



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB3637

Introduced 2/22/2021, by Rep. Thomas M. Bennett

SYNOPSIS AS INTRODUCED:

30 ILCS 105/6z-45
30 ILCS 350/16.5
105 ILCS 230/5-5
105 ILCS 230/5-10
105 ILCS 230/5-15
105 ILCS 230/5-20
105 ILCS 230/5-25
105 ILCS 230/5-30
105 ILCS 230/5-35
105 ILCS 230/5-50
105 ILCS 230/5-37 rep.
105 ILCS 230/5-38 rep.
105 ILCS 230/5-45 rep.
105 ILCS 230/5-57 rep.

Amends the School Construction Law. Makes changes concerning application for a grant, a conditional grant award, the required local match and grant award amount, eligibility, the priority of school construction projects, and referendum requirements. Repeals provisions concerning carry over projects, Fiscal Year 2002 escalation, debt service grants, and a school capital needs assessment. Amends the State Finance Act and the Local Government Debt Reform Act to make related changes. Effective immediately.

LRB102 16919 CMG 22331 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 5. The State Finance Act is amended by changing
5 Section 6z-45 as follows:

6 (30 ILCS 105/6z-45)

7 Sec. 6z-45. The School Infrastructure Fund.

8 (a) The School Infrastructure Fund is created as a special
9 fund in the State Treasury.

10 In addition to any other deposits authorized by law,
11 beginning January 1, 2000, on the first day of each month, or
12 as soon thereafter as may be practical, the State Treasurer
13 and State Comptroller shall transfer the sum of \$5,000,000
14 from the General Revenue Fund to the School Infrastructure
15 Fund, except that, notwithstanding any other provision of law,
16 and in addition to any other transfers that may be provided for
17 by law, before June 30, 2012, the Comptroller and the
18 Treasurer shall transfer \$45,000,000 from the General Revenue
19 Fund into the School Infrastructure Fund, and, for fiscal year
20 2013 only, the Treasurer and the Comptroller shall transfer
21 \$1,250,000 from the General Revenue Fund to the School
22 Infrastructure Fund on the first day of each month; provided,
23 however, that no such transfers shall be made from July 1, 2001

1 through June 30, 2003.

2 (a-5) Money in the School Infrastructure Fund may be used
3 to pay the expenses of the State Board of Education, the
4 Governor's Office of Management and Budget, and the Capital
5 Development Board in administering programs under the School
6 Construction Law, the total expenses not to exceed \$1,315,000
7 in any fiscal year.

8 (b) Subject to the transfer provisions set forth below,
9 money in the School Infrastructure Fund shall, if and when the
10 State of Illinois incurs any bonded indebtedness for the
11 construction of school improvements under subsection (e) of
12 Section 5 of the General Obligation Bond Act, be set aside and
13 used for the purpose of paying and discharging annually the
14 principal and interest on that bonded indebtedness then due
15 and payable, and for no other purpose.

16 In addition to other transfers to the General Obligation
17 Bond Retirement and Interest Fund made pursuant to Section 15
18 of the General Obligation Bond Act, upon each delivery of
19 bonds issued for construction of school improvements under the
20 School Construction Law, the State Comptroller shall compute
21 and certify to the State Treasurer the total amount of
22 principal of, interest on, and premium, if any, on such bonds
23 during the then current and each succeeding fiscal year. With
24 respect to the interest payable on variable rate bonds, such
25 certifications shall be calculated at the maximum rate of
26 interest that may be payable during the fiscal year, after

1 taking into account any credits permitted in the related
2 indenture or other instrument against the amount of such
3 interest required to be appropriated for that period.

4 On or before the last day of each month, the State
5 Treasurer and State Comptroller shall transfer from the School
6 Infrastructure Fund to the General Obligation Bond Retirement
7 and Interest Fund an amount sufficient to pay the aggregate of
8 the principal of, interest on, and premium, if any, on the
9 bonds payable on their next payment date, divided by the
10 number of monthly transfers occurring between the last
11 previous payment date (or the delivery date if no payment date
12 has yet occurred) and the next succeeding payment date.
13 Interest payable on variable rate bonds shall be calculated at
14 the maximum rate of interest that may be payable for the
15 relevant period, after taking into account any credits
16 permitted in the related indenture or other instrument against
17 the amount of such interest required to be appropriated for
18 that period. Interest for which moneys have already been
19 deposited into the capitalized interest account within the
20 General Obligation Bond Retirement and Interest Fund shall not
21 be included in the calculation of the amounts to be
22 transferred under this subsection.

23 (b-5) The money deposited into the School Infrastructure
24 Fund from transfers pursuant to subsections (c-30) and (c-35)
25 of Section 13 of the Illinois Gambling Act shall be applied,
26 without further direction, as provided in subsection (b-3) of

1 Section 5-35 of the School Construction Law.

2 (b-7) In fiscal year 2021 only, of the surplus, if any, in
3 the School Infrastructure Fund after payments made pursuant to
4 subsections (a-5), (b), and (b-5) of this Section, \$20,000,000
5 shall be transferred to the General Revenue Fund.

6 (c) The surplus, if any, in the School Infrastructure Fund
7 after payments made pursuant to subsections (a-5), (b), (b-5),
8 and (b-7) of this Section shall, subject to appropriation, be
9 used as follows:

10 First - to make 3 payments to the School Technology
11 Revolving Loan Fund as follows:

12 Transfer of \$30,000,000 in fiscal year 1999;

13 Transfer of \$20,000,000 in fiscal year 2000; and

14 Transfer of \$10,000,000 in fiscal year 2001.

15 Second - to pay any amounts due for grants for school
16 construction projects ~~and debt service~~ under the School
17 Construction Law.

18 Third - to pay any amounts due for grants for school
19 maintenance projects under the School Construction Law.

20 (Source: P.A. 100-23, eff. 7-6-17; 101-31, eff. 6-28-19;
21 101-636, eff. 6-10-20.)

22 Section 10. The Local Government Debt Reform Act is
23 amended by changing Section 16.5 as follows:

24 (30 ILCS 350/16.5)

1 Sec. 16.5. Proposition for bonds. For all elections held
2 after July 1, 2000, the form of a proposition to authorize the
3 issuance of bonds pursuant to either a referendum or backdoor
4 referendum may be as set forth in this Section as an
5 alternative to the form of proposition as otherwise set forth
6 by applicable law. The proposition authorized by this Section
7 shall be in substantially the following form:

8 Shall (name of governmental unit) (state purpose for
9 the bond issue) and issue its bonds to the amount of \$
10 (state amount) for the purpose of paying the costs
11 thereof?

12 If a school district receives a conditional grant award
13 from the Capital Development Board ~~expects to receive a school~~
14 ~~construction grant from the State of Illinois~~ pursuant to
15 Section 5-15 of the School Construction Law for the a school
16 construction project to be financed in part with proceeds of
17 the bonds ~~a bond~~ authorized by referendum, then the form of
18 proposition may at the option of the school district
19 additionally contain substantially the following language:

20 (Name of school district) expects to receive a school
21 construction grant from the State of Illinois in the
22 amount of \$ (state amount) pursuant to the School
23 Construction Law to cover a portion of the total project
24 costs for the school construction project to be financed
25 in part with the proceeds of the bonds, based on the
26 conditional grant award received from the Capital

1 Development Board pursuant to the School Construction Law
2 ~~(i) a grant entitlement from the State Board of Education~~
3 ~~and (ii) current recognized project costs determined by~~
4 ~~the Capital Development Board.~~

5 (Source: P.A. 91-868, eff. 6-22-00; 92-879, eff. 1-13-03.)

6 Section 15. The School Construction Law is amended by
7 changing Sections 5-5, 5-10, 5-15, 5-20, 5-25, 5-30, 5-35, and
8 5-50 as follows:

9 (105 ILCS 230/5-5)

10 Sec. 5-5. Definitions. As used in this Article:

11 "Conditional grant award" means the formal notification by
12 the Capital Development Board to a school district of its
13 conditional intent to award a grant to a school district to pay
14 a portion of the recognized project cost for a school
15 construction project. The grant award is conditioned upon
16 receiving proof from the school district that it has funds
17 available to cover the cost of the required local match.

18 "Grant award amount" means an amount equal to the
19 recognized project cost determined by the Capital Development
20 Board for a school construction project multiplied by the
21 grant award percentage and then adjusted as may be required
22 pursuant to subsection (d) of Section 5-15.

23 "Grant award percentage" means a percentage equal to one
24 minus the required local match percentage.

1 ~~"Approved school construction bonds" mean bonds that were~~
2 ~~approved by referendum after January 1, 1996 but prior to~~
3 ~~January 1, 1998 as provided in Sections 19-2 through 19-7 of~~
4 ~~the School Code to provide funds for the acquisition,~~
5 ~~development, construction, reconstruction, rehabilitation,~~
6 ~~improvement, architectural planning, and installation of~~
7 ~~capital facilities consisting of buildings, structures,~~
8 ~~durable equipment, and land for educational purposes.~~

9 "Grant index" means a figure for each school district
10 equal to one minus the ratio of the district's equalized
11 assessed valuation per pupil in average daily attendance to
12 the equalized assessed valuation per pupil in average daily
13 attendance of the district located at the 90th percentile for
14 all districts of the same category. This definition applies
15 only to school construction projects for which a grant
16 application was filed for the 2004 application cycle by a
17 school district included on the State Board of Education's
18 2004 School Construction Project Application Cycle listing and
19 only for the purpose of determining the amount of any
20 adjustment pursuant to subsection (d) of Section 5-15 to a
21 grant award amount for a project funded during the first
22 application cycle opened after June 30, 2020. For the purpose
23 of calculating the grant index, school districts are grouped
24 into 2 categories, Category I and Category II. Category I
25 consists of elementary and unit school districts. The
26 equalized assessed valuation per pupil in average daily

1 attendance of each school district in Category I shall be
2 computed using its grades kindergarten through 8 average daily
3 attendance figure. A unit school district's Category I grant
4 index shall be used for projects or portions of projects
5 constructed for elementary school pupils. Category II consists
6 of high school and unit school districts. The equalized
7 assessed valuation per pupil in average daily attendance of
8 each school district in Category II shall be computed using
9 its grades 9 through 12 average daily attendance figure. A
10 unit school district's Category II grant index shall be used
11 for projects or portions of projects constructed for high
12 school pupils. The changes made by this amendatory Act of the
13 92nd General Assembly apply to all grants made on or after the
14 effective date of this amendatory Act, provided that for
15 grants not yet made on the effective date of this amendatory
16 Act but made in fiscal year 2001 and for grants made in fiscal
17 year 2002, the grant index for a school district shall be the
18 greater of (i) the grant index as calculated under this Law on
19 or after the effective date of this amendatory Act or (ii) the
20 grant index as calculated under this Law before the effective
21 date of this amendatory Act. The grant index shall be no less
22 than 0.35 and no greater than 0.75 for each district; provided
23 that the grant index for districts whose equalized assessed
24 valuation per pupil in average daily attendance is at the 99th
25 percentile and above for all districts of the same type shall
26 be 0.00.

1 The grant index shall be calculated for each of those
2 school districts forming a reorganized school district or
3 cooperative high school if one or more of the following happen
4 within the current or prior 2 fiscal years:

5 (1) a new school district is created in accordance
6 with Article 11E of the School Code;

7 (2) an existing school district annexes all of the
8 territory of one or more entire other school districts in
9 accordance with Article 7 of the School Code; or

10 (3) a cooperative high school is formed in accordance
11 with Section 10-22.22c of the School Code.

12 The average grant index of those school districts shall be
13 used as the grant index for the newly reorganized district or
14 cooperative high school.

15 "Recognized project cost" means the total project cost for
16 a school construction project determined by the Capital
17 Development Board to be taken into account in calculating the
18 grant award amount and the required local match for a school
19 construction project.

20 "Required local match" means an amount equal to the
21 product of the recognized project cost determined by the
22 Capital Development Board multiplied by a school district's
23 required local match percentage, and then adjusted as may be
24 required pursuant to Section 5-15.

25 "Required local match percentage" means a percentage equal
26 to a school district's Local Capacity Percentage, as defined

1 in Section 18-8.15 of the School Code, and as calculated by the
2 State Superintendent of Education in the fiscal year in which
3 the school district applies for a grant to be awarded pursuant
4 to this Article, provided that the required local match
5 percentage shall be no less than 10% and no greater than 90%
6 for any district. With respect to a Type 40 area vocational
7 center cooperative, a special education cooperative, or a
8 cooperative high school, the required local match percentage
9 is calculated by first multiplying each cooperative member
10 district's average student enrollment utilized to calculate
11 its latest Evidence-Based Funding, as defined in Section
12 18-8.15 of the School Code, by the respective district's
13 latest Local Capacity Percentage, as defined in Section
14 18-8.15 of the School Code, to obtain a weighted average
15 student enrollment. Then, the required local match percentage
16 is calculated by taking the sum of all the member districts'
17 weighted average student enrollment and dividing that sum by
18 the sum of all the member districts' average student
19 enrollment utilized to calculate the latest Evidence-Based
20 Funding.

21 "School construction project" means the acquisition,
22 development, construction, reconstruction, rehabilitation,
23 improvement, architectural planning, and installation of
24 capital facilities consisting of buildings, structures,
25 durable equipment, and land for educational purposes.

26 "School district" means a school district or a Type 40

1 area vocational center or special education cooperative that
2 is jointly owned, if the joint agreement includes language
3 that specifies how the debt obligation is to be paid,
4 including in the event that an entity withdraws from the joint
5 agreement.

6 "School district" includes a cooperative high school, if
7 the cooperative agreement includes language that specifies how
8 the debt obligation is to be paid, including if an entity
9 withdraws from the cooperative agreement or the cooperative
10 agreement is terminated ~~which shall be considered a high~~
11 ~~school district for the purpose of calculating its grant~~
12 ~~index.~~

13 "School maintenance project" means a project, other than a
14 school construction project, intended to provide for the
15 maintenance or upkeep of buildings or structures for
16 educational purposes, but does not include ongoing operational
17 costs.

18 (Source: P.A. 96-731, eff. 8-25-09; 96-1381, eff. 1-1-11.)

19 (105 ILCS 230/5-10)

20 Sec. 5-10. Grant awards. The Capital Development Board is
21 authorized to make grants to school districts for school
22 construction projects with funds appropriated by the General
23 Assembly from the School Infrastructure Fund and the School
24 Construction Fund pursuant to the provisions of this Article.
25 ~~The State Board of Education is authorized to make grants to~~

1 ~~school districts for debt service with funds appropriated by~~
2 ~~the General Assembly from the School Infrastructure Fund~~
3 ~~pursuant to the provisions of this Article.~~

4 (Source: P.A. 90-548, eff. 1-1-98.)

5 (105 ILCS 230/5-15)

6 Sec. 5-15. Grant award amounts and required local match
7 entitlements.

8 (a) After June 30, 2021, any time there is an
9 appropriation of funds by the General Assembly from the School
10 Infrastructure Fund or School Construction Fund and a release
11 of the appropriated funds to the Capital Development Board for
12 expenditure on grant awards pursuant to the provisions of this
13 Article, the ~~The~~ State Board of Education is authorized to
14 open an application cycle to receive grant applications from
15 school districts ~~issue grant entitlements~~ for school
16 construction projects. No grant application filed before the
17 start of the first application cycle after June 30, 2021 may be
18 considered. After the close of each application cycle, the
19 State Board of Education ~~and debt service and~~ shall determine
20 the approval of applications, the required local match
21 percentage for each approved application, and the priority
22 order for school construction project grants to be made by the
23 Capital Development Board and shall then notify all applicants
24 regarding their eligibility for a grant. Such notification
25 shall include an estimate of the required local match. The

1 State Board of Education shall publish a list of applicants
2 eligible for grants and forward it to the Capital Development
3 Board. When issuing a grant entitlement for a school
4 construction project, the Capital Development Board, as a part
5 of that entitlement, shall certify to the district receiving
6 the entitlement the dollar amount of the school construction
7 project's cost that the district will be required to finance
8 with non grant funds in order to qualify to receive a school
9 construction project grant under this Article from the Capital
10 Development Board.

11 (b) The Capital Development Board, to the extent that
12 appropriated funds have been released and proceeding through
13 the list of eligible applicants in the order of priority
14 determined by the State Board of Education, shall issue
15 conditional grant awards to eligible school districts. An
16 applicant that does not receive a conditional grant award
17 notification must submit a new application during another
18 application cycle in order to receive future consideration for
19 a grant award.

20 (c) The conditional grant award certifies to a school
21 district the recognized project costs for its school
22 construction project determined by the Capital Development
23 Board, the applicable required local match percentage and
24 grant award percentage, the required local match and grant
25 award amount calculated by multiplying the required local
26 match percentage and the grant award percentage by the

1 recognized project cost, and the required local match and
2 grant award amount as those amounts may be adjusted as
3 required in subsection (d).

4 (d) The required local match and grant award amount are
5 calculated by multiplying the required local match percentage
6 and the grant award percentage by the recognized project cost,
7 provided that, only during the first application cycle after
8 June 30, 2021, these amounts may be adjusted if the applicant
9 had previously expended funds on a school construction project
10 on the 2004 School Construction Grant List. In that case, the
11 required local match shall be reduced (but not below zero) and
12 the grant award amount shall be increased (to an amount no
13 greater than the recognized project cost) by an amount
14 determined by the Capital Development Board to be equal to the
15 amount of the grant the applicant would have received pursuant
16 to Section 5-35 had it been awarded a grant in 2004 based on
17 the 2004 School Grant Construction List.

18 (Source: P.A. 90-548, eff. 1-1-98; 91-55, eff. 6-30-99.)

19 (105 ILCS 230/5-20)

20 Sec. 5-20. Grant application; district facilities plan.
21 School districts shall apply to the State Board of Education
22 for school construction project grants ~~and debt service~~
23 ~~grants~~. Districts filing grant applications shall submit to
24 the State Board a district facilities plan that shall include,
25 but not be limited to, an assessment of present and future

1 district facility needs as required by present and anticipated
2 educational programming, the availability of local financial
3 resources including current revenues, fund balances, and
4 unused bonding capacity, a fiscal plan for meeting present and
5 anticipated debt service obligations, and a maintenance plan
6 and schedule that contain necessary assurances that new,
7 renovated, and existing facilities are being or will be
8 properly maintained. If a district that applies for a school
9 construction project grant has no unused bonding capacity or
10 if its unused bonding capacity may be less than the portion of
11 the cost of the proposed school construction project that the
12 district would be required to finance with non-grant funds,
13 the amount certified by the Capital Development Board under
14 Section 5-15 application and facilities plan submitted by the
15 ~~district~~ shall set forth the estimated amount of the project's
16 cost that the district proposes to finance by the issuance of
17 bonds under subsection (n) of Section 19-1 of the School Code.
18 The State Board of Education shall review and approve district
19 facilities plans prior to prioritizing the applications
20 ~~issuing grant entitlements. Each district that receives a~~
21 ~~grant entitlement shall annually update its district~~
22 ~~facilities plan and submit the revised plan to the State Board~~
23 ~~for approval.~~

24 (Source: P.A. 90-548, eff. 1-1-98; 91-55, eff. 6-30-99.)

1 Sec. 5-25. Eligibility and project standards.

2 (a) The State Board of Education shall establish
3 eligibility standards for school construction project grants
4 ~~and debt service grants~~. These standards shall include minimum
5 enrollment requirements for eligibility for school
6 construction project grants of 200 students for elementary
7 districts, 200 students for high school districts, and 400
8 students for unit districts. The total enrollment of member
9 districts forming a cooperative high school in accordance with
10 subsection (c) of Section 10-22.22 of the School Code shall
11 meet the minimum enrollment requirements specified in this
12 subsection (a). The State Board of Education shall approve a
13 district's eligibility for a school construction project grant
14 ~~or a debt service grant~~ pursuant to the established standards.

15 ~~For purposes only of determining a Type 40 area vocational~~
16 ~~center's eligibility for an entity included in a school~~
17 ~~construction project grant or a school maintenance project~~
18 ~~grant, an area vocational center shall be deemed eligible if~~
19 ~~one or more of its member school districts satisfy the grant~~
20 ~~index criteria set forth in this Law.~~ A Type 40 area vocational
21 center that makes application for school construction funds
22 after August 25, 2009 (the effective date of Public Act
23 96-731) shall be placed on the respective application cycle
24 list. Type 40 area vocational centers must be placed last on
25 the priority listing of eligible entities for the applicable
26 fiscal year.

1 (b) The Capital Development Board shall establish project
2 standards for all school construction project grants provided
3 pursuant to this Article. These standards shall include space
4 and capacity standards as well as the determination of
5 recognized project costs that shall be eligible for State
6 financial assistance and enrichment costs that shall not be
7 eligible for State financial assistance.

8 (c) The State Board of Education and the Capital
9 Development Board shall not establish standards that
10 disapprove or otherwise establish limitations that restrict
11 the eligibility of (i) a school district with a population
12 exceeding 500,000 for a school construction project grant
13 based on the fact that any or all of the school construction
14 project grant will be used to pay debt service or to make lease
15 payments, as authorized by subsection (b) of Section 5-35 of
16 this Law, (ii) a school district located in whole or in part in
17 a county that imposes a tax for school facility or resources
18 purposes pursuant to Section 5-1006.7 of the Counties Code, or
19 (iii) a school district that (1) was organized prior to 1860
20 and (2) is located in part in a city originally incorporated
21 prior to 1840, based on the fact that all or a part of the
22 school construction project is owned by a public building
23 commission and leased to the school district or the fact that
24 any or all of the school construction project grant will be
25 used to pay debt service or to make lease payments.

26 (d) (Blank). ~~A reorganized school district or cooperative~~

1 ~~high school may use a school construction application that was~~
2 ~~submitted by a school district that formed the reorganized~~
3 ~~school district or cooperative high school if that application~~
4 ~~has not been entitled for a project by the State Board of~~
5 ~~Education and any one or more of the following happen within~~
6 ~~the current or prior 4 fiscal years:~~

7 ~~(1) a new school district is created in accordance~~
8 ~~with Article 11E of the School Code;~~

9 ~~(2) an existing school district annexes all of the~~
10 ~~territory of one or more other school districts in~~
11 ~~accordance with Article 7 of the School Code; or~~

12 ~~(3) a cooperative high school is formed in accordance~~
13 ~~with subsection (c) of Section 10-22.22 of the School~~
14 ~~Code.~~

15 ~~A new elementary district formed from a school district~~
16 ~~conversion, as defined in Section 11E 15 of the School Code,~~
17 ~~may use only the application of the dissolved district whose~~
18 ~~territory is now included in the new elementary district and~~
19 ~~must obtain the written approval of the local school board of~~
20 ~~any other school district that includes territory from that~~
21 ~~dissolved district. A new high school district formed from a~~
22 ~~school district conversion, as defined in Section 11E 15 of~~
23 ~~the School Code, may use only the application of any dissolved~~
24 ~~district whose territory is now included in the new high~~
25 ~~school district, but only after obtaining the written approval~~
26 ~~of the local school board of any other school district that~~

~~includes territory from that dissolved district. A cooperative high school using this Section must obtain the written approval of the local school board of the member school district whose application it is using. All other eligibility and project standards apply to this Section.~~

(Source: P.A. 101-455, eff. 8-23-19.)

(105 ILCS 230/5-30)

Sec. 5-30. Priority of school construction projects. The State Board of Education shall develop standards for the determination of priority needs concerning school construction projects based upon approved district facilities plans. Such standards shall call for prioritization based on the degree of need and project type in the following order:

(1) Replacement or reconstruction of school buildings destroyed or damaged by flood, tornado, fire, earthquake, mine subsidence, or other disasters, either man-made or produced by nature;

(2) Projects designed to alleviate a shortage of classrooms due to population growth or to replace or rehabilitate aging school buildings;

(3) Projects resulting from interdistrict reorganization of school districts contingent on local referenda;

(4) Replacement, rehabilitation, or reconstruction of school facilities determined to be severe and continuing

1 health or life safety hazards;

2 (5) Alterations necessary to provide accessibility for
3 qualified individuals with disabilities; and

4 (6) Other unique solutions to facility needs.

5 ~~Except for those changes absolutely necessary to comply with~~
6 ~~the changes made to subsection (c) of Section 5-25 of this Law~~
7 ~~by Public Act 96-37, the State Board of Education may not make~~
8 ~~any material changes to the standards in effect on May 18,~~
9 ~~2004, unless the State Board of Education is specifically~~
10 ~~authorized by law.~~

11 (Source: P.A. 96-37, eff. 7-13-09; 96-102, eff. 7-29-09;
12 96-1000, eff. 7-2-10; 97-880, eff. 8-2-12.)

13 (105 ILCS 230/5-35)

14 Sec. 5-35. School construction project grant award
15 amounts; permitted use; prohibited use.

16 (a) The grant award percentage is equal to one minus the
17 required local match percentage. The grant award amount is
18 equal to the grant award percentage multiplied by ~~The product~~
19 ~~of the district's grant index and the recognized project cost,~~
20 ~~as~~ determined by the Capital Development Board, ~~7~~ for an
21 approved school construction project, which amount may be
22 adjusted as required in Section 5-15. The grant award amount
23 shall equal the amount of the grant the Capital Development
24 Board shall provide to the eligible district. ~~The grant index~~
25 ~~shall not be used in cases where the General Assembly and the~~

1 ~~Governor approve appropriations designated for specifically~~
2 ~~identified school district construction projects.~~

3 ~~The average of the grant indexes of the member districts~~
4 ~~in a joint agreement shall be used to calculate the amount of a~~
5 ~~school construction project grant awarded to an eligible Type~~
6 ~~40 area vocational center.~~

7 (b) In each fiscal year in which school construction
8 project grants are awarded, 20% of the total amount awarded
9 statewide shall be awarded to a school district with a
10 population exceeding 500,000, provided such district complies
11 with the provisions of this Article.

12 In addition to the uses otherwise authorized by this Law,
13 any school district with a population exceeding 500,000 is
14 authorized to use any or all of the school construction
15 project grants (i) to pay debt service, as defined in the Local
16 Government Debt Reform Act, on bonds, as defined in the Local
17 Government Debt Reform Act, issued to finance one or more
18 school construction projects and (ii) to the extent that any
19 such bond is a lease or other installment or financing
20 contract between the school district and a public building
21 commission that has issued bonds to finance one or more
22 qualifying school construction projects, to make lease
23 payments under the lease.

24 (b-3) The Capital Development Board shall make payment in
25 an amount equal to 20% of each amount deposited into the School
26 Infrastructure Fund pursuant to subsection (b-5) of Section

1 6z-45 of the State Finance Act to the Board of Education of the
2 City of Chicago within 10 days after such deposit. The Board of
3 Education of the City of Chicago shall use such moneys
4 received (i) for application to the costs of a school
5 construction project, (ii) to pay debt service on bonds, as
6 those terms are defined in the Local Government Debt Reform
7 Act, that are issued to finance one or more school
8 construction projects, and (iii) to the extent that any such
9 bond is a lease or other installment or financing contract
10 between the school district and a public building commission
11 that has issued bonds to finance one or more qualifying school
12 construction projects, to make lease payments under the lease.
13 The Board of Education of the City of Chicago shall submit
14 quarterly to the Capital Development Board documentation
15 sufficient to establish that this money is being used as
16 authorized by this Section. The Capital Development Board may
17 withhold payments if the documentation is not provided. The
18 remaining 80% of each such deposit shall be applied in
19 accordance with the provisions of subsection (a) of this
20 Section; however, no portion of this remaining 80% shall be
21 awarded to a school district with a population of more than
22 500,000.

23 (b-5) In addition to the uses otherwise authorized by this
24 Law, any school district that (1) was organized prior to 1860
25 and (2) is located in part in a city originally incorporated
26 prior to 1840 is authorized to use any or all of the school

1 construction project grants (i) to pay debt service on bonds,
2 as those terms are defined in the Local Government Debt Reform
3 Act, that are issued to finance one or more school
4 construction projects and (ii) to the extent that any such
5 bond is a lease or other installment or financing contract
6 between the school district and a public building commission
7 that has issued bonds to finance one or more qualifying school
8 construction projects, to make lease payments under the lease.

9 (c) No portion of a school construction project grant
10 awarded by the Capital Development Board shall be used by a
11 school district for any on-going operational costs.

12 (Source: P.A. 98-18, eff. 6-7-13.)

13 (105 ILCS 230/5-50)

14 Sec. 5-50. Referendum requirements. A school district may
15 submit a school construction project or the financing of a
16 school construction project to referendum at any time.
17 However, the proposition may include a reference to the school
18 district's expectation of receiving a school construction
19 grant from the State of Illinois only if the school district
20 has received a conditional grant award for the project from
21 the Capital Development Board. ~~After the State Board of~~
22 ~~Education has approved all or part of a district's application~~
23 ~~and issued a grant entitlement for a school construction~~
24 ~~project grant, the district shall submit the project or the~~
25 ~~financing of the project to a referendum when such referendum~~

1 ~~is required by law, except for a project financed by bonds~~
2 ~~issued pursuant to subsection (p-70) of Section 19-1 of the~~
3 ~~School Code.~~

4 (Source: P.A. 96-1438, eff. 8-20-10; 97-333, eff. 8-12-11.)

5 (105 ILCS 230/5-37 rep.)

6 (105 ILCS 230/5-38 rep.)

7 (105 ILCS 230/5-45 rep.)

8 (105 ILCS 230/5-57 rep.)

9 Section 20. The School Construction Law is amended by
10 repealing Sections 5-37, 5-38, 5-45, and 5-57.

11 Section 99. Effective date. This Act takes effect upon
12 becoming law.