



Rep. Dave Winters

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1 AMENDMENT TO HOUSE BILL 6137

2 AMENDMENT NO. _____. Amend House Bill 6137 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the Local
5 Option Property Tax Reduction Act.

6 Section 5. Definitions. In this Act:

7 "Taxable income" means that portion of the net income of
8 the taxpayer which is allocable and apportionable to the school
9 district under the provisions of this Act and the regulations
10 adopted under this Act.

11 "Net income" means the net income of the taxpayer as
12 defined and as determined and computed for the taxable year
13 under the provisions of the Illinois Income Tax Act.

14 "Taxable year" means the calendar year, or the fiscal year
15 ending in such calendar year, upon the basis of which taxable
16 income is computed under this Act, and also includes a
17 fractional part of a year for which income is earned.

18 "Resident" means an individual that is in the school
19 district for other than a temporary transitory purpose during
20 the taxable year, or who is domiciled in that school district
21 but is absent therefrom for a temporary or transitory purpose
22 during the taxable year. "Resident" does not include a
23 corporation.

1 Section 10. Referendum; imposition of tax; limitations.
2 The school board of each school district, including special
3 charter districts as defined in Section 1-3 of the School Code
4 and school districts organized under Article 34 of that Code,
5 may by proper resolution or shall upon petition of 5% of the
6 number of voters who voted in the school district in the last
7 gubernatorial election cause to be submitted to the voters of
8 the school district at a general or primary election in
9 accordance with the general election law a proposition to
10 authorize an annual local income tax for schools at a rate not
11 to exceed 2%, measured as a percentage of the taxable income of
12 individuals and imposed only in increments of 0.50%, to be
13 imposed on every individual on the privilege of earning or
14 receiving income in or as a resident of the school district.
15 The resolution or petition to submit the proposition to the
16 voters of the district shall be in accordance with the general
17 election law. The proposition as submitted at the referendum
18 shall specify the annual rate at which the tax is proposed to
19 be imposed on individuals and that the taxes collected shall be
20 used to abate the extension in that year of any real property
21 taxes levied by the district for lawful school purposes.

22 Section 15. Apportionment of income. The method of
23 allocating and apportioning income earned in the school
24 district by individuals that earn only a portion of their
25 income in that district shall be established by rules adopted
26 by the Department of Revenue for that purpose. The method so
27 established shall be determined, as near as may be, in
28 accordance with the provisions of Article III of the Illinois
29 Income Tax Act governing the manner in which income and items
30 of deduction are allocated and apportioned to this State with
31 respect to part-year residents and other persons.

32 Section 20. Additional referenda. The school board of a

1 school district may by resolution, or shall upon the petition
2 of 5% of the number of voters who voted in the school district
3 in the last gubernatorial election, cause to be submitted to
4 the voters of that district at a general election in accordance
5 with the general election law any of the following:

6 (i) A proposition to decrease (but only in increments
7 of 0.50%) or to increase (but only in increments of 0.50%)
8 the annual rate for the local income tax for schools
9 imposed under Section 10.

10 (ii) In case authority to impose the local income tax
11 for schools has been rejected or repealed by the voters at
12 a prior referendum, a proposition to authorize or again
13 authorize the local income tax for schools to be so
14 imposed.

15 (iii) In case a proposition to authorize the imposition
16 of or to decrease the rate of the local income tax for
17 schools has been approved by the voters at a prior
18 referendum, a proposition to repeal that local income tax
19 for schools.

20 Any resolution or petition under this Section to submit to
21 the voters of the school district a proposition to increase or
22 decrease the annual rate for the local income tax for schools
23 shall specify the annual rate at which the tax is proposed to
24 be imposed.

25 Referenda under this Section shall be governed by the
26 general election law. If a majority of the votes cast is in
27 favor of the proposition to decrease or increase the rate of or
28 to authorize imposition of the local income tax for schools,
29 the school board shall thereafter, until the authority is
30 revoked in like manner, impose the annual tax as authorized. If
31 a majority of the votes cast is in favor of the proposition to
32 repeal the local income tax for schools, that tax shall not
33 thereafter be imposed unless again authorized as provided in
34 this Section.

1 Section 25. Collection.

2 (a) Any tax authorized under this Act shall be imposed,
3 increased, decreased, or repealed effective at the beginning of
4 the second calendar quarter beginning after certification by
5 the proper election officials of the results of the referendum
6 that authorizes imposing, increasing, decreasing, or repealing
7 the tax. The tax so imposed shall be collected by the
8 Department of Revenue. The certification by the proper election
9 officials of the results of the referendum authorizing the tax
10 and the certification by the school board to the Department of
11 Revenue of the rate of the tax to be imposed under this Act
12 shall constitute the authority of the Department of Revenue to
13 collect the tax. Whenever a proposition to authorize imposition
14 of the local income tax for schools is approved by the voters
15 of any school district as provided in this Act, the county
16 clerk of each county in which that school district is located
17 shall promptly certify the territorial boundaries of the
18 district to the Department of Revenue. Thereafter, the
19 Department shall (i) promptly notify all individual residents
20 of the district who have previously filed a return with respect
21 to the taxes imposed by the Illinois Income Tax Act that the
22 local income tax for schools has been imposed within the
23 district and the manner in which the tax is to be collected by
24 and paid to the Department of Revenue and (ii) publish notice
25 in a newspaper published in the school district, or if there is
26 no such newspaper then in a newspaper published in the county
27 and having circulation in the school district, that the local
28 income tax for schools has been imposed within the district and
29 the manner in which the tax is to be collected by and paid to
30 the Department of Revenue. Any tax imposed under this Act shall
31 be collected by and paid to the Department of Revenue at the
32 same time and in the same manner, with the same withholding and
33 estimated payment requirements and subject to the same

1 assessment and refund procedures, penalties, and interest, as
2 the tax imposed by the Illinois Income Tax Act. Except as
3 provided in subsection (b) of this Section, the Department of
4 Revenue shall forthwith pay over to the State Treasurer, ex
5 officio, as trustee, all moneys received by it under this
6 Section to be deposited into a special account that the State
7 Treasurer and State Comptroller shall establish and maintain
8 for that school district in the Local Option Property Tax
9 Reduction Fund, a special fund that is hereby created in the
10 State treasury, to be held and disbursed by the Treasurer as
11 provided in this Section and Section 30. All interest earned
12 from the investment of any moneys from time to time held in the
13 Local Option Property Tax Reduction Fund and any special
14 accounts established therein shall be retained by the Treasurer
15 to be applied toward the costs incurred by the Department of
16 Revenue in administering and enforcing this Act.

17 (b) The Local Option Property Tax Reduction Refund Fund is
18 hereby created in the State Treasury. The Department of Revenue
19 shall deposit a percentage of the amounts collected from the
20 tax imposed under this Act by any school district into a
21 special account that the State Treasurer and State Comptroller
22 shall establish and maintain within the Local Option Property
23 Tax Reduction Refund Fund for the purpose of paying refunds
24 resulting from overpayment of tax liability under this Act with
25 respect to that school district. The Department of Revenue
26 shall determine the percentage of the amounts collected from
27 the tax imposed under this Act by any school district that is
28 to be deposited into the special account maintained in the
29 Local Option Property Tax Reduction Refund Fund to pay refunds
30 resulting from overpayment of tax liability under this Act with
31 respect to that school district and shall certify that
32 percentage to the Comptroller, all in accordance with rules
33 adopted by the Department of Revenue for purposes of this
34 Section. Money in the special account maintained in the Local

1 Option Property Tax Reduction Refund Fund with respect to any
2 school district shall be expended exclusively for the purpose
3 of paying refunds resulting from overpayment of tax liability
4 under this Act with respect to that school district. The
5 Director of Revenue shall order payment of refunds resulting
6 from overpayment of tax liability under this Act from the
7 special account maintained with respect to a school district in
8 the Local Option Property Tax Reduction Refund Fund only to the
9 extent that amounts collected pursuant to this Act for that
10 school district have been deposited to and retained in that
11 special account. This Section shall constitute an irrevocable
12 and continuing appropriation from the Local Option Property Tax
13 Reduction Refund Fund and the special accounts established and
14 maintained therein for the purpose of paying refunds upon the
15 order of the Director of Revenue in accordance with the
16 provisions of this Section.

17 (c) The Department of Revenue shall promulgate such rules
18 and regulations as may be necessary to implement the provisions
19 of this Act.

20 Section 30. Certification, disbursement, and use of funds.

21 (a) On or before June 15 of each calendar year, or the
22 first following business day if June 15 falls on a Saturday,
23 Sunday, or holiday, the Department of Revenue shall certify to
24 the State Comptroller the disbursement of stated sums of money
25 to each school district in which any tax authorized by this Act
26 has been imposed, levied, and collected during the preceding
27 calendar year. On each certification date, the amount to be
28 certified for disbursement from the separate account
29 maintained for a school district in the Local Option Property
30 Tax Reduction Fund shall be the amount deposited into that
31 special account from the tax collected under this Act for that
32 school district for the preceding calendar year, reduced by an
33 amount equal to 2% of the amount so deposited into that special

1 account to be retained by the Treasurer to be applied toward
2 the costs incurred by the Department of Revenue in
3 administering and enforcing this Act.

4 (b) At the time of each disbursement to a school district,
5 the Department of Revenue shall prepare and certify to the
6 Comptroller the amount retained by the State Treasurer as
7 provided in this Section and the interest earned from the
8 investment of moneys from time to time held in the Local Option
9 Property Tax Reduction Fund and any special accounts
10 established therein as provided in subsection (a) of Section 25
11 to be applied toward the costs incurred by the Department in
12 administering and enforcing this Act, the amount so retained
13 and the interest so earned to be paid into the General Revenue
14 Fund of the State Treasury.

15 (c) Within 10 days after receipt by the Comptroller from
16 the Department of Revenue of the certification of disbursements
17 to the school districts and General Revenue Fund as provided in
18 this Section, the Comptroller shall cause the warrants to be
19 drawn for the respective amounts in accordance with the
20 directions contained in the certification.

21 (d) If for any reason the General Assembly fails to make an
22 appropriation sufficient to pay each school district the full
23 amount required to be disbursed and paid to it by this Section
24 and any other provision of this Act, then this Section shall
25 constitute an irrevocable and continuing appropriation of all
26 amounts necessary for that purpose and the irrevocable and
27 continuing authority for and direction to the Comptroller and
28 Treasurer of the State to make the necessary transfers out of
29 and disbursements from the revenues and funds of the State for
30 that purpose.

31 (e) The school board of each school district that receives
32 a disbursement provided for in this Act shall apply the moneys
33 so disbursed to any funds from which the school board of the
34 school district is authorized to make expenditures by law,

1 provided that (i) the percentage of the amount so disbursed to
2 the school district in any calendar year that is attributable
3 to the required minimum abatement in the extension in that
4 calendar year of the real property taxes levied by the district
5 for educational purposes shall be applied to the educational
6 purposes of the district, and (ii) if any percentage of the
7 amount so disbursed to the school district in any calendar year
8 is attributable to any required additional abatement in the
9 extension in that calendar year of any real property taxes
10 levied by the district for educational or any other lawful
11 school purpose, that percentage of the amount so disbursed
12 shall be applied by the district to the fund created for that
13 purpose.

14 Section 35. Property tax abatement.

15 (a) The extension of real property taxes for a school
16 district within which the local income tax for schools
17 authorized by this Act already has been imposed, levied, and
18 collected shall be abated by the county clerk in which the
19 school district is located in the manner provided by this
20 Section, provided that (i) if any such school district is
21 located in more than one county the amount of real property
22 taxes of the district to be so abated shall be apportioned by
23 the county clerks of those counties based upon the ratio of the
24 aggregate assessed value of the taxable property of the
25 district in each such county and (ii) prior to any abatement
26 under this Section the county clerk shall determine whether the
27 amount of each tax levied by the district for a lawful school
28 purpose and certified for extension is based on a rate at which
29 the district making the certification is authorized by statute
30 or referendum to levy that tax, shall disregard any excess, and
31 shall extend the levy of that tax in accordance with the
32 provisions of Section 18-45 of the Property Tax Code, subject
33 to abatement as provided in this Section.

1 (b) Not later than September 1 of the first calendar year
2 in which the tax authorized by this Act is imposed, levied, and
3 collected within a school district, the Department of Revenue
4 shall certify to the county clerk of each county in which any
5 part of the school district is located the estimated amount of
6 the tax that would have been collected under this Act during
7 the immediately preceding calendar year in that part of the
8 district located in the county had this Act been in effect and
9 had that tax been imposed, levied, and collected within that
10 district during that immediately preceding calendar year at the
11 same annual rate and for the same period of time as that tax is
12 imposed, levied, and collected in the district during the
13 calendar year in which the certification is made.

14 (c) During the calendar year immediately succeeding the
15 calendar year in which the certification under subsection (b)
16 is required to be made, in extending the real property taxes
17 last levied by a school district for educational purposes, the
18 county clerk shall abate that extension of the district's levy
19 for educational purposes by an amount equal to 100% of the
20 estimated amount that was certified to the county clerk by the
21 Department of Revenue under the provisions of subsection (b)
22 during the calendar year immediately preceding the calendar
23 year in which the extension is made. In each subsequent
24 calendar year, in extending the real property taxes levied by
25 the school district for educational purposes during the
26 immediately preceding calendar year, the county clerk shall
27 abate each such extension of the district's levy for
28 educational purposes by an amount equal to 100% of the amount
29 disbursed to the school district under Section 30 during June
30 of the calendar year immediately preceding the calendar year in
31 which the extension and abatement are made.

32 Section 40. Property tax rates. The provisions of this Act
33 for abatement in the extension of the amount of real property

1 taxes levied by school districts do not constitute and shall
2 not be construed to be a limitation on or a reduction in the
3 rate at which any school district now is or hereafter may be
4 authorized by statute or referendum to levy taxes for any
5 lawful school purpose. Notwithstanding any abatement required
6 by Section 35 to be made in any year in any taxes levied by any
7 school district for educational or any other lawful school
8 purpose, for purposes of computing the operating tax rate of
9 the school district under Section 18-8, that abatement shall be
10 disregarded and the rate per cent applicable to the extension
11 of the district's tax for its educational, operations and
12 maintenance, and other school funds, as a component of its
13 operating tax rate under Section 18-8, shall be computed on the
14 basis of the amount actually certified by the district to be
15 levied for those purposes, unreduced by any abatement required
16 by Section 35.

17 Section 45. Penalties. Any person who is subject to this
18 Act and who (i) willfully fails to file a return, (ii)
19 willfully violates any rule or regulation of the Department of
20 Revenue for the administration or enforcement of this Act, or
21 (iii) willfully attempts in any other manner to evade or defeat
22 any tax imposed by this Act or the payment thereof is, in
23 addition to other penalties, guilty of a Class B misdemeanor. A
24 prosecution for any violation of this Act may be commenced
25 within 3 years of the commission of that act.

26 Section 50. Collection of delinquent taxes; distribution.
27 If the Department of Revenue collects delinquent taxes due
28 under the Illinois Income Tax Act or under this Act, that money
29 shall be distributed to the State or the school district in
30 proportion to the amount of the total State income tax
31 liability or local income tax liability in the year that the
32 tax was due.

1 Section 905. The State Finance Act is amended by adding
2 Sections 5.625 and 5.626 as follows:

3 (30 ILCS 105/5.625 new)

4 Sec. 5.625. The Local Option Property Tax Reduction Fund.

5 (30 ILCS 105/5.626 new)

6 Sec. 5.626. The Local Option Property Tax Reduction Refund
7 Fund.

8 Section 910. The Property Tax Code is amended by changing
9 Sections 18-45 and 18-185 as follows:

10 (35 ILCS 200/18-45)

11 Sec. 18-45. Computation of rates. Except as provided below,
12 each county clerk shall estimate and determine the rate per
13 cent upon the equalized assessed valuation for the levy year of
14 the property in the county's taxing districts and special
15 service areas, as established under Article VII of the Illinois
16 Constitution, so that the rate will produce, within the proper
17 divisions of that county, not less than the net amount that
18 will be required by the county board or certified to the county
19 clerk according to law. Prior to extension, the county clerk
20 shall determine the maximum amount of tax authorized to be
21 levied by any statute. If the amount of any tax certified to
22 the county clerk for extension exceeds the maximum, the clerk
23 shall extend only the maximum allowable levy.

24 The county clerk shall exclude from the total equalized
25 assessed valuation, whenever estimating and determining it
26 under this Section and Sections 18-50 through 18-105, the
27 equalized assessed valuation in the percentage which has been
28 agreed to by each taxing district, of any property or portion
29 thereof within an Enterprise Zone upon which an abatement of

1 taxes was made under Section 18-170. However, if a municipality
2 has adopted tax increment financing under Division 74.4 of
3 Article 11 of the Illinois Municipal Code, the county clerk
4 shall estimate and determine rates in accordance with Sections
5 11-74.4-7 through 11-74.4-9 of that Act. Beginning on January
6 1, 1998 and thereafter, the equalized assessed value of all
7 property for the computation of the amount to be extended
8 within a county with 3,000,000 or more inhabitants shall be the
9 sum of (i) the equalized assessed value of such property for
10 the year immediately preceding the levy year as established by
11 the assessment and equalization process for the year
12 immediately prior to the levy year, (ii) the equalized assessed
13 value of any property that qualifies as new property, as
14 defined in Section 18-185, or annexed property, as defined in
15 Section 18-225, for the current levy year, and (iii) any
16 recovered tax increment value, as defined in Section 18-185,
17 for the current levy year, less the equalized assessed value of
18 any property that qualifies as disconnected property, as
19 defined in Section 18-225, for the current levy year.

20 The provisions of this Section and the authority and
21 responsibility of the county clerks hereunder are subject to
22 the provisions of Section 35 of the Local Option Property Tax
23 Reduction Act relative to abatement in the extension of taxes
24 levied by school districts, including special charter
25 districts, in which the tax authorized by that Act is imposed,
26 levied, and collected.

27 (Source: P.A. 90-320, eff. 1-1-98.)

28 (35 ILCS 200/18-185)

29 Sec. 18-185. Short title; definitions. This Division 5 may
30 be cited as the Property Tax Extension Limitation Law. As used
31 in this Division 5:

32 "Consumer Price Index" means the Consumer Price Index for
33 All Urban Consumers for all items published by the United

1 States Department of Labor.

2 "Extension limitation" means (a) the lesser of 5% or the
3 percentage increase in the Consumer Price Index during the
4 12-month calendar year preceding the levy year or (b) the rate
5 of increase approved by voters under Section 18-205.

6 "Affected county" means a county of 3,000,000 or more
7 inhabitants or a county contiguous to a county of 3,000,000 or
8 more inhabitants.

9 "Taxing district" has the same meaning provided in Section
10 1-150, except as otherwise provided in this Section. For the
11 1991 through 1994 levy years only, "taxing district" includes
12 only each non-home rule taxing district having the majority of
13 its 1990 equalized assessed value within any county or counties
14 contiguous to a county with 3,000,000 or more inhabitants.
15 Beginning with the 1995 levy year, "taxing district" includes
16 only each non-home rule taxing district subject to this Law
17 before the 1995 levy year and each non-home rule taxing
18 district not subject to this Law before the 1995 levy year
19 having the majority of its 1994 equalized assessed value in an
20 affected county or counties. Beginning with the levy year in
21 which this Law becomes applicable to a taxing district as
22 provided in Section 18-213, "taxing district" also includes
23 those taxing districts made subject to this Law as provided in
24 Section 18-213.

25 "Aggregate extension" for taxing districts to which this
26 Law applied before the 1995 levy year means the annual
27 corporate extension for the taxing district and those special
28 purpose extensions that are made annually for the taxing
29 district, excluding special purpose extensions: (a) made for
30 the taxing district to pay interest or principal on general
31 obligation bonds that were approved by referendum; (b) made for
32 any taxing district to pay interest or principal on general
33 obligation bonds issued before October 1, 1991; (c) made for
34 any taxing district to pay interest or principal on bonds

1 issued to refund or continue to refund those bonds issued
2 before October 1, 1991; (d) made for any taxing district to pay
3 interest or principal on bonds issued to refund or continue to
4 refund bonds issued after October 1, 1991 that were approved by
5 referendum; (e) made for any taxing district to pay interest or
6 principal on revenue bonds issued before October 1, 1991 for
7 payment of which a property tax levy or the full faith and
8 credit of the unit of local government is pledged; however, a
9 tax for the payment of interest or principal on those bonds
10 shall be made only after the governing body of the unit of
11 local government finds that all other sources for payment are
12 insufficient to make those payments; (f) made for payments
13 under a building commission lease when the lease payments are
14 for the retirement of bonds issued by the commission before
15 October 1, 1991, to pay for the building project; (g) made for
16 payments due under installment contracts entered into before
17 October 1, 1991; (h) made for payments of principal and
18 interest on bonds issued under the Metropolitan Water
19 Reclamation District Act to finance construction projects
20 initiated before October 1, 1991; (i) made for payments of
21 principal and interest on limited bonds, as defined in Section
22 3 of the Local Government Debt Reform Act, in an amount not to
23 exceed the debt service extension base less the amount in items
24 (b), (c), (e), and (h) of this definition for non-referendum
25 obligations, except obligations initially issued pursuant to
26 referendum; (j) made for payments of principal and interest on
27 bonds issued under Section 15 of the Local Government Debt
28 Reform Act; (k) made by a school district that participates in
29 the Special Education District of Lake County, created by
30 special education joint agreement under Section 10-22.31 of the
31 School Code, for payment of the school district's share of the
32 amounts required to be contributed by the Special Education
33 District of Lake County to the Illinois Municipal Retirement
34 Fund under Article 7 of the Illinois Pension Code; the amount

1 of any extension under this item (k) shall be certified by the
2 school district to the county clerk; and (l) made to fund
3 expenses of providing joint recreational programs for the
4 handicapped under Section 5-8 of the Park District Code or
5 Section 11-95-14 of the Illinois Municipal Code.

6 "Aggregate extension" for the taxing districts to which
7 this Law did not apply before the 1995 levy year (except taxing
8 districts subject to this Law in accordance with Section
9 18-213) means the annual corporate extension for the taxing
10 district and those special purpose extensions that are made
11 annually for the taxing district, excluding special purpose
12 extensions: (a) made for the taxing district to pay interest or
13 principal on general obligation bonds that were approved by
14 referendum; (b) made for any taxing district to pay interest or
15 principal on general obligation bonds issued before March 1,
16 1995; (c) made for any taxing district to pay interest or
17 principal on bonds issued to refund or continue to refund those
18 bonds issued before March 1, 1995; (d) made for any taxing
19 district to pay interest or principal on bonds issued to refund
20 or continue to refund bonds issued after March 1, 1995 that
21 were approved by referendum; (e) made for any taxing district
22 to pay interest or principal on revenue bonds issued before
23 March 1, 1995 for payment of which a property tax levy or the
24 full faith and credit of the unit of local government is
25 pledged; however, a tax for the payment of interest or
26 principal on those bonds shall be made only after the governing
27 body of the unit of local government finds that all other
28 sources for payment are insufficient to make those payments;
29 (f) made for payments under a building commission lease when
30 the lease payments are for the retirement of bonds issued by
31 the commission before March 1, 1995 to pay for the building
32 project; (g) made for payments due under installment contracts
33 entered into before March 1, 1995; (h) made for payments of
34 principal and interest on bonds issued under the Metropolitan

1 Water Reclamation District Act to finance construction
2 projects initiated before October 1, 1991; (i) made for
3 payments of principal and interest on limited bonds, as defined
4 in Section 3 of the Local Government Debt Reform Act, in an
5 amount not to exceed the debt service extension base less the
6 amount in items (b), (c), and (e) of this definition for
7 non-referendum obligations, except obligations initially
8 issued pursuant to referendum and bonds described in subsection
9 (h) of this definition; (j) made for payments of principal and
10 interest on bonds issued under Section 15 of the Local
11 Government Debt Reform Act; (k) made for payments of principal
12 and interest on bonds authorized by Public Act 88-503 and
13 issued under Section 20a of the Chicago Park District Act for
14 aquarium or museum projects; (l) made for payments of principal
15 and interest on bonds authorized by Public Act 87-1191 or
16 93-601 ~~this amendatory Act of the 93rd General Assembly~~ and (i)
17 issued pursuant to Section 21.2 of the Cook County Forest
18 Preserve District Act, (ii) issued under Section 42 of the Cook
19 County Forest Preserve District Act for zoological park
20 projects, or (iii) issued under Section 44.1 of the Cook County
21 Forest Preserve District Act for botanical gardens projects;
22 (m) made pursuant to Section 34-53.5 of the School Code,
23 whether levied annually or not; (n) made to fund expenses of
24 providing joint recreational programs for the handicapped
25 under Section 5-8 of the Park District Code or Section 11-95-14
26 of the Illinois Municipal Code; and (o) made by the Chicago
27 Park District for recreational programs for the handicapped
28 under subsection (c) of Section 7.06 of the Chicago Park
29 District Act.

30 "Aggregate extension" for all taxing districts to which
31 this Law applies in accordance with Section 18-213, except for
32 those taxing districts subject to paragraph (2) of subsection
33 (e) of Section 18-213, means the annual corporate extension for
34 the taxing district and those special purpose extensions that

1 are made annually for the taxing district, excluding special
2 purpose extensions: (a) made for the taxing district to pay
3 interest or principal on general obligation bonds that were
4 approved by referendum; (b) made for any taxing district to pay
5 interest or principal on general obligation bonds issued before
6 the date on which the referendum making this Law applicable to
7 the taxing district is held; (c) made for any taxing district
8 to pay interest or principal on bonds issued to refund or
9 continue to refund those bonds issued before the date on which
10 the referendum making this Law applicable to the taxing
11 district is held; (d) made for any taxing district to pay
12 interest or principal on bonds issued to refund or continue to
13 refund bonds issued after the date on which the referendum
14 making this Law applicable to the taxing district is held if
15 the bonds were approved by referendum after the date on which
16 the referendum making this Law applicable to the taxing
17 district is held; (e) made for any taxing district to pay
18 interest or principal on revenue bonds issued before the date
19 on which the referendum making this Law applicable to the
20 taxing district is held for payment of which a property tax
21 levy or the full faith and credit of the unit of local
22 government is pledged; however, a tax for the payment of
23 interest or principal on those bonds shall be made only after
24 the governing body of the unit of local government finds that
25 all other sources for payment are insufficient to make those
26 payments; (f) made for payments under a building commission
27 lease when the lease payments are for the retirement of bonds
28 issued by the commission before the date on which the
29 referendum making this Law applicable to the taxing district is
30 held to pay for the building project; (g) made for payments due
31 under installment contracts entered into before the date on
32 which the referendum making this Law applicable to the taxing
33 district is held; (h) made for payments of principal and
34 interest on limited bonds, as defined in Section 3 of the Local

1 Government Debt Reform Act, in an amount not to exceed the debt
2 service extension base less the amount in items (b), (c), and
3 (e) of this definition for non-referendum obligations, except
4 obligations initially issued pursuant to referendum; (i) made
5 for payments of principal and interest on bonds issued under
6 Section 15 of the Local Government Debt Reform Act; (j) made
7 for a qualified airport authority to pay interest or principal
8 on general obligation bonds issued for the purpose of paying
9 obligations due under, or financing airport facilities
10 required to be acquired, constructed, installed or equipped
11 pursuant to, contracts entered into before March 1, 1996 (but
12 not including any amendments to such a contract taking effect
13 on or after that date); and (k) made to fund expenses of
14 providing joint recreational programs for the handicapped
15 under Section 5-8 of the Park District Code or Section 11-95-14
16 of the Illinois Municipal Code.

17 "Aggregate extension" for all taxing districts to which
18 this Law applies in accordance with paragraph (2) of subsection
19 (e) of Section 18-213 means the annual corporate extension for
20 the taxing district and those special purpose extensions that
21 are made annually for the taxing district, excluding special
22 purpose extensions: (a) made for the taxing district to pay
23 interest or principal on general obligation bonds that were
24 approved by referendum; (b) made for any taxing district to pay
25 interest or principal on general obligation bonds issued before
26 the effective date of this amendatory Act of 1997; (c) made for
27 any taxing district to pay interest or principal on bonds
28 issued to refund or continue to refund those bonds issued
29 before the effective date of this amendatory Act of 1997; (d)
30 made for any taxing district to pay interest or principal on
31 bonds issued to refund or continue to refund bonds issued after
32 the effective date of this amendatory Act of 1997 if the bonds
33 were approved by referendum after the effective date of this
34 amendatory Act of 1997; (e) made for any taxing district to pay

1 interest or principal on revenue bonds issued before the
2 effective date of this amendatory Act of 1997 for payment of
3 which a property tax levy or the full faith and credit of the
4 unit of local government is pledged; however, a tax for the
5 payment of interest or principal on those bonds shall be made
6 only after the governing body of the unit of local government
7 finds that all other sources for payment are insufficient to
8 make those payments; (f) made for payments under a building
9 commission lease when the lease payments are for the retirement
10 of bonds issued by the commission before the effective date of
11 this amendatory Act of 1997 to pay for the building project;
12 (g) made for payments due under installment contracts entered
13 into before the effective date of this amendatory Act of 1997;
14 (h) made for payments of principal and interest on limited
15 bonds, as defined in Section 3 of the Local Government Debt
16 Reform Act, in an amount not to exceed the debt service
17 extension base less the amount in items (b), (c), and (e) of
18 this definition for non-referendum obligations, except
19 obligations initially issued pursuant to referendum; (i) made
20 for payments of principal and interest on bonds issued under
21 Section 15 of the Local Government Debt Reform Act; (j) made
22 for a qualified airport authority to pay interest or principal
23 on general obligation bonds issued for the purpose of paying
24 obligations due under, or financing airport facilities
25 required to be acquired, constructed, installed or equipped
26 pursuant to, contracts entered into before March 1, 1996 (but
27 not including any amendments to such a contract taking effect
28 on or after that date); and (k) made to fund expenses of
29 providing joint recreational programs for the handicapped
30 under Section 5-8 of the Park District Code or Section 11-95-14
31 of the Illinois Municipal Code.

32 "Debt service extension base" means an amount equal to that
33 portion of the extension for a taxing district for the 1994
34 levy year, or for those taxing districts subject to this Law in

1 accordance with Section 18-213, except for those subject to
2 paragraph (2) of subsection (e) of Section 18-213, for the levy
3 year in which the referendum making this Law applicable to the
4 taxing district is held, or for those taxing districts subject
5 to this Law in accordance with paragraph (2) of subsection (e)
6 of Section 18-213 for the 1996 levy year, constituting an
7 extension for payment of principal and interest on bonds issued
8 by the taxing district without referendum, but not including
9 excluded non-referendum bonds. For park districts (i) that were
10 first subject to this Law in 1991 or 1995 and (ii) whose
11 extension for the 1994 levy year for the payment of principal
12 and interest on bonds issued by the park district without
13 referendum (but not including excluded non-referendum bonds)
14 was less than 51% of the amount for the 1991 levy year
15 constituting an extension for payment of principal and interest
16 on bonds issued by the park district without referendum (but
17 not including excluded non-referendum bonds), "debt service
18 extension base" means an amount equal to that portion of the
19 extension for the 1991 levy year constituting an extension for
20 payment of principal and interest on bonds issued by the park
21 district without referendum (but not including excluded
22 non-referendum bonds). The debt service extension base may be
23 established or increased as provided under Section 18-212.
24 "Excluded non-referendum bonds" means (i) bonds authorized by
25 Public Act 88-503 and issued under Section 20a of the Chicago
26 Park District Act for aquarium and museum projects; (ii) bonds
27 issued under Section 15 of the Local Government Debt Reform
28 Act; or (iii) refunding obligations issued to refund or to
29 continue to refund obligations initially issued pursuant to
30 referendum.

31 "Special purpose extensions" include, but are not limited
32 to, extensions for levies made on an annual basis for
33 unemployment and workers' compensation, self-insurance,
34 contributions to pension plans, and extensions made pursuant to

1 Section 6-601 of the Illinois Highway Code for a road
2 district's permanent road fund whether levied annually or not.
3 The extension for a special service area is not included in the
4 aggregate extension.

5 "Aggregate extension base" means the taxing district's
6 last preceding aggregate extension as adjusted under Sections
7 18-215 through 18-230. The "aggregate extension base" shall not
8 be reduced by the amount of any abatement under the Local
9 Option Property Tax Reduction Act.

10 "Levy year" has the same meaning as "year" under Section
11 1-155.

12 "New property" means (i) the assessed value, after final
13 board of review or board of appeals action, of new improvements
14 or additions to existing improvements on any parcel of real
15 property that increase the assessed value of that real property
16 during the levy year multiplied by the equalization factor
17 issued by the Department under Section 17-30, (ii) the assessed
18 value, after final board of review or board of appeals action,
19 of real property not exempt from real estate taxation, which
20 real property was exempt from real estate taxation for any
21 portion of the immediately preceding levy year, multiplied by
22 the equalization factor issued by the Department under Section
23 17-30, and (iii) in counties that classify in accordance with
24 Section 4 of Article IX of the Illinois Constitution, an
25 incentive property's additional assessed value resulting from
26 a scheduled increase in the level of assessment as applied to
27 the first year final board of review market value. In addition,
28 the county clerk in a county containing a population of
29 3,000,000 or more shall include in the 1997 recovered tax
30 increment value for any school district, any recovered tax
31 increment value that was applicable to the 1995 tax year
32 calculations.

33 "Qualified airport authority" means an airport authority
34 organized under the Airport Authorities Act and located in a

1 county bordering on the State of Wisconsin and having a
2 population in excess of 200,000 and not greater than 500,000.

3 "Recovered tax increment value" means, except as otherwise
4 provided in this paragraph, the amount of the current year's
5 equalized assessed value, in the first year after a
6 municipality terminates the designation of an area as a
7 redevelopment project area previously established under the
8 Tax Increment Allocation Development Act in the Illinois
9 Municipal Code, previously established under the Industrial
10 Jobs Recovery Law in the Illinois Municipal Code, or previously
11 established under the Economic Development Area Tax Increment
12 Allocation Act, of each taxable lot, block, tract, or parcel of
13 real property in the redevelopment project area over and above
14 the initial equalized assessed value of each property in the
15 redevelopment project area. For the taxes which are extended
16 for the 1997 levy year, the recovered tax increment value for a
17 non-home rule taxing district that first became subject to this
18 Law for the 1995 levy year because a majority of its 1994
19 equalized assessed value was in an affected county or counties
20 shall be increased if a municipality terminated the designation
21 of an area in 1993 as a redevelopment project area previously
22 established under the Tax Increment Allocation Development Act
23 in the Illinois Municipal Code, previously established under
24 the Industrial Jobs Recovery Law in the Illinois Municipal
25 Code, or previously established under the Economic Development
26 Area Tax Increment Allocation Act, by an amount equal to the
27 1994 equalized assessed value of each taxable lot, block,
28 tract, or parcel of real property in the redevelopment project
29 area over and above the initial equalized assessed value of
30 each property in the redevelopment project area. In the first
31 year after a municipality removes a taxable lot, block, tract,
32 or parcel of real property from a redevelopment project area
33 established under the Tax Increment Allocation Development Act
34 in the Illinois Municipal Code, the Industrial Jobs Recovery

1 Law in the Illinois Municipal Code, or the Economic Development
2 Area Tax Increment Allocation Act, "recovered tax increment
3 value" means the amount of the current year's equalized
4 assessed value of each taxable lot, block, tract, or parcel of
5 real property removed from the redevelopment project area over
6 and above the initial equalized assessed value of that real
7 property before removal from the redevelopment project area.

8 Except as otherwise provided in this Section, "limiting
9 rate" means a fraction the numerator of which is the last
10 preceding aggregate extension base times an amount equal to one
11 plus the extension limitation defined in this Section and the
12 denominator of which is the current year's equalized assessed
13 value of all real property in the territory under the
14 jurisdiction of the taxing district during the prior levy year.
15 For those taxing districts that reduced their aggregate
16 extension for the last preceding levy year, the highest
17 aggregate extension in any of the last 3 preceding levy years
18 shall be used for the purpose of computing the limiting rate.
19 The denominator shall not include new property. The denominator
20 shall not include the recovered tax increment value.

21 (Source: P.A. 92-547, eff. 6-13-02; 93-601, eff. 1-1-04;
22 93-606, eff. 11-18-03; 93-612, eff. 11-18-03; revised
23 12-10-03.)

24 Section 915. The School Code is amended by changing Section
25 18-8.05 as follows:

26 (105 ILCS 5/18-8.05)

27 Sec. 18-8.05. Basis for apportionment of general State
28 financial aid and supplemental general State aid to the common
29 schools for the 1998-1999 and subsequent school years.

30 (A) General Provisions.

31 (1) The provisions of this Section apply to the 1998-1999

1 and subsequent school years. The system of general State
2 financial aid provided for in this Section is designed to
3 assure that, through a combination of State financial aid and
4 required local resources, the financial support provided each
5 pupil in Average Daily Attendance equals or exceeds a
6 prescribed per pupil Foundation Level. This formula approach
7 imputes a level of per pupil Available Local Resources and
8 provides for the basis to calculate a per pupil level of
9 general State financial aid that, when added to Available Local
10 Resources, equals or exceeds the Foundation Level. The amount
11 of per pupil general State financial aid for school districts,
12 in general, varies in inverse relation to Available Local
13 Resources. Per pupil amounts are based upon each school
14 district's Average Daily Attendance as that term is defined in
15 this Section.

16 (2) In addition to general State financial aid, school
17 districts with specified levels or concentrations of pupils
18 from low income households are eligible to receive supplemental
19 general State financial aid grants as provided pursuant to
20 subsection (H). The supplemental State aid grants provided for
21 school districts under subsection (H) shall be appropriated for
22 distribution to school districts as part of the same line item
23 in which the general State financial aid of school districts is
24 appropriated under this Section.

25 (3) To receive financial assistance under this Section,
26 school districts are required to file claims with the State
27 Board of Education, subject to the following requirements:

28 (a) Any school district which fails for any given
29 school year to maintain school as required by law, or to
30 maintain a recognized school is not eligible to file for
31 such school year any claim upon the Common School Fund. In
32 case of nonrecognition of one or more attendance centers in
33 a school district otherwise operating recognized schools,
34 the claim of the district shall be reduced in the

1 proportion which the Average Daily Attendance in the
2 attendance center or centers bear to the Average Daily
3 Attendance in the school district. A "recognized school"
4 means any public school which meets the standards as
5 established for recognition by the State Board of
6 Education. A school district or attendance center not
7 having recognition status at the end of a school term is
8 entitled to receive State aid payments due upon a legal
9 claim which was filed while it was recognized.

10 (b) School district claims filed under this Section are
11 subject to Sections 18-9, 18-10, and 18-12, except as
12 otherwise provided in this Section.

13 (c) If a school district operates a full year school
14 under Section 10-19.1, the general State aid to the school
15 district shall be determined by the State Board of
16 Education in accordance with this Section as near as may be
17 applicable.

18 (d) (Blank).

19 (4) Except as provided in subsections (H) and (L), the
20 board of any district receiving any of the grants provided for
21 in this Section may apply those funds to any fund so received
22 for which that board is authorized to make expenditures by law.

23 School districts are not required to exert a minimum
24 Operating Tax Rate in order to qualify for assistance under
25 this Section.

26 (5) As used in this Section the following terms, when
27 capitalized, shall have the meaning ascribed herein:

28 (a) "Average Daily Attendance": A count of pupil
29 attendance in school, averaged as provided for in
30 subsection (C) and utilized in deriving per pupil financial
31 support levels.

32 (b) "Available Local Resources": A computation of
33 local financial support, calculated on the basis of Average
34 Daily Attendance and derived as provided pursuant to

1 subsection (D).

2 (c) "Corporate Personal Property Replacement Taxes":
3 Funds paid to local school districts pursuant to "An Act in
4 relation to the abolition of ad valorem personal property
5 tax and the replacement of revenues lost thereby, and
6 amending and repealing certain Acts and parts of Acts in
7 connection therewith", certified August 14, 1979, as
8 amended (Public Act 81-1st S.S.-1).

9 (d) "Foundation Level": A prescribed level of per pupil
10 financial support as provided for in subsection (B).

11 (e) "Operating Tax Rate": All school district property
12 taxes extended for all purposes, except Bond and Interest,
13 Summer School, Rent, Capital Improvement, and Vocational
14 Education Building purposes. In addition, in calculating
15 the operating tax rate of any school district for purposes
16 of this Section, any abatement required by Section 35 of
17 the Local Option Property Tax Reduction Act in the
18 extension of any tax levied by the school district shall be
19 disregarded and the rate per cent applicable to the
20 extension of the district's tax for its educational,
21 operations and maintenance, and other school funds, as a
22 component of its operating tax rate, shall be computed on
23 the basis of the amount actually certified by the district
24 to be levied for those purposes, unreduced by any abatement
25 required under Section 35 of the Local Option Property Tax
26 Reduction Act.

27 (6) Notwithstanding any provision of the Local Option
28 Property Tax Reduction Act, the adoption or failure to adopt a
29 local income tax for schools and any disbursements of funds or
30 property tax abatements resulting from the adoption and
31 imposition of a local income tax for schools by one or more
32 school districts under the Local Option Property Tax Reduction
33 Act shall not affect the computation or distribution of State
34 aid for any school district. All computations of State aid and

1 all other distributions of State funds to school districts
2 shall proceed without regard to changes in school funding
3 provided in the Local Option Property Tax Reduction Act.

4 (B) Foundation Level.

5 (1) The Foundation Level is a figure established by the
6 State representing the minimum level of per pupil financial
7 support that should be available to provide for the basic
8 education of each pupil in Average Daily Attendance. As set
9 forth in this Section, each school district is assumed to exert
10 a sufficient local taxing effort such that, in combination with
11 the aggregate of general State financial aid provided the
12 district, an aggregate of State and local resources are
13 available to meet the basic education needs of pupils in the
14 district.

15 (2) For the 1998-1999 school year, the Foundation Level of
16 support is \$4,225. For the 1999-2000 school year, the
17 Foundation Level of support is \$4,325. For the 2000-2001 school
18 year, the Foundation Level of support is \$4,425.

19 (3) For the 2001-2002 school year and 2002-2003 school
20 year, the Foundation Level of support is \$4,560.

21 (4) For the 2003-2004 school year and each school year
22 thereafter, the Foundation Level of support is \$4,810 or such
23 greater amount as may be established by law by the General
24 Assembly.

25 (C) Average Daily Attendance.

26 (1) For purposes of calculating general State aid pursuant
27 to subsection (E), an Average Daily Attendance figure shall be
28 utilized. The Average Daily Attendance figure for formula
29 calculation purposes shall be the monthly average of the actual
30 number of pupils in attendance of each school district, as
31 further averaged for the best 3 months of pupil attendance for
32 each school district. In compiling the figures for the number

1 of pupils in attendance, school districts and the State Board
2 of Education shall, for purposes of general State aid funding,
3 conform attendance figures to the requirements of subsection
4 (F).

5 (2) The Average Daily Attendance figures utilized in
6 subsection (E) shall be the requisite attendance data for the
7 school year immediately preceding the school year for which
8 general State aid is being calculated or the average of the
9 attendance data for the 3 preceding school years, whichever is
10 greater. The Average Daily Attendance figures utilized in
11 subsection (H) shall be the requisite attendance data for the
12 school year immediately preceding the school year for which
13 general State aid is being calculated.

14 (D) Available Local Resources.

15 (1) For purposes of calculating general State aid pursuant
16 to subsection (E), a representation of Available Local
17 Resources per pupil, as that term is defined and determined in
18 this subsection, shall be utilized. Available Local Resources
19 per pupil shall include a calculated dollar amount representing
20 local school district revenues from local property taxes and
21 from Corporate Personal Property Replacement Taxes, expressed
22 on the basis of pupils in Average Daily Attendance.

23 (2) In determining a school district's revenue from local
24 property taxes, the State Board of Education shall utilize the
25 equalized assessed valuation of all taxable property of each
26 school district as of September 30 of the previous year. The
27 equalized assessed valuation utilized shall be obtained and
28 determined as provided in subsection (G).

29 (3) For school districts maintaining grades kindergarten
30 through 12, local property tax revenues per pupil shall be
31 calculated as the product of the applicable equalized assessed
32 valuation for the district multiplied by 3.00%, and divided by
33 the district's Average Daily Attendance figure. For school

1 districts maintaining grades kindergarten through 8, local
2 property tax revenues per pupil shall be calculated as the
3 product of the applicable equalized assessed valuation for the
4 district multiplied by 2.30%, and divided by the district's
5 Average Daily Attendance figure. For school districts
6 maintaining grades 9 through 12, local property tax revenues
7 per pupil shall be the applicable equalized assessed valuation
8 of the district multiplied by 1.05%, and divided by the
9 district's Average Daily Attendance figure.

10 (4) The Corporate Personal Property Replacement Taxes paid
11 to each school district during the calendar year 2 years before
12 the calendar year in which a school year begins, divided by the
13 Average Daily Attendance figure for that district, shall be
14 added to the local property tax revenues per pupil as derived
15 by the application of the immediately preceding paragraph (3).
16 The sum of these per pupil figures for each school district
17 shall constitute Available Local Resources as that term is
18 utilized in subsection (E) in the calculation of general State
19 aid.

20 (E) Computation of General State Aid.

21 (1) For each school year, the amount of general State aid
22 allotted to a school district shall be computed by the State
23 Board of Education as provided in this subsection.

24 (2) For any school district for which Available Local
25 Resources per pupil is less than the product of 0.93 times the
26 Foundation Level, general State aid for that district shall be
27 calculated as an amount equal to the Foundation Level minus
28 Available Local Resources, multiplied by the Average Daily
29 Attendance of the school district.

30 (3) For any school district for which Available Local
31 Resources per pupil is equal to or greater than the product of
32 0.93 times the Foundation Level and less than the product of
33 1.75 times the Foundation Level, the general State aid per

1 pupil shall be a decimal proportion of the Foundation Level
2 derived using a linear algorithm. Under this linear algorithm,
3 the calculated general State aid per pupil shall decline in
4 direct linear fashion from 0.07 times the Foundation Level for
5 a school district with Available Local Resources equal to the
6 product of 0.93 times the Foundation Level, to 0.05 times the
7 Foundation Level for a school district with Available Local
8 Resources equal to the product of 1.75 times the Foundation
9 Level. The allocation of general State aid for school districts
10 subject to this paragraph 3 shall be the calculated general
11 State aid per pupil figure multiplied by the Average Daily
12 Attendance of the school district.

13 (4) For any school district for which Available Local
14 Resources per pupil equals or exceeds the product of 1.75 times
15 the Foundation Level, the general State aid for the school
16 district shall be calculated as the product of \$218 multiplied
17 by the Average Daily Attendance of the school district.

18 (5) The amount of general State aid allocated to a school
19 district for the 1999-2000 school year meeting the requirements
20 set forth in paragraph (4) of subsection (G) shall be increased
21 by an amount equal to the general State aid that would have
22 been received by the district for the 1998-1999 school year by
23 utilizing the Extension Limitation Equalized Assessed
24 Valuation as calculated in paragraph (4) of subsection (G) less
25 the general State aid allotted for the 1998-1999 school year.
26 This amount shall be deemed a one time increase, and shall not
27 affect any future general State aid allocations.

28 (F) Compilation of Average Daily Attendance.

29 (1) Each school district shall, by July 1 of each year,
30 submit to the State Board of Education, on forms prescribed by
31 the State Board of Education, attendance figures for the school
32 year that began in the preceding calendar year. The attendance
33 information so transmitted shall identify the average daily

1 attendance figures for each month of the school year. Beginning
2 with the general State aid claim form for the 2002-2003 school
3 year, districts shall calculate Average Daily Attendance as
4 provided in subdivisions (a), (b), and (c) of this paragraph
5 (1).

6 (a) In districts that do not hold year-round classes,
7 days of attendance in August shall be added to the month of
8 September and any days of attendance in June shall be added
9 to the month of May.

10 (b) In districts in which all buildings hold year-round
11 classes, days of attendance in July and August shall be
12 added to the month of September and any days of attendance
13 in June shall be added to the month of May.

14 (c) In districts in which some buildings, but not all,
15 hold year-round classes, for the non-year-round buildings,
16 days of attendance in August shall be added to the month of
17 September and any days of attendance in June shall be added
18 to the month of May. The average daily attendance for the
19 year-round buildings shall be computed as provided in
20 subdivision (b) of this paragraph (1). To calculate the
21 Average Daily Attendance for the district, the average
22 daily attendance for the year-round buildings shall be
23 multiplied by the days in session for the non-year-round
24 buildings for each month and added to the monthly
25 attendance of the non-year-round buildings.

26 Except as otherwise provided in this Section, days of
27 attendance by pupils shall be counted only for sessions of not
28 less than 5 clock hours of school work per day under direct
29 supervision of: (i) teachers, or (ii) non-teaching personnel or
30 volunteer personnel when engaging in non-teaching duties and
31 supervising in those instances specified in subsection (a) of
32 Section 10-22.34 and paragraph 10 of Section 34-18, with pupils
33 of legal school age and in kindergarten and grades 1 through
34 12.

1 Days of attendance by tuition pupils shall be accredited
2 only to the districts that pay the tuition to a recognized
3 school.

4 (2) Days of attendance by pupils of less than 5 clock hours
5 of school shall be subject to the following provisions in the
6 compilation of Average Daily Attendance.

7 (a) Pupils regularly enrolled in a public school for
8 only a part of the school day may be counted on the basis
9 of 1/6 day for every class hour of instruction of 40
10 minutes or more attended pursuant to such enrollment,
11 unless a pupil is enrolled in a block-schedule format of 80
12 minutes or more of instruction, in which case the pupil may
13 be counted on the basis of the proportion of minutes of
14 school work completed each day to the minimum number of
15 minutes that school work is required to be held that day.

16 (b) Days of attendance may be less than 5 clock hours
17 on the opening and closing of the school term, and upon the
18 first day of pupil attendance, if preceded by a day or days
19 utilized as an institute or teachers' workshop.

20 (c) A session of 4 or more clock hours may be counted
21 as a day of attendance upon certification by the regional
22 superintendent, and approved by the State Superintendent
23 of Education to the extent that the district has been
24 forced to use daily multiple sessions.

25 (d) A session of 3 or more clock hours may be counted
26 as a day of attendance (1) when the remainder of the school
27 day or at least 2 hours in the evening of that day is
28 utilized for an in-service training program for teachers,
29 up to a maximum of 5 days per school year of which a
30 maximum of 4 days of such 5 days may be used for
31 parent-teacher conferences, provided a district conducts
32 an in-service training program for teachers which has been
33 approved by the State Superintendent of Education; or, in
34 lieu of 4 such days, 2 full days may be used, in which

1 event each such day may be counted as a day of attendance;
2 and (2) when days in addition to those provided in item (1)
3 are scheduled by a school pursuant to its school
4 improvement plan adopted under Article 34 or its revised or
5 amended school improvement plan adopted under Article 2,
6 provided that (i) such sessions of 3 or more clock hours
7 are scheduled to occur at regular intervals, (ii) the
8 remainder of the school days in which such sessions occur
9 are utilized for in-service training programs or other
10 staff development activities for teachers, and (iii) a
11 sufficient number of minutes of school work under the
12 direct supervision of teachers are added to the school days
13 between such regularly scheduled sessions to accumulate
14 not less than the number of minutes by which such sessions
15 of 3 or more clock hours fall short of 5 clock hours. Any
16 full days used for the purposes of this paragraph shall not
17 be considered for computing average daily attendance. Days
18 scheduled for in-service training programs, staff
19 development activities, or parent-teacher conferences may
20 be scheduled separately for different grade levels and
21 different attendance centers of the district.

22 (e) A session of not less than one clock hour of
23 teaching hospitalized or homebound pupils on-site or by
24 telephone to the classroom may be counted as 1/2 day of
25 attendance, however these pupils must receive 4 or more
26 clock hours of instruction to be counted for a full day of
27 attendance.

28 (f) A session of at least 4 clock hours may be counted
29 as a day of attendance for first grade pupils, and pupils
30 in full day kindergartens, and a session of 2 or more hours
31 may be counted as 1/2 day of attendance by pupils in
32 kindergartens which provide only 1/2 day of attendance.

33 (g) For children with disabilities who are below the
34 age of 6 years and who cannot attend 2 or more clock hours

1 because of their disability or immaturity, a session of not
2 less than one clock hour may be counted as 1/2 day of
3 attendance; however for such children whose educational
4 needs so require a session of 4 or more clock hours may be
5 counted as a full day of attendance.

6 (h) A recognized kindergarten which provides for only
7 1/2 day of attendance by each pupil shall not have more
8 than 1/2 day of attendance counted in any one day. However,
9 kindergartens may count 2 1/2 days of attendance in any 5
10 consecutive school days. When a pupil attends such a
11 kindergarten for 2 half days on any one school day, the
12 pupil shall have the following day as a day absent from
13 school, unless the school district obtains permission in
14 writing from the State Superintendent of Education.
15 Attendance at kindergartens which provide for a full day of
16 attendance by each pupil shall be counted the same as
17 attendance by first grade pupils. Only the first year of
18 attendance in one kindergarten shall be counted, except in
19 case of children who entered the kindergarten in their
20 fifth year whose educational development requires a second
21 year of kindergarten as determined under the rules and
22 regulations of the State Board of Education.

23 (G) Equalized Assessed Valuation Data.

24 (1) For purposes of the calculation of Available Local
25 Resources required pursuant to subsection (D), the State Board
26 of Education shall secure from the Department of Revenue the
27 value as equalized or assessed by the Department of Revenue of
28 all taxable property of every school district, together with
29 (i) the applicable tax rate used in extending taxes for the
30 funds of the district as of September 30 of the previous year
31 and (ii) the limiting rate for all school districts subject to
32 property tax extension limitations as imposed under the
33 Property Tax Extension Limitation Law.

1 This equalized assessed valuation, as adjusted further by
2 the requirements of this subsection, shall be utilized in the
3 calculation of Available Local Resources.

4 (2) The equalized assessed valuation in paragraph (1) shall
5 be adjusted, as applicable, in the following manner:

6 (a) For the purposes of calculating State aid under
7 this Section, with respect to any part of a school district
8 within a redevelopment project area in respect to which a
9 municipality has adopted tax increment allocation
10 financing pursuant to the Tax Increment Allocation
11 Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11
12 of the Illinois Municipal Code or the Industrial Jobs
13 Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the
14 Illinois Municipal Code, no part of the current equalized
15 assessed valuation of real property located in any such
16 project area which is attributable to an increase above the
17 total initial equalized assessed valuation of such
18 property shall be used as part of the equalized assessed
19 valuation of the district, until such time as all
20 redevelopment project costs have been paid, as provided in
21 Section 11-74.4-8 of the Tax Increment Allocation
22 Redevelopment Act or in Section 11-74.6-35 of the
23 Industrial Jobs Recovery Law. For the purpose of the
24 equalized assessed valuation of the district, the total
25 initial equalized assessed valuation or the current
26 equalized assessed valuation, whichever is lower, shall be
27 used until such time as all redevelopment project costs
28 have been paid.

29 (b) The real property equalized assessed valuation for
30 a school district shall be adjusted by subtracting from the
31 real property value as equalized or assessed by the
32 Department of Revenue for the district an amount computed
33 by dividing the amount of any abatement of taxes under
34 Section 18-170 of the Property Tax Code by 3.00% for a

1 district maintaining grades kindergarten through 12, by
2 2.30% for a district maintaining grades kindergarten
3 through 8, or by 1.05% for a district maintaining grades 9
4 through 12 and adjusted by an amount computed by dividing
5 the amount of any abatement of taxes under subsection (a)
6 of Section 18-165 of the Property Tax Code by the same
7 percentage rates for district type as specified in this
8 subparagraph (b).

9 (3) For the 1999-2000 school year and each school year
10 thereafter, if a school district meets all of the criteria of
11 this subsection (G) (3), the school district's Available Local
12 Resources shall be calculated under subsection (D) using the
13 district's Extension Limitation Equalized Assessed Valuation
14 as calculated under this subsection (G) (3).

15 For purposes of this subsection (G) (3) the following terms
16 shall have the following meanings:

17 "Budget Year": The school year for which general State
18 aid is calculated and awarded under subsection (E).

19 "Base Tax Year": The property tax levy year used to
20 calculate the Budget Year allocation of general State aid.

21 "Preceding Tax Year": The property tax levy year
22 immediately preceding the Base Tax Year.

23 "Base Tax Year's Tax Extension": The product of the
24 equalized assessed valuation utilized by the County Clerk
25 in the Base Tax Year multiplied by the limiting rate as
26 calculated by the County Clerk and defined in the Property
27 Tax Extension Limitation Law.

28 "Preceding Tax Year's Tax Extension": The product of
29 the equalized assessed valuation utilized by the County
30 Clerk in the Preceding Tax Year multiplied by the Operating
31 Tax Rate as defined in subsection (A).

32 "Extension Limitation Ratio": A numerical ratio,
33 certified by the County Clerk, in which the numerator is
34 the Base Tax Year's Tax Extension and the denominator is

1 the Preceding Tax Year's Tax Extension.

2 "Operating Tax Rate": The operating tax rate as defined
3 in subsection (A).

4 If a school district is subject to property tax extension
5 limitations as imposed under the Property Tax Extension
6 Limitation Law, the State Board of Education shall calculate
7 the Extension Limitation Equalized Assessed Valuation of that
8 district. For the 1999-2000 school year, the Extension
9 Limitation Equalized Assessed Valuation of a school district as
10 calculated by the State Board of Education shall be equal to
11 the product of the district's 1996 Equalized Assessed Valuation
12 and the district's Extension Limitation Ratio. For the
13 2000-2001 school year and each school year thereafter, the
14 Extension Limitation Equalized Assessed Valuation of a school
15 district as calculated by the State Board of Education shall be
16 equal to the product of the Equalized Assessed Valuation last
17 used in the calculation of general State aid and the district's
18 Extension Limitation Ratio. If the Extension Limitation
19 Equalized Assessed Valuation of a school district as calculated
20 under this subsection (G)(3) is less than the district's
21 equalized assessed valuation as calculated pursuant to
22 subsections (G)(1) and (G)(2), then for purposes of calculating
23 the district's general State aid for the Budget Year pursuant
24 to subsection (E), that Extension Limitation Equalized
25 Assessed Valuation shall be utilized to calculate the
26 district's Available Local Resources under subsection (D).

27 (4) For the purposes of calculating general State aid for
28 the 1999-2000 school year only, if a school district
29 experienced a triennial reassessment on the equalized assessed
30 valuation used in calculating its general State financial aid
31 apportionment for the 1998-1999 school year, the State Board of
32 Education shall calculate the Extension Limitation Equalized
33 Assessed Valuation that would have been used to calculate the
34 district's 1998-1999 general State aid. This amount shall equal

1 the product of the equalized assessed valuation used to
2 calculate general State aid for the 1997-1998 school year and
3 the district's Extension Limitation Ratio. If the Extension
4 Limitation Equalized Assessed Valuation of the school district
5 as calculated under this paragraph (4) is less than the
6 district's equalized assessed valuation utilized in
7 calculating the district's 1998-1999 general State aid
8 allocation, then for purposes of calculating the district's
9 general State aid pursuant to paragraph (5) of subsection (E),
10 that Extension Limitation Equalized Assessed Valuation shall
11 be utilized to calculate the district's Available Local
12 Resources.

13 (5) For school districts having a majority of their
14 equalized assessed valuation in any county except Cook, DuPage,
15 Kane, Lake, McHenry, or Will, if the amount of general State
16 aid allocated to the school district for the 1999-2000 school
17 year under the provisions of subsection (E), (H), and (J) of
18 this Section is less than the amount of general State aid
19 allocated to the district for the 1998-1999 school year under
20 these subsections, then the general State aid of the district
21 for the 1999-2000 school year only shall be increased by the
22 difference between these amounts. The total payments made under
23 this paragraph (5) shall not exceed \$14,000,000. Claims shall
24 be prorated if they exceed \$14,000,000.

25 (H) Supplemental General State Aid.

26 (1) In addition to the general State aid a school district
27 is allotted pursuant to subsection (E), qualifying school
28 districts shall receive a grant, paid in conjunction with a
29 district's payments of general State aid, for supplemental
30 general State aid based upon the concentration level of
31 children from low-income households within the school
32 district. Supplemental State aid grants provided for school
33 districts under this subsection shall be appropriated for

1 distribution to school districts as part of the same line item
2 in which the general State financial aid of school districts is
3 appropriated under this Section. If the appropriation in any
4 fiscal year for general State aid and supplemental general
5 State aid is insufficient to pay the amounts required under the
6 general State aid and supplemental general State aid
7 calculations, then the State Board of Education shall ensure
8 that each school district receives the full amount due for
9 general State aid and the remainder of the appropriation shall
10 be used for supplemental general State aid, which the State
11 Board of Education shall calculate and pay to eligible
12 districts on a prorated basis.

13 (1.5) This paragraph (1.5) applies only to those school
14 years preceding the 2003-2004 school year. For purposes of this
15 subsection (H), the term "Low-Income Concentration Level"
16 shall be the low-income eligible pupil count from the most
17 recently available federal census divided by the Average Daily
18 Attendance of the school district. If, however, (i) the
19 percentage decrease from the 2 most recent federal censuses in
20 the low-income eligible pupil count of a high school district
21 with fewer than 400 students exceeds by 75% or more the
22 percentage change in the total low-income eligible pupil count
23 of contiguous elementary school districts, whose boundaries
24 are coterminous with the high school district, or (ii) a high
25 school district within 2 counties and serving 5 elementary
26 school districts, whose boundaries are coterminous with the
27 high school district, has a percentage decrease from the 2 most
28 recent federal censuses in the low-income eligible pupil count
29 and there is a percentage increase in the total low-income
30 eligible pupil count of a majority of the elementary school
31 districts in excess of 50% from the 2 most recent federal
32 censuses, then the high school district's low-income eligible
33 pupil count from the earlier federal census shall be the number
34 used as the low-income eligible pupil count for the high school

1 district, for purposes of this subsection (H). The changes made
2 to this paragraph (1) by Public Act 92-28 shall apply to
3 supplemental general State aid grants for school years
4 preceding the 2003-2004 school year that are paid in fiscal
5 year 1999 or thereafter and to any State aid payments made in
6 fiscal year 1994 through fiscal year 1998 pursuant to
7 subsection 1(n) of Section 18-8 of this Code (which was
8 repealed on July 1, 1998), and any high school district that is
9 affected by Public Act 92-28 is entitled to a recomputation of
10 its supplemental general State aid grant or State aid paid in
11 any of those fiscal years. This recomputation shall not be
12 affected by any other funding.

13 (1.10) This paragraph (1.10) applies to the 2003-2004
14 school year and each school year thereafter. For purposes of
15 this subsection (H), the term "Low-Income Concentration Level"
16 shall, for each fiscal year, be the low-income eligible pupil
17 count as of July 1 of the immediately preceding fiscal year (as
18 determined by the Department of Human Services based on the
19 number of pupils who are eligible for at least one of the
20 following low income programs: Medicaid, KidCare, TANF, or Food
21 Stamps, excluding pupils who are eligible for services provided
22 by the Department of Children and Family Services, averaged
23 over the 2 immediately preceding fiscal years for fiscal year
24 2004 and over the 3 immediately preceding fiscal years for each
25 fiscal year thereafter) divided by the Average Daily Attendance
26 of the school district.

27 (2) Supplemental general State aid pursuant to this
28 subsection (H) shall be provided as follows for the 1998-1999,
29 1999-2000, and 2000-2001 school years only:

30 (a) For any school district with a Low Income
31 Concentration Level of at least 20% and less than 35%, the
32 grant for any school year shall be \$800 multiplied by the
33 low income eligible pupil count.

34 (b) For any school district with a Low Income

1 Concentration Level of at least 35% and less than 50%, the
2 grant for the 1998-1999 school year shall be \$1,100
3 multiplied by the low income eligible pupil count.

4 (c) For any school district with a Low Income
5 Concentration Level of at least 50% and less than 60%, the
6 grant for the 1998-99 school year shall be \$1,500
7 multiplied by the low income eligible pupil count.

8 (d) For any school district with a Low Income
9 Concentration Level of 60% or more, the grant for the
10 1998-99 school year shall be \$1,900 multiplied by the low
11 income eligible pupil count.

12 (e) For the 1999-2000 school year, the per pupil amount
13 specified in subparagraphs (b), (c), and (d) immediately
14 above shall be increased to \$1,243, \$1,600, and \$2,000,
15 respectively.

16 (f) For the 2000-2001 school year, the per pupil
17 amounts specified in subparagraphs (b), (c), and (d)
18 immediately above shall be \$1,273, \$1,640, and \$2,050,
19 respectively.

20 (2.5) Supplemental general State aid pursuant to this
21 subsection (H) shall be provided as follows for the 2002-2003
22 school year:

23 (a) For any school district with a Low Income
24 Concentration Level of less than 10%, the grant for each
25 school year shall be \$355 multiplied by the low income
26 eligible pupil count.

27 (b) For any school district with a Low Income
28 Concentration Level of at least 10% and less than 20%, the
29 grant for each school year shall be \$675 multiplied by the
30 low income eligible pupil count.

31 (c) For any school district with a Low Income
32 Concentration Level of at least 20% and less than 35%, the
33 grant for each school year shall be \$1,330 multiplied by
34 the low income eligible pupil count.

1 (d) For any school district with a Low Income
2 Concentration Level of at least 35% and less than 50%, the
3 grant for each school year shall be \$1,362 multiplied by
4 the low income eligible pupil count.

5 (e) For any school district with a Low Income
6 Concentration Level of at least 50% and less than 60%, the
7 grant for each school year shall be \$1,680 multiplied by
8 the low income eligible pupil count.

9 (f) For any school district with a Low Income
10 Concentration Level of 60% or more, the grant for each
11 school year shall be \$2,080 multiplied by the low income
12 eligible pupil count.

13 (2.10) Except as otherwise provided, supplemental general
14 State aid pursuant to this subsection (H) shall be provided as
15 follows for the 2003-2004 school year and each school year
16 thereafter:

17 (a) For any school district with a Low Income
18 Concentration Level of 15% or less, the grant for each
19 school year shall be \$355 multiplied by the low income
20 eligible pupil count.

21 (b) For any school district with a Low Income
22 Concentration Level greater than 15%, the grant for each
23 school year shall be \$294.25 added to the product of \$2,700
24 and the square of the Low Income Concentration Level, all
25 multiplied by the low income eligible pupil count.

26 For the 2003-2004 school year only, the grant shall be no
27 less than the grant for the 2002-2003 school year. For the
28 2004-2005 school year only, the grant shall be no less than the
29 grant for the 2002-2003 school year multiplied by 0.66. For the
30 2005-2006 school year only, the grant shall be no less than the
31 grant for the 2002-2003 school year multiplied by 0.33.

32 For the 2003-2004 school year only, the grant shall be no
33 greater than the grant received during the 2002-2003 school
34 year added to the product of 0.25 multiplied by the difference

1 between the grant amount calculated under subsection (a) or (b)
2 of this paragraph (2.10), whichever is applicable, and the
3 grant received during the 2002-2003 school year. For the
4 2004-2005 school year only, the grant shall be no greater than
5 the grant received during the 2002-2003 school year added to
6 the product of 0.50 multiplied by the difference between the
7 grant amount calculated under subsection (a) or (b) of this
8 paragraph (2.10), whichever is applicable, and the grant
9 received during the 2002-2003 school year. For the 2005-2006
10 school year only, the grant shall be no greater than the grant
11 received during the 2002-2003 school year added to the product
12 of 0.75 multiplied by the difference between the grant amount
13 calculated under subsection (a) or (b) of this paragraph
14 (2.10), whichever is applicable, and the grant received during
15 the 2002-2003 school year.

16 (3) School districts with an Average Daily Attendance of
17 more than 1,000 and less than 50,000 that qualify for
18 supplemental general State aid pursuant to this subsection
19 shall submit a plan to the State Board of Education prior to
20 October 30 of each year for the use of the funds resulting from
21 this grant of supplemental general State aid for the
22 improvement of instruction in which priority is given to
23 meeting the education needs of disadvantaged children. Such
24 plan shall be submitted in accordance with rules and
25 regulations promulgated by the State Board of Education.

26 (4) School districts with an Average Daily Attendance of
27 50,000 or more that qualify for supplemental general State aid
28 pursuant to this subsection shall be required to distribute
29 from funds available pursuant to this Section, no less than
30 \$261,000,000 in accordance with the following requirements:

31 (a) The required amounts shall be distributed to the
32 attendance centers within the district in proportion to the
33 number of pupils enrolled at each attendance center who are
34 eligible to receive free or reduced-price lunches or

1 breakfasts under the federal Child Nutrition Act of 1966
2 and under the National School Lunch Act during the
3 immediately preceding school year.

4 (b) The distribution of these portions of supplemental
5 and general State aid among attendance centers according to
6 these requirements shall not be compensated for or
7 contravened by adjustments of the total of other funds
8 appropriated to any attendance centers, and the Board of
9 Education shall utilize funding from one or several sources
10 in order to fully implement this provision annually prior
11 to the opening of school.

12 (c) Each attendance center shall be provided by the
13 school district a distribution of noncategorical funds and
14 other categorical funds to which an attendance center is
15 entitled under law in order that the general State aid and
16 supplemental general State aid provided by application of
17 this subsection supplements rather than supplants the
18 noncategorical funds and other categorical funds provided
19 by the school district to the attendance centers.

20 (d) Any funds made available under this subsection that
21 by reason of the provisions of this subsection are not
22 required to be allocated and provided to attendance centers
23 may be used and appropriated by the board of the district
24 for any lawful school purpose.

25 (e) Funds received by an attendance center pursuant to
26 this subsection shall be used by the attendance center at
27 the discretion of the principal and local school council
28 for programs to improve educational opportunities at
29 qualifying schools through the following programs and
30 services: early childhood education, reduced class size or
31 improved adult to student classroom ratio, enrichment
32 programs, remedial assistance, attendance improvement, and
33 other educationally beneficial expenditures which
34 supplement the regular and basic programs as determined by

1 the State Board of Education. Funds provided shall not be
2 expended for any political or lobbying purposes as defined
3 by board rule.

4 (f) Each district subject to the provisions of this
5 subdivision (H)(4) shall submit an acceptable plan to meet
6 the educational needs of disadvantaged children, in
7 compliance with the requirements of this paragraph, to the
8 State Board of Education prior to July 15 of each year.
9 This plan shall be consistent with the decisions of local
10 school councils concerning the school expenditure plans
11 developed in accordance with part 4 of Section 34-2.3. The
12 State Board shall approve or reject the plan within 60 days
13 after its submission. If the plan is rejected, the district
14 shall give written notice of intent to modify the plan
15 within 15 days of the notification of rejection and then
16 submit a modified plan within 30 days after the date of the
17 written notice of intent to modify. Districts may amend
18 approved plans pursuant to rules promulgated by the State
19 Board of Education.

20 Upon notification by the State Board of Education that
21 the district has not submitted a plan prior to July 15 or a
22 modified plan within the time period specified herein, the
23 State aid funds affected by that plan or modified plan
24 shall be withheld by the State Board of Education until a
25 plan or modified plan is submitted.

26 If the district fails to distribute State aid to
27 attendance centers in accordance with an approved plan, the
28 plan for the following year shall allocate funds, in
29 addition to the funds otherwise required by this
30 subsection, to those attendance centers which were
31 underfunded during the previous year in amounts equal to
32 such underfunding.

33 For purposes of determining compliance with this
34 subsection in relation to the requirements of attendance

1 center funding, each district subject to the provisions of
2 this subsection shall submit as a separate document by
3 December 1 of each year a report of expenditure data for
4 the prior year in addition to any modification of its
5 current plan. If it is determined that there has been a
6 failure to comply with the expenditure provisions of this
7 subsection regarding contravention or supplanting, the
8 State Superintendent of Education shall, within 60 days of
9 receipt of the report, notify the district and any affected
10 local school council. The district shall within 45 days of
11 receipt of that notification inform the State
12 Superintendent of Education of the remedial or corrective
13 action to be taken, whether by amendment of the current
14 plan, if feasible, or by adjustment in the plan for the
15 following year. Failure to provide the expenditure report
16 or the notification of remedial or corrective action in a
17 timely manner shall result in a withholding of the affected
18 funds.

19 The State Board of Education shall promulgate rules and
20 regulations to implement the provisions of this
21 subsection. No funds shall be released under this
22 subdivision (H) (4) to any district that has not submitted a
23 plan that has been approved by the State Board of
24 Education.

25 (I) General State Aid for Newly Configured School Districts.

26 (1) For a new school district formed by combining property
27 included totally within 2 or more previously existing school
28 districts, for its first year of existence the general State
29 aid and supplemental general State aid calculated under this
30 Section shall be computed for the new district and for the
31 previously existing districts for which property is totally
32 included within the new district. If the computation on the
33 basis of the previously existing districts is greater, a

1 supplementary payment equal to the difference shall be made for
2 the first 4 years of existence of the new district.

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

17 (3) For 2 or more school districts which annex all of the
18 territory of one or more entire other school districts, and for
19 2 or more community unit districts which result upon the
20 division (pursuant to petition under Section 11A-2) of one or
21 more other unit school districts into 2 or more parts and which
22 together include all of the parts into which such other unit
23 school district or districts are so divided, for the first year
24 during which the change of boundaries attributable to such
25 annexation or division becomes effective for all purposes as
26 determined under Section 7-9 or 11A-10, as the case may be, the
27 general State aid and supplemental general State aid calculated
28 under this Section shall be computed for each annexing or
29 resulting district as constituted after the annexation or
30 division and for each annexing and annexed district, or for
31 each resulting and divided district, as constituted prior to
32 the annexation or division; and if the aggregate of the general
33 State aid and supplemental general State aid as so computed for
34 the annexing or resulting districts as constituted after the

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

27 (3.5) Claims for financial assistance under this
28 subsection (I) shall not be recomputed except as expressly
29 provided under this Section.

30 (4) Any supplementary payment made under this subsection
31 (I) shall be treated as separate from all other payments made
32 pursuant to this Section.

33 (J) Supplementary Grants in Aid.

1 (1) Notwithstanding any other provisions of this Section,
2 the amount of the aggregate general State aid in combination
3 with supplemental general State aid under this Section for
4 which each school district is eligible shall be no less than
5 the amount of the aggregate general State aid entitlement that
6 was received by the district under Section 18-8 (exclusive of
7 amounts received under subsections 5(p) and 5(p-5) of that
8 Section) for the 1997-98 school year, pursuant to the
9 provisions of that Section as it was then in effect. If a
10 school district qualifies to receive a supplementary payment
11 made under this subsection (J), the amount of the aggregate
12 general State aid in combination with supplemental general
13 State aid under this Section which that district is eligible to
14 receive for each school year shall be no less than the amount
15 of the aggregate general State aid entitlement that was
16 received by the district under Section 18-8 (exclusive of
17 amounts received under subsections 5(p) and 5(p-5) of that
18 Section) for the 1997-1998 school year, pursuant to the
19 provisions of that Section as it was then in effect.

20 (2) If, as provided in paragraph (1) of this subsection
21 (J), a school district is to receive aggregate general State
22 aid in combination with supplemental general State aid under
23 this Section for the 1998-99 school year and any subsequent
24 school year that in any such school year is less than the
25 amount of the aggregate general State aid entitlement that the
26 district received for the 1997-98 school year, the school
27 district shall also receive, from a separate appropriation made
28 for purposes of this subsection (J), a supplementary payment
29 that is equal to the amount of the difference in the aggregate
30 State aid figures as described in paragraph (1).

31 (3) (Blank).

32 (K) Grants to Laboratory and Alternative Schools.

33 In calculating the amount to be paid to the governing board

1 of a public university that operates a laboratory school under
2 this Section or to any alternative school that is operated by a
3 regional superintendent of schools, the State Board of
4 Education shall require by rule such reporting requirements as
5 it deems necessary.

6 As used in this Section, "laboratory school" means a public
7 school which is created and operated by a public university and
8 approved by the State Board of Education. The governing board
9 of a public university which receives funds from the State
10 Board under this subsection (K) may not increase the number of
11 students enrolled in its laboratory school from a single
12 district, if that district is already sending 50 or more
13 students, except under a mutual agreement between the school
14 board of a student's district of residence and the university
15 which operates the laboratory school. A laboratory school may
16 not have more than 1,000 students, excluding students with
17 disabilities in a special education program.

18 As used in this Section, "alternative school" means a
19 public school which is created and operated by a Regional
20 Superintendent of Schools and approved by the State Board of
21 Education. Such alternative schools may offer courses of
22 instruction for which credit is given in regular school
23 programs, courses to prepare students for the high school
24 equivalency testing program or vocational and occupational
25 training. A regional superintendent of schools may contract
26 with a school district or a public community college district
27 to operate an alternative school. An alternative school serving
28 more than one educational service region may be established by
29 the regional superintendents of schools of the affected
30 educational service regions. An alternative school serving
31 more than one educational service region may be operated under
32 such terms as the regional superintendents of schools of those
33 educational service regions may agree.

34 Each laboratory and alternative school shall file, on forms

1 provided by the State Superintendent of Education, an annual
2 State aid claim which states the Average Daily Attendance of
3 the school's students by month. The best 3 months' Average
4 Daily Attendance shall be computed for each school. The general
5 State aid entitlement shall be computed by multiplying the
6 applicable Average Daily Attendance by the Foundation Level as
7 determined under this Section.

8 (L) Payments, Additional Grants in Aid and Other Requirements.

9 (1) For a school district operating under the financial
10 supervision of an Authority created under Article 34A, the
11 general State aid otherwise payable to that district under this
12 Section, but not the supplemental general State aid, shall be
13 reduced by an amount equal to the budget for the operations of
14 the Authority as certified by the Authority to the State Board
15 of Education, and an amount equal to such reduction shall be
16 paid to the Authority created for such district for its
17 operating expenses in the manner provided in Section 18-11. The
18 remainder of general State school aid for any such district
19 shall be paid in accordance with Article 34A when that Article
20 provides for a disposition other than that provided by this
21 Article.

22 (2) (Blank).

23 (3) Summer school. Summer school payments shall be made as
24 provided in Section 18-4.3.

25 (M) Education Funding Advisory Board.

26 The Education Funding Advisory Board, hereinafter in this
27 subsection (M) referred to as the "Board", is hereby created.
28 The Board shall consist of 5 members who are appointed by the
29 Governor, by and with the advice and consent of the Senate. The
30 members appointed shall include representatives of education,
31 business, and the general public. One of the members so
32 appointed shall be designated by the Governor at the time the

1 appointment is made as the chairperson of the Board. The
2 initial members of the Board may be appointed any time after
3 the effective date of this amendatory Act of 1997. The regular
4 term of each member of the Board shall be for 4 years from the
5 third Monday of January of the year in which the term of the
6 member's appointment is to commence, except that of the 5
7 initial members appointed to serve on the Board, the member who
8 is appointed as the chairperson shall serve for a term that
9 commences on the date of his or her appointment and expires on
10 the third Monday of January, 2002, and the remaining 4 members,
11 by lots drawn at the first meeting of the Board that is held
12 after all 5 members are appointed, shall determine 2 of their
13 number to serve for terms that commence on the date of their
14 respective appointments and expire on the third Monday of
15 January, 2001, and 2 of their number to serve for terms that
16 commence on the date of their respective appointments and
17 expire on the third Monday of January, 2000. All members
18 appointed to serve on the Board shall serve until their
19 respective successors are appointed and confirmed. Vacancies
20 shall be filled in the same manner as original appointments. If
21 a vacancy in membership occurs at a time when the Senate is not
22 in session, the Governor shall make a temporary appointment
23 until the next meeting of the Senate, when he or she shall
24 appoint, by and with the advice and consent of the Senate, a
25 person to fill that membership for the unexpired term. If the
26 Senate is not in session when the initial appointments are
27 made, those appointments shall be made as in the case of
28 vacancies.

29 The Education Funding Advisory Board shall be deemed
30 established, and the initial members appointed by the Governor
31 to serve as members of the Board shall take office, on the date
32 that the Governor makes his or her appointment of the fifth
33 initial member of the Board, whether those initial members are
34 then serving pursuant to appointment and confirmation or

1 pursuant to temporary appointments that are made by the
2 Governor as in the case of vacancies.

3 The State Board of Education shall provide such staff
4 assistance to the Education Funding Advisory Board as is
5 reasonably required for the proper performance by the Board of
6 its responsibilities.

7 For school years after the 2000-2001 school year, the
8 Education Funding Advisory Board, in consultation with the
9 State Board of Education, shall make recommendations as
10 provided in this subsection (M) to the General Assembly for the
11 foundation level under subdivision (B)(3) of this Section and
12 for the supplemental general State aid grant level under
13 subsection (H) of this Section for districts with high
14 concentrations of children from poverty. The recommended
15 foundation level shall be determined based on a methodology
16 which incorporates the basic education expenditures of
17 low-spending schools exhibiting high academic performance. The
18 Education Funding Advisory Board shall make such
19 recommendations to the General Assembly on January 1 of odd
20 numbered years, beginning January 1, 2001.

21 (N) (Blank).

22 (O) References.

23 (1) References in other laws to the various subdivisions of
24 Section 18-8 as that Section existed before its repeal and
25 replacement by this Section 18-8.05 shall be deemed to refer to
26 the corresponding provisions of this Section 18-8.05, to the
27 extent that those references remain applicable.

28 (2) References in other laws to State Chapter 1 funds shall
29 be deemed to refer to the supplemental general State aid
30 provided under subsection (H) of this Section.

31 (Source: P.A. 92-16, eff. 6-28-01; 92-28, eff. 7-1-01; 92-29,
32 eff. 7-1-01; 92-269, eff. 8-7-01; 92-604, eff. 7-1-02; 92-636,

1 eff. 7-11-02; 92-651, eff. 7-11-02; 93-21, eff. 7-1-03.)

2 Section 999. Effective date. This Act takes effect upon
3 becoming law.".