



**93RD GENERAL ASSEMBLY**  
**State of Illinois**  
**2003 and 2004**

Introduced 2/6/2004, by Patrick Welch, James A. DeLeo

**SYNOPSIS AS INTRODUCED:**

- 30 ILCS 330/2 from Ch. 127, par. 652
- 30 ILCS 330/5 from Ch. 127, par. 655
- 30 ILCS 500/1-10
- 50 ILCS 510/6.5 new
- 105 ILCS 230/5-5
- 105 ILCS 230/5-10
- 105 ILCS 230/5-15
- 105 ILCS 230/5-20
- 105 ILCS 230/5-25
- 105 ILCS 230/5-30
- 105 ILCS 230/5-40
- 105 ILCS 230/5-50
- 105 ILCS 230/5-60
- 105 ILCS 230/5-100
- 105 ILCS 230/5-45 rep.

Amends the General Obligation Bond Act to increase bonding authorization for School Construction Bonds. Amends the School Construction Law. Makes changes concerning the authority of the Capital Development Board; alternative delivery methods, including district facilities plans; categorization of projects; and intergovernmental agreements. Amends other Acts relating to the Board's authority. Makes other changes. Effective on July 1, 2004.

LRB093 14715 BDD 47120 b

FISCAL NOTE ACT  
MAY APPLY

STATE DEBT  
IMPACT NOTE ACT  
MAY APPLY

1 AN ACT concerning school construction.

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

4 Section 5. The General Obligation Bond Act is amended by  
5 changing Sections 2 and 5 as follows:

6 (30 ILCS 330/2) (from Ch. 127, par. 652)

7 Sec. 2. Authorization for Bonds. The State of Illinois is  
8 authorized to issue, sell and provide for the retirement of  
9 General Obligation Bonds of the State of Illinois for the  
10 categories and specific purposes expressed in Sections 2  
11 through 8 of this Act, in the total amount of \$29,858,149,369  
12 ~~\$27,658,149,369~~.

13 The bonds authorized in this Section 2 and in Section 16 of  
14 this Act are herein called "Bonds".

15 Of the total amount of Bonds authorized in this Act, up to  
16 \$2,200,000,000 in aggregate original principal amount may be  
17 issued and sold in accordance with the Baccalaureate Savings  
18 Act in the form of General Obligation College Savings Bonds.

19 Of the total amount of Bonds authorized in this Act, up to  
20 \$300,000,000 in aggregate original principal amount may be  
21 issued and sold in accordance with the Retirement Savings Act  
22 in the form of General Obligation Retirement Savings Bonds.

23 Of the total amount of Bonds authorized in this Act, the  
24 additional \$10,000,000,000 authorized by this amendatory Act  
25 of the 93rd General Assembly shall be used solely as provided  
26 in Section 7.2.

27 The issuance and sale of Bonds pursuant to the General  
28 Obligation Bond Act is an economical and efficient method of  
29 financing the capital and general operating needs of the State.  
30 This Act will permit the issuance of a multi-purpose General  
31 Obligation Bond with uniform terms and features. This will not  
32 only lower the cost of registration but also reduce the overall

1 cost of issuing debt by improving the marketability of Illinois  
2 General Obligation Bonds.

3 (Source: P.A. 92-13, eff. 6-22-01; 92-596, eff. 6-28-02;  
4 92-598, eff. 6-28-02; 93-2, eff. 4-7-03.)

5 (30 ILCS 330/5) (from Ch. 127, par. 655)

6 Sec. 5. School Construction.

7 (a) The amount of \$58,450,000 is authorized to make grants  
8 to local school districts for the acquisition, development,  
9 construction, reconstruction, rehabilitation, improvement,  
10 financing, architectural planning and installation of capital  
11 facilities, including but not limited to those required for  
12 special education building projects provided for in Article 14  
13 of The School Code, consisting of buildings, structures, and  
14 durable equipment, and for the acquisition and improvement of  
15 real property and interests in real property required, or  
16 expected to be required, in connection therewith.

17 (b) \$22,550,000, or so much thereof as may be necessary,  
18 for grants to school districts for the making of principal and  
19 interest payments, required to be made, on bonds issued by such  
20 school districts after January 1, 1969, pursuant to any  
21 indenture, ordinance, resolution, agreement or contract to  
22 provide funds for the acquisition, development, construction,  
23 reconstruction, rehabilitation, improvement, architectural  
24 planning and installation of capital facilities consisting of  
25 buildings, structures, durable equipment and land for  
26 educational purposes or for lease payments required to be made  
27 by a school district for principal and interest payments on  
28 bonds issued by a Public Building Commission after January 1,  
29 1969.

30 (c) \$10,000,000 for grants to school districts for the  
31 acquisition, development, construction, reconstruction,  
32 rehabilitation, improvement, architectural planning and  
33 installation of capital facilities consisting of buildings  
34 structures, durable equipment and land for special education  
35 building projects.

1 (d) \$9,000,000 for grants to school districts for the  
 2 reconstruction, rehabilitation, improvement, financing and  
 3 architectural planning of capital facilities, including  
 4 construction at another location to replace such capital  
 5 facilities, consisting of those public school buildings and  
 6 temporary school facilities which, prior to January 1, 1984,  
 7 were condemned by the regional superintendent under Section  
 8 3-14.22 of The School Code or by any State official having  
 9 jurisdiction over building safety.

10 (e) \$5,250,000,000 ~~\$3,050,000,000~~ for grants to school  
 11 districts for school improvement projects authorized by the  
 12 School Construction Law. The bonds shall be sold in amounts not  
 13 to exceed the following schedule, except any bonds not sold  
 14 during one year shall be added to the bonds to be sold during  
 15 the remainder of the schedule:

16	First year .....	\$200,000,000
17	Second year .....	\$450,000,000
18	Third year .....	\$500,000,000
19	Fourth year .....	\$500,000,000
20	Fifth year .....	\$800,000,000
21	Sixth year <del>and thereafter</del> .....	\$600,000,000
22	<u>Seventh year</u> .....	<u>\$550,000,000</u>
23	<u>Eighth year</u> .....	<u>\$550,000,000</u>
24	<u>Ninth year</u> .....	<u>\$550,000,000</u>
25	<u>Tenth year and thereafter</u> .....	<u>\$550,000,000</u>

26 (Source: P.A. 91-39, eff. 6-15-99; 92-598, eff. 6-28-02.)

27 Section 10. The Illinois Procurement Code is amended by  
 28 changing Section 1-10 as follows:

29 (30 ILCS 500/1-10)

30 Sec. 1-10. Application.

31 (a) This Code applies only to procurements for which  
 32 contractors were first solicited on or after July 1, 1998. This  
 33 Code shall not be construed to affect or impair any contract,  
 34 or any provision of a contract, entered into based on a

1 solicitation prior to the implementation date of this Code as  
2 described in Article 99, including but not limited to any  
3 covenant entered into with respect to any revenue bonds or  
4 similar instruments. All procurements for which contracts are  
5 solicited between the effective date of Articles 50 and 99 and  
6 July 1, 1998 shall be substantially in accordance with this  
7 Code and its intent.

8 (b) This Code shall apply regardless of the source of the  
9 funds with which the contracts are paid, including federal  
10 assistance moneys. This Code shall not apply to:

11 (1) Contracts between the State and its political  
12 subdivisions or other governments, or between State  
13 governmental bodies except as specifically provided in  
14 this Code.

15 (2) Grants, except for the filing requirements of  
16 Section 20-80.

17 (3) Purchase of care.

18 (4) Hiring of an individual as employee and not as an  
19 independent contractor, whether pursuant to an employment  
20 code or policy or by contract directly with that  
21 individual.

22 (5) Collective bargaining contracts.

23 (6) Purchase of real estate.

24 (7) Contracts necessary to prepare for anticipated  
25 litigation, enforcement actions, or investigations,  
26 provided that the chief legal counsel to the Governor shall  
27 give his or her prior approval when the procuring agency is  
28 one subject to the jurisdiction of the Governor, and  
29 provided that the chief legal counsel of any other  
30 procuring entity subject to this Code shall give his or her  
31 prior approval when the procuring entity is not one subject  
32 to the jurisdiction of the Governor.

33 (8) Contracts for services to Northern Illinois  
34 University by a person, acting as an independent  
35 contractor, who is qualified by education, experience, and  
36 technical ability and is selected by negotiation for the

1 purpose of providing non-credit educational service  
2 activities or products by means of specialized programs  
3 offered by the university.

4 (9) Procurement expenditures by the Illinois  
5 Conservation Foundation when only private funds are used.

6 (10) Procurement by the Capital Development Board when  
7 exercising general supervision under the School  
8 Construction Law.

9 (Source: P.A. 91-627, eff. 8-19-99; 91-904, eff. 7-6-00;  
10 92-797, eff. 8-15-02.)

11 Section 15. The Local Government Professional Services  
12 Selection Act is amended by adding Section 6.5 as follows:

13 (50 ILCS 510/6.5 new)

14 Sec. 6.5. School Construction.

15 (a) The exceptions stated in this Act based on having "a  
16 satisfactory relationship for services with one or more firms"  
17 do not apply to projects under the School Construction Law  
18 unless approved by the Executive Director of the Capital  
19 Development Board.

20 (b) All procurement of architectural, engineering, and  
21 land surveying services for projects that are funded in whole  
22 or in part under the School Construction Law, including without  
23 limitation small contracts and emergency services under  
24 Section 8, shall be conducted by the Capital Development Board  
25 on behalf of the school district unless the Executive Director  
26 of the Capital Development Board grants a written waiver to the  
27 school district with respect to a specific project.

28 Section 20. The School Construction Law is amended by  
29 changing Sections 5-5, 5-10, 5-15, 5-20, 5-25, 5-30, 5-40,  
30 5-50, 5-60, and 5-100 as follows:

31 (105 ILCS 230/5-5)

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

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

9       "Grant index" means a figure for each school district equal  
10 to one minus the ratio of the district's equalized assessed  
11 valuation per pupil in average daily attendance to the  
12 equalized assessed valuation per pupil in average daily  
13 attendance of the district located at the 90th percentile for  
14 all districts of the same category. For the purpose of  
15 calculating the grant index, school districts are grouped into  
16 2 categories, Category I and Category II. Category I consists  
17 of elementary and unit school districts. The equalized assessed  
18 valuation per pupil in average daily attendance of each school  
19 district in Category I shall be computed using its grades  
20 kindergarten through 8 average daily attendance figure. A unit  
21 school district's Category I grant index shall be used for  
22 projects or portions of projects constructed for elementary  
23 school pupils. Category II consists of high school and unit  
24 school districts. The equalized assessed valuation per pupil in  
25 average daily attendance of each school district in Category II  
26 shall be computed using its grades 9 through 12 average daily  
27 attendance figure. A unit school district's Category II grant  
28 index shall be used for projects or portions of projects  
29 constructed for high school pupils. The changes made by Public  
30 ~~this amendatory~~ Act 92-168 (effective July 26, 2001) ~~of the~~  
31 ~~92nd General Assembly~~ apply to all grants made on or after July  
32 26, 2001 ~~the effective date of this amendatory Act~~, provided  
33 that for grants not yet made on July 26, 2001 ~~the effective~~  
34 ~~date of this amendatory Act~~ but made in fiscal year 2001 and  
35 for grants made in fiscal year 2002, the grant index for a  
36 school district shall be the greater of (i) the grant index as

1 calculated under this Law on or after July 26, 2001 ~~the~~  
2 ~~effective date of this amendatory Act~~ or (ii) the grant index  
3 as calculated under this Law before July 26, 2001 ~~the effective~~  
4 ~~date of this amendatory Act~~. The grant index shall be no less  
5 than 0.35 and no greater than 0.75 for each district; provided  
6 that the grant index for districts whose equalized assessed  
7 valuation per pupil in average daily attendance is at the 99th  
8 percentile and above for all districts of the same type shall  
9 be 0.00. Grant indexes shall be calculated by the Capital  
10 Development Board. In making its calculations, the Capital  
11 Development Board shall receive full cooperation and  
12 assistance from the State Board of Education.

13 "School construction project" means the acquisition,  
14 development, construction, reconstruction, rehabilitation,  
15 improvement, architectural planning, and installation of  
16 capital facilities consisting of buildings, structures,  
17 durable equipment, and land for educational purposes.

18 "School maintenance project" means a project, other than a  
19 school construction project, intended to provide for the  
20 maintenance or upkeep of buildings or structures for  
21 educational purposes, but does not include ongoing operational  
22 costs.

23 (Source: P.A. 91-38, eff. 6-15-99; 92-168, eff. 7-26-01.)

24 (105 ILCS 230/5-10)

25 Sec. 5-10. Grant awards. The Capital Development Board is  
26 authorized to make grants to school districts for school  
27 construction projects with funds appropriated by the General  
28 Assembly from the School Infrastructure Fund pursuant to the  
29 provisions of this Article. ~~The State Board of Education is~~  
30 ~~authorized to make grants to school districts for debt service~~  
31 ~~with funds appropriated by the General Assembly from the School~~  
32 ~~Infrastructure Fund pursuant to the provisions of this Article.~~

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

34 (105 ILCS 230/5-15)



1           Sec. 5-15. Grant entitlements. The Capital Development  
2 ~~State Board of Education~~ is authorized to issue grant  
3 entitlements for school construction projects. The Capital  
4 Development Board ~~and debt service~~ and shall determine the  
5 priority order for school construction project grants to be  
6 made by the Capital Development Board. When issuing a grant  
7 entitlement for a school construction project, the Capital  
8 Development Board, as a part of that entitlement, shall  
9 indicate the categorization of the project as provided in  
10 Section 5-30 and shall certify to the district receiving the  
11 entitlement the dollar amount of the school construction  
12 project's cost that the district will be required to finance  
13 with non-grant funds in order to qualify to receive a school  
14 construction project grant under this Article from the Capital  
15 Development Board.

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

17           (105 ILCS 230/5-20)

18           Sec. 5-20. Grant application; district facilities plan.  
19 School districts shall apply to the Capital Development ~~State~~  
20 ~~Board of Education~~ for school construction project grants ~~and~~  
21 ~~debt service grants~~. Districts filing grant applications shall  
22 submit to the Capital Development ~~State~~ Board a district  
23 facilities plan that shall include, but not be limited to, an  
24 assessment of present and future district facility needs as  
25 required by present and anticipated educational programming,  
26 the availability of local financial resources including  
27 current revenues, fund balances, and unused bonding capacity,  
28 the impact on the educational fund such as additional teachers  
29 or other staff, a fiscal plan for meeting present and  
30 anticipated debt service obligations, and a maintenance plan  
31 and schedule that contain necessary assurances that new,  
32 renovated, and existing facilities are being or will be  
33 properly maintained. If a district that applies for a school  
34 construction project grant has no unused bonding capacity or if  
35 its unused bonding capacity may be less than the portion of the

1 cost of the proposed school construction project that the  
2 district would be required to finance with non-grant funds, the  
3 application and facilities plan submitted by the district shall  
4 set forth the estimated amount of the project's cost that the  
5 district proposes to finance by the issuance of bonds under  
6 subsection (n) of Section 19-1 of the School Code. The Capital  
7 Development ~~State Board of Education~~ shall review and approve  
8 district facilities plans prior to issuing grant entitlements.  
9 Each district that receives a grant entitlement shall annually  
10 update its district facilities plan and submit the revised plan  
11 to the Capital Development ~~State~~ Board for approval.

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

13 (105 ILCS 230/5-25)

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

15 (a) The Capital Development ~~State Board of Education~~ shall  
16 establish eligibility standards for school construction  
17 project grants ~~and debt service grants~~. These standards shall  
18 include minimum enrollment requirements for eligibility for  
19 school construction project grants of 200 students for  
20 elementary districts, 200 students for high school districts,  
21 and 400 students for unit districts. The Capital Development  
22 ~~State Board of Education~~ shall approve a district's eligibility  
23 for a school construction project grant ~~or a debt service grant~~  
24 pursuant to the established standards.

25 (b) The Capital Development Board shall establish project  
26 standards for all school construction project grants provided  
27 pursuant to this Article. These standards shall include space  
28 and capacity standards as well as the determination of  
29 recognized project costs that shall be eligible for State  
30 financial assistance and enrichment costs that shall not be  
31 eligible for State financial assistance.

32 (c) The ~~State Board of Education and the~~ Capital  
33 Development Board shall not establish standards that  
34 disapprove or otherwise establish limitations that restrict  
35 the eligibility of a school district with a population

1 exceeding 500,000 for a school construction project grant based  
2 on the fact that any or all of the school construction project  
3 grant will be used to pay debt service or to make lease  
4 payments, as authorized by subsection (b) of Section 5-35 of  
5 this Law.

6 (Source: P.A. 90-548, eff. 1-1-98; 91-38, eff. 6-15-99.)

7 (105 ILCS 230/5-30)

8 Sec. 5-30. Categorization and prioritization ~~Priority~~ of  
9 school construction projects. The Capital Development Board  
10 ~~State Board of Education~~ shall develop standards for the  
11 determination of priority needs concerning school construction  
12 projects based upon approved district facilities plans. Such  
13 standards shall call for prioritization based on the degree of  
14 need. ~~and~~ Project categories are as follows ~~type in the~~  
15 ~~following order:~~

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

19 (2) State program priority projects including but not  
20 limited to construction of classrooms for pre-kindergarten and  
21 kindergarten; and construction of shared use facilities that  
22 provide for school districts' joint use for recreational,  
23 clinical, library, pre-school, or before or after school  
24 programs with other governmental units including State  
25 institutions of higher learning;

26 (3) ~~(2)~~ Projects designed to alleviate a shortage of  
27 classrooms due to population growth or to replace aging school  
28 buildings;

29 (4) ~~(3)~~ Projects resulting from interdistrict  
30 reorganization of school districts contingent on local  
31 referenda;

32 (5) ~~(4)~~ Replacement, rehabilitation, or reconstruction of  
33 school facilities determined to be severe and continuing health  
34 or life safety hazards; and

35 (6) ~~(5)~~ Alterations necessary to provide accessibility for

1 qualified individuals with disabilities, ~~and~~

2 ~~(6) Other unique solutions to facility needs.~~

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

4 (105 ILCS 230/5-40)

5 Sec. 5-40. Supervision; inter-governmental agreements of  
6 school construction projects.

7 (a) The Capital Development Board shall exercise general  
8 supervision over school construction projects financed  
9 pursuant to this Article. General supervision includes the  
10 procurement and administration of design and construction  
11 contracts. In exercising general supervision, the Board (i) may  
12 use alternative delivery methods as provided by law and (ii)  
13 may exercise all powers relating to construction that are  
14 granted to school districts under the School Code. The  
15 workforce hiring goals adopted by the Board under the Business  
16 Enterprise for Minorities, Females, and Persons with  
17 Disabilities Act apply to the Board when acting under this Act.

18 (b) In anticipation of an award of a grant under this  
19 Article, the Capital Development Board may provide advice and  
20 assistance to a school district within the limits of the  
21 Board's functions of general supervision. The purpose of  
22 providing advice and assistance is to ensure that the project  
23 will qualify for a grant should grant amounts become available,  
24 particularly if the school district is providing its own  
25 funding to commence or complete the project.

26 (c) Each school district that is awarded a grant under this  
27 Article must enter into an inter-governmental agreement with  
28 the Capital Development Board. The agreement shall set forth  
29 the terms and conditions of the grant and the responsibilities  
30 of the Board and the district. In addition, the agreement may  
31 provide (i) that the school district shall perform some of the  
32 general supervisory functions, with the approval of the  
33 Executive Director of the Capital Development Board, (ii) that  
34 the Capital Development Board may charge a grant or contract  
35 administration fee not to exceed 1% of the contract amount, and

1 (iii) that, if the school district has received the advice and  
2 assistance of the Capital Development Board under subsection  
3 (b), then with the approval of the Executive Director of the  
4 Capital Development Board, grant funds may be used to reimburse  
5 the school district for project amounts expended out of the  
6 district's own funds.

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

8 (105 ILCS 230/5-50)

9 Sec. 5-50. Referendum requirements. After the Capital  
10 Development State Board of Education has approved all or part  
11 of a district's application and issued a grant entitlement for  
12 a school construction project grant, the district shall submit  
13 the project or the financing of the project to a referendum  
14 when such referendum is required by law.

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

16 (105 ILCS 230/5-60)

17 Sec. 5-60. School capital needs assessment. The ~~State Board~~  
18 ~~of Education and the~~ Capital Development Board shall file with  
19 the General Assembly a comprehensive assessment report of the  
20 capital needs of all school districts in this State before  
21 January 1, 2005 and every 2 years thereafter. This assessment  
22 shall include without limitation an analysis of the ~~6~~  
23 categories of capital needs prioritized in Section 5-30 of this  
24 Law.

25 (Source: P.A. 93-489, eff. 8-8-03.)

26 (105 ILCS 230/5-100)

27 Sec. 5-100. School maintenance project grants.

28 (a) The Capital Development State Board of Education is  
29 authorized to make grants to school districts, without regard  
30 to enrollment, for school maintenance projects. These grants  
31 shall be paid out of moneys appropriated for that purpose from  
32 the School Infrastructure Fund. No grant under this Section for  
33 one fiscal year shall exceed \$50,000, but a school district may

1 receive grants for more than one project during one fiscal  
2 year. A school district must provide local matching funds in an  
3 amount equal to the amount of the grant under this Section. A  
4 school district has no entitlement to a grant under this  
5 Section.

6 (b) The Capital Development ~~State~~ Board ~~of Education~~ shall  
7 adopt rules to implement this Section. These rules need not be  
8 the same as the rules for school construction project grants or  
9 debt service grants.

10 The rules may specify: (1) the manner of applying for  
11 grants; (2) project eligibility requirements; (3) restrictions  
12 on the use of grant moneys; (4) the manner in which school  
13 districts must account for the use of grant moneys; and (5) any  
14 other provision that the Capital Development ~~State~~ Board  
15 determines to be necessary or useful for the administration of  
16 this Section.

17 The rules shall specify the methods and standards to be  
18 used by the Capital Development ~~State~~ Board to prioritize  
19 applications. School maintenance projects shall be prioritized  
20 in the following order:

- 21 (i) emergency projects;
- 22 (ii) health/life safety projects;
- 23 (iii) State Program priority projects;
- 24 (iv) permanent improvement projects; and
- 25 (v) other projects.

26 (c) In each school year in which school maintenance project  
27 grants are awarded, 20% of the total amount awarded shall be  
28 awarded to a school district with a population of more than  
29 500,000, provided that the school district complies with the  
30 requirements of this Section and the rules adopted under this  
31 Section.

32 (Source: P.A. 91-38, eff. 6-15-99.)

33 (105 ILCS 230/5-45 rep.)

34 Section 30. The School Construction Law is amended by  
35 repealing Section 5-45.

1           Section 99. Effective date. This Act takes effect July 1,  
2    2004.