

1 AN ACT concerning education.

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

4 Section 1. Short title. This Act may be referred to as the  
5 Classrooms First Act.

6 Section 5. The School Code is amended by changing 11E-135  
7 and by adding Section 11E-140 as follows:

8 (105 ILCS 5/11E-135)

9 Sec. 11E-135. Incentives. Except as provided under Section  
10 11E-140, for ~~For~~ districts reorganizing under this Article and  
11 for a district or districts that annex all of the territory of  
12 one or more entire other school districts in accordance with  
13 Article 7 of this Code, the following payments shall be made  
14 from appropriations made for these purposes:

15 (a)(1) For a combined school district, as defined in  
16 Section 11E-20 of this Code, or for a unit district, as defined  
17 in Section 11E-25 of this Code, for its first year of  
18 existence, the general State aid and supplemental general State  
19 aid calculated under Section 18-8.05 of this Code or the  
20 evidence-based funding calculated under Section 18-8.15 of  
21 this Code, as applicable, shall be computed for the new  
22 district and for the previously existing districts for which

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

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

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

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

1 the annexing districts shall be computed by the State Board of  
2 Education on the basis of pupil enrollment and other data that  
3 shall be certified to the State Board of Education, on forms  
4 that it shall provide for that purpose, by the regional  
5 superintendent of schools for each educational service region  
6 in which the annexing and annexed districts are located.

7 (4) For a school district conversion, as defined in Section  
8 11E-15 of this Code, or a multi-unit conversion, as defined in  
9 subsection (b) of Section 11E-30 of this Code, if in their  
10 first year of existence the newly created elementary districts  
11 and the newly created high school district, from a school  
12 district conversion, or the newly created elementary district  
13 or districts and newly created combined high school - unit  
14 district, from a multi-unit conversion, qualify for less  
15 general State aid under Section 18-8.05 of this Code or  
16 evidence-based funding under Section 18-8.15 of this Code than  
17 would have been payable under Section 18-8.05 or 18-8.15, as  
18 applicable, for that same year to the previously existing  
19 districts, then a supplementary payment equal to that  
20 difference shall be made for the first 4 years of existence of  
21 the newly created districts. The aggregate amount of each  
22 supplementary payment shall be allocated among the newly  
23 created districts in the proportion that the deemed pupil  
24 enrollment in each district during its first year of existence  
25 bears to the actual aggregate pupil enrollment in all of the  
26 districts during their first year of existence. For purposes of

1 each allocation:

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

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

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

24 (D) the deemed elementary pupil enrollment of each  
25 newly created district from a multi-unit conversion shall  
26 be an amount equal to each district's actual grade K

1 through 8 pupil enrollment for its first year of existence,  
2 reduced by an amount equal to the product obtained when the  
3 amount by which the newly created combined high school -  
4 unit district's deemed high school pupil enrollment  
5 exceeds its actual grade 9 through 12 pupil enrollment for  
6 its first year of existence is multiplied by a fraction,  
7 the numerator of which is the actual grade K through 8  
8 pupil enrollment of each newly created district for its  
9 first year of existence and the denominator of which is the  
10 actual aggregate grade K through 8 pupil enrollment of all  
11 such newly created districts for their first year of  
12 existence.

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

22 (5) For a partial elementary unit district, as defined in  
23 subsection (a) or (c) of Section 11E-30 of this Code, if, in  
24 the first year of existence, the newly created partial  
25 elementary unit district qualifies for less general State aid  
26 and supplemental general State aid under Section 18-8.05 of

1 this Code or less evidence-based funding under Section 18-8.15  
2 of this Code, as applicable, than would have been payable under  
3 those Sections for that same year to the previously existing  
4 districts that formed the partial elementary unit district,  
5 then a supplementary payment equal to that difference shall be  
6 made to the partial elementary unit district for the first 4  
7 years of existence of that newly created district.

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

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

1 elementary opt-in.

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

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

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

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

25 (6.5) For a school district that annexes territory detached  
26 from another school district whereby the enrollment of the



1 annexing district increases by 90% or more as a result of the  
2 annexation, for the first year during which the change of  
3 boundaries attributable to the annexation becomes effective  
4 for all purposes as determined under Section 7-9 of this Code,  
5 the general State aid and supplemental general State aid or  
6 evidence-based funding, as applicable, calculated under this  
7 Section shall be computed for the district gaining territory  
8 and the district losing territory as constituted after the  
9 annexation and for the same districts as constituted prior to  
10 the annexation; and if the aggregate of the general State aid  
11 and supplemental general State aid or evidence-based funding,  
12 as applicable, as so computed for the district gaining  
13 territory and the district losing territory as constituted  
14 after the annexation is less than the aggregate of the general  
15 State aid and supplemental general State aid or evidence-based  
16 funding, as applicable, as so computed for the district gaining  
17 territory and the district losing territory as constituted  
18 prior to the annexation, then a supplementary payment shall be  
19 made to the annexing district for the first 4 years of  
20 existence after the annexation, equal to the difference  
21 multiplied by the ratio of student enrollment in the territory  
22 detached to the total student enrollment in the district losing  
23 territory for the year prior to the effective date of the  
24 annexation. The amount of the total difference and the  
25 proportion paid to the annexing district shall be computed by  
26 the State Board of Education on the basis of pupil enrollment

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

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

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

20 (b)(1) After the formation of a combined school district,  
21 as defined in Section 11E-20 of this Code, or a unit district,  
22 as defined in Section 11E-25 of this Code, a computation shall  
23 be made to determine the difference between the salaries  
24 effective in each of the previously existing districts on June  
25 30, prior to the creation of the new district. For the first 4  
26 years after the formation of the new district, a supplementary

1 State aid reimbursement shall be paid to the new district equal  
2 to the difference between the sum of the salaries earned by  
3 each of the certificated members of the new district, while  
4 employed in one of the previously existing districts during the  
5 year immediately preceding the formation of the new district,  
6 and the sum of the salaries those certificated members would  
7 have been paid during the year immediately prior to the  
8 formation of the new district if placed on the salary schedule  
9 of the previously existing district with the highest salary  
10 schedule.

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

1 members would have been paid during the immediately preceding  
2 year if placed on the salary schedule of whichever of the  
3 annexing or annexed districts had the highest salary schedule  
4 during the immediately preceding year.

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

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

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

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

21           (B) If the effective date for the elementary opt-in is  
22 2 years after the effective date for the optional  
23 elementary unit district, 75% 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           (C) If the effective date for the elementary opt-in is  
2           3 years after the effective date for the optional  
3           elementary unit district, 50% 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           (D) If the effective date for the elementary opt-in is  
8           4 years after the effective date for the partial elementary  
9           unit district, 25% of the calculated excess shall be paid  
10          to the optional elementary unit district in each of the  
11          first 4 years after the effective date of the elementary  
12          opt-in.

13          (E) If the effective date for the elementary opt-in is  
14          5 years after the effective date for the optional  
15          elementary unit district, the optional elementary unit  
16          district is not eligible for any additional incentives due  
17          to the elementary opt-in.

18          (5.5) After the formation of a cooperative high school by 2  
19          or more school districts under Section 10-22.22c of this Code,  
20          a computation shall be made to determine the difference between  
21          the salaries effective in each of the previously existing high  
22          schools on June 30 prior to the formation of the cooperative  
23          high school. For the first 4 years after the formation of the  
24          cooperative high school, a supplementary State aid  
25          reimbursement shall be paid to the cooperative high school  
26          equal to the difference between the sum of the salaries earned

1 by each of the certificated members of the cooperative high  
2 school while employed in one of the previously existing high  
3 schools during the year immediately preceding the formation of  
4 the cooperative high school and the sum of the salaries those  
5 certificated members would have been paid during the year  
6 immediately prior to the formation of the cooperative high  
7 school if placed on the salary schedule of the previously  
8 existing high school with the highest salary schedule.

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

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

21 (5.15) After the deactivation of a school facility in  
22 accordance with Section 10-22.22b of this Code, a computation  
23 shall be made to determine the difference between the salaries  
24 effective in the sending school district and each receiving  
25 school district on June 30 prior to the deactivation of the  
26 school facility. For the lesser of the first 4 years after the



1 deactivation of the school facility or the length of the  
2 deactivation agreement, including any renewals of the original  
3 deactivation agreement, a supplementary State aid  
4 reimbursement shall be paid to each receiving district equal to  
5 the difference between the sum of the salaries earned by each  
6 of the certificated members transferred to that receiving  
7 district as a result of the deactivation while employed in the  
8 sending district during the year immediately preceding the  
9 deactivation and the sum of the salaries those certificated  
10 members would have been paid during the year immediately  
11 preceding the deactivation if placed on the salary schedule of  
12 the sending or receiving district with the highest salary  
13 schedule.

14 (6) The supplementary State aid reimbursement under this  
15 subsection (b) shall be treated as separate from all other  
16 payments made pursuant to Section 18-8.05 of this Code. In the  
17 case of the formation of a new district or cooperative high  
18 school or a deactivation, reimbursement shall begin during the  
19 first year of operation of the new district or cooperative high  
20 school or the first year of the deactivation, and in the case  
21 of an annexation of the territory of one or more school  
22 districts by one or more other school districts or the  
23 annexation of territory detached from a school district whereby  
24 the enrollment of the annexing district increases by 90% or  
25 more as a result of the annexation, reimbursement shall begin  
26 during the first year when the change in boundaries

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

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

1 existing district with the smallest deficit and the deficits of  
2 each of the other previously existing districts.

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

21 (3) For the first year after the annexation of all of the  
22 territory of one or more entire school districts by 2 or more  
23 other school districts, as defined by Article 7 of this Code,  
24 computations shall be made, for the year ending June 30 prior  
25 to the date that the change of boundaries attributable to the  
26 annexation is allowed by the affirmative decision of the

1 regional board of school trustees under Section 7-6 of this  
2 Code, notwithstanding any action for administrative review of  
3 the decision, totaling each annexing and annexed district's  
4 audited fund balances in their respective educational, working  
5 cash, operations and maintenance, and transportation funds.  
6 The annexing districts as constituted after the annexation  
7 shall be paid supplementary State aid, allocated as provided in  
8 this paragraph (3), in an aggregate amount equal to the sum of  
9 the differences between the deficit of whichever of the  
10 annexing or annexed districts as constituted prior to the  
11 annexation had the smallest deficit and the deficits of each of  
12 the other districts as constituted prior to the annexation. The  
13 aggregate amount of the supplementary State aid payable under  
14 this paragraph (3) shall be allocated between or among the  
15 annexing districts as follows:

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

26 (B) using equalized assessed values as certified by the

1 regional superintendent of schools under clause (A) of this  
2 paragraph (3), the combined audited fund balance deficit of  
3 each annexed district as determined under this Section  
4 shall be apportioned between or among the annexing  
5 districts in the same ratio as the equalized assessed value  
6 of that part of the annexed district that was annexed to or  
7 included as a part of an annexing district bears to the  
8 total equalized assessed value of the annexed district; and

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

20 (4) For the new elementary districts and new high school  
21 district formed through a school district conversion, as  
22 defined in Section 11E-15 of this Code or the new elementary  
23 district or districts and new combined high school - unit  
24 district formed through a multi-unit conversion, as defined in  
25 subsection (b) of Section 11E-30 of this Code, a computation  
26 shall be made totaling each previously existing district's

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

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

1 to the new district equal to the sum of the differences between  
2 the deficit of the previously existing district with the  
3 smallest deficit and the deficits of each of the other  
4 previously existing districts. A district with a combined  
5 balance among the 4 funds that is positive shall be considered  
6 to have a deficit of zero.

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

13          (D) If the effective date for the elementary opt-in is  
14          4 years after the effective date for the optional  
15          elementary unit district, 25% of the calculated excess  
16          shall be paid to the optional elementary unit district in  
17          the first year 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          (6.5) For the first year after the annexation of territory  
25          detached from another school district whereby the enrollment of  
26          the annexing district increases by 90% or more as a result of



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

1 intergovernmental agreement to be submitted pursuant to  
2 Section 7-14A of this Code must show that fund balances were  
3 transferred from the district losing territory to the district  
4 gaining territory in the annexation. The changes to this  
5 Section made by Public Act 95-707 are intended to be  
6 retroactive and applicable to any annexation taking effect on  
7 or after July 1, 2004. For annexations that are eligible for  
8 payments under this paragraph (6.5) and that are effective on  
9 or after July 1, 2004, but before January 11, 2008 (the  
10 effective date of Public Act 95-707), the required payment  
11 under this paragraph (6.5) shall be paid in the fiscal year of  
12 January 11, 2008 (the effective date of Public Act 95-707).

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

1 received by the district on or before or comprised a part of  
2 the fund on such June 30. For purposes of determining each  
3 district's audited fund balances, a calculation shall be made  
4 for each fund to determine the average for the 3 years prior to  
5 the specified year ending June 30, as provided in paragraphs  
6 (1), (2), (3), (4), (5), (6), and (6.5) of this subsection (c),  
7 of the district's expenditures in the categories "purchased  
8 services", "supplies and materials", and "capital outlay", as  
9 those categories are defined in rules of the State Board of  
10 Education. If this 3-year average is less than the district's  
11 expenditures in these categories for the specified year ending  
12 June 30, as provided in paragraphs (1), (2), (3), (4), (5),  
13 (6), and (6.5) of this subsection (c), then the 3-year average  
14 shall be used in calculating the amounts payable under this  
15 Section in place of the amounts shown in these categories for  
16 the specified year ending June 30, as provided in paragraphs  
17 (1), (2), (3), (4), (5), (6), and (6.5) of this subsection (c).  
18 Any deficit because of State aid not yet received may not be  
19 considered in determining the June 30 deficits. The same basis  
20 of accounting shall be used by all previously existing  
21 districts and by all annexing or annexed districts, as  
22 constituted prior to the annexation, in making any computation  
23 required under paragraphs (1), (2), (3), (4), (5), (6), and  
24 (6.5) of this subsection (c).

25 (8) The supplementary State aid payments under this  
26 subsection (c) shall be treated as separate from all other

1 payments made pursuant to Section 18-8.05 of this Code.

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

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

	Quintile	Quintile	Quintile
1			
2	1st Quintile	1 year	1 year
3	2nd Quintile	1 year	2 years
4	3rd Quintile	2 years	3 years
5	4th Quintile	2 years	3 years
6	5th Quintile	2 years	3 years

7 The State Board of Education shall make a one-time calculation  
8 of a reorganized district's quintile ranks. The average daily  
9 attendance used in this calculation shall be the best 3 months'  
10 average daily attendance for the district's first year. The  
11 equalized assessed value per pupil shall be the district's real  
12 property equalized assessed value used in calculating the  
13 district's first-year general State aid claim, under Section  
14 18-8.05 of this Code, or first-year evidence-based funding  
15 claim, under Section 18-8.15 of this Code, as applicable,  
16 divided by the best 3 months' average daily attendance.

17 No annexing or resulting school district shall be entitled  
18 to supplementary State aid under this subsection (d) unless the  
19 district acquires at least 30% of the average daily attendance  
20 of the district from which the territory is being detached or  
21 divided.

22 If a district results from multiple reorganizations that  
23 would otherwise qualify the district for multiple payments  
24 under this subsection (d) in any year, then the district shall  
25 receive a single payment only for that year based solely on the

1 most recent reorganization.

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

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

19 (B) If the effective date for the elementary opt-in is  
20 2 years after the effective date for the optional  
21 elementary unit district, 75% 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 (C) If the effective date for the elementary opt-in is  
3 3 years after the effective date for the optional  
4 elementary unit district, 50% of the 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 (D) If the effective date for the elementary opt-in is  
12 4 years after the effective date for the optional  
13 elementary unit district, 25% 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 (E) If the effective date for the elementary opt-in is  
21 5 years after the effective date for the optional  
22 elementary unit district, the optional elementary unit  
23 district is not eligible for any additional incentives due  
24 to the elementary opt-in.

25 (2.5) Following the formation of a cooperative high school  
26 by 2 or more school districts under Section 10-22.22c of this

1 Code, a supplementary State aid reimbursement shall be paid for  
2 3 school years to the cooperative high school equal to the sum  
3 of \$4,000 for each certified employee who is employed by the  
4 cooperative high school on a full-time basis for the regular  
5 term of any such school year. If a cooperative high school  
6 results from multiple agreements that would otherwise qualify  
7 the cooperative high school for multiple payments under this  
8 Section in any year, the cooperative high school shall receive  
9 a single payment for that year based solely on the most recent  
10 agreement.

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



1 2004. For annexations that are eligible for payments under this  
2 paragraph (2.10) and that are effective on or after July 1,  
3 2004, but before January 11, 2008 (the effective date of Public  
4 Act 95-707), the first required yearly payment under this  
5 paragraph (2.10) shall be paid in the second fiscal year after  
6 January 11, 2008 (the effective date of Public Act 95-707). Any  
7 subsequent required yearly payments shall be paid in subsequent  
8 fiscal years until the payment obligation under this paragraph  
9 (2.10) is complete.

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

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

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

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

25           (Source: P.A. 100-465, eff. 8-31-17.)

1 (105 ILCS 5/11E-140 new)

2 Sec. 11E-140. School District Efficiency Commission.

3 (a) The School District Efficiency Commission is created.

4 The Commission shall consist of all of the following voting  
5 members:

6 (1) The Lieutenant Governor or his or her appointee,  
7 who shall serve as the chairperson.

8 (2) One member appointed by the State Board of  
9 Education.

10 (3) One representative appointed by the Speaker of the  
11 House of Representatives.

12 (4) One representative appointed by the Minority  
13 Leader of the House of Representatives.

14 (5) One senator appointed by the President of the  
15 Senate.

16 (6) One senator appointed by the Minority Leader of the  
17 Senate.

18 (7) A representative of a statewide professional  
19 teachers' organization appointed by the head of that  
20 organization.

21 (8) A representative of a different statewide  
22 professional teachers' organization appointed by the head  
23 of that organization.

24 (9) A representative of a statewide organization that  
25 represents school boards appointed by the head of that  
26 organization.

1           (10) A representative of a statewide organization  
2           representing principals appointed by the head of that  
3           organization.

4           (11) A representative of an organization representing  
5           professional teachers in a city having a population  
6           exceeding 500,000 appointed by the head of that  
7           organization.

8           (12) A representative of an association representing  
9           school business officials appointed by the head of that  
10           association.

11           (13) A representative of an association representing  
12           school administrators appointed by the head of that  
13           association.

14           (14) A member of the Chicago Board of Education  
15           appointed by the Chicago Board of Education.

16           (15) A representative from an organization  
17           representing administrators of special education appointed  
18           by the head of that organization.

19           (16) A representative from a statewide parent  
20           organization appointed by the head of that organization.

21           (17) A representative from an organization  
22           representing high school districts appointed by the head of  
23           that organization.

24           (18) A representative from a rural school district in  
25           this State appointed by the Governor.

26           (19) A representative from a suburban school district

1 in this State appointed by the Governor.

2 (20) A representative of an association that  
3 represents regional superintendents of schools appointed  
4 by the head of that association.

5 Members shall serve without compensation, but shall be  
6 reimbursed for their reasonable and necessary expenses from  
7 funds appropriated for that purpose. Members shall be  
8 reimbursed for their travel expenses from appropriations to the  
9 State Board of Education made available for that purpose and  
10 subject to the rules of the appropriate travel control board.  
11 The Commission shall meet at the call of the chairperson, with  
12 the initial meeting of the Commission being held as soon as  
13 possible after the effective date of this amendatory Act of the  
14 101st General Assembly, and shall hold public hearings  
15 throughout this State. The State Board shall provide  
16 administrative assistance and necessary staff support services  
17 to the Commission.

18 (b) The Commission must make recommendations to the  
19 Governor and the General Assembly on the number of school  
20 districts in this State, the optimal amount of enrollment for a  
21 school district, and where reorganization and realignment of  
22 school districts would be beneficial in this State. The  
23 Commission's recommendations must focus on all of the following  
24 areas:

25 (1) Reducing the money spent on the duplication of  
26 efforts.

1           (2) Improving the education of students by having fewer  
2           obstacles between qualified teachers and their students.

3           (3) Lowering the property tax burden.

4           (4) Providing recommendations on what the net cost  
5           savings of realignment is to this State.

6           (5) With a view toward reducing unnecessary  
7           administrative costs, improving the education of students,  
8           and lowering the property tax burden, drafting specific  
9           recommendations to reduce the statewide total number of  
10           school districts by no less than 25% through the  
11           reorganization of school districts into unit districts  
12           under Section 11E-25. Each recommendation under this  
13           paragraph must include all of the following:

14                   (A) A request to submit propositions at the next  
15                   general election for the purpose of voting for or  
16                   against the establishment of a combined unit district.

17                   (B) A description of the territory comprising the  
18                   districts proposed to be dissolved and those to be  
19                   created, which, for an entire district, may be a  
20                   general reference to all of the territory included  
21                   within that district.

22                   (C) A specification of the maximum tax rates the  
23                   proposed district or districts are authorized to levy  
24                   for various purposes and, if applicable, the  
25                   specifications related to the Property Tax Extension  
26                   Limitation Law, in accordance with Section 11E-80 of

1           this Code.

2           (c) On or before May 1, 2020, the Commission must vote on  
3 its recommendations and file a report with the Governor and the  
4 General Assembly. If the Commission adopts the report  
5 recommendations by an affirmative vote of at least 11 of its  
6 members, then the Commission's specific recommendations for  
7 reorganization of school districts into unit districts under  
8 paragraph (5) of subsection (b) shall be placed on the ballots  
9 of the designated school districts in the next general election  
10 in the same manner as if the Commission's recommendations were  
11 petitions approved by a regional superintendent of schools  
12 under Section 11E-50, except that Section 11E-135 does not  
13 apply to school district reorganizations resulting from  
14 referenda submitted under this Section. The Commission is  
15 dissolved on the day after the report is filed with both the  
16 Governor and the General Assembly.

17           (d) This Section is repealed on February 1, 2021.

18           Section 99. Effective date. This Act takes effect upon  
19 becoming law.