



Sen. Dan McConchie

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1 AMENDMENT TO SENATE BILL 1426

2 AMENDMENT NO. _____. Amend Senate Bill 1426 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The School Code is amended by changing Section
5 11E-135 as follows:

6 (105 ILCS 5/11E-135)

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

12 (a)(1) For a combined school district, as defined in
13 Section 11E-20 of this Code, or for a unit district, as defined
14 in Section 11E-25 of this Code, for its first year of
15 existence, the general State aid and supplemental general State
16 aid calculated under Section 18-8.05 of this Code shall be

1 computed for the new district and for the previously existing
2 districts for which property is totally included within the new
3 district. If the computation on the basis of the previously
4 existing districts is greater, a supplementary payment equal to
5 the difference shall be made for the first 4 years of existence
6 of the new district.

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

22 (3) For 2 or more school districts that annex all of the
23 territory of one or more entire other school districts, as
24 defined in Article 7 of this Code, for the first year during
25 which the change of boundaries attributable to the annexation
26 becomes effective for all purposes, as determined under Section

1 7-9 of this Code, the general State aid and supplemental
2 general State aid calculated under Section 18-8.05 of this Code
3 shall be computed for each annexing district as constituted
4 after the annexation and for each annexing and annexed district
5 as constituted prior to the annexation; and if the aggregate of
6 the general State aid and supplemental general State aid as so
7 computed for the annexing districts as constituted after the
8 annexation is less than the aggregate of the general State aid
9 and supplemental general State aid as so computed for the
10 annexing and annexed districts, as constituted prior to the
11 annexation, then a supplementary payment equal to the
12 difference shall be made and allocated between or among the
13 annexing districts, as constituted upon the annexation, for the
14 first 4 years of their existence. The total difference payment
15 shall be allocated between or among the annexing districts in
16 the same ratio as the pupil enrollment from that portion of the
17 annexed district or districts that is annexed to each annexing
18 district bears to the total pupil enrollment from the entire
19 annexed district or districts, as such pupil enrollment is
20 determined for the school year last ending prior to the date
21 when the change of boundaries attributable to the annexation
22 becomes effective for all purposes. The amount of the total
23 difference payment and the amount thereof to be allocated to
24 the annexing districts shall be computed by the State Board of
25 Education on the basis of pupil enrollment and other data that
26 shall be certified to the State Board of Education, on forms

1 that it shall provide for that purpose, by the regional
2 superintendent of schools for each educational service region
3 in which the annexing and annexed districts are located.

4 (4) For a school district conversion, as defined in Section
5 11E-15 of this Code, or a multi-unit conversion, as defined in
6 subsection (b) of Section 11E-30 of this Code, if in their
7 first year of existence the newly created elementary districts
8 and the newly created high school district, from a school
9 district conversion, or the newly created elementary district
10 or districts and newly created combined high school - unit
11 district, from a multi-unit conversion, qualify for less
12 general State aid under Section 18-8.05 of this Code than would
13 have been payable under Section 18-8.05 for that same year to
14 the previously existing districts, then a supplementary
15 payment equal to that difference shall be made for the first 4
16 years of existence of the newly created districts. The
17 aggregate amount of each supplementary payment shall be
18 allocated among the newly created districts in the proportion
19 that the deemed pupil enrollment in each district during its
20 first year of existence bears to the actual aggregate pupil
21 enrollment in all of the districts during their first year of
22 existence. For purposes of each allocation:

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

1 (B) the deemed pupil enrollment of each newly created
2 elementary district from a school district conversion
3 shall be an amount equal to its actual pupil enrollment for
4 its first year of existence reduced by an amount equal to
5 the product obtained when the amount by which the newly
6 created high school district's deemed pupil enrollment
7 exceeds its actual pupil enrollment for its first year of
8 existence is multiplied by a fraction, the numerator of
9 which is the actual pupil enrollment of the newly created
10 elementary district for its first year of existence and the
11 denominator of which is the actual aggregate pupil
12 enrollment of all of the newly created elementary districts
13 for their first year of existence;

14 (C) the deemed high school pupil enrollment of the
15 newly created combined high school - unit district from a
16 multi-unit conversion shall be an amount equal to its
17 actual grades 9 through 12 pupil enrollment for its first
18 year of existence multiplied by 1.25; and

19 (D) the deemed elementary pupil enrollment of each
20 newly created district from a multi-unit conversion shall
21 be an amount equal to each district's actual grade K
22 through 8 pupil enrollment for its first year of existence,
23 reduced by an amount equal to the product obtained when the
24 amount by which the newly created combined high school -
25 unit district's deemed high school pupil enrollment
26 exceeds its actual grade 9 through 12 pupil enrollment for

1 its first year of existence is multiplied by a fraction,
2 the numerator of which is the actual grade K through 8
3 pupil enrollment of each newly created district for its
4 first year of existence and the denominator of which is the
5 actual aggregate grade K through 8 pupil enrollment of all
6 such newly created districts for their first year of
7 existence.

8 The aggregate amount of each supplementary payment under
9 this subdivision (4) and the amount thereof to be allocated to
10 the newly created districts shall be computed by the State
11 Board of Education on the basis of pupil enrollment and other
12 data, which shall be certified to the State Board of Education,
13 on forms that it shall provide for that purpose, by the
14 regional superintendent of schools for each educational
15 service region in which the newly created districts are
16 located.

17 (5) For a partial elementary unit district, as defined in
18 subsection (a) or (c) of Section 11E-30 of this Code, if, in
19 the first year of existence, the newly created partial
20 elementary unit district qualifies for less general State aid
21 and supplemental general State aid under Section 18-8.05 of
22 this Code than would have been payable under that Section for
23 that same year to the previously existing districts that formed
24 the partial elementary unit district, then a supplementary
25 payment equal to that difference shall be made to the partial
26 elementary unit district for the first 4 years of existence of

1 that newly created district.

2 (6) For an elementary opt-in, as described in subsection
3 (d) of Section 11E-30 of this Code, the general State aid
4 difference shall be computed in accordance with paragraph (5)
5 of this subsection (a) as if the elementary opt-in was included
6 in an optional elementary unit district at the optional
7 elementary unit district's original effective date. If the
8 calculation in this paragraph (6) is less than that calculated
9 in paragraph (5) of this subsection (a) at the optional
10 elementary unit district's original effective date, then no
11 adjustments may be made. If the calculation in this paragraph
12 (6) is more than that calculated in paragraph (5) of this
13 subsection (a) at the optional elementary unit district's
14 original effective date, then the excess must be paid as
15 follows:

16 (A) If the effective date for the elementary opt-in is
17 one year after the effective date for the optional
18 elementary unit district, 100% of the calculated excess
19 shall be paid to the optional elementary unit district in
20 each of the first 4 years after the effective date of the
21 elementary opt-in.

22 (B) If the effective date for the elementary opt-in is
23 2 years after the effective date for the optional
24 elementary unit district, 75% 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 (C) If the effective date for the elementary opt-in is
3 3 years after the effective date for the optional
4 elementary unit district, 50% 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 (D) If the effective date for the elementary opt-in is
9 4 years after the effective date for the optional
10 elementary unit district, 25% 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 (E) If the effective date for the elementary opt-in is
15 5 years after the effective date for the optional
16 elementary unit district, the optional elementary unit
17 district is not eligible for any additional incentives due
18 to the elementary opt-in.

19 (6.5) For a school district that annexes territory detached
20 from another school district whereby the enrollment of the
21 annexing district increases by 90% or more as a result of the
22 annexation, for the first year during which the change of
23 boundaries attributable to the annexation becomes effective
24 for all purposes as determined under Section 7-9 of this Code,
25 the general State aid and supplemental general State aid
26 calculated under this Section shall be computed for the

1 district gaining territory and the district losing territory as
2 constituted after the annexation and for the same districts as
3 constituted prior to the annexation; and if the aggregate of
4 the general State aid and supplemental general State aid as so
5 computed for the district gaining territory and the district
6 losing territory as constituted after the annexation is less
7 than the aggregate of the general State aid and supplemental
8 general State aid as so computed for the district gaining
9 territory and the district losing territory as constituted
10 prior to the annexation, then a supplementary payment shall be
11 made to the annexing district for the first 4 years of
12 existence after the annexation, equal to the difference
13 multiplied by the ratio of student enrollment in the territory
14 detached to the total student enrollment in the district losing
15 territory for the year prior to the effective date of the
16 annexation. The amount of the total difference and the
17 proportion paid to the annexing district shall be computed by
18 the State Board of Education on the basis of pupil enrollment
19 and other data that must be submitted to the State Board of
20 Education in accordance with Section 7-14A of this Code. The
21 changes to this Section made by Public Act 95-707 are intended
22 to be retroactive and applicable to any annexation taking
23 effect on or after July 1, 2004. For annexations that are
24 eligible for payments under this paragraph (6.5) and that are
25 effective on or after July 1, 2004, but before January 11, 2008
26 (the effective date of Public Act 95-707), the first required

1 yearly payment under this paragraph (6.5) shall be paid in the
2 fiscal year of January 11, 2008 (the effective date of Public
3 Act 95-707). Subsequent required yearly payments shall be paid
4 in subsequent fiscal years until the payment obligation under
5 this paragraph (6.5) is complete.

6 (7) Claims for financial assistance under this subsection
7 (a) may not be recomputed except as expressly provided under
8 Section 18-8.05 of this Code.

9 (8) Any supplementary payment made under this subsection
10 (a) must be treated as separate from all other payments made
11 pursuant to Section 18-8.05 of this Code.

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

1 of the previously existing district with the highest salary
2 schedule.

3 (2) After the territory of one or more school districts is
4 annexed by one or more other school districts as defined in
5 Article 7 of this Code, a computation shall be made to
6 determine the difference between the salaries effective in each
7 annexed district and in the annexing district or districts as
8 they were each constituted on June 30 preceding the date when
9 the change of boundaries attributable to the annexation became
10 effective for all purposes, as determined under Section 7-9 of
11 this Code. For the first 4 years after the annexation, a
12 supplementary State aid reimbursement shall be paid to each
13 annexing district as constituted after the annexation equal to
14 the difference between the sum of the salaries earned by each
15 of the certificated members of the annexing district as
16 constituted after the annexation, while employed in an annexed
17 or annexing district during the year immediately preceding the
18 annexation, and the sum of the salaries those certificated
19 members would have been paid during the immediately preceding
20 year if placed on the salary schedule of whichever of the
21 annexing or annexed districts had the highest salary schedule
22 during the immediately preceding year.

23 (3) For each new high school district formed under a school
24 district conversion, as defined in Section 11E-15 of this Code,
25 the State shall make a supplementary payment for 4 years equal
26 to the difference between the sum of the salaries earned by

1 each certified member of the new high school district, while
2 employed in one of the previously existing districts, and the
3 sum of the salaries those certified members would have been
4 paid if placed on the salary schedule of the previously
5 existing district with the highest salary schedule.

6 (4) For each newly created partial elementary unit
7 district, the State shall make a supplementary payment for 4
8 years equal to the difference between the sum of the salaries
9 earned by each certified member of the newly created partial
10 elementary unit district, while employed in one of the
11 previously existing districts that formed the partial
12 elementary unit district, and the sum of the salaries those
13 certified members would have been paid if placed on the salary
14 schedule of the previously existing district with the highest
15 salary schedule. The salary schedules used in the calculation
16 shall be those in effect in the previously existing districts
17 for the school year prior to the creation of the new partial
18 elementary unit district.

19 (5) For an elementary district opt-in, as described in
20 subsection (d) of Section 11E-30 of this Code, the salary
21 difference incentive shall be computed in accordance with
22 paragraph (4) of this subsection (b) as if the opted-in
23 elementary district was included in the optional elementary
24 unit district at the optional elementary unit district's
25 original effective date. If the calculation in this paragraph
26 (5) is less than that calculated in paragraph (4) of this

1 subsection (b) at the optional elementary unit district's
2 original effective date, then no adjustments may be made. If
3 the calculation in this paragraph (5) is more than that
4 calculated in paragraph (4) of this subsection (b) at the
5 optional elementary unit district's original effective date,
6 then the excess must be paid as follows:

7 (A) If the effective date for the elementary opt-in is
8 one year after the effective date for the optional
9 elementary unit district, 100% of the calculated excess
10 shall be paid to the optional elementary unit district in
11 each of the first 4 years after the effective date of the
12 elementary opt-in.

13 (B) If the effective date for the elementary opt-in is
14 2 years after the effective date for the optional
15 elementary unit district, 75% of the calculated excess
16 shall be paid to the optional elementary unit district in
17 each of the first 4 years after the effective date of the
18 elementary opt-in.

19 (C) If the effective date for the elementary opt-in is
20 3 years after the effective date for the optional
21 elementary unit district, 50% of the calculated excess
22 shall be paid to the optional elementary unit district in
23 each of the first 4 years after the effective date of the
24 elementary opt-in.

25 (D) If the effective date for the elementary opt-in is
26 4 years after the effective date for the partial elementary

1 unit district, 25% of the calculated excess shall be paid
2 to the optional elementary unit district in each of the
3 first 4 years after the effective date of the elementary
4 opt-in.

5 (E) If the effective date for the elementary opt-in is
6 5 years after the effective date for the optional
7 elementary unit district, the optional elementary unit
8 district is not eligible for any additional incentives due
9 to the elementary opt-in.

10 (5.5) After the formation of a cooperative high school by 2
11 or more school districts under Section 10-22.22c of this Code,
12 a computation shall be made to determine the difference between
13 the salaries effective in each of the previously existing high
14 schools on June 30 prior to the formation of the cooperative
15 high school. For the first 4 years after the formation of the
16 cooperative high school, a supplementary State aid
17 reimbursement shall be paid to the cooperative high school
18 equal to the difference between the sum of the salaries earned
19 by each of the certificated members of the cooperative high
20 school while employed in one of the previously existing high
21 schools during the year immediately preceding the formation of
22 the cooperative high school and the sum of the salaries those
23 certificated members would have been paid during the year
24 immediately prior to the formation of the cooperative high
25 school if placed on the salary schedule of the previously
26 existing high school with the highest salary schedule.

1 (5.10) After the annexation of territory detached from
2 another school district whereby the enrollment of the annexing
3 district increases by 90% or more as a result of the
4 annexation, a computation shall be made to determine the
5 difference between the salaries effective in the district
6 gaining territory and the district losing territory as they
7 each were constituted on June 30 preceding the date when the
8 change of boundaries attributable to the annexation became
9 effective for all purposes as determined under Section 7-9 of
10 this Code. For the first 4 years after the annexation, a
11 supplementary State aid reimbursement shall be paid to the
12 annexing district equal to the difference between the sum of
13 the salaries earned by each of the certificated members of the
14 annexing district as constituted after the annexation while
15 employed in the district gaining territory or the district
16 losing territory during the year immediately preceding the
17 annexation and the sum of the salaries those certificated
18 members would have been paid during such immediately preceding
19 year if placed on the salary schedule of whichever of the
20 district gaining territory or district losing territory had the
21 highest salary schedule during the immediately preceding year.
22 To be eligible for supplementary State aid reimbursement under
23 this Section, the intergovernmental agreement to be submitted
24 pursuant to Section 7-14A of this Code must show that staff
25 members were transferred from the control of the district
26 losing territory to the control of the district gaining

1 territory in the annexation. The changes to this Section made
2 by Public Act 95-707 are intended to be retroactive and
3 applicable to any annexation taking effect on or after July 1,
4 2004. For annexations that are eligible for payments under this
5 paragraph (5.10) and that are effective on or after July 1,
6 2004, but before January 11, 2008 (the effective date of Public
7 Act 95-707), the first required yearly payment under this
8 paragraph (5.10) shall be paid in the fiscal year of January
9 11, 2008 (the effective date of Public Act 95-707). Subsequent
10 required yearly payments shall be paid in subsequent fiscal
11 years until the payment obligation under this paragraph (5.10)
12 is complete.

13 (5.15) After the deactivation of a school facility in
14 accordance with Section 10-22.22b of this Code, a computation
15 shall be made to determine the difference between the salaries
16 effective in the sending school district and each receiving
17 school district on June 30 prior to the deactivation of the
18 school facility. For the lesser of the first 4 years after the
19 deactivation of the school facility or the length of the
20 deactivation agreement, including any renewals of the original
21 deactivation agreement, a supplementary State aid
22 reimbursement shall be paid to each receiving district equal to
23 the difference between the sum of the salaries earned by each
24 of the certificated members transferred to that receiving
25 district as a result of the deactivation while employed in the
26 sending district during the year immediately preceding the

1 deactivation and the sum of the salaries those certificated
2 members would have been paid during the year immediately
3 preceding the deactivation if placed on the salary schedule of
4 the sending or receiving district with the highest salary
5 schedule.

6 (6) The supplementary State aid reimbursement under this
7 subsection (b) shall be treated as separate from all other
8 payments made pursuant to Section 18-8.05 of this Code. In the
9 case of the formation of a new district or cooperative high
10 school or a deactivation, reimbursement shall begin during the
11 first year of operation of the new district or cooperative high
12 school or the first year of the deactivation, and in the case
13 of an annexation of the territory of one or more school
14 districts by one or more other school districts or the
15 annexation of territory detached from a school district whereby
16 the enrollment of the annexing district increases by 90% or
17 more as a result of the annexation, reimbursement shall begin
18 during the first year when the change in boundaries
19 attributable to the annexation becomes effective for all
20 purposes as determined pursuant to Section 7-9 of this Code,
21 except that for an annexation of territory detached from a
22 school district that is effective on or after July 1, 2004, but
23 before January 11, 2008 (the effective date of Public Act
24 95-707), whereby the enrollment of the annexing district
25 increases by 90% or more as a result of the annexation,
26 reimbursement shall begin during the fiscal year of January 11,

1 2008 (the effective date of Public Act 95-707). Each year that
2 the new, annexing, or receiving district or cooperative high
3 school, as the case may be, is entitled to receive
4 reimbursement, the number of eligible certified members who are
5 employed on October 1 in the district or cooperative high
6 school shall be certified to the State Board of Education on
7 prescribed forms by October 15 and payment shall be made on or
8 before November 15 of that year.

9 (7) Notwithstanding any provision to the contrary in this
10 Section, any reorganized district may maintain two separate
11 salary schedules until the next collective bargaining
12 negotiation.

13 (c) (1) For the first year after the formation of a combined
14 school district, as defined in Section 11E-20 of this Code or a
15 unit district, as defined in Section 11E-25 of this Code, a
16 computation shall be made totaling each previously existing
17 district's audited fund balances in the educational fund,
18 working cash fund, operations and maintenance fund, and
19 transportation fund for the year ending June 30 prior to the
20 referendum for the creation of the new district. The new
21 district shall be paid supplementary State aid equal to the sum
22 of the differences between the deficit of the previously
23 existing district with the smallest deficit and the deficits of
24 each of the other previously existing districts.

25 (2) For the first year after the annexation of all of the
26 territory of one or more entire school districts by another

1 school district, as defined in Article 7 of this Code,
2 computations shall be made, for the year ending June 30 prior
3 to the date that the change of boundaries attributable to the
4 annexation is allowed by the affirmative decision issued by the
5 regional board of school trustees under Section 7-6 of this
6 Code, notwithstanding any effort to seek administrative review
7 of the decision, totaling the annexing district's and totaling
8 each annexed district's audited fund balances in their
9 respective educational, working cash, operations and
10 maintenance, and transportation funds. The annexing district
11 as constituted after the annexation shall be paid supplementary
12 State aid equal to the sum of the differences between the
13 deficit of whichever of the annexing or annexed districts as
14 constituted prior to the annexation had the smallest deficit
15 and the deficits of each of the other districts as constituted
16 prior to the annexation.

17 (3) For the first year after the annexation of all of the
18 territory of one or more entire school districts by 2 or more
19 other school districts, as defined by Article 7 of this Code,
20 computations shall be made, for the year ending June 30 prior
21 to the date that the change of boundaries attributable to the
22 annexation is allowed by the affirmative decision of the
23 regional board of school trustees under Section 7-6 of this
24 Code, notwithstanding any action for administrative review of
25 the decision, totaling each annexing and annexed district's
26 audited fund balances in their respective educational, working

1 cash, operations and maintenance, and transportation funds.
2 The annexing districts as constituted after the annexation
3 shall be paid supplementary State aid, allocated as provided in
4 this paragraph (3), in an aggregate amount equal to the sum of
5 the differences between the deficit of whichever of the
6 annexing or annexed districts as constituted prior to the
7 annexation had the smallest deficit and the deficits of each of
8 the other districts as constituted prior to the annexation. The
9 aggregate amount of the supplementary State aid payable under
10 this paragraph (3) shall be allocated between or among the
11 annexing districts as follows:

12 (A) the regional superintendent of schools for each
13 educational service region in which an annexed district is
14 located prior to the annexation shall certify to the State
15 Board of Education, on forms that it shall provide for that
16 purpose, the value of all taxable property in each annexed
17 district, as last equalized or assessed by the Department
18 of Revenue prior to the annexation, and the equalized
19 assessed value of each part of the annexed district that
20 was annexed to or included as a part of an annexing
21 district;

22 (B) using equalized assessed values as certified by the
23 regional superintendent of schools under clause (A) of this
24 paragraph (3), the combined audited fund balance deficit of
25 each annexed district as determined under this Section
26 shall be apportioned between or among the annexing

1 districts in the same ratio as the equalized assessed value
2 of that part of the annexed district that was annexed to or
3 included as a part of an annexing district bears to the
4 total equalized assessed value of the annexed district; and

5 (C) the aggregate supplementary State aid payment
6 under this paragraph (3) shall be allocated between or
7 among, and shall be paid to, the annexing districts in the
8 same ratio as the sum of the combined audited fund balance
9 deficit of each annexing district as constituted prior to
10 the annexation, plus all combined audited fund balance
11 deficit amounts apportioned to that annexing district
12 under clause (B) of this subsection, bears to the aggregate
13 of the combined audited fund balance deficits of all of the
14 annexing and annexed districts as constituted prior to the
15 annexation.

16 (4) For the new elementary districts and new high school
17 district formed through a school district conversion, as
18 defined in Section 11E-15 of this Code or the new elementary
19 district or districts and new combined high school - unit
20 district formed through a multi-unit conversion, as defined in
21 subsection (b) of Section 11E-30 of this Code, a computation
22 shall be made totaling each previously existing district's
23 audited fund balances in the educational fund, working cash
24 fund, operations and maintenance fund, and transportation fund
25 for the year ending June 30 prior to the referendum
26 establishing the new districts. In the first year of the new

1 districts, the State shall make a one-time supplementary
2 payment equal to the sum of the differences between the deficit
3 of the previously existing district with the smallest deficit
4 and the deficits of each of the other previously existing
5 districts. A district with a combined balance among the 4 funds
6 that is positive shall be considered to have a deficit of zero.
7 The supplementary payment shall be allocated among the newly
8 formed high school and elementary districts in the manner
9 provided by the petition for the formation of the districts, in
10 the form in which the petition is approved by the regional
11 superintendent of schools or State Superintendent of Education
12 under Section 11E-50 of this Code.

13 (5) For each newly created partial elementary unit
14 district, as defined in subsection (a) or (c) of Section 11E-30
15 of this Code, a computation shall be made totaling the audited
16 fund balances of each previously existing district that formed
17 the new partial elementary unit district in the educational
18 fund, working cash fund, operations and maintenance fund, and
19 transportation fund for the year ending June 30 prior to the
20 referendum for the formation of the partial elementary unit
21 district. In the first year of the new partial elementary unit
22 district, the State shall make a one-time supplementary payment
23 to the new district equal to the sum of the differences between
24 the deficit of the previously existing district with the
25 smallest deficit and the deficits of each of the other
26 previously existing districts. A district with a combined

1 balance among the 4 funds that is positive shall be considered
2 to have a deficit of zero.

3 (6) For an elementary opt-in as defined in subsection (d)
4 of Section 11E-30 of this Code, the deficit fund balance
5 incentive shall be computed in accordance with paragraph (5) of
6 this subsection (c) as if the opted-in elementary was included
7 in the optional elementary unit district at the optional
8 elementary unit district's original effective date. If the
9 calculation in this paragraph (6) is less than that calculated
10 in paragraph (5) of this subsection (c) at the optional
11 elementary unit district's original effective date, then no
12 adjustments may be made. If the calculation in this paragraph
13 (6) is more than that calculated in paragraph (5) of this
14 subsection (c) at the optional elementary unit district's
15 original effective date, then the excess must be paid as
16 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 calculated excess
20 shall be paid to the optional elementary unit district in
21 the first year after the effective date of the elementary
22 opt-in.

23 (B) If the effective date for the elementary opt-in is
24 2 years after the effective date for the optional
25 elementary unit district, 75% of the calculated excess
26 shall be paid to the optional elementary unit district in

1 the first year after the effective date of the elementary
2 opt-in.

3 (C) If the effective date for the elementary opt-in is
4 3 years after the effective date for the optional
5 elementary unit district, 50% of the calculated excess
6 shall be paid to the optional elementary unit district in
7 the first year after the effective date of the elementary
8 opt-in.

9 (D) If the effective date for the elementary opt-in is
10 4 years after the effective date for the optional
11 elementary unit district, 25% of the calculated excess
12 shall be paid to the optional elementary unit district in
13 the first year after the effective date of the elementary
14 opt-in.

15 (E) If the effective date for the elementary opt-in is
16 5 years after the effective date for the optional
17 elementary unit district, the optional elementary unit
18 district is not eligible for any additional incentives due
19 to the elementary opt-in.

20 (6.5) For the first year after the annexation of territory
21 detached from another school district whereby the enrollment of
22 the annexing district increases by 90% or more as a result of
23 the annexation, a computation shall be made totaling the
24 audited fund balances of the district gaining territory and the
25 audited fund balances of the district losing territory in the
26 educational fund, working cash fund, operations and

1 maintenance fund, and transportation fund for the year ending
2 June 30 prior to the date that the change of boundaries
3 attributable to the annexation is allowed by the affirmative
4 decision of the regional board of school trustees under Section
5 7-6 of this Code, notwithstanding any action for administrative
6 review of the decision. The annexing district as constituted
7 after the annexation shall be paid supplementary State aid
8 equal to the difference between the deficit of whichever
9 district included in this calculation as constituted prior to
10 the annexation had the smallest deficit and the deficit of each
11 other district included in this calculation as constituted
12 prior to the annexation, multiplied by the ratio of equalized
13 assessed value of the territory detached to the total equalized
14 assessed value of the district losing territory. The regional
15 superintendent of schools for the educational service region in
16 which a district losing territory is located prior to the
17 annexation shall certify to the State Board of Education the
18 value of all taxable property in the district losing territory
19 and the value of all taxable property in the territory being
20 detached, as last equalized or assessed by the Department of
21 Revenue prior to the annexation. To be eligible for
22 supplementary State aid reimbursement under this Section, the
23 intergovernmental agreement to be submitted pursuant to
24 Section 7-14A of this Code must show that fund balances were
25 transferred from the district losing territory to the district
26 gaining territory in the annexation. The changes to this

1 Section made by Public Act 95-707 are intended to be
2 retroactive and applicable to any annexation taking effect on
3 or after July 1, 2004. For annexations that are eligible for
4 payments under this paragraph (6.5) and that are effective on
5 or after July 1, 2004, but before January 11, 2008 (the
6 effective date of Public Act 95-707), the required payment
7 under this paragraph (6.5) shall be paid in the fiscal year of
8 January 11, 2008 (the effective date of Public Act 95-707).

9 (7) For purposes of any calculation required under
10 paragraph (1), (2), (3), (4), (5), (6), or (6.5) of this
11 subsection (c), a district with a combined fund balance that is
12 positive shall be considered to have a deficit of zero. For
13 purposes of determining each district's audited fund balances
14 in its educational fund, working cash fund, operations and
15 maintenance fund, and transportation fund for the specified
16 year ending June 30, as provided in paragraphs (1), (2), (3),
17 (4), (5), (6), and (6.5) of this subsection (c), the balance of
18 each fund shall be deemed decreased by an amount equal to the
19 amount of the annual property tax theretofore levied in the
20 fund by the district for collection and payment to the district
21 during the calendar year in which the June 30 fell, but only to
22 the extent that the tax so levied in the fund actually was
23 received by the district on or before or comprised a part of
24 the fund on such June 30. For purposes of determining each
25 district's audited fund balances, a calculation shall be made
26 for each fund to determine the average for the 3 years prior to

1 the specified year ending June 30, as provided in paragraphs
2 (1), (2), (3), (4), (5), (6), and (6.5) of this subsection (c),
3 of the district's expenditures in the categories "purchased
4 services", "supplies and materials", and "capital outlay", as
5 those categories are defined in rules of the State Board of
6 Education. If this 3-year average is less than the district's
7 expenditures in these categories for the specified year ending
8 June 30, as provided in paragraphs (1), (2), (3), (4), (5),
9 (6), and (6.5) of this subsection (c), then the 3-year average
10 shall be used in calculating the amounts payable under this
11 Section in place of the amounts shown in these categories for
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 Any deficit because of State aid not yet received may not be
15 considered in determining the June 30 deficits. The same basis
16 of accounting shall be used by all previously existing
17 districts and by all annexing or annexed districts, as
18 constituted prior to the annexation, in making any computation
19 required under paragraphs (1), (2), (3), (4), (5), (6), and
20 (6.5) of this subsection (c).

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

24 (d)(1) Following the formation of a combined school
25 district, as defined in Section 11E-20 of this Code, a new unit
26 district, as defined in Section 11E-25 of this Code, a new

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

15	Reorganized District's Rank	Reorganized District's Rank		
16	by type of district (unit,	in Average Daily Attendance		
17	high school, elementary)	By Quintile		
18	in Equalized Assessed Value			
19	Per Pupil by Quintile			
20				3rd, 4th,
21		1st	2nd	or 5th
22		Quintile	Quintile	Quintile
23	1st Quintile	1 year	1 year	1 year
24	2nd Quintile	1 year	2 years	2 years
25	3rd Quintile	2 years	3 years	3 years

1	4th Quintile	2 years	3 years	3 years
2	5th Quintile	2 years	3 years	3 years

3 The State Board of Education shall make a one-time calculation
4 of a reorganized district's quintile ranks. The average daily
5 attendance used in this calculation shall be the best 3 months'
6 average daily attendance for the district's first year. The
7 equalized assessed value per pupil shall be the district's real
8 property equalized assessed value used in calculating the
9 district's first-year general State aid claim, under Section
10 18-8.05 of this Code, divided by the best 3 months' average
11 daily attendance.

12 No annexing or resulting school district shall be entitled
13 to supplementary State aid under this subsection (d) unless the
14 district acquires at least 30% of the average daily attendance
15 of the district from which the territory is being detached or
16 divided.

17 If a district results from multiple reorganizations that
18 would otherwise qualify the district for multiple payments
19 under this subsection (d) in any year, then the district shall
20 receive a single payment only for that year based solely on the
21 most recent reorganization.

22 (2) For an elementary opt-in, as defined in subsection (d)
23 of Section 11E-30 of this Code, the full-time certified staff
24 incentive shall be computed in accordance with paragraph (1) of
25 this subsection (d), equal to the sum of \$4,000 for each

1 certified employee of the elementary district that opts-in who
2 is employed by the optional elementary unit district on a
3 full-time basis for the regular term of the school year. The
4 calculation from this paragraph (2) must be paid as follows:

5 (A) If the effective date for the elementary opt-in is
6 one year after the effective date for the optional
7 elementary unit district, 100% of the amount calculated in
8 this paragraph (2) shall be paid to the optional elementary
9 unit district for the number of years calculated in
10 paragraph (1) of this subsection (d) at the optional
11 elementary unit district's original effective date,
12 starting in the second year after the effective date of the
13 elementary opt-in.

14 (B) If the effective date for the elementary opt-in is
15 2 years after the effective date for the optional
16 elementary unit district, 75% of the amount calculated in
17 this paragraph (2) shall be paid to the optional elementary
18 unit district for the number of years calculated in
19 paragraph (1) of this subsection (d) at the optional
20 elementary unit district's original effective date,
21 starting in the second year after the effective date of the
22 elementary opt-in.

23 (C) If the effective date for the elementary opt-in is
24 3 years after the effective date for the optional
25 elementary unit district, 50% of the amount calculated in
26 this paragraph (2) shall be paid to the optional elementary

1 unit district for the number of years calculated in
2 paragraph (1) of this subsection (d) at the optional
3 elementary unit district's original effective date,
4 starting in the second year after the effective date of the
5 elementary opt-in.

6 (D) If the effective date for the elementary opt-in is
7 4 years after the effective date for the optional
8 elementary unit district, 25% of the amount calculated in
9 this paragraph (2) shall be paid to the optional elementary
10 unit district for the number of years calculated in
11 paragraph (1) of this subsection (d) at the optional
12 elementary unit district's original effective date,
13 starting in the second year after the effective date of the
14 elementary opt-in.

15 (E) If the effective date for the elementary opt-in is
16 5 years after the effective date for the optional
17 elementary unit district, the optional elementary unit
18 district is not eligible for any additional incentives due
19 to the elementary opt-in.

20 (2.5) Following the formation of a cooperative high school
21 by 2 or more school districts under Section 10-22.22c of this
22 Code, a supplementary State aid reimbursement shall be paid for
23 3 school years to the cooperative high school equal to the sum
24 of \$4,000 for each certified employee who is employed by the
25 cooperative high school on a full-time basis for the regular
26 term of any such school year. If a cooperative high school

1 results from multiple agreements that would otherwise qualify
2 the cooperative high school for multiple payments under this
3 Section in any year, the cooperative high school shall receive
4 a single payment for that year based solely on the most recent
5 agreement.

6 (2.10) Following the annexation of territory detached from
7 another school district whereby the enrollment of the annexing
8 district increases 90% or more as a result of the annexation, a
9 supplementary State aid reimbursement shall be paid to the
10 annexing district equal to the sum of \$4,000 for each certified
11 employee who is employed by the annexing district on a
12 full-time basis and shall be calculated in accordance with
13 subsection (a) of this Section. To be eligible for
14 supplementary State aid reimbursement under this Section, the
15 intergovernmental agreement to be submitted pursuant to
16 Section 7-14A of this Code must show that certified staff
17 members were transferred from the control of the district
18 losing territory to the control of the district gaining
19 territory in the annexation. The changes to this Section made
20 by Public Act 95-707 are intended to be retroactive and
21 applicable to any annexation taking effect on or after July 1,
22 2004. For annexations that are eligible for payments under this
23 paragraph (2.10) and that are effective on or after July 1,
24 2004, but before January 11, 2008 (the effective date of Public
25 Act 95-707), the first required yearly payment under this
26 paragraph (2.10) shall be paid in the second fiscal year after

1 January 11, 2008 (the effective date of Public Act 95-707). Any
2 subsequent required yearly payments shall be paid in subsequent
3 fiscal years until the payment obligation under this paragraph
4 (2.10) is complete.

5 (2.15) Following the deactivation of a school facility in
6 accordance with Section 10-22.22b of this Code, a supplementary
7 State aid reimbursement shall be paid for the lesser of 3
8 school years or the length of the deactivation agreement,
9 including any renewals of the original deactivation agreement,
10 to each receiving school district equal to the sum of \$4,000
11 for each certified employee who is employed by that receiving
12 district on a full-time basis for the regular term of any such
13 school year who was originally transferred to the control of
14 that receiving district as a result of the deactivation.
15 Receiving districts are eligible for payments under this
16 paragraph (2.15) based on the certified employees transferred
17 to that receiving district as a result of the deactivation and
18 are not required to receive at least 30% of the deactivating
19 district's average daily attendance as required under
20 paragraph (1) of this subsection (d) to be eligible for
21 payments.

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

26 (4) During May of each school year for which a

1 supplementary State aid reimbursement is to be paid to a new,
2 annexing, or receiving school district or cooperative high
3 school pursuant to this subsection (d), the school board or
4 governing board shall certify to the State Board of Education,
5 on forms furnished to the school board or governing board by
6 the State Board of Education for purposes of this subsection
7 (d), the number of certified employees for which the district
8 or cooperative high school is entitled to reimbursement under
9 this Section, together with the names, certificate numbers, and
10 positions held by the certified employees.

11 (5) Upon certification by the State Board of Education to
12 the State Comptroller of the amount of the supplementary State
13 aid reimbursement to which a school district or cooperative
14 high school is entitled under this subsection (d), the State
15 Comptroller shall draw his or her warrant upon the State
16 Treasurer for the payment thereof to the school district or
17 cooperative high school and shall promptly transmit the payment
18 to the school district or cooperative high school through the
19 appropriate school treasurer.

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