

1 AN ACT concerning education.

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

4 Section 5. The School Code is amended by changing Section
5 18-8.05 as follows:

6 (105 ILCS 5/18-8.05)

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

10 (A) General Provisions.

11 (1) The provisions of this Section apply to the 1998-1999
12 and subsequent school years. The system of general State
13 financial aid provided for in this Section is designed to
14 assure that, through a combination of State financial aid and
15 required local resources, the financial support provided each
16 pupil in Average Daily Attendance equals or exceeds a
17 prescribed per pupil Foundation Level. This formula approach
18 imputes a level of per pupil Available Local Resources and
19 provides for the basis to calculate a per pupil level of
20 general State financial aid that, when added to Available Local
21 Resources, equals or exceeds the Foundation Level. The amount
22 of per pupil general State financial aid for school districts,
23 in general, varies in inverse relation to Available Local
24 Resources. Per pupil amounts are based upon each school
25 district's Average Daily Attendance as that term is defined in
26 this Section.

27 (2) In addition to general State financial aid, school
28 districts with specified levels or concentrations of pupils
29 from low income households are eligible to receive supplemental
30 general State financial aid grants as provided pursuant to
31 subsection (H). The supplemental State aid grants provided for

1 school districts under subsection (H) shall be appropriated for
2 distribution to school districts as part of the same line item
3 in which the general State financial aid of school districts is
4 appropriated under this Section.

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

8 (a) Any school district which fails for any given
9 school year to maintain school as required by law, or to
10 maintain a recognized school is not eligible to file for
11 such school year any claim upon the Common School Fund. In
12 case of nonrecognition of one or more attendance centers in
13 a school district otherwise operating recognized schools,
14 the claim of the district shall be reduced in the
15 proportion which the Average Daily Attendance in the
16 attendance center or centers bear to the Average Daily
17 Attendance in the school district. A "recognized school"
18 means any public school which meets the standards as
19 established for recognition by the State Board of
20 Education. A school district or attendance center not
21 having recognition status at the end of a school term is
22 entitled to receive State aid payments due upon a legal
23 claim which was filed while it was recognized.

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

27 (c) If a school district operates a full year school
28 under Section 10-19.1, the general State aid to the school
29 district shall be determined by the State Board of
30 Education in accordance with this Section as near as may be
31 applicable.

32 (d) (Blank).

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

1 School districts are not required to exert a minimum
2 Operating Tax Rate in order to qualify for assistance under
3 this Section.

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

6 (a) "Average Daily Attendance": A count of pupil
7 attendance in school, averaged as provided for in
8 subsection (C) and utilized in deriving per pupil financial
9 support levels.

10 (b) "Available Local Resources": A computation of
11 local financial support, calculated on the basis of Average
12 Daily Attendance and derived as provided pursuant to
13 subsection (D).

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

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

23 (e) "Operating Tax Rate": All school district property
24 taxes extended for all purposes, except Bond and Interest,
25 Summer School, Rent, Capital Improvement, and Vocational
26 Education Building purposes.

27 (B) Foundation Level.

28 (1) The Foundation Level is a figure established by the
29 State representing the minimum level of per pupil financial
30 support that should be available to provide for the basic
31 education of each pupil in Average Daily Attendance. As set
32 forth in this Section, each school district is assumed to exert
33 a sufficient local taxing effort such that, in combination with
34 the aggregate of general State financial aid provided the
35 district, an aggregate of State and local resources are

1 available to meet the basic education needs of pupils in the
2 district.

3 (2) For the 1998-1999 school year, the Foundation Level of
4 support is \$4,225. For the 1999-2000 school year, the
5 Foundation Level of support is \$4,325. For the 2000-2001 school
6 year, the Foundation Level of support is \$4,425.

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

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

13 (C) Average Daily Attendance.

14 (1) For purposes of calculating general State aid pursuant
15 to subsection (E), an Average Daily Attendance figure shall be
16 utilized. The Average Daily Attendance figure for formula
17 calculation purposes shall be the monthly average of the actual
18 number of pupils in attendance of each school district, as
19 further averaged for the best 3 months of pupil attendance for
20 each school district. In compiling the figures for the number
21 of pupils in attendance, school districts and the State Board
22 of Education shall, for purposes of general State aid funding,
23 conform attendance figures to the requirements of subsection
24 (F).

25 (2) The Average Daily Attendance figures utilized in
26 subsection (E) shall be the requisite attendance data for the
27 school year immediately preceding the school year for which
28 general State aid is being calculated or the average of the
29 attendance data for the 3 preceding school years, whichever is
30 greater. The Average Daily Attendance figures utilized in
31 subsection (H) shall be the requisite attendance data for the
32 school year immediately preceding the school year for which
33 general State aid is being calculated.

34 (D) Available Local Resources.

1 (1) For purposes of calculating general State aid pursuant
2 to subsection (E), a representation of Available Local
3 Resources per pupil, as that term is defined and determined in
4 this subsection, shall be utilized. Available Local Resources
5 per pupil shall include a calculated dollar amount representing
6 local school district revenues from local property taxes and
7 from Corporate Personal Property Replacement Taxes, expressed
8 on the basis of pupils in Average Daily Attendance. Calculation
9 of Available Local Resources shall exclude any tax amnesty
10 funds received as a result of Public Act 93-26.

11 (2) In determining a school district's revenue from local
12 property taxes, the State Board of Education shall utilize the
13 equalized assessed valuation of all taxable property of each
14 school district as of September 30 of the previous year. The
15 equalized assessed valuation utilized shall be obtained and
16 determined as provided in subsection (G).

17 (3) For school districts maintaining grades kindergarten
18 through 12, local property tax revenues per pupil shall be
19 calculated as the product of the applicable equalized assessed
20 valuation for the district multiplied by 3.00%, and divided by
21 the district's Average Daily Attendance figure. For school
22 districts maintaining grades kindergarten through 8, local
23 property tax revenues per pupil shall be calculated as the
24 product of the applicable equalized assessed valuation for the
25 district multiplied by 2.30%, and divided by the district's
26 Average Daily Attendance figure. For school districts
27 maintaining grades 9 through 12, local property tax revenues
28 per pupil shall be the applicable equalized assessed valuation
29 of the district multiplied by 1.05%, and divided by the
30 district's Average Daily Attendance figure.

31 (4) The Corporate Personal Property Replacement Taxes paid
32 to each school district during the calendar year 2 years before
33 the calendar year in which a school year begins, divided by the
34 Average Daily Attendance figure for that district, shall be
35 added to the local property tax revenues per pupil as derived
36 by the application of the immediately preceding paragraph (3).

1 The sum of these per pupil figures for each school district
2 shall constitute Available Local Resources as that term is
3 utilized in subsection (E) in the calculation of general State
4 aid.

5 (E) Computation of General State Aid.

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

9 (2) For any school district for which Available Local
10 Resources per pupil is less than the product of 0.93 times the
11 Foundation Level, general State aid for that district shall be
12 calculated as an amount equal to the Foundation Level minus
13 Available Local Resources, multiplied by the Average Daily
14 Attendance of the school district.

15 (3) For any school district for which Available Local
16 Resources per pupil is equal to or greater than the product of
17 0.93 times the Foundation Level and less than the product of
18 1.75 times the Foundation Level, the general State aid per
19 pupil shall be a decimal proportion of the Foundation Level
20 derived using a linear algorithm. Under this linear algorithm,
21 the calculated general State aid per pupil shall decline in
22 direct linear fashion from 0.07 times the Foundation Level for
23 a school district with Available Local Resources equal to the
24 product of 0.93 times the Foundation Level, to 0.05 times the
25 Foundation Level for a school district with Available Local
26 Resources equal to the product of 1.75 times the Foundation
27 Level. The allocation of general State aid for school districts
28 subject to this paragraph 3 shall be the calculated general
29 State aid per pupil figure multiplied by the Average Daily
30 Attendance of the school district.

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

1 (5) The amount of general State aid allocated to a school
2 district for the 1999-2000 school year meeting the requirements
3 set forth in paragraph (4) of subsection (G) shall be increased
4 by an amount equal to the general State aid that would have
5 been received by the district for the 1998-1999 school year by
6 utilizing the Extension Limitation Equalized Assessed
7 Valuation as calculated in paragraph (4) of subsection (G) less
8 the general State aid allotted for the 1998-1999 school year.
9 This amount shall be deemed a one time increase, and shall not
10 affect any future general State aid allocations.

11 (F) Compilation of Average Daily Attendance.

12 (1) Each school district shall, by July 1 of each year,
13 submit to the State Board of Education, on forms prescribed by
14 the State Board of Education, attendance figures for the school
15 year that began in the preceding calendar year. The attendance
16 information so transmitted shall identify the average daily
17 attendance figures for each month of the school year. Beginning
18 with the general State aid claim form for the 2002-2003 school
19 year, districts shall calculate Average Daily Attendance as
20 provided in subdivisions (a), (b), and (c) of this paragraph
21 (1).

22 (a) In districts that do not hold year-round classes,
23 days of attendance in August shall be added to the month of
24 September and any days of attendance in June shall be added
25 to the month of May.

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

30 (c) In districts in which some buildings, but not all,
31 hold year-round classes, for the non-year-round buildings,
32 days of attendance in August shall be added to the month of
33 September and any days of attendance in June shall be added
34 to the month of May. The average daily attendance for the
35 year-round buildings shall be computed as provided in

1 subdivision (b) of this paragraph (1). To calculate the
2 Average Daily Attendance for the district, the average
3 daily attendance for the year-round buildings shall be
4 multiplied by the days in session for the non-year-round
5 buildings for each month and added to the monthly
6 attendance of the non-year-round buildings.

7 Except as otherwise provided in this Section, days of
8 attendance by pupils shall be counted only for sessions of not
9 less than 5 clock hours of school work per day under direct
10 supervision of: (i) teachers, or (ii) non-teaching personnel or
11 volunteer personnel when engaging in non-teaching duties and
12 supervising in those instances specified in subsection (a) of
13 Section 10-22.34 and paragraph 10 of Section 34-18, with pupils
14 of legal school age and in kindergarten and grades 1 through
15 12.

16 Days of attendance by tuition pupils shall be accredited
17 only to the districts that pay the tuition to a recognized
18 school.

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

22 (a) Pupils regularly enrolled in a public school for
23 only a part of the school day may be counted on the basis
24 of 1/6 day for every class hour of instruction of 40
25 minutes or more attended pursuant to such enrollment,
26 unless a pupil is enrolled in a block-schedule format of 80
27 minutes or more of instruction, in which case the pupil may
28 be counted on the basis of the proportion of minutes of
29 school work completed each day to the minimum number of
30 minutes that school work is required to be held that day.

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

35 (c) A session of 4 or more clock hours may be counted
36 as a day of attendance upon certification by the regional

1 superintendent, and approved by the State Superintendent
2 of Education to the extent that the district has been
3 forced to use daily multiple sessions.

4 (d) A session of 3 or more clock hours may be counted
5 as a day of attendance (1) when the remainder of the school
6 day or at least 2 hours in the evening of that day is
7 utilized for an in-service training program for teachers,
8 up to a maximum of 5 days per school year of which a
9 maximum of 4 days of such 5 days may be used for
10 parent-teacher conferences, provided a district conducts
11 an in-service training program for teachers which has been
12 approved by the State Superintendent of Education; or, in
13 lieu of 4 such days, 2 full days may be used, in which
14 event each such day may be counted as a day of attendance;
15 and (2) when days in addition to those provided in item (1)
16 are scheduled by a school pursuant to its school
17 improvement plan adopted under Article 34 or its revised or
18 amended school improvement plan adopted under Article 2,
19 provided that (i) such sessions of 3 or more clock hours
20 are scheduled to occur at regular intervals, (ii) the
21 remainder of the school days in which such sessions occur
22 are utilized for in-service training programs or other
23 staff development activities for teachers, and (iii) a
24 sufficient number of minutes of school work under the
25 direct supervision of teachers are added to the school days
26 between such regularly scheduled sessions to accumulate
27 not less than the number of minutes by which such sessions
28 of 3 or more clock hours fall short of 5 clock hours. Any
29 full days used for the purposes of this paragraph shall not
30 be considered for computing average daily attendance. Days
31 scheduled for in-service training programs, staff
32 development activities, or parent-teacher conferences may
33 be scheduled separately for different grade levels and
34 different attendance centers of the district.

35 (e) A session of not less than one clock hour of
36 teaching hospitalized or homebound pupils on-site or by

1 telephone to the classroom may be counted as 1/2 day of
2 attendance, however these pupils must receive 4 or more
3 clock hours of instruction to be counted for a full day of
4 attendance.

5 (f) A session of at least 4 clock hours may be counted
6 as a day of attendance for first grade pupils, and pupils
7 in full day kindergartens, and a session of 2 or more hours
8 may be counted as 1/2 day of attendance by pupils in
9 kindergartens which provide only 1/2 day of attendance.

10 (g) For children with disabilities who are below the
11 age of 6 years and who cannot attend 2 or more clock hours
12 because of their disability or immaturity, a session of not
13 less than one clock hour may be counted as 1/2 day of
14 attendance; however for such children whose educational
15 needs so require a session of 4 or more clock hours may be
16 counted as a full day of attendance.

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

34 (G) Equalized Assessed Valuation Data.

35 (1) For purposes of the calculation of Available Local

1 Resources required pursuant to subsection (D), the State Board
2 of Education shall secure from the Department of Revenue the
3 value as equalized or assessed by the Department of Revenue of
4 all taxable property of every school district, together with
5 (i) the applicable tax rate used in extending taxes for the
6 funds of the district as of September 30 of the previous year
7 and (ii) the limiting rate for all school districts subject to
8 property tax extension limitations as imposed under the
9 Property Tax Extension Limitation Law.

10 This equalized assessed valuation, as adjusted further by
11 the requirements of this subsection, shall be utilized in the
12 calculation of Available Local Resources.

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

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

1 have been paid.

2 (b) The real property equalized assessed valuation for
3 a school district shall be adjusted by subtracting from the
4 real property value as equalized or assessed by the
5 Department of Revenue for the district an amount computed
6 by dividing the amount of any abatement of taxes under
7 Section 18-170 of the Property Tax Code by 3.00% for a
8 district maintaining grades kindergarten through 12, by
9 2.30% for a district maintaining grades kindergarten
10 through 8, or by 1.05% for a district maintaining grades 9
11 through 12 and adjusted by an amount computed by dividing
12 the amount of any abatement of taxes under subsection (a)
13 of Section 18-165 of the Property Tax Code by the same
14 percentage rates for district type as specified in this
15 subparagraph (b).

16 (3) For the 1999-2000 school year and each school year
17 thereafter, if a school district meets all of the criteria of
18 this subsection (G) (3), the school district's Available Local
19 Resources shall be calculated under subsection (D) using the
20 district's Extension Limitation Equalized Assessed Valuation
21 as calculated under this subsection (G) (3).

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

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

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

28 "Preceding Tax Year": The property tax levy year
29 immediately preceding the Base Tax Year.

30 "Base Tax Year's Tax Extension": The product of the
31 equalized assessed valuation utilized by the County Clerk
32 in the Base Tax Year multiplied by the limiting rate as
33 calculated by the County Clerk and defined in the Property
34 Tax Extension Limitation Law.

35 "Preceding Tax Year's Tax Extension": The product of
36 the equalized assessed valuation utilized by the County

1 Clerk in the Preceding Tax Year multiplied by the Operating
2 Tax Rate as defined in subsection (A).

3 "Extension Limitation Ratio": A numerical ratio,
4 certified by the County Clerk, in which the numerator is
5 the Base Tax Year's Tax Extension and the denominator is
6 the Preceding Tax Year's Tax Extension.

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

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

32 (4) For the purposes of calculating general State aid for
33 the 1999-2000 school year only, if a school district
34 experienced a triennial reassessment on the equalized assessed
35 valuation used in calculating its general State financial aid
36 apportionment for the 1998-1999 school year, the State Board of

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

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

28 (H) Supplemental General State Aid.

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

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

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

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

12 (1.10) This paragraph (1.10) applies to the 2003-2004
13 school year and each school year thereafter. For purposes of
14 this subsection (H), the term "Low-Income Concentration Level"
15 shall, for each fiscal year, be the low-income eligible pupil
16 count as of July 1 of the immediately preceding fiscal year (as
17 determined by the Department of Human Services based on the
18 number of pupils who are eligible for at least one of the
19 following low income programs: Medicaid, KidCare, TANF, or Food
20 Stamps, excluding pupils who are eligible for services provided
21 by the Department of Children and Family Services, averaged
22 over the 2 immediately preceding fiscal years for fiscal year
23 2004 and over the 3 immediately preceding fiscal years for each
24 fiscal year thereafter) divided by the Average Daily Attendance
25 of the school district.

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

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

33 (b) For any school district with a Low Income
34 Concentration Level of at least 35% and less than 50%, the
35 grant for the 1998-1999 school year shall be \$1,100
36 multiplied by the low income eligible pupil count.

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

5 (d) For any school district with a Low Income
6 Concentration Level of 60% or more, the grant for the
7 1998-99 school year shall be \$1,900 multiplied by the low
8 income eligible pupil count.

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

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

17 (2.5) Supplemental general State aid pursuant to this
18 subsection (H) shall be provided as follows for the 2002-2003
19 school year:

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

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

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

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

36 (e) For any school district with a Low Income

1 Concentration Level of at least 50% and less than 60%, the
2 grant for each school year shall be \$1,680 multiplied by
3 the low income eligible pupil count.

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

8 (2.10) Except as otherwise provided, supplemental general
9 State aid pursuant to this subsection (H) shall be provided as
10 follows for the 2003-2004 school year and each school year
11 thereafter:

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

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

21 For the 2003-2004 school year only, the grant shall be no
22 less than the grant for the 2002-2003 school year. For the
23 2004-2005 school year only, the grant shall be no less than the
24 grant for the 2002-2003 school year multiplied by 0.66. For the
25 2005-2006 school year only, the grant shall be no less than the
26 grant for the 2002-2003 school year multiplied by 0.33.

27 For the 2003-2004 school year only, the grant shall be no
28 greater than the grant received during the 2002-2003 school
29 year added to the product of 0.25 multiplied by the difference
30 between the grant amount calculated under subsection (a) or (b)
31 of this paragraph (2.10), whichever is applicable, and the
32 grant received during the 2002-2003 school year. For the
33 2004-2005 school year only, the grant shall be no greater than
34 the grant received during the 2002-2003 school year added to
35 the product of 0.50 multiplied by the difference between the
36 grant amount calculated under subsection (a) or (b) of this

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

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

19 (4) School districts with an Average Daily Attendance of
20 50,000 or more that qualify for supplemental general State aid
21 pursuant to this subsection shall be required to distribute
22 from funds available pursuant to this Section, no less than
23 \$261,000,000 in accordance with the following requirements:

24 (a) The required amounts shall be distributed to the
25 attendance centers within the district in proportion to the
26 number of pupils enrolled at each attendance center who are
27 eligible to receive free or reduced-price lunches or
28 breakfasts under the federal Child Nutrition Act of 1966
29 and under the National School Lunch Act during the
30 immediately preceding school year.

31 (b) The distribution of these portions of supplemental
32 and general State aid among attendance centers according to
33 these requirements shall not be compensated for or
34 contravened by adjustments of the total of other funds
35 appropriated to any attendance centers, and the Board of
36 Education shall utilize funding from one or several sources

1 in order to fully implement this provision annually prior
2 to the opening of school.

3 (c) Each attendance center shall be provided by the
4 school district a distribution of noncategorical funds and
5 other categorical funds to which an attendance center is
6 entitled under law in order that the general State aid and
7 supplemental general State aid provided by application of
8 this subsection supplements rather than supplants the
9 noncategorical funds and other categorical funds provided
10 by the school district to the attendance centers.

11 (d) Any funds made available under this subsection that
12 by reason of the provisions of this subsection are not
13 required to be allocated and provided to attendance centers
14 may be used and appropriated by the board of the district
15 for any lawful school purpose.

16 (e) Funds received by an attendance center pursuant to
17 this subsection shall be used by the attendance center at
18 the discretion of the principal and local school council
19 for programs to improve educational opportunities at
20 qualifying schools through the following programs and
21 services: early childhood education, reduced class size or
22 improved adult to student classroom ratio, enrichment
23 programs, remedial assistance, attendance improvement, and
24 other educationally beneficial expenditures which
25 supplement the regular and basic programs as determined by
26 the State Board of Education. Funds provided shall not be
27 expended for any political or lobbying purposes as defined
28 by board rule.

29 (f) Each district subject to the provisions of this
30 subdivision (H) (4) shall submit an acceptable plan to meet
31 the educational needs of disadvantaged children, in
32 compliance with the requirements of this paragraph, to the
33 State Board of Education prior to July 15 of each year.
34 This plan shall be consistent with the decisions of local
35 school councils concerning the school expenditure plans
36 developed in accordance with part 4 of Section 34-2.3. The

1 State Board shall approve or reject the plan within 60 days
2 after its submission. If the plan is rejected, the district
3 shall give written notice of intent to modify the plan
4 within 15 days of the notification of rejection and then
5 submit a modified plan within 30 days after the date of the
6 written notice of intent to modify. Districts may amend
7 approved plans pursuant to rules promulgated by the State
8 Board of Education.

9 Upon notification by the State Board of Education that
10 the district has not submitted a plan prior to July 15 or a
11 modified plan within the time period specified herein, the
12 State aid funds affected by that plan or modified plan
13 shall be withheld by the State Board of Education until a
14 plan or modified plan is submitted.

15 If the district fails to distribute State aid to
16 attendance centers in accordance with an approved plan, the
17 plan for the following year shall allocate funds, in
18 addition to the funds otherwise required by this
19 subsection, to those attendance centers which were
20 underfunded during the previous year in amounts equal to
21 such underfunding.

22 For purposes of determining compliance with this
23 subsection in relation to the requirements of attendance
24 center funding, each district subject to the provisions of
25 this subsection shall submit as a separate document by
26 December 1 of each year a report of expenditure data for
27 the prior year in addition to any modification of its
28 current plan. If it is determined that there has been a
29 failure to comply with the expenditure provisions of this
30 subsection regarding contravention or supplanting, the
31 State Superintendent of Education shall, within 60 days of
32 receipt of the report, notify the district and any affected
33 local school council. The district shall within 45 days of
34 receipt of that notification inform the State
35 Superintendent of Education of the remedial or corrective
36 action to be taken, whether by amendment of the current

1 plan, if feasible, or by adjustment in the plan for the
2 following year. Failure to provide the expenditure report
3 or the notification of remedial or corrective action in a
4 timely manner shall result in a withholding of the affected
5 funds.

6 The State Board of Education shall promulgate rules and
7 regulations to implement the provisions of this
8 subsection. No funds shall be released under this
9 subdivision (H) (4) to any district that has not submitted a
10 plan that has been approved by the State Board of
11 Education.

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

13 (1) For a new school district formed by combining property
14 included totally within 2 or more previously existing school
15 districts, for its first year of existence the general State
16 aid and supplemental general State aid calculated under this
17 Section shall be computed for the new district and for the
18 previously existing districts for which property is totally
19 included within the new district. If the computation on the
20 basis of the previously existing districts is greater, a
21 supplementary payment equal to the difference shall be made for
22 the first 4 years of existence of the new district.

23 (2) For a school district which annexes all of the
24 territory of one or more entire other school districts, for the
25 first year during which the change of boundaries attributable
26 to such annexation becomes effective for all purposes as
27 determined under Section 7-9 or 7A-8, the general State aid and
28 supplemental general State aid calculated under this Section
29 shall be computed for the annexing district as constituted
30 after the annexation and for the annexing and each annexed
31 district as constituted prior to the annexation; and if the
32 computation on the basis of the annexing and annexed districts
33 as constituted prior to the annexation is greater, a
34 supplementary payment equal to the difference shall be made for
35 the first 4 years of existence of the annexing school district

1 as constituted upon such annexation.

2 (3) For 2 or more school districts which annex all of the
3 territory of one or more entire other school districts, and for
4 2 or more community unit districts which result upon the
5 division (pursuant to petition under Section 11A-2) of one or
6 more other unit school districts into 2 or more parts and which
7 together include all of the parts into which such other unit
8 school district or districts are so divided, for the first year
9 during which the change of boundaries attributable to such
10 annexation or division becomes effective for all purposes as
11 determined under Section 7-9 or 11A-10, as the case may be, the
12 general State aid and supplemental general State aid calculated
13 under this Section shall be computed for each annexing or
14 resulting district as constituted after the annexation or
15 division and for each annexing and annexed district, or for
16 each resulting and divided district, as constituted prior to
17 the annexation or division; and if the aggregate of the general
18 State aid and supplemental general State aid as so computed for
19 the annexing or resulting districts as constituted after the
20 annexation or division is less than the aggregate of the
21 general State aid and supplemental general State aid as so
22 computed for the annexing and annexed districts, or for the
23 resulting and divided districts, as constituted prior to the
24 annexation or division, then a supplementary payment equal to
25 the difference shall be made and allocated between or among the
26 annexing or resulting districts, as constituted upon such
27 annexation or division, for the first 4 years of their
28 existence. The total difference payment shall be allocated
29 between or among the annexing or resulting districts in the
30 same ratio as the pupil enrollment from that portion of the
31 annexed or divided district or districts which is annexed to or
32 included in each such annexing or resulting district bears to
33 the total pupil enrollment from the entire annexed or divided
34 district or districts, as such pupil enrollment is determined
35 for the school year last ending prior to the date when the
36 change of boundaries attributable to the annexation or division

1 becomes effective for all purposes. The amount of the total
2 difference payment and the amount thereof to be allocated to
3 the annexing or resulting districts shall be computed by the
4 State Board of Education on the basis of pupil enrollment and
5 other data which shall be certified to the State Board of
6 Education, on forms which it shall provide for that purpose, by
7 the regional superintendent of schools for each educational
8 service region in which the annexing and annexed districts, or
9 resulting and divided districts are located.

10 (3.5) Claims for financial assistance under this
11 subsection (I) shall not be recomputed except as expressly
12 provided under this Section.

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

16 (J) Supplementary Grants in Aid.

17 (1) Notwithstanding any other provisions of this Section,
18 the amount of the aggregate general State aid in combination
19 with supplemental general State aid under this Section for
20 which each school district is eligible shall be no less than
21 the amount of the aggregate general State aid entitlement that
22 was received by the district under Section 18-8 (exclusive of
23 amounts received under subsections 5(p) and 5(p-5) of that
24 Section) for the 1997-98 school year, pursuant to the
25 provisions of that Section as it was then in effect. If a
26 school district qualifies to receive a supplementary payment
27 made under this subsection (J), the amount of the aggregate
28 general State aid in combination with supplemental general
29 State aid under this Section which that district is eligible to
30 receive for each school year shall be no less than the amount
31 of the aggregate general State aid entitlement that was
32 received by the district under Section 18-8 (exclusive of
33 amounts received under subsections 5(p) and 5(p-5) of that
34 Section) for the 1997-1998 school year, pursuant to the
35 provisions of that Section as it was then in effect.

1 (2) If, as provided in paragraph (1) of this subsection
2 (J), a school district is to receive aggregate general State
3 aid in combination with supplemental general State aid under
4 this Section for the 1998-99 school year and any subsequent
5 school year that in any such school year is less than the
6 amount of the aggregate general State aid entitlement that the
7 district received for the 1997-98 school year, the school
8 district shall also receive, from a separate appropriation made
9 for purposes of this subsection (J), a supplementary payment
10 that is equal to the amount of the difference in the aggregate
11 State aid figures as described in paragraph (1).

12 (3) (Blank).

13 (K) Grants to Laboratory and Alternative Schools.

14 In calculating the amount to be paid to the governing board
15 of a public university that operates a laboratory school under
16 this Section or to any alternative school that is operated by a
17 regional superintendent of schools, the State Board of
18 Education shall require by rule such reporting requirements as
19 it deems necessary.

20 As used in this Section, "laboratory school" means a public
21 school which is created and operated by a public university and
22 approved by the State Board of Education. The governing board
23 of a public university which receives funds from the State
24 Board under this subsection (K) may not increase the number of
25 students enrolled in its laboratory school from a single
26 district, if that district is already sending 50 or more
27 students, except under a mutual agreement between the school
28 board of a student's district of residence and the university
29 which operates the laboratory school. A laboratory school may
30 not have more than 1,000 students, excluding students with
31 disabilities in a special education program.

32 As used in this Section, "alternative school" means a
33 public school which is created and operated by a Regional
34 Superintendent of Schools and approved by the State Board of
35 Education. Such alternative schools may offer courses of

1 instruction for which credit is given in regular school
2 programs, courses to prepare students for the high school
3 equivalency testing program or vocational and occupational
4 training. A regional superintendent of schools may contract
5 with a school district or a public community college district
6 to operate an alternative school. An alternative school serving
7 more than one educational service region may be established by
8 the regional superintendents of schools of the affected
9 educational service regions. An alternative school serving
10 more than one educational service region may be operated under
11 such terms as the regional superintendents of schools of those
12 educational service regions may agree.

13 Each laboratory and alternative school shall file, on forms
14 provided by the State Superintendent of Education, an annual
15 State aid claim which states the Average Daily Attendance of
16 the school's students by month. The best 3 months' Average
17 Daily Attendance shall be computed for each school. The general
18 State aid entitlement shall be computed by multiplying the
19 applicable Average Daily Attendance by the Foundation Level as
20 determined under this Section.

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

22 (1) For a school district operating under the financial
23 supervision of an Authority created under Article 34A, the
24 general State aid otherwise payable to that district under this
25 Section, but not the supplemental general State aid, shall be
26 reduced by an amount equal to the budget for the operations of
27 the Authority as certified by the Authority to the State Board
28 of Education, and an amount equal to such reduction shall be
29 paid to the Authority created for such district for its
30 operating expenses in the manner provided in Section 18-11. The
31 remainder of general State school aid for any such district
32 shall be paid in accordance with Article 34A when that Article
33 provides for a disposition other than that provided by this
34 Article.

35 (2) (Blank).

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

3 (M) Education Funding Advisory Board.

4 The Education Funding Advisory Board, hereinafter in this
5 subsection (M) referred to as the "Board", is hereby created.
6 The Board shall consist of 5 members who are appointed by the
7 Governor, by and with the advice and consent of the Senate. The
8 members appointed shall include representatives of education,
9 business, and the general public. One of the members so
10 appointed shall be designated by the Governor at the time the
11 appointment is made as the chairperson of the Board. The
12 initial members of the Board may be appointed any time after
13 the effective date of this amendatory Act of 1997. The regular
14 term of each member of the Board shall be for 4 years from the
15 third Monday of January of the year in which the term of the
16 member's appointment is to commence, except that of the 5
17 initial members appointed to serve on the Board, the member who
18 is appointed as the chairperson shall serve for a term that
19 commences on the date of his or her appointment and expires on
20 the third Monday of January, 2002, and the remaining 4 members,
21 by lots drawn at the first meeting of the Board that is held
22 after all 5 members are appointed, shall determine 2 of their
23 number to serve for terms that commence on the date of their
24 respective appointments and expire on the third Monday of
25 January, 2001, and 2 of their number to serve for terms that
26 commence on the date of their respective appointments and
27 expire on the third Monday of January, 2000. All members
28 appointed to serve on the Board shall serve until their
29 respective successors are appointed and confirmed. Vacancies
30 shall be filled in the same manner as original appointments. If
31 a vacancy in membership occurs at a time when the Senate is not
32 in session, the Governor shall make a temporary appointment
33 until the next meeting of the Senate, when he or she shall
34 appoint, by and with the advice and consent of the Senate, a
35 person to fill that membership for the unexpired term. If the

1 Senate is not in session when the initial appointments are
2 made, those appointments shall be made as in the case of
3 vacancies.

4 The Education Funding Advisory Board shall be deemed
5 established, and the initial members appointed by the Governor
6 to serve as members of the Board shall take office, on the date
7 that the Governor makes his or her appointment of the fifth
8 initial member of the Board, whether those initial members are
9 then serving pursuant to appointment and confirmation or
10 pursuant to temporary appointments that are made by the
11 Governor as in the case of vacancies.

12 The State Board of Education shall provide such staff
13 assistance to the Education Funding Advisory Board as is
14 reasonably required for the proper performance by the Board of
15 its responsibilities.

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

30 (N) (Blank).

31 (O) References.

32 (1) References in other laws to the various subdivisions of
33 Section 18-8 as that Section existed before its repeal and
34 replacement by this Section 18-8.05 shall be deemed to refer to

1 the corresponding provisions of this Section 18-8.05, to the
2 extent that those references remain applicable.

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

6 (Source: P.A. 92-16, eff. 6-28-01; 92-28, eff. 7-1-01; 92-29,
7 eff. 7-1-01; 92-269, eff. 8-7-01; 92-604, eff. 7-1-02; 92-636,
8 eff. 7-11-02; 92-651, eff. 7-11-02; 93-21, eff. 7-1-03.)

9 Section 99. Effective date. This Act takes effect upon
10 becoming law.