3 U.S. Department of Health and Human Services under the
4 authority of 42 U.S.C. 9902(2).

5 "Normal Pension Costs" means the present value of pension
6 plan benefits and expenses allocated to a valuation year by an
7 actuarial cost method for the Public School Teachers' Pension
8 and Retirement Fund of Chicago.

9 "Operating Tax Rate" means all school district property
10 taxes extended for all purposes, except bond and interest,
11 summer school, rent, capital improvement, and vocational
12 education building purposes.

13 "Per-pupil Aid" means a school district's Weighted
14 Foundation Level less its Available Local Resources Per Pupil.

15 "Per-pupil Hold Harmless State Funding" means a school
16 district's Hold Harmless State Funding, divided by the school
17 district's Average Daily Attendance figure as calculated
18 pursuant to subsection (F) of Section 18-8.05 of this Code
19 during the 2013-2014 school year.

20 "Preceding Tax Year" means the property tax levy year
21 immediately preceding the Base Tax Year.

22 "Preceding Tax Year's Tax Extension" means the product of
23 the equalized assessed valuation utilized by the county clerk
24 in the Preceding Tax Year multiplied by the Operating Tax Rate.

25 "Prior Year ADA" means the number of pupils within the
26 count of pupils in attendance used for Average Daily Attendance

1 calculations for the school year immediately preceding the
2 school year for which primary State aid is calculated and
3 awarded under subsection (e) of this Section.

4 "PTELL PSA Adjustment" means the amount of primary State
5 aid a school district would receive under subsection (e) of
6 this Section if the Extension Limitation Equalized Assessed
7 Valuation was used for calculating the school district's
8 primary State aid for the Budget Year instead of the district's
9 equalized assessed valuation as calculated pursuant to
10 paragraphs (1) and (2) of subsection (g) of this Section.

11 "Pupil of Limited English-speaking Ability" means a child
12 of limited English-speaking ability, as defined in Section
13 14C-2 of this Code, participating in a program of transitional
14 bilingual education or a transitional program of instruction
15 meeting the requirements of Article 14C of this Code.

16 "Regular Transportation Eligible Pupil" means a pupil,
17 other than a Vocational Transportation Pupil, meeting the
18 fiscal year 2014 eligibility requirements for reimbursement of
19 transportation costs under Section 29-5 of this Code.

20 "Special Education Summer School Pupil" means a child with
21 disabilities participating in a summer school program meeting
22 the fiscal year 2014 eligibility requirements for a summer
23 school grant under Section 18-4.3 of this Code.

24 "Total Primary State Aid" means the amount of primary State
25 aid allotted to a school district pursuant to subsection (e) of
26 this Section and any supplemental grants allotted pursuant to

1 paragraphs (2) and (3) of subsection (h) of this Section.

2 "Vocational Transportation Pupil" means a pupil
3 transported to an area vocational school or another school
4 district's vocational program meeting the fiscal year 2014
5 eligibility requirements for reimbursement of transportation
6 costs under Section 29-5 of this Code.

7 "Weighted Foundation Level" means the Foundation Level
8 multiplied by the District Weighted Average.

9 "Weighted Foundation Level Budget" means, for a particular
10 school district, the Weighted Foundation Level multiplied by
11 the ADA.

12 "Weighting Factor" means, for each Additional Weight
13 classification in paragraph (5) of subsection (b) of this
14 Section, the amount multiplied by the Weighting Percentage to
15 calculate the Additional Weight figure.

16 "Weighting Percentage" means, for each Additional Weight
17 classification in paragraph (5) of subsection (b) of this
18 Section, the amount multiplied by the Weighting Factor to
19 calculate the Additional Weight figure.

20 (b) Foundation Level; weighting for district pupil
21 characteristics.

22 (1) The Foundation Level is a figure established by this
23 State representing the minimum level of per pupil financial
24 support that should be available to provide for the basic
25 education of each pupil in Average Daily Attendance in a public
26 school in this State. Then, for each school district, the

1 Foundation Level is weighted in accordance with the Additional
2 Weights set forth in paragraph (5) of this subsection (b) to
3 account for the pupil characteristics within that school
4 district. As set forth in this Section, each school district is
5 assumed to exert a sufficient local taxing effort such that, in
6 combination with the aggregate of primary State financial aid
7 provided the district, an aggregate of State and local
8 resources are available to meet the basic education needs of
9 pupils in the district.

10 (2) Subject to paragraph (3) of this subsection (b), for
11 the 2014-2015 school year and each school year thereafter, the
12 Foundation Level of support is \$6,119 or such greater amount as
13 may be established by law by the General Assembly.

14 (3) If the appropriation in any fiscal year for primary
15 State aid, including supplemental grants pursuant to
16 subsection (h) of this Section, is insufficient to pay the
17 amounts required under the calculations set forth in this
18 Section, then the State Board of Education shall adjust the
19 Foundation Level to an amount so that the appropriation is
20 sufficient to pay all primary State aid and supplemental grants
21 required by this Section.

22 (4) For each school district, the Foundation Level shall be
23 adjusted by multiplying the Foundation Level by a District
24 Weighted Average figure, resulting in the school district's
25 Weighted Foundation Level. The District Weighted Average
26 figure for a particular school district shall be a number equal

1 to 1.0 plus each of the Additional Weights described in
2 paragraph (5) of this subsection (b) applicable to that
3 district. For each Additional Weight, the figure included in
4 the District Weighted Average is the product of the Weighting
5 Factor multiplied by the Weighting Percentage, as both are
6 specified in paragraph (5) of this subsection (b). For each
7 school district, the State Board of Education shall publicly
8 report the district's District Weighted Average, Weighted
9 Foundation Level, Additional Weights, amount of the Weighted
10 Foundation Level Budget attributable to each Additional
11 Weight, and amount of primary State aid received attributable
12 to each Additional Weight.

13 (5) Additional Weights:

14 (A) Pupils of Limited English-speaking Ability:

15 (i) Weighting Factor of 0.20; and

16 (ii) Weighting Percentage equal to the Prior Year
17 ADA of Pupils of Limited English-speaking Ability,
18 divided by the Prior Year ADA for all pupils.

19 (B) Low-Income Pupils: The higher of the weights
20 determined through the following 2 methods, provided that
21 the Additional Weight shall not exceed 0.75:

22 (i) Regular low-income method:

23 (I) Weighting Factor of 0.25; and

24 (II) Weighting Percentage equal to the Prior
25 Year ADA of Low-income Pupils, divided by the Prior
26 Year ADA for all pupils.

1 (ii) Low-income concentration method:

2 (I) Weighting Factor of 0.90 multiplied by the
3 Weighting Percentage for Low-income Pupils as
4 calculated in accordance with the regular
5 low-income method; and

6 (II) Weighting Percentage equal to the
7 Weighting Percentage for Low-income Pupils as
8 calculated in accordance with the regular
9 low-income method.

10 (C) Children with disabilities:

11 (i) Weighting Factor of 1.0; and

12 (ii) Weighting Percentage of 13.8% in the
13 2014-2015 and 2015-2016 school years and, in
14 subsequent school years, a Weighting Percentage
15 periodically established by the State Board of
16 Education, but not less frequently than once every 5
17 years, representative of the statewide average
18 population of students with disabilities in public
19 education.

20 (D) Special Education Summer School Pupils:

21 (i) Weighting Factor of 0.03; and

22 (ii) Weighting Percentage equal to the Prior Year
23 ADA of Special Education Summer School Pupils, divided
24 by the Prior Year ADA for all pupils.

25 (E) Gifted Pupils:

26 (i) Weighting Factor of 0.01; and

1 (ii) Weighting Percentage equal to the Prior Year
2 ADA of Gifted Pupils, divided by the Prior Year ADA for
3 all pupils, provided that the Prior Year ADA of Gifted
4 Pupils used for such calculation shall not exceed 5% of
5 the Prior Year ADA for pupils in kindergarten through
6 grade 8.

7 (F) Regular Transportation Eligible Pupils:

8 (i) Weighting Factor of 0.06 for school districts
9 in the most dense quintile of school districts in this
10 State; for purposes of this subdivision (F), density
11 shall be calculated by the State Board of Education
12 based on the Prior Year ADA for all pupils in the
13 school district per square mile, with separate
14 quintile calculations for different school district
15 organizational types;

16 (ii) Weighting Factor 0.07 for school districts in
17 the next to most dense quintile of school districts in
18 this State;

19 (iii) Weighting Factor of 0.08 for school
20 districts in the median density quintile of school
21 districts in this State;

22 (iv) Weighting Factor of 0.09 for school districts
23 in the next to least dense quintile of school districts
24 in this State;

25 (v) Weighting Factor of 0.10 for school districts
26 in the least dense quintile of school districts in this

State; and

(vi) Weighting Percentage equal to the Prior Year
ADA of Regular Transportation Eligible Pupils, divided
by the Prior Year ADA for all pupils.

(G) Extraordinary Transportation Eligible Pupils.

Notwithstanding the Weighting Factors in subdivision (F) of this paragraph (5), the State Board of Education shall establish by administrative rule, for the 2015-2016 school year and subsequent school years, a Weighting Factor or Factors, not to exceed 0.12, for school districts with high transportation costs resulting from school district reorganizations or consolidations or students who live a significant distance from their assigned attendance center. The State Board of Education shall also establish the Weighting Percentage by administrative rule to account for the percentage of students receiving such transportation services.

(H) Vocational Transportation Pupils:

(i) Weighting Factor of 0.12; and

(ii) Weighting Percentage equal to the Prior Year
ADA of Vocational Transportation Pupils, divided by
the Prior Year ADA for all pupils.

(I) In the 2016-2017 school year and subsequent school years, Advanced Standing Pupils and Career Pathway Completers:

(i) For Advanced Standing Pupils:

1 (I) Weighting Factor of 0.02; and

2 (II) Weighting Percentage equal to the Prior
3 Year ADA of Advanced Standing Pupils, divided by
4 the Prior Year ADA for all pupils.

5 (ii) For Career Pathway Completers:

6 (I) Weighting Factor of 0.03; and

7 (II) Weighting Percentage equal to the Prior
8 Year ADA of Career Pathway Completers, divided by
9 the Prior Year ADA for all pupils.

10 (c) Average Daily Attendance.

11 (1) For purposes of calculating primary State aid pursuant
12 to subsection (e) of this Section, an Average Daily Attendance
13 figure shall be utilized. The Average Daily Attendance figure
14 for formula calculation purposes shall be the monthly average
15 of the total number of pupils in attendance for each school
16 district, as further averaged for the best 3 months of pupil
17 attendance for each school district. In compiling the figures
18 for the number of pupils in attendance, school districts and
19 the State Board of Education shall, for purposes of primary
20 State aid funding, conform attendance figures to the
21 requirements of subsection (f) of this Section.

22 (2) The Average Daily Attendance figures utilized in
23 subsection (e) of this Section shall be the requisite
24 attendance data for the school year immediately preceding the
25 school year for which primary State aid is being calculated or
26 the average of the attendance data for the 3 preceding school

1 years, whichever is greater. The Average Daily Attendance
2 figures utilized for subsection (b) of this Section shall be
3 the requisite attendance data for the school year immediately
4 preceding the school year for which primary State aid is being
5 calculated.

6 (d) Available Local Resources Per Pupil.

7 (1) For purposes of calculating primary State aid pursuant
8 to subsection (e) of this Section, a representation of
9 Available Local Resources Per Pupil, as that term is defined
10 and determined in this subsection (d), shall be utilized.
11 Available Local Resources Per Pupil shall include a calculated
12 dollar amount representing school district revenues from local
13 property taxes and from Corporate Personal Property
14 Replacement Taxes, expressed on the basis of pupils in Average
15 Daily Attendance. For a school district organized under Article
16 34 of this Code, calculation of Available Local Resources shall
17 exclude any amounts actually paid by the board of education
18 into a Public School Teachers' Pension and Retirement Fund
19 created pursuant to Article 17 of the Illinois Pension Code for
20 Normal Pension Costs during the fiscal year immediately
21 preceding the fiscal year for which primary State aid is being
22 calculated.

23 (2) In determining a school district's revenue from local
24 property taxes, the State Board of Education shall utilize the
25 equalized assessed valuation of all taxable property of each
26 school district as of September 30 of the previous year. The

1 equalized assessed valuation utilized shall be obtained and
2 determined as provided in subsection (g) of this Section.

3 (3) For school districts maintaining grades kindergarten
4 through 12, local property tax revenues per pupil shall be
5 calculated as the product of the applicable equalized assessed
6 valuation for the district multiplied by 3.07%, and divided by
7 the district's Average Daily Attendance figure. For school
8 districts maintaining grades kindergarten through 8, local
9 property tax revenues per pupil shall be calculated as the
10 product of the applicable equalized assessed valuation for the
11 district multiplied by 2.36%, and divided by the district's
12 Average Daily Attendance figure. For school districts
13 maintaining grades 9 through 12, local property tax revenues
14 per pupil shall be the applicable equalized assessed valuation
15 of the district multiplied by 1.10%, and divided by the
16 district's Average Daily Attendance figure.

17 For partial elementary unit districts created pursuant to
18 Article 11E of this Code, local property tax revenues per pupil
19 shall be calculated as the product of the equalized assessed
20 valuation for property within the partial elementary unit
21 district for elementary purposes, as defined in Article 11E of
22 this Code, multiplied by 2.10% and divided by the district's
23 Average Daily Attendance figure, plus the product of the
24 equalized assessed valuation for property within the partial
25 elementary unit district for high school purposes, as defined
26 in Article 11E of this Code, multiplied by 0.97% and divided by

1 the district's Average Daily Attendance figure.

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

12 (e) Computation of primary State aid.

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

16 (2) Subject to paragraph (4) of this subsection (e), for
17 any school district for which the Per-pupil Aid is more than
18 the Flat Grant Level, primary State aid for that district shall
19 be in an amount equal to its Per-pupil Aid multiplied by its
20 Average Daily Attendance figure.

21 (3) Subject to paragraph (4) of this subsection (e), for
22 any school district for which the Per-pupil Aid is equal to or
23 less than the Flat Grant Level, primary State aid for that
24 district shall be in an amount equal to the Adjusted Flat Grant
25 Level multiplied by the district's Average Daily Attendance
26 figure.

1 (4) From financial assistance provided to school districts
2 under this Section, the State Board of Education shall withhold
3 the following amounts for the following purposes:

4 (A) For each school district with an Additional Weight
5 for Pupils of Limited English-speaking Ability, the State
6 Board of Education shall withhold an amount not exceeding
7 one and one-half percent of the district's Weighted
8 Foundation Level Budget attributable to Pupils of Limited
9 English-speaking Ability for (i) State Board of Education
10 staff for administration and (ii) contractual services by a
11 not-for-profit entity for technical assistance,
12 professional development, and other support to school
13 districts and educators for services for these pupils. To
14 be eligible to receive the contract under clause (ii) of
15 this subdivision (A), the not-for-profit entity must have
16 experience providing such services in a school district
17 having a population exceeding 500,000; one or more school
18 districts in any of the counties of Lake, McHenry, DuPage,
19 Kane, and Will; and one or more school districts elsewhere
20 in this State.

21 (B) The State Board of Education shall withhold an
22 amount not exceeding one-half percent of each school
23 district's Weighted Foundation Level Budget attributable
24 to children with disabilities and Special Education Summer
25 School Pupils for State Board of Education staff and
26 contractual services for administration, professional

1 development, and support to school districts for services
2 for children with disabilities. The State Board of
3 Education shall use a portion of the withheld amounts for
4 developing or supporting electronic individualized
5 educational programs.

6 (f) Compilation of Average Daily Attendance.

7 (1) Each school district shall, on or before July 1 of each
8 year, submit to the State Board of Education, in a manner
9 prescribed by the State Board of Education, attendance figures
10 for the school year that began in the preceding calendar year.
11 The attendance information so transmitted shall identify the
12 Average Daily Attendance figures for each month of the school
13 year. School districts shall calculate Average Daily
14 Attendance as provided in subdivisions (A), (B), and (C) of
15 this paragraph (1).

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

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

24 (C) In districts in which some buildings, but not all,
25 hold year-round classes, for the non-year-round buildings,
26 days of attendance in August shall be added to the month of

1 September and any days of attendance in June shall be added
2 to the month of May. The Average Daily Attendance for the
3 year-round buildings shall be computed as provided in
4 subdivision (B) of this paragraph (1). To calculate the
5 Average Daily Attendance for the district, the Average
6 Daily Attendance for the year-round buildings shall be
7 multiplied by the days in session for the non-year-round
8 buildings for each month and added to the monthly
9 attendance of the non-year-round buildings.

10 (2) For the 2014-2015 school year, days of attendance by
11 pupils shall be counted in accordance with paragraphs (1) and
12 (2) of subsection (F) of Section 18-8.05 of this Code. For the
13 2015-2016 and subsequent school years, days of attendance by
14 pupils shall be counted in accordance with administrative rules
15 adopted by the State Board of Education that address, without
16 limitation, days of partial attendance, days utilized for
17 in-service training and parent-teacher conferences,
18 partial-day kindergarten, hospitalized or homebound students,
19 days when assessments are administered, remote educational
20 programs, virtual learning, work-based learning, dual credit
21 programs, and competency-based education. Such rules shall be
22 adopted by the State Board of Education by no later than April
23 1, 2015.

24 (g) Equalized assessed valuation data.

25 (1) For purposes of the calculation of Available Local
26 Resources Per Pupil required pursuant to subsection (d) of this

1 Section, the State Board of Education shall secure from the
2 Department of Revenue the value as equalized or assessed by the
3 Department of Revenue of all taxable property of every school
4 district, together with (i) the applicable tax rate used in
5 extending taxes for the funds of the district as of September
6 30 of the previous year and (ii) the limiting rate for all
7 school districts subject to property tax extension limitations
8 as imposed under the Property Tax Extension Limitation Law.

9 The Department of Revenue shall add to the equalized
10 assessed value of all taxable property of each school district
11 situated entirely or partially within a county that is or was
12 subject to the provisions of Section 15-176 or 15-177 of the
13 Property Tax Code (A) an amount equal to the total amount by
14 which the homestead exemption allowed under Section 15-176 or
15 15-177 of the Property Tax Code for real property situated in
16 that school district exceeds the total amount that would have
17 been allowed in that school district if the maximum reduction
18 under Section 15-176 was \$5,000 and (B) an amount equal to the
19 aggregate amount for the taxable year of all additional
20 exemptions under Section 15-175 of the Property Tax Code for
21 owners with a household income of \$30,000 or less. The county
22 clerk of any county that is or was subject to the provisions of
23 Section 15-176 or 15-177 of the Property Tax Code shall
24 annually calculate and certify to the Department of Revenue for
25 each school district all homestead exemption amounts under
26 Section 15-176 or 15-177 of the Property Tax Code and all

1 amounts of additional exemptions under Section 15-175 of the
2 Property Tax Code for owners with a household income of \$30,000
3 or less. It is the intent of this paragraph that if the general
4 homestead exemption for a parcel of property is determined
5 under Section 15-176 or 15-177 of the Property Tax Code rather
6 than Section 15-175, then the calculation of Available Local
7 Resources Per Pupil shall not be affected by the difference, if
8 any, between the amount of the general homestead exemption
9 allowed for that parcel of property under Section 15-176 or
10 15-177 of the Property Tax Code and the amount that would have
11 been allowed had the general homestead exemption for that
12 parcel of property been determined under Section 15-175 of the
13 Property Tax Code. It is further the intent of this paragraph
14 that if additional exemptions are allowed under Section 15-175
15 of the Property Tax Code for owners with a household income of
16 less than \$30,000, then the calculation of Available Local
17 Resources Per Pupil shall not be affected by the difference, if
18 any, because of those additional exemptions.

19 This equalized assessed valuation, as adjusted further by
20 the requirements of this subsection (g), shall be utilized in
21 the calculation of Available Local Resources Per Pupil.

22 (2) The equalized assessed valuation in paragraph (1) of
23 this subsection (g) shall be adjusted, as applicable, in the
24 following manner:

25 (A) For the purposes of calculating primary State aid
26 under this Section, with respect to any part of a school

district within a redevelopment project area in respect to which a municipality has adopted tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11 of the Illinois Municipal Code, or the Industrial Jobs Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the Illinois Municipal Code, no part of the current equalized assessed valuation of real property located in any such project area that is attributable to an increase above the total initial equalized assessed valuation of such property shall be used as part of the equalized assessed valuation of the district, until such time as all redevelopment project costs have been paid, as provided in Section 11-74.4-8 of the Tax Increment Allocation Redevelopment Act or in Section 11-74.6-35 of the Industrial Jobs Recovery Law. For the purpose of the equalized assessed valuation of the district, the total initial equalized assessed valuation or the current equalized assessed valuation, whichever is lower, shall be used until such time as all redevelopment project costs have been paid.

(B) The real property equalized assessed valuation for a school district shall be adjusted by subtracting from the real property value as equalized or assessed by the Department of Revenue for the district an amount computed by dividing the amount of any abatement of taxes under

Section 18-170 of the Property Tax Code by 3.07% for a district maintaining grades kindergarten through 12, by 2.36% for a district maintaining grades kindergarten through 8, or by 1.10% for a district maintaining grades 9 through 12 and adjusted by an amount computed by dividing the amount of any abatement of taxes under subsection (a) of Section 18-165 of the Property Tax Code by the same percentage rates for district type as specified in this subdivision (B).

(3) If a school district's boundaries span multiple counties, then the Department of Revenue shall send to the State Board of Education, for the purpose of calculating primary State aid, the limiting rate and individual rates by purpose for the county that contains the majority of the school district's Equalized Assessed Valuation.

(h) Hold harmless and PTELL adjustments.

(1) The Total Primary State Aid a school district is allotted pursuant to this Section shall be subject to adjustment as provided in this subsection (h). Any supplemental grants allotted to school districts pursuant to this subsection (h) shall be paid in conjunction with the school district's payments of primary State aid. Any decreases to primary State aid pursuant to paragraph (4) of this subsection (h) shall be applied by the State Board of Education so as to reduce amounts otherwise payable pursuant to this Section.

(2) Notwithstanding anything to the contrary contained in

1 this Section, if, for any school year, a school district's
2 per-pupil primary State aid allotment is less than its
3 Per-pupil Hold Harmless State Funding by an amount exceeding
4 \$1,000, then the amount of primary State aid allotted to the
5 school district shall be increased by a supplemental grant
6 pursuant to this paragraph (2). The primary State aid
7 supplemental grant shall equal an amount sufficient to raise
8 the school district's per-pupil primary State aid allotment to
9 an amount that is \$1,000 less than the school district's
10 Per-pupil Hold Harmless State Funding. For purposes of this
11 paragraph (2), a school district's per-pupil primary State aid
12 allotment shall be calculated by the State Board of Education
13 as the sum of the primary State aid allotted to the school
14 district pursuant to subsection (e) of this Section and any
15 supplemental grants pursuant to this paragraph (2) and
16 paragraph (3) of this subsection (h), divided by the school
17 district's Average Daily Attendance figure.

18 (3) If a school district is subject to property tax
19 extension limitations as imposed under the Property Tax
20 Extension Limitation Law, a school district shall receive a
21 supplemental grant pursuant to this paragraph (3) to account
22 for the difference between its Extension Limitation Equalized
23 Assessed Valuation and the school district's equalized
24 assessed valuation as calculated under paragraphs (1) and (2)
25 of subsection (g) of this Section. The State Board of Education
26 shall calculate the Extension Limitation Equalized Assessed

1 Valuation of each district subject to property tax extension
2 limitations as imposed under the Property Tax Extension
3 Limitation Law. Except as otherwise provided in this paragraph
4 (3) for a school district that has approved or does approve an
5 increase in its limiting rate, the "Extension Limitation
6 Equalized Assessed Valuation" of a school district as
7 calculated by the State Board of Education shall be equal to
8 the product of the equalized assessed valuation last used in
9 the calculation of general State aid under Section 18-8.05 of
10 this Code or primary State aid under this Section and the
11 district's Extension Limitation Ratio. If a school district has
12 approved or does approve an increase in its limiting rate,
13 pursuant to Section 18-190 of the Property Tax Code, affecting
14 the Base Tax Year, the Extension Limitation Equalized Assessed
15 Valuation of the school district, as calculated by the State
16 Board of Education, shall be equal to the product of the
17 equalized assessed valuation last used in the calculation of
18 general State aid pursuant to Section 18-8.05 of this Code or
19 primary State aid pursuant to this Section times an amount
20 equal to one plus the percentage increase, if any, in the
21 Consumer Price Index for all Urban Consumers for all items
22 published by the United States Department of Labor for the
23 12-month calendar year preceding the Base Tax Year, plus the
24 equalized assessed valuation of new property, annexed
25 property, and recovered tax increment value and minus the
26 equalized assessed valuation of disconnected property. New

1 property and recovered tax increment value shall have the
2 meanings set forth in the Property Tax Extension Limitation
3 Law. Notwithstanding anything to the contrary contained in this
4 paragraph (3), a school district's Extension Limitation
5 Equalized Assessed Valuation shall not be less than 80% of the
6 district's equalized assessed valuation as calculated pursuant
7 to paragraphs (1) and (2) of subsection (g) of this Section.

8 If the Extension Limitation Equalized Assessed Valuation
9 of a school district as calculated under this paragraph (3) is
10 less than the district's equalized assessed valuation as
11 calculated pursuant to paragraphs (1) and (2) of subsection (g)
12 of this Section, then the school district shall receive a
13 supplemental grant equal to its PTELL PSA Adjustment as
14 calculated by the State Board of Education.

15 (4) Notwithstanding anything to the contrary contained in
16 this Section, the Total Primary State Aid allotted to a school
17 district for the 2014-2015 through the 2016-2017 school years
18 shall be adjusted as follows:

19 (A) If, for the 2014-2015 school year, the Total
20 Primary State Aid is less than Hold Harmless State Funding,
21 then the amount of primary State aid allotted to the school
22 district shall be increased by a supplemental grant in the
23 amount of 75% of the difference between Hold Harmless State
24 Funding and Total Primary State Aid. If, for the 2015-2016
25 school year, the Total Primary State Aid remains less than
26 Hold Harmless State Funding, then the amount of primary

1 State aid allotted to the school district shall be
2 increased by a supplemental grant in the amount of 50% of
3 the difference between Hold Harmless State Funding and
4 Total Primary State Aid. If, for the 2016-2017 school year,
5 the Total Primary State Aid remains less than Hold Harmless
6 State Funding, then the amount of primary State aid
7 allotted to the school district shall be increased by a
8 supplemental grant in the amount of 25% of the difference
9 between Hold Harmless State Funding and Total Primary State
10 Aid.

11 (B) If, for the 2014-2015 school year, the Total
12 Primary State Aid is more than Hold Harmless State Funding,
13 then the amount of primary State aid allotted to the school
14 district shall be decreased by 75% of the difference
15 between Hold Harmless State Funding and Total Primary State
16 Aid. If, for the 2015-2016 school year, the Total Primary
17 State Aid is more than Hold Harmless State Funding, then
18 the amount of primary State aid allotted to the school
19 district shall be decreased by 50% of the difference
20 between Hold Harmless State Funding and Total Primary State
21 Aid. If, for the 2016-2017 school year, the Total Primary
22 State Aid is more than Hold Harmless State Funding, then
23 the amount of primary State aid allotted to the school
24 district shall be decreased by 25% of the difference
25 between Hold Harmless State Funding and Total Primary State
26 Aid.

1 (i) Grants to Laboratory and Alternative Schools. In
2 calculating the amount to be paid to the governing board of a
3 public university that operates a Laboratory School or to any
4 Alternative School that is operated by a regional
5 superintendent of schools, the State Board of Education shall
6 require, by rule, such reporting requirements as it deems
7 necessary. Each Laboratory and Alternative School shall file,
8 on forms provided by the State Superintendent of Education, an
9 annual State aid claim that states the Average Daily Attendance
10 of the school's students by month. The best 3 months' Average
11 Daily Attendance shall be computed for each school. The primary
12 State aid entitlement shall be computed by multiplying the
13 applicable Average Daily Attendance by 105% of the Foundation
14 Level.

15 (j) District improvement plans, attendance center
16 distributions, and special education maintenance of State
17 financial support.

18 (1) Each school district required to submit a district
19 improvement plan under Section 2-3.25d of this Code shall
20 demonstrate, in accordance with requirements adopted by the
21 State Board of Education, how local and State funds will be
22 used for strategies that give priority to meeting the
23 educational needs of Low-income Pupils, Pupils of Limited
24 English-speaking Ability, and children with disabilities. For
25 each such category of pupils, budget information submitted with
26 the plan must demonstrate that the combined amount of local

1 funds and primary State aid funds budgeted for strategies that
2 give priority to that category of pupils is proportionate or
3 higher, on either an aggregate or per-pupil basis, to the
4 proportion of the Weighted Foundation Level Budget
5 attributable to that category of pupils. The State Board of
6 Education may adopt exceptions to the requirement for
7 proportionate or higher budgeting to address small pupil
8 subgroup populations, changes in pupil enrollment, or
9 extraordinary expenditures required for any school year. The
10 State Board of Education may also adopt exceptions to the
11 requirement for proportionate or higher budgeting for any
12 school district to implement district-wide or school-wide
13 strategies if the school district or school has a high
14 percentage of pupils in any particular category relative to
15 statewide averages and the district can demonstrate in its plan
16 that a district-wide or school-wide strategy is more likely to
17 achieve the district's educational objectives for a category of
18 pupils than a targeted strategy. If a school district fails to
19 adhere to proportionate or higher budgeting in accordance with
20 this paragraph (1), the school district must take corrective
21 action in accordance with requirements adopted by the State
22 Board of Education. If corrective action is not taken, the
23 State Board of Education shall deduct, from primary State aid
24 payments otherwise due the district, an amount equal to the
25 amount by which the district failed to adhere to the
26 proportionate or higher requirement.

1 (2) School districts with an Average Daily Attendance of
2 50,000 or more shall be required to distribute, from funds
3 available pursuant to this Section, no less than \$261,000,000
4 in accordance with the following requirements:

5 (A) The required amounts shall be distributed to the
6 attendance centers within the district in proportion to the
7 number of Low-income Pupils enrolled at each attendance
8 center during the current school year.

9 (B) The distribution of these portions of primary State
10 aid among attendance centers according to these
11 requirements shall not be compensated for or contravened by
12 adjustments of the total of other funds appropriated to any
13 attendance centers, and the board of education shall
14 utilize funding from one or several sources in order to
15 fully implement this paragraph (2) annually prior to the
16 opening of school.

17 (C) Each attendance center shall be provided, by the
18 school district, with a distribution of other funds to
19 which the attendance center is entitled under law in order
20 that the primary State aid provided by application of this
21 paragraph (2) supplements rather than supplants the other
22 funds provided by the school district to the attendance
23 centers.

24 (D) Funds received by an attendance center pursuant to
25 this paragraph (2) shall be used by the attendance center
26 at the discretion of the principal and local school council

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

11 (E) Each district subject to the provisions of this
12 paragraph (2) shall submit an acceptable plan to meet the
13 educational needs of disadvantaged children, in compliance
14 with the requirements of this subdivision (E), to the State
15 Board of Education prior to July 15 of each year. This plan
16 shall be consistent with the decisions of local school
17 councils concerning the school expenditure plans developed
18 in accordance with subdivision 4 of Section 34-2.3 of this
19 Code. The State Board shall approve or reject the plan
20 within 60 days after its submission. If the plan is
21 rejected, the district shall give written notice of an
22 intent to modify the plan within 15 days after the
23 notification of rejection and then submit a modified plan
24 within 30 days after the date of the written notice of an
25 intent to modify. Districts may amend approved plans
26 pursuant to rules adopted by the State Board of Education.

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

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

14 For purposes of determining compliance with this paragraph
15 (2) in relation to the requirements of attendance center
16 funding, each district subject to the provisions of this
17 paragraph (2) shall submit as a separate document, on or before
18 December 1 of each year, a report of expenditure data for the
19 prior year in addition to any modification of its current plan.
20 If it is determined that there has been a failure to comply
21 with the expenditure provisions of this paragraph (2) regarding
22 contravention or supplanting, the State Superintendent of
23 Education shall, within 60 days after receipt of the report,
24 notify the district and any affected local school council. The
25 district shall, within 45 days after receipt of that
26 notification, inform the State Superintendent of Education of

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

7 The State Board of Education shall adopt rules to implement
8 the provisions of this paragraph (2). No funds shall be
9 released under this paragraph (2) to any district that has not
10 submitted a plan that has been approved by the State Board of
11 Education.

12 (3) Each fiscal year, the State Board of Education shall
13 calculate for each school district an amount of its Total
14 Primary State Aid funding that shall be deemed attributable to
15 the provision of special educational facilities and services,
16 as defined in Section 14-1.08 of this Code, in a manner that
17 ensures compliance with maintenance of State financial support
18 requirements under the federal Individuals with Disabilities
19 Education Act. A school district must use such funds only for
20 the provision of special educational facilities and services,
21 as defined in Section 14-1.08 of this Code, and must comply
22 with any expenditure verification procedures adopted by the
23 State Board of Education.

24 (k) Education Funding Advisory Board. For the 2017-2018 and
25 subsequent school years, the Education Funding Advisory Board
26 established pursuant to subsection (M) of Section 18-8.05 of

1 this Code, in consultation with the State Board of Education,
2 shall make recommendations as provided in this subsection (k)
3 to the General Assembly for the Foundation Level under
4 paragraph (2) of subsection (b) of this Section. The
5 recommended foundation level shall be determined based on
6 consideration of 2 separate methodologies:

7 (1) a methodology that incorporates the basic
8 education expenditures of low-spending schools exhibiting
9 high academic performance; and

10 (2) an evidence-based methodology that identifies an
11 educational program that includes research-based
12 educational strategies and uses the cost of that program to
13 determine the cost of education.

14 The Education Funding Advisory Board shall make its
15 recommendations to the General Assembly on or before January 31
16 of odd-numbered years, beginning on or before January 31, 2017.

17 (1) Primary State Aid Review Committee. The State
18 Superintendent of Education shall appoint a committee of no
19 more than 20 members, consisting of school administrators,
20 school business officials, school financing experts, parents,
21 teachers, and concerned citizens to review the administration
22 of primary State aid in this State and the impact on school
23 district finances of this amendatory Act of the 98th General
24 Assembly. The Committee shall make periodic recommendations to
25 the State Superintendent of Education and the General Assembly
26 concerning the administration of primary State aid, any

1 administrative rules needed for the implementation of this
2 Section, and suggestions for amending this Section or other
3 Sections of this Code to achieve a school funding system that
4 provides adequate, equitable, transparent, and accountable
5 distribution of funds to school districts that will prepare
6 students for success after high school. By no later than
7 January 31, 2017 and January 31 of each odd-numbered year
8 thereafter, the Committee shall submit a report with
9 recommendations to the State Superintendent and General
10 Assembly. The report submitted by no later than January 31,
11 2017 must address the following:

12 (1) whether to relate funding through the primary State
13 aid formula to district accountability or accreditation
14 status;

15 (2) whether to include funding for State career and
16 technical education and transportation for children
17 described in Section 14-1.02 of this Code within the
18 primary State aid formula;

19 (3) whether to account for municipal impact fees,
20 distributions from a special tax allocation fund
21 established in relation to tax increment allocation
22 financing, available fund balances maintained by a
23 financial institution, and other similar funds received or
24 maintained by school districts in the calculation of
25 Available Local Resources Per Pupil;

26 (4) whether regionalization factors should be

1 incorporated into the primary State aid formula; and

2 (5) methods for reducing State liability for PTELL PSA
3 Adjustments.

4 (m) Adequacy study. Subject to the availability of funding
5 through appropriations made specifically for this purpose, by
6 no later than January 31, 2019, the State Board of Education
7 shall contract with a public or private entity to conduct a
8 study of the adequacy of education funding in this State. At a
9 minimum, the adequacy study shall:

10 (1) identify a base funding level for students without
11 special needs necessary to meet adequate growth;

12 (2) include per pupil weights for students with special
13 needs to be applied to the base funding level;

14 (3) include an analysis of the effect of concentrations
15 of poverty on adequacy targets;

16 (4) include an analysis of the assumed school district
17 tax rates that should be included within the funding
18 formula; and

19 (5) in collaboration with the Illinois Early Learning
20 Council, include an analysis of what level of Preschool for
21 All Children funding would be necessary to serve all
22 children ages 0-5 years in the highest-priority service
23 tier (as specified in paragraph (4.5) of subsection (a) of
24 Section 2-3.71 of this Code) and an analysis of the
25 potential cost savings that that level of Preschool for All
26 Children investment would have on the kindergarten through

1 grade 12 system.

2 (n) References. On and after July 1, 2014, references in
3 other laws to general State aid funds or calculations under
4 Section 18-8.05 of this Code shall be deemed to be references
5 to primary State aid funds or calculations under this Section.

6 (105 ILCS 5/18-9) (from Ch. 122, par. 18-9)

7 Sec. 18-9. Requirement for special equalization and
8 supplementary State aid. If property comprising an aggregate
9 assessed valuation equal to 6% or more of the total assessed
10 valuation of all taxable property in a school district is owned
11 by a person or corporation that is the subject of bankruptcy
12 proceedings or that has been adjudged bankrupt and, as a result
13 thereof, has not paid taxes on the property, then the district
14 may amend its general State aid or primary State aid claim (i)
15 back to the inception of the bankruptcy, not to exceed 6 years,
16 in which time those taxes were not paid and (ii) for each
17 succeeding year that those taxes remain unpaid, by adding to
18 the claim an amount determined by multiplying the assessed
19 valuation of the property on which taxes have not been paid due
20 to the bankruptcy by the lesser of the total tax rate for the
21 district for the tax year for which the taxes are unpaid or the
22 applicable rate used in calculating the district's general
23 State aid under paragraph (3) of subsection (D) of Section
24 18-8.05 of this Code or primary State aid under paragraph (3)
25 of subsection (d) of Section 18-8.15 of this Code, as

1 applicable. If at any time a district that receives additional
2 State aid under this Section receives tax revenue from the
3 property for the years that taxes were not paid, the district's
4 next claim for State aid shall be reduced in an amount equal to
5 the taxes paid on the property, not to exceed the additional
6 State aid received under this Section. Claims under this
7 Section shall be filed on forms prescribed by the State
8 Superintendent of Education, and the State Superintendent of
9 Education, upon receipt of a claim, shall adjust the claim in
10 accordance with the provisions of this Section. Supplementary
11 State aid for each succeeding year under this Section shall be
12 paid beginning with the first general State aid or primary
13 State aid claim paid after the district has filed a completed
14 claim in accordance with this Section.

15 (Source: P.A. 95-496, eff. 8-28-07.)

16 (105 ILCS 5/18-12) (from Ch. 122, par. 18-12)

17 Sec. 18-12. Dates for filing State aid claims. The school
18 board of each school district shall require teachers,
19 principals, or superintendents to furnish from records kept by
20 them such data as it needs in preparing and certifying to the
21 regional superintendent its school district report of claims
22 provided in Sections 18-8.05 through 18-9 as required by the
23 State Superintendent of Education. The district claim shall be
24 based on the latest available equalized assessed valuation and
25 tax rates, as provided in Section 18-8.05 or 18-8.15 and shall

1 use the average daily attendance as determined by the method
2 outlined in Section 18-8.05 or 18-8.15 and shall be certified
3 and filed with the regional superintendent by June 21 for
4 districts with an official school calendar end date before June
5 15 or within 2 weeks following the official school calendar end
6 date for districts with a school year end date of June 15 or
7 later. The regional superintendent shall certify and file with
8 the State Superintendent of Education district State aid claims
9 by July 1 for districts with an official school calendar end
10 date before June 15 or no later than July 15 for districts with
11 an official school calendar end date of June 15 or later.
12 Failure to so file by these deadlines constitutes a forfeiture
13 of the right to receive payment by the State until such claim
14 is filed and vouchered for payment. The regional superintendent
15 of schools shall certify the county report of claims by July
16 15; and the State Superintendent of Education shall voucher for
17 payment those claims to the State Comptroller as provided in
18 Section 18-11.

19 Except as otherwise provided in this Section, if any school
20 district fails to provide the minimum school term specified in
21 Section 10-19, the State aid claim for that year shall be
22 reduced by the State Superintendent of Education in an amount
23 equivalent to $1/176$ or .56818% for each day less than the
24 number of days required by this Code.

25 If the State Superintendent of Education determines that
26 the failure to provide the minimum school term was occasioned

1 by an act or acts of God, or was occasioned by conditions
2 beyond the control of the school district which posed a
3 hazardous threat to the health and safety of pupils, the State
4 aid claim need not be reduced.

5 If a school district is precluded from providing the
6 minimum hours of instruction required for a full day of
7 attendance due to an adverse weather condition or a condition
8 beyond the control of the school district that poses a
9 hazardous threat to the health and safety of students, then the
10 partial day of attendance may be counted if (i) the school
11 district has provided at least one hour of instruction prior to
12 the closure of the school district, (ii) a school building has
13 provided at least one hour of instruction prior to the closure
14 of the school building, or (iii) the normal start time of the
15 school district is delayed.

16 If, prior to providing any instruction, a school district
17 must close one or more but not all school buildings after
18 consultation with a local emergency response agency or due to a
19 condition beyond the control of the school district, then the
20 school district may claim attendance for up to 2 school days
21 based on the average attendance of the 3 school days
22 immediately preceding the closure of the affected school
23 building. The partial or no day of attendance described in this
24 Section and the reasons therefore shall be certified within a
25 month of the closing or delayed start by the school district
26 superintendent to the regional superintendent of schools for

1 forwarding to the State Superintendent of Education for
2 approval.

3 No exception to the requirement of providing a minimum
4 school term may be approved by the State Superintendent of
5 Education pursuant to this Section unless a school district has
6 first used all emergency days provided for in its regular
7 calendar.

8 If the State Superintendent of Education declares that an
9 energy shortage exists during any part of the school year for
10 the State or a designated portion of the State, a district may
11 operate the school attendance centers within the district 4
12 days of the week during the time of the shortage by extending
13 each existing school day by one clock hour of school work, and
14 the State aid claim shall not be reduced, nor shall the
15 employees of that district suffer any reduction in salary or
16 benefits as a result thereof. A district may operate all
17 attendance centers on this revised schedule, or may apply the
18 schedule to selected attendance centers, taking into
19 consideration such factors as pupil transportation schedules
20 and patterns and sources of energy for individual attendance
21 centers.

22 Electronically submitted State aid claims shall be
23 submitted by duly authorized district or regional individuals
24 over a secure network that is password protected. The
25 electronic submission of a State aid claim must be accompanied
26 with an affirmation that all of the provisions of Sections

1 18-8.05 through 18-9, 10-22.5, and 24-4 of this Code are met in
2 all respects.

3 (Source: P.A. 95-152, eff. 8-14-07; 95-811, eff. 8-13-08;
4 95-876, eff. 8-21-08; 96-734, eff. 8-25-09.)

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 the General Educational Development Test.

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. 93-858, eff. 1-1-05; 93-1079, eff. 1-21-05.)

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, advanced practice nurses who have a written
8 collaborative agreement with a collaborating physician which
9 authorizes them to perform health examinations, or physician
10 assistants who have been delegated the performance of health
11 examinations by their supervising physician shall be
12 responsible for the performance of the health examinations,
13 other than dental examinations, eye examinations, and vision
14 and hearing screening, and shall sign all report forms required
15 by subsection (4) of this Section that pertain to those
16 portions of the health examination for which the physician,
17 advanced practice nurse, or physician assistant is
18 responsible. If a registered nurse performs any part of a
19 health examination, then a physician licensed to practice
20 medicine in all of its branches must review and sign all
21 required report forms. Licensed dentists shall perform all
22 dental examinations and shall sign all report forms required by
23 subsection (4) of this Section that pertain to the dental
24 examinations. Physicians licensed to practice medicine in all
25 its branches or licensed optometrists shall perform all eye
26 examinations required by this Section and shall sign all report

1 forms required by subsection (4) of this Section that pertain
2 to the eye examination. For purposes of this Section, an eye
3 examination shall at a minimum include history, visual acuity,
4 subjective refraction to best visual acuity near and far,
5 internal and external examination, and a glaucoma evaluation,
6 as well as any other tests or observations that in the
7 professional judgment of the doctor are necessary. Vision and
8 hearing screening tests, which shall not be considered
9 examinations as that term is used in this Section, shall be
10 conducted in accordance with rules and regulations of the
11 Department of Public Health, and by individuals whom the
12 Department of Public Health has certified. In these rules and
13 regulations, the Department of Public Health shall require that
14 individuals conducting vision screening tests give a child's
15 parent or guardian written notification, before the vision
16 screening is conducted, that states, "Vision screening is not a
17 substitute for a complete eye and vision evaluation by an eye
18 doctor. Your child is not required to undergo this vision
19 screening if an optometrist or ophthalmologist has completed
20 and signed a report form indicating that an examination has
21 been administered within the previous 12 months."

22 (3) Every child shall, at or about the same time as he or
23 she receives a health examination required by subsection (1) of
24 this Section, present to the local school proof of having
25 received such immunizations against preventable communicable
26 diseases as the Department of Public Health shall require by

1 rules and regulations promulgated pursuant to this Section and
2 the Communicable Disease Prevention Act.

3 (4) The individuals conducting the health examination,
4 dental examination, or eye examination shall record the fact of
5 having conducted the examination, and such additional
6 information as required, including for a health examination
7 data relating to obesity (including at a minimum, date of
8 birth, gender, height, weight, blood pressure, and date of
9 exam), on uniform forms which the Department of Public Health
10 and the State Board of Education shall prescribe for statewide
11 use. The examiner shall summarize on the report form any
12 condition that he or she suspects indicates a need for special
13 services, including for a health examination factors relating
14 to obesity. The individuals confirming the administration of
15 required immunizations shall record as indicated on the form
16 that the immunizations were administered.

17 (5) If a child does not submit proof of having had either
18 the health examination or the immunization as required, then
19 the child shall be examined or receive the immunization, as the
20 case may be, and present proof by October 15 of the current
21 school year, or by an earlier date of the current school year
22 established by a school district. To establish a date before
23 October 15 of the current school year for the health
24 examination or immunization as required, a school district must
25 give notice of the requirements of this Section 60 days prior
26 to the earlier established date. If for medical reasons one or

1 more of the required immunizations must be given after October
2 15 of the current school year, or after an earlier established
3 date of the current school year, then the child shall present,
4 by October 15, or by the earlier established date, a schedule
5 for the administration of the immunizations and a statement of
6 the medical reasons causing the delay, both the schedule and
7 the statement being issued by the physician, advanced practice
8 nurse, physician assistant, registered nurse, or local health
9 department that will be responsible for administration of the
10 remaining required immunizations. If a child does not comply by
11 October 15, or by the earlier established date of the current
12 school year, with the requirements of this subsection, then the
13 local school authority shall exclude that child from school
14 until such time as the child presents proof of having had the
15 health examination as required and presents proof of having
16 received those required immunizations which are medically
17 possible to receive immediately. During a child's exclusion
18 from school for noncompliance with this subsection, the child's
19 parents or legal guardian shall be considered in violation of
20 Section 26-1 and subject to any penalty imposed by Section
21 26-10. This subsection (5) does not apply to dental
22 examinations and eye examinations. Until June 30, 2015, if the
23 student is an out-of-state transfer student and does not have
24 the proof required under this subsection (5) before October 15
25 of the current year or whatever date is set by the school
26 district, then he or she may only attend classes (i) if he or

1 she has proof that an appointment for the required vaccinations
2 has been scheduled with a party authorized to submit proof of
3 the required vaccinations. If the proof of vaccination required
4 under this subsection (5) is not submitted within 30 days after
5 the student is permitted to attend classes, then the student is
6 not to be permitted to attend classes until proof of the
7 vaccinations has been properly submitted. No school district or
8 employee of a school district shall be held liable for any
9 injury or illness to another person that results from admitting
10 an out-of-state transfer student to class that has an
11 appointment scheduled pursuant to this subsection (5).

12 (6) Every school shall report to the State Board of
13 Education by November 15, in the manner which that agency shall
14 require, the number of children who have received the necessary
15 immunizations and the health examination (other than a dental
16 examination or eye examination) as required, indicating, of
17 those who have not received the immunizations and examination
18 as required, the number of children who are exempt from health
19 examination and immunization requirements on religious or
20 medical grounds as provided in subsection (8). On or before
21 December 1 of each year, every public school district and
22 registered nonpublic school shall make publicly available the
23 immunization data they are required to submit to the State
24 Board of Education by November 15. The immunization data made
25 publicly available must be identical to the data the school
26 district or school has reported to the State Board of

1 Education.

2 Every school shall report to the State Board of Education
3 by June 30, in the manner that the State Board requires, the
4 number of children who have received the required dental
5 examination, indicating, of those who have not received the
6 required dental examination, the number of children who are
7 exempt from the dental examination on religious grounds as
8 provided in subsection (8) of this Section and the number of
9 children who have received a waiver under subsection (1.5) of
10 this Section.

11 Every school shall report to the State Board of Education
12 by June 30, in the manner that the State Board requires, the
13 number of children who have received the required eye
14 examination, indicating, of those who have not received the
15 required eye examination, the number of children who are exempt
16 from the eye examination as provided in subsection (8) of this
17 Section, the number of children who have received a waiver
18 under subsection (1.10) of this Section, and the total number
19 of children in noncompliance with the eye examination
20 requirement.

21 The reported information under this subsection (6) shall be
22 provided to the Department of Public Health by the State Board
23 of Education.

24 (7) Upon determining that the number of pupils who are
25 required to be in compliance with subsection (5) of this
26 Section is below 90% of the number of pupils enrolled in the

1 school district, 10% of each State aid payment made pursuant to
2 Section 18-8.05 or 18-8.15 to the school district for such year
3 may be withheld by the State Board of Education until the
4 number of students in compliance with subsection (5) is the
5 applicable specified percentage or higher.

6 (8) Parents or legal guardians who object to health,
7 dental, or eye examinations or any part thereof, or to
8 immunizations, on religious grounds shall not be required to
9 submit their children or wards to the examinations or
10 immunizations to which they so object if such parents or legal
11 guardians present to the appropriate local school authority a
12 signed statement of objection, detailing the grounds for the
13 objection. If the physical condition of the child is such that
14 any one or more of the immunizing agents should not be
15 administered, the examining physician, advanced practice
16 nurse, or physician assistant responsible for the performance
17 of the health examination shall endorse that fact upon the
18 health examination form. Exempting a child from the health,
19 dental, or eye examination does not exempt the child from
20 participation in the program of physical education training
21 provided in Sections 27-5 through 27-7 of this Code.

22 (9) For the purposes of this Section, "nursery schools"
23 means those nursery schools operated by elementary school
24 systems or secondary level school units or institutions of
25 higher learning.

26 (Source: P.A. 96-953, eff. 6-28-10; 97-216, eff. 1-1-12;

1 97-910, eff. 1-1-13.)

2 (105 ILCS 5/27A-9)

3 Sec. 27A-9. Term of charter; renewal.

4 (a) A charter may be granted for a period not less than 5
5 and not more than 10 school years. A charter may be renewed in
6 incremental periods not to exceed 5 school years.

7 (b) A charter school renewal proposal submitted to the
8 local school board or the Commission, as the chartering entity,
9 shall contain:

10 (1) A report on the progress of the charter school in
11 achieving the goals, objectives, pupil performance
12 standards, content standards, and other terms of the
13 initial approved charter proposal; and

14 (2) A financial statement that discloses the costs of
15 administration, instruction, and other spending categories
16 for the charter school that is understandable to the
17 general public and that will allow comparison of those
18 costs to other schools or other comparable organizations,
19 in a format required by the State Board.

20 (c) A charter may be revoked or not renewed if the local
21 school board or the Commission, as the chartering entity,
22 clearly demonstrates that the charter school did any of the
23 following, or otherwise failed to comply with the requirements
24 of this law:

25 (1) Committed a material violation of any of the

1 conditions, standards, or procedures set forth in the
2 charter.

3 (2) Failed to meet or make reasonable progress toward
4 achievement of the content standards or pupil performance
5 standards identified in the charter.

6 (3) Failed to meet generally accepted standards of
7 fiscal management.

8 (4) Violated any provision of law from which the
9 charter school was not exempted.

10 In the case of revocation, the local school board or the
11 Commission, as the chartering entity, shall notify the charter
12 school in writing of the reason why the charter is subject to
13 revocation. The charter school shall submit a written plan to
14 the local school board or the Commission, whichever is
15 applicable, to rectify the problem. The plan shall include a
16 timeline for implementation, which shall not exceed 2 years or
17 the date of the charter's expiration, whichever is earlier. If
18 the local school board or the Commission, as the chartering
19 entity, finds that the charter school has failed to implement
20 the plan of remediation and adhere to the timeline, then the
21 chartering entity shall revoke the charter. Except in
22 situations of an emergency where the health, safety, or
23 education of the charter school's students is at risk, the
24 revocation shall take place at the end of a school year.
25 Nothing in this amendatory Act of the 96th General Assembly
26 shall be construed to prohibit an implementation timetable that

1 is less than 2 years in duration.

2 (d) (Blank).

3 (e) Notice of a local school board's decision to deny,
4 revoke or not to renew a charter shall be provided to the
5 Commission and the State Board. The Commission may reverse a
6 local board's decision if the Commission finds that the charter
7 school or charter school proposal (i) is in compliance with
8 this Article, and (ii) is in the best interests of the students
9 it is designed to serve. The State Board may condition the
10 granting of an appeal on the acceptance by the charter school
11 of funding in an amount less than that requested in the
12 proposal submitted to the local school board. Final decisions
13 of the Commission shall be subject to judicial review under the
14 Administrative Review Law.

15 (f) Notwithstanding other provisions of this Article, if
16 the Commission on appeal reverses a local board's decision or
17 if a charter school is approved by referendum, the Commission
18 shall act as the authorized chartering entity for the charter
19 school. The Commission shall approve the charter and shall
20 perform all functions under this Article otherwise performed by
21 the local school board. The State Board shall determine whether
22 the charter proposal approved by the Commission is consistent
23 with the provisions of this Article and, if the approved
24 proposal complies, certify the proposal pursuant to this
25 Article. The State Board shall report the aggregate number of
26 charter school pupils resident in a school district to that

1 district and shall notify the district of the amount of funding
2 to be paid by the Commission to the charter school enrolling
3 such students. The Commission shall require the charter school
4 to maintain accurate records of daily attendance that shall be
5 deemed sufficient to file claims under Section 18-8.05 or
6 18-8.15 notwithstanding any other requirements of that Section
7 regarding hours of instruction and teacher certification. The
8 State Board shall withhold from funds otherwise due the
9 district the funds authorized by this Article to be paid to the
10 charter school and shall pay such amounts to the charter
11 school.

12 (g) For charter schools authorized by the Commission, the
13 Commission shall quarterly certify to the State Board the
14 student enrollment for each of its charter schools.

15 (h) For charter schools authorized by the Commission, the
16 State Board shall pay directly to a charter school any federal
17 or State aid attributable to a student with a disability
18 attending the school.

19 (Source: P.A. 96-105, eff. 7-30-09; 97-152, eff. 7-20-11.)

20 (105 ILCS 5/27A-11)

21 Sec. 27A-11. Local financing.

22 (a) For purposes of the School Code, pupils enrolled in a
23 charter school shall be included in the pupil enrollment of the
24 school district within which the pupil resides. Each charter
25 school (i) shall determine the school district in which each

1 pupil who is enrolled in the charter school resides, (ii) shall
2 report the aggregate number of pupils resident of a school
3 district who are enrolled in the charter school to the school
4 district in which those pupils reside, and (iii) shall maintain
5 accurate records of daily attendance that shall be deemed
6 sufficient to file claims under Section 18-8 or 18-8.15
7 notwithstanding any other requirements of that Section
8 regarding hours of instruction and teacher certification.

9 (b) Except for a charter school established by referendum
10 under Section 27A-6.5, as part of a charter school contract,
11 the charter school and the local school board shall agree on
12 funding and any services to be provided by the school district
13 to the charter school. Agreed funding that a charter school is
14 to receive from the local school board for a school year shall
15 be paid in equal quarterly installments with the payment of the
16 installment for the first quarter being made not later than
17 July 1, unless the charter establishes a different payment
18 schedule.

19 All services centrally or otherwise provided by the school
20 district including, but not limited to, rent, food services,
21 custodial services, maintenance, curriculum, media services,
22 libraries, transportation, and warehousing shall be subject to
23 negotiation between a charter school and the local school board
24 and paid for out of the revenues negotiated pursuant to this
25 subsection (b); provided that the local school board shall not
26 attempt, by negotiation or otherwise, to obligate a charter

1 school to provide pupil transportation for pupils for whom a
2 district is not required to provide transportation under the
3 criteria set forth in subsection (a) (13) of Section 27A-7.

4 In no event shall the funding be less than 75% or more than
5 125% of the school district's per capita student tuition
6 multiplied by the number of students residing in the district
7 who are enrolled in the charter school.

8 It is the intent of the General Assembly that funding and
9 service agreements under this subsection (b) shall be neither a
10 financial incentive nor a financial disincentive to the
11 establishment of a charter school.

12 The charter school may set and collect reasonable fees.
13 Fees collected from students enrolled at a charter school shall
14 be retained by the charter school.

15 (c) Notwithstanding subsection (b) of this Section, the
16 proportionate share of State and federal resources generated by
17 students with disabilities or staff serving them shall be
18 directed to charter schools enrolling those students by their
19 school districts or administrative units. The proportionate
20 share of moneys generated under other federal or State
21 categorical aid programs shall be directed to charter schools
22 serving students eligible for that aid.

23 (d) The governing body of a charter school is authorized to
24 accept gifts, donations, or grants of any kind made to the
25 charter school and to expend or use gifts, donations, or grants
26 in accordance with the conditions prescribed by the donor;

1 however, a gift, donation, or grant may not be accepted by the
2 governing body if it is subject to any condition contrary to
3 applicable law or contrary to the terms of the contract between
4 the charter school and the local school board. Charter schools
5 shall be encouraged to solicit and utilize community volunteer
6 speakers and other instructional resources when providing
7 instruction on the Holocaust and other historical events.

8 (e) (Blank) .

9 (f) The State Board shall provide technical assistance to
10 persons and groups preparing or revising charter applications.

11 (g) At the non-renewal or revocation of its charter, each
12 charter school shall refund to the local board of education all
13 unspent funds.

14 (h) A charter school is authorized to incur temporary,
15 short term debt to pay operating expenses in anticipation of
16 receipt of funds from the local school board.

17 (Source: P.A. 90-548, eff. 1-1-98; 90-757, eff. 8-14-98;
18 91-407, eff. 8-3-99.)

19 (105 ILCS 5/29-5) (from Ch. 122, par. 29-5)

20 Sec. 29-5. Reimbursement by State for transportation. Any
21 school district, maintaining a school, transporting resident
22 pupils to another school district's vocational program,
23 offered through a joint agreement approved by the State Board
24 of Education, as provided in Section 10-22.22 or transporting
25 its resident pupils to a school which meets the standards for

1 recognition as established by the State Board of Education
2 which provides transportation meeting the standards of safety,
3 comfort, convenience, efficiency and operation prescribed by
4 the State Board of Education for resident pupils in
5 kindergarten or any of grades 1 through 12 who: (a) reside at
6 least 1 1/2 miles as measured by the customary route of travel,
7 from the school attended; or (b) reside in areas where
8 conditions are such that walking constitutes a hazard to the
9 safety of the child when determined under Section 29-3; and (c)
10 are transported to the school attended from pick-up points at
11 the beginning of the school day and back again at the close of
12 the school day or transported to and from their assigned
13 attendance centers during the school day, shall be reimbursed
14 by the State as hereinafter provided in this Section through
15 fiscal year 2014.

16 Through fiscal year 2014, the ~~The~~ State will pay the cost
17 of transporting eligible pupils less the assessed valuation in
18 a dual school district maintaining secondary grades 9 to 12
19 inclusive times a qualifying rate of .05%; in elementary school
20 districts maintaining grades K to 8 times a qualifying rate of
21 .06%; and in unit districts maintaining grades K to 12,
22 including optional elementary unit districts and combined high
23 school - unit districts, times a qualifying rate of .07%;
24 provided that for optional elementary unit districts and
25 combined high school - unit districts, assessed valuation for
26 high school purposes, as defined in Article 11E of this Code,

1 must be used. To be eligible to receive reimbursement in excess
2 of 4/5 of the cost to transport eligible pupils, a school
3 district shall have a Transportation Fund tax rate of at least
4 .12%. If a school district does not have a .12% Transportation
5 Fund tax rate, the amount of its claim in excess of 4/5 of the
6 cost of transporting pupils shall be reduced by the sum arrived
7 at by subtracting the Transportation Fund tax rate from .12%
8 and multiplying that amount by the districts equalized or
9 assessed valuation, provided, that in no case shall said
10 reduction result in reimbursement of less than 4/5 of the cost
11 to transport eligible pupils.

12 Through fiscal year 2014, the ~~The~~ minimum amount to be
13 received by a district is \$16 times the number of eligible
14 pupils transported.

15 When calculating the reimbursement for transportation
16 costs, the State Board of Education may not deduct the number
17 of pupils enrolled in early education programs from the number
18 of pupils eligible for reimbursement if the pupils enrolled in
19 the early education programs are transported at the same time
20 as other eligible pupils.

21 Through fiscal year 2014, any ~~Any~~ such district
22 transporting resident pupils during the school day to an area
23 vocational school or another school district's vocational
24 program more than 1 1/2 miles from the school attended, as
25 provided in Sections 10-22.20a and 10-22.22, shall be
26 reimbursed by the State for 4/5 of the cost of transporting

1 eligible pupils.

2 School day means that period of time which the pupil is
3 required to be in attendance for instructional purposes.

4 If a pupil is at a location within the school district
5 other than his residence for child care purposes at the time
6 for transportation to school, that location may be considered
7 for purposes of determining the 1 1/2 miles from the school
8 attended.

9 Claims for reimbursement that include children who attend
10 any school other than a public school shall show the number of
11 such children transported.

12 Claims for reimbursement under this Section shall not be
13 paid for the transportation of pupils for whom transportation
14 costs are claimed for payment under other Sections of this Act.

15 The allowable direct cost of transporting pupils for
16 regular, vocational, and special education pupil
17 transportation shall be limited to the sum of the cost of
18 physical examinations required for employment as a school bus
19 driver; the salaries of full or part-time drivers and school
20 bus maintenance personnel; employee benefits excluding
21 Illinois municipal retirement payments, social security
22 payments, unemployment insurance payments and workers'
23 compensation insurance premiums; expenditures to independent
24 carriers who operate school buses; payments to other school
25 districts for pupil transportation services; pre-approved
26 contractual expenditures for computerized bus scheduling; the

1 cost of gasoline, oil, tires, and other supplies necessary for
2 the operation of school buses; the cost of converting buses'
3 gasoline engines to more fuel efficient engines or to engines
4 which use alternative energy sources; the cost of travel to
5 meetings and workshops conducted by the regional
6 superintendent or the State Superintendent of Education
7 pursuant to the standards established by the Secretary of State
8 under Section 6-106 of the Illinois Vehicle Code to improve the
9 driving skills of school bus drivers; the cost of maintenance
10 of school buses including parts and materials used;
11 expenditures for leasing transportation vehicles, except
12 interest and service charges; the cost of insurance and
13 licenses for transportation vehicles; expenditures for the
14 rental of transportation equipment; plus a depreciation
15 allowance of 20% for 5 years for school buses and vehicles
16 approved for transporting pupils to and from school and a
17 depreciation allowance of 10% for 10 years for other
18 transportation equipment so used. Each school year, if a school
19 district has made expenditures to the Regional Transportation
20 Authority or any of its service boards, a mass transit
21 district, or an urban transportation district under an
22 intergovernmental agreement with the district to provide for
23 the transportation of pupils and if the public transit carrier
24 received direct payment for services or passes from a school
25 district within its service area during the 2000-2001 school
26 year, then the allowable direct cost of transporting pupils for

1 regular, vocational, and special education pupil
2 transportation shall also include the expenditures that the
3 district has made to the public transit carrier. In addition to
4 the above allowable costs school districts shall also claim all
5 transportation supervisory salary costs, including Illinois
6 municipal retirement payments, and all transportation related
7 building and building maintenance costs without limitation.

8 Special education allowable costs shall also include
9 expenditures for the salaries of attendants or aides for that
10 portion of the time they assist special education pupils while
11 in transit and expenditures for parents and public carriers for
12 transporting special education pupils when pre-approved by the
13 State Superintendent of Education.

14 Indirect costs shall be included in the reimbursement claim
15 for districts which own and operate their own school buses.
16 Such indirect costs shall include administrative costs, or any
17 costs attributable to transporting pupils from their
18 attendance centers to another school building for
19 instructional purposes. No school district which owns and
20 operates its own school buses may claim reimbursement for
21 indirect costs which exceed 5% of the total allowable direct
22 costs for pupil transportation.

23 The State Board of Education shall prescribe uniform
24 regulations for determining the above standards and shall
25 prescribe forms of cost accounting and standards of determining
26 reasonable depreciation. Such depreciation shall include the

1 cost of equipping school buses with the safety features
2 required by law or by the rules, regulations and standards
3 promulgated by the State Board of Education, and the Department
4 of Transportation for the safety and construction of school
5 buses provided, however, any equipment cost reimbursed by the
6 Department of Transportation for equipping school buses with
7 such safety equipment shall be deducted from the allowable cost
8 in the computation of reimbursement under this Section in the
9 same percentage as the cost of the equipment is depreciated.

10 On or before August 15, annually, through August 15, 2013,
11 the chief school administrator for the district shall certify
12 to the State Superintendent of Education the district's claim
13 for reimbursement for the school year ending on June 30 next
14 preceding. The State Superintendent of Education shall check
15 and approve the claims and prepare the vouchers showing the
16 amounts due for district reimbursement claims. Each fiscal year
17 through fiscal year 2014, the State Superintendent of Education
18 shall prepare and transmit the first 3 vouchers to the
19 Comptroller on the 30th day of September, December and March,
20 respectively, and the final voucher, no later than June 20.

21 If the amount appropriated for transportation
22 reimbursement is insufficient to fund total claims for any
23 fiscal year, the State Board of Education shall reduce each
24 school district's allowable costs and flat grant amount
25 proportionately to make total adjusted claims equal the total
26 amount appropriated.

1 For purposes of calculating claims for reimbursement under
2 this Section for any school year beginning July 1, 1998, or
3 thereafter, the equalized assessed valuation for a school
4 district used to compute reimbursement shall be computed in the
5 same manner as it is computed under paragraph (2) of subsection
6 (G) of Section 18-8.05.

7 All reimbursements received from the State shall be
8 deposited into the district's transportation fund or into the
9 fund from which the allowable expenditures were made.

10 Notwithstanding any other provision of law, any school
11 district receiving a payment under this Section or under
12 Section 14-7.02, 14-7.02b, or 14-13.01 of this Code may
13 classify all or a portion of the funds that it receives in a
14 particular fiscal year or from general State aid pursuant to
15 Section 18-8.05 of this Code as funds received in connection
16 with any funding program for which it is entitled to receive
17 funds from the State in that fiscal year (including, without
18 limitation, any funding program referenced in this Section),
19 regardless of the source or timing of the receipt. The district
20 may not classify more funds as funds received in connection
21 with the funding program than the district is entitled to
22 receive in that fiscal year for that program. Any
23 classification by a district must be made by a resolution of
24 its board of education. The resolution must identify the amount
25 of any payments or general State aid to be classified under
26 this paragraph 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 paragraph by a district shall affect
9 the total amount or timing of money the district is entitled to
10 receive under this Code. No classification under this paragraph
11 by a district shall in any way relieve the district from or
12 affect any requirements that otherwise would apply with respect
13 to that funding program, including any accounting of funds by
14 source, reporting expenditures by original source and purpose,
15 reporting requirements, or requirements of providing services.

16 Any school district with a population of not more than
17 500,000 must deposit all funds received under this Article into
18 the transportation fund and use those funds for the provision
19 of transportation services.

20 (Source: P.A. 95-903, eff. 8-25-08; 96-1264, eff. 1-1-11.)

21 (105 ILCS 5/34-2.3) (from Ch. 122, par. 34-2.3)

22 Sec. 34-2.3. Local school councils - Powers and duties.
23 Each local school council shall have and exercise, consistent
24 with the provisions of this Article and the powers and duties
25 of the board of education, the following powers and duties:

1 1. (A) To annually evaluate the performance of the
2 principal of the attendance center using a Board approved
3 principal evaluation form, which shall include the evaluation
4 of (i) student academic improvement, as defined by the school
5 improvement plan, (ii) student absenteeism rates at the school,
6 (iii) instructional leadership, (iv) the effective
7 implementation of programs, policies, or strategies to improve
8 student academic achievement, (v) school management, and (vi)
9 any other factors deemed relevant by the local school council,
10 including, without limitation, the principal's communication
11 skills and ability to create and maintain a student-centered
12 learning environment, to develop opportunities for
13 professional development, and to encourage parental
14 involvement and community partnerships to achieve school
15 improvement;

16 (B) to determine in the manner provided by subsection (c)
17 of Section 34-2.2 and subdivision 1.5 of this Section whether
18 the performance contract of the principal shall be renewed; and

19 (C) to directly select, in the manner provided by
20 subsection (c) of Section 34-2.2, a new principal (including a
21 new principal to fill a vacancy) -- without submitting any list
22 of candidates for that position to the general superintendent
23 as provided in paragraph 2 of this Section -- to serve under a
24 4 year performance contract; provided that (i) the
25 determination of whether the principal's performance contract
26 is to be renewed, based upon the evaluation required by

1 subdivision 1.5 of this Section, shall be made no later than
2 150 days prior to the expiration of the current
3 performance-based contract of the principal, (ii) in cases
4 where such performance contract is not renewed -- a direct
5 selection of a new principal -- to serve under a 4 year
6 performance contract shall be made by the local school council
7 no later than 45 days prior to the expiration of the current
8 performance contract of the principal, and (iii) a selection by
9 the local school council of a new principal to fill a vacancy
10 under a 4 year performance contract shall be made within 90
11 days after the date such vacancy occurs. A Council shall be
12 required, if requested by the principal, to provide in writing
13 the reasons for the council's not renewing the principal's
14 contract.

15 1.5. The local school council's determination of whether to
16 renew the principal's contract shall be based on an evaluation
17 to assess the educational and administrative progress made at
18 the school during the principal's current performance-based
19 contract. The local school council shall base its evaluation on
20 (i) student academic improvement, as defined by the school
21 improvement plan, (ii) student absenteeism rates at the school,
22 (iii) instructional leadership, (iv) the effective
23 implementation of programs, policies, or strategies to improve
24 student academic achievement, (v) school management, and (vi)
25 any other factors deemed relevant by the local school council,
26 including, without limitation, the principal's communication

1 skills and ability to create and maintain a student-centered
2 learning environment, to develop opportunities for
3 professional development, and to encourage parental
4 involvement and community partnerships to achieve school
5 improvement. If a local school council fails to renew the
6 performance contract of a principal rated by the general
7 superintendent, or his or her designee, in the previous years'
8 evaluations as meeting or exceeding expectations, the
9 principal, within 15 days after the local school council's
10 decision not to renew the contract, may request a review of the
11 local school council's principal non-retention decision by a
12 hearing officer appointed by the American Arbitration
13 Association. A local school council member or members or the
14 general superintendent may support the principal's request for
15 review. During the period of the hearing officer's review of
16 the local school council's decision on whether or not to retain
17 the principal, the local school council shall maintain all
18 authority to search for and contract with a person to serve as
19 interim or acting principal, or as the principal of the
20 attendance center under a 4-year performance contract,
21 provided that any performance contract entered into by the
22 local school council shall be voidable or modified in
23 accordance with the decision of the hearing officer. The
24 principal may request review only once while at that attendance
25 center. If a local school council renews the contract of a
26 principal who failed to obtain a rating of "meets" or "exceeds

1 expectations" in the general superintendent's evaluation for
2 the previous year, the general superintendent, within 15 days
3 after the local school council's decision to renew the
4 contract, may request a review of the local school council's
5 principal retention decision by a hearing officer appointed by
6 the American Arbitration Association. The general
7 superintendent may request a review only once for that
8 principal at that attendance center. All requests to review the
9 retention or non-retention of a principal shall be submitted to
10 the general superintendent, who shall, in turn, forward such
11 requests, within 14 days of receipt, to the American
12 Arbitration Association. The general superintendent shall send
13 a contemporaneous copy of the request that was forwarded to the
14 American Arbitration Association to the principal and to each
15 local school council member and shall inform the local school
16 council of its rights and responsibilities under the
17 arbitration process, including the local school council's
18 right to representation and the manner and process by which the
19 Board shall pay the costs of the council's representation. If
20 the local school council retains the principal and the general
21 superintendent requests a review of the retention decision, the
22 local school council and the general superintendent shall be
23 considered parties to the arbitration, a hearing officer shall
24 be chosen between those 2 parties pursuant to procedures
25 promulgated by the State Board of Education, and the principal
26 may retain counsel and participate in the arbitration. If the

1 local school council does not retain the principal and the
2 principal requests a review of the retention decision, the
3 local school council and the principal shall be considered
4 parties to the arbitration and a hearing officer shall be
5 chosen between those 2 parties pursuant to procedures
6 promulgated by the State Board of Education. The hearing shall
7 begin (i) within 45 days after the initial request for review
8 is submitted by the principal to the general superintendent or
9 (ii) if the initial request for review is made by the general
10 superintendent, within 45 days after that request is mailed to
11 the American Arbitration Association. The hearing officer
12 shall render a decision within 45 days after the hearing begins
13 and within 90 days after the initial request for review. The
14 Board shall contract with the American Arbitration Association
15 for all of the hearing officer's reasonable and necessary
16 costs. In addition, the Board shall pay any reasonable costs
17 incurred by a local school council for representation before a
18 hearing officer.

19 1.10. The hearing officer shall conduct a hearing, which
20 shall include (i) a review of the principal's performance,
21 evaluations, and other evidence of the principal's service at
22 the school, (ii) reasons provided by the local school council
23 for its decision, and (iii) documentation evidencing views of
24 interested persons, including, without limitation, students,
25 parents, local school council members, school faculty and
26 staff, the principal, the general superintendent or his or her

1 designee, and members of the community. The burden of proof in
2 establishing that the local school council's decision was
3 arbitrary and capricious shall be on the party requesting the
4 arbitration, and this party shall sustain the burden by a
5 preponderance of the evidence. The hearing officer shall set
6 the local school council decision aside if that decision, in
7 light of the record developed at the hearing, is arbitrary and
8 capricious. The decision of the hearing officer may not be
9 appealed to the Board or the State Board of Education. If the
10 hearing officer decides that the principal shall be retained,
11 the retention period shall not exceed 2 years.

12 2. In the event (i) the local school council does not renew
13 the performance contract of the principal, or the principal
14 fails to receive a satisfactory rating as provided in
15 subsection (h) of Section 34-8.3, or the principal is removed
16 for cause during the term of his or her performance contract in
17 the manner provided by Section 34-85, or a vacancy in the
18 position of principal otherwise occurs prior to the expiration
19 of the term of a principal's performance contract, and (ii) the
20 local school council fails to directly select a new principal
21 to serve under a 4 year performance contract, the local school
22 council in such event shall submit to the general
23 superintendent a list of 3 candidates -- listed in the local
24 school council's order of preference -- for the position of
25 principal, one of which shall be selected by the general
26 superintendent to serve as principal of the attendance center.

1 If the general superintendent fails or refuses to select one of
2 the candidates on the list to serve as principal within 30 days
3 after being furnished with the candidate list, the general
4 superintendent shall select and place a principal on an interim
5 basis (i) for a period not to exceed one year or (ii) until the
6 local school council selects a new principal with 7 affirmative
7 votes as provided in subsection (c) of Section 34-2.2,
8 whichever occurs first. If the local school council fails or
9 refuses to select and appoint a new principal, as specified by
10 subsection (c) of Section 34-2.2, the general superintendent
11 may select and appoint a new principal on an interim basis for
12 an additional year or until a new contract principal is
13 selected by the local school council. There shall be no
14 discrimination on the basis of race, sex, creed, color or
15 disability unrelated to ability to perform in connection with
16 the submission of candidates for, and the selection of a
17 candidate to serve as principal of an attendance center. No
18 person shall be directly selected, listed as a candidate for,
19 or selected to serve as principal of an attendance center (i)
20 if such person has been removed for cause from employment by
21 the Board or (ii) if such person does not hold a valid
22 administrative certificate issued or exchanged under Article
23 21 and endorsed as required by that Article for the position of
24 principal. A principal whose performance contract is not
25 renewed as provided under subsection (c) of Section 34-2.2 may
26 nevertheless, if otherwise qualified and certified as herein

1 provided and if he or she has received a satisfactory rating as
2 provided in subsection (h) of Section 34-8.3, be included by a
3 local school council as one of the 3 candidates listed in order
4 of preference on any candidate list from which one person is to
5 be selected to serve as principal of the attendance center
6 under a new performance contract. The initial candidate list
7 required to be submitted by a local school council to the
8 general superintendent in cases where the local school council
9 does not renew the performance contract of its principal and
10 does not directly select a new principal to serve under a 4
11 year performance contract shall be submitted not later than 30
12 days prior to the expiration of the current performance
13 contract. In cases where the local school council fails or
14 refuses to submit the candidate list to the general
15 superintendent no later than 30 days prior to the expiration of
16 the incumbent principal's contract, the general superintendent
17 may appoint a principal on an interim basis for a period not to
18 exceed one year, during which time the local school council
19 shall be able to select a new principal with 7 affirmative
20 votes as provided in subsection (c) of Section 34-2.2. In cases
21 where a principal is removed for cause or a vacancy otherwise
22 occurs in the position of principal and the vacancy is not
23 filled by direct selection by the local school council, the
24 candidate list shall be submitted by the local school council
25 to the general superintendent within 90 days after the date
26 such removal or vacancy occurs. In cases where the local school

1 council fails or refuses to submit the candidate list to the
2 general superintendent within 90 days after the date of the
3 vacancy, the general superintendent may appoint a principal on
4 an interim basis for a period of one year, during which time
5 the local school council shall be able to select a new
6 principal with 7 affirmative votes as provided in subsection
7 (c) of Section 34-2.2.

8 2.5. Whenever a vacancy in the office of a principal occurs
9 for any reason, the vacancy shall be filled in the manner
10 provided by this Section by the selection of a new principal to
11 serve under a 4 year performance contract.

12 3. To establish additional criteria to be included as part
13 of the performance contract of its principal, provided that
14 such additional criteria shall not discriminate on the basis of
15 race, sex, creed, color or disability unrelated to ability to
16 perform, and shall not be inconsistent with the uniform 4 year
17 performance contract for principals developed by the board as
18 provided in Section 34-8.1 of the School Code or with other
19 provisions of this Article governing the authority and
20 responsibility of principals.

21 4. To approve the expenditure plan prepared by the
22 principal with respect to all funds allocated and distributed
23 to the attendance center by the Board. The expenditure plan
24 shall be administered by the principal. Notwithstanding any
25 other provision of this Act or any other law, any expenditure
26 plan approved and administered under this Section 34-2.3 shall

1 be consistent with and subject to the terms of any contract for
2 services with a third party entered into by the Chicago School
3 Reform Board of Trustees or the board under this Act.

4 Via a supermajority vote of 7 members of the local school
5 council or 8 members of a high school local school council, the
6 Council may transfer allocations pursuant to Section 34-2.3
7 within funds; provided that such a transfer is consistent with
8 applicable law and collective bargaining agreements.

9 Beginning in fiscal year 1991 and in each fiscal year
10 thereafter, the Board may reserve up to 1% of its total fiscal
11 year budget for distribution on a prioritized basis to schools
12 throughout the school system in order to assure adequate
13 programs to meet the needs of special student populations as
14 determined by the Board. This distribution shall take into
15 account the needs catalogued in the Systemwide Plan and the
16 various local school improvement plans of the local school
17 councils. Information about these centrally funded programs
18 shall be distributed to the local school councils so that their
19 subsequent planning and programming will account for these
20 provisions.

21 Beginning in fiscal year 1991 and in each fiscal year
22 thereafter, from other amounts available in the applicable
23 fiscal year budget, the board shall allocate a lump sum amount
24 to each local school based upon such formula as the board shall
25 determine taking into account the special needs of the student
26 body. The local school principal shall develop an expenditure

1 plan in consultation with the local school council, the
2 professional personnel leadership committee and with all other
3 school personnel, which reflects the priorities and activities
4 as described in the school's local school improvement plan and
5 is consistent with applicable law and collective bargaining
6 agreements and with board policies and standards; however, the
7 local school council shall have the right to request waivers of
8 board policy from the board of education and waivers of
9 employee collective bargaining agreements pursuant to Section
10 34-8.1a.

11 The expenditure plan developed by the principal with
12 respect to amounts available from the fund for prioritized
13 special needs programs and the allocated lump sum amount must
14 be approved by the local school council.

15 The lump sum allocation shall take into account the
16 following principles:

17 a. Teachers: Each school shall be allocated funds equal
18 to the amount appropriated in the previous school year for
19 compensation for teachers (regular grades kindergarten
20 through 12th grade) plus whatever increases in
21 compensation have been negotiated contractually or through
22 longevity as provided in the negotiated agreement.
23 Adjustments shall be made due to layoff or reduction in
24 force, lack of funds or work, change in subject
25 requirements, enrollment changes, or contracts with third
26 parties for the performance of services or to rectify any

1 inconsistencies with system-wide allocation formulas or
2 for other legitimate reasons.

3 b. Other personnel: Funds for other teacher
4 certificated and uncertificated personnel paid through
5 non-categorical funds shall be provided according to
6 system-wide formulas based on student enrollment and the
7 special needs of the school as determined by the Board.

8 c. Non-compensation items: Appropriations for all
9 non-compensation items shall be based on system-wide
10 formulas based on student enrollment and on the special
11 needs of the school or factors related to the physical
12 plant, including but not limited to textbooks, electronic
13 textbooks and the technological equipment necessary to
14 gain access to and use electronic textbooks, supplies,
15 electricity, equipment, and routine maintenance.

16 d. Funds for categorical programs: Schools shall
17 receive personnel and funds based on, and shall use such
18 personnel and funds in accordance with State and Federal
19 requirements applicable to each categorical program
20 provided to meet the special needs of the student body
21 (including but not limited to, Federal Chapter I,
22 Bilingual, and Special Education).

23 d.1. Funds for State Title I: Each school shall receive
24 funds based on State and Board requirements applicable to
25 each State Title I pupil provided to meet the special needs
26 of the student body. Each school shall receive the

1 proportion of funds as provided in Section 18-8 or 18-8.15
2 to which they are entitled. These funds shall be spent only
3 with the budgetary approval of the Local School Council as
4 provided in Section 34-2.3.

5 e. The Local School Council shall have the right to
6 request the principal to close positions and open new ones
7 consistent with the provisions of the local school
8 improvement plan provided that these decisions are
9 consistent with applicable law and collective bargaining
10 agreements. If a position is closed, pursuant to this
11 paragraph, the local school shall have for its use the
12 system-wide average compensation for the closed position.

13 f. Operating within existing laws and collective
14 bargaining agreements, the local school council shall have
15 the right to direct the principal to shift expenditures
16 within funds.

17 g. (Blank).

18 Any funds unexpended at the end of the fiscal year shall be
19 available to the board of education for use as part of its
20 budget for the following fiscal year.

21 5. To make recommendations to the principal concerning
22 textbook selection and concerning curriculum developed
23 pursuant to the school improvement plan which is consistent
24 with systemwide curriculum objectives in accordance with
25 Sections 34-8 and 34-18 of the School Code and in conformity
26 with the collective bargaining agreement.

1 6. To advise the principal concerning the attendance and
2 disciplinary policies for the attendance center, subject to the
3 provisions of this Article and Article 26, and consistent with
4 the uniform system of discipline established by the board
5 pursuant to Section 34-19.

6 7. To approve a school improvement plan developed as
7 provided in Section 34-2.4. The process and schedule for plan
8 development shall be publicized to the entire school community,
9 and the community shall be afforded the opportunity to make
10 recommendations concerning the plan. At least twice a year the
11 principal and local school council shall report publicly on
12 progress and problems with respect to plan implementation.

13 8. To evaluate the allocation of teaching resources and
14 other certificated and uncertificated staff to the attendance
15 center to determine whether such allocation is consistent with
16 and in furtherance of instructional objectives and school
17 programs reflective of the school improvement plan adopted for
18 the attendance center; and to make recommendations to the
19 board, the general superintendent and the principal concerning
20 any reallocation of teaching resources or other staff whenever
21 the council determines that any such reallocation is
22 appropriate because the qualifications of any existing staff at
23 the attendance center do not adequately match or support
24 instructional objectives or school programs which reflect the
25 school improvement plan.

26 9. To make recommendations to the principal and the general

1 superintendent concerning their respective appointments, after
2 August 31, 1989, and in the manner provided by Section 34-8 and
3 Section 34-8.1, of persons to fill any vacant, additional or
4 newly created positions for teachers at the attendance center
5 or at attendance centers which include the attendance center
6 served by the local school council.

7 10. To request of the Board the manner in which training
8 and assistance shall be provided to the local school council.
9 Pursuant to Board guidelines a local school council is
10 authorized to direct the Board of Education to contract with
11 personnel or not-for-profit organizations not associated with
12 the school district to train or assist council members. If
13 training or assistance is provided by contract with personnel
14 or organizations not associated with the school district, the
15 period of training or assistance shall not exceed 30 hours
16 during a given school year; person shall not be employed on a
17 continuous basis longer than said period and shall not have
18 been employed by the Chicago Board of Education within the
19 preceding six months. Council members shall receive training in
20 at least the following areas:

21 1. school budgets;

22 2. educational theory pertinent to the attendance
23 center's particular needs, including the development of
24 the school improvement plan and the principal's
25 performance contract; and

26 3. personnel selection.

1 Council members shall, to the greatest extent possible,
2 complete such training within 90 days of election.

3 11. In accordance with systemwide guidelines contained in
4 the System-Wide Educational Reform Goals and Objectives Plan,
5 criteria for evaluation of performance shall be established for
6 local school councils and local school council members. If a
7 local school council persists in noncompliance with systemwide
8 requirements, the Board may impose sanctions and take necessary
9 corrective action, consistent with Section 34-8.3.

10 12. Each local school council shall comply with the Open
11 Meetings Act and the Freedom of Information Act. Each local
12 school council shall issue and transmit to its school community
13 a detailed annual report accounting for its activities
14 programmatically and financially. Each local school council
15 shall convene at least 2 well-publicized meetings annually with
16 its entire school community. These meetings shall include
17 presentation of the proposed local school improvement plan, of
18 the proposed school expenditure plan, and the annual report,
19 and shall provide an opportunity for public comment.

20 13. Each local school council is encouraged to involve
21 additional non-voting members of the school community in
22 facilitating the council's exercise of its responsibilities.

23 14. The local school council may adopt a school uniform or
24 dress code policy that governs the attendance center and that
25 is necessary to maintain the orderly process of a school
26 function or prevent endangerment of student health or safety,

1 consistent with the policies and rules of the Board of
2 Education. A school uniform or dress code policy adopted by a
3 local school council: (i) shall not be applied in such manner
4 as to discipline or deny attendance to a transfer student or
5 any other student for noncompliance with that policy during
6 such period of time as is reasonably necessary to enable the
7 student to acquire a school uniform or otherwise comply with
8 the dress code policy that is in effect at the attendance
9 center into which the student's enrollment is transferred; and
10 (ii) shall include criteria and procedures under which the
11 local school council will accommodate the needs of or otherwise
12 provide appropriate resources to assist a student from an
13 indigent family in complying with an applicable school uniform
14 or dress code policy. A student whose parents or legal
15 guardians object on religious grounds to the student's
16 compliance with an applicable school uniform or dress code
17 policy shall not be required to comply with that policy if the
18 student's parents or legal guardians present to the local
19 school council a signed statement of objection detailing the
20 grounds for the objection.

21 15. All decisions made and actions taken by the local
22 school council in the exercise of its powers and duties shall
23 comply with State and federal laws, all applicable collective
24 bargaining agreements, court orders and rules properly
25 promulgated by the Board.

26 15a. To grant, in accordance with board rules and policies,

1 the use of assembly halls and classrooms when not otherwise
2 needed, including lighting, heat, and attendants, for public
3 lectures, concerts, and other educational and social
4 activities.

5 15b. To approve, in accordance with board rules and
6 policies, receipts and expenditures for all internal accounts
7 of the attendance center, and to approve all fund-raising
8 activities by nonschool organizations that use the school
9 building.

10 16. (Blank).

11 17. Names and addresses of local school council members
12 shall be a matter of public record.

13 (Source: P.A. 96-1403, eff. 7-29-10.)

14 (105 ILCS 5/34-8.4)

15 Sec. 34-8.4. Intervention. The Chicago Schools Academic
16 Accountability Council may recommend to the Chicago School
17 Reform Board of Trustees that any school placed on remediation
18 or probation under Section 34-8.3 or schools that for the 3
19 consecutive school years of 1992-1993, 1993-1994, and
20 1994-1995 have met the State Board of Education's category of
21 "does not meet expectations" be made subject to intervention
22 under this Section 34-8.4. In addition to any powers created
23 under this Section, the Trustees shall have all powers created
24 under Section 34-8.3 with respect to schools subjected to
25 intervention.

1 Prior to subjecting a school to intervention, the Trustees
2 shall conduct a public hearing and make findings of facts
3 concerning the recommendation of the Chicago Schools Academic
4 Accountability Council and the factors causing the failure of
5 the school to adequately perform. The Trustees shall afford an
6 opportunity at the hearing for interested persons to comment
7 about the intervention recommendation. After the hearing has
8 been held and completion of findings of fact, the Trustees
9 shall make a determination whether to subject the school to
10 intervention.

11 If the Trustees determine that a school shall be subject to
12 intervention under this Section, the Trustees shall develop an
13 intervention implementation plan and shall cause a performance
14 evaluation to be made of each employee at the school. Upon
15 consideration of such evaluations, and consistent with the
16 intervention implementation plan, the Trustees may reassign,
17 layoff, or dismiss any employees at the attendance center,
18 notwithstanding the provisions of Sections 24A-5 and 34-85.

19 The chief educational officer shall appoint a principal for
20 the school and shall set the terms and conditions of the
21 principal's contract, which in no case may be longer than 2
22 years. The principal shall select all teachers and
23 non-certified personnel for the school as may be necessary. Any
24 provision of Section 34-8.1 that conflicts with this Section
25 shall not apply to a school subjected to intervention under
26 this Section.

1 If pursuant to this Section, the general superintendent,
2 with the approval of the board, orders new local school council
3 elections, the general superintendent shall carry out the
4 responsibilities of the local school council for a school
5 subject to intervention until the new local school council
6 members are elected and trained.

7 Each school year, 5% of the supplemental general State aid
8 or supplemental grant funds distributed to a school subject to
9 intervention during that school year under subsection
10 5(i)(1)(a) of part A of Section 18-8, ~~or~~ subsection (H) of
11 Section 18-8.05, or subsection (h) of Section 18-8.15 shall be
12 used for employee performance incentives. The Trustees shall
13 prepare a report evaluating the results of any interventions
14 undertaken pursuant to this Section and shall make
15 recommendations concerning implementation of special programs
16 for dealing with underperforming schools on an ongoing basis.
17 This report shall be submitted to the State Superintendent of
18 Education and Mayor of the City of Chicago by January 1, 1999.

19 (Source: P.A. 89-15, eff. 5-30-95; 89-698, eff. 1-14-97;
20 90-548, eff. 1-1-98.)

21 (105 ILCS 5/34-18) (from Ch. 122, par. 34-18)

22 Sec. 34-18. Powers of the board. The board shall exercise
23 general supervision and jurisdiction over the public education
24 and the public school system of the city, and, except as
25 otherwise provided by this Article, shall have power:

1 1. To make suitable provision for the establishment and
2 maintenance throughout the year or for such portion thereof
3 as it may direct, not less than 9 months, of schools of all
4 grades and kinds, including normal schools, high schools,
5 night schools, schools for defectives and delinquents,
6 parental and truant schools, schools for the blind, the
7 deaf and the physically disabled, schools or classes in
8 manual training, constructural and vocational teaching,
9 domestic arts and physical culture, vocation and extension
10 schools and lecture courses, and all other educational
11 courses and facilities, including establishing, equipping,
12 maintaining and operating playgrounds and recreational
13 programs, when such programs are conducted in, adjacent to,
14 or connected with any public school under the general
15 supervision and jurisdiction of the board; provided that
16 the calendar for the school term and any changes must be
17 submitted to and approved by the State Board of Education
18 before the calendar or changes may take effect, and
19 provided that in allocating funds from year to year for the
20 operation of all attendance centers within the district,
21 the board shall ensure that supplemental general State aid
22 or supplemental grant funds are allocated and applied in
23 accordance with Section 18-8, ~~or~~ 18-8.05, or 18-8.15. To
24 admit to such schools without charge foreign exchange
25 students who are participants in an organized exchange
26 student program which is authorized by the board. The board

1 shall permit all students to enroll in apprenticeship
2 programs in trade schools operated by the board, whether
3 those programs are union-sponsored or not. No student shall
4 be refused admission into or be excluded from any course of
5 instruction offered in the common schools by reason of that
6 student's sex. No student shall be denied equal access to
7 physical education and interscholastic athletic programs
8 supported from school district funds or denied
9 participation in comparable physical education and
10 athletic programs solely by reason of the student's sex.
11 Equal access to programs supported from school district
12 funds and comparable programs will be defined in rules
13 promulgated by the State Board of Education in consultation
14 with the Illinois High School Association. Notwithstanding
15 any other provision of this Article, neither the board of
16 education nor any local school council or other school
17 official shall recommend that children with disabilities
18 be placed into regular education classrooms unless those
19 children with disabilities are provided with supplementary
20 services to assist them so that they benefit from the
21 regular classroom instruction and are included on the
22 teacher's regular education class register;

23 2. To furnish lunches to pupils, to make a reasonable
24 charge therefor, and to use school funds for the payment of
25 such expenses as the board may determine are necessary in
26 conducting the school lunch program;

1 3. To co-operate with the circuit court;

2 4. To make arrangements with the public or quasi-public
3 libraries and museums for the use of their facilities by
4 teachers and pupils of the public schools;

5 5. To employ dentists and prescribe their duties for
6 the purpose of treating the pupils in the schools, but
7 accepting such treatment shall be optional with parents or
8 guardians;

9 6. To grant the use of assembly halls and classrooms
10 when not otherwise needed, including light, heat, and
11 attendants, for free public lectures, concerts, and other
12 educational and social interests, free of charge, under
13 such provisions and control as the principal of the
14 affected attendance center may prescribe;

15 7. To apportion the pupils to the several schools;
16 provided that no pupil shall be excluded from or segregated
17 in any such school on account of his color, race, sex, or
18 nationality. The board shall take into consideration the
19 prevention of segregation and the elimination of
20 separation of children in public schools because of color,
21 race, sex, or nationality. Except that children may be
22 committed to or attend parental and social adjustment
23 schools established and maintained either for boys or girls
24 only. All records pertaining to the creation, alteration or
25 revision of attendance areas shall be open to the public.
26 Nothing herein shall limit the board's authority to

1 establish multi-area attendance centers or other student
2 assignment systems for desegregation purposes or
3 otherwise, and to apportion the pupils to the several
4 schools. Furthermore, beginning in school year 1994-95,
5 pursuant to a board plan adopted by October 1, 1993, the
6 board shall offer, commencing on a phased-in basis, the
7 opportunity for families within the school district to
8 apply for enrollment of their children in any attendance
9 center within the school district which does not have
10 selective admission requirements approved by the board.
11 The appropriate geographical area in which such open
12 enrollment may be exercised shall be determined by the
13 board of education. Such children may be admitted to any
14 such attendance center on a space available basis after all
15 children residing within such attendance center's area
16 have been accommodated. If the number of applicants from
17 outside the attendance area exceed the space available,
18 then successful applicants shall be selected by lottery.
19 The board of education's open enrollment plan must include
20 provisions that allow low income students to have access to
21 transportation needed to exercise school choice. Open
22 enrollment shall be in compliance with the provisions of
23 the Consent Decree and Desegregation Plan cited in Section
24 34-1.01;

25 8. To approve programs and policies for providing
26 transportation services to students. Nothing herein shall

1 be construed to permit or empower the State Board of
2 Education to order, mandate, or require busing or other
3 transportation of pupils for the purpose of achieving
4 racial balance in any school;

5 9. Subject to the limitations in this Article, to
6 establish and approve system-wide curriculum objectives
7 and standards, including graduation standards, which
8 reflect the multi-cultural diversity in the city and are
9 consistent with State law, provided that for all purposes
10 of this Article courses or proficiency in American Sign
11 Language shall be deemed to constitute courses or
12 proficiency in a foreign language; and to employ principals
13 and teachers, appointed as provided in this Article, and
14 fix their compensation. The board shall prepare such
15 reports related to minimal competency testing as may be
16 requested by the State Board of Education, and in addition
17 shall monitor and approve special education and bilingual
18 education programs and policies within the district to
19 assure that appropriate services are provided in
20 accordance with applicable State and federal laws to
21 children requiring services and education in those areas;

22 10. To employ non-teaching personnel or utilize
23 volunteer personnel for: (i) non-teaching duties not
24 requiring instructional judgment or evaluation of pupils,
25 including library duties; and (ii) supervising study
26 halls, long distance teaching reception areas used

1 incident to instructional programs transmitted by
2 electronic media such as computers, video, and audio,
3 detention and discipline areas, and school-sponsored
4 extracurricular activities. The board may further utilize
5 volunteer non-certificated personnel or employ
6 non-certificated personnel to assist in the instruction of
7 pupils under the immediate supervision of a teacher holding
8 a valid certificate, directly engaged in teaching subject
9 matter or conducting activities; provided that the teacher
10 shall be continuously aware of the non-certificated
11 persons' activities and shall be able to control or modify
12 them. The general superintendent shall determine
13 qualifications of such personnel and shall prescribe rules
14 for determining the duties and activities to be assigned to
15 such personnel;

16 10.5. To utilize volunteer personnel from a regional
17 School Crisis Assistance Team (S.C.A.T.), created as part
18 of the Safe to Learn Program established pursuant to
19 Section 25 of the Illinois Violence Prevention Act of 1995,
20 to provide assistance to schools in times of violence or
21 other traumatic incidents within a school community by
22 providing crisis intervention services to lessen the
23 effects of emotional trauma on individuals and the
24 community; the School Crisis Assistance Team Steering
25 Committee shall determine the qualifications for
26 volunteers;

1 11. To provide television studio facilities in not to
2 exceed one school building and to provide programs for
3 educational purposes, provided, however, that the board
4 shall not construct, acquire, operate, or maintain a
5 television transmitter; to grant the use of its studio
6 facilities to a licensed television station located in the
7 school district; and to maintain and operate not to exceed
8 one school radio transmitting station and provide programs
9 for educational purposes;

10 12. To offer, if deemed appropriate, outdoor education
11 courses, including field trips within the State of
12 Illinois, or adjacent states, and to use school educational
13 funds for the expense of the said outdoor educational
14 programs, whether within the school district or not;

15 13. During that period of the calendar year not
16 embraced within the regular school term, to provide and
17 conduct courses in subject matters normally embraced in the
18 program of the schools during the regular school term and
19 to give regular school credit for satisfactory completion
20 by the student of such courses as may be approved for
21 credit by the State Board of Education;

22 14. To insure against any loss or liability of the
23 board, the former School Board Nominating Commission,
24 Local School Councils, the Chicago Schools Academic
25 Accountability Council, or the former Subdistrict Councils
26 or of any member, officer, agent or employee thereof,

1 resulting from alleged violations of civil rights arising
2 from incidents occurring on or after September 5, 1967 or
3 from the wrongful or negligent act or omission of any such
4 person whether occurring within or without the school
5 premises, provided the officer, agent or employee was, at
6 the time of the alleged violation of civil rights or
7 wrongful act or omission, acting within the scope of his
8 employment or under direction of the board, the former
9 School Board Nominating Commission, the Chicago Schools
10 Academic Accountability Council, Local School Councils, or
11 the former Subdistrict Councils; and to provide for or
12 participate in insurance plans for its officers and
13 employees, including but not limited to retirement
14 annuities, medical, surgical and hospitalization benefits
15 in such types and amounts as may be determined by the
16 board; provided, however, that the board shall contract for
17 such insurance only with an insurance company authorized to
18 do business in this State. Such insurance may include
19 provision for employees who rely on treatment by prayer or
20 spiritual means alone for healing, in accordance with the
21 tenets and practice of a recognized religious
22 denomination;

23 15. To contract with the corporate authorities of any
24 municipality or the county board of any county, as the case
25 may be, to provide for the regulation of traffic in parking
26 areas of property used for school purposes, in such manner

1 as is provided by Section 11-209 of The Illinois Vehicle
2 Code, approved September 29, 1969, as amended;

3 16. (a) To provide, on an equal basis, access to a high
4 school campus and student directory information to the
5 official recruiting representatives of the armed forces of
6 Illinois and the United States for the purposes of
7 informing students of the educational and career
8 opportunities available in the military if the board has
9 provided such access to persons or groups whose purpose is
10 to acquaint students with educational or occupational
11 opportunities available to them. The board is not required
12 to give greater notice regarding the right of access to
13 recruiting representatives than is given to other persons
14 and groups. In this paragraph 16, "directory information"
15 means a high school student's name, address, and telephone
16 number.

17 (b) If a student or his or her parent or guardian
18 submits a signed, written request to the high school before
19 the end of the student's sophomore year (or if the student
20 is a transfer student, by another time set by the high
21 school) that indicates that the student or his or her
22 parent or guardian does not want the student's directory
23 information to be provided to official recruiting
24 representatives under subsection (a) of this Section, the
25 high school may not provide access to the student's
26 directory information to these recruiting representatives.

1 The high school shall notify its students and their parents
2 or guardians of the provisions of this subsection (b) .

3 (c) A high school may require official recruiting
4 representatives of the armed forces of Illinois and the
5 United States to pay a fee for copying and mailing a
6 student's directory information in an amount that is not
7 more than the actual costs incurred by the high school.

8 (d) Information received by an official recruiting
9 representative under this Section may be used only to
10 provide information to students concerning educational and
11 career opportunities available in the military and may not
12 be released to a person who is not involved in recruiting
13 students for the armed forces of Illinois or the United
14 States;

15 17. (a) To sell or market any computer program
16 developed by an employee of the school district, provided
17 that such employee developed the computer program as a
18 direct result of his or her duties with the school district
19 or through the utilization of the school district resources
20 or facilities. The employee who developed the computer
21 program shall be entitled to share in the proceeds of such
22 sale or marketing of the computer program. The distribution
23 of such proceeds between the employee and the school
24 district shall be as agreed upon by the employee and the
25 school district, except that neither the employee nor the
26 school district may receive more than 90% of such proceeds.

1 The negotiation for an employee who is represented by an
2 exclusive bargaining representative may be conducted by
3 such bargaining representative at the employee's request.

4 (b) For the purpose of this paragraph 17:

5 (1) "Computer" means an internally programmed,
6 general purpose digital device capable of
7 automatically accepting data, processing data and
8 supplying the results of the operation.

9 (2) "Computer program" means a series of coded
10 instructions or statements in a form acceptable to a
11 computer, which causes the computer to process data in
12 order to achieve a certain result.

13 (3) "Proceeds" means profits derived from
14 marketing or sale of a product after deducting the
15 expenses of developing and marketing such product;

16 18. To delegate to the general superintendent of
17 schools, by resolution, the authority to approve contracts
18 and expenditures in amounts of \$10,000 or less;

19 19. Upon the written request of an employee, to
20 withhold from the compensation of that employee any dues,
21 payments or contributions payable by such employee to any
22 labor organization as defined in the Illinois Educational
23 Labor Relations Act. Under such arrangement, an amount
24 shall be withheld from each regular payroll period which is
25 equal to the pro rata share of the annual dues plus any
26 payments or contributions, and the board shall transmit

1 such withholdings to the specified labor organization
2 within 10 working days from the time of the withholding;

3 19a. Upon receipt of notice from the comptroller of a
4 municipality with a population of 500,000 or more, a county
5 with a population of 3,000,000 or more, the Cook County
6 Forest Preserve District, the Chicago Park District, the
7 Metropolitan Water Reclamation District, the Chicago
8 Transit Authority, or a housing authority of a municipality
9 with a population of 500,000 or more that a debt is due and
10 owing the municipality, the county, the Cook County Forest
11 Preserve District, the Chicago Park District, the
12 Metropolitan Water Reclamation District, the Chicago
13 Transit Authority, or the housing authority by an employee
14 of the Chicago Board of Education, to withhold, from the
15 compensation of that employee, the amount of the debt that
16 is due and owing and pay the amount withheld to the
17 municipality, the county, the Cook County Forest Preserve
18 District, the Chicago Park District, the Metropolitan
19 Water Reclamation District, the Chicago Transit Authority,
20 or the housing authority; provided, however, that the
21 amount deducted from any one salary or wage payment shall
22 not exceed 25% of the net amount of the payment. Before the
23 Board deducts any amount from any salary or wage of an
24 employee under this paragraph, the municipality, the
25 county, the Cook County Forest Preserve District, the
26 Chicago Park District, the Metropolitan Water Reclamation

1 District, the Chicago Transit Authority, or the housing
2 authority shall certify that (i) the employee has been
3 afforded an opportunity for a hearing to dispute the debt
4 that is due and owing the municipality, the county, the
5 Cook County Forest Preserve District, the Chicago Park
6 District, the Metropolitan Water Reclamation District, the
7 Chicago Transit Authority, or the housing authority and
8 (ii) the employee has received notice of a wage deduction
9 order and has been afforded an opportunity for a hearing to
10 object to the order. For purposes of this paragraph, "net
11 amount" means that part of the salary or wage payment
12 remaining after the deduction of any amounts required by
13 law to be deducted and "debt due and owing" means (i) a
14 specified sum of money owed to the municipality, the
15 county, the Cook County Forest Preserve District, the
16 Chicago Park District, the Metropolitan Water Reclamation
17 District, the Chicago Transit Authority, or the housing
18 authority for services, work, or goods, after the period
19 granted for payment has expired, or (ii) a specified sum of
20 money owed to the municipality, the county, the Cook County
21 Forest Preserve District, the Chicago Park District, the
22 Metropolitan Water Reclamation District, the Chicago
23 Transit Authority, or the housing authority pursuant to a
24 court order or order of an administrative hearing officer
25 after the exhaustion of, or the failure to exhaust,
26 judicial review;

1 20. The board is encouraged to employ a sufficient
2 number of certified school counselors to maintain a
3 student/counselor ratio of 250 to 1 by July 1, 1990. Each
4 counselor shall spend at least 75% of his work time in
5 direct contact with students and shall maintain a record of
6 such time;

7 21. To make available to students vocational and career
8 counseling and to establish 5 special career counseling
9 days for students and parents. On these days
10 representatives of local businesses and industries shall
11 be invited to the school campus and shall inform students
12 of career opportunities available to them in the various
13 businesses and industries. Special consideration shall be
14 given to counseling minority students as to career
15 opportunities available to them in various fields. For the
16 purposes of this paragraph, minority student means a person
17 who is any of the following:

18 (a) American Indian or Alaska Native (a person having
19 origins in any of the original peoples of North and South
20 America, including Central America, and who maintains
21 tribal affiliation or community attachment).

22 (b) Asian (a person having origins in any of the
23 original peoples of the Far East, Southeast Asia, or the
24 Indian subcontinent, including, but not limited to,
25 Cambodia, China, India, Japan, Korea, Malaysia, Pakistan,
26 the Philippine Islands, Thailand, and Vietnam).

1 (c) Black or African American (a person having origins
2 in any of the black racial groups of Africa). Terms such as
3 "Haitian" or "Negro" can be used in addition to "Black or
4 African American".

5 (d) Hispanic or Latino (a person of Cuban, Mexican,
6 Puerto Rican, South or Central American, or other Spanish
7 culture or origin, regardless of race).

8 (e) Native Hawaiian or Other Pacific Islander (a person
9 having origins in any of the original peoples of Hawaii,
10 Guam, Samoa, or other Pacific Islands).

11 Counseling days shall not be in lieu of regular school
12 days;

13 22. To report to the State Board of Education the
14 annual student dropout rate and number of students who
15 graduate from, transfer from or otherwise leave bilingual
16 programs;

17 23. Except as otherwise provided in the Abused and
18 Neglected Child Reporting Act or other applicable State or
19 federal law, to permit school officials to withhold, from
20 any person, information on the whereabouts of any child
21 removed from school premises when the child has been taken
22 into protective custody as a victim of suspected child
23 abuse. School officials shall direct such person to the
24 Department of Children and Family Services, or to the local
25 law enforcement agency if appropriate;

26 24. To develop a policy, based on the current state of

1 existing school facilities, projected enrollment and
2 efficient utilization of available resources, for capital
3 improvement of schools and school buildings within the
4 district, addressing in that policy both the relative
5 priority for major repairs, renovations and additions to
6 school facilities, and the advisability or necessity of
7 building new school facilities or closing existing schools
8 to meet current or projected demographic patterns within
9 the district;

10 25. To make available to the students in every high
11 school attendance center the ability to take all courses
12 necessary to comply with the Board of Higher Education's
13 college entrance criteria effective in 1993;

14 26. To encourage mid-career changes into the teaching
15 profession, whereby qualified professionals become
16 certified teachers, by allowing credit for professional
17 employment in related fields when determining point of
18 entry on teacher pay scale;

19 27. To provide or contract out training programs for
20 administrative personnel and principals with revised or
21 expanded duties pursuant to this Act in order to assure
22 they have the knowledge and skills to perform their duties;

23 28. To establish a fund for the prioritized special
24 needs programs, and to allocate such funds and other lump
25 sum amounts to each attendance center in a manner
26 consistent with the provisions of part 4 of Section 34-2.3.

1 Nothing in this paragraph shall be construed to require any
2 additional appropriations of State funds for this purpose;

3 29. (Blank);

4 30. Notwithstanding any other provision of this Act or
5 any other law to the contrary, to contract with third
6 parties for services otherwise performed by employees,
7 including those in a bargaining unit, and to layoff those
8 employees upon 14 days written notice to the affected
9 employees. Those contracts may be for a period not to
10 exceed 5 years and may be awarded on a system-wide basis.
11 The board may not operate more than 30 contract schools,
12 provided that the board may operate an additional 5
13 contract turnaround schools pursuant to item (5.5) of
14 subsection (d) of Section 34-8.3 of this Code;

15 31. To promulgate rules establishing procedures
16 governing the layoff or reduction in force of employees and
17 the recall of such employees, including, but not limited
18 to, criteria for such layoffs, reductions in force or
19 recall rights of such employees and the weight to be given
20 to any particular criterion. Such criteria shall take into
21 account factors including, but not be limited to,
22 qualifications, certifications, experience, performance
23 ratings or evaluations, and any other factors relating to
24 an employee's job performance;

25 32. To develop a policy to prevent nepotism in the
26 hiring of personnel or the selection of contractors;

1 33. To enter into a partnership agreement, as required
2 by Section 34-3.5 of this Code, and, notwithstanding any
3 other provision of law to the contrary, to promulgate
4 policies, enter into contracts, and take any other action
5 necessary to accomplish the objectives and implement the
6 requirements of that agreement; and

7 34. To establish a Labor Management Council to the
8 board comprised of representatives of the board, the chief
9 executive officer, and those labor organizations that are
10 the exclusive representatives of employees of the board and
11 to promulgate policies and procedures for the operation of
12 the Council.

13 The specifications of the powers herein granted are not to
14 be construed as exclusive but the board shall also exercise all
15 other powers that they may be requisite or proper for the
16 maintenance and the development of a public school system, not
17 inconsistent with the other provisions of this Article or
18 provisions of this Code which apply to all school districts.

19 In addition to the powers herein granted and authorized to
20 be exercised by the board, it shall be the duty of the board to
21 review or to direct independent reviews of special education
22 expenditures and services. The board shall file a report of
23 such review with the General Assembly on or before May 1, 1990.

24 (Source: P.A. 96-105, eff. 7-30-09; 97-227, eff. 1-1-12;
25 97-396, eff. 1-1-12; 97-813, eff. 7-13-12.)

1 (105 ILCS 5/34-18.30)

2 Sec. 34-18.30. Dependents of military personnel; no
3 tuition charge. If, at the time of enrollment, a dependent of
4 United States military personnel is housed in temporary housing
5 located outside of the school district, but will be living
6 within the district within 60 days after the time of initial
7 enrollment, the dependent must be allowed to enroll, subject to
8 the requirements of this Section, and must not be charged
9 tuition. Any United States military personnel attempting to
10 enroll a dependent under this Section shall provide proof that
11 the dependent will be living within the district within 60 days
12 after the time of initial enrollment. Proof of residency may
13 include, but is not limited to, postmarked mail addressed to
14 the military personnel and sent to an address located within
15 the district, a lease agreement for occupancy of a residence
16 located within the district, or proof of ownership of a
17 residence located within the district. Non-resident dependents
18 of United States military personnel attending school on a
19 tuition-free basis may be counted for the purposes of
20 determining the apportionment of State aid provided under
21 Section 18-8.05 or 18-8.15 of this Code.

22 (Source: P.A. 95-331, eff. 8-21-07.)

23 (105 ILCS 5/34-43.1) (from Ch. 122, par. 34-43.1)

24 Sec. 34-43.1. (A) Limitation of noninstructional costs. It
25 is the purpose of this Section to establish for the Board of

1 Education and the general superintendent of schools
2 requirements and standards which maximize the proportion of
3 school district resources in direct support of educational,
4 program, and building maintenance and safety services for the
5 pupils of the district, and which correspondingly minimize the
6 amount and proportion of such resources associated with
7 centralized administration, administrative support services,
8 and other noninstructional services.

9 For the 1989-90 school year and for all subsequent school
10 years, the Board of Education shall undertake budgetary and
11 expenditure control actions which limit the administrative
12 expenditures of the Board of Education to levels, as provided
13 for in this Section, which represent an average of the
14 administrative expenses of all school districts in this State
15 not subject to Article 34.

16 (B) Certification of expenses by the State Superintendent
17 of Education. The State Superintendent of Education shall
18 annually certify, on or before May 1, to the Board of Education
19 and the School Finance Authority, for the applicable school
20 year, the following information:

21 (1) the annual expenditures of all school districts of
22 the State not subject to Article 34 properly attributable
23 to expenditure functions defined by the rules and
24 regulations of the State Board of Education as: 2210
25 (Improvement of Instructional Services); 2300 (Support
26 Services - General Administration) excluding, however,

1 2320 (Executive Administrative Services); 2490 (Other
2 Support Services - School Administration); 2500 (Support
3 Services - Business); 2600 (Support Services - Central);

4 (2) the total annual expenditures of all school
5 districts not subject to Article 34 attributable to the
6 Education Fund, the Operations, Building and Maintenance
7 Fund, the Transportation Fund and the Illinois Municipal
8 Retirement Fund of the several districts, as defined by the
9 rules and regulations of the State Board of Education; and

10 (3) a ratio, to be called the statewide average of
11 administrative expenditures, derived by dividing the
12 expenditures certified pursuant to paragraph (B)(1) by the
13 expenditures certified pursuant to paragraph (B)(2).

14 For purposes of the annual certification of expenditures
15 and ratios required by this Section, the "applicable year" of
16 certification shall initially be the 1986-87 school year and,
17 in sequent years, each succeeding school year.

18 The State Superintendent of Education shall consult with
19 the Board of Education to ascertain whether particular
20 expenditure items allocable to the administrative functions
21 enumerated in paragraph (B)(1) are appropriately or
22 necessarily higher in the applicable school district than in
23 the rest of the State due to noncomparable factors. The State
24 Superintendent shall also review the relevant cost proportions
25 in other large urban school districts. The State Superintendent
26 shall also review the expenditure categories in paragraph

1 (B)(1) to ascertain whether they contain school-level
2 expenses. If he or she finds that adjustments to the formula
3 are appropriate or necessary to establish a more fair and
4 comparable standard for administrative cost for the Board of
5 Education or to exclude school-level expenses, the State
6 Superintendent shall recommend to the School Finance Authority
7 rules and regulations adjusting particular subcategories in
8 this subsection (B) or adjusting certain costs in determining
9 the budget and expenditure items properly attributable to the
10 functions or otherwise adjust the formula.

11 (C) Administrative expenditure limitations. The annual
12 budget of the Board of Education, as adopted and implemented,
13 and the related annual expenditures for the school year, shall
14 reflect a limitation on administrative outlays as required by
15 the following provisions, taking into account any adjustments
16 established by the State Superintendent of Education: (1) the
17 budget and expenditures of the Board of Education for the
18 1989-90 school year shall reflect a ratio of administrative
19 expenditures to total expenditures equal to or less than the
20 statewide average of administrative expenditures for the
21 1986-87 school year as certified by the State Superintendent of
22 Education pursuant to paragraph (B)(3); (2) for the 1990-91
23 school year and for all subsequent school years, the budget and
24 expenditures of the Board of Education shall reflect a ratio of
25 administrative expenditures to total expenditures equal to or
26 less than the statewide average of administrative expenditures

1 certified by the State Superintendent of Education for the
2 applicable year pursuant to paragraph (B)(3); (3) if for any
3 school year the budget of the Board of Education reflects a
4 ratio of administrative expenditures to total expenditures
5 which exceeds the applicable statewide average, the Board of
6 Education shall reduce expenditure items allocable to the
7 administrative functions enumerated in paragraph (B)(1) such
8 that the Board of Education's ratio of administrative
9 expenditures to total expenditures is equal to or less than the
10 applicable statewide average ratio.

11 For purposes of this Section, the ratio of administrative
12 expenditures to the total expenditures of the Board of
13 Education, as applied to the budget of the Board of Education,
14 shall mean: the budgeted expenditure items of the Board of
15 Education properly attributable to the expenditure functions
16 identified in paragraph (B)(1) divided by the total budgeted
17 expenditures of the Board of Education properly attributable to
18 the Board of Education funds corresponding to those funds
19 identified in paragraph (B)(2), exclusive of any monies
20 budgeted for payment to the Public School Teachers' Pension and
21 Retirement System, attributable to payments due from the
22 General Funds of the State of Illinois.

23 The annual expenditure of the Board of Education for 2320
24 (Executive Administrative Services) for the 1989-90 school
25 year shall be no greater than the 2320 expenditure for the
26 1988-89 school year. The annual expenditure of the Board of

1 Education for 2320 for the 1990-91 school year and each
2 subsequent school year shall be no greater than the 2320
3 expenditure for the immediately preceding school year or the
4 1988-89 school year, whichever is less. This annual expenditure
5 limitation may be adjusted in each year in an amount not to
6 exceed any change effective during the applicable school year
7 in salary to be paid under the collective bargaining agreement
8 with instructional personnel to which the Board is a party and
9 in benefit costs either required by law or such collective
10 bargaining agreement.

11 (D) Cost control measures. In undertaking actions to
12 control or reduce expenditure items necessitated by the
13 administrative expenditure limitations of this Section, the
14 Board of Education shall give priority consideration to
15 reductions or cost controls with the least effect upon direct
16 services to students or instructional services for pupils, and
17 upon the safety and well-being of pupils, and, as applicable,
18 with the particular costs or functions to which the Board of
19 Education is higher than the statewide average.

20 For purposes of assuring that the cost control priorities
21 of this subsection (D) are met, the State Superintendent of
22 Education shall, with the assistance of the Board of Education,
23 review the cost allocation practices of the Board of Education,
24 and the State Superintendent of Education shall thereafter
25 recommend to the School Finance Authority rules and regulations
26 which define administrative areas which most impact upon the

1 direct and instructional needs of students and upon the safety
2 and well-being of the pupils of the district. No position
3 closed shall be reopened using State or federal categorical
4 funds.

5 (E) Report of Audited Information. For the 1988-89 school
6 year and for all subsequent school years, the Board of
7 Education shall file with the State Board of Education the
8 Annual Financial Report and its audit, as required by the rules
9 of the State Board of Education. Such reports shall be filed no
10 later than February 15 following the end of the school year of
11 the Board of Education, beginning with the report to be filed
12 no later than February 15, 1990 for the 1988-89 school year.

13 As part of the required Annual Financial Report, the Board
14 of Education shall provide a detailed accounting of the central
15 level, district, bureau and department costs and personnel
16 included within expenditure functions included in paragraph
17 (B)(1). The nature and detail of the reporting required for
18 these functions shall be prescribed by the State Board of
19 Education in rules and regulations. A copy of this detailed
20 accounting shall also be provided annually to the School
21 Finance Authority and the public. This report shall contain a
22 reconciliation to the board of education's adopted budget for
23 that fiscal year, specifically delineating administrative
24 functions.

25 If the information required under this Section is not
26 provided by the Board of Education in a timely manner, or is

1 initially or subsequently determined by the State
2 Superintendent of Education to be incomplete or inaccurate, the
3 State Superintendent shall, in writing, notify the Board of
4 Education of reporting deficiencies. The Board of Education
5 shall, within 60 days of such notice, address the reporting
6 deficiencies identified. If the State Superintendent of
7 Education does not receive satisfactory response to these
8 reporting deficiencies within 60 days, the next payment of
9 general State aid or primary State aid due the Board of
10 Education under Section 18-8, and all subsequent payments,
11 shall be withheld by the State Superintendent of Education
12 until the enumerated deficiencies have been addressed.

13 Utilizing the Annual Financial Report, the State
14 Superintendent of Education shall certify on or before May 1 to
15 the School Finance Authority the Board of Education's ratio of
16 administrative expenditures to total expenditures for the
17 1988-89 school year and for each succeeding school year. Such
18 certification shall indicate the extent to which the
19 administrative expenditure ratio of the Board of Education
20 conformed to the limitations required in subsection (C) of this
21 Section, taking into account any adjustments of the limitations
22 which may have been recommended by the State Superintendent of
23 Education to the School Finance Authority. In deriving the
24 administrative expenditure ratio of the Chicago Board of
25 Education, the State Superintendent of Education shall utilize
26 the definition of this ratio prescribed in subsection (C) of

1 this Section, except that the actual expenditures of the Board
2 of Education shall be substituted for budgeted expenditure
3 items.

4 (F) Approval and adjustments to administrative expenditure
5 limitations. The School Finance Authority organized under
6 Article 34A shall monitor the Board of Education's adherence to
7 the requirements of this Section. As part of its responsibility
8 the School Finance Authority shall determine whether the Board
9 of Education's budget for the next school year, and the
10 expenditures for a prior school year, comply with the
11 limitation of administrative expenditures required by this
12 Section. The Board of Education and the State Board of
13 Education shall provide such information as is required by the
14 School Finance Authority in order for the Authority to
15 determine compliance with the provisions of this Section. If
16 the Authority determines that the budget proposed by the Board
17 of Education does not meet the cost control requirements of
18 this Section, the Board of Education shall undertake budgetary
19 reductions, consistent with the requirements of this Section,
20 to bring the proposed budget into compliance with such cost
21 control limitations.

22 If, in formulating cost control and cost reduction
23 alternatives, the Board of Education believes that meeting the
24 cost control requirements of this Section related to the budget
25 for the ensuing year would impair the education, safety, or
26 well-being of the pupils of the school district, the Board of

1 Education may request that the School Finance Authority make
2 adjustments to the limitations required by this Section. The
3 Board of Education shall specify the amount, nature, and
4 reasons for the relief required and shall also identify cost
5 reductions which can be made in expenditure functions not
6 enumerated in paragraph (B)(1), which would serve the purposes
7 of this Section.

8 The School Finance Authority shall consult with the State
9 Superintendent of Education concerning the reasonableness from
10 an educational administration perspective of the adjustments
11 sought by the Board of Education. The School Finance Authority
12 shall provide an opportunity for the public to comment upon the
13 reasonableness of the Board's request. If, after such
14 consultation, the School Finance Authority determines that all
15 or a portion of the adjustments sought by the Board of
16 Education are reasonably appropriate or necessary, the
17 Authority may grant such relief from the provisions of this
18 Section which the Authority deems appropriate. Adjustments so
19 granted apply only to the specific school year for which the
20 request was made.

21 In the event that the School Finance Authority determines
22 that the Board of Education has failed to achieve the required
23 administrative expenditure limitations for a prior school
24 year, or if the Authority determines that the Board of
25 Education has not met the requirements of subsection (F), the
26 Authority shall make recommendations to the Board of Education

1 concerning appropriate corrective actions. If the Board of
2 Education fails to provide adequate assurance to the Authority
3 that appropriate corrective actions have been or will be taken,
4 the Authority may, within 60 days thereafter, require the board
5 to adjust its current budget to correct for the prior year's
6 shortage or may recommend to the members of the General
7 Assembly and the Governor such sanctions or remedial actions as
8 will serve to deter any further such failures on the part of
9 the Board of Education.

10 To assist the Authority in its monitoring
11 responsibilities, the Board of Education shall provide such
12 reports and information as are from time to time required by
13 the Authority.

14 (G) Independent reviews of administrative expenditures.
15 The School Finance Authority may direct independent reviews of
16 the administrative and administrative support expenditures and
17 services and other non-instructional expenditure functions of
18 the Board of Education. The Board of Education shall afford
19 full cooperation to the School Finance Authority in such review
20 activity. The purpose of such reviews shall be to verify
21 specific targets for improved operating efficiencies of the
22 Board of Education, to identify other areas of potential
23 efficiencies, and to assure full and proper compliance by the
24 Board of Education with all requirements of this Section.

25 In the conduct of reviews under this subsection, the
26 Authority may request the assistance and consultation of the

1 State Superintendent of Education with regard to questions of
2 efficiency and effectiveness in educational administration.

3 (H) Reports to Governor and General Assembly. On or before
4 May 1, 1991 and no less frequently than yearly thereafter, the
5 School Finance Authority shall provide to the Governor, the
6 State Board of Education, and the members of the General
7 Assembly an annual report, as outlined in Section 34A-606,
8 which includes the following information: (1) documenting the
9 compliance or non-compliance of the Board of Education with the
10 requirements of this Section; (2) summarizing the costs,
11 findings, and recommendations of any reviews directed by the
12 School Finance Authority, and the response to such
13 recommendations made by the Board of Education; and (3)
14 recommending sanctions or legislation necessary to fulfill the
15 intent of this Section.

16 (Source: P.A. 86-124; 86-1477.)

17 Section 950. The Educational Opportunity for Military
18 Children Act is amended by changing Section 25 as follows:

19 (105 ILCS 70/25)

20 (Section scheduled to be repealed on June 30, 2015)

21 Sec. 25. Tuition for transfer students.

22 (a) For purposes of this Section, "non-custodial parent"
23 means a person who has temporary custody of the child of active
24 duty military personnel and who is responsible for making

1 decisions for that child.

2 (b) If a student who is a child of active duty military
3 personnel is (i) placed with a non-custodial parent and (ii) as
4 a result of placement, must attend a non-resident school
5 district, then the student must not be charged the tuition of
6 the school that the student attends as a result of placement
7 with the non-custodial parent and the student must be counted
8 in the calculation of average daily attendance under Section
9 18-8.05 or 18-8.15 of the School Code.

10 (Source: P.A. 96-953, eff. 6-28-10.)

11 Section 955. The Illinois Public Aid Code is amended by
12 changing Section 5-16.4 as follows:

13 (305 ILCS 5/5-16.4)

14 Sec. 5-16.4. Medical Assistance Provider Payment Fund.

15 (a) There is created in the State treasury the Medical
16 Assistance Provider Payment Fund. Interest earned by the Fund
17 shall be credited to the Fund.

18 (b) The Fund is created for the purpose of disbursing
19 moneys as follows:

20 (1) For medical services provided to recipients of aid
21 under Articles V, VI, and XII.

22 (2) For payment of administrative expenses incurred by
23 the Illinois Department or its agent in performing the
24 activities authorized by this Section.

1 (3) For making transfers to the General Obligation Bond
2 Retirement and Interest Fund, as those transfers are
3 authorized in the proceedings authorizing debt under the
4 Medicaid Liability Liquidity Borrowing Act, but transfers
5 made under this paragraph (3) may not exceed the principal
6 amount of debt issued under that Act.

7 Disbursements from the Fund, other than transfers to the
8 General Obligation Bond Retirement and Interest Fund (which
9 shall be made in accordance with the provisions of the Medicaid
10 Liability Liquidity Borrowing Act), shall be by warrants drawn
11 by the State Comptroller upon receipt of vouchers duly executed
12 and certified by the Illinois Department.

13 (c) The Fund shall consist of the following:

14 (1) All federal matching funds received by the Illinois
15 Department as a result of expenditures made by the Illinois
16 Department that are attributable to moneys deposited into
17 the Fund.

18 (2) Proceeds from any short-term borrowing directed to
19 the Fund by the Governor pursuant to the Medicaid Liability
20 Liquidity Borrowing Act.

21 (3) Amounts transferred into the Fund under subsection
22 (d) of this Section.

23 (4) All other moneys received for the Fund from any
24 other source, including interest earned on those moneys.

25 (d) Beginning July 1, 1995, on the 13th and 26th days of
26 each month the State Comptroller and Treasurer shall transfer

1 from the General Revenue Fund to the Medical Assistance
2 Provider Payment Fund an amount equal to 1/48th of the annual
3 Medical Assistance appropriation to the Department of
4 Healthcare and Family Services (formerly Illinois Department
5 of Public Aid) from the Medical Assistance Provider Payment
6 Fund, plus cumulative deficiencies from those prior transfers.
7 In addition to those transfers, the State Comptroller and
8 Treasurer may transfer from the General Revenue Fund to the
9 Medical Assistance Provider Payment Fund as much as is
10 necessary to pay claims pursuant to the new twice-monthly
11 payment schedule established in Section 5-16.5 and to avoid
12 interest liabilities under the State Prompt Payment Act. No
13 transfers made pursuant to this subsection shall interfere with
14 the timely payment of the general State aid or primary State
15 aid payment made pursuant to Section 18-11 of the School Code.
16 (Source: P.A. 95-331, eff. 8-21-07.)

17 Section 995. Savings clause. Any repeal or amendment made
18 by this Act shall not affect or impair any of the following:
19 suits pending or rights existing at the time this Act takes
20 effect; any grant or conveyance made or right acquired or cause
21 of action now existing under any Section, Article, or Act
22 repealed or amended by this Act; the validity of any bonds or
23 other obligations issued or sold and constituting valid
24 obligations of the issuing authority at the time this Act takes
25 effect; the validity of any contract; the validity of any tax

1 levied under any law in effect prior to the effective date of
2 this Act; or any offense committed, act done, penalty,
3 punishment, or forfeiture incurred or any claim, right, power,
4 or remedy accrued under any law in effect prior to the
5 effective date of this Act.

6 Section 999. Effective date. This Act takes effect upon
7 becoming law.