



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB5551

Introduced 01/27/06, by Rep. Calvin L. Giles

SYNOPSIS AS INTRODUCED:

30 ILCS 105/8a
105 ILCS 5/18-11

from Ch. 127, par. 144a
from Ch. 122, par. 18-11

Amends the State Finance Act and the School Code. Provides that on or before the 11th and 21st days of each of the months of August through the following June (instead of July), the State Treasurer and the State Comptroller shall transfer from the General Revenue Fund to the Common School Fund and Education Assistance Fund 1/22 (instead of 1/24) of the amount appropriated to the State Board of Education for distribution to all school districts from those Funds. With respect to payments from the Common School Fund, provides that as soon as may be after the 10th and 20th days of each of the months of August through the following June (instead of July), the State Comptroller shall draw his or her warrants upon the State Treasurer as directed by the State Board of Education in an amount equal to 1/22 (instead of 1/24) of the total amount to be distributed to school districts for the fiscal year. Effective July 1, 2006.

LRB094 16301 NHT 51549 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning education.

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

4 Section 5. The State Finance Act is amended by changing
5 Section 8a as follows:

6 (30 ILCS 105/8a) (from Ch. 127, par. 144a)

7 Sec. 8a. Common School Fund; transfers to Common School
8 Fund and Education Assistance Fund.

9 (a) Except as provided in subsection (b) of this Section
10 and except as otherwise provided in this subsection (a) with
11 respect to amounts transferred from the General Revenue Fund to
12 the Common School Fund for distribution therefrom for the
13 benefit of the Teachers' Retirement System of the State of
14 Illinois and the Public School Teachers' Pension and Retirement
15 Fund of Chicago:

16 (1) With respect to all school districts, for each
17 fiscal year before fiscal year 2007, other than fiscal year
18 1994, on or before the eleventh and twenty-first days of
19 each of the months of August through the following July, at
20 a time or times designated by the Governor, the State
21 Treasurer and the State Comptroller shall transfer from the
22 General Revenue Fund to the Common School Fund and
23 Education Assistance Fund, as appropriate, 1/24 or so much
24 thereof as may be necessary of the amount appropriated to
25 the State Board of Education for distribution to all school
26 districts from such Common School Fund and Education
27 Assistance Fund, for the fiscal year, including interest on
28 the School Fund proportionate for that distribution for
29 such year.

30 (1.5) With respect to all school districts, for fiscal
31 year 2007 and each fiscal year thereafter, on or before the
32 11th and 21st days of each of the months of August through

1 the following June, at a time or times designated by the
2 Governor, the State Treasurer and the State Comptroller
3 shall transfer from the General Revenue Fund to the Common
4 School Fund and Education Assistance Fund, as appropriate,
5 1/22 or so much thereof as may be necessary of the amount
6 appropriated to the State Board of Education for
7 distribution to all school districts from the Common School
8 Fund and Education Assistance Fund, for the fiscal year,
9 including interest on the Common School Fund proportionate
10 for that distribution for that year.

11 (2) With respect to all school districts, but for
12 fiscal year 1994 only, on the 11th day of August, 1993 and
13 on or before the 11th and 21st days of each of the months
14 of October, 1993 through July, 1994 at a time or times
15 designated by the Governor, the State Treasurer and the
16 State Comptroller shall transfer from the General Revenue
17 Fund to the Common School Fund 1/24 or so much thereof as
18 may be necessary of the amount appropriated to the State
19 Board of Education for distribution to all school districts
20 from such Common School Fund, for fiscal year 1994,
21 including interest on the School Fund proportionate for
22 that distribution for such year; and on or before the 21st
23 day of August, 1993 at a time or times designated by the
24 Governor, the State Treasurer and the State Comptroller
25 shall transfer from the General Revenue Fund to the Common
26 School Fund 3/24 or so much thereof as may be necessary of
27 the amount appropriated to the State Board of Education for
28 distribution to all school districts from the Common School
29 Fund, for fiscal year 1994, including interest
30 proportionate for that distribution on the School Fund for
31 such fiscal year.

32 The amounts of the payments made in July of each year, if
33 required: (i) shall be considered an outstanding liability as
34 of the 30th day of June immediately preceding those July
35 payments, within the meaning of Section 25 of this Act; (ii)
36 shall be payable from the appropriation for the fiscal year

1 that ended on that 30th day of June; and (iii) shall be
2 considered payments for claims covering the school year that
3 commenced during the immediately preceding calendar year.

4 Notwithstanding the foregoing provisions of this
5 subsection, as soon as may be after the 10th and 20th days of
6 each of the months of August through May, 1/24, and on or as
7 soon as may be after the 10th and 20th days of June, 1/12 of the
8 annual amount appropriated to the State Board of Education for
9 distribution and payment during that fiscal year from the
10 Common School Fund to and for the benefit of the Teachers'
11 Retirement System of the State of Illinois (until the end of
12 State fiscal year 1995) and the Public School Teachers' Pension
13 and Retirement Fund of Chicago as provided by the Illinois
14 Pension Code and Section 18-7 of the School Code, or so much
15 thereof as may be necessary, shall be transferred by the State
16 Treasurer and the State Comptroller from the General Revenue
17 Fund to the Common School Fund to permit semi-monthly payments
18 from the Common School Fund to and for the benefit of such
19 teacher retirement systems as required by Section 18-7 of the
20 School Code.

21 Notwithstanding the other provisions of this Section, on or
22 as soon as may be after the 15th day of each month, beginning
23 in July of 1995, 1/12 of the annual amount appropriated for
24 that fiscal year from the Common School Fund to the Teachers'
25 Retirement System of the State of Illinois (other than amounts
26 appropriated under Section 1.1 of the State Pension Funds
27 Continuing Appropriation Act), or so much thereof as may be
28 necessary, shall be transferred by the State Treasurer and the
29 State Comptroller from the General Revenue Fund to the Common
30 School Fund to permit monthly payments from the Common School
31 Fund to that retirement system in accordance with Section
32 16-158 of the Illinois Pension Code and Section 18-7 of the
33 School Code, except that such transfers in fiscal year 2004
34 from the General Revenue Fund to the Common School Fund for the
35 benefit of the Teachers' Retirement System of the State of
36 Illinois shall be reduced in the aggregate by the State

1 Comptroller and State Treasurer to adjust for the amount
2 transferred to the Teachers' Retirement System of the State of
3 Illinois pursuant to subsection (a) of Section 6z-61. Amounts
4 appropriated to the Teachers' Retirement System of the State of
5 Illinois under Section 1.1 of the State Pension Funds
6 Continuing Appropriation Act shall be transferred by the State
7 Treasurer and the State Comptroller from the General Revenue
8 Fund to the Common School Fund as necessary to provide for the
9 payment of vouchers drawn against those appropriations.

10 The Governor may notify the State Treasurer and the State
11 Comptroller to transfer, at a time designated by the Governor,
12 such additional amount as may be necessary to effect advance
13 distribution to school districts of amounts that otherwise
14 would be payable in the next month pursuant to Sections 18-8
15 through 18-10 of the School Code. The State Treasurer and the
16 State Comptroller shall thereupon transfer such additional
17 amount. The aggregate amount transferred from the General
18 Revenue Fund to the Common School Fund in the eleven months
19 beginning August 1 of any fiscal year shall not be in excess of
20 the amount necessary for payment of claims certified by the
21 State Superintendent of Education pursuant to the
22 appropriation of the Common School Fund for that fiscal year.
23 Notwithstanding the provisions of the first paragraph in this
24 section, no transfer to effect an advance distribution shall be
25 made in any month except on notification, as provided above, by
26 the Governor.

27 The State Comptroller and State Treasurer shall transfer
28 from the General Revenue Fund to the Common School Fund and the
29 Education Assistance Fund such amounts as may be required to
30 honor the vouchers presented by the State Board of Education
31 pursuant to Sections 18-3, 18-4.3, 18-5, 18-6 and 18-7 of the
32 School Code.

33 The State Comptroller shall report all transfers provided
34 for in this Act to the President of the Senate, Minority Leader
35 of the Senate, Speaker of the House, and Minority Leader of the
36 House.

1 (b) On or before the 11th and 21st days of each of the
2 months of June, 1982 through July, 1983, at a time or times
3 designated by the Governor, the State Treasurer and the State
4 Comptroller shall transfer from the General Revenue Fund to the
5 Common School Fund 1/24 or so much thereof as may be necessary
6 of the amount appropriated to the State Board of Education for
7 distribution from such Common School Fund, for that same fiscal
8 year, including interest on the School Fund for such year. The
9 amounts of the payments in the months of July, 1982 and July,
10 1983 shall be considered an outstanding liability as of the
11 30th day of June immediately preceding such July payment,
12 within the meaning of Section 25 of this Act, and shall be
13 payable from the appropriation for the fiscal year which ended
14 on such 30th day of June, and such July payments shall be
15 considered payments for claims covering school years 1981-1982
16 and 1982-1983 respectively.

17 In the event the Governor makes notification to effect
18 advanced distribution under the provisions of subsection (a) of
19 this Section, the aggregate amount transferred from the General
20 Revenue Fund to the Common School Fund in the 12 months
21 beginning August 1, 1981 or the 12 months beginning August 1,
22 1982 shall not be in excess of the amount necessary for payment
23 of claims certified by the State Superintendent of Education
24 pursuant to the appropriation of the Common School Fund for the
25 fiscal years commencing on the first of July of the years 1981
26 and 1982.

27 (Source: P.A. 93-665, eff. 3-5-04.)

28 Section 10. The School Code is amended by changing Section
29 18-11 as follows:

30 (105 ILCS 5/18-11) (from Ch. 122, par. 18-11)

31 Sec. 18-11. Payment of claims.

32 (a) For each fiscal year before fiscal year 2007, except
33 ~~Except~~ as provided in subsection (b) of this Section with
34 respect to payments made under Sections 18-8 through 18-10 of

1 this Code for the period of June 1982 through July 1983, and
2 except as provided in subsection (c) of this Section with
3 respect to payments made under Sections 18-8 through 18-10 for
4 fiscal year 1994 only, as soon as may be after the 10th and
5 20th days of each of the months of August through the following
6 July, if moneys are available in the common school fund in the
7 State treasury for payments under Sections 18-8 through 18-10,
8 the State Comptroller shall draw his warrants upon the State
9 Treasurer as directed by the State Board of Education pursuant
10 to Section 2-3.17b and in accordance with the transfers from
11 the General Revenue Fund to the Common School Fund as specified
12 in Section 8a of the State Finance Act.

13 Each such semimonthly warrant shall be in an amount equal
14 to 1/24 of the total amount to be distributed to school
15 districts for the fiscal year. The amount of payments made in
16 July of each year shall be considered as payments for claims
17 covering the school year that commenced during the immediately
18 preceding calendar year. If the payments provided for under
19 Sections 18-8 through 18-10 have been assigned as security for
20 State aid anticipation certificates pursuant to Section 18-18,
21 the State Board of Education shall pay the appropriate amount
22 of the payment, as specified in the notification required by
23 Section 18-18, directly to the assignee.

24 (a-5) With respect to payments made under Sections 18-8.05
25 through 18-10 of this Code for fiscal year 2007 and each fiscal
26 year thereafter, as soon as may be after the 10th and 20th days
27 of each of the months of August through the following June, if
28 moneys are available in the Common School Fund in the State
29 treasury for payments under Sections 18-8.05 through 18-10 of
30 this Code, the State Comptroller shall draw his or her warrants
31 upon the State Treasurer as directed by the State Board of
32 Education pursuant to Section 2-3.17b of this Code and in
33 accordance with the transfers from the General Revenue Fund to
34 the Common School Fund as specified in Section 8a of the State
35 Finance Act.

36 Each such semimonthly warrant shall be in an amount equal

1 to 1/22 of the total amount to be distributed to school
2 districts for the fiscal year. If the payments provided for
3 under Sections 18-8.05 through 18-10 of this Code have been
4 assigned as security for State aid anticipation certificates
5 pursuant to Section 18-18 of this Code, then the State Board of
6 Education shall pay the appropriate amount of the payment, as
7 specified in the notification required by Section 18-18 of this
8 Code, directly to the assignee.

9 (b) As soon as may be after the 10th and 20th days of each
10 of the months of June, 1982 through July, 1983, if moneys are
11 available in the Common School Fund in the State treasury for
12 payments under Sections 18-8 through 18-10, the State
13 Comptroller shall draw his warrants upon the State Treasurer
14 proportionate for the various counties payable to the regional
15 superintendent of schools in accordance with the transfers from
16 the General Revenue Fund to the Common School Fund as specified
17 in Section 8a of the State Finance Act.

18 Each such semimonthly warrant for the months of June and
19 July, 1982 shall be in an amount equal to 1/24 of the total
20 amount to be distributed to school districts by the regional
21 superintendent for school year 1981-1982.

22 Each such semimonthly warrant for the months of August,
23 1982 through July, 1983 shall be in an amount equal to 1/24 of
24 the total amount to be distributed to school districts by the
25 regional superintendent for school year 1982-1983.

26 The State Superintendent of Education shall, from monies
27 appropriated for such purpose, compensate districts for
28 interest lost arising from the change in payments in June, 1982
29 to payments in the months of June and July, 1982, for claims
30 arising from school year 1981-1982. The amount appropriated for
31 such purpose shall be based upon the Prime Commercial Rate in
32 effect May 15, 1982. The amount of such compensation shall be
33 equal to the ratio of the district's net State aid entitlement
34 for school year 1981-1982 divided by the total net State aid
35 entitlement times the funds appropriated for such purpose.
36 Payment in full of the amount of compensation derived from the

1 computation required in the preceding sentence shall be made as
2 soon as may be after July 1, 1982 upon warrants payable to the
3 several regional superintendents of schools.

4 The State Superintendent of Education shall, from monies
5 appropriated for such purpose, compensate districts for
6 interest lost arising from the change in payments in June, 1983
7 to payments in the months of June and July, 1983, for claims
8 arising from school year 1982-1983. The amount appropriated for
9 such purpose shall be based upon an interest rate of no less
10 than 15 per cent or the Prime Commercial Rate in effect May 15,
11 1983, whichever is greater. The amount of such compensation
12 shall be equal to the ratio of the district's net State aid
13 entitlement for school year 1982-1983 divided by the total net
14 State aid entitlement times the funds appropriated for such
15 purpose. Payment in full of the amount of compensation derived
16 from the computation required in the preceding sentence shall
17 be made as soon as may be after July 1, 1983 upon warrants
18 payable to the several regional superintendents of schools.

19 The State Superintendent of Education shall, from monies
20 appropriated for such purpose, compensate districts for
21 interest lost arising from the change in payments in June, 1992
22 and each year thereafter to payments in the months of June and
23 July, 1992 and each year thereafter. The amount appropriated
24 for such purpose shall be based upon the Prime Commercial Rate
25 in effect June 15, 1992 and June 15 annually thereafter. The
26 amount of such compensation shall be equal to the ratio of the
27 district's net State aid entitlement divided by the total net
28 State aid entitlement times the amount of funds appropriated
29 for such purpose. Payment of the compensation shall be made as
30 soon as may be after July 1 upon warrants payable to the
31 several regional superintendents of schools.

32 The regional superintendents shall make payments to their
33 respective school districts as soon as may be after receipt of
34 the warrants unless the payments have been assigned as security
35 for State aid anticipation certificates pursuant to Section
36 18-18. If such an assignment has been made, the regional

1 superintendent shall, as soon as may be after receipt of the
2 warrants, pay the appropriate amount of the payment as
3 specified in the notification required by Section 18-18,
4 directly to the assignee.

5 As used in this Section, "Prime Commercial Rate" means such
6 prime rate as from time to time is publicly announced by the
7 largest commercial banking institution in this State, measured
8 in terms of total assets.

9 (c) With respect to all school districts but for fiscal
10 year 1994 only, as soon as may be after the 10th and 20th days
11 of August, 1993 and as soon as may be after the 10th and 20th
12 days of each of the months of October, 1993 through July, 1994
13 if moneys are available in the Common School Fund in the State
14 treasury for payments under Sections 18-8 through 18-10, the
15 State Comptroller shall draw his warrants upon the State
16 Treasurer as directed by the State Board of Education in
17 accordance with transfers from the General Revenue Fund to the
18 Common School Fund as specified in Section 8a of the State
19 Finance Act. The warrant for the 10th day of August, 1993 and
20 each semimonthly warrant for the months of October, 1993
21 through July, 1994 shall be in an amount equal to 1/24 of the
22 total amount to be distributed to that school district for
23 fiscal year 1994, and the warrant for the 20th day of August,
24 1993 shall be in an amount equal to 3/24 of that total. The
25 amount of payments made in July of 1994 shall be considered as
26 payments for claims covering the school year that commenced
27 during the immediately preceding calendar year.

28 (Source: P.A. 87-14; 87-887; 87-895; 88-45; 88-89; 88-641, eff.
29 9-9-94.)

30 Section 99. Effective date. This Act takes effect July 1,
31 2006.