



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

HB2011

Introduced 2/26/2007, by Rep. Michael K. Smith

#### 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, 2007.

LRB095 06502 NHT 26603 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

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 2008, 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

1           thereof as may be necessary of the amount appropriated to  
2           the State Board of Education for distribution to all school  
3           districts from such Common School Fund and Education  
4           Assistance Fund, for the fiscal year, including interest on  
5           the School Fund proportionate for that distribution for  
6           such year.

7           (1.5) With respect to all school districts, for fiscal  
8           year 2008 and each fiscal year thereafter, on or before the  
9           11th and 21st days of each of the months of August through  
10           the following June, at a time or times designated by the  
11           Governor, the State Treasurer and the State Comptroller  
12           shall transfer from the General Revenue Fund to the Common  
13           School Fund and Education Assistance Fund, as appropriate,  
14           1/22 or so much thereof as may be necessary of the amount  
15           appropriated to the State Board of Education for  
16           distribution to all school districts from the Common School  
17           Fund and Education Assistance Fund, for the fiscal year,  
18           including interest on the Common School Fund proportionate  
19           for that distribution for that year.

20           (2) With respect to all school districts, but for  
21           fiscal year 1994 only, on the 11th day of August, 1993 and  
22           on or before the 11th and 21st days of each of the months  
23           of October, 1993 through July, 1994 at a time or times  
24           designated by the Governor, the State Treasurer and the  
25           State Comptroller shall transfer from the General Revenue  
26           Fund to the Common School Fund 1/24 or so much thereof as

1           may be necessary of the amount appropriated to the State  
2           Board of Education for distribution to all school districts  
3           from such Common School Fund, for fiscal year 1994,  
4           including interest on the School Fund proportionate for  
5           that distribution for such year; and on or before the 21st  
6           day of August, 1993 at a time or times designated by the  
7           Governor, the State Treasurer and the State Comptroller  
8           shall transfer from the General Revenue Fund to the Common  
9           School Fund 3/24 or so much thereof as may be necessary of  
10          the amount appropriated to the State Board of Education for  
11          distribution to all school districts from the Common School  
12          Fund, for fiscal year 1994, including interest  
13          proportionate for that distribution on the School Fund for  
14          such fiscal year.

15          The amounts of the payments made in July of each year, if  
16          required: (i) shall be considered an outstanding liability as  
17          of the 30th day of June immediately preceding those July  
18          payments, within the meaning of Section 25 of this Act; (ii)  
19          shall be payable from the appropriation for the fiscal year  
20          that ended on that 30th day of June; and (iii) shall be  
21          considered payments for claims covering the school year that  
22          commenced during the immediately preceding calendar year.

23          Notwithstanding the foregoing provisions of this  
24          subsection, as soon as may be after the 10th and 20th days of  
25          each of the months of August through May, 1/24, and on or as  
26          soon as may be after the 10th and 20th days of June, 1/12 of the

1 annual amount appropriated to the State Board of Education for  
2 distribution and payment during that fiscal year from the  
3 Common School Fund to and for the benefit of the Teachers'  
4 Retirement System of the State of Illinois (until the end of  
5 State fiscal year 1995) and the Public School Teachers' Pension  
6 and Retirement Fund of Chicago as provided by the Illinois  
7 Pension Code and Section 18-7 of the School Code, or so much  
8 thereof as may be necessary, shall be transferred by the State  
9 Treasurer and the State Comptroller from the General Revenue  
10 Fund to the Common School Fund to permit semi-monthly payments  
11 from the Common School Fund to and for the benefit of such  
12 teacher retirement systems as required by Section 18-7 of the  
13 School Code.

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

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

13 The Governor may notify the State Treasurer and the State  
14 Comptroller to transfer, at a time designated by the Governor,  
15 such additional amount as may be necessary to effect advance  
16 distribution to school districts of amounts that otherwise  
17 would be payable in the next month pursuant to Sections 18-8  
18 through 18-10 of the School Code. The State Treasurer and the  
19 State Comptroller shall thereupon transfer such additional  
20 amount. The aggregate amount transferred from the General  
21 Revenue Fund to the Common School Fund in the eleven months  
22 beginning August 1 of any fiscal year shall not be in excess of  
23 the amount necessary for payment of claims certified by the  
24 State Superintendent of Education pursuant to the  
25 appropriation of the Common School Fund for that fiscal year.  
26 Notwithstanding the provisions of the first paragraph in this

1 section, no transfer to effect an advance distribution shall be  
2 made in any month except on notification, as provided above, by  
3 the Governor.

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

10 The State Comptroller shall report all transfers provided  
11 for in this Act to the President of the Senate, Minority Leader  
12 of the Senate, Speaker of the House, and Minority Leader of the  
13 House.

14 (b) On or before the 11th and 21st days of each of the  
15 months of June, 1982 through July, 1983, at a time or times  
16 designated by the Governor, the State Treasurer and the State  
17 Comptroller shall transfer from the General Revenue Fund to the  
18 Common School Fund 1/24 or so much thereof as may be necessary  
19 of the amount appropriated to the State Board of Education for  
20 distribution from such Common School Fund, for that same fiscal  
21 year, including interest on the School Fund for such year. The  
22 amounts of the payments in the months of July, 1982 and July,  
23 1983 shall be considered an outstanding liability as of the  
24 30th day of June immediately preceding such July payment,  
25 within the meaning of Section 25 of this Act, and shall be  
26 payable from the appropriation for the fiscal year which ended

1 on such 30th day of June, and such July payments shall be  
2 considered payments for claims covering school years 1981-1982  
3 and 1982-1983 respectively.

4 In the event the Governor makes notification to effect  
5 advanced distribution under the provisions of subsection (a) of  
6 this Section, the aggregate amount transferred from the General  
7 Revenue Fund to the Common School Fund in the 12 months  
8 beginning August 1, 1981 or the 12 months beginning August 1,  
9 1982 shall not be in excess of the amount necessary for payment  
10 of claims certified by the State Superintendent of Education  
11 pursuant to the appropriation of the Common School Fund for the  
12 fiscal years commencing on the first of July of the years 1981  
13 and 1982.

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

15 Section 10. The School Code is amended by changing Section  
16 18-11 as follows:

17 (105 ILCS 5/18-11) (from Ch. 122, par. 18-11)

18 Sec. 18-11. Payment of claims.

19 (a) For each fiscal year before fiscal year 2008, except  
20 ~~Except~~ as provided in subsection (b) of this Section with  
21 respect to payments made under Sections 18-8 through 18-10 of  
22 this Code for the period of June 1982 through July 1983, and  
23 except as provided in subsection (c) of this Section with  
24 respect to payments made under Sections 18-8 through 18-10 for



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

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

21 (a-5) With respect to payments made under Sections 18-8.05  
22 through 18-10 of this Code for fiscal year 2008 and each fiscal  
23 year thereafter, as soon as may be after the 10th and 20th days  
24 of each of the months of August through the following June, if  
25 moneys are available in the Common School Fund in the State  
26 treasury for payments under Sections 18-8.05 through 18-10 of

1 this Code, the State Comptroller shall draw his or her warrants  
2 upon the State Treasurer as directed by the State Board of  
3 Education pursuant to Section 2-3.17b of this Code and in  
4 accordance with the transfers from the General Revenue Fund to  
5 the Common School Fund as specified in Section 8a of the State  
6 Finance Act.

7 Each such semimonthly warrant shall be in an amount equal  
8 to 1/22 of the total amount to be distributed to school  
9 districts for the fiscal year. If the payments provided for  
10 under Sections 18-8.05 through 18-10 of this Code have been  
11 assigned as security for State aid anticipation certificates  
12 pursuant to Section 18-18 of this Code, then the State Board of  
13 Education shall pay the appropriate amount of the payment, as  
14 specified in the notification required by Section 18-18 of this  
15 Code, directly to the assignee.

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

25 Each such semimonthly warrant for the months of June and  
26 July, 1982 shall be in an amount equal to 1/24 of the total

1 amount to be distributed to school districts by the regional  
2 superintendent for school year 1981-1982.

3 Each such semimonthly warrant for the months of August,  
4 1982 through July, 1983 shall be in an amount equal to 1/24 of  
5 the total amount to be distributed to school districts by the  
6 regional superintendent for school year 1982-1983.

7 The State Superintendent of Education shall, from monies  
8 appropriated for such purpose, compensate districts for  
9 interest lost arising from the change in payments in June, 1982  
10 to payments in the months of June and July, 1982, for claims  
11 arising from school year 1981-1982. The amount appropriated for  
12 such purpose shall be based upon the Prime Commercial Rate in  
13 effect May 15, 1982. The amount of such compensation shall be  
14 equal to the ratio of the district's net State aid entitlement  
15 for school year 1981-1982 divided by the total net State aid  
16 entitlement times the funds appropriated for such purpose.  
17 Payment in full of the amount of compensation derived from the  
18 computation required in the preceding sentence shall be made as  
19 soon as may be after July 1, 1982 upon warrants payable to the  
20 several regional superintendents of schools.

21 The State Superintendent of Education shall, from monies  
22 appropriated for such purpose, compensate districts for  
23 interest lost arising from the change in payments in June, 1983  
24 to payments in the months of June and July, 1983, for claims  
25 arising from school year 1982-1983. The amount appropriated for  
26 such purpose shall be based upon an interest rate of no less

1 than 15 per cent or the Prime Commercial Rate in effect May 15,  
2 1983, whichever is greater. The amount of such compensation  
3 shall be equal to the ratio of the district's net State aid  
4 entitlement for school year 1982-1983 divided by the total net  
5 State aid entitlement times the funds appropriated for such  
6 purpose. Payment in full of the amount of compensation derived  
7 from the computation required in the preceding sentence shall  
8 be made as soon as may be after July 1, 1983 upon warrants  
9 payable to the several regional superintendents of schools.

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

23 The regional superintendents shall make payments to their  
24 respective school districts as soon as may be after receipt of  
25 the warrants unless the payments have been assigned as security  
26 for State aid anticipation certificates pursuant to Section

1 18-18. If such an assignment has been made, the regional  
2 superintendent shall, as soon as may be after receipt of the  
3 warrants, pay the appropriate amount of the payment as  
4 specified in the notification required by Section 18-18,  
5 directly to the assignee.

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

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

1 payments for claims covering the school year that commenced  
2 during the immediately preceding calendar year.

3 (Source: P.A. 87-14; 87-887; 87-895; 88-45; 88-89; 88-641, eff.  
4 9-9-94.)

5 Section 99. Effective date. This Act takes effect July 1,  
6 2007.