



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB0727

Introduced 2/1/2005, by Rep. Ronald A. Wait

SYNOPSIS AS INTRODUCED:

New Act

30 ILCS 105/5.640 new

35 ILCS 200/18-45

105 ILCS 5/17-11

105 ILCS 5/18-8.05

from Ch. 122, par. 17-11

Creates the School District Income Tax Act. Allows school districts to tax income after referendum approval of district residents and record owners of property in the district. Provides for additional levies, administration and distribution of the tax, and penalties for violations. Applies only to income earned following 120 days after certification of the results of the referendum. Creates a credit against the tax in an amount not to exceed \$500 equal to 5% of the amounts spent by the taxpayer on monthly rent for the taxpayer's residence. Amends the Property Tax Code to provide for abatement of residential, farm, and small business property. Amends the School Code to require that school districts certify income tax levies and amounts realized for property tax abatement purposes and to coordinate the calculation of school aid with the income tax levies by adjusting the operating tax rate accordingly. Amends the State Finance Act to create the School District Income Tax Fund. Effective immediately.

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CORRECTIONAL
BUDGET AND
IMPACT NOTE ACT
MAY APPLY

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning revenue.

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

4 Section 1. Short title. This Act may be cited as the
5 School District Income Tax Act.

6 Section 5. Net income tax; referendum. The school board of
7 any school district may, by proper resolution, cause a
8 proposition to authorize an annual tax, measured as a
9 percentage of net income, on the privilege of earning or
10 receiving income (i) as a resident of the district or (ii) as a
11 record owner of real property in the district to the extent of
12 the income derived from that real property, to be certified to
13 the proper election officials, who shall submit the proposition
14 to the voters in accordance with the general election law;
15 provided that the rate of such tax shall be an even multiple of
16 eighths of a percent. When imposed, this tax shall be levied on
17 every individual subject to taxation under this Act.

18 The election called for this purpose shall be governed by
19 the general election law. If a majority of the votes cast on
20 the proposition is in favor thereof, the school board may
21 thereafter levy the tax as authorized, or at any lesser rate,
22 provided such lesser rate is an even multiple of eighths of a
23 percent. Such tax may be levied only on income earned following
24 120 days after certification of the results of the referendum
25 by the proper election officials.

26 For purposes of this Act, a taxpayer's net income for a
27 taxable year shall be as defined in Section 202 of the Illinois
28 Income Tax Act for such year which is allocable to a district
29 under the provisions of this Act.

30 For purposes of this Act, (i) an individual is a resident
31 of a school district for a taxable year if he or she is a
32 resident of the State, as defined in the Illinois Income Tax

1 Act, and maintains his or her principal place of residence
2 within that school district on the first day of that taxable
3 year and (ii) an individual owns real property in the district
4 if a record owner of the property and liable for the property
5 taxes according to the property tax assessment book or roll.

6 Section 10. Additional levies; Submission to voters. The
7 school board of any school district may, by proper resolution,
8 cause a proposition to increase the annual tax rate for the tax
9 imposed under Section 5 to be submitted to the voters of the
10 district at an election in accordance with the general election
11 law, provided such increase results in a rate that is an even
12 multiple of eighths of a percent. The tax may be levied only on
13 income earned following 120 days after certification of the
14 results of the referendum by the proper election officials.

15 The election called for such purposes shall be governed by
16 the general election law. If a majority of the votes cast on
17 the proposition is in favor thereof, the school board may
18 thereafter, until such authority is revoked in like manner,
19 levy an annual tax as authorized.

20 Section 15. Collection of tax; promulgation of rules and
21 regulations. On or before July 1 of each year, the school board
22 of each district imposing a tax under this Act shall prepare
23 and certify the annual tax rate to the Department of Revenue,
24 hereinafter referred to as the Department, which rate shall be
25 applicable to the taxable year of any taxpayer which includes
26 that July 1. The tax imposed under this Act shall be collected
27 by and paid to the Department at the same time and in the same
28 manner, and subject to the same assessment procedures,
29 penalties, and interests, as the tax imposed by the Illinois
30 Income Tax Act, except that the tax imposed by this Act shall
31 not be subject to any withholding or estimated payment
32 requirements of the Illinois Income Tax Act. The Department
33 shall forthwith pay over to the State Treasurer, ex officio, as
34 trustee, all monies received by it under this Act to be

1 deposited in the School District Income Tax Fund, to be held
2 and disbursed by the Treasurer as provided in Section 20.

3 The Department shall promulgate such rules and regulations
4 as may be necessary to implement the provisions of this Act.

5 Section 20. Distribution of tax revenue. On or before
6 December 1 of each year, or the first following business day if
7 December 1 falls on a Saturday, Sunday, or holiday, the
8 Department shall certify to the Comptroller the disbursement of
9 stated sums of money to named school districts. On any given
10 certification date, the amount to be certified for disbursement
11 to each school district shall be the sum of the following:

12 (a) The amount of tax collected by the Department under
13 this Act from individuals who maintained their principal places
14 of residence or who owned real property within the school
15 district on the first day of their last full taxable year ended
16 prior to the previous January 1, and

17 (b) any amount of tax which would have been certified for
18 disbursement to the school district on a previous certification
19 date under paragraph (a) above except for the fact that it had
20 not been collected by that previous certification date; less
21 the sum of the following:

22 (c) any amount of tax previously certified for disbursement
23 to that school district but since refunded to the taxpayer, and

24 (d) an amount equal to 2% of the sum of amounts computed in
25 paragraphs (a) and (b), which shall be retained by the
26 Treasurer to cover the costs incurred by the Department in
27 administering and enforcing this Act.

28 The Department at the time of each disbursement to a school
29 district shall prepare and certify to the Comptroller the
30 amount so retained by the State Treasurer to be paid into the
31 General Revenue Fund of the State Treasury. Within 10 days
32 after receipt by the Comptroller of the certification of
33 disbursement to the school districts and to the General Revenue
34 Fund given by the Department under this Act, the Comptroller
35 shall cause the warrants to be drawn for the respective amounts

1 in accordance with the directions contained in the
2 certification.

3 The board of any district receiving any of the
4 disbursements provided for in this Section may apply those to
5 any fund from which that board is authorized to make
6 expenditures by law.

7 Section 25. Willful and fraudulent acts. Any person who is
8 subject to the provisions of this Act and who willfully fails
9 to file a return, or who willfully violates any rule or
10 regulation of the Department for the administration or
11 enforcement of this Act, or who willfully attempts in any other
12 manner to evade or defeat any tax imposed by this Act or the
13 payment thereof, shall in addition to other penalties be guilty
14 of a Class B misdemeanor. A prosecution for any violation of
15 this Section may be commenced within 3 years of the commission
16 of that act.

17 Section 30. Corporations. Nothing in this Act authorizes
18 the tax imposed on net income by school districts hereunder to
19 be levied on any corporation except a corporation that elects
20 to be taxed as an individual under the Internal Revenue Code.
21 If, however, the income tax authorized by this Act is imposed
22 by a school district, the rate of ad valorem property taxes
23 levied on the property of corporations within that district,
24 other than corporations electing to be taxed as individuals
25 under the Internal Revenue Code, shall be increased as provided
26 in Section 17-11 of the School Code.

27 Section 35. Property tax abatement.

28 (a) The extension of real property taxes for a school
29 district within which the local income tax for schools
30 authorized by this Act already has been imposed, levied, and
31 collected shall be abated by the county clerk in which the
32 school district is located on residential real property, farm
33 real property defined in Section 1-60 of the Property Tax Code,

1 and real property of a small business as defined in Section
2 1-75 of the Illinois Administrative Procedure Act only in the
3 manner provided by this Section, provided that (i) if any such
4 school district is located in more than one county the amount
5 of real property taxes of the district to be so abated shall be
6 apportioned by the county clerks of those counties based upon
7 the ratio of the aggregate assessed value of the taxable
8 property of the district in each such county and (ii) prior to
9 any abatement under this Section the county clerk shall
10 determine whether the amount of each tax levied by the district
11 for a lawful school purpose and certified for extension is
12 based on a rate at which the district making the certification
13 is authorized by statute or referendum to levy that tax, shall
14 disregard any excess, and shall extend the levy of that tax in
15 accordance with the provisions of Section 18-45 of the Property
16 Tax Code, subject to abatement as provided in this Section.

17 (b) Not later than September 1 of the first calendar year
18 in which the tax authorized by this Act is imposed, levied, and
19 collected within a school district, the Department of Revenue
20 shall certify to the county clerk of each county in which any
21 part of the school district is located the estimated amount of
22 the tax that would have been collected under this Act during
23 the immediately preceding calendar year in that part of the
24 district located in the county had this Act been in effect and
25 had that tax been imposed, levied, and collected within that
26 district during that immediately preceding calendar year at the
27 same annual rate and for the same period of time as that tax is
28 imposed, levied, and collected in the district during the
29 calendar year in which the certification is made.

30 (c) During the calendar year immediately succeeding the
31 calendar year in which the certification under subsection (b)
32 is required to be made, in extending the real property taxes
33 last levied by a school district for educational purposes, the
34 county clerk shall abate that extension of the district's levy
35 for educational purposes on the property described in
36 subsection (a) only by an amount equal to 100% of the estimated

1 amount that was certified to the county clerk by the Department
2 of Revenue under the provisions of subsection (b) during the
3 calendar year immediately preceding the calendar year in which
4 the extension is made. In each subsequent calendar year, in
5 extending the real property taxes levied by the school district
6 for educational purposes during the immediately preceding
7 calendar year, the county clerk shall abate each such extension
8 of the district's levy for educational purposes on the property
9 described in subsection (a) only by an amount equal to 100% of
10 the amount disbursed to the school district under Section 30
11 during June of the calendar year immediately preceding the
12 calendar year in which the extension and abatement are made.

13 Section 40. Residential rent credit. Each individual
14 taxpayer residing within a school district within which the
15 local income tax for schools authorized by this Act has been
16 imposed, levied, and collected is entitled to a credit, not to
17 exceed \$500, against the tax imposed under this Act in the
18 amount of 5% of the annual rent paid by the taxpayer during the
19 taxable year for the residence of the taxpayer. In no event
20 shall a credit under this Section reduce the taxpayer's
21 liability under this Act to less than zero.

22 Section 70. The State Finance Act is amended by adding
23 Section 5.640 as follows:

24 (30 ILCS 105/5.640 new)

25 Sec. 5.640. The School District Income Tax Fund.

26 Section 75. The Property Tax Code is amended by changing
27 Section 18-45 as follows:

28 (35 ILCS 200/18-45)

29 Sec. 18-45. Computation of rates. Except as provided
30 below, each county clerk shall estimate and determine the rate
31 per cent upon the equalized assessed valuation for the levy

1 year of the property in the county's taxing districts and
2 special service areas, as established under Article VII of the
3 Illinois Constitution, so that the rate will produce, within
4 the proper divisions of that county, not less than the net
5 amount that will be required by the county board or certified
6 to the county clerk according to law. Prior to extension, the
7 county clerk shall determine the maximum amount of tax
8 authorized to be levied by any statute. If the amount of any
9 tax certified to the county clerk for extension exceeds the
10 maximum, the clerk shall extend only the maximum allowable
11 levy.

12 The county clerk shall exclude from the total equalized
13 assessed valuation, whenever estimating and determining it
14 under this Section and Sections 18-50 through 18-105, the
15 equalized assessed valuation in the percentage which has been
16 agreed to by each taxing district, of any property or portion
17 thereof within an Enterprise Zone upon which an abatement of
18 taxes was made under Section 18-170. However, if a municipality
19 has adopted tax increment financing under Division 74.4 of
20 Article 11 of the Illinois Municipal Code, the county clerk
21 shall estimate and determine rates in accordance with Sections
22 11-74.4-7 through 11-74.4-9 of that Act. Beginning on January
23 1, 1998 and thereafter, the equalized assessed value of all
24 property for the computation of the amount to be extended
25 within a county with 3,000,000 or more inhabitants shall be the
26 sum of (i) the equalized assessed value of such property for
27 the year immediately preceding the levy year as established by
28 the assessment and equalization process for the year
29 immediately prior to the levy year, (ii) the equalized assessed
30 value of any property that qualifies as new property, as
31 defined in Section 18-185, or annexed property, as defined in
32 Section 18-225, for the current levy year, and (iii) any
33 recovered tax increment value, as defined in Section 18-185,
34 for the current levy year, less the equalized assessed value of
35 any property that qualifies as disconnected property, as
36 defined in Section 18-225, for the current levy year.

1 The provisions of this Section and the authority of the
 2 county clerk under this Section are subject to the abatement
 3 provisions of Section 35 of the School District Income Tax Act
 4 with respect to the extension of taxes levied by a school
 5 district on residential property, farm real property as defined
 6 in Section 1-60, and real property of a small business as
 7 defined in Section 1-75 of the Illinois Administrative
 8 Procedure Act.

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

10 Section 80. The School Code is amended by changing Sections
 11 17-11 and 18-8.05 as follows:

12 (105 ILCS 5/17-11) (from Ch. 122, par. 17-11)

13 Sec. 17-11. Certificate of tax levy. The school board of
 14 each district shall ascertain, as near as practicable,
 15 annually, how much money must be raised by special tax for
 16 transportation purposes if any and for educational and for
 17 operations and maintenance purposes for the next ensuing year.
 18 In school districts with a population of less than 500,000,
 19 these amounts shall be certified and returned to each county
 20 clerk on or before the last Tuesday in December, annually. The
 21 certificate shall be signed by the president and clerk or
 22 secretary, and may be in the following form:

23 CERTIFICATE OF TAX LEVY

24 We hereby certify that we require the sum of
 25 dollars, to be levied as a special tax for transportation
 26 purposes and the sum of dollars to be levied as a
 27 special tax for educational purposes, and the sum
 28 dollars to be levied as a special tax for operations and
 29 maintenance purposes, and the sum of to be levied as a
 30 special tax for a working cash fund, on the equalized assessed
 31 value of the taxable property of our district, for the year
 32 (insert year).

33 Signed on (insert date).

34 A B, President

1 C D....., Clerk (Secretary)
 2 Dist. No., County

3 A failure by the school board to file the certificate with
 4 the county clerk in the time required shall not vitiate the
 5 assessment. A district levying a tax under the School District
 6 Income Tax Act enacted by the 94th General Assembly shall,
 7 together with such certificate of tax levy, also certify for
 8 property tax abatement purposes an amount equal to the amount
 9 of revenue realized by the school district's tax on net income
 10 during the previous fiscal year, which amount shall be used by
 11 the county clerk in the manner provided by Section 35 of the
 12 School District Income Tax Act. This provision shall be
 13 effective for a school district beginning in the fiscal year
 14 following the fiscal year it begins levying a net income tax.

15 (Source: P.A. 91-357, eff. 7-29-99.)

16 (105 ILCS 5/18-8.05)

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

20 (A) General Provisions.

21 (1) The provisions of this Section apply to the 1998-1999
 22 and subsequent school years. The system of general State
 23 financial aid provided for in this Section is designed to
 24 assure that, through a combination of State financial aid and
 25 required local resources, the financial support provided each
 26 pupil in Average Daily Attendance equals or exceeds a
 27 prescribed per pupil Foundation Level. This formula approach
 28 imputes a level of per pupil Available Local Resources and
 29 provides for the basis to calculate a per pupil level of
 30 general State financial aid that, when added to Available Local
 31 Resources, equals or exceeds the Foundation Level. The amount
 32 of per pupil general State financial aid for school districts,
 33 in general, varies in inverse relation to Available Local

1 Resources. Per pupil amounts are based upon each school
2 district's Average Daily Attendance as that term is defined in
3 this Section.

4 (2) In addition to general State financial aid, school
5 districts with specified levels or concentrations of pupils
6 from low income households are eligible to receive supplemental
7 general State financial aid grants as provided pursuant to
8 subsection (H). The supplemental State aid grants provided for
9 school districts under subsection (H) shall be appropriated for
10 distribution to school districts as part of the same line item
11 in which the general State financial aid of school districts is
12 appropriated under this Section.

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

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

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

35 (c) If a school district operates a full year school
36 under Section 10-19.1, the general State aid to the school

1 district shall be determined by the State Board of
2 Education in accordance with this Section as near as may be
3 applicable.

4 (d) (Blank).

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

9 School districts are not required to exert a minimum
10 Operating Tax Rate in order to qualify for assistance under
11 this Section.

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

14 (a) "Average Daily Attendance": A count of pupil
15 attendance in school, averaged as provided for in
16 subsection (C) and utilized in deriving per pupil financial
17 support levels.

18 (b) "Available Local Resources": A computation of
19 local financial support, calculated on the basis of Average
20 Daily Attendance and derived as provided pursuant to
21 subsection (D).

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

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

31 (e) "Operating Tax Rate": All school district property
32 taxes extended for all purposes, except Bond and Interest,
33 Summer School, Rent, Capital Improvement, and Vocational
34 Education Building purposes.

35 (B) Foundation Level.

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

11 (2) For the 1998-1999 school year, the Foundation Level of
12 support is \$4,225. For the 1999-2000 school year, the
13 Foundation Level of support is \$4,325. For the 2000-2001 school
14 year, the Foundation Level of support is \$4,425. For the
15 2001-2002 school year and 2002-2003 school year, the Foundation
16 Level of support is \$4,560. For the 2003-2004 school year, the
17 Foundation Level of support is \$4,810.

18 (3) For the 2004-2005 school year and each school year
19 thereafter, the Foundation Level of support is \$4,964 ~~\$5,060~~ or
20 such greater amount as may be established by law by the General
21 Assembly.

22 (C) Average Daily Attendance.

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

34 (2) The Average Daily Attendance figures utilized in
35 subsection (E) shall be the requisite attendance data for the

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

8 (D) Available Local Resources.

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

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

25 (3) For school districts maintaining grades kindergarten
26 through 12, local property tax revenues per pupil shall be
27 calculated as the product of the applicable equalized assessed
28 valuation for the district multiplied by 3.00%, and divided by
29 the district's Average Daily Attendance figure. For school
30 districts maintaining grades kindergarten through 8, local
31 property tax revenues per pupil shall be calculated as the
32 product of the applicable equalized assessed valuation for the
33 district multiplied by 2.30%, and divided by the district's
34 Average Daily Attendance figure. For school districts
35 maintaining grades 9 through 12, local property tax revenues

1 per pupil shall be the applicable equalized assessed valuation
2 of the district multiplied by 1.05%, and divided by the
3 district's Average Daily Attendance figure.

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

14 (E) Computation of General State Aid.

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

18 (2) For any school district for which Available Local
19 Resources per pupil is less than the product of 0.93 times the
20 Foundation Level, general State aid for that district shall be
21 calculated as an amount equal to the Foundation Level minus
22 Available Local Resources, multiplied by the Average Daily
23 Attendance of the school district.

24 (3) For any school district for which Available Local
25 Resources per pupil is equal to or greater than the product of
26 0.93 times the Foundation Level and less than the product of
27 1.75 times the Foundation Level, the general State aid per
28 pupil shall be a decimal proportion of the Foundation Level
29 derived using a linear algorithm. Under this linear algorithm,
30 the calculated general State aid per pupil shall decline in
31 direct linear fashion from 0.07 times the Foundation Level for
32 a school district with Available Local Resources equal to the
33 product of 0.93 times the Foundation Level, to 0.05 times the
34 Foundation Level for a school district with Available Local
35 Resources equal to the product of 1.75 times the Foundation

1 Level. The allocation of general State aid for school districts
2 subject to this paragraph 3 shall be the calculated general
3 State aid per pupil figure multiplied by the Average Daily
4 Attendance of the school district.

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

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

20 (6) The operating tax rate of a district levying a net
21 income tax under the School District Income Tax Act enacted by
22 the 94th General Assembly shall be increased, for the
23 calculation of aid under this Section, by a rate which when
24 applied to the equalized assessed valuation of the district
25 would yield an amount equal to the revenue received by the
26 district from its income tax during the current fiscal year.

27 (F) Compilation of Average Daily Attendance.

28 (1) Each school district shall, by July 1 of each year,
29 submit to the State Board of Education, on forms prescribed by
30 the State Board of Education, attendance figures for the school
31 year that began in the preceding calendar year. The attendance
32 information so transmitted shall identify the average daily
33 attendance figures for each month of the school year. Beginning
34 with the general State aid claim form for the 2002-2003 school
35 year, districts shall calculate Average Daily Attendance as

1 provided in subdivisions (a), (b), and (c) of this paragraph
2 (1).

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

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

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

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

32 Days of attendance by tuition pupils shall be accredited
33 only to the districts that pay the tuition to a recognized
34 school.

35 (2) Days of attendance by pupils of less than 5 clock hours
36 of school shall be subject to the following provisions in the

1 compilation of Average Daily Attendance.

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

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

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

20 (d) A session of 3 or more clock hours may be counted
21 as a day of attendance (1) when the remainder of the school
22 day or at least 2 hours in the evening of that day is
23 utilized for an in-service training program for teachers,
24 up to a maximum of 5 days per school year of which a
25 maximum of 4 days of such 5 days may be used for
26 parent-teacher conferences, provided a district conducts
27 an in-service training program for teachers which has been
28 approved by the State Superintendent of Education; or, in
29 lieu of 4 such days, 2 full days may be used, in which
30 event each such day may be counted as a day of attendance;
31 and (2) when days in addition to those provided in item (1)
32 are scheduled by a school pursuant to its school
33 improvement plan adopted under Article 34 or its revised or
34 amended school improvement plan adopted under Article 2,
35 provided that (i) such sessions of 3 or more clock hours
36 are scheduled to occur at regular intervals, (ii) the

1 remainder of the school days in which such sessions occur
2 are utilized for in-service training programs or other
3 staff development activities for teachers, and (iii) a
4 sufficient number of minutes of school work under the
5 direct supervision of teachers are added to the school days
6 between such regularly scheduled sessions to accumulate
7 not less than the number of minutes by which such sessions
8 of 3 or more clock hours fall short of 5 clock hours. Any
9 full days used for the purposes of this paragraph shall not
10 be considered for computing average daily attendance. Days
11 scheduled for in-service training programs, staff
12 development activities, or parent-teacher conferences may
13 be scheduled separately for different grade levels and
14 different attendance centers of the district.

15 (e) A session of not less than one clock hour of
16 teaching hospitalized or homebound pupils on-site or by
17 telephone to the classroom may be counted as 1/2 day of
18 attendance, however these pupils must receive 4 or more
19 clock hours of instruction to be counted for a full day of
20 attendance.

21 (f) A session of at least 4 clock hours may be counted
22 as a day of attendance for first grade pupils, and pupils
23 in full day kindergartens, and a session of 2 or more hours
24 may be counted as 1/2 day of attendance by pupils in
25 kindergartens which provide only 1/2 day of attendance.

26 (g) For children with disabilities who are below the
27 age of 6 years and who cannot attend 2 or more clock hours
28 because of their disability or immaturity, a session of not
29 less than one clock hour may be counted as 1/2 day of
30 attendance; however for such children whose educational
31 needs so require a session of 4 or more clock hours may be
32 counted as a full day of attendance.

33 (h) A recognized kindergarten which provides for only
34 1/2 day of attendance by each pupil shall not have more
35 than 1/2 day of attendance counted in any one day. However,
36 kindergartens may count 2 1/2 days of attendance in any 5

1 consecutive school days. When a pupil attends such a
2 kindergarten for 2 half days on any one school day, the
3 pupil shall have the following day as a day absent from
4 school, unless the school district obtains permission in
5 writing from the State Superintendent of Education.
6 Attendance at kindergartens which provide for a full day of
7 attendance by each pupil shall be counted the same as
8 attendance by first grade pupils. Only the first year of
9 attendance in one kindergarten shall be counted, except in
10 case of children who entered the kindergarten in their
11 fifth year whose educational development requires a second
12 year of kindergarten as determined under the rules and
13 regulations of the State Board of Education.

14 (G) Equalized Assessed Valuation Data.

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

25 The Department of Revenue shall add to the equalized
26 assessed value of all taxable property of each school district
27 situated entirely or partially within a county that is or was
28 subject to the alternative general homestead exemption
29 provisions of Section 15-176 of the Property Tax Code (a) ~~(i)~~
30 an amount equal to the total amount by which the homestead
31 exemption allowed under Section 15-176 of the Property Tax Code
32 for real property situated in that school district exceeds the
33 total amount that would have been allowed in that school
34 district if the maximum reduction under Section 15-176 was (i)
35 \$4,500 in Cook County or \$3,500 in all other counties in tax

1 year 2003 or (ii) \$5,000 in all counties in tax year 2004 and
2 thereafter and (b) ~~(ii)~~ an amount equal to the aggregate amount
3 for the taxable year of all additional exemptions under Section
4 15-175 of the Property Tax Code for owners with a household
5 income of \$30,000 or less. The county clerk of any county that
6 is or was subject to the alternative general homestead
7 exemption provisions of Section 15-176 of the Property Tax Code
8 shall annually calculate and certify to the Department of
9 Revenue for each school district all homestead exemption
10 amounts under Section 15-176 of the Property Tax Code and all
11 amounts of additional exemptions under Section 15-175 of the
12 Property Tax Code for owners with a household income of \$30,000
13 or less. It is the intent of this paragraph that if the general
14 homestead exemption for a parcel of property is determined
15 under Section 15-176 of the Property Tax Code rather than
16 Section 15-175, then the calculation of Available Local
17 Resources shall not be affected by the difference, if any,
18 between the amount of the general homestead exemption allowed
19 for that parcel of property under Section 15-176 of the
20 Property Tax Code and the amount that would have been allowed
21 had the general homestead exemption for that parcel of property
22 been determined under Section 15-175 of the Property Tax Code.
23 It is further the intent of this paragraph that if additional
24 exemptions are allowed under Section 15-175 of the Property Tax
25 Code for owners with a household income of less than \$30,000,
26 then the calculation of Available Local Resources shall not be
27 affected by the difference, if any, because of those additional
28 exemptions.

29 This equalized assessed valuation, as adjusted further by
30 the requirements of this subsection, shall be utilized in the
31 calculation of Available Local Resources.

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

34 (a) For the purposes of calculating State aid under
35 this Section, with respect to any part of a school district
36 within a redevelopment project area in respect to which a

1 municipality has adopted tax increment allocation
2 financing pursuant to the Tax Increment Allocation
3 Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11
4 of the Illinois Municipal Code or the Industrial Jobs
5 Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the
6 Illinois Municipal Code, no part of the current equalized
7 assessed valuation of real property located in any such
8 project area which is attributable to an increase above the
9 total initial equalized assessed valuation of such
10 property shall be used as part of the equalized assessed
11 valuation of the district, until such time as all
12 redevelopment project costs have been paid, as provided in
13 Section 11-74.4-8 of the Tax Increment Allocation
14 Redevelopment Act or in Section 11-74.6-35 of the
15 Industrial Jobs Recovery Law. For the purpose of the
16 equalized assessed valuation of the district, the total
17 initial equalized assessed valuation or the current
18 equalized assessed valuation, whichever is lower, shall be
19 used until such time as all redevelopment project costs
20 have been paid.

21 (b) The real property equalized assessed valuation for
22 a school district shall be adjusted by subtracting from the
23 real property value as equalized or assessed by the
24 Department of Revenue for the district an amount computed
25 by dividing the amount of any abatement of taxes under
26 Section 18-170 of the Property Tax Code by 3.00% for a
27 district maintaining grades kindergarten through 12, by
28 2.30% for a district maintaining grades kindergarten
29 through 8, or by 1.05% for a district maintaining grades 9
30 through 12 and adjusted by an amount computed by dividing
31 the amount of any abatement of taxes under subsection (a)
32 of Section 18-165 of the Property Tax Code by the same
33 percentage rates for district type as specified in this
34 subparagraph (b).

35 (3) For the 1999-2000 school year and each school year
36 thereafter, if a school district meets all of the criteria of

1 this subsection (G) (3), the school district's Available Local
2 Resources shall be calculated under subsection (D) using the
3 district's Extension Limitation Equalized Assessed Valuation
4 as calculated under this subsection (G) (3).

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

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

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

11 "Preceding Tax Year": The property tax levy year
12 immediately preceding the Base Tax Year.

13 "Base Tax Year's Tax Extension": The product of the
14 equalized assessed valuation utilized by the County Clerk
15 in the Base Tax Year multiplied by the limiting rate as
16 calculated by the County Clerk and defined in the Property
17 Tax Extension Limitation Law.

18 "Preceding Tax Year's Tax Extension": The product of
19 the equalized assessed valuation utilized by the County
20 Clerk in the Preceding Tax Year multiplied by the Operating
21 Tax Rate as defined in subsection (A).

22 "Extension Limitation Ratio": A numerical ratio,
23 certified by the County Clerk, in which the numerator is
24 the Base Tax Year's Tax Extension and the denominator is
25 the Preceding Tax Year's Tax Extension.

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

28 If a school district is subject to property tax extension
29 limitations as imposed under the Property Tax Extension
30 Limitation Law, the State Board of Education shall calculate
31 the Extension Limitation Equalized Assessed Valuation of that
32 district. For the 1999-2000 school year, the Extension
33 Limitation Equalized Assessed Valuation of a school district as
34 calculated by the State Board of Education shall be equal to
35 the product of the district's 1996 Equalized Assessed Valuation
36 and the district's Extension Limitation Ratio. For the

1 2000-2001 school year and each school year thereafter, the
2 Extension Limitation Equalized Assessed Valuation of a school
3 district as calculated by the State Board of Education shall be
4 equal to the product of the Equalized Assessed Valuation last
5 used in the calculation of general State aid and the district's
6 Extension Limitation Ratio. If the Extension Limitation
7 Equalized Assessed Valuation of a school district as calculated
8 under this subsection (G)(3) is less than the district's
9 equalized assessed valuation as calculated pursuant to
10 subsections (G)(1) and (G)(2), then for purposes of calculating
11 the district's general State aid for the Budget Year pursuant
12 to subsection (E), that Extension Limitation Equalized
13 Assessed Valuation shall be utilized to calculate the
14 district's Available Local Resources under subsection (D).

15 (4) For the purposes of calculating general State aid for
16 the 1999-2000 school year only, if a school district
17 experienced a triennial reassessment on the equalized assessed
18 valuation used in calculating its general State financial aid
19 apportionment for the 1998-1999 school year, the State Board of
20 Education shall calculate the Extension Limitation Equalized
21 Assessed Valuation that would have been used to calculate the
22 district's 1998-1999 general State aid. This amount shall equal
23 the product of the equalized assessed valuation used to
24 calculate general State aid for the 1997-1998 school year and
25 the district's Extension Limitation Ratio. If the Extension
26 Limitation Equalized Assessed Valuation of the school district
27 as calculated under this paragraph (4) is less than the
28 district's equalized assessed valuation utilized in
29 calculating the district's 1998-1999 general State aid
30 allocation, then for purposes of calculating the district's
31 general State aid pursuant to paragraph (5) of subsection (E),
32 that Extension Limitation Equalized Assessed Valuation shall
33 be utilized to calculate the district's Available Local
34 Resources.

35 (5) For school districts having a majority of their
36 equalized assessed valuation in any county except Cook, DuPage,

1 Kane, Lake, McHenry, or Will, if the amount of general State
2 aid allocated to the school district for the 1999-2000 school
3 year under the provisions of subsection (E), (H), and (J) of
4 this Section is less than the amount of general State aid
5 allocated to the district for the 1998-1999 school year under
6 these subsections, then the general State aid of the district
7 for the 1999-2000 school year only shall be increased by the
8 difference between these amounts. The total payments made under
9 this paragraph (5) shall not exceed \$14,000,000. Claims shall
10 be prorated if they exceed \$14,000,000.

11 (H) Supplemental General State Aid.

12 (1) In addition to the general State aid a school district
13 is allotted pursuant to subsection (E), qualifying school
14 districts shall receive a grant, paid in conjunction with a
15 district's payments of general State aid, for supplemental
16 general State aid based upon the concentration level of
17 children from low-income households within the school
18 district. Supplemental State aid grants provided for school
19 districts under this subsection shall be appropriated for
20 distribution to school districts as part of the same line item
21 in which the general State financial aid of school districts is
22 appropriated under this Section. If the appropriation in any
23 fiscal year for general State aid and supplemental general
24 State aid is insufficient to pay the amounts required under the
25 general State aid and supplemental general State aid
26 calculations, then the State Board of Education shall ensure
27 that each school district receives the full amount due for
28 general State aid and the remainder of the appropriation shall
29 be used for supplemental general State aid, which the State
30 Board of Education shall calculate and pay to eligible
31 districts on a prorated basis.

32 (1.5) This paragraph (1.5) applies only to those school
33 years preceding the 2003-2004 school year. For purposes of this
34 subsection (H), the term "Low-Income Concentration Level"
35 shall be the low-income eligible pupil count from the most

1 recently available federal census divided by the Average Daily
2 Attendance of the school district. If, however, (i) the
3 percentage decrease from the 2 most recent federal censuses in
4 the low-income eligible pupil count of a high school district
5 with fewer than 400 students exceeds by 75% or more the
6 percentage change in the total low-income eligible pupil count
7 of contiguous elementary school districts, whose boundaries
8 are coterminous with the high school district, or (ii) a high
9 school district within 2 counties and serving 5 elementary
10 school districts, whose boundaries are coterminous with the
11 high school district, has a percentage decrease from the 2 most
12 recent federal censuses in the low-income eligible pupil count
13 and there is a percentage increase in the total low-income
14 eligible pupil count of a majority of the elementary school
15 districts in excess of 50% from the 2 most recent federal
16 censuses, then the high school district's low-income eligible
17 pupil count from the earlier federal census shall be the number
18 used as the low-income eligible pupil count for the high school
19 district, for purposes of this subsection (H). The changes made
20 to this paragraph (1) by Public Act 92-28 shall apply to
21 supplemental general State aid grants for school years
22 preceding the 2003-2004 school year that are paid in fiscal
23 year 1999 or thereafter and to any State aid payments made in
24 fiscal year 1994 through fiscal year 1998 pursuant to
25 subsection 1(n) of Section 18-8 of this Code (which was
26 repealed on July 1, 1998), and any high school district that is
27 affected by Public Act 92-28 is entitled to a recomputation of
28 its supplemental general State aid grant or State aid paid in
29 any of those fiscal years. This recomputation shall not be
30 affected by any other funding.

31 (1.10) This paragraph (1.10) applies to the 2003-2004
32 school year and each school year thereafter. For purposes of
33 this subsection (H), the term "Low-Income Concentration Level"
34 shall, for each fiscal year, be the low-income eligible pupil
35 count as of July 1 of the immediately preceding fiscal year (as
36 determined by the Department of Human Services based on the

1 number of pupils who are eligible for at least one of the
2 following low income programs: Medicaid, KidCare, TANF, or Food
3 Stamps, excluding pupils who are eligible for services provided
4 by the Department of Children and Family Services, averaged
5 over the 2 immediately preceding fiscal years for fiscal year
6 2004 and over the 3 immediately preceding fiscal years for each
7 fiscal year thereafter) divided by the Average Daily Attendance
8 of the school district.

9 (2) Supplemental general State aid pursuant to this
10 subsection (H) shall be provided as follows for the 1998-1999,
11 1999-2000, and 2000-2001 school years only:

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

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

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

24 (d) For any school district with a Low Income
25 Concentration Level of 60% or more, the grant for the
26 1998-99 school year shall be \$1,900 multiplied by the low
27 income eligible pupil count.

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

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

36 (2.5) Supplemental general State aid pursuant to this

1 subsection (H) shall be provided as follows for the 2002-2003
2 school year:

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

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

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

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

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

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

27 (2.10) Except as otherwise provided, supplemental general
28 State aid pursuant to this subsection (H) shall be provided as
29 follows for the 2003-2004 school year and each school year
30 thereafter:

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

35 (b) For any school district with a Low Income
36 Concentration Level greater than 15%, the grant for each

1 school year shall be \$294.25 added to the product of \$2,700
2 and the square of the Low Income Concentration Level, all
3 multiplied by the low income eligible pupil count.

4 For the 2003-2004 and 2004-2005 school year only, the grant
5 shall be no less than the grant for the 2002-2003 school year.
6 For the 2005-2006 school year only, the grant shall be no less
7 than the grant for the 2002-2003 school year multiplied by
8 0.66. For the 2006-2007 school year only, the grant shall be no
9 less than the grant for the 2002-2003 school year multiplied by
10 0.33.

11 For the 2003-2004 school year only, the grant shall be no
12 greater than the grant received during the 2002-2003 school
13 year added to the product of 0.25 multiplied by the difference
14 between the grant amount calculated under subsection (a) or (b)
15 of this paragraph (2.10), whichever is applicable, and the
16 grant received during the 2002-2003 school year. For the
17 2004-2005 school year only, the grant shall be no greater than
18 the grant received during the 2002-2003 school year added to
19 the product of 0.50 multiplied by the difference between the
20 grant amount calculated under subsection (a) or (b) of this
21 paragraph (2.10), whichever is applicable, and the grant
22 received during the 2002-2003 school year. For the 2005-2006
23 school year only, the grant shall be no greater than the grant
24 received during the 2002-2003 school year added to the product
25 of 0.75 multiplied by the difference between the grant amount
26 calculated under subsection (a) or (b) of this paragraph
27 (2.10), whichever is applicable, and the grant received during
28 the 2002-2003 school year.

29 (3) School districts with an Average Daily Attendance of
30 more than 1,000 and less than 50,000 that qualify for
31 supplemental general State aid pursuant to this subsection
32 shall submit a plan to the State Board of Education prior to
33 October 30 of each year for the use of the funds resulting from
34 this grant of supplemental general State aid for the
35 improvement of instruction in which priority is given to
36 meeting the education needs of disadvantaged children. Such

1 plan shall be submitted in accordance with rules and
2 regulations promulgated by the State Board of Education.

3 (4) School districts with an Average Daily Attendance of
4 50,000 or more that qualify for supplemental general State aid
5 pursuant to this subsection shall be required to distribute
6 from funds available pursuant to this Section, no less than
7 \$261,000,000 in accordance with the following requirements:

8 (a) The required amounts shall be distributed to the
9 attendance centers within the district in proportion to the
10 number of pupils enrolled at each attendance center who are
11 eligible to receive free or reduced-price lunches or
12 breakfasts under the federal Child Nutrition Act of 1966
13 and under the National School Lunch Act during the
14 immediately preceding school year.

15 (b) The distribution of these portions of supplemental
16 and general State aid among attendance centers according to
17 these requirements shall not be compensated for or
18 contravened by adjustments of the total of other funds
19 appropriated to any attendance centers, and the Board of
20 Education shall utilize funding from one or several sources
21 in order to fully implement this provision annually prior
22 to the opening of school.

23 (c) Each attendance center shall be provided by the
24 school district a distribution of noncategorical funds and
25 other categorical funds to which an attendance center is
26 entitled under law in order that the general State aid and
27 supplemental general State aid provided by application of
28 this subsection supplements rather than supplants the
29 noncategorical funds and other categorical funds provided
30 by the school district to the attendance centers.

31 (d) Any funds made available under this subsection that
32 by reason of the provisions of this subsection are not
33 required to be allocated and provided to attendance centers
34 may be used and appropriated by the board of the district
35 for any lawful school purpose.

36 (e) Funds received by an attendance center pursuant to

1 this subsection shall be used by the attendance center at
2 the discretion of the principal and local school council
3 for programs to improve educational opportunities at
4 qualifying schools through the following programs and
5 services: early childhood education, reduced class size or
6 improved adult to student classroom ratio, enrichment
7 programs, remedial assistance, attendance improvement, and
8 other educationally beneficial expenditures which
9 supplement the regular and basic programs as determined by
10 the State Board of Education. Funds provided shall not be
11 expended for any political or lobbying purposes as defined
12 by board rule.

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

29 Upon notification by the State Board of Education that
30 the district has not submitted a plan prior to July 15 or a
31 modified plan within the time period specified herein, the
32 State aid funds affected by that plan or modified plan
33 shall be withheld by the State Board of Education until a
34 plan or modified plan is submitted.

35 If the district fails to distribute State aid to
36 attendance centers in accordance with an approved plan, the

1 plan for the following year shall allocate funds, in
2 addition to the funds otherwise required by this
3 subsection, to those attendance centers which were
4 underfunded during the previous year in amounts equal to
5 such underfunding.

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

26 The State Board of Education shall promulgate rules and
27 regulations to implement the provisions of this
28 subsection. No funds shall be released under this
29 subdivision (H) (4) to any district that has not submitted a
30 plan that has been approved by the State Board of
31 Education.

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

33 (1) For a new school district formed by combining property
34 included totally within 2 or more previously existing school
35 districts, for its first year of existence the general State

1 aid and supplemental general State aid calculated under this
2 Section shall be computed for the new district and for the
3 previously existing districts for which property is totally
4 included within the new district. If the computation on the
5 basis of the previously existing districts is greater, a
6 supplementary payment equal to the difference shall be made for
7 the first 4 years of existence of the new district.

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

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

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

30 (3.5) Claims for financial assistance under this
31 subsection (I) shall not be recomputed except as expressly
32 provided under this Section.

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

1 (J) Supplementary Grants in Aid.

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

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

32 (3) (Blank).

33 (K) Grants to Laboratory and Alternative Schools.

34 In calculating the amount to be paid to the governing board
35 of a public university that operates a laboratory school under

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

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

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

33 Each laboratory and alternative school shall file, on forms
34 provided by the State Superintendent of Education, an annual
35 State aid claim which states the Average Daily Attendance of
36 the school's students by month. The best 3 months' Average

1 Daily Attendance shall be computed for each school. The general
2 State aid entitlement shall be computed by multiplying the
3 applicable Average Daily Attendance by the Foundation Level as
4 determined under this Section.

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

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

19 (2) (Blank).

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

22 (M) Education Funding Advisory Board.

23 The Education Funding Advisory Board, hereinafter in this
24 subsection (M) referred to as the "Board", is hereby created.
25 The Board shall consist of 5 members who are appointed by the
26 Governor, by and with the advice and consent of the Senate. The
27 members appointed shall include representatives of education,
28 business, and the general public. One of the members so
29 appointed shall be designated by the Governor at the time the
30 appointment is made as the chairperson of the Board. The
31 initial members of the Board may be appointed any time after
32 the effective date of this amendatory Act of 1997. The regular
33 term of each member of the Board shall be for 4 years from the
34 third Monday of January of the year in which the term of the

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

24 The Education Funding Advisory Board shall be deemed
25 established, and the initial members appointed by the Governor
26 to serve as members of the Board shall take office, on the date
27 that the Governor makes his or her appointment of the fifth
28 initial member of the Board, whether those initial members are
29 then serving pursuant to appointment and confirmation or
30 pursuant to temporary appointments that are made by the
31 Governor as in the case of vacancies.

32 The State Board of Education shall provide such staff
33 assistance to the Education Funding Advisory Board as is
34 reasonably required for the proper performance by the Board of
35 its responsibilities.

36 For school years after the 2000-2001 school year, the

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

14 (N) (Blank).

15 (O) References.

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

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

24 (P) Public Act 93-838 ~~This amendatory Act of the 93rd General~~
25 ~~Assembly~~ and Public Act 93-808 ~~House Bill 4266 of the 93rd~~
26 ~~General Assembly~~ make inconsistent changes to this Section. ~~If~~
27 ~~House Bill 4266 becomes law, then~~ Under Section 6 of the
28 Statute on Statutes there is an irreconcilable conflict between
29 Public Act 93-808 and Public Act 93-838 ~~House Bill 4266~~ and
30 ~~this amendatory Act.~~ Public Act 93-838 ~~This amendatory Act,~~
31 being the last acted upon, is controlling. The text of Public
32 Act 93-838 ~~this amendatory Act~~ is the law regardless of the
33 text of Public Act 93-808 ~~House Bill 4266~~.

1 (Source: P.A. 92-16, eff. 6-28-01; 92-28, eff. 7-1-01; 92-29,
2 eff. 7-1-01; 92-269, eff. 8-7-01; 92-604, eff. 7-1-02; 92-636,
3 eff. 7-11-02; 92-651, eff. 7-11-02; 93-21, eff. 7-1-03; 93-715,
4 eff. 7-12-04; 93-808, eff. 7-26-04; 93-838, eff. 7-30-04;
5 93-875, eff. 8-6-04; revised 10-21-04.)

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.