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1 AMENDMENT TO HOUSE BILL 38

2 AMENDMENT NO. _____. Amend House Bill 38 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 FY2008 Budget Implementation (Education) Act.

6 Section 5. Purpose. It is the purpose of this Act to make
7 changes in State programs that are necessary to implement the
8 Governor's FY2008 budget recommendations concerning education.

9 Section 10. The School Code is amended by changing Section
10 18-8.05 as follows:

11 (105 ILCS 5/18-8.05)

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

1 (A) General Provisions.

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

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

1 appropriated under this Section.

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

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

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

24 (c) If a school district operates a full year school
25 under Section 10-19.1, the general State aid to the school
26 district shall be determined by the State Board of

1 Education in accordance with this Section as near as may be
2 applicable.

3 (d) (Blank).

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

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

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

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

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

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

1 amended (Public Act 81-1st S.S.-1).

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

4 (e) "Operating Tax Rate": All school district property
5 taxes extended for all purposes, except Bond and Interest,
6 Summer School, Rent, Capital Improvement, and Vocational
7 Education Building purposes.

8 (B) Foundation Level.

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

19 (2) For the 1998-1999 school year, the Foundation Level of
20 support is \$4,225. For the 1999-2000 school year, the
21 Foundation Level of support is \$4,325. For the 2000-2001 school
22 year, the Foundation Level of support is \$4,425. For the
23 2001-2002 school year and 2002-2003 school year, the Foundation
24 Level of support is \$4,560. For the 2003-2004 school year, the
25 Foundation Level of support is \$4,810. For the 2004-2005 school

1 year, the Foundation Level of support is \$4,964. For the
2 2005-2006 school year, the Foundation Level of support is
3 \$5,164. For the 2006-2007 school year, the Foundation Level of
4 support is \$5,334.

5 (3) For the 2007-2008 ~~2006-2007~~ school year and each school
6 year thereafter, the Foundation Level of support is \$5,900
7 ~~\$5,334~~ or such greater amount as may be established by law by
8 the General Assembly.

9 (C) Average Daily Attendance.

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

21 (2) The Average Daily Attendance figures utilized in
22 subsection (E) shall be the requisite attendance data for the
23 school year immediately preceding the school year for which
24 general State aid is being calculated or the average of the
25 attendance data for the 3 preceding school years, whichever is

1 greater. The Average Daily Attendance figures utilized in
2 subsection (H) shall be the requisite attendance data for the
3 school year immediately preceding the school year for which
4 general State aid is being calculated.

5 (D) Available Local Resources.

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

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

22 (3) For school districts maintaining grades kindergarten
23 through 12, local property tax revenues per pupil shall be
24 calculated as the product of the applicable equalized assessed
25 valuation for the district multiplied by 3.00%, and divided by

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

11 For partial elementary unit districts created pursuant to
12 Article 11E of this Code, local property tax revenues per pupil
13 shall be calculated as the product of the equalized assessed
14 valuation for property within the elementary and high school
15 classification of the partial elementary unit district
16 multiplied by 2.06% and divided by the Average Daily Attendance
17 figure for grades kindergarten through 8, plus the product of
18 the equalized assessed valuation for property within the high
19 school only classification of the partial elementary unit
20 district multiplied by 0.94% and divided by the Average Daily
21 Attendance figure for grades 9 through 12.

22 (4) The Corporate Personal Property Replacement Taxes paid
23 to each school district during the calendar year 2 years before
24 the calendar year in which a school year begins, divided by the
25 Average Daily Attendance figure for that district, shall be
26 added to the local property tax revenues per pupil as derived

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

6 (E) Computation of General State Aid.

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

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

16 (3) For any school district for which Available Local
17 Resources per pupil is equal to or greater than the product of
18 0.93 times the Foundation Level and less than the product of
19 1.75 times the Foundation Level, the general State aid per
20 pupil shall be a decimal proportion of the Foundation Level
21 derived using a linear algorithm. Under this linear algorithm,
22 the calculated general State aid per pupil shall decline in
23 direct linear fashion from 0.07 times the Foundation Level for
24 a school district with Available Local Resources equal to the
25 product of 0.93 times the Foundation Level, to 0.05 times the

1 Foundation Level for a school district with Available Local
2 Resources equal to the product of 1.75 times the Foundation
3 Level. The allocation of general State aid for school districts
4 subject to this paragraph 3 shall be the calculated general
5 State aid per pupil figure multiplied by the Average Daily
6 Attendance of the school district.

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

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

22 (F) Compilation of Average Daily Attendance.

23 (1) Each school district shall, by July 1 of each year,
24 submit to the State Board of Education, on forms prescribed by
25 the State Board of Education, attendance figures for the school

1 year that began in the preceding calendar year. The attendance
2 information so transmitted shall identify the average daily
3 attendance figures for each month of the school year. Beginning
4 with the general State aid claim form for the 2002-2003 school
5 year, districts shall calculate Average Daily Attendance as
6 provided in subdivisions (a), (b), and (c) of this paragraph
7 (1).

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

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

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

1 attendance of the non-year-round buildings.

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

11 Days of attendance by tuition pupils shall be accredited
12 only to the districts that pay the tuition to a recognized
13 school.

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

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

26 (b) Days of attendance may be less than 5 clock hours

1 on the opening and closing of the school term, and upon the
2 first day of pupil attendance, if preceded by a day or days
3 utilized as an institute or teachers' workshop.

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

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

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

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

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

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

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

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

23 (i) On the days when the Prairie State Achievement
24 Examination is administered under subsection (c) of
25 Section 2-3.64 of this Code, the day of attendance for a
26 pupil whose school day must be shortened to accommodate

1 required testing procedures may be less than 5 clock hours
2 and shall be counted towards the 176 days of actual pupil
3 attendance required under Section 10-19 of this Code,
4 provided that a sufficient number of minutes of school work
5 in excess of 5 clock hours are first completed on other
6 school days to compensate for the loss of school work on
7 the examination days.

8 (G) Equalized Assessed Valuation Data.

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

19 The Department of Revenue shall add to the equalized
20 assessed value of all taxable property of each school district
21 situated entirely or partially within a county that is or was
22 subject to the alternative general homestead exemption
23 provisions of Section 15-176 of the Property Tax Code (a) an
24 amount equal to the total amount by which the homestead
25 exemption allowed under Section 15-176 of the Property Tax Code

1 for real property situated in that school district exceeds the
2 total amount that would have been allowed in that school
3 district if the maximum reduction under Section 15-176 was (i)
4 \$4,500 in Cook County or \$3,500 in all other counties in tax
5 year 2003 or (ii) \$5,000 in all counties in tax year 2004 and
6 thereafter and (b) an amount equal to the aggregate amount for
7 the taxable year of all additional exemptions under Section
8 15-175 of the Property Tax Code for owners with a household
9 income of \$30,000 or less. The county clerk of any county that
10 is or was subject to the alternative general homestead
11 exemption provisions of Section 15-176 of the Property Tax Code
12 shall annually calculate and certify to the Department of
13 Revenue for each school district all homestead exemption
14 amounts under Section 15-176 of the Property Tax Code and all
15 amounts of additional exemptions under Section 15-175 of the
16 Property Tax Code for owners with a household income of \$30,000
17 or less. It is the intent of this paragraph that if the general
18 homestead exemption for a parcel of property is determined
19 under Section 15-176 of the Property Tax Code rather than
20 Section 15-175, then the calculation of Available Local
21 Resources shall not be affected by the difference, if any,
22 between the amount of the general homestead exemption allowed
23 for that parcel of property under Section 15-176 of the
24 Property Tax Code and the amount that would have been allowed
25 had the general homestead exemption for that parcel of property
26 been determined under Section 15-175 of the Property Tax Code.

1 It is further the intent of this paragraph that if additional
2 exemptions are allowed under Section 15-175 of the Property Tax
3 Code for owners with a household income of less than \$30,000,
4 then the calculation of Available Local Resources shall not be
5 affected by the difference, if any, because of those additional
6 exemptions.

7 This equalized assessed valuation, as adjusted further by
8 the requirements of this subsection, shall be utilized in the
9 calculation of Available Local Resources.

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

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

1 Section 11-74.4-8 of the Tax Increment Allocation
2 Redevelopment Act or in Section 11-74.6-35 of the
3 Industrial Jobs Recovery Law. For the purpose of the
4 equalized assessed valuation of the district, the total
5 initial equalized assessed valuation or the current
6 equalized assessed valuation, whichever is lower, shall be
7 used until such time as all redevelopment project costs
8 have been paid.

9 (b) The real property equalized assessed valuation for
10 a school district shall be adjusted by subtracting from the
11 real property value as equalized or assessed by the
12 Department of Revenue for the district an amount computed
13 by dividing the amount of any abatement of taxes under
14 Section 18-170 of the Property Tax Code by 3.00% for a
15 district maintaining grades kindergarten through 12, by
16 2.30% for a district maintaining grades kindergarten
17 through 8, or by 1.05% for a district maintaining grades 9
18 through 12 and adjusted by an amount computed by dividing
19 the amount of any abatement of taxes under subsection (a)
20 of Section 18-165 of the Property Tax Code by the same
21 percentage rates for district type as specified in this
22 subparagraph (b).

23 (3) For the 1999-2000 school year and each school year
24 thereafter, if a school district meets all of the criteria of
25 this subsection (G) (3), the school district's Available Local
26 Resources shall be calculated under subsection (D) using the

1 district's Extension Limitation Equalized Assessed Valuation
2 as calculated under this subsection (G) (3).

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

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

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

9 "Preceding Tax Year": The property tax levy year
10 immediately preceding the Base Tax Year.

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

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

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

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

26 If a school district is subject to property tax extension

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

23 Partial elementary unit districts created in accordance
24 with Article 11E of this Code shall not be eligible for the
25 adjustment in this subsection (G)(3) until the fifth year
26 following the effective date of the reorganization.

1 (4) For the purposes of calculating general State aid for
2 the 1999-2000 school year only, if a school district
3 experienced a triennial reassessment on the equalized assessed
4 valuation used in calculating its general State financial aid
5 apportionment for the 1998-1999 school year, the State Board of
6 Education shall calculate the Extension Limitation Equalized
7 Assessed Valuation that would have been used to calculate the
8 district's 1998-1999 general State aid. This amount shall equal
9 the product of the equalized assessed valuation used to
10 calculate general State aid for the 1997-1998 school year and
11 the district's Extension Limitation Ratio. If the Extension
12 Limitation Equalized Assessed Valuation of the school district
13 as calculated under this paragraph (4) is less than the
14 district's equalized assessed valuation utilized in
15 calculating the district's 1998-1999 general State aid
16 allocation, then for purposes of calculating the district's
17 general State aid pursuant to paragraph (5) of subsection (E),
18 that Extension Limitation Equalized Assessed Valuation shall
19 be utilized to calculate the district's Available Local
20 Resources.

21 (5) For school districts having a majority of their
22 equalized assessed valuation in any county except Cook, DuPage,
23 Kane, Lake, McHenry, or Will, if the amount of general State
24 aid allocated to the school district for the 1999-2000 school
25 year under the provisions of subsection (E), (H), and (J) of
26 this Section is less than the amount of general State aid

1 allocated to the district for the 1998-1999 school year under
2 these subsections, then the general State aid of the district
3 for the 1999-2000 school year only shall be increased by the
4 difference between these amounts. The total payments made under
5 this paragraph (5) shall not exceed \$14,000,000. Claims shall
6 be prorated if they exceed \$14,000,000.

7 (H) Supplemental General State Aid.

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

1 Board of Education shall calculate and pay to eligible
2 districts on a prorated basis.

3 (1.5) This paragraph (1.5) applies only to those school
4 years preceding the 2003-2004 school year. For purposes of this
5 subsection (H), the term "Low-Income Concentration Level"
6 shall be the low-income eligible pupil count from the most
7 recently available federal census divided by the Average Daily
8 Attendance of the school district. If, however, (i) the
9 percentage decrease from the 2 most recent federal censuses in
10 the low-income eligible pupil count of a high school district
11 with fewer than 400 students exceeds by 75% or more the
12 percentage change in the total low-income eligible pupil count
13 of contiguous elementary school districts, whose boundaries
14 are coterminous with the high school district, or (ii) a high
15 school district within 2 counties and serving 5 elementary
16 school districts, whose boundaries are coterminous with the
17 high school district, has a percentage decrease from the 2 most
18 recent federal censuses in the low-income eligible pupil count
19 and there is a percentage increase in the total low-income
20 eligible pupil count of a majority of the elementary school
21 districts in excess of 50% from the 2 most recent federal
22 censuses, then the high school district's low-income eligible
23 pupil count from the earlier federal census shall be the number
24 used as the low-income eligible pupil count for the high school
25 district, for purposes of this subsection (H). The changes made
26 to this paragraph (1) by Public Act 92-28 shall apply to

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

11 (1.10) This paragraph (1.10) applies to the 2003-2004
12 school year and each school year thereafter. For purposes of
13 this subsection (H), the term "Low-Income Concentration Level"
14 shall, for each fiscal year, be the low-income eligible pupil
15 count as of July 1 of the immediately preceding fiscal year (as
16 determined by the Department of Human Services based on the
17 number of pupils who are eligible for at least one of the
18 following low income programs: Medicaid, KidCare, TANF, or Food
19 Stamps, excluding pupils who are eligible for services provided
20 by the Department of Children and Family Services, averaged
21 over the 2 immediately preceding fiscal years for fiscal year
22 2004 and over the 3 immediately preceding fiscal years for each
23 fiscal year thereafter) divided by the Average Daily Attendance
24 of the school district.

25 (2) Supplemental general State aid pursuant to this
26 subsection (H) shall be provided as follows for the 1998-1999,

1 1999-2000, and 2000-2001 school years only:

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

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

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

14 (d) For any school district with a Low Income
15 Concentration Level of 60% or more, the grant for the
16 1998-99 school year shall be \$1,900 multiplied by the low
17 income eligible pupil count.

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

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

26 (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.

1 (2.10) Except as otherwise provided, supplemental general
2 State aid pursuant to this subsection (H) shall be provided as
3 follows for the 2003-2004 school year and each school year
4 thereafter:

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

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

14 For the 2003-2004 school year and each school year through
15 the 2007-2008 school year, ~~2004-2005 school year, 2005-2006~~
16 ~~school year, and 2006-2007 school year~~ only, the grant shall be
17 no less than the grant for the 2002-2003 school year. For the
18 2008-2009 ~~2007-2008~~ school year only, the grant shall be no
19 less than the grant for the 2002-2003 school year multiplied by
20 0.66. For the 2009-2010 ~~2008-2009~~ school year only, the grant
21 shall be no less than the grant for the 2002-2003 school year
22 multiplied by 0.33. Notwithstanding the provisions of this
23 paragraph to the contrary, if for any school year supplemental
24 general State aid grants are prorated as provided in paragraph
25 (1) of this subsection (H), then the grants under this
26 paragraph shall be prorated.

1 For the 2003-2004 school year only, the grant shall be no
2 greater than the grant received during the 2002-2003 school
3 year added to the product of 0.25 multiplied by the difference
4 between the grant amount calculated under subsection (a) or (b)
5 of this paragraph (2.10), whichever is applicable, and the
6 grant received during the 2002-2003 school year. For the
7 2004-2005 school year only, the grant shall be no greater than
8 the grant received during the 2002-2003 school year added to
9 the product of 0.50 multiplied by the difference between the
10 grant amount calculated under subsection (a) or (b) of this
11 paragraph (2.10), whichever is applicable, and the grant
12 received during the 2002-2003 school year. For the 2005-2006
13 school year only, the grant shall be no greater than the grant
14 received during the 2002-2003 school year added to the product
15 of 0.75 multiplied by the difference between the grant amount
16 calculated under subsection (a) or (b) of this paragraph
17 (2.10), whichever is applicable, and the grant received during
18 the 2002-2003 school year.

19 (3) School districts with an Average Daily Attendance of
20 more than 1,000 and less than 50,000 that qualify for
21 supplemental general State aid pursuant to this subsection
22 shall submit a plan to the State Board of Education prior to
23 October 30 of each year for the use of the funds resulting from
24 this grant of supplemental general State aid for the
25 improvement of instruction in which priority is given to
26 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

1 supplemental general State aid provided by application of
2 this subsection supplements rather than supplants the
3 noncategorical funds and other categorical funds provided
4 by the school district to the attendance centers.

5 (d) Any funds made available under this subsection that
6 by reason of the provisions of this subsection are not
7 required to be allocated and provided to attendance centers
8 may be used and appropriated by the board of the district
9 for any lawful school purpose.

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

23 (f) Each district subject to the provisions of this
24 subdivision (H) (4) shall submit an acceptable plan to meet
25 the educational needs of disadvantaged children, in
26 compliance with the requirements of this paragraph, to the

1 State Board of Education prior to July 15 of each year.
2 This plan shall be consistent with the decisions of local
3 school councils concerning the school expenditure plans
4 developed in accordance with part 4 of Section 34-2.3. The
5 State Board shall approve or reject the plan within 60 days
6 after its submission. If the plan is rejected, the district
7 shall give written notice of intent to modify the plan
8 within 15 days of the notification of rejection and then
9 submit a modified plan within 30 days after the date of the
10 written notice of intent to modify. Districts may amend
11 approved plans pursuant to rules promulgated by the State
12 Board of Education.

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

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

26 For purposes of determining compliance with this

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

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

1 (I) (Blank).

2 (J) Supplementary Grants in Aid.

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

22 (2) If, as provided in paragraph (1) of this subsection
23 (J), a school district is to receive aggregate general State
24 aid in combination with supplemental general State aid under
25 this Section for the 1998-99 school year and any subsequent

1 school year that in any such school year is less than the
2 amount of the aggregate general State aid entitlement that the
3 district received for the 1997-98 school year, the school
4 district shall also receive, from a separate appropriation made
5 for purposes of this subsection (J), a supplementary payment
6 that is equal to the amount of the difference in the aggregate
7 State aid figures as described in paragraph (1).

8 (3) (Blank).

9 (K) Grants to Laboratory and Alternative Schools.

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

16 As used in this Section, "laboratory school" means a public
17 school which is created and operated by a public university and
18 approved by the State Board of Education. The governing board
19 of a public university which receives funds from the State
20 Board under this subsection (K) may not increase the number of
21 students enrolled in its laboratory school from a single
22 district, if that district is already sending 50 or more
23 students, except under a mutual agreement between the school
24 board of a student's district of residence and the university
25 which operates the laboratory school. A laboratory school may

1 not have more than 1,000 students, excluding students with
2 disabilities in a special education program.

3 As used in this Section, "alternative school" means a
4 public school which is created and operated by a Regional
5 Superintendent of Schools and approved by the State Board of
6 Education. Such alternative schools may offer courses of
7 instruction for which credit is given in regular school
8 programs, courses to prepare students for the high school
9 equivalency testing program or vocational and occupational
10 training. A regional superintendent of schools may contract
11 with a school district or a public community college district
12 to operate an alternative school. An alternative school serving
13 more than one educational service region may be established by
14 the regional superintendents of schools of the affected
15 educational service regions. An alternative school serving
16 more than one educational service region may be operated under
17 such terms as the regional superintendents of schools of those
18 educational service regions may agree.

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

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

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

15 (2) (Blank).

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

18 (M) Education Funding Advisory Board.

19 The Education Funding Advisory Board, hereinafter in this
20 subsection (M) referred to as the "Board", is hereby created.
21 The Board shall consist of 5 members who are appointed by the
22 Governor, by and with the advice and consent of the Senate. The
23 members appointed shall include representatives of education,
24 business, and the general public. One of the members so

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

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

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

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

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

1 Education Funding Advisory Board shall make such
2 recommendations to the General Assembly on January 1 of odd
3 numbered years, beginning January 1, 2001.

4 (N) (Blank).

5 (O) References.

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

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

14 (P) Public Act 93-838 and Public Act 93-808 make inconsistent
15 changes to this Section. Under Section 6 of the Statute on
16 Statutes there is an irreconcilable conflict between Public Act
17 93-808 and Public Act 93-838. Public Act 93-838, being the last
18 acted upon, is controlling. The text of Public Act 93-838 is
19 the law regardless of the text of Public Act 93-808.

20 (Source: P.A. 93-21, eff. 7-1-03; 93-715, eff. 7-12-04; 93-808,
21 eff. 7-26-04; 93-838, eff. 7-30-04; 93-875, eff. 8-6-04; 94-69,
22 eff. 7-1-05; 94-438, eff. 8-4-05; 94-835, eff. 6-6-06; 94-1019,
23 eff. 7-10-06; 94-1105, eff. 6-1-07; revised 2-18-07.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.".