



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB2196

Introduced 4/27/2017, by Sen. Kyle McCarter

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Public Labor Relations Act. Provides that, if a unit of local government provides for arbitration of impasses, the employer's financial ability to fund the proposals based on existing available resources shall be given primary consideration, if that ability is not predicated on certain revenue assumptions. Amends provisions concerning interest arbitration for security employee, peace officer, and fire fighter disputes. Amends the Downstate Teacher Article of the Illinois Pension Code. For FY 2019 through FY 2023, requires the actual employer to contribute a portion of the employer's normal cost. Beginning in FY 2023, requires the employer to contribute the full employer's normal cost. Amends the School Code. Removes provisions concerning modification or waiver of rules regarding contracting with a commercial driver training school. Makes changes to provisions concerning: (i) incentives for school districts that reorganize or annex all of the territory of an entire school district; (ii) discharge of unfunded mandates; (iii) contracts for third party non-instructional services that are currently performed by an employee; and (iv) exceptions to physical education requirements. Amends the Illinois Educational Labor Relations Act. With respect to collective bargaining between an educational employer (other than the Chicago school district) and its employees' representative, provides that, when making wage and benefit determinations during interest arbitration, the employer's financial ability to fund the proposals based on existing available resources shall be given primary consideration, with certain exceptions. Amends the Prevailing Wage Act; exempts public works projects with an estimated project cost of \$250,000 or less. Makes other changes.

LRB100 12499 RPS 25458 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

1 AN ACT concerning government.

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

4 Section 1. The Illinois Public Labor Relations Act is
5 amended by changing Sections 7 and 14 as follows:

6 (5 ILCS 315/7) (from Ch. 48, par. 1607)

7 Sec. 7. Duty to bargain. A public employer and the
8 exclusive representative have the authority and the duty to
9 bargain collectively set forth in this Section.

10 For the purposes of this Act, "to bargain collectively"
11 means the performance of the mutual obligation of the public
12 employer or his designated representative and the
13 representative of the public employees to meet at reasonable
14 times, including meetings in advance of the budget-making
15 process, and to negotiate in good faith with respect to wages,
16 hours, and other conditions of employment, not excluded by
17 Section 4 of this Act, or the negotiation of an agreement, or
18 any question arising thereunder and the execution of a written
19 contract incorporating any agreement reached if requested by
20 either party, but such obligation does not compel either party
21 to agree to a proposal or require the making of a concession.

22 The duty "to bargain collectively" shall also include an
23 obligation to negotiate over any matter with respect to wages,

1 hours and other conditions of employment, not specifically
2 provided for in any other law or not specifically in violation
3 of the provisions of any law. If any other law pertains, in
4 part, to a matter affecting the wages, hours and other
5 conditions of employment, such other law shall not be construed
6 as limiting the duty "to bargain collectively" and to enter
7 into collective bargaining agreements containing clauses which
8 either supplement, implement, or relate to the effect of such
9 provisions in other laws.

10 The duty "to bargain collectively" shall also include
11 negotiations as to the terms of a collective bargaining
12 agreement. The parties may, by mutual agreement, provide for
13 arbitration of impasses resulting from their inability to agree
14 upon wages, hours and terms and conditions of employment to be
15 included in a collective bargaining agreement. Such
16 arbitration provisions shall be subject to the Illinois
17 "Uniform Arbitration Act" unless agreed by the parties. If a
18 unit of local government, as an employer, and public employees
19 provide for arbitration of impasses, the employer's financial
20 ability to fund the proposals based on existing available
21 resources shall be given primary consideration, provided that
22 such ability is not predicated on an assumption that lines of
23 credit or reserve funds are available or that the employer may
24 or will receive or develop new sources of revenue or increase
25 existing sources of revenue.

26 The duty "to bargain collectively" shall also mean that no

1 party to a collective bargaining contract shall terminate or
2 modify such contract, unless the party desiring such
3 termination or modification:

4 (1) serves a written notice upon the other party to the
5 contract of the proposed termination or modification 60
6 days prior to the expiration date thereof, or in the event
7 such contract contains no expiration date, 60 days prior to
8 the time it is proposed to make such termination or
9 modification;

10 (2) offers to meet and confer with the other party for
11 the purpose of negotiating a new contract or a contract
12 containing the proposed modifications;

13 (3) notifies the Board within 30 days after such notice
14 of the existence of a dispute, provided no agreement has
15 been reached by that time; and

16 (4) continues in full force and effect, without
17 resorting to strike or lockout, all the terms and
18 conditions of the existing contract for a period of 60 days
19 after such notice is given to the other party or until the
20 expiration date of such contract, whichever occurs later.

21 The duties imposed upon employers, employees and labor
22 organizations by paragraphs (2), (3) and (4) shall become
23 inapplicable upon an intervening certification of the Board,
24 under which the labor organization, which is a party to the
25 contract, has been superseded as or ceased to be the exclusive
26 representative of the employees pursuant to the provisions of

1 subsection (a) of Section 9, and the duties so imposed shall
2 not be construed as requiring either party to discuss or agree
3 to any modification of the terms and conditions contained in a
4 contract for a fixed period, if such modification is to become
5 effective before such terms and conditions can be reopened
6 under the provisions of the contract.

7 Collective bargaining for home care and home health workers
8 who function as personal assistants and individual maintenance
9 home health workers under the Home Services Program shall be
10 limited to the terms and conditions of employment under the
11 State's control, as defined in Public Act 93-204 or this
12 amendatory Act of the 97th General Assembly, as applicable.

13 Collective bargaining for child and day care home providers
14 under the child care assistance program shall be limited to the
15 terms and conditions of employment under the State's control,
16 as defined in this amendatory Act of the 94th General Assembly.

17 Notwithstanding any other provision of this Section,
18 whenever collective bargaining is for the purpose of
19 establishing an initial agreement following original
20 certification of units with fewer than 35 employees, with
21 respect to public employees other than peace officers, fire
22 fighters, and security employees, the following apply:

23 (1) Not later than 10 days after receiving a written
24 request for collective bargaining from a labor
25 organization that has been newly certified as a
26 representative as defined in Section 6(c), or within such

1 further period as the parties agree upon, the parties shall
2 meet and commence to bargain collectively and shall make
3 every reasonable effort to conclude and sign a collective
4 bargaining agreement.

5 (2) If anytime after the expiration of the 90-day
6 period beginning on the date on which bargaining is
7 commenced the parties have failed to reach an agreement,
8 either party may notify the Illinois Public Labor Relations
9 Board of the existence of a dispute and request mediation
10 in accordance with the provisions of Section 14 of this
11 Act.

12 (3) If after the expiration of the 30-day period
13 beginning on the date on which mediation commenced, or such
14 additional period as the parties may agree upon, the
15 mediator is not able to bring the parties to agreement by
16 conciliation, either the exclusive representative of the
17 employees or the employer may request of the other, in
18 writing, arbitration and shall submit a copy of the request
19 to the board. Upon submission of the request for
20 arbitration, the parties shall be required to participate
21 in the impasse arbitration procedures set forth in Section
22 14 of this Act, except the right to strike shall not be
23 considered waived pursuant to Section 17 of this Act, until
24 the actual convening of the arbitration hearing.

25 (Source: P.A. 97-1158, eff. 1-29-13; 98-1004, eff. 8-18-14.)

1 (5 ILCS 315/14) (from Ch. 48, par. 1614)

2 Sec. 14. Security employee, peace officer and fire fighter
3 disputes.

4 (a) In the case of collective bargaining agreements
5 involving units of security employees of a public employer,
6 Peace Officer Units, or units of fire fighters or paramedics,
7 and in the case of disputes under Section 18, unless the
8 parties mutually agree to some other time limit, mediation
9 shall commence 30 days prior to the expiration date of such
10 agreement or at such later time as the mediation services
11 chosen under subsection (b) of Section 12 can be provided to
12 the parties. In the case of negotiations for an initial
13 collective bargaining agreement, mediation shall commence upon
14 15 days notice from either party or at such later time as the
15 mediation services chosen pursuant to subsection (b) of Section
16 12 can be provided to the parties. In mediation under this
17 Section, if either party requests the use of mediation services
18 from the Federal Mediation and Conciliation Service, the other
19 party shall either join in such request or bear the additional
20 cost of mediation services from another source. The mediator
21 shall have a duty to keep the Board informed on the progress of
22 the mediation. If any dispute has not been resolved within 15
23 days after the first meeting of the parties and the mediator,
24 or within such other time limit as may be mutually agreed upon
25 by the parties, either the exclusive representative or employer
26 may request of the other, in writing, arbitration, and shall

1 submit a copy of the request to the Board.

2 (b) Within 10 days after such a request for arbitration has
3 been made, the employer shall choose a delegate and the
4 employees' exclusive representative shall choose a delegate to
5 a panel of arbitration as provided in this Section. The
6 employer and employees shall forthwith advise the other and the
7 Board of their selections.

8 (c) Within 7 days after the request of either party, the
9 parties shall request a panel of impartial arbitrators from
10 which they shall select the neutral chairman according to the
11 procedures provided in this Section. If the parties have agreed
12 to a contract that contains a grievance resolution procedure as
13 provided in Section 8, the chairman shall be selected using
14 their agreed contract procedure unless they mutually agree to
15 another procedure. If the parties fail to notify the Board of
16 their selection of neutral chairman within 7 days after receipt
17 of the list of impartial arbitrators, the Board shall appoint,
18 at random, a neutral chairman from the list. In the absence of
19 an agreed contract procedure for selecting an impartial
20 arbitrator, either party may request a panel from the Board.
21 Within 7 days of the request of either party, the Board shall
22 select from the Public Employees Labor Mediation Roster 7
23 persons who are on the labor arbitration panels of either the
24 American Arbitration Association or the Federal Mediation and
25 Conciliation Service, or who are members of the National
26 Academy of Arbitrators, as nominees for impartial arbitrator of

1 the arbitration panel. The parties may select an individual on
2 the list provided by the Board or any other individual mutually
3 agreed upon by the parties. Within 7 days following the receipt
4 of the list, the parties shall notify the Board of the person
5 they have selected. Unless the parties agree on an alternate
6 selection procedure, they shall alternatively strike one name
7 from the list provided by the Board until only one name
8 remains. A coin toss shall determine which party shall strike
9 the first name. If the parties fail to notify the Board in a
10 timely manner of their selection for neutral chairman, the
11 Board shall appoint a neutral chairman from the Illinois Public
12 Employees Mediation/Arbitration Roster.

13 (d) The chairman shall call a hearing to begin within 15
14 days and give reasonable notice of the time and place of the
15 hearing. The hearing shall be held at the offices of the Board
16 or at such other location as the Board deems appropriate. The
17 chairman shall preside over the hearing and shall take
18 testimony. Any oral or documentary evidence and other data
19 deemed relevant by the arbitration panel may be received in
20 evidence. The proceedings shall be informal. Technical rules of
21 evidence shall not apply and the competency of the evidence
22 shall not thereby be deemed impaired. A verbatim record of the
23 proceedings shall be made and the arbitrator shall arrange for
24 the necessary recording service. Transcripts may be ordered at
25 the expense of the party ordering them, but the transcripts
26 shall not be necessary for a decision by the arbitration panel.

1 The expense of the proceedings, including a fee for the
2 chairman, shall be borne equally by each of the parties to the
3 dispute. The delegates, if public officers or employees, shall
4 continue on the payroll of the public employer without loss of
5 pay. The hearing conducted by the arbitration panel may be
6 adjourned from time to time, but unless otherwise agreed by the
7 parties, shall be concluded within 30 days of the time of its
8 commencement. Majority actions and rulings shall constitute
9 the actions and rulings of the arbitration panel. Arbitration
10 proceedings under this Section shall not be interrupted or
11 terminated by reason of any unfair labor practice charge filed
12 by either party at any time.

13 (e) The arbitration panel may administer oaths, require the
14 attendance of witnesses, and the production of such books,
15 papers, contracts, agreements and documents as may be deemed by
16 it material to a just determination of the issues in dispute,
17 and for such purpose may issue subpoenas. If any person refuses
18 to obey a subpoena, or refuses to be sworn or to testify, or if
19 any witness, party or attorney is guilty of any contempt while
20 in attendance at any hearing, the arbitration panel may, or the
21 attorney general if requested shall, invoke the aid of any
22 circuit court within the jurisdiction in which the hearing is
23 being held, which court shall issue an appropriate order. Any
24 failure to obey the order may be punished by the court as
25 contempt.

26 (f) At any time before the rendering of an award, the

1 chairman of the arbitration panel, if he is of the opinion that
2 it would be useful or beneficial to do so, may remand the
3 dispute to the parties for further collective bargaining for a
4 period not to exceed 2 weeks. If the dispute is remanded for
5 further collective bargaining the time provisions of this Act
6 shall be extended for a time period equal to that of the
7 remand. The chairman of the panel of arbitration shall notify
8 the Board of the remand.

9 (g) At or before the conclusion of the hearing held
10 pursuant to subsection (d), the arbitration panel shall
11 identify the economic issues in dispute, and direct each of the
12 parties to submit, within such time limit as the panel shall
13 prescribe, to the arbitration panel and to each other its last
14 offer of settlement on each economic issue. The determination
15 of the arbitration panel as to the issues in dispute and as to
16 which of these issues are economic shall be conclusive. The
17 arbitration panel, within 30 days after the conclusion of the
18 hearing, or such further additional periods to which the
19 parties may agree, shall make written findings of fact and
20 promulgate a written opinion and shall mail or otherwise
21 deliver a true copy thereof to the parties and their
22 representatives and to the Board. As to each economic issue,
23 the arbitration panel shall adopt the last offer of settlement
24 which, in the opinion of the arbitration panel, more nearly
25 complies with the applicable factors prescribed in subsection
26 (h). The findings, opinions and order as to all other issues

1 shall be based upon the applicable factors prescribed in
2 subsection (h).

3 (h) Where there is no agreement between the parties, or
4 where there is an agreement but the parties have begun
5 negotiations or discussions looking to a new agreement or
6 amendment of the existing agreement, and wage rates or other
7 conditions of employment under the proposed new or amended
8 agreement are in dispute, the arbitration panel shall base its
9 findings, opinions and order upon the following factors, as
10 applicable:

11 (1) The lawful authority of the employer.

12 (2) Stipulations of the parties.

13 (3) The employer's financial ability to fund the
14 proposals based on existing available resources shall be
15 given primary consideration, provided that such ability is
16 not predicated on an assumption that lines of credit or
17 reserve funds are available or that the employer may or
18 will receive or develop new sources of revenue or increase
19 existing sources of revenue ~~The interests and welfare of~~
20 ~~the public and the financial ability of the unit of~~
21 ~~government to meet those costs.~~

22 (4) Comparison of the wages, hours and conditions of
23 employment of the employees involved in the arbitration
24 proceeding with the wages, hours and conditions of
25 employment of other employees performing similar services
26 and with other employees generally:

1 (A) In public employment in comparable
2 communities.

3 (B) In private employment in comparable
4 communities.

5 (5) The average consumer prices for goods and services,
6 commonly known as the cost of living.

7 (6) The overall compensation presently received by the
8 employees, including direct wage compensation, vacations,
9 holidays and other excused time, insurance and pensions,
10 medical and hospitalization benefits, the continuity and
11 stability of employment and all other benefits received.

12 (7) Changes in any of the foregoing circumstances
13 during the pendency of the arbitration proceedings.

14 (8) Such other factors, not confined to the foregoing,
15 which are normally or traditionally taken into
16 consideration in the determination of wages, hours and
17 conditions of employment through voluntary collective
18 bargaining, mediation, fact-finding, arbitration or
19 otherwise between the parties, in the public service or in
20 private employment.

21 (i) In the case of peace officers, the arbitration decision
22 shall be limited to wages, hours, and conditions of employment
23 (which may include residency requirements in municipalities
24 with a population under 1,000,000, but those residency
25 requirements shall not allow residency outside of Illinois) and
26 shall not include the following: i) residency requirements in

1 municipalities with a population of at least 1,000,000; ii) the
2 type of equipment, other than uniforms, issued or used; iii)
3 manning; iv) the total number of employees employed by the
4 department; v) mutual aid and assistance agreements to other
5 units of government; and vi) the criterion pursuant to which
6 force, including deadly force, can be used; provided, nothing
7 herein shall preclude an arbitration decision regarding
8 equipment or manning levels if such decision is based on a
9 finding that the equipment or manning considerations in a
10 specific work assignment involve a serious risk to the safety
11 of a peace officer beyond that which is inherent in the normal
12 performance of police duties. Limitation of the terms of the
13 arbitration decision pursuant to this subsection shall not be
14 construed to limit the factors upon which the decision may be
15 based, as set forth in subsection (h).

16 In the case of fire fighter, and fire department or fire
17 district paramedic matters, the arbitration decision shall be
18 limited to wages, hours, and conditions of employment
19 (including manning and also including residency requirements
20 in municipalities with a population under 1,000,000, but those
21 residency requirements shall not allow residency outside of
22 Illinois) and shall not include the following matters: i)
23 residency requirements in municipalities with a population of
24 at least 1,000,000; ii) the type of equipment (other than
25 uniforms and fire fighter turnout gear) issued or used; iii)
26 the total number of employees employed by the department; iv)

1 mutual aid and assistance agreements to other units of
2 government; and v) the criterion pursuant to which force,
3 including deadly force, can be used; provided, however, nothing
4 herein shall preclude an arbitration decision regarding
5 equipment levels if such decision is based on a finding that
6 the equipment considerations in a specific work assignment
7 involve a serious risk to the safety of a fire fighter beyond
8 that which is inherent in the normal performance of fire
9 fighter duties. Limitation of the terms of the arbitration
10 decision pursuant to this subsection shall not be construed to
11 limit the facts upon which the decision may be based, as set
12 forth in subsection (h).

13 The changes to this subsection (i) made by Public Act
14 90-385 (relating to residency requirements) do not apply to
15 persons who are employed by a combined department that performs
16 both police and firefighting services; these persons shall be
17 governed by the provisions of this subsection (i) relating to
18 peace officers, as they existed before the amendment by Public
19 Act 90-385.

20 To preserve historical bargaining rights, this subsection
21 shall not apply to any provision of a fire fighter collective
22 bargaining agreement in effect and applicable on the effective
23 date of this Act; provided, however, nothing herein shall
24 preclude arbitration with respect to any such provision.

25 (j) Arbitration procedures shall be deemed to be initiated
26 by the filing of a letter requesting mediation as required

1 under subsection (a) of this Section. The commencement of a new
2 municipal fiscal year after the initiation of arbitration
3 procedures under this Act, but before the arbitration decision,
4 or its enforcement, shall not be deemed to render a dispute
5 moot, or to otherwise impair the jurisdiction or authority of
6 the arbitration panel or its decision. Increases in rates of
7 compensation awarded by the arbitration panel may be effective
8 only at the start of the fiscal year next commencing after the
9 date of the arbitration award. If a new fiscal year has
10 commenced either since the initiation of arbitration
11 procedures under this Act or since any mutually agreed
12 extension of the statutorily required period of mediation under
13 this Act by the parties to the labor dispute causing a delay in
14 the initiation of arbitration, the foregoing limitations shall
15 be inapplicable, and such awarded increases may be retroactive
16 to the commencement of the fiscal year, any other statute or
17 charter provisions to the contrary, notwithstanding. At any
18 time the parties, by stipulation, may amend or modify an award
19 of arbitration.

20 (k) Orders of the arbitration panel shall be reviewable,
21 upon appropriate petition by either the public employer or the
22 exclusive bargaining representative, by the circuit court for
23 the county in which the dispute arose or in which a majority of
24 the affected employees reside, but only for reasons that the
25 arbitration panel was without or exceeded its statutory
26 authority; the order is arbitrary, or capricious; or the order

1 was procured by fraud, collusion or other similar and unlawful
2 means. Such petitions for review must be filed with the
3 appropriate circuit court within 90 days following the issuance
4 of the arbitration order. The pendency of such proceeding for
5 review shall not automatically stay the order of the
6 arbitration panel. The party against whom the final decision of
7 any such court shall be adverse, if such court finds such
8 appeal or petition to be frivolous, shall pay reasonable
9 attorneys' fees and costs to the successful party as determined
10 by said court in its discretion. If said court's decision
11 affirms the award of money, such award, if retroactive, shall
12 bear interest at the rate of 12 percent per annum from the
13 effective retroactive date.

14 (l) During the pendency of proceedings before the
15 arbitration panel, existing wages, hours, and other conditions
16 of employment shall not be changed by action of either party
17 without the consent of the other but a party may so consent
18 without prejudice to his rights or position under this Act. The
19 proceedings are deemed to be pending before the arbitration
20 panel upon the initiation of arbitration procedures under this
21 Act.

22 (m) Security officers of public employers, and Peace
23 Officers, Fire Fighters and fire department and fire protection
24 district paramedics, covered by this Section may not withhold
25 services, nor may public employers lock out or prevent such
26 employees from performing services at any time.

1 (n) All of the terms decided upon by the arbitration panel
2 shall be included in an agreement to be submitted to the public
3 employer's governing body for ratification and adoption by law,
4 ordinance or the equivalent appropriate means.

5 The governing body shall review each term decided by the
6 arbitration panel. If the governing body fails to reject one or
7 more terms of the arbitration panel's decision by a 3/5 vote of
8 those duly elected and qualified members of the governing body,
9 within 20 days of issuance, or in the case of firefighters
10 employed by a state university, at the next regularly scheduled
11 meeting of the governing body after issuance, such term or
12 terms shall become a part of the collective bargaining
13 agreement of the parties. If the governing body affirmatively
14 rejects one or more terms of the arbitration panel's decision,
15 it must provide reasons for such rejection with respect to each
16 term so rejected, within 20 days of such rejection and the
17 parties shall return to the arbitration panel for further
18 proceedings and issuance of a supplemental decision with
19 respect to the rejected terms. Any supplemental decision by an
20 arbitration panel or other decision maker agreed to by the
21 parties shall be submitted to the governing body for
22 ratification and adoption in accordance with the procedures and
23 voting requirements set forth in this Section. The voting
24 requirements of this subsection shall apply to all disputes
25 submitted to arbitration pursuant to this Section
26 notwithstanding any contrary voting requirements contained in

1 any existing collective bargaining agreement between the
2 parties.

3 (o) If the governing body of the employer votes to reject
4 the panel's decision, the parties shall return to the panel
5 within 30 days from the issuance of the reasons for rejection
6 for further proceedings and issuance of a supplemental
7 decision. All reasonable costs of such supplemental proceeding
8 including the exclusive representative's reasonable attorney's
9 fees, as established by the Board, shall be paid by the
10 employer.

11 (p) Notwithstanding the provisions of this Section the
12 employer and exclusive representative may agree to submit
13 unresolved disputes concerning wages, hours, terms and
14 conditions of employment to an alternative form of impasse
15 resolution.

16 (Source: P.A. 98-535, eff. 1-1-14; 98-1151, eff. 1-7-15.)

17 Section 5. The Illinois Pension Code is amended by changing
18 Section 16-158 as follows:

19 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

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

22 Sec. 16-158. Contributions by State and other employing
23 units.

24 (a) The State shall make contributions to the System by

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

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

12 (a-1) Annually, on or before November 15 until November 15,
13 2011, the Board shall certify to the Governor the amount of the
14 required State contribution for the coming fiscal year. The
15 certification under this subsection (a-1) shall include a copy
16 of the actuarial recommendations upon which it is based and
17 shall specifically identify the System's projected State
18 normal cost for that fiscal year.

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

25 On or before July 1, 2005, the Board shall recalculate and
26 recertify to the Governor the amount of the required State

1 contribution to the System for State fiscal year 2006, taking
2 into account the changes in required State contributions made
3 by this amendatory Act of the 94th General Assembly.

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

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

1 for not following the State Actuary's recommended changes, and
2 the fiscal impact of not following the State Actuary's
3 recommended changes on the required State contribution.

4 (a-10) As soon as practical after the effective date of
5 this amendatory Act of the 100th General Assembly, the Board
6 shall recalculate and recertify to the State Actuary, the
7 Governor, and the General Assembly the projected amount of the
8 required State contribution to the System for State fiscal year
9 2019, taking into account the actual-employer normal-cost
10 contributions required by this amendatory Act of the 100th
11 General Assembly.

12 (a-15) As soon as practical after the effective date of
13 this amendatory act of the 100th General Assembly, the Board
14 shall calculate and certify to the State Actuary, the Governor,
15 the General Assembly, and each employer under this Article the
16 rate of the actual-employer normal-cost contribution to the
17 System for State fiscal year 2019, expressed as a percentage of
18 salary and determined on a system-wide basis.

19 On or before November 1 of each year, the Board shall
20 calculate and certify to the State Actuary, the Governor, and
21 the General Assembly, and to each employer under this Article
22 (i) the rate of the actual-employer normal-cost contribution to
23 the System for the next fiscal year, expressed as a percentage
24 of salary and determined on an annual, system-wide basis, and
25 (ii) the projected amount of each employer's contribution for
26 that fiscal year.

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

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

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

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

4 (b-3) For State fiscal years 2012 through 2045, the minimum
5 contribution to the System to be made by the State for each
6 fiscal year shall be an amount determined by the System to be
7 sufficient to bring the total assets of the System up to 90% of
8 the total actuarial liabilities of the System by the end of
9 State fiscal year 2045. In making these determinations, the
10 required State contribution shall be calculated each year as a
11 level percentage of payroll over the years remaining to and
12 including fiscal year 2045 and shall be determined under the
13 projected unit credit actuarial cost method. For State fiscal
14 year 2019 and each year thereafter, the required State
15 contribution shall take into consideration the amount of the
16 actual-employer normal-cost contribution required under
17 subsection (b-4).

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

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

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

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

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

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

1 due to the issuance of discounted bonds, if applicable.

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

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

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

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

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

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

7 (b-4) For fiscal year 2019, the actual employer of a
8 teacher shall contribute an amount equal to 20% of the full
9 employer's normal cost of the benefits earned under this System
10 that result from employment by that employer, to be paid to the
11 System on a payroll-by-payroll basis, using the percentage of
12 salary determined on a system-wide basis and certified by the
13 System to all employers for use in the applicable fiscal year.

14 For fiscal year 2020, the actual employer of a teacher
15 shall contribute an amount equal to 40% of the full employer's
16 normal cost of the benefits earned under this System that
17 result from employment by that employer, to be paid to the
18 System on a payroll-by-payroll basis, using the percentage of
19 salary determined on a system-wide basis and certified by the
20 System to all employers for use in the applicable fiscal year.

21 For fiscal year 2021, the actual employer of a teacher
22 shall contribute an amount equal to 60% of the full employer's
23 normal cost of the benefits earned under this System that
24 result from employment by that employer, to be paid to the
25 System on a payroll-by-payroll basis, using the percentage of
26 salary determined on a system-wide basis and certified by the

1 System to all employers for use in the applicable fiscal year.

2 For fiscal year 2022, the actual employer of a teacher
3 shall contribute an amount equal to 80% of the full employer's
4 normal cost of the benefits earned under this System that
5 result from employment by that employer, to be paid to the
6 System on a payroll-by-payroll basis, using the percentage of
7 salary determined on a system-wide basis and certified by the
8 System to all employers for use in the applicable fiscal year.

9 For fiscal year 2023 and each fiscal year thereafter, the
10 actual employer of a teacher shall contribute an amount equal
11 to the full employer's normal cost of the benefits earned under
12 this System that result from employment by that employer, to be
13 paid to the System on a payroll-by-payroll basis, using the
14 percentage of salary determined on a system-wide basis and
15 certified by the System to all employers for use in the
16 applicable fiscal year.

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

22 If members are paid from special trust or federal funds
23 which are administered by the employing unit, whether school
24 district or other unit, the employing unit shall pay to the
25 System from such funds the full accruing retirement costs based
26 upon that service, which, beginning July 1, 2014, shall be at a

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

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

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

1 shall also pay the required employee contribution on behalf of
2 the teacher. For the purposes of Sections 16-133.4 and
3 16-133.5, a teacher as defined in paragraph (8) of Section
4 16-106 who is serving in that capacity while on leave of
5 absence from another employer under this Article shall not be
6 considered an employee of the employer from which the teacher
7 is on leave.

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

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

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

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

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

25 Each employer of teachers is entitled to a credit against
26 the contributions required under this subsection (e) with

1 respect to salaries paid to teachers for the period January 1,
2 2002 through June 30, 2003, equal to the amount paid by that
3 employer under subsection (a-5) of Section 6.6 of the State
4 Employees Group Insurance Act of 1971 with respect to salaries
5 paid to teachers for that period.

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

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

23 (f) If the amount of a teacher's salary for any school year
24 used to determine final average salary exceeds the member's
25 annual full-time salary rate with the same employer for the
26 previous school year by more than 6%, the teacher's employer

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

21 Whenever it determines that a payment is or may be required
22 under this subsection, the System shall calculate the amount of
23 the payment and bill the employer for that amount. The bill
24 shall specify the calculations used to determine the amount
25 due. If the employer disputes the amount of the bill, it may,
26 within 30 days after receipt of the bill, apply to the System

1 in writing for a recalculation. The application must specify in
2 detail the grounds of the dispute and, if the employer asserts
3 that the calculation is subject to subsection (g) or (h) of
4 this Section, must include an affidavit setting forth and
5 attesting to all facts within the employer's knowledge that are
6 pertinent to the applicability of that subsection. Upon
7 receiving a timely application for recalculation, the System
8 shall review the application and, if appropriate, recalculate
9 the amount due.

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

19 (g) This subsection (g) applies only to payments made or
20 salary increases given on or after June 1, 2005 but before July
21 1, 2011. The changes made by Public Act 94-1057 shall not
22 require the System to refund any payments received before July
23 31, 2006 (the effective date of Public Act 94-1057).

24 When assessing payment for any amount due under subsection
25 (f), the System shall exclude salary increases paid to teachers
26 under contracts or collective bargaining agreements entered

1 into, amended, or renewed before June 1, 2005.

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

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

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

1 requiring the same certification or the amount stipulated in
2 the collective bargaining agreement for a similar position
3 requiring the same certification.

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

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

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

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

26 (2) The dollar amount by which each employer's

1 contribution to the System was changed due to
2 recalculations required by Public Act 94-1057.

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

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

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

13 As of June 30, 2008, the actuarial value of the System's
14 assets shall be equal to the market value of the assets as of
15 that date. In determining the actuarial value of the System's
16 assets for fiscal years after June 30, 2008, any actuarial
17 gains or losses from investment return incurred in a fiscal
18 year shall be recognized in equal annual amounts over the
19 5-year period following that fiscal year.

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

24 (Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11;
25 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-694, eff.
26 6-18-12; 97-813, eff. 7-13-12; 98-674, eff. 6-30-14.)

1 Section 10. The School Code is amended by changing Sections
2 2-3.25g, 10-22.34c, 11E-135, 27-6, 27-7, and 27-24.2 and by
3 adding Section 22-62 as follows:

4 (105 ILCS 5/2-3.25g) (from Ch. 122, par. 2-3.25g)

5 Sec. 2-3.25g. Waiver or modification of mandates within the
6 School Code and administrative rules and regulations.

7 (a) In this Section:

8 "Board" means a school board or the governing board or
9 administrative district, as the case may be, for a joint
10 agreement.

11 "Eligible applicant" means a school district, joint
12 agreement made up of school districts, or regional
13 superintendent of schools on behalf of schools and programs
14 operated by the regional office of education.

15 "Implementation date" has the meaning set forth in
16 Section 24A-2.5 of this Code.

17 "State Board" means the State Board of Education.

18 (b) Notwithstanding any other provisions of this School
19 Code or any other law of this State to the contrary, eligible
20 applicants may petition the State Board of Education for the
21 waiver or modification of the mandates of this School Code or
22 of the administrative rules and regulations promulgated by the
23 State Board of Education. Waivers or modifications of
24 administrative rules and regulations and modifications of

1 mandates of this School Code may be requested when an eligible
2 applicant demonstrates that it can address the intent of the
3 rule or mandate in a more effective, efficient, or economical
4 manner or when necessary to stimulate innovation or improve
5 student performance. Waivers of mandates of the School Code may
6 be requested when the waivers are necessary to stimulate
7 innovation or improve student performance. Waivers may not be
8 requested from laws, rules, and regulations pertaining to
9 special education, teacher educator licensure, teacher tenure
10 and seniority, or Section 5-2.1 of this Code or from compliance
11 with the No Child Left Behind Act of 2001 (Public Law 107-110).
12 Eligible applicants may not seek a waiver or seek a
13 modification of a mandate regarding the requirements for (i)
14 student performance data to be a significant factor in teacher
15 or principal evaluations or (ii) teachers and principals to be
16 rated using the 4 categories of "excellent", "proficient",
17 "needs improvement", or "unsatisfactory". On September 1,
18 2014, any previously authorized waiver or modification from
19 such requirements shall terminate.

20 (c) Eligible applicants, as a matter of inherent managerial
21 policy, and any Independent Authority established under
22 Section 2-3.25f-5 of this Code may submit an application for a
23 waiver or modification authorized under this Section. Each
24 application must include a written request by the eligible
25 applicant or Independent Authority and must demonstrate that
26 the intent of the mandate can be addressed in a more effective,

1 efficient, or economical manner or be based upon a specific
2 plan for improved student performance and school improvement.
3 Any eligible applicant requesting a waiver or modification for
4 the reason that intent of the mandate can be addressed in a
5 more economical manner shall include in the application a
6 fiscal analysis showing current expenditures on the mandate and
7 projected savings resulting from the waiver or modification.
8 Applications and plans developed by eligible applicants must be
9 approved by the board or regional superintendent of schools
10 applying on behalf of schools or programs operated by the
11 regional office of education following a public hearing on the
12 application and plan and the opportunity for the board or
13 regional superintendent to hear testimony from staff directly
14 involved in its implementation, parents, and students. The time
15 period for such testimony shall be separate from the time
16 period established by the eligible applicant for public comment
17 on other matters. If the applicant is a school district or
18 joint agreement requesting a waiver or modification of Section
19 27-6 of this Code, the public hearing shall be held on a day
20 other than the day on which a regular meeting of the board is
21 held.

22 (c-5) If the applicant is a school district, then the
23 district shall post information that sets forth the time, date,
24 place, and general subject matter of the public hearing on its
25 Internet website at least 14 days prior to the hearing. If the
26 district is requesting to increase the fee charged for driver

1 education authorized pursuant to Section 27-24.2 of this Code,
2 the website information shall include the proposed amount of
3 the fee the district will request. All school districts must
4 publish a notice of the public hearing at least 7 days prior to
5 the hearing in a newspaper of general circulation within the
6 school district that sets forth the time, date, place, and
7 general subject matter of the hearing. Districts requesting to
8 increase the fee charged for driver education shall include in
9 the published notice the proposed amount of the fee the
10 district will request. If the applicant is a joint agreement or
11 regional superintendent, then the joint agreement or regional
12 superintendent shall post information that sets forth the time,
13 date, place, and general subject matter of the public hearing
14 on its Internet website at least 14 days prior to the hearing.
15 If the joint agreement or regional superintendent is requesting
16 to increase the fee charged for driver education authorized
17 pursuant to Section 27-24.2 of this Code, the website
18 information shall include the proposed amount of the fee the
19 applicant will request. All joint agreements and regional
20 superintendents must publish a notice of the public hearing at
21 least 7 days prior to the hearing in a newspaper of general
22 circulation in each school district that is a member of the
23 joint agreement or that is served by the educational service
24 region that sets forth the time, date, place, and general
25 subject matter of the hearing, provided that a notice appearing
26 in a newspaper generally circulated in more than one school

1 district shall be deemed to fulfill this requirement with
2 respect to all of the affected districts. Joint agreements or
3 regional superintendents requesting to increase the fee
4 charged for driver education shall include in the published
5 notice the proposed amount of the fee the applicant will
6 request. The eligible applicant must notify in writing the
7 affected exclusive collective bargaining agent and those State
8 legislators representing the eligible applicant's territory of
9 its intent to seek approval of a waiver or modification and of
10 the hearing to be held to take testimony from staff. The
11 affected exclusive collective bargaining agents shall be
12 notified of such public hearing at least 7 days prior to the
13 date of the hearing and shall be allowed to attend such public
14 hearing. The eligible applicant shall attest to compliance with
15 all of the notification and procedural requirements set forth
16 in this Section.

17 (d) A request for a waiver or modification of
18 administrative rules and regulations or for a modification of
19 mandates contained in this School Code shall be submitted to
20 the State Board of Education within 15 days after approval by
21 the board or regional superintendent of schools. The
22 application as submitted to the State Board of Education shall
23 include a description of the public hearing. ~~Except with~~
24 ~~respect to contracting for adaptive driver education, an~~
25 ~~eligible applicant wishing to request a modification or waiver~~
26 ~~of administrative rules of the State Board of Education~~

1 ~~regarding contracting with a commercial driver training school~~
2 ~~to provide the course of study authorized under Section 27-24.2~~
3 ~~of this Code must provide evidence with its application that~~
4 ~~the commercial driver training school with which it will~~
5 ~~contract holds a license issued by the Secretary of State under~~
6 ~~Article IV of Chapter 6 of the Illinois Vehicle Code and that~~
7 ~~each instructor employed by the commercial driver training~~
8 ~~school to provide instruction to students served by the school~~
9 ~~district holds a valid teaching certificate or teaching~~
10 ~~license, as applicable, issued under the requirements of this~~
11 ~~Code and rules of the State Board of Education. Such evidence~~
12 ~~must include, but need not be limited to, a list of each~~
13 ~~instructor assigned to teach students served by the school~~
14 ~~district, which list shall include the instructor's name,~~
15 ~~personal identification number as required by the State Board~~
16 ~~of Education, birth date, and driver's license number. If the~~
17 ~~modification or waiver is granted, then the eligible applicant~~
18 ~~shall notify the State Board of Education of any changes in the~~
19 ~~personnel providing instruction within 15 calendar days after~~
20 ~~an instructor leaves the program or a new instructor is hired.~~
21 ~~Such notification shall include the instructor's name,~~
22 ~~personal identification number as required by the State Board~~
23 ~~of Education, birth date, and driver's license number. If a~~
24 ~~school district maintains an Internet website, then the~~
25 ~~district shall post a copy of the final contract between the~~
26 ~~district and the commercial driver training school on the~~

1 ~~district's Internet website. If no Internet website exists,~~
2 ~~then the district shall make available the contract upon~~
3 ~~request. A record of all materials in relation to the~~
4 ~~application for contracting must be maintained by the school~~
5 ~~district and made available to parents and guardians upon~~
6 ~~request. The instructor's date of birth and driver's license~~
7 ~~number and any other personally identifying information as~~
8 ~~deemed by the federal Driver's Privacy Protection Act of 1994~~
9 ~~must be redacted from any public materials.~~ Following receipt
10 of the waiver or modification request, the State Board shall
11 have 45 days to review the application and request. If the
12 State Board fails to disapprove the application within that 45
13 day period, the waiver or modification shall be deemed granted.
14 The State Board may disapprove any request if it is not based
15 upon sound educational practices, endangers the health or
16 safety of students or staff, compromises equal opportunities
17 for learning, or fails to demonstrate that the intent of the
18 rule or mandate can be addressed in a more effective,
19 efficient, or economical manner or have improved student
20 performance as a primary goal. Any request disapproved by the
21 State Board may be appealed to the General Assembly by the
22 eligible applicant as outlined in this Section.

23 A request for a waiver from mandates contained in this
24 School Code shall be submitted to the State Board within 15
25 days after approval by the board or regional superintendent of
26 schools. The application as submitted to the State Board of

1 Education shall include a description of the public hearing.
2 The description shall include, but need not be limited to, the
3 means of notice, the number of people in attendance, the number
4 of people who spoke as proponents or opponents of the waiver, a
5 brief description of their comments, and whether there were any
6 written statements submitted. The State Board shall review the
7 applications and requests for completeness and shall compile
8 the requests in reports to be filed with the General Assembly.
9 The State Board shall file reports outlining the waivers
10 requested by eligible applicants and appeals by eligible
11 applicants of requests disapproved by the State Board with the
12 Senate and the House of Representatives before each March 1 and
13 October 1. The General Assembly may disapprove the report of
14 the State Board in whole or in part within 60 calendar days
15 after each house of the General Assembly next convenes after
16 the report is filed by adoption of a resolution by a record
17 vote of the majority of members elected in each house. If the
18 General Assembly fails to disapprove any waiver request or
19 appealed request within such 60 day period, the waiver or
20 modification shall be deemed granted. Any resolution adopted by
21 the General Assembly disapproving a report of the State Board
22 in whole or in part shall be binding on the State Board.

23 (e) An approved waiver or modification (except a waiver
24 from or modification to a physical education mandate) may
25 remain in effect for a period not to exceed 5 school years and
26 may be renewed upon application by the eligible applicant.

1 However, such waiver or modification may be changed within that
2 5-year period by a board or regional superintendent of schools
3 applying on behalf of schools or programs operated by the
4 regional office of education following the procedure as set
5 forth in this Section for the initial waiver or modification
6 request. If neither the State Board of Education nor the
7 General Assembly disapproves, the change is deemed granted.

8 An approved waiver from or modification to a physical
9 education mandate may remain in effect for a period not to
10 exceed 2 school years and may be renewed no more than 2 times
11 upon application by the eligible applicant. An approved waiver
12 from or modification to a physical education mandate may be
13 changed within the 2-year period by the board or regional
14 superintendent of schools, whichever is applicable, following
15 the procedure set forth in this Section for the initial waiver
16 or modification request. If neither the State Board of
17 Education nor the General Assembly disapproves, the change is
18 deemed granted.

19 (f) (Blank).

20 (Source: P.A. 98-513, eff. 1-1-14; 98-739, eff. 7-16-14;
21 98-1155, eff. 1-9-15; 99-78, eff. 7-20-15.)

22 (105 ILCS 5/10-22.34c)

23 Sec. 10-22.34c. Third party non-instructional services.
24 Notwithstanding any other law of this State, nothing in this
25 Code prevents a ~~(a) A~~ board of education from entering ~~may~~

1 ~~enter~~ into a contract with a third party for non-instructional
2 services currently performed by any employee or bargaining unit
3 member or from laying ~~lay~~ off those educational support
4 personnel employees upon 30 ~~90~~ days written notice to the
5 affected employees., ~~provided that:~~

6 ~~(1) a contract must not be entered into and become~~
7 ~~effective during the term of a collective bargaining~~
8 ~~agreement, as that term is set forth in the agreement,~~
9 ~~covering any employees who perform the non instructional~~
10 ~~services;~~

11 ~~(2) a contract may only take effect upon the expiration~~
12 ~~of an existing collective bargaining agreement;~~

13 ~~(3) any third party that submits a bid to perform the~~
14 ~~non-instructional services shall provide the following:~~

15 ~~(A) evidence of liability insurance in scope and~~
16 ~~amount equivalent to the liability insurance provided~~
17 ~~by the school board pursuant to Section 10-22.3 of this~~
18 ~~Code;~~

19 ~~(B) a benefits package for the third party's~~
20 ~~employees who will perform the non-instructional~~
21 ~~services comparable to the benefits package provided~~
22 ~~to school board employees who perform those services;~~

23 ~~(C) a list of the number of employees who will~~
24 ~~provide the non-instructional services, the job~~
25 ~~classifications of those employees, and the wages the~~
26 ~~third party will pay those employees;~~

1 ~~(D) a minimum 3 year cost projection, using~~
2 ~~generally accepted accounting principles and which the~~
3 ~~third party is prohibited from increasing if the bid is~~
4 ~~accepted by the school board, for each and every~~
5 ~~expenditure category and account for performing the~~
6 ~~non instructional services;~~

7 ~~(E) composite information about the criminal and~~
8 ~~disciplinary records, including alcohol or other~~
9 ~~substance abuse, Department of Children and Family~~
10 ~~Services complaints and investigations, traffic~~
11 ~~violations, and license revocations or any other~~
12 ~~licensure problems, of any employees who may perform~~
13 ~~the non instructional services, provided that the~~
14 ~~individual names and other identifying information of~~
15 ~~employees need not be provided with the submission of~~
16 ~~the bid, but must be made available upon request of the~~
17 ~~school board; and~~

18 ~~(F) an affidavit, notarized by the president or~~
19 ~~chief executive officer of the third party, that each~~
20 ~~of its employees has completed a criminal background~~
21 ~~check as required by Section 10-21.9 of this Code~~
22 ~~within 3 months prior to submission of the bid,~~
23 ~~provided that the results of such background checks~~
24 ~~need not be provided with the submission of the bid,~~
25 ~~but must be made available upon request of the school~~
26 ~~board;~~

1 ~~(4) a contract must not be entered into unless the~~
2 ~~school board provides a cost comparison, using generally~~
3 ~~accepted accounting principles, of each and every~~
4 ~~expenditure category and account that the school board~~
5 ~~projects it would incur over the term of the contract if it~~
6 ~~continued to perform the non instructional services using~~
7 ~~its own employees with each and every expenditure category~~
8 ~~and account that is projected a third party would incur if~~
9 ~~a third party performed the non instructional services;~~

10 ~~(5) review and consideration of all bids by third~~
11 ~~parties to perform the non instructional services shall~~
12 ~~take place in open session of a regularly scheduled school~~
13 ~~board meeting, unless the exclusive bargaining~~
14 ~~representative of the employees who perform the~~
15 ~~non instructional services, if any such exclusive~~
16 ~~bargaining representative exists, agrees in writing that~~
17 ~~such review and consideration can take place in open~~
18 ~~session at a specially scheduled school board meeting;~~

19 ~~(6) a minimum of one public hearing, conducted by the~~
20 ~~school board prior to a regularly scheduled school board~~
21 ~~meeting, to discuss the school board's proposal to contract~~
22 ~~with a third party to perform the non instructional~~
23 ~~services must be held before the school board may enter~~
24 ~~into such a contract; the school board must provide notice~~
25 ~~to the public of the date, time, and location of the first~~
26 ~~public hearing on or before the initial date that bids to~~

1 ~~provide the non-instructional services are solicited or a~~
2 ~~minimum of 30 days prior to entering into such a contract,~~
3 ~~whichever provides a greater period of notice;~~

4 ~~(7) a contract shall contain provisions requiring the~~
5 ~~contractor to offer available employee positions pursuant~~
6 ~~to the contract to qualified school district employees~~
7 ~~whose employment is terminated because of the contract; and~~

8 ~~(8) a contract shall contain provisions requiring the~~
9 ~~contractor to comply with a policy of nondiscrimination and~~
10 ~~equal employment opportunity for all persons and to take~~
11 ~~affirmative steps to provide equal opportunity for all~~
12 ~~persons.~~

13 ~~(b) Notwithstanding subsection (a) of this Section, a board~~
14 ~~of education may enter into a contract, of no longer than 3~~
15 ~~months in duration, with a third party for non-instructional~~
16 ~~services currently performed by an employee or bargaining unit~~
17 ~~member for the purpose of augmenting the current workforce in~~
18 ~~an emergency situation that threatens the safety or health of~~
19 ~~the school district's students or staff, provided that the~~
20 ~~school board meets all of its obligations under the Illinois~~
21 ~~Educational Labor Relations Act.~~

22 ~~(c) The changes to this Section made by this amendatory Act~~
23 ~~of the 95th General Assembly are not applicable to~~
24 ~~non-instructional services of a school district that on the~~
25 ~~effective date of this amendatory Act of the 95th General~~
26 ~~Assembly are performed for the school district by a third~~

1 ~~party.~~

2 (Source: P.A. 95-241, eff. 8-17-07; 96-328, eff. 8-11-09.)

3 (105 ILCS 5/11E-135)

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

9 (a)(1) For a combined school district, as defined in
10 Section 11E-20 of this Code, or for a unit district, as defined
11 in Section 11E-25 of this Code, for its first year of
12 existence, 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 new district and for the previously existing
15 districts for which property is totally included within the new
16 district. If the computation on the basis of the previously
17 existing districts is greater, a supplementary payment equal to
18 the difference shall be made for the first 4 years of existence
19 of the new district.

20 (2) For a school district that annexes all of the territory
21 of one or more entire other school districts as defined in
22 Article 7 of this Code, for the first year during which the
23 change of boundaries attributable to the annexation becomes
24 effective for all purposes, as determined under Section 7-9 of
25 this Code, the general State aid and supplemental general State

1 aid calculated under Section 18-8.05 of this Code shall be
2 computed for the annexing district as constituted after the
3 annexation and for the annexing and each annexed district as
4 constituted prior to the annexation; and if the computation on
5 the basis of the annexing and annexed districts as constituted
6 prior to the annexation is greater, then a supplementary
7 payment equal to the difference shall be made for the first 4
8 years of existence of the annexing school district as
9 constituted upon the annexation.

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

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

18 (4) For a school district conversion, as defined in Section
19 11E-15 of this Code, or a multi-unit conversion, as defined in
20 subsection (b) of Section 11E-30 of this Code, if in their
21 first year of existence the newly created elementary districts
22 and the newly created high school district, from a school
23 district conversion, or the newly created elementary district
24 or districts and newly created combined high school - unit
25 district, from a multi-unit conversion, qualify for less
26 general State aid under Section 18-8.05 of this Code than would

1 have been payable under Section 18-8.05 for that same year to
2 the previously existing districts, then a supplementary
3 payment equal to that difference shall be made for the first 4
4 years of existence of the newly created districts. The
5 aggregate amount of each supplementary payment shall be
6 allocated among the newly created districts in the proportion
7 that the deemed pupil enrollment in each district during its
8 first year of existence bears to the actual aggregate pupil
9 enrollment in all of the districts during their first year of
10 existence. For purposes of each allocation:

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

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

1 for their first year of existence;

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

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

22 The aggregate amount of each supplementary payment under
23 this subdivision (4) and the amount thereof to be allocated to
24 the newly created districts shall be computed by the State
25 Board of Education on the basis of pupil enrollment and other
26 data, which shall be certified to the State Board of Education,

1 on forms that it shall provide for that purpose, by the
2 regional superintendent of schools for each educational
3 service region in which the newly created districts are
4 located.

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

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

1 subsection (a) at the optional elementary unit district's
2 original effective date, then the excess must be paid as
3 follows:

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

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

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

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

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

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

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

26 (b) (1) After the formation of a combined school district,

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

17 (2) After the territory of one or more school districts is
18 annexed by one or more other school districts as defined in
19 Article 7 of this Code, a computation shall be made to
20 determine the difference between the salaries effective in each
21 annexed district and in the annexing district or districts as
22 they were each constituted on June 30 preceding the date when
23 the 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 each

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

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

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

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

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

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

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

7 (C) If the effective date for the elementary opt-in is
8 3 years after the effective date for the optional
9 elementary unit district, 50% 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 (D) If the effective date for the elementary opt-in is
14 4 years after the effective date for the partial elementary
15 unit district, 25% of the calculated excess shall be paid
16 to the optional elementary unit district in each of the
17 first 4 years after the effective date of the elementary
18 opt-in.

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

24 (5.5) After the formation of a cooperative high school by 2
25 or more school districts under Section 10-22.22c of this Code,
26 a computation shall be made to determine the difference between

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

15 (5.10) After the annexation of territory detached from
16 another school district whereby the enrollment of the annexing
17 district increases by 90% or more as a result of the
18 annexation, a computation shall be made to determine the
19 difference between the salaries effective in the district
20 gaining territory and the district losing territory as they
21 each were constituted on June 30 preceding the date when the
22 change of boundaries attributable to the annexation became
23 effective for all purposes as determined under Section 7-9 of
24 this Code. For the first 4 years after the annexation, a
25 supplementary State aid reimbursement shall be paid to the
26 annexing district equal to the difference between the sum of

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

1 (5.15) After the deactivation of a school facility in
2 accordance with Section 10-22.22b of this Code, a computation
3 shall be made to determine the difference between the salaries
4 effective in the sending school district and each receiving
5 school district on June 30 prior to the deactivation of the
6 school facility. For the lesser of the first 4 years after the
7 deactivation of the school facility or the length of the
8 deactivation agreement, including any renewals of the original
9 deactivation agreement, a supplementary State aid
10 reimbursement shall be paid to each receiving district equal to
11 the difference between the sum of the salaries earned by each
12 of the certificated members transferred to that receiving
13 district as a result of the deactivation while employed in the
14 sending district during the year immediately preceding the
15 deactivation and the sum of the salaries those certificated
16 members would have been paid during the year immediately
17 preceding the deactivation if placed on the salary schedule of
18 the sending or receiving district with the highest salary
19 schedule.

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

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

23 (7) Notwithstanding any other provision to the contrary in
24 this Section, any reorganized district may maintain 2 separate
25 salary schedules until the next collective bargaining
26 negotiation.

1 (c) (1) For the first year after the formation of a combined
2 school district, as defined in Section 11E-20 of this Code or a
3 unit district, as defined in Section 11E-25 of this Code, a
4 computation shall be made totaling each previously existing
5 district's audited fund balances in the educational fund,
6 working cash fund, operations and maintenance fund, and
7 transportation fund for the year ending June 30 prior to the
8 referendum for the creation of the new district. The new
9 district shall be paid supplementary State aid equal to the sum
10 of the differences between the deficit of the previously
11 existing district with the smallest deficit and the deficits of
12 each of the other previously existing districts.

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

1 deficit of whichever of the annexing or annexed districts as
2 constituted prior to the annexation had the smallest deficit
3 and the deficits of each of the other districts as constituted
4 prior to the annexation.

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

26 (A) the regional superintendent of schools for each

1 educational service region in which an annexed district is
2 located prior to the annexation shall certify to the State
3 Board of Education, on forms that it shall provide for that
4 purpose, the value of all taxable property in each annexed
5 district, as last equalized or assessed by the Department
6 of Revenue prior to the annexation, and the equalized
7 assessed value of each part of the annexed district that
8 was annexed to or included as a part of an annexing
9 district;

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

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

1 of the combined audited fund balance deficits of all of the
2 annexing and annexed districts as constituted prior to the
3 annexation.

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

1 (5) For each newly created partial elementary unit
2 district, as defined in subsection (a) or (c) of Section 11E-30
3 of this Code, a computation shall be made totaling the audited
4 fund balances of each previously existing district that formed
5 the new partial elementary unit district in the educational
6 fund, working cash fund, operations and maintenance fund, and
7 transportation fund for the year ending June 30 prior to the
8 referendum for the formation of the partial elementary unit
9 district. In the first year of the new partial elementary unit
10 district, the State shall make a one-time supplementary payment
11 to the new district equal to the sum of the differences between
12 the deficit of the previously existing district with the
13 smallest deficit and the deficits of each of the other
14 previously existing districts. A district with a combined
15 balance among the 4 funds that is positive shall be considered
16 to have a deficit of zero.

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

1 (6) is more than that calculated in paragraph (5) of this
2 subsection (c) at the optional elementary unit district's
3 original effective date, then the excess must be paid as
4 follows:

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

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

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

23 (D) If the effective date for the elementary opt-in is
24 4 years after the effective date for the optional
25 elementary unit district, 25% 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 (E) If the effective date for the elementary opt-in is
4 5 years after the effective date for the optional
5 elementary unit district, the optional elementary unit
6 district is not eligible for any additional incentives due
7 to the elementary opt-in.

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

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

23 (7) For purposes of any calculation required under
24 paragraph (1), (2), (3), (4), (5), (6), or (6.5) of this
25 subsection (c), a district with a combined fund balance that is
26 positive shall be considered to have a deficit of zero. For

1 purposes of determining each district's audited fund balances
2 in its educational fund, working cash fund, operations and
3 maintenance fund, and transportation fund for the specified
4 year ending June 30, as provided in paragraphs (1), (2), (3),
5 (4), (5), (6), and (6.5) of this subsection (c), the balance of
6 each fund shall be deemed decreased by an amount equal to the
7 amount of the annual property tax theretofore levied in the
8 fund by the district for collection and payment to the district
9 during the calendar year in which the June 30 fell, but only to
10 the extent that the tax so levied in the fund actually was
11 received by the district on or before or comprised a part of
12 the fund on such June 30. For purposes of determining each
13 district's audited fund balances, a calculation shall be made
14 for each fund to determine the average for the 3 years prior to
15 the specified year ending June 30, as provided in paragraphs
16 (1), (2), (3), (4), (5), (6), and (6.5) of this subsection (c),
17 of the district's expenditures in the categories "purchased
18 services", "supplies and materials", and "capital outlay", as
19 those categories are defined in rules of the State Board of
20 Education. If this 3-year average is less than the district's
21 expenditures in these categories for the specified year ending
22 June 30, as provided in paragraphs (1), (2), (3), (4), (5),
23 (6), and (6.5) of this subsection (c), then the 3-year average
24 shall be used in calculating the amounts payable under this
25 Section in place of the amounts shown in these categories for
26 the specified year ending June 30, as provided in paragraphs

1 (1), (2), (3), (4), (5), (6), and (6.5) of this subsection (c).
2 Any deficit because of State aid not yet received may not be
3 considered in determining the June 30 deficits. The same basis
4 of accounting shall be used by all previously existing
5 districts and by all annexing or annexed districts, as
6 constituted prior to the annexation, in making any computation
7 required under paragraphs (1), (2), (3), (4), (5), (6), and
8 (6.5) of this subsection (c).

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

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

1 each certified employee who is employed by the district on a
 2 full-time basis for the regular term of the school year:

3	Reorganized District's Rank	Reorganized District's Rank		
4	by type of district (unit,	in Average Daily Attendance		
5	high school, elementary)	By Quintile		
6	in Equalized Assessed Value			
7	Per Pupil by Quintile			
8				3rd, 4th,
9		1st	2nd	or 5th
10		Quintile	Quintile	Quintile
11	1st Quintile	1 year	1 year	1 year
12	2nd Quintile	1 year	2 years	2 years
13	3rd Quintile	2 years	3 years	3 years
14	4th Quintile	2 years	3 years	3 years
15	5th Quintile	2 years	3 years	3 years

16 The State Board of Education shall make a one-time calculation
 17 of a reorganized district's quintile ranks. The average daily
 18 attendance used in this calculation shall be the best 3 months'
 19 average daily attendance for the district's first year. The
 20 equalized assessed value per pupil shall be the district's real
 21 property equalized assessed value used in calculating the
 22 district's first-year general State aid claim, under Section
 23 18-8.05 of this Code, divided by the best 3 months' average
 24 daily attendance.

1 No annexing or resulting school district shall be entitled
2 to supplementary State aid under this subsection (d) unless the
3 district acquires at least 30% of the average daily attendance
4 of the district from which the territory is being detached or
5 divided.

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

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

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

11 (C) If the effective date for the elementary opt-in is
12 3 years after the effective date for the optional
13 elementary unit district, 50% of the amount calculated in
14 this paragraph (2) shall be paid to the optional elementary
15 unit district for the number of years calculated in
16 paragraph (1) of this subsection (d) at the optional
17 elementary unit district's original effective date,
18 starting in the second year 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 amount calculated in
23 this paragraph (2) shall be paid to the optional elementary
24 unit district for the number of years calculated in
25 paragraph (1) of this subsection (d) at the optional
26 elementary unit district's original effective date,

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

3 (E) If the effective date for the elementary opt-in is
4 5 years after the effective date for the optional
5 elementary unit district, the optional elementary unit
6 district is not eligible for any additional incentives due
7 to the elementary opt-in.

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

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

1 subsection (a) of this Section. To be eligible for
2 supplementary State aid reimbursement under this Section, the
3 intergovernmental agreement to be submitted pursuant to
4 Section 7-14A of this Code must show that certified staff
5 members were transferred from the control of the district
6 losing territory to the control of the district gaining
7 territory in the annexation. The changes to this Section made
8 by Public Act 95-707 are intended to be retroactive and
9 applicable to any annexation taking effect on or after July 1,
10 2004. For annexations that are eligible for payments under this
11 paragraph (2.10) and that are effective on or after July 1,
12 2004, but before January 11, 2008 (the effective date of Public
13 Act 95-707), the first required yearly payment under this
14 paragraph (2.10) shall be paid in the second fiscal year after
15 January 11, 2008 (the effective date of Public Act 95-707). Any
16 subsequent required yearly payments shall be paid in subsequent
17 fiscal years until the payment obligation under this paragraph
18 (2.10) is complete.

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

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

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

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

25 (5) Upon certification by the State Board of Education to
26 the State Comptroller of the amount of the supplementary State

1 aid reimbursement to which a school district or cooperative
2 high school is entitled under this subsection (d), the State
3 Comptroller shall draw his or her warrant upon the State
4 Treasurer for the payment thereof to the school district or
5 cooperative high school and shall promptly transmit the payment
6 to the school district or cooperative high school through the
7 appropriate school treasurer.

8 (Source: P.A. 95-331, eff. 8-21-07; 95-707, eff. 1-11-08;
9 95-903, eff. 8-25-08; 96-328, eff. 8-11-09.)".

10 (105 ILCS 5/22-62 new)

11 Sec. 22-62. Discharge of unfunded mandates.

12 (a) School districts may discharge unfunded mandates
13 imposed under this Code and applicable implementing rules, with
14 the exception of those mandates listed in subsection (b) of
15 this Section.

16 (b) School districts shall not be relieved from any of the
17 following statutory or regulatory mandates: (1) the Illinois
18 Learning Standards established by the State Board of Education;
19 (2) accountability measures pursuant to Section 2-3.25a of this
20 Code; (3) student achievement on the annual State assessments
21 as required by Section 2-3.64a-5 of this Code; (4) provisions
22 of the federal Every Student Succeeds Act; (5) mandates
23 required to maintain federal grant awards; (6) provisions
24 outside of this Code or its implementing rules; (7)
25 non-curricular health and safety requirements; (8) mandates

1 related to civil rights and student access to district
2 educational and non-educational programs; and (9) mandates
3 contained in Article 24 or 24A of this Code or their
4 implementing rules.

5 (c) Before a school district may lawfully discharge an
6 unfunded mandate under subsection (a) of this Section, it must
7 hold a public hearing on the matter. The school district must
8 post information that sets forth the time, date, place, and
9 general subject matter of the public hearing on its Internet
10 website at least 30 days prior to the hearing. The school
11 district must publish a notice of the public hearing at least
12 30 days prior to the hearing in a newspaper of general
13 circulation within the school district that sets forth the
14 time, date, place, and general subject matter of the hearing.

15 (d) A majority vote of the school board is required at a
16 regularly scheduled school board meeting to discharge any
17 mandates under this Section.

18 (e) The State Board of Education shall submit a report to
19 the Governor and General Assembly regarding the participation
20 and outcomes of this Section on or before December 15, 2018 and
21 annually on or before December 15 thereafter. School districts
22 that have discharged mandates under this Section must provide
23 any and all data requested by the State Board of Education to
24 generate reports under this subsection (e).

25 (f) The State Board of Education may adopt rules necessary
26 to implement this Section.

1 (105 ILCS 5/27-6) (from Ch. 122, par. 27-6)

2 Sec. 27-6. Courses in physical education required; special
3 activities.

4 (a) Pupils enrolled in the public schools and State
5 universities engaged in preparing teachers shall be required to
6 engage ~~daily~~ during the school day, except on block scheduled
7 days for those public schools engaged in block scheduling, in
8 courses of physical education for such periods as are
9 compatible with the optimum growth and developmental needs of
10 individuals at the various age levels except when appropriate
11 excuses are submitted to the school by a pupil's parent or
12 guardian or by a person licensed under the Medical Practice Act
13 of 1987 and except as provided in subsection (b) of this
14 Section. A school board may determine the schedule or frequency
15 of physical education courses, provided that a pupil engages in
16 a course of physical education for a minimum of 3 days per
17 week.

18 Special activities in physical education shall be provided
19 for pupils whose physical or emotional condition, as determined
20 by a person licensed under the Medical Practice Act of 1987,
21 prevents their participation in the courses provided for normal
22 children.

23 (b) A school board is authorized to excuse pupils enrolled
24 in grades 11 and 12 from engaging in physical education courses
25 if those pupils request to be excused for any of the following

1 reasons: (1) for ongoing participation in an interscholastic
2 athletic program; (2) to enroll in academic classes which are
3 required for admission to an institution of higher learning,
4 provided that failure to take such classes will result in the
5 pupil being denied admission to the institution of his or her
6 choice; or (3) to enroll in academic classes which are required
7 for graduation from high school, provided that failure to take
8 such classes will result in the pupil being unable to graduate.
9 A school board may also excuse pupils in grades 9 through 12
10 enrolled in a marching band program for credit from engaging in
11 physical education courses if those pupils request to be
12 excused for ongoing participation in such marching band
13 program. A school board may also, on a case-by-case basis,
14 excuse pupils in grades 9 through 12 who participate in an
15 interscholastic or extracurricular athletic program from
16 engaging in physical education courses. In addition, a pupil in
17 any of grades 3 through 12 who is eligible for special
18 education may be excused if the pupil's parent or guardian
19 agrees that the pupil must utilize the time set aside for
20 physical education to receive special education support and
21 services or, if there is no agreement, the individualized
22 education program team for the pupil determines that the pupil
23 must utilize the time set aside for physical education to
24 receive special education support and services, which
25 agreement or determination must be made a part of the
26 individualized education program. However, a pupil requiring

1 adapted physical education must receive that service in
2 accordance with the individualized education program developed
3 for the pupil. If requested, a school board is authorized to
4 excuse a pupil from engaging in a physical education course if
5 the pupil has an individualized educational program under
6 Article 14 of this Code, is participating in an adaptive
7 athletic program outside of the school setting, and documents
8 such participation as determined by the school board. A school
9 board may also excuse pupils in grades 9 through 12 enrolled in
10 a Reserve Officer's Training Corps (ROTC) program sponsored by
11 the school district from engaging in physical education
12 courses. School boards which choose to exercise this authority
13 shall establish a policy to excuse pupils on an individual
14 basis.

15 (c) The provisions of this Section are subject to the
16 provisions of Section 27-22.05.

17 (Source: P.A. 98-116, eff. 7-29-13.)

18 (105 ILCS 5/27-7) (from Ch. 122, par. 27-7)

19 Sec. 27-7. Physical education course of study. A physical
20 education course of study shall include a developmentally
21 planned and sequential curriculum that fosters the development
22 of movement skills, enhances health-related fitness, increases
23 students' knowledge, offers direct opportunities to learn how
24 to work cooperatively in a group setting, and encourages
25 healthy habits and attitudes for a healthy lifestyle. A

1 physical education course of study shall provide students with
2 an opportunity for an appropriate amount of ~~daily~~ physical
3 activity. A physical education course of study must be part of
4 the regular school curriculum and not extra-curricular in
5 nature or organization.

6 The State Board of Education shall prepare and make
7 available guidelines for the various grades and types of
8 schools in order to make effective the purposes set forth in
9 this section and the requirements provided in Section 27-6, and
10 shall see that the general provisions and intent of Sections
11 27-5 to 27-9, inclusive, are enforced.

12 (Source: P.A. 94-189, eff. 7-12-05; 94-200, eff. 7-12-05.)

13 (105 ILCS 5/27-24.2) (from Ch. 122, par. 27-24.2)

14 Sec. 27-24.2. Safety education; driver education course.
15 Instruction shall be given in safety education in each of
16 grades one through 8, equivalent to one class period each week,
17 and any school district which maintains grades 9 through 12
18 shall offer a driver education course in any such school which
19 it operates. Its curriculum shall include content dealing with
20 Chapters 11, 12, 13, 15, and 16 of the Illinois Vehicle Code,
21 the rules adopted pursuant to those Chapters insofar as they
22 pertain to the operation of motor vehicles, and the portions of
23 the Litter Control Act relating to the operation of motor
24 vehicles. The course of instruction given in grades 10 through
25 12 shall include an emphasis on the development of knowledge,

1 attitudes, habits, and skills necessary for the safe operation
2 of motor vehicles, including motorcycles insofar as they can be
3 taught in the classroom, and instruction on distracted driving
4 as a major traffic safety issue. In addition, the course shall
5 include instruction on special hazards existing at and required
6 safety and driving precautions that must be observed at
7 emergency situations, highway construction and maintenance
8 zones, and railroad crossings and the approaches thereto.
9 Beginning with the 2017-2018 school year, the course shall also
10 include instruction concerning law enforcement procedures for
11 traffic stops, including a demonstration of the proper actions
12 to be taken during a traffic stop and appropriate interactions
13 with law enforcement. The course of instruction required of
14 each eligible student at the high school level shall consist of
15 a minimum of 30 clock hours of classroom instruction and a
16 minimum of 6 clock hours of individual behind-the-wheel
17 instruction in a dual control car on public roadways taught by
18 a driver education instructor endorsed by the State Board of
19 Education. Both the classroom instruction part and the practice
20 driving part of such driver education course shall be open to a
21 resident or non-resident student attending a non-public school
22 in the district wherein the course is offered. Each student
23 attending any public or non-public high school in the district
24 must receive a passing grade in at least 8 courses during the
25 previous 2 semesters prior to enrolling in a driver education
26 course, or the student shall not be permitted to enroll in the

1 course; provided that the local superintendent of schools (with
2 respect to a student attending a public high school in the
3 district) or chief school administrator (with respect to a
4 student attending a non-public high school in the district) may
5 waive the requirement if the superintendent or chief school
6 administrator, as the case may be, deems it to be in the best
7 interest of the student. A student may be allowed to commence
8 the classroom instruction part of such driver education course
9 prior to reaching age 15 if such student then will be eligible
10 to complete the entire course within 12 months after being
11 allowed to commence such classroom instruction.

12 A school district may offer a driver education course in a
13 school by contracting with a commercial driver training school
14 to provide both the classroom instruction part and the practice
15 driving part or either one without having to request a
16 modification or waiver of administrative rules of the State
17 Board of Education if a public hearing on whether to enter into
18 a contract with a commercial driver training school has been
19 held at a regular or special school board meeting prior to
20 entering into such a contract. If a school district chooses to
21 contract with a commercial driver training school, then the
22 district must provide evidence to the State Board of Education
23 that the commercial driver training school with which it will
24 contract holds a license issued by the Secretary of State under
25 Article IV of Chapter 6 of the Illinois Vehicle Code and that
26 each instructor employed by the commercial driver training

1 school to provide instruction to students served by the school
2 district holds a valid teaching license issued under the
3 requirements of this Code and rules of the State Board of
4 Education. Such evidence must include, but need not be limited
5 to, a list of each instructor assigned to teach students served
6 by the school district, which list shall include the
7 instructor's name, personal identification number as required
8 by the State Board of Education, birth date, and driver's
9 license number. Once the contract is entered into, the school
10 district shall notify the State Board of Education of any
11 changes in the personnel providing instruction within 15
12 calendar days after an instructor leaves the program or a new
13 instructor is hired. Such notification shall include the
14 instructor's name, personal identification number as required
15 by the State Board of Education, birth date, and driver's
16 license number. If the school district maintains an Internet
17 website, then the district shall post a copy of the final
18 contract between the district and the commercial driver
19 training school on the district's Internet website. If no
20 Internet website exists, then the school district shall make
21 available the contract upon request. A record of all materials
22 in relation to the contract must be maintained by the school
23 district and made available to parents and guardians upon
24 request. The instructor's date of birth and driver's license
25 number and any other personally identifying information as
26 deemed by the federal Driver's Privacy Protection Act of 1994

1 must be redacted from any public materials.

2 Such a course may be commenced immediately after the
3 completion of a prior course. Teachers of such courses shall
4 meet the licensure ~~certification~~ requirements of this Code Act
5 and regulations of the State Board as to qualifications.

6 Subject to rules of the State Board of Education, the
7 school district may charge a reasonable fee, not to exceed \$50,
8 to students who participate in the course, unless a student is
9 unable to pay for such a course, in which event the fee for
10 such a student must be waived. However, the district may
11 increase this fee to an amount not to exceed \$250 by school
12 board resolution following a public hearing on the increase,
13 which increased fee must be waived for students who participate
14 in the course and are unable to pay for the course. The total
15 amount from driver education fees and reimbursement from the
16 State for driver education must not exceed the total cost of
17 the driver education program in any year and must be deposited
18 into the school district's driver education fund as a separate
19 line item budget entry. All moneys deposited into the school
20 district's driver education fund must be used solely for the
21 funding of a high school driver education program approved by
22 the State Board of Education that uses driver education
23 instructors endorsed by the State Board of Education.

24 (Source: P.A. 99-642, eff. 7-28-16; 99-720, eff. 1-1-17.)

25 Section 15. The Illinois Educational Labor Relations Act is

1 amended by changing Sections 4 and 12 and adding section 10.7
2 as follows:

3 (115 ILCS 5/4) (from Ch. 48, par. 1704)

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

6 Sec. 4. Employer rights. Employers shall not be required to
7 bargain over matters of inherent managerial policy, which shall
8 include such areas of discretion or policy as the functions of
9 the employer, standards of services, its overall budget, the
10 organizational structure and selection of new employees and
11 direction of employees. Employers, however, shall be required
12 to bargain collectively with regard to policy matters directly
13 affecting wages, hours and terms and conditions of employment
14 as well as the impact thereon upon request by employee
15 representatives except as provided in Section 10.7. To preserve
16 the rights of employers and exclusive representatives which
17 have established collective bargaining relationships or
18 negotiated collective bargaining agreements prior to the
19 effective date of this Act, employers shall be required to
20 bargain collectively with regard to any matter concerning
21 wages, hours or conditions of employment about which they have
22 bargained for and agreed to in a collective bargaining
23 agreement prior to the effective date of this Act. The duty "to
24 bargain collectively" or "to bargain collectively in good
25 faith" does not include an obligation to negotiate over a

1 permissive subject of bargaining or a subject described in
2 Section 10.7, regardless of whether the employer and an
3 exclusive representative of its employees have previously
4 bargained over that subject.

5 (Source: P.A. 83-1014.)

6 (115 ILCS 5/10.7 new)

7 Sec. 10.7. Duty to bargain regarding automatic wage
8 increases and seniority.

9 (a) Notwithstanding any other provision of this Act,
10 employers are not required to bargain over matters affecting
11 automatic wage increases in cases in which an employee has
12 obtained an advanced education degree, nor are these changes
13 subject to interest arbitration.

14 (b) Notwithstanding any other provision of this Act,
15 employers are not required to bargain over matters affecting
16 any pay increase, either through changes to the pay schedule or
17 as a result of accumulated years of service, nor are these
18 changes subject to interest arbitration.

19 (c) The provisions of this Section do not apply to an
20 employment contract or collective bargaining agreement that is
21 in effect on the effective date of this amendatory Act of the
22 100th General Assembly. However, any such contract or agreement
23 that is subsequently modified, amended, or renewed is subject
24 to the provisions of this Section.

1 (115 ILCS 5/12) (from Ch. 48, par. 1712)

2 Sec. 12. Impasse procedures.

3 (a) This subsection (a) applies only to collective
4 bargaining between an educational employer that is not a public
5 school district organized under Article 34 of the School Code
6 and an exclusive representative of its employees. If the
7 parties engaged in collective bargaining have not reached an
8 agreement by 90 days before the scheduled start of the
9 forthcoming school year, the parties shall notify the Illinois
10 Educational Labor Relations Board concerning the status of
11 negotiations. This notice shall include a statement on whether
12 mediation has been used.

13 Upon demand of either party, collective bargaining between
14 the employer and an exclusive bargaining representative must
15 begin within 60 days of the date of certification of the
16 representative by the Board, or in the case of an existing
17 exclusive bargaining representative, within 60 days of the
18 receipt by a party of a demand to bargain issued by the other
19 party. Once commenced, collective bargaining must continue for
20 at least a 60 day period, unless a contract is entered into.

21 Except as otherwise provided in subsection (b) of this
22 Section, if after a reasonable period of negotiation and within
23 90 days of the scheduled start of the forth-coming school year,
24 the parties engaged in collective bargaining have reached an
25 impasse, either party may petition the Board to initiate
26 mediation. Alternatively, the Board on its own motion may

1 initiate mediation during this period. However, mediation
2 shall be initiated by the Board at any time when jointly
3 requested by the parties and the services of the mediators
4 shall continuously be made available to the employer and to the
5 exclusive bargaining representative for purposes of
6 arbitration of grievances and mediation or arbitration of
7 contract disputes. If requested by the parties, the mediator
8 may perform fact-finding and in so doing conduct hearings and
9 make written findings and recommendations for resolution of the
10 dispute. Such mediation shall be provided by the Board and
11 shall be held before qualified impartial individuals. Nothing
12 prohibits the use of other individuals or organizations such as
13 the Federal Mediation and Conciliation Service or the American
14 Arbitration Association selected by both the exclusive
15 bargaining representative and the employer. When making wage
16 and benefit determinations during interest arbitration, the
17 employer's financial ability to fund the proposals based on
18 existing available resources shall be given primary
19 consideration, provided that such ability is not predicated on
20 an assumption that lines of credit or reserve funds are
21 available or that the employer may or will receive or develop
22 new sources of revenue or increase existing sources of revenue.

23 If the parties engaged in collective bargaining fail to
24 reach an agreement within 45 days of the scheduled start of the
25 forthcoming school year and have not requested mediation, the
26 Illinois Educational Labor Relations Board shall invoke

1 mediation.

2 Whenever mediation is initiated or invoked under this
3 subsection (a), the parties may stipulate to defer selection of
4 a mediator in accordance with rules adopted by the Board.

5 (a-5) This subsection (a-5) applies only to collective
6 bargaining between a public school district or a combination of
7 public school districts, including, but not limited to, joint
8 cooperatives, that is not organized under Article 34 of the
9 School Code and an exclusive representative of its employees.

10 (1) Any time 15 days after mediation has commenced,
11 either party may initiate the public posting process. The
12 mediator may initiate the public posting process at any
13 time 15 days after mediation has commenced during the
14 mediation process. Initiation of the public posting
15 process must be filed in writing with the Board, and copies
16 must be submitted to the parties on the same day the
17 initiation is filed with the Board.

18 (2) Within 7 days after the initiation of the public
19 posting process, each party shall submit to the mediator,
20 the Board, and the other party in writing the most recent
21 offer of the party, including a cost summary of the offer.
22 Seven days after receipt of the parties' offers, the Board
23 shall make public the offers and each party's cost summary
24 dealing with those issues on which the parties have failed
25 to reach agreement by immediately posting the offers on its
26 Internet website, unless otherwise notified by the

1 mediator or jointly by the parties that agreement has been
2 reached. On the same day of publication by the Board, at a
3 minimum, the school district shall distribute notice of the
4 availability of the offers on the Board's Internet website
5 to all news media that have filed an annual request for
6 notices from the school district pursuant to Section 2.02
7 of the Open Meetings Act. The parties' offers shall remain
8 on the Board's Internet website until the parties have
9 reached and ratified an agreement.

10 (a-10) This subsection (a-10) applies only to collective
11 bargaining between a public school district organized under
12 Article 34 of the School Code and an exclusive representative
13 of its employees.

14 (1) For collective bargaining agreements between an
15 educational employer to which this subsection (a-10)
16 applies and an exclusive representative of its employees,
17 if the parties fail to reach an agreement after a
18 reasonable period of mediation, the dispute shall be
19 submitted to fact-finding in accordance with this
20 subsection (a-10). Either the educational employer or the
21 exclusive representative may initiate fact-finding by
22 submitting a written demand to the other party with a copy
23 of the demand submitted simultaneously to the Board.

24 (2) Within 3 days following a party's demand for
25 fact-finding, each party shall appoint one member of the
26 fact-finding panel, unless the parties agree to proceed

1 without a tri-partite panel. Following these appointments,
2 if any, the parties shall select a qualified impartial
3 individual to serve as the fact-finder and chairperson of
4 the fact-finding panel, if applicable. An individual shall
5 be considered qualified to serve as the fact-finder and
6 chairperson of the fact-finding panel, if applicable, if he
7 or she was not the same individual who was appointed as the
8 mediator and if he or she satisfies the following
9 requirements: membership in good standing with the
10 National Academy of Arbitrators, Federal Mediation and
11 Conciliation Service, or American Arbitration Association
12 for a minimum of 10 years; membership on the mediation
13 roster for the Illinois Labor Relations Board or Illinois
14 Educational Labor Relations Board; issuance of at least 5
15 interest arbitration awards arising under the Illinois
16 Public Labor Relations Act; and participation in impasse
17 resolution processes arising under private or public
18 sector collective bargaining statutes in other states. If
19 the parties are unable to agree on a fact-finder, the
20 parties shall request a panel of fact-finders who satisfy
21 the requirements set forth in this paragraph (2) from
22 either the Federal Mediation and Conciliation Service or
23 the American Arbitration Association and shall select a
24 fact-finder from such panel in accordance with the
25 procedures established by the organization providing the
26 panel.

1 (3) The fact-finder shall have the following duties and
2 powers:

3 (A) to require the parties to submit a statement of
4 disputed issues and their positions regarding each
5 issue either jointly or separately;

6 (B) to identify disputed issues that are economic
7 in nature;

8 (C) to meet with the parties either separately or
9 in executive sessions;

10 (D) to conduct hearings and regulate the time,
11 place, course, and manner of the hearings;

12 (E) to request the Board to issue subpoenas
13 requiring the attendance and testimony of witnesses or
14 the production of evidence;

15 (F) to administer oaths and affirmations;

16 (G) to examine witnesses and documents;

17 (H) to create a full and complete written record of
18 the hearings;

19 (I) to attempt mediation or remand a disputed issue
20 to the parties for further collective bargaining;

21 (J) to require the parties to submit final offers
22 for each disputed issue either individually or as a
23 package or as a combination of both; and

24 (K) to employ any other measures deemed
25 appropriate to resolve the impasse.

26 (4) If the dispute is not settled within 75 days after

1 the appointment of the fact-finding panel, the
2 fact-finding panel shall issue a private report to the
3 parties that contains advisory findings of fact and
4 recommended terms of settlement for all disputed issues and
5 that sets forth a rationale for each recommendation. The
6 fact-finding panel, acting by a majority of its members,
7 shall base its findings and recommendations upon the
8 following criteria as applicable:

9 (A) the lawful authority of the employer;

10 (B) the federal and State statutes or local
11 ordinances and resolutions applicable to the employer;

12 (C) prior collective bargaining agreements and the
13 bargaining history between the parties;

14 (D) stipulations of the parties;

15 (E) the interests and welfare of the public and the
16 students and families served by the employer;

17 (F) the employer's financial ability to fund the
18 proposals based on existing available resources,
19 provided that such ability is not predicated on an
20 assumption that lines of credit or reserve funds are
21 available or that the employer may or will receive or
22 develop new sources of revenue or increase existing
23 sources of revenue;

24 (G) the impact of any economic adjustments on the
25 employer's ability to pursue its educational mission;

26 (H) the present and future general economic

1 conditions in the locality and State;

2 (I) a comparison of the wages, hours, and
3 conditions of employment of the employees involved in
4 the dispute with the wages, hours, and conditions of
5 employment of employees performing similar services in
6 public education in the 10 largest U.S. cities;

7 (J) the average consumer prices in urban areas for
8 goods and services, which is commonly known as the cost
9 of living;

10 (K) the overall compensation presently received by
11 the employees involved in the dispute, including
12 direct wage compensation; vacations, holidays, and
13 other excused time; insurance and pensions; medical
14 and hospitalization benefits; the continuity and
15 stability of employment and all other benefits
16 received; and how each party's proposed compensation
17 structure supports the educational goals of the
18 district;

19 (L) changes in any of the circumstances listed in
20 items (A) through (K) of this paragraph (4) during the
21 fact-finding proceedings;

22 (M) the effect that any term the parties are at
23 impasse on has or may have on the overall educational
24 environment, learning conditions, and working
25 conditions with the school district; and

26 (N) the effect that any term the parties are at

1 impasse on has or may have in promoting the public
2 policy of this State.

3 (5) The fact-finding panel's recommended terms of
4 settlement shall be deemed agreed upon by the parties as
5 the final resolution of the disputed issues and
6 incorporated into the collective bargaining agreement
7 executed by the parties, unless either party tenders to the
8 other party and the chairperson of the fact-finding panel a
9 notice of rejection of the recommended terms of settlement
10 with a rationale for the rejection, within 15 days after
11 the date of issuance of the fact-finding panel's report. If
12 either party submits a notice of rejection, the chairperson
13 of the fact-finding panel shall publish the fact-finding
14 panel's report and the notice of rejection for public
15 information by delivering a copy to all newspapers of
16 general circulation in the community with simultaneous
17 written notice to the parties.

18 (b) If, after a period of bargaining of at least 60 days, a
19 dispute or impasse exists between an educational employer whose
20 territorial boundaries are coterminous with those of a city
21 having a population in excess of 500,000 and the exclusive
22 bargaining representative over a subject or matter set forth in
23 Section 4.5 of this Act, the parties shall submit the dispute
24 or impasse to the dispute resolution procedure agreed to
25 between the parties. The procedure shall provide for mediation
26 of disputes by a rotating mediation panel and may, at the

1 request of either party, include the issuance of advisory
2 findings of fact and recommendations.

3 (c) The costs of fact finding and mediation shall be shared
4 equally between the employer and the exclusive bargaining
5 agent, provided that, for purposes of mediation under this Act,
6 if either party requests the use of mediation services from the
7 Federal Mediation and Conciliation Service, the other party
8 shall either join in such request or bear the additional cost
9 of mediation services from another source. All other costs and
10 expenses of complying with this Section must be borne by the
11 party incurring them.

12 (c-5) If an educational employer or exclusive bargaining
13 representative refuses to participate in mediation or fact
14 finding when required by this Section, the refusal shall be
15 deemed a refusal to bargain in good faith.

16 (d) Nothing in this Act prevents an employer and an
17 exclusive bargaining representative from mutually submitting
18 to final and binding impartial arbitration unresolved issues
19 concerning the terms of a new collective bargaining agreement.

20 (Source: P.A. 97-7, eff. 6-13-11; 97-8, eff. 6-13-11; 98-513,
21 eff. 1-1-14.)

22 Section 20. The Prevailing Wage Act is amended by adding
23 Section 11c as follows:

24 (820 ILCS 130/11c new)

1 Sec. 11c. Exemption. Any public works project with an
2 estimated project cost of \$250,000 or less is exempt from the
3 provisions of this Act.

4 Section 90. The State Mandates Act is amended by adding
5 Section 8.41 as follows:

6 (30 ILCS 805/8.41 new)

7 Sec. 8.41. Exempt mandate. Notwithstanding Sections 6 and 8
8 of this Act, no reimbursement by the State is required for the
9 implementation of any mandate created by this amendatory Act of
10 the 100th General Assembly.

11 Section 97. Inseverability. The provisions of this Act are
12 mutually dependent and inseverable. If any provision is held
13 invalid other than as applied to a particular person or
14 circumstance, then this entire Act is invalid.

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2		Statutes amended in order of appearance
3	5 ILCS 315/7	from Ch. 48, par. 1607
4	5 ILCS 315/14	from Ch. 48, par. 1614
5	40 ILCS 5/16-158	from Ch. 108 1/2, par. 16-158
6	105 ILCS 5/2-3.25g	from Ch. 122, par. 2-3.25g
7	105 ILCS 5/10-22.34c	
8	105 ILCS 5/11E-135	
9	105 ILCS 5/22-62 new	
10	105 ILCS 5/27-6	from Ch. 122, par. 27-6
11	105 ILCS 5/27-7	from Ch. 122, par. 27-7
12	105 ILCS 5/27-24.2	from Ch. 122, par. 27-24.2
13	115 ILCS 5/4	from Ch. 48, par. 1704
14	115 ILCS 5/10.7 new	
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