

**95TH GENERAL ASSEMBLY****State of Illinois****2007 and 2008****SB2288**

Introduced 2/14/2008, by Sen. James T. Meeks

SYNOPSIS AS INTRODUCED:

See Index

Amends the State Finance Act, the Illinois Income Tax Act, and the Property Tax Code. Increases the income tax rates for individuals, trusts, and estates from 3% to 5% of the taxpayer's net income and increases the rate of income tax for corporations from 4.8% to 8% of the taxpayer's net income. Creates an income tax credit for families with incomes below certain levels. Creates the School District Property Tax Relief Fund, and requires the General Assembly appropriate certain amounts into the Fund. Provides that grants must be made from the Fund to school districts. Requires that property taxes be abated in school districts by the amount of the grants from the Fund. Creates the Higher Education Operating Assistance Fund, and requires the General Assembly to appropriate certain amounts into the Fund. Requires certain distributions from that Fund. Creates the Invest in Illinois Fund for the purpose of funding the cost of issuance, interest, fees, principal payments, and other debt service on Invest in Illinois Bonds and requires appropriations into the Fund. Creates the Capital Strategy Board to make recommendations concerning the issuance of bonds. Contains several continuing appropriation requirements. Amends the School Code. Creates the Early Childhood Fund to support the Illinois Early Learning Standards and their use in early childhood programs and other programs. Makes changes concerning special education reimbursement for personnel. With respect to the State aid formula, makes changes concerning the foundation level of support, creation of the School Improvement Partnership Pool Fund, and supplemental general State aid. Provides that the General Assembly shall appropriate from the General Revenue Fund to the Common School Fund an Education Appropriation Minimum. Effective immediately.

LRB095 19753 BDD 46126 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning responsible, fair, and sustainable
2 public financing for investing in education and
3 infrastructure.

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

6 Section 5. The State Finance Act is amended by adding
7 Sections 5.710, 5.711, 5.712, 5.713, 5.714, 6z-76, 6z-77, and
8 6z-78 as follows:

9 (30 ILCS 105/5.710 new)

10 Sec. 5.710. The School District Property Tax Relief Fund.

11 (30 ILCS 105/5.711 new)

12 Sec. 5.711. The Invest in Illinois Fund.

13 (30 ILCS 105/5.712 new)

14 Sec. 5.712. The Higher Education Operating Assistance
15 Fund.

16 (30 ILCS 105/5.713 new)

17 Sec. 5.713. The School Improvement Partnership Pool Fund.

18 (30 ILCS 105/5.714 new)

19 Sec. 5.714. The Early Childhood Fund.

1 (30 ILCS 105/6z-76 new)

2 Sec. 6z-76. The School District Property Tax Relief Fund.

3 (a) The School District Property Tax Relief Fund is created
4 as a special Fund in the State treasury. All interest earned on
5 moneys in the Fund shall be deposited into the Fund. The School
6 District Property Relief Fund is not subject to sweeps,
7 administrative charges or charge-backs, such as but not limited
8 to those authorized under Section 8h, or any other fiscal or
9 budgetary maneuver that would in any way transfer any funds
10 from the School District Property Tax Relief Fund into any
11 other fund of the State.

12 (b) As used in this Section:

13 "Department" means the Department of Revenue.

14 "Minimum property tax relief grant" means the minimum
15 amount of property tax relief that will be distributed to each
16 school district from the School District Property Tax Relief
17 Fund in each fiscal year.

18 "High property tax effort school district" means each
19 school district that has a total property tax rate that is in
20 the top 25% of all property tax rates of all school districts.

21 "Supplemental percentage" means the average daily head
22 count of a particular high property tax effort school district
23 in a fiscal year, divided by the head count total for that
24 fiscal year.

25 "Head count total" means the aggregate average daily

1 attendance of all high property tax effort school districts in
2 the applicable fiscal year.

3 "Supplemental property tax relief grant" means the amount
4 of property tax relief granted to each high property tax effort
5 school district in each fiscal year that is in addition to the
6 minimum property tax relief grant that the district receives.

7 (c) Beginning in fiscal year 2010, the General Assembly
8 shall appropriate \$2,900,000,000 from the Education
9 Appropriation Minimum, as defined in Section 18-25 of the
10 School Code, to the School District Property Tax Relief Fund.
11 In each fiscal year thereafter, the General Assembly shall
12 appropriate an amount from the education appropriation minimum
13 to the School District Property Tax Relief Fund equal to the
14 amount appropriated to the School District Property Tax Relief
15 Fund in the immediately preceding fiscal year, increased by the
16 Employment Cost Index for elementary and secondary schools
17 ("ECI") published by the U.S. Bureau of Labor Statistics for
18 the most recently ended calendar year.

19 (d) Between November 15 and 17 beginning in fiscal year
20 2009 and for every fiscal year thereafter, the Department must
21 certify, no earlier than November 15 and no later than November
22 17, the total amount of property tax relief each school
23 district will receive from the School District Property Tax
24 Relief Fund. The relief shall be determined as follows:

25 (1) In each fiscal year commencing with fiscal year
26 2010 the General Assembly shall appropriate 80% of the

1 total amount appropriated to the School District Property
2 Tax Relief Fund for that fiscal year to fund the aggregate
3 amount of minimum property tax relief grants that shall be
4 distributed to all school districts. The Department then
5 shall calculate the amount of minimum property tax relief
6 grant to be distributed to each school district in each
7 fiscal year as follows:

8 (A) for fiscal year 2010, each school district
9 shall receive a minimum property tax relief grant in an
10 amount equal to 20% of the total property taxes levied
11 for that school district in fiscal year 2005; and

12 (B) for each fiscal year thereafter, the minimum
13 property tax relief grant for each school district must
14 be increased by the percentage increase, if any, in the
15 ECI published for the prior fiscal year.

16 (2) In each fiscal year commencing with fiscal year
17 2010, the General Assembly shall appropriate 20% of the
18 total amount appropriated to the School District Property
19 Tax Relief Fund for such fiscal year to fund the aggregate
20 amount of supplemental property tax relief grants that will
21 be distributed to all high property tax effort school
22 districts. The Department shall calculate the amount of
23 supplemental property tax relief grants payable to a
24 particular high property tax effort school district in each
25 fiscal year commencing in fiscal year 2008 and continuing
26 in each fiscal year thereafter, by multiplying the

1 Supplemental Percentage of that high property tax effort
2 school district for that fiscal year by the total amount
3 appropriated to fund all the supplemental property tax
4 relief grants in that fiscal year.

5 All property tax relief grants under this Section, whether
6 minimum or supplemental, shall be distributed to the applicable
7 county collectors in each county in Illinois. The county
8 collectors must then distribute those grants, within one
9 business day of their receipt thereof, to the appropriate
10 school districts as if the grants were property tax receipts
11 owed to the school districts.

12 (e) This amendatory Act of the 95th General Assembly
13 constitutes an irrevocable and continuing appropriation (i)
14 from the Education Appropriation Minimum (as defined in Section
15 18-25 of the School Code) to the School District Property Tax
16 Relief Fund and (ii) from the School District Property Tax
17 Relief Fund to the appropriate county collectors for direct
18 payment without diminution of any type to the appropriate
19 school districts, for property tax relief grants in accordance
20 with the provisions of this Section.

21 (30 ILCS 105/6z-77 new)

22 Sec. 6z-77. The Invest in Illinois Fund.

23 (a) The Invest in Illinois Fund is intended to benefit the
24 people of the State of Illinois by creating a specific revenue
25 source to fund capital programs for infrastructure that will

1 support economic growth, education, transportation, tourism
2 and other capital needs generated by demographic changes (such
3 as but not limited to the aging of the population) across the
4 State.

5 (b) The Invest in Illinois Fund is created as a special
6 fund in the State Treasury. All interest earned on moneys in
7 the Fund shall be deposited into the Fund. The Invest in
8 Illinois Fund shall not be subject to sweeps, administrative
9 charges or chargebacks, such as but not limited to those
10 authorized under Section 8h, or any other fiscal or budgetary
11 maneuver that would in any way result in the transfer of any
12 funds from the Invest in Illinois Fund to any other fund of the
13 State, or having any such funds utilized for any purpose other
14 than funding the cost of issuance, interest, fees, principal
15 payments, and other debt service on Invest in Illinois Bonds,
16 as that term is defined in subsection(d).

17 (c) Beginning in fiscal year 2010, and continuing in each
18 fiscal year thereafter, the General Assembly shall appropriate
19 \$1,000,000,000 from the General Fund into the Invest in
20 Illinois Fund. This amendatory Act of the 95th General Assembly
21 constitutes an irrevocable and continuing appropriation from
22 the General Fund to the Invest in Illinois Fund.

23 (d) "Invest in Illinois Bonds" means those bonds issued for
24 the purposes enumerated below in this Section, after receiving
25 the recommendation of the Capital Strategy Board, as defined in
26 this Section. The Capital Strategy Board (the "board") shall

1 consist of 5 members, one appointed by the Governor, one
2 appointed by the Speaker of the House, one appointed by the
3 Minority Leader of the House, one appointed by the Senate
4 President, and one appointed by the Minority Leader in the
5 Senate. Each board member shall serve for a 4-year period, and
6 shall have at least 5 years of relevant experience in public or
7 private finance. The board shall recommend the issuance of
8 Invest in Illinois Bonds to the General Assembly by a simple,
9 majority vote. No member of the board may have any financial
10 interest in nor receive any remuneration (such as but not
11 limited to a consulting, referral, legal or banking fees) for
12 any bond issued due to a recommendation of the board. The board
13 shall gather information and hold public hearings regarding the
14 need for capital facilities and infrastructure investments
15 needed in Illinois for the acquisition, development,
16 construction, reconstruction, maintenance, improvement,
17 financing, architectural planning, and installation of capital
18 facilities within the State, whether consisting of buildings,
19 structures, vehicles for public transit, police or fire
20 fighters, durable equipment, land or interests in land, to be
21 utilized for any of the following purposes: (i) transportation
22 and transit, including but not limited to railroad, road,
23 bridge, airport construction and maintenance, public fleet
24 acquisition, and associated building construction or
25 maintenance; (ii) educational purposes for (A) State
26 universities and colleges, (B) the Illinois Community College

1 Board created by the Public Community College Act for grants to
2 public community Colleges authorized under Sections 5-11 and
3 5-12 of the Public Community College Act, (D) local K-12 school
4 districts for school building maintenance, renovation and
5 construction for all grades, including but not limited to
6 pre-school; (iii) childcare, mental health, and public health
7 facilities and facilities for the care of veterans and their
8 spouses; (iv) correctional purposes at State prison and
9 correctional centers; (v) open spaces, recreational and
10 conservation purposes, and protection of the land; (vi) for use
11 by the State, its departments, authorities, public
12 corporations, commissions and agencies; (vii) for grants by the
13 Secretary of State as State Librarian for central library
14 facilities authorized by Section 8 of the Illinois Library
15 System Act and for grants by the Capital Development Board to
16 units of local government for public library facilities; and
17 (viii) for capital facilities consisting of buildings,
18 structures, roads, bridges, healthcare facilities, police and
19 fire stations and equipment, other durable equipment, and land
20 grants to counties and municipalities. The board shall
21 recommend a capital investment plan for the issuance of Invest
22 in Illinois Bonds covering the needs of the entire State,
23 taking into account the status of existing infrastructure,
24 demographic changes, regional needs, sprawl, economic
25 development for distressed communities, educational
26 priorities, public safety, environmental protection, minority

1 participation, and such other matters as are relevant to
2 devising a strategic and equitable approach to capital
3 planning. Within 12 months after being appointed, the board
4 shall make its initial recommendation to the General Assembly
5 for bonds financed under this Act to be issued in a strategic
6 fashion across Illinois. No such bonds may be issued, however,
7 without approval by the requisite vote of the General Assembly,
8 and concomitant authority for the issuance of the applicable
9 general obligation bond amounts, under the relevant provisions
10 of the General Obligation Bond Act.

11 (30 ILCS 105/6z-78 new)

12 Sec. 6z-78. The Higher Education Operating Assistance
13 Fund.

14 (a) The Higher Education Operating Assistance Fund is
15 created as a special fund in the State treasury. Moneys in the
16 Fund may be used only for the purposes set forth in this
17 Section. All interest earned on moneys in the Fund must be
18 deposited into the Fund. The Higher Education Operating
19 Assistance Fund shall not be subject to sweeps, administrative
20 charges or charge backs, such as but not limited to those
21 authorized under Section 8h, or any other fiscal or budgetary
22 maneuver that would in any way transfer any funds from the
23 Higher Education Operating Assistance Fund into any other fund
24 of the State.

25 (b) The General Assembly must appropriate from the General

1 Fund to the Higher Education Operating Assistance Fund, the
2 following amounts: (i) in fiscal year 2010, \$300,000,000; and
3 (ii) in each fiscal year after fiscal year 2010, the sum of the
4 total amount appropriated to the Higher Education Operating
5 Assistance Fund in the immediately preceding fiscal year, plus
6 the amount equal to (1) the percentage increase in the Consumer
7 Price Index for all Urban Consumers published by the federal
8 Bureau of Labor Statistics for the last, complete calendar
9 year, multiplied by (2) the total amount appropriated to the
10 Higher Education Operating Assistance Fund in the immediately
11 preceding fiscal year.

12 (c) Distributions from the Higher Education Operating
13 Assistance Fund are to be made only if the level of the
14 appropriations from general funds is equal to or greater than
15 the "base appropriation level for higher education purposes",
16 as adjusted for each intervening year by the percentage
17 increase, if any, in the Consumer Price Index for all Urban
18 Consumers ("CPI") published by the federal Bureau of Labor
19 Statistics for the prior fiscal year. For purposes of this
20 Section, the "base appropriation level for higher education
21 purposes" is the FY08 General Revenue Fund level of total
22 appropriations to higher education as reported in Item 10a and
23 10b on page 64 of the Fiscal Year 2009 Higher Education Budget
24 Recommendations: Operations, Grants, and Capital Improvements
25 February 2008.

26 If the amount appropriated in any year for higher education

1 purposes is less than the "base appropriation level for higher
2 education purposes" from the prior fiscal year, as adjusted by
3 the percentage increase in the CPI, then no moneys may be
4 appropriated from the Higher Education Operating Assistance
5 Fund for that fiscal year for any purpose and all moneys shall
6 remain in the Higher Education Operating Assistance Fund until
7 the following fiscal year.

8 For purposes of this subsection (c), the term "amount
9 appropriated for higher education purposes" does not include
10 any amount appropriated from the Higher Education Operating
11 Assistance Fund.

12 (d) Distributions from the Higher Education Operating
13 Assistance Fund shall be as follows, subject to the conditions
14 in subsection (c):

15 (1) the General Assembly must appropriate 75% of all
16 moneys in the Higher Education Operating Assistance Fund,
17 including any balance from the prior year, to the Board of
18 Higher Education for grants to State universities for their
19 ordinary and contingent expenses. The grants under this
20 item (1) must be distributed to each State university based
21 upon each university's full time equivalent head count; and

22 (2) the General Assembly must appropriate 25% of all
23 moneys in the Higher Education Operating Assistance Fund,
24 including any balance from the prior year, to the Illinois
25 Community College Board for grants to community colleges
26 for their ordinary and contingent expenses. The grants

1 under this item (2) must be distributed to each community
2 college based upon each community college's full time
3 equivalent head count. For purposes of this item (2), "full
4 time equivalent head count" means the total number of
5 undergraduate students enrolled in 12 or more semester
6 hours or quarter hours of credit courses in any given
7 semester or quarter.

8 (e)Distributions from the Higher Education Operating
9 Assistance Fund shall not be used for any of the following:

10 (1) Executive management; executive level activities
11 concerned with the overall management of, and long-range
12 planning for, the entire university. This includes
13 activities such as policy formation and executive
14 direction, including the activities of the governing
15 board, the chief executive officer, the senior executive
16 officer and legal activities conducted on behalf of the
17 university.

18 (2) Financial management and operations: activities
19 related to the day-today financial management and fiscal
20 operations of the university and long-range financial
21 planning and policy formulations.

22 (3) General administrative and logistical services:
23 general administrative operations and services of the
24 university (with exception of financial operations and
25 student records activities). This includes administration
26 of personnel programs, purchasing and maintenance of

1 supplies and materials, management of facilities, and
2 administrative computing support.

3 (4) Faculty and staff auxiliary services: non-academic
4 related support services established primarily for faculty
5 and staff, such as faculty lounges and cafeterias.

6 (5) Public relations and development: activities
7 established to maintain relations with the local
8 community, the university's alumni, governmental entities,
9 and the public in general, as well as activities carried
10 out to support institution-side fund raising and
11 development efforts.

12 (6) Superintendence: activities necessary to carry out
13 the duties of management and administration for all areas
14 under the jurisdiction of the physical plant division of
15 the university.

16 (7) Custodial: activities related to custodial
17 services in building interiors.

18 (8) Grounds maintenance: operation and maintenance of
19 campus landscape and grounds. This includes maintenance of
20 roads and walkways; snow removal; maintenance of fences,
21 retaining walls, and drainage ditches; and care of shrubs,
22 trees, and grass.

23 (9) Transportation: all charges related to the
24 purchase, maintenance, and operation of motor vehicles,
25 specifically for the use of the physical plant department.

26 (f) This amendatory Act of the 95th General Assembly

1 constitutes an irrevocable and continuing appropriation (i)
2 from the General Fund to the Higher Education Operating
3 Assistance Fund and (ii) from the Higher Education Operating
4 Assistance Fund to the Board of Higher Education and to the
5 Illinois Community College Board in accordance with the
6 provisions of this Section.

7 Section 10. The Illinois Income Tax Act is amended by
8 changing Section 201 and by adding Section 218 as follows:

9 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

10 Sec. 201. Tax Imposed.

11 (a) In general. A tax measured by net income is hereby
12 imposed on every individual, corporation, trust and estate for
13 each taxable year ending after July 31, 1969 on the privilege
14 of earning or receiving income in or as a resident of this
15 State. Such tax shall be in addition to all other occupation or
16 privilege taxes imposed by this State or by any municipal
17 corporation or political subdivision thereof.

18 (b) Rates. The tax imposed by subsection (a) of this
19 Section shall be determined as follows, except as adjusted by
20 subsection (d-1):

21 (1) In the case of an individual, trust or estate, for
22 taxable years ending prior to July 1, 1989, an amount equal
23 to 2 1/2% of the taxpayer's net income for the taxable
24 year.

1 (2) In the case of an individual, trust or estate, for
2 taxable years beginning prior to July 1, 1989 and ending
3 after June 30, 1989, an amount equal to the sum of (i) 2
4 1/2% of the taxpayer's net income for the period prior to
5 July 1, 1989, as calculated under Section 202.3, and (ii)
6 3% of the taxpayer's net income for the period after June
7 30, 1989, as calculated under Section 202.3.

8 (3) In the case of an individual, trust or estate, for
9 taxable years beginning after June 30, 1989 and beginning
10 before January 1, 2010, an amount equal to 3% of the
11 taxpayer's net income for the taxable year.

12 (4) In the case of an individual, trust or estate, for
13 taxable years beginning on or after January 1, 2010, an
14 amount equal to 5% of the taxpayer's net income for the
15 taxable year ~~(Blank)~~.

16 (5) (Blank).

17 (6) In the case of a corporation, for taxable years
18 ending prior to July 1, 1989, an amount equal to 4% of the
19 taxpayer's net income for the taxable year.

20 (7) In the case of a corporation, for taxable years
21 beginning prior to July 1, 1989 and ending after June 30,
22 1989, an amount equal to the sum of (i) 4% of the
23 taxpayer's net income for the period prior to July 1, 1989,
24 as calculated under Section 202.3, and (ii) 4.8% of the
25 taxpayer's net income for the period after June 30, 1989,
26 as calculated under Section 202.3.

1 (8) In the case of a corporation, for taxable years
2 beginning after June 30, 1989 and beginning before January
3 1, 2010, an amount equal to 4.8% of the taxpayer's net
4 income for the taxable year.

5 (9) In the case of a corporation, for taxable years
6 beginning on or after January 1, 2010, an amount equal to
7 8% of the taxpayer's net income for the taxable year.

8 (c) Personal Property Tax Replacement Income Tax.
9 Beginning on July 1, 1979 and thereafter, in addition to such
10 income tax, there is also hereby imposed the Personal Property
11 Tax Replacement Income Tax measured by net income on every
12 corporation (including Subchapter S corporations), partnership
13 and trust, for each taxable year ending after June 30, 1979.
14 Such taxes are imposed on the privilege of earning or receiving
15 income in or as a resident of this State. The Personal Property
16 Tax Replacement Income Tax shall be in addition to the income
17 tax imposed by subsections (a) and (b) of this Section and in
18 addition to all other occupation or privilege taxes imposed by
19 this State or by any municipal corporation or political
20 subdivision thereof.

21 (d) Additional Personal Property Tax Replacement Income
22 Tax Rates. The personal property tax replacement income tax
23 imposed by this subsection and subsection (c) of this Section
24 in the case of a corporation, other than a Subchapter S
25 corporation and except as adjusted by subsection (d-1), shall
26 be an additional amount equal to 2.85% of such taxpayer's net

1 income for the taxable year, except that beginning on January
2 1, 1981, and thereafter, the rate of 2.85% specified in this
3 subsection shall be reduced to 2.5%, and in the case of a
4 partnership, trust or a Subchapter S corporation shall be an
5 additional amount equal to 1.5% of such taxpayer's net income
6 for the taxable year.

7 (d-1) Rate reduction for certain foreign insurers. In the
8 case of a foreign insurer, as defined by Section 35A-5 of the
9 Illinois Insurance Code, whose state or country of domicile
10 imposes on insurers domiciled in Illinois a retaliatory tax
11 (excluding any insurer whose premiums from reinsurance assumed
12 are 50% or more of its total insurance premiums as determined
13 under paragraph (2) of subsection (b) of Section 304, except
14 that for purposes of this determination premiums from
15 reinsurance do not include premiums from inter-affiliate
16 reinsurance arrangements), beginning with taxable years ending
17 on or after December 31, 1999, the sum of the rates of tax
18 imposed by subsections (b) and (d) shall be reduced (but not
19 increased) to the rate at which the total amount of tax imposed
20 under this Act, net of all credits allowed under this Act,
21 shall equal (i) the total amount of tax that would be imposed
22 on the foreign insurer's net income allocable to Illinois for
23 the taxable year by such foreign insurer's state or country of
24 domicile if that net income were subject to all income taxes
25 and taxes measured by net income imposed by such foreign
26 insurer's state or country of domicile, net of all credits

1 allowed or (ii) a rate of zero if no such tax is imposed on such
2 income by the foreign insurer's state of domicile. For the
3 purposes of this subsection (d-1), an inter-affiliate includes
4 a mutual insurer under common management.

5 (1) For the purposes of subsection (d-1), in no event
6 shall the sum of the rates of tax imposed by subsections
7 (b) and (d) be reduced below the rate at which the sum of:

8 (A) the total amount of tax imposed on such foreign
9 insurer under this Act for a taxable year, net of all
10 credits allowed under this Act, plus

11 (B) the privilege tax imposed by Section 409 of the
12 Illinois Insurance Code, the fire insurance company
13 tax imposed by Section 12 of the Fire Investigation
14 Act, and the fire department taxes imposed under
15 Section 11-10-1 of the Illinois Municipal Code,
16 equals 1.25% for taxable years ending prior to December 31,
17 2003, or 1.75% for taxable years ending on or after
18 December 31, 2003, of the net taxable premiums written for
19 the taxable year, as described by subsection (1) of Section
20 409 of the Illinois Insurance Code. This paragraph will in
21 no event increase the rates imposed under subsections (b)
22 and (d).

23 (2) Any reduction in the rates of tax imposed by this
24 subsection shall be applied first against the rates imposed
25 by subsection (b) and only after the tax imposed by
26 subsection (a) net of all credits allowed under this

1 Section other than the credit allowed under subsection (i)
2 has been reduced to zero, against the rates imposed by
3 subsection (d).

4 This subsection (d-1) is exempt from the provisions of
5 Section 250.

6 (e) Investment credit. A taxpayer shall be allowed a credit
7 against the Personal Property Tax Replacement Income Tax for
8 investment in qualified property.

9 (1) A taxpayer shall be allowed a credit equal to .5%
10 of the basis of qualified property placed in service during
11 the taxable year, provided such property is placed in
12 service on or after July 1, 1984. There shall be allowed an
13 additional credit equal to .5% of the basis of qualified
14 property placed in service during the taxable year,
15 provided such property is placed in service on or after
16 July 1, 1986, and the taxpayer's base employment within
17 Illinois has increased by 1% or more over the preceding
18 year as determined by the taxpayer's employment records
19 filed with the Illinois Department of Employment Security.
20 Taxpayers who are new to Illinois shall be deemed to have
21 met the 1% growth in base employment for the first year in
22 which they file employment records with the Illinois
23 Department of Employment Security. The provisions added to
24 this Section by Public Act 85-1200 (and restored by Public
25 Act 87-895) shall be construed as declaratory of existing
26 law and not as a new enactment. If, in any year, the

1 increase in base employment within Illinois over the
2 preceding year is less than 1%, the additional credit shall
3 be limited to that percentage times a fraction, the
4 numerator of which is .5% and the denominator of which is
5 1%, but shall not exceed .5%. The investment credit shall
6 not be allowed to the extent that it would reduce a
7 taxpayer's liability in any tax year below zero, nor may
8 any credit for qualified property be allowed for any year
9 other than the year in which the property was placed in
10 service in Illinois. For tax years ending on or after
11 December 31, 1987, and on or before December 31, 1988, the
12 credit shall be allowed for the tax year in which the
13 property is placed in service, or, if the amount of the
14 credit exceeds the tax liability for that year, whether it
15 exceeds the original liability or the liability as later
16 amended, such excess may be carried forward and applied to
17 the tax liability of the 5 taxable years following the
18 excess credit years if the taxpayer (i) makes investments
19 which cause the creation of a minimum of 2,000 full-time
20 equivalent jobs in Illinois, (ii) is located in an
21 enterprise zone established pursuant to the Illinois
22 Enterprise Zone Act and (iii) is certified by the
23 Department of Commerce and Community Affairs (now
24 Department of Commerce and Economic Opportunity) as
25 complying with the requirements specified in clause (i) and
26 (ii) by July 1, 1986. The Department of Commerce and

1 Community Affairs (now Department of Commerce and Economic
2 Opportunity) shall notify the Department of Revenue of all
3 such certifications immediately. For tax years ending
4 after December 31, 1988, the credit shall be allowed for
5 the tax year in which the property is placed in service,
6 or, if the amount of the credit exceeds the tax liability
7 for that year, whether it exceeds the original liability or
8 the liability as later amended, such excess may be carried
9 forward and applied to the tax liability of the 5 taxable
10 years following the excess credit years. The credit shall
11 be applied to the earliest year for which there is a
12 liability. If there is credit from more than one tax year
13 that is available to offset a liability, earlier credit
14 shall be applied first.

15 (2) The term "qualified property" means property
16 which:

17 (A) is tangible, whether new or used, including
18 buildings and structural components of buildings and
19 signs that are real property, but not including land or
20 improvements to real property that are not a structural
21 component of a building such as landscaping, sewer
22 lines, local access roads, fencing, parking lots, and
23 other appurtenances;

24 (B) is depreciable pursuant to Section 167 of the
25 Internal Revenue Code, except that "3-year property"
26 as defined in Section 168(c)(2)(A) of that Code is not

1 eligible for the credit provided by this subsection
2 (e);

3 (C) is acquired by purchase as defined in Section
4 179(d) of the Internal Revenue Code;

5 (D) is used in Illinois by a taxpayer who is
6 primarily engaged in manufacturing, or in mining coal
7 or fluorite, or in retailing, or was placed in service
8 on or after July 1, 2006 in a River Edge Redevelopment
9 Zone established pursuant to the River Edge
10 Redevelopment Zone Act; and

11 (E) has not previously been used in Illinois in
12 such a manner and by such a person as would qualify for
13 the credit provided by this subsection (e) or
14 subsection (f).

15 (3) For purposes of this subsection (e),
16 "manufacturing" means the material staging and production
17 of tangible personal property by procedures commonly
18 regarded as manufacturing, processing, fabrication, or
19 assembling which changes some existing material into new
20 shapes, new qualities, or new combinations. For purposes of
21 this subsection (e) the term "mining" shall have the same
22 meaning as the term "mining" in Section 613(c) of the
23 Internal Revenue Code. For purposes of this subsection (e),
24 the term "retailing" means the sale of tangible personal
25 property or services rendered in conjunction with the sale
26 of tangible consumer goods or commodities.

1 (4) The basis of qualified property shall be the basis
2 used to compute the depreciation deduction for federal
3 income tax purposes.

4 (5) If the basis of the property for federal income tax
5 depreciation purposes is increased after it has been placed
6 in service in Illinois by the taxpayer, the amount of such
7 increase shall be deemed property placed in service on the
8 date of such increase in basis.

9 (6) The term "placed in service" shall have the same
10 meaning as under Section 46 of the Internal Revenue Code.

11 (7) If during any taxable year, any property ceases to
12 be qualified property in the hands of the taxpayer within
13 48 months after being placed in service, or the situs of
14 any qualified property is moved outside Illinois within 48
15 months after being placed in service, the Personal Property
16 Tax Replacement Income Tax for such taxable year shall be
17 increased. Such increase shall be determined by (i)
18 recomputing the investment credit which would have been
19 allowed for the year in which credit for such property was
20 originally allowed by eliminating such property from such
21 computation and, (ii) subtracting such recomputed credit
22 from the amount of credit previously allowed. For the
23 purposes of this paragraph (7), a reduction of the basis of
24 qualified property resulting from a redetermination of the
25 purchase price shall be deemed a disposition of qualified
26 property to the extent of such reduction.

1 (8) Unless the investment credit is extended by law,
2 the basis of qualified property shall not include costs
3 incurred after December 31, 2008, except for costs incurred
4 pursuant to a binding contract entered into on or before
5 December 31, 2008.

6 (9) Each taxable year ending before December 31, 2000,
7 a partnership may elect to pass through to its partners the
8 credits to which the partnership is entitled under this
9 subsection (e) for the taxable year. A partner may use the
10 credit allocated to him or her under this paragraph only
11 against the tax imposed in subsections (c) and (d) of this
12 Section. If the partnership makes that election, those
13 credits shall be allocated among the partners in the
14 partnership in accordance with the rules set forth in
15 Section 704(b) of the Internal Revenue Code, and the rules
16 promulgated under that Section, and the allocated amount of
17 the credits shall be allowed to the partners for that
18 taxable year. The partnership shall make this election on
19 its Personal Property Tax Replacement Income Tax return for
20 that taxable year. The election to pass through the credits
21 shall be irrevocable.

22 For taxable years ending on or after December 31, 2000,
23 a partner that qualifies its partnership for a subtraction
24 under subparagraph (I) of paragraph (2) of subsection (d)
25 of Section 203 or a shareholder that qualifies a Subchapter
26 S corporation for a subtraction under subparagraph (S) of

1 paragraph (2) of subsection (b) of Section 203 shall be
2 allowed a credit under this subsection (e) equal to its
3 share of the credit earned under this subsection (e) during
4 the taxable year by the partnership or Subchapter S
5 corporation, determined in accordance with the
6 determination of income and distributive share of income
7 under Sections 702 and 704 and Subchapter S of the Internal
8 Revenue Code. This paragraph is exempt from the provisions
9 of Section 250.

10 (f) Investment credit; Enterprise Zone; River Edge
11 Redevelopment Zone.

12 (1) A taxpayer shall be allowed a credit against the
13 tax imposed by subsections (a) and (b) of this Section for
14 investment in qualified property which is placed in service
15 in an Enterprise Zone created pursuant to the Illinois
16 Enterprise Zone Act or, for property placed in service on
17 or after July 1, 2006, a River Edge Redevelopment Zone
18 established pursuant to the River Edge Redevelopment Zone
19 Act. For partners, shareholders of Subchapter S
20 corporations, and owners of limited liability companies,
21 if the liability company is treated as a partnership for
22 purposes of federal and State income taxation, there shall
23 be allowed a credit under this subsection (f) to be
24 determined in accordance with the determination of income
25 and distributive share of income under Sections 702 and 704
26 and Subchapter S of the Internal Revenue Code. The credit

1 shall be .5% of the basis for such property. The credit
2 shall be available only in the taxable year in which the
3 property is placed in service in the Enterprise Zone or
4 River Edge Redevelopment Zone and shall not be allowed to
5 the extent that it would reduce a taxpayer's liability for
6 the tax imposed by subsections (a) and (b) of this Section
7 to below zero. For tax years ending on or after December
8 31, 1985, the credit shall be allowed for the tax year in
9 which the property is placed in service, or, if the amount
10 of the credit exceeds the tax liability for that year,
11 whether it exceeds the original liability or the liability
12 as later amended, such excess may be carried forward and
13 applied to the tax liability of the 5 taxable years
14 following the excess credit year. The credit shall be
15 applied to the earliest year for which there is a
16 liability. If there is credit from more than one tax year
17 that is available to offset a liability, the credit
18 accruing first in time shall be applied first.

19 (2) The term qualified property means property which:

20 (A) is tangible, whether new or used, including
21 buildings and structural components of buildings;

22 (B) is depreciable pursuant to Section 167 of the
23 Internal Revenue Code, except that "3-year property"
24 as defined in Section 168(c)(2)(A) of that Code is not
25 eligible for the credit provided by this subsection

26 (f);

1 (C) is acquired by purchase as defined in Section
2 179(d) of the Internal Revenue Code;

3 (D) is used in the Enterprise Zone or River Edge
4 Redevelopment Zone by the taxpayer; and

5 (E) has not been previously used in Illinois in
6 such a manner and by such a person as would qualify for
7 the credit provided by this subsection (f) or
8 subsection (e).

9 (3) The basis of qualified property shall be the basis
10 used to compute the depreciation deduction for federal
11 income tax purposes.

12 (4) If the basis of the property for federal income tax
13 depreciation purposes is increased after it has been placed
14 in service in the Enterprise Zone or River Edge
15 Redevelopment Zone by the taxpayer, the amount of such
16 increase shall be deemed property placed in service on the
17 date of such increase in basis.

18 (5) The term "placed in service" shall have the same
19 meaning as under Section 46 of the Internal Revenue Code.

20 (6) If during any taxable year, any property ceases to
21 be qualified property in the hands of the taxpayer within
22 48 months after being placed in service, or the situs of
23 any qualified property is moved outside the Enterprise Zone
24 or River Edge Redevelopment Zone within 48 months after
25 being placed in service, the tax imposed under subsections
26 (a) and (b) of this Section for such taxable year shall be

1 increased. Such increase shall be determined by (i)
2 recomputing the investment credit which would have been
3 allowed for the year in which credit for such property was
4 originally allowed by eliminating such property from such
5 computation, and (ii) subtracting such recomputed credit
6 from the amount of credit previously allowed. For the
7 purposes of this paragraph (6), a reduction of the basis of
8 qualified property resulting from a redetermination of the
9 purchase price shall be deemed a disposition of qualified
10 property to the extent of such reduction.

11 (7) There shall be allowed an additional credit equal
12 to 0.5% of the basis of qualified property placed in
13 service during the taxable year in a River Edge
14 Redevelopment Zone, provided such property is placed in
15 service on or after July 1, 2006, and the taxpayer's base
16 employment within Illinois has increased by 1% or more over
17 the preceding year as determined by the taxpayer's
18 employment records filed with the Illinois Department of
19 Employment Security. Taxpayers who are new to Illinois
20 shall be deemed to have met the 1% growth in base
21 employment for the first year in which they file employment
22 records with the Illinois Department of Employment
23 Security. If, in any year, the increase in base employment
24 within Illinois over the preceding year is less than 1%,
25 the additional credit shall be limited to that percentage
26 times a fraction, the numerator of which is 0.5% and the

1 denominator of which is 1%, but shall not exceed 0.5%.

2 (g) Jobs Tax Credit; Enterprise Zone, River Edge
3 Redevelopment Zone, and Foreign Trade Zone or Sub-Zone.

4 (1) A taxpayer conducting a trade or business in an
5 enterprise zone or a High Impact Business designated by the
6 Department of Commerce and Economic Opportunity or for
7 taxable years ending on or after December 31, 2006, in a
8 River Edge Redevelopment Zone conducting a trade or
9 business in a federally designated Foreign Trade Zone or
10 Sub-Zone shall be allowed a credit against the tax imposed
11 by subsections (a) and (b) of this Section in the amount of
12 \$500 per eligible employee hired to work in the zone during
13 the taxable year.

14 (2) To qualify for the credit:

15 (A) the taxpayer must hire 5 or more eligible
16 employees to work in an enterprise zone, River Edge
17 Redevelopment Zone, or federally designated Foreign
18 Trade Zone or Sub-Zone during the taxable year;

19 (B) the taxpayer's total employment within the
20 enterprise zone, River Edge Redevelopment Zone, or
21 federally designated Foreign Trade Zone or Sub-Zone
22 must increase by 5 or more full-time employees beyond
23 the total employed in that zone at the end of the
24 previous tax year for which a jobs tax credit under
25 this Section was taken, or beyond the total employed by
26 the taxpayer as of December 31, 1985, whichever is

1 later; and

2 (C) the eligible employees must be employed 180
3 consecutive days in order to be deemed hired for
4 purposes of this subsection.

5 (3) An "eligible employee" means an employee who is:

6 (A) Certified by the Department of Commerce and
7 Economic Opportunity as "eligible for services"
8 pursuant to regulations promulgated in accordance with
9 Title II of the Job Training Partnership Act, Training
10 Services for the Disadvantaged or Title III of the Job
11 Training Partnership Act, Employment and Training
12 Assistance for Dislocated Workers Program.

13 (B) Hired after the enterprise zone, River Edge
14 Redevelopment Zone, or federally designated Foreign
15 Trade Zone or Sub-Zone was designated or the trade or
16 business was located in that zone, whichever is later.

17 (C) Employed in the enterprise zone, River Edge
18 Redevelopment Zone, or Foreign Trade Zone or Sub-Zone.
19 An employee is employed in an enterprise zone or
20 federally designated Foreign Trade Zone or Sub-Zone if
21 his services are rendered there or it is the base of
22 operations for the services performed.

23 (D) A full-time employee working 30 or more hours
24 per week.

25 (4) For tax years ending on or after December 31, 1985
26 and prior to December 31, 1988, the credit shall be allowed

1 for the tax year in which the eligible employees are hired.
2 For tax years ending on or after December 31, 1988, the
3 credit shall be allowed for the tax year immediately
4 following the tax year in which the eligible employees are
5 hired. If the amount of the credit exceeds the tax
6 liability for that year, whether it exceeds the original
7 liability or the liability as later amended, such excess
8 may be carried forward and applied to the tax liability of
9 the 5 taxable years following the excess credit year. The
10 credit shall be applied to the earliest year for which
11 there is a liability. If there is credit from more than one
12 tax year that is available to offset a liability, earlier
13 credit shall be applied first.

14 (5) The Department of Revenue shall promulgate such
15 rules and regulations as may be deemed necessary to carry
16 out the purposes of this subsection (g).

17 (6) The credit shall be available for eligible
18 employees hired on or after January 1, 1986.

19 (h) Investment credit; High Impact Business.

20 (1) Subject to subsections (b) and (b-5) of Section 5.5
21 of the Illinois Enterprise Zone Act, a taxpayer shall be
22 allowed a credit against the tax imposed by subsections (a)
23 and (b) of this Section for investment in qualified
24 property which is placed in service by a Department of
25 Commerce and Economic Opportunity designated High Impact
26 Business. The credit shall be .5% of the basis for such

1 property. The credit shall not be available (i) until the
2 minimum investments in qualified property set forth in
3 subdivision (a)(3)(A) of Section 5.5 of the Illinois
4 Enterprise Zone Act have been satisfied or (ii) until the
5 time authorized in subsection (b-5) of the Illinois
6 Enterprise Zone Act for entities designated as High Impact
7 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
8 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
9 Act, and shall not be allowed to the extent that it would
10 reduce a taxpayer's liability for the tax imposed by
11 subsections (a) and (b) of this Section to below zero. The
12 credit applicable to such investments shall be taken in the
13 taxable year in which such investments have been completed.
14 The credit for additional investments beyond the minimum
15 investment by a designated high impact business authorized
16 under subdivision (a)(3)(A) of Section 5.5 of the Illinois
17 Enterprise Zone Act shall be available only in the taxable
18 year in which the property is placed in service and shall
19 not be allowed to the extent that it would reduce a
20 taxpayer's liability for the tax imposed by subsections (a)
21 and (b) of this Section to below zero. For tax years ending
22 on or after December 31, 1987, the credit shall be allowed
23 for the tax year in which the property is placed in
24 service, or, if the amount of the credit exceeds the tax
25 liability for that year, whether it exceeds the original
26 liability or the liability as later amended, such excess

1 may be carried forward and applied to the tax liability of
2 the 5 taxable years following the excess credit year. The
3 credit shall be applied to the earliest year for which
4 there is a liability. If there is credit from more than one
5 tax year that is available to offset a liability, the
6 credit accruing first in time shall be applied first.

7 Changes made in this subdivision (h) (1) by Public Act
8 88-670 restore changes made by Public Act 85-1182 and
9 reflect existing law.

10 (2) The term qualified property means property which:

11 (A) is tangible, whether new or used, including
12 buildings and structural components of buildings;

13 (B) is depreciable pursuant to Section 167 of the
14 Internal Revenue Code, except that "3-year property"
15 as defined in Section 168(c) (2) (A) of that Code is not
16 eligible for the credit provided by this subsection
17 (h);

18 (C) is acquired by purchase as defined in Section
19 179(d) of the Internal Revenue Code; and

20 (D) is not eligible for the Enterprise Zone
21 Investment Credit provided by subsection (f) of this
22 Section.

23 (3) The basis of qualified property shall be the basis
24 used to compute the depreciation deduction for federal
25 income tax purposes.

26 (4) If the basis of the property for federal income tax

1 depreciation purposes is increased after it has been placed
2 in service in a federally designated Foreign Trade Zone or
3 Sub-Zone located in Illinois by the taxpayer, the amount of
4 such increase shall be deemed property placed in service on
5 the date of such increase in basis.

6 (5) The term "placed in service" shall have the same
7 meaning as under Section 46 of the Internal Revenue Code.

8 (6) If during any taxable year ending on or before
9 December 31, 1996, any property ceases to be qualified
10 property in the hands of the taxpayer within 48 months
11 after being placed in service, or the situs of any
12 qualified property is moved outside Illinois within 48
13 months after being placed in service, the tax imposed under
14 subsections (a) and (b) of this Section for such taxable
15 year shall be increased. Such increase shall be determined
16 by (i) recomputing the investment credit which would have
17 been allowed for the year in which credit for such property
18 was originally allowed by eliminating such property from
19 such computation, and (ii) subtracting such recomputed
20 credit from the amount of credit previously allowed. For
21 the purposes of this paragraph (6), a reduction of the
22 basis of qualified property resulting from a
23 redetermination of the purchase price shall be deemed a
24 disposition of qualified property to the extent of such
25 reduction.

26 (7) Beginning with tax years ending after December 31,

1 1996, if a taxpayer qualifies for the credit under this
2 subsection (h) and thereby is granted a tax abatement and
3 the taxpayer relocates its entire facility in violation of
4 the explicit terms and length of the contract under Section
5 18-183 of the Property Tax Code, the tax imposed under
6 subsections (a) and (b) of this Section shall be increased
7 for the taxable year in which the taxpayer relocated its
8 facility by an amount equal to the amount of credit
9 received by the taxpayer under this subsection (h).

10 (i) Credit for Personal Property Tax Replacement Income
11 Tax. For tax years ending prior to December 31, 2003, a credit
12 shall be allowed against the tax imposed by subsections (a) and
13 (b) of this Section for the tax imposed by subsections (c) and
14 (d) of this Section. This credit shall be computed by
15 multiplying the tax imposed by subsections (c) and (d) of this
16 Section by a fraction, the numerator of which is base income
17 allocable to Illinois and the denominator of which is Illinois
18 base income, and further multiplying the product by the tax
19 rate imposed by subsections (a) and (b) of this Section.

20 Any credit earned on or after December 31, 1986 under this
21 subsection which is unused in the year the credit is computed
22 because it exceeds the tax liability imposed by subsections (a)
23 and (b) for that year (whether it exceeds the original
24 liability or the liability as later amended) may be carried
25 forward and applied to the tax liability imposed by subsections
26 (a) and (b) of the 5 taxable years following the excess credit

1 year, provided that no credit may be carried forward to any
2 year ending on or after December 31, 2003. This credit shall be
3 applied first to the earliest year for which there is a
4 liability. If there is a credit under this subsection from more
5 than one tax year that is available to offset a liability the
6 earliest credit arising under this subsection shall be applied
7 first.

8 If, during any taxable year ending on or after December 31,
9 1986, the tax imposed by subsections (c) and (d) of this
10 Section for which a taxpayer has claimed a credit under this
11 subsection (i) is reduced, the amount of credit for such tax
12 shall also be reduced. Such reduction shall be determined by
13 recomputing the credit to take into account the reduced tax
14 imposed by subsections (c) and (d). If any portion of the
15 reduced amount of credit has been carried to a different
16 taxable year, an amended return shall be filed for such taxable
17 year to reduce the amount of credit claimed.

18 (j) Training expense credit. Beginning with tax years
19 ending on or after December 31, 1986 and prior to December 31,
20 2003, a taxpayer shall be allowed a credit against the tax
21 imposed by subsections (a) and (b) under this Section for all
22 amounts paid or accrued, on behalf of all persons employed by
23 the taxpayer in Illinois or Illinois residents employed outside
24 of Illinois by a taxpayer, for educational or vocational
25 training in semi-technical or technical fields or semi-skilled
26 or skilled fields, which were deducted from gross income in the

1 computation of taxable income. The credit against the tax
2 imposed by subsections (a) and (b) shall be 1.6% of such
3 training expenses. For partners, shareholders of subchapter S
4 corporations, and owners of limited liability companies, if the
5 liability company is treated as a partnership for purposes of
6 federal and State income taxation, there shall be allowed a
7 credit under this subsection (j) to be determined in accordance
8 with the determination of income and distributive share of
9 income under Sections 702 and 704 and subchapter S of the
10 Internal Revenue Code.

11 Any credit allowed under this subsection which is unused in
12 the year the credit is earned may be carried forward to each of
13 the 5 taxable years following the year for which the credit is
14 first computed until it is used. This credit shall be applied
15 first to the earliest year for which there is a liability. If
16 there is a credit under this subsection from more than one tax
17 year that is available to offset a liability the earliest
18 credit arising under this subsection shall be applied first. No
19 carryforward credit may be claimed in any tax year ending on or
20 after December 31, 2003.

21 (k) Research and development credit.

22 For tax years ending after July 1, 1990 and prior to
23 December 31, 2003, and beginning again for tax years ending on
24 or after December 31, 2004, a taxpayer shall be allowed a
25 credit against the tax imposed by subsections (a) and (b) of
26 this Section for increasing research activities in this State.

1 The credit allowed against the tax imposed by subsections (a)
2 and (b) shall be equal to 6 1/2% of the qualifying expenditures
3 for increasing research activities in this State. For partners,
4 shareholders of subchapter S corporations, and owners of
5 limited liability companies, if the liability company is
6 treated as a partnership for purposes of federal and State
7 income taxation, there shall be allowed a credit under this
8 subsection to be determined in accordance with the
9 determination of income and distributive share of income under
10 Sections 702 and 704 and subchapter S of the Internal Revenue
11 Code.

12 For purposes of this subsection, "qualifying expenditures"
13 means the qualifying expenditures as defined for the federal
14 credit for increasing research activities which would be
15 allowable under Section 41 of the Internal Revenue Code and
16 which are conducted in this State, "qualifying expenditures for
17 increasing research activities in this State" means the excess
18 of qualifying expenditures for the taxable year in which
19 incurred over qualifying expenditures for the base period,
20 "qualifying expenditures for the base period" means the average
21 of the qualifying expenditures for each year in the base
22 period, and "base period" means the 3 taxable years immediately
23 preceding the taxable year for which the determination is being
24 made.

25 Any credit in excess of the tax liability for the taxable
26 year may be carried forward. A taxpayer may elect to have the

1 unused credit shown on its final completed return carried over
2 as a credit against the tax liability for the following 5
3 taxable years or until it has been fully used, whichever occurs
4 first; provided that no credit earned in a tax year ending
5 prior to December 31, 2003 may be carried forward to any year
6 ending on or after December 31, 2003.

7 If an unused credit is carried forward to a given year from
8 2 or more earlier years, that credit arising in the earliest
9 year will be applied first against the tax liability for the
10 given year. If a tax liability for the given year still
11 remains, the credit from the next earliest year will then be
12 applied, and so on, until all credits have been used or no tax
13 liability for the given year remains. Any remaining unused
14 credit or credits then will be carried forward to the next
15 following year in which a tax liability is incurred, except
16 that no credit can be carried forward to a year which is more
17 than 5 years after the year in which the expense for which the
18 credit is given was incurred.

19 No inference shall be drawn from this amendatory Act of the
20 91st General Assembly in construing this Section for taxable
21 years beginning before January 1, 1999.

22 (1) Environmental Remediation Tax Credit.

23 (i) For tax years ending after December 31, 1997 and on
24 or before December 31, 2001, a taxpayer shall be allowed a
25 credit against the tax imposed by subsections (a) and (b)
26 of this Section for certain amounts paid for unreimbursed

1 eligible remediation costs, as specified in this
2 subsection. For purposes of this Section, "unreimbursed
3 eligible remediation costs" means costs approved by the
4 Illinois Environmental Protection Agency ("Agency") under
5 Section 58.14 of the Environmental Protection Act that were
6 paid in performing environmental remediation at a site for
7 which a No Further Remediation Letter was issued by the
8 Agency and recorded under Section 58.10 of the
9 Environmental Protection Act. The credit must be claimed
10 for the taxable year in which Agency approval of the
11 eligible remediation costs is granted. The credit is not
12 available to any taxpayer if the taxpayer or any related
13 party caused or contributed to, in any material respect, a
14 release of regulated substances on, in, or under the site
15 that was identified and addressed by the remedial action
16 pursuant to the Site Remediation Program of the
17 Environmental Protection Act. After the Pollution Control
18 Board rules are adopted pursuant to the Illinois
19 Administrative Procedure Act for the administration and
20 enforcement of Section 58.9 of the Environmental
21 Protection Act, determinations as to credit availability
22 for purposes of this Section shall be made consistent with
23 those rules. For purposes of this Section, "taxpayer"
24 includes a person whose tax attributes the taxpayer has
25 succeeded to under Section 381 of the Internal Revenue Code
26 and "related party" includes the persons disallowed a

1 deduction for losses by paragraphs (b), (c), and (f)(1) of
2 Section 267 of the Internal Revenue Code by virtue of being
3 a related taxpayer, as well as any of its partners. The
4 credit allowed against the tax imposed by subsections (a)
5 and (b) shall be equal to 25% of the unreimbursed eligible
6 remediation costs in excess of \$100,000 per site, except
7 that the \$100,000 threshold shall not apply to any site
8 contained in an enterprise zone as determined by the
9 Department of Commerce and Community Affairs (now
10 Department of Commerce and Economic Opportunity). The
11 total credit allowed shall not exceed \$40,000 per year with
12 a maximum total of \$150,000 per site. For partners and
13 shareholders of subchapter S corporations, there shall be
14 allowed a credit under this subsection to be determined in
15 accordance with the determination of income and
16 distributive share of income under Sections 702 and 704 and
17 subchapter S of the Internal Revenue Code.

18 (ii) A credit allowed under this subsection that is
19 unused in the year the credit is earned may be carried
20 forward to each of the 5 taxable years following the year
21 for which the credit is first earned until it is used. The
22 term "unused credit" does not include any amounts of
23 unreimbursed eligible remediation costs in excess of the
24 maximum credit per site authorized under paragraph (i).
25 This credit shall be applied first to the earliest year for
26 which there is a liability. If there is a credit under this

1 subsection from more than one tax year that is available to
2 offset a liability, the earliest credit arising under this
3 subsection shall be applied first. A credit allowed under
4 this subsection may be sold to a buyer as part of a sale of
5 all or part of the remediation site for which the credit
6 was granted. The purchaser of a remediation site and the
7 tax credit shall succeed to the unused credit and remaining
8 carry-forward period of the seller. To perfect the
9 transfer, the assignor shall record the transfer in the
10 chain of title for the site and provide written notice to
11 the Director of the Illinois Department of Revenue of the
12 assignor's intent to sell the remediation site and the
13 amount of the tax credit to be transferred as a portion of
14 the sale. In no event may a credit be transferred to any
15 taxpayer if the taxpayer or a related party would not be
16 eligible under the provisions of subsection (i).

17 (iii) For purposes of this Section, the term "site"
18 shall have the same meaning as under Section 58.2 of the
19 Environmental Protection Act.

20 (m) Education expense credit. Beginning with tax years
21 ending after December 31, 1999, a taxpayer who is the custodian
22 of one or more qualifying pupils shall be allowed a credit
23 against the tax imposed by subsections (a) and (b) of this
24 Section for qualified education expenses incurred on behalf of
25 the qualifying pupils. The credit shall be equal to 25% of
26 qualified education expenses, but in no event may the total

1 credit under this subsection claimed by a family that is the
2 custodian of qualifying pupils exceed \$500. In no event shall a
3 credit under this subsection reduce the taxpayer's liability
4 under this Act to less than zero. This subsection is exempt
5 from the provisions of Section 250 of this Act.

6 For purposes of this subsection:

7 "Qualifying pupils" means individuals who (i) are
8 residents of the State of Illinois, (ii) are under the age of
9 21 at the close of the school year for which a credit is
10 sought, and (iii) during the school year for which a credit is
11 sought were full-time pupils enrolled in a kindergarten through
12 twelfth grade education program at any school, as defined in
13 this subsection.

14 "Qualified education expense" means the amount incurred on
15 behalf of a qualifying pupil in excess of \$250 for tuition,
16 book fees, and lab fees at the school in which the pupil is
17 enrolled during the regular school year.

18 "School" means any public or nonpublic elementary or
19 secondary school in Illinois that is in compliance with Title
20 VI of the Civil Rights Act of 1964 and attendance at which
21 satisfies the requirements of Section 26-1 of the School Code,
22 except that nothing shall be construed to require a child to
23 attend any particular public or nonpublic school to qualify for
24 the credit under this Section.

25 "Custodian" means, with respect to qualifying pupils, an
26 Illinois resident who is a parent, the parents, a legal

1 guardian, or the legal guardians of the qualifying pupils.

2 (n) River Edge Redevelopment Zone site remediation tax
3 credit.

4 (i) For tax years ending on or after December 31, 2006,
5 a taxpayer shall be allowed a credit against the tax
6 imposed by subsections (a) and (b) of this Section for
7 certain amounts paid for unreimbursed eligible remediation
8 costs, as specified in this subsection. For purposes of
9 this Section, "unreimbursed eligible remediation costs"
10 means costs approved by the Illinois Environmental
11 Protection Agency ("Agency") under Section 58.14a of the
12 Environmental Protection Act that were paid in performing
13 environmental remediation at a site within a River Edge
14 Redevelopment Zone for which a No Further Remediation
15 Letter was issued by the Agency and recorded under Section
16 58.10 of the Environmental Protection Act. The credit must
17 be claimed for the taxable year in which Agency approval of
18 the eligible remediation costs is granted. The credit is
19 not available to any taxpayer if the taxpayer or any
20 related party caused or contributed to, in any material
21 respect, a release of regulated substances on, in, or under
22 the site that was identified and addressed by the remedial
23 action pursuant to the Site Remediation Program of the
24 Environmental Protection Act. Determinations as to credit
25 availability for purposes of this Section shall be made
26 consistent with rules adopted by the Pollution Control

1 Board pursuant to the Illinois Administrative Procedure
2 Act for the administration and enforcement of Section 58.9
3 of the Environmental Protection Act. For purposes of this
4 Section, "taxpayer" includes a person whose tax attributes
5 the taxpayer has succeeded to under Section 381 of the
6 Internal Revenue Code and "related party" includes the
7 persons disallowed a deduction for losses by paragraphs
8 (b), (c), and (f) (1) of Section 267 of the Internal Revenue
9 Code by virtue of being a related taxpayer, as well as any
10 of its partners. The credit allowed against the tax imposed
11 by subsections (a) and (b) shall be equal to 25% of the
12 unreimbursed eligible remediation costs in excess of
13 \$100,000 per site.

14 (ii) A credit allowed under this subsection that is
15 unused in the year the credit is earned may be carried
16 forward to each of the 5 taxable years following the year
17 for which the credit is first earned until it is used. This
18 credit shall be applied first to the earliest year for
19 which there is a liability. If there is a credit under this
20 subsection from more than one tax year that is available to
21 offset a liability, the earliest credit arising under this
22 subsection shall be applied first. A credit allowed under
23 this subsection may be sold to a buyer as part of a sale of
24 all or part of the remediation site for which the credit
25 was granted. The purchaser of a remediation site and the
26 tax credit shall succeed to the unused credit and remaining

1 carry-forward period of the seller. To perfect the
2 transfer, the assignor shall record the transfer in the
3 chain of title for the site and provide written notice to
4 the Director of the Illinois Department of Revenue of the
5 assignor's intent to sell the remediation site and the
6 amount of the tax credit to be transferred as a portion of
7 the sale. In no event may a credit be transferred to any
8 taxpayer if the taxpayer or a related party would not be
9 eligible under the provisions of subsection (i).

10 (iii) For purposes of this Section, the term "site"
11 shall have the same meaning as under Section 58.2 of the
12 Environmental Protection Act.

13 (iv) This subsection is exempt from the provisions of
14 Section 250.

15 (Source: P.A. 94-1021, eff. 7-12-06; 95-454, eff. 8-27-07.)

16 (35 ILCS 5/218 new)

17 Sec. 218. Family Tax Credit.

18 (a) For taxable years beginning on or after January 1,
19 2009, each taxpayer who is a natural person filing single or is
20 a married person filing separately that reports total annual
21 income of less than \$26,847 (the "eligibility cap for single
22 and married filing separately") or is a married couple filing
23 jointly or a natural person filing as head of household that
24 reports total annual income of less than \$53,694 (the
25 "eligibility cap for married filing jointly and head of

1 household"), is entitled to a refundable tax credit known as
2 the "Family Tax Credit" in those amounts identified in
3 subsection (b) of this Section. The Family Tax Credit may be
4 claimed only upon proper filing of an Illinois State income tax
5 return by an eligible taxpayer. The eligibility caps shall
6 increase for each tax year beginning after December 31, 2009,
7 by an amount equal to the percentage increase, if any, in the
8 Consumer Price Index ("CPI") published by the U.S. Bureau of
9 Labor Statistics for the immediately preceding complete
10 calendar year, multiplied by the eligibility caps for that
11 immediately preceding tax year.

12 (b) The amount of the credit is determined as follows:

13 (1) for a single taxpayer with a total annual income
14 of:

15 (A) less than \$17,136, the credit is \$45;

16 (B) \$17,136 or more but less than \$19,419, the
17 credit is \$60;

18 (C) \$19,420 or more but less than \$19,420, the
19 credit is \$120;

20 (D) \$19,420 or more but less than \$21,705, the
21 credit is \$180; or

22 (E) \$21,705 or more but less than \$26,847, the
23 credit is \$240;

24 (2) for married taxpayers filing separately with a
25 total annual income of:

26 (A) less than \$11,424, the credit is \$45;

1 (B) \$11,424 or more but less than \$14,280, the
2 credit is \$60;

3 (C) \$14,280 or more but less than \$17,136, the
4 credit is \$120;

5 (D) \$17,136 or more but less than \$20,563, the
6 credit is \$180; or

7 (E) \$20,563 or more but less than \$26,847, the
8 credit is \$240;

9 (3) for married taxpayers filing jointly with a total
10 annual income of:

11 (A) less than \$22,848, the credit is \$45;

12 (B) \$22,848 or more but less than \$28,560, the
13 credit is \$60;

14 (C) \$28,560 or more but less than \$34,272, the
15 credit is \$120;

16 (D) \$34,272 or more but less than \$41,126, the
17 credit is \$180; or

18 (E) \$41,126 or more but less than \$53,694, the
19 credit is \$240; and

20 (4) for a taxpayer who is a head of household with a
21 total annual income of:

22 (A) less than \$22,848, the credit is \$45;

23 (B) \$22,848 or more but less than \$28,560, the
24 credit is \$60;

25 (C) \$28,560 or more but less than \$34,272, the
26 credit is \$120;

1 (D) \$34,272 or more but less than \$41,126, the
2 credit is \$180; or

3 (E) \$41,126 or more but less than \$53,694, the
4 credit is \$240.

5 The dollar range of Total Annual Income identified in the
6 respective filing statuses and the credit per dependent amounts
7 associated therewith, each shall increase in each tax year
8 beginning after December 31, 2009, by an amount equal to the
9 applicable percentage increase, if any, in the CPI for the
10 immediately preceding complete calendar year multiplied by the
11 applicable Total Annual Income range amounts and the credit per
12 dependent amounts associated therewith. The Department of
13 Revenue shall update the Total Annual Income range amounts and
14 associated credit amounts for the Family Tax Credit annually
15 and distribute the updated table with the Illinois personal
16 income tax returns.

17 (c) If the amount of the Family Tax Credit exceeds the
18 income tax liability of an eligible taxpayer, the State shall
19 refund to the taxpayer the difference between the Family Tax
20 Credit and such eligible taxpayer's income tax liability.

21 (d) This Section is exempt from the provisions of Section
22 250 of this Act.

23 Section 15. The Property Tax Code is amended by changing
24 Sections 18-255, 20-15, and 21-30 and by adding Section 18-167
25 as follows:

1 (35 ILCS 200/18-167 new)

2 Sec. 18-167. Education tax abatement. Beginning with taxes
3 levied for 2009, the county clerk must determine the final
4 extension for educational purposes for all taxable property in
5 a school district located in the county or for the taxable
6 property of that part of a school district located in the
7 county, taking into account the maximum rate, levy, and
8 extension authorized under the Property Tax Extension
9 Limitation Law, the Truth in Taxation Law, and any other
10 applicable statute. The county clerk must then abate the
11 extension for educational purposes for each school district or
12 part of a school district in the county by the amount of the
13 minimum property tax relief grant and, if applicable, the
14 supplemental property tax relief grant, certified to the county
15 clerk for that school district or part of a school district by
16 the Department of Revenue under Section 6z-68 of the State
17 Finance Act. When the final extension for educational purposes
18 has been determined and abated, the county clerk must notify
19 the Department of Revenue. The county clerk must determine the
20 prorated portion of the certified minimum and, if applicable,
21 supplemental property tax relief grants allocable to each
22 taxpayer in a given school district and the aggregate relief
23 granted to that school district. The extension amount for
24 educational purposes, as originally calculated before
25 abatement, is the official, final extension for educational

1 purposes and must be used for all other purposes, including
2 determining the maximum rate, levy, and extension authorized
3 under the Property Tax Extension Limitation Law, the Truth in
4 Taxation Law, any calculations for tax increment allocation
5 financing under Section 11-74.4-8 of the Tax Increment
6 Allocation Redevelopment Act, any other statute, and the
7 maximum amount of tax anticipation warrants under Sections
8 17-16 and 34-23 of the School Code. Nothing in this Section
9 shall reduce any tax increment arising from levies upon taxable
10 real property in redevelopment project areas created under the
11 Tax Increment Allocation Redevelopment Act in the Illinois
12 Municipal Code.

13 (35 ILCS 200/18-255)

14 Sec. 18-255. Abstract of assessments and extensions. When
15 the collector's books are completed, the county clerk shall
16 make a complete statement of the assessment and extensions, in
17 conformity to the instructions of the Department. The clerk
18 shall certify the statement to the Department. Beginning with
19 the 2009 levy year, the Department shall require the statement
20 to include a separate listing of the amount of any extension
21 that is abated under Section 18-167 of this Code.

22 (Source: Laws 1943, vol. 1, p. 1136; P.A. 88-455.)

23 (35 ILCS 200/20-15)

24 Sec. 20-15. Information on bill or separate statement. The

1 amount of tax due and rates shown on the tax bill pursuant to
2 this Section shall be net of any abatement under Section
3 18-167. There shall be printed on each bill, or on a separate
4 slip which shall be mailed with the bill:

5 (a) a statement itemizing the rate at which taxes have
6 been extended for each of the taxing districts in the
7 county in whose district the property is located, and in
8 those counties utilizing electronic data processing
9 equipment the dollar amount of tax due from the person
10 assessed allocable to each of those taxing districts,
11 including a separate statement of the dollar amount of tax
12 due which is allocable to a tax levied under the Illinois
13 Local Library Act or to any other tax levied by a
14 municipality or township for public library purposes,

15 (b) a separate statement for each of the taxing
16 districts of the dollar amount of tax due which is
17 allocable to a tax levied under the Illinois Pension Code
18 or to any other tax levied by a municipality or township
19 for public pension or retirement purposes,

20 (c) the total tax rate,

21 (d) the total amount of tax due, ~~and~~

22 (e) the amount by which the total tax and the tax
23 allocable to each taxing district differs from the
24 taxpayer's last prior tax bill, and

25 (f) the amount of tax abated under Section 18-167
26 labeled "Portion of your Education Related Property Taxes

1 paid by the State of Illinois".

2 The county treasurer shall ensure that only those taxing
3 districts in which a parcel of property is located shall be
4 listed on the bill for that property.

5 In all counties the statement shall also provide:

6 (1) the property index number or other suitable
7 description,

8 (2) the assessment of the property,

9 (3) the equalization factors imposed by the county and
10 by the Department, and

11 (4) the equalized assessment resulting from the
12 application of the equalization factors to the basic
13 assessment.

14 In all counties which do not classify property for purposes
15 of taxation, for property on which a single family residence is
16 situated the statement shall also include a statement to
17 reflect the fair cash value determined for the property. In all
18 counties which classify property for purposes of taxation in
19 accordance with Section 4 of Article IX of the Illinois
20 Constitution, for parcels of residential property in the lowest
21 assessment classification the statement shall also include a
22 statement to reflect the fair cash value determined for the
23 property.

24 In all counties, the statement must include information
25 that certain taxpayers may be eligible for tax exemptions,
26 abatements, and other assistance programs and that, for more

1 information, taxpayers should consult with the office of their
2 township or county assessor and with the Illinois Department of
3 Revenue.

4 In all counties, the statement shall include information
5 that certain taxpayers may be eligible for the Senior Citizens
6 and Disabled Persons Property Tax Relief and Pharmaceutical
7 Assistance Act and that applications are available from the
8 Illinois Department on Aging.

9 In counties which use the estimated or accelerated billing
10 methods, these statements shall only be provided with the final
11 installment of taxes due, except that the statement under item
12 (f) shall be included with both installments in those counties
13 under estimated or accelerated billing methods, the first
14 billing showing the amount deducted from the first installment,
15 and the final billing showing the total tax abated for the levy
16 year under Section 18-167. The provisions of this Section
17 create a mandatory statutory duty. They are not merely
18 directory or discretionary. The failure or neglect of the
19 collector to mail the bill, or the failure of the taxpayer to
20 receive the bill, shall not affect the validity of any tax, or
21 the liability for the payment of any tax.

22 (Source: P.A. 95-644, eff. 10-12-07.)

23 (35 ILCS 200/21-30)

24 Sec. 21-30. Accelerated billing. Except as provided in this
25 Section, Section 9-260, and Section 21-40, in counties with

1 3,000,000 or more inhabitants, by January 31 annually,
2 estimated tax bills setting out the first installment of
3 property taxes for the preceding year, payable in that year,
4 shall be prepared and mailed. The first installment of taxes on
5 the estimated tax bills shall be computed at 50% of the total
6 of each tax bill before the abatement of taxes under Section
7 18-167 for the preceding year, less an estimate of one-half of
8 the minimum school district property tax relief grant for the
9 current year determined based on information available. If,
10 prior to the preparation of the estimated tax bills, a
11 certificate of error has been either approved by a court on or
12 before November 30 of the preceding year or certified pursuant
13 to Section 14-15 on or before November 30 of the preceding
14 year, then the first installment of taxes on the estimated tax
15 bills shall be computed at 50% of the total taxes before the
16 abatement of taxes under Section 18-167 for the preceding year
17 as corrected by the certificate of error, less an estimate of
18 one-half of the minimum school district property tax relief
19 grant for the current year determined based on information
20 available. By June 30 annually, actual tax bills shall be
21 prepared and mailed. These bills shall set out total taxes due
22 and the amount of estimated taxes billed in the first
23 installment, and shall state the balance of taxes due for that
24 year as represented by the sum derived from subtracting the
25 amount of the first installment from the total taxes due for
26 that year, reduced by the actual minimum and, if applicable,

1 supplemental school district property tax relief applicable
2 thereto.

3 The county board may provide by ordinance, in counties with
4 3,000,000 or more inhabitants, for taxes to be paid in 4
5 installments. For the levy year for which the ordinance is
6 first effective and each subsequent year, estimated tax bills
7 setting out the first, second, and third installment of taxes
8 for the preceding year, payable in that year, shall be prepared
9 and mailed not later than the date specified by ordinance. Each
10 installment on estimated tax bills shall be computed at 25% of
11 the total of each tax bill for the preceding year. By the date
12 specified in the ordinance, actual tax bills shall be prepared
13 and mailed. These bills shall set out total taxes due and the
14 amount of estimated taxes billed in the first, second, and
15 third installments and shall state the balance of taxes due for
16 that year as represented by the sum derived from subtracting
17 the amount of the estimated installments from the total taxes
18 due for that year.

19 The county board of any county with less than 3,000,000
20 inhabitants may, by ordinance or resolution, adopt an
21 accelerated method of tax billing. The county board may
22 subsequently rescind the ordinance or resolution and revert to
23 the method otherwise provided for in this Code.

24 (Source: P.A. 93-560, eff. 8-20-03; 94-312, eff. 7-25-05.)

25 Section 20. The School Code is amended by changing Sections

1 1C-2, 14-13.01, and 18-8.05 and by adding Section 18-25 as
2 follows:

3 (105 ILCS 5/1C-2)

4 Sec. 1C-2. Block grants.

5 (a) For fiscal year 1999, and each fiscal year thereafter,
6 the State Board of Education shall award to school districts
7 block grants as described in subsections (b) and (c). The State
8 Board of Education may adopt rules and regulations necessary to
9 implement this Section. In accordance with Section 2-3.32, all
10 state block grants are subject to an audit. Therefore, block
11 grant receipts and block grant expenditures shall be recorded
12 to the appropriate fund code.

13 (b) A Professional Development Block Grant shall be created
14 by combining the existing School Improvement Block Grant and
15 the REI Initiative. These funds shall be distributed to school
16 districts based on the number of full-time certified
17 instructional staff employed in the district.

18 (c) An Early Childhood Education Block Grant shall be
19 created by combining the following programs: Preschool
20 Education, Parental Training and Prevention Initiative. These
21 funds shall be distributed to school districts and other
22 entities on a competitive basis. Eleven percent of this grant
23 shall be used to fund programs for children ages 0-3.

24 (d) The Early Childhood Fund is created as a special fund
25 in the State treasury. All interest earned on moneys in the

1 Fund shall be deposited into the Fund. The Early Childhood Fund
2 shall not be subject to sweeps, administrative charges, or
3 charge-backs, such as, but not limited to, those authorized
4 under Section 8h of the State Finance Act, nor any other fiscal
5 or budgetary maneuver that would in any way transfer any funds
6 from the Early Childhood Fund into any other fund of the State.
7 Beginning in Fiscal Year 2009, moneys in the fund shall be
8 used, subject to appropriation, by the State Board of Education
9 to support the Illinois Early Learning Standards and their use
10 in early childhood programs and for programs that focus on
11 children from birth to 8 years of age, early intervention for
12 at-risk students, pre-Kindergarten programs, early literacy,
13 and partnerships among schools, communities, and service
14 providers. At least \$45,000,000 for the 2009-2010 school year,
15 at least \$90,000,000 for the 2010-2011 school year, at least
16 \$135,000,000 for the 2011-2012 school year, and at least
17 \$180,000,000 for the 2012-2013 school year shall be deposited
18 into the Fund. Thereafter, the amount deposited into the Fund
19 shall be increased annually by a percentage increase equal to
20 the percentage increase, if any, in the Bureau of Labor
21 Statistics' Employment Cost Index for Elementary and Secondary
22 Schools for the last complete calendar year.

23 (Source: P.A. 93-396, eff. 7-29-03.)

24 (105 ILCS 5/14-13.01) (from Ch. 122, par. 14-13.01)

25 Sec. 14-13.01. Reimbursement payable by State; Amounts.

1 Reimbursement for furnishing special educational facilities in
2 a recognized school to the type of children defined in Section
3 14-1.02 shall be paid to the school districts in accordance
4 with Section 14-12.01 for each school year ending June 30 by
5 the State Comptroller out of any money in the treasury
6 appropriated for such purposes on the presentation of vouchers
7 by the State Board of Education.

8 The reimbursement shall be limited to funds expended for
9 construction and maintenance of special education facilities
10 designed and utilized to house instructional programs,
11 diagnostic services, other special education services for
12 children with disabilities and reimbursement as provided in
13 Section 14-13.01. There shall be no reimbursement for
14 construction and maintenance of any administrative facility
15 separated from special education facilities designed and
16 utilized to house instructional programs, diagnostic services
17 and other special education services for children with
18 disabilities.

19 (a) For children who have not been identified as eligible
20 for special education and for eligible children with physical
21 disabilities, including all eligible children whose placement
22 has been determined under Section 14-8.02 in hospital or home
23 instruction, the State shall reimburse each school district for
24 the estimated cost of 1/2 of the teacher's salary, subject to
25 the minimums identified in this subsection (a) as follows: (1)
26 at least \$9,000 per teacher for the 2007-2008 school year and

1 the 2008-2009 school year; (2) at least \$11,691 per teacher for
2 the 2009-2010 school year; (3) at least \$12,588 per teacher for
3 the 2010-2011 school year; (4) at least \$14,382 per teacher for
4 the 2011-2012 school year; and (5) at least \$19,765 per teacher
5 for the 2012-2013 school year. Thereafter, the minimum
6 reimbursement per teacher shall be increased annually by a
7 percentage increase equal to the percentage increase, if any,
8 in the Bureau of Labor Statistics' Employment Cost Index for
9 Elementary and Secondary Schools for the previous calendar
10 year. ~~but not more than \$1,000 annually per child or \$8,000 per~~
11 ~~teacher for the 1985-1986 school year through the 2005-2006~~
12 ~~school year and \$1,000 per child or \$9,000 per teacher for the~~
13 ~~2006-2007 school year and for each school year thereafter,~~
14 ~~whichever is less.~~ Children to be included in any reimbursement
15 under this paragraph must regularly receive a minimum of one
16 hour of instruction each school day, or in lieu thereof of a
17 minimum of 5 hours of instruction in each school week in order
18 to qualify for full reimbursement under this Section. If the
19 attending physician for such a child has certified that the
20 child should not receive as many as 5 hours of instruction in a
21 school week, however, reimbursement under this paragraph on
22 account of that child shall be computed proportionate to the
23 actual hours of instruction per week for that child divided by
24 5.

25 (b) For children described in Section 14-1.02, 4/5 of the
26 cost of transportation for each such child, whom the State

1 Superintendent of Education determined in advance requires
2 special transportation service in order to take advantage of
3 special educational facilities. Transportation costs shall be
4 determined in the same fashion as provided in Section 29-5. For
5 purposes of this subsection (b), the dates for processing
6 claims specified in Section 29-5 shall apply.

7 (c) For each professional worker excluding those included
8 in subparagraphs (a), (d), (e), and (f) of this Section, the
9 annual sum of \$8,000 for the 1985-1986 school year through the
10 2005-2006 school year and \$9,000 for the 2006-2007 school year
11 and for each school year thereafter.

12 (d) For one full time qualified director of the special
13 education program of each school district which maintains a
14 fully approved program of special education the annual sum of
15 \$8,000 for the 1985-1986 school year through the 2005-2006
16 school year and \$9,000 for the 2006-2007 school year and
17 2007-2008 for each school year, and thereafter the State shall
18 reimburse each school district for the estimated cost
19 applicable for the salary of one full-time qualified director
20 of the special education program, subject to the limits
21 identified in this subsection (d) as follows: (1) at least
22 \$9,000 per director for the 2008-2009 school year; (2) at least
23 \$11,691 per director for the 2009-2010 school year; (3) at
24 least \$12,588 per director for the 2010-2011 school year; (4)
25 at least \$14,382 per director for the 2011-2012 school year;
26 and (5) at least \$19,765 per director for the 2012-2013 school

1 year. Thereafter, the reimbursement per director shall be
2 increased annually by a percentage increase equal to the
3 percentage increase, if any, in the Bureau of Labor Statistics'
4 Employment Cost Index for Elementary and Secondary Schools for
5 the previous calendar year. Districts participating in a joint
6 agreement special education program shall not receive such
7 reimbursement if reimbursement is made for a director of the
8 joint agreement program.

9 (e) For each school psychologist as defined in Section
10 14-1.09 the annual sum of \$8,000 for the 1985-1986 school year
11 through the 2005-2006 school year and \$9,000 for the 2006-2007
12 school year and 2007-2008 for each school year, and thereafter
13 the State shall reimburse each school district for the
14 estimated cost applicable for the salary of each school
15 psychologist, subject to the limits identified in this
16 subsection (e) as follows: (1) at least \$9,000 per psychologist
17 for the 2008-2009 school year; (2) at least \$11,691 per
18 psychologist for the 2009-2010 school year; (3) at least
19 \$12,588 per psychologist for the 2010-2011 school year; (4) at
20 least \$14,382 per psychologist for the 2011-2012 school year;
21 and (5) at least \$19,765 per psychologist for the 2012-2013
22 school year. Thereafter, the reimbursement per psychologist
23 shall be increased annually by a percentage increase equal to
24 the percentage increase, if any, in the Bureau of Labor
25 Statistics' Employment Cost Index for Elementary and Secondary
26 Schools for the previous calendar year.

1 (f) For each qualified teacher working in a fully approved
2 program for children of preschool age who are deaf or
3 hard-of-hearing the annual sum of \$8,000 for the 1985-1986
4 school year through the 2005-2006 school year and \$9,000 for
5 the 2006-2007 school year and 2007-2008 ~~for~~ each school year,
6 and thereafter the State shall reimburse each school district
7 for the estimated cost applicable for the salary of each
8 qualified teacher, subject to the limits identified in this
9 subsection (f) as follows: (1) at least \$9,000 per teacher for
10 the 2008-2009 school year; (2) at least \$11,691 per teacher for
11 the 2009-2010 school year; (3) at least \$12,588 per teacher for
12 the 2010-2011 school year; (4) at least \$14,382 per teacher for
13 the 2011-2012 school year; and (5) at least \$19,765 per teacher
14 for the 2012-2013 school year. Thereafter, the reimbursement
15 per teacher shall be increased annually by a percentage
16 increase equal to the percentage increase, if any, in the
17 Bureau of Labor Statistics' Employment Cost Index for
18 Elementary and Secondary Schools for the previous calendar
19 year.

20 (g) For readers, working with blind or partially seeing
21 children 1/2 of their salary but not more than \$400 annually
22 per child. Readers may be employed to assist such children and
23 shall not be required to be certified but prior to employment
24 shall meet standards set up by the State Board of Education.

25 (h) For necessary non-certified employees working in any
26 class or program for children defined in this Article, 1/2 of

1 the salary paid or \$2,800 annually per employee through the
2 2005-2006 school year and \$3,500 per employee for the 2006-2007
3 school year through the 2008-2009 ~~and for each~~ school year
4 ~~thereafter~~, whichever is less, and (1) at least \$4,354 per
5 employee for the 2009-2010 school year; (2) at least \$4,639 per
6 employee for the 2010-2011 school year; (3) at least \$5,209 per
7 employee for the 2011-2012 school year; and (4) at least \$6,918
8 per employee for the 2012-2013 school year. Thereafter, the
9 reimbursement per employee shall be increased annually by a
10 percentage increase equal to the percentage increase, if any,
11 in the Bureau of Labor Statistics' Employment Cost Index for
12 Elementary and Secondary Schools for the previous calendar
13 year.

14 The State Board of Education shall set standards and
15 prescribe rules for determining the allocation of
16 reimbursement under this section on less than a full time basis
17 and for less than a school year.

18 When any school district eligible for reimbursement under
19 this Section operates a school or program approved by the State
20 Superintendent of Education for a number of days in excess of
21 the adopted school calendar but not to exceed 235 school days,
22 such reimbursement shall be increased by 1/180 of the amount or
23 rate paid hereunder for each day such school is operated in
24 excess of 180 days per calendar year.

25 Notwithstanding any other provision of law, any school
26 district receiving a payment under this Section or under

1 Section 14-7.02, 14-7.02b, or 29-5 of this Code may classify
2 all or a portion of the funds that it receives in a particular
3 fiscal year or from general State aid pursuant to Section
4 18-8.05 of this Code as funds received in connection with any
5 funding program for which it is entitled to receive funds from
6 the State in that fiscal year (including, without limitation,
7 any funding program referenced in this Section), regardless of
8 the source or timing of the receipt. The district may not
9 classify more funds as funds received in connection with the
10 funding program than the district is entitled to receive in
11 that fiscal year for that program. Any classification by a
12 district must be made by a resolution of its board of
13 education. The resolution must identify the amount of any
14 payments or general State aid to be classified under this
15 paragraph and must specify the funding program to which the
16 funds are to be treated as received in connection therewith.
17 This resolution is controlling as to the classification of
18 funds referenced therein. A certified copy of the resolution
19 must be sent to the State Superintendent of Education. The
20 resolution shall still take effect even though a copy of the
21 resolution has not been sent to the State Superintendent of
22 Education in a timely manner. No classification under this
23 paragraph by a district shall affect the total amount or timing
24 of money the district is entitled to receive under this Code.
25 No classification under this paragraph by a district shall in
26 any way relieve the district from or affect any requirements

1 that otherwise would apply with respect to that funding
2 program, including any accounting of funds by source, reporting
3 expenditures by original source and purpose, reporting
4 requirements, or requirements of providing services.

5 (Source: P.A. 95-415, eff. 8-24-07; 95-707, eff. 1-11-08.)

6 (105 ILCS 5/18-8.05)

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

10 (A) General Provisions.

11 (1) The provisions of this Section apply to the 1998-1999
12 and subsequent school years. The system of general State
13 financial aid provided for in this Section is designed to
14 assure that, through a combination of State financial aid and
15 required local resources, the financial support provided each
16 pupil in Average Daily Attendance equals or exceeds a
17 prescribed per pupil Foundation Level. This formula approach
18 imputes a level of per pupil Available Local Resources and
19 provides for the basis to calculate a per pupil level of
20 general State financial aid that, when added to Available Local
21 Resources, equals or exceeds the Foundation Level. The amount
22 of per pupil general State financial aid for school districts,
23 in general, varies in inverse relation to Available Local
24 Resources. Per pupil amounts are based upon each school

1 district's Average Daily Attendance as that term is defined in
2 this Section.

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

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

15 (a) Any school district which fails for any given
16 school year to maintain school as required by law, or to
17 maintain a recognized school is not eligible to file for
18 such school year any claim upon the Common School Fund. In
19 case of nonrecognition of one or more attendance centers in
20 a school district otherwise operating recognized schools,
21 the claim of the district shall be reduced in the
22 proportion which the Average Daily Attendance in the
23 attendance center or centers bear to the Average Daily
24 Attendance in the school district. A "recognized school"
25 means any public school which meets the standards as
26 established for recognition by the State Board of

1 Education. A school district or attendance center not
2 having recognition status at the end of a school term is
3 entitled to receive State aid payments due upon a legal
4 claim which was filed while it was recognized.

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

8 (c) If a school district operates a full year school
9 under Section 10-19.1, the general State aid to the school
10 district shall be determined by the State Board of
11 Education in accordance with this Section as near as may be
12 applicable.

13 (d) (Blank).

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

18 School districts are not required to exert a minimum
19 Operating Tax Rate in order to qualify for assistance under
20 this Section.

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

23 (a) "Average Daily Attendance": A count of pupil
24 attendance in school, averaged as provided for in
25 subsection (C) and utilized in deriving per pupil financial
26 support levels.

1 (b) "Available Local Resources": A computation of
2 local financial support, calculated on the basis of Average
3 Daily Attendance and derived as provided pursuant to
4 subsection (D).

5 (c) "Corporate Personal Property Replacement Taxes":
6 Funds paid to local school districts pursuant to "An Act in
7 relation to the abolition of ad valorem personal property
8 tax and the replacement of revenues lost thereby, and
9 amending and repealing certain Acts and parts of Acts in
10 connection therewith", certified August 14, 1979, as
11 amended (Public Act 81-1st S.S.-1).

12 (c-5) "ECI" means the Employment Cost Index as
13 published by the U.S. Bureau of Labor Statistics.

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

16 (e) "Operating Tax Rate": All school district property
17 taxes extended for all purposes, except Bond and Interest,
18 Summer School, Rent, Capital Improvement, and Vocational
19 Education Building purposes.

20 (B) Foundation Level.

21 (1) The Foundation Level is a figure established by the
22 State representing the minimum level of per pupil financial
23 support that should be available to provide for the basic
24 education of each pupil in Average Daily Attendance. As set
25 forth in this Section, each school district is assumed to exert

1 a sufficient local taxing effort such that, in combination with
2 the aggregate of general State financial aid provided the
3 district, an aggregate of State and local resources are
4 available to meet the basic education needs of pupils in the
5 district.

6 (2) For the 1998-1999 school year, the Foundation Level of
7 support is \$4,225. For the 1999-2000 school year, the
8 Foundation Level of support is \$4,325. For the 2000-2001 school
9 year, the Foundation Level of support is \$4,425. For the
10 2001-2002 school year and 2002-2003 school year, the Foundation
11 Level of support is \$4,560. For the 2003-2004 school year, the
12 Foundation Level of support is \$4,810. For the 2004-2005 school
13 year, the Foundation Level of support is \$4,964. For the
14 2005-2006 school year, the Foundation Level of support is
15 \$5,164. For the 2006-2007 school year, the Foundation Level of
16 support is \$5,334.

17 (3) For the 2007-2008 school year and each school year
18 thereafter, the Foundation Level of support is \$5,734 or as
19 otherwise provided in paragraph (4) of this subsection (B) ~~such~~
20 ~~greater amount as may be established by law by the General~~
21 ~~Assembly.~~

22 (4) It is the intention of the General Assembly that the
23 Foundation Level of support be increased to the Education
24 Funding Advisory Board's recommendation for the 2006-2007
25 school year, as inflation adjusted to the 2009-2010 school year
26 total of \$6,974, and that this Foundation Level of support be

1 reached over a 4-year, phase-in period, adjusting for inflation
2 annually during the phase-in as provided in this Section, to
3 allow for thoughtful planning on utilization of such funding to
4 best enhance education. For (i) the 2009-2010 school year, the
5 Foundation Level of support is \$6,044; (ii) the 2010-2011
6 school year, the Foundation Level of support is \$6,147; (iii)
7 the 2011-2012 school year, the Foundation Level of support is
8 \$6,354; and (iv) the 2012-2013 school year, the Foundation
9 Level of support is \$6,974. For each school year thereafter,
10 the Foundation Level of support shall be equal to the
11 Foundation Level of support for the immediately preceding
12 complete calendar year, increased by the percentage increase,
13 if any, in the ECI published for the immediately preceding
14 school year, or such greater amount as may be established by
15 law by the General Assembly.

16 (5) The Foundation Level of support for the 2008-2009
17 school year shall be referred to as the "Pre-Reform Foundation
18 Base" and the incremental increases thereto required under
19 paragraph (4) of this subsection (B) shall be referred to as
20 "Additional Base Support". School districts shall continue to
21 receive all Pre-Reform Foundation Base support for each school
22 year from and after the 2007-2008 school year, as adjusted for
23 inflation based on the ECI for elementary and secondary schools
24 of the then most recently complete calendar year, as general
25 State aid. However, school districts shall receive all
26 Additional Base Support as general State aid.

1 (6) The School Improvement Partnership Pool Fund is created
2 as a special fund in the State treasury. All interest earned on
3 moneys in the Fund shall be deposited into the Fund. The School
4 Improvement Partnership Pool Fund shall not be subject to
5 sweeps, administrative charges, or charge-backs, such as, but
6 not limited to, those authorized under Section 8h of the State
7 Finance Act, nor any other fiscal or budgetary maneuver that
8 would in any way transfer any funds from the School Improvement
9 Partnership Pool Fund into any other fund of the State.
10 Beginning in Fiscal Year 2010, moneys in the School Improvement
11 Partnership Pool Fund shall be used, subject to appropriation,
12 by the State Board of Education to provide school districts
13 with demonstrated academic and financial need quality,
14 integrated support systems, such as training for staff,
15 tutoring programs for students, small school initiatives,
16 literacy coaching, proven programs such as reduced class size,
17 extended learning time and after school and summer school
18 programs, and programs to engage parents. At least \$75,000,000
19 for the 2009-2010 school year, at least \$150,000,000 for the
20 2010-2011 school year, at least \$225,000,000 for the 2011-2012
21 school year, and at least \$300,000,000 for the 2012-2013 school
22 year shall be deposited into the Fund. Thereafter, the amount
23 deposited into the Fund shall be increased annually by a
24 percentage increase equal to the percentage increase, if any,
25 in the Bureau of Labor Statistics' Employment Cost Index for
26 Elementary and Secondary Schools for the last complete calendar

1 year.

2 (C) Average Daily Attendance.

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

14 (2) The Average Daily Attendance figures utilized in
15 subsection (E) shall be the requisite attendance data for the
16 school year immediately preceding the school year for which
17 general State aid is being calculated or the average of the
18 attendance data for the 3 preceding school years, whichever is
19 greater. The Average Daily Attendance figures utilized in
20 subsection (H) shall be the requisite attendance data for the
21 school year immediately preceding the school year for which
22 general State aid is being calculated.

23 (D) Available Local Resources.

24 (1) For purposes of calculating general State aid pursuant

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

10 (2) In determining a school district's revenue from local
11 property taxes, the State Board of Education shall utilize the
12 equalized assessed valuation of all taxable property of each
13 school district as of September 30 of the previous year. The
14 equalized assessed valuation utilized shall be obtained and
15 determined as provided in subsection (G).

16 (3) For school districts maintaining grades kindergarten
17 through 12, local property tax revenues per pupil shall be
18 calculated as the product of the applicable equalized assessed
19 valuation for the district multiplied by 3.00%, and divided by
20 the district's Average Daily Attendance figure. For school
21 districts maintaining grades kindergarten through 8, local
22 property tax revenues per pupil shall be calculated as the
23 product of the applicable equalized assessed valuation for the
24 district multiplied by 2.30%, and divided by the district's
25 Average Daily Attendance figure. For school districts
26 maintaining grades 9 through 12, local property tax revenues

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

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

15 (4) The Corporate Personal Property Replacement Taxes paid
16 to each school district during the calendar year 2 years before
17 the calendar year in which a school year begins, divided by the
18 Average Daily Attendance figure for that district, shall be
19 added to the local property tax revenues per pupil as derived
20 by the application of the immediately preceding paragraph (3).
21 The sum of these per pupil figures for each school district
22 shall constitute Available Local Resources as that term is
23 utilized in subsection (E) in the calculation of general State
24 aid.

25 (E) Computation of General State Aid.

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

4 (2) For any school district for which Available Local
5 Resources per pupil is less than the product of 0.93 times the
6 Foundation Level, general State aid for that district shall be
7 calculated as an amount equal to the Foundation Level minus
8 Available Local Resources, multiplied by the Average Daily
9 Attendance of the school district.

10 (3) For any school district for which Available Local
11 Resources per pupil is equal to or greater than the product of
12 0.93 times the Foundation Level and less than the product of
13 1.75 times the Foundation Level, the general State aid per
14 pupil shall be a decimal proportion of the Foundation Level
15 derived using a linear algorithm. Under this linear algorithm,
16 the calculated general State aid per pupil shall decline in
17 direct linear fashion from 0.07 times the Foundation Level for
18 a school district with Available Local Resources equal to the
19 product of 0.93 times the Foundation Level, to 0.05 times the
20 Foundation Level for a school district with Available Local
21 Resources equal to the product of 1.75 times the Foundation
22 Level. The allocation of general State aid for school districts
23 subject to this paragraph 3 shall be the calculated general
24 State aid per pupil figure multiplied by the Average Daily
25 Attendance of the school district.

26 (4) For any school district for which Available Local

1 Resources per pupil equals or exceeds the product of 1.75 times
2 the Foundation Level, the general State aid for the school
3 district shall be calculated as the product of \$218 multiplied
4 by the Average Daily Attendance of the school district.

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

15 (F) Compilation of Average Daily Attendance.

16 (1) Each school district shall, by July 1 of each year,
17 submit to the State Board of Education, on forms prescribed by
18 the State Board of Education, attendance figures for the school
19 year that began in the preceding calendar year. The attendance
20 information so transmitted shall identify the average daily
21 attendance figures for each month of the school year. Beginning
22 with the general State aid claim form for the 2002-2003 school
23 year, districts shall calculate Average Daily Attendance as
24 provided in subdivisions (a), (b), and (c) of this paragraph
25 (1).

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

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

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

21 Except as otherwise provided in this Section, days of
22 attendance by pupils shall be counted only for sessions of not
23 less than 5 clock hours of school work per day under direct
24 supervision of: (i) teachers, or (ii) non-teaching personnel or
25 volunteer personnel when engaging in non-teaching duties and
26 supervising in those instances specified in subsection (a) of

1 Section 10-22.34 and paragraph 10 of Section 34-18, with pupils
2 of legal school age and in kindergarten and grades 1 through
3 12.

4 Days of attendance by tuition pupils shall be accredited
5 only to the districts that pay the tuition to a recognized
6 school.

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

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

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

23 (c) A session of 4 or more clock hours may be counted
24 as a day of attendance upon certification by the regional
25 superintendent, and approved by the State Superintendent
26 of Education to the extent that the district has been

1 forced to use daily multiple sessions.

2 (d) A session of 3 or more clock hours may be counted
3 as a day of attendance (1) when the remainder of the school
4 day or at least 2 hours in the evening of that day is
5 utilized for an in-service training program for teachers,
6 up to a maximum of 5 days per school year of which a
7 maximum of 4 days of such 5 days may be used for
8 parent-teacher conferences, provided a district conducts
9 an in-service training program for teachers which has been
10 approved by the State Superintendent of Education; or, in
11 lieu of 4 such days, 2 full days may be used, in which
12 event each such day may be counted as a day of attendance;
13 and (2) when days in addition to those provided in item (1)
14 are scheduled by a school pursuant to its school
15 improvement plan adopted under Article 34 or its revised or
16 amended school improvement plan adopted under Article 2,
17 provided that (i) such sessions of 3 or more clock hours
18 are scheduled to occur at regular intervals, (ii) the
19 remainder of the school days in which such sessions occur
20 are utilized for in-service training programs or other
21 staff development activities for teachers, and (iii) a
22 sufficient number of minutes of school work under the
23 direct supervision of teachers are added to the school days
24 between such regularly scheduled sessions to accumulate
25 not less than the number of minutes by which such sessions
26 of 3 or more clock hours fall short of 5 clock hours. Any

1 full days used for the purposes of this paragraph shall not
2 be considered for computing average daily attendance. Days
3 scheduled for in-service training programs, staff
4 development activities, or parent-teacher conferences may
5 be scheduled separately for different grade levels and
6 different attendance centers of the district.

7 (e) A session of not less than one clock hour of
8 teaching hospitalized or homebound pupils on-site or by
9 telephone to the classroom may be counted as 1/2 day of
10 attendance, however these pupils must receive 4 or more
11 clock hours of instruction to be counted for a full day of
12 attendance.

13 (f) A session of at least 4 clock hours may be counted
14 as a day of attendance for first grade pupils, and pupils
15 in full day kindergartens, and a session of 2 or more hours
16 may be counted as 1/2 day of attendance by pupils in
17 kindergartens which provide only 1/2 day of attendance.

18 (g) For children with disabilities who are below the
19 age of 6 years and who cannot attend 2 or more clock hours
20 because of their disability or immaturity, a session of not
21 less than one clock hour may be counted as 1/2 day of
22 attendance; however for such children whose educational
23 needs so require a session of 4 or more clock hours may be
24 counted as a full day of attendance.

25 (h) A recognized kindergarten which provides for only
26 1/2 day of attendance by each pupil shall not have more

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

16 (i) On the days when the Prairie State Achievement
17 Examination is administered under subsection (c) of
18 Section 2-3.64 of this Code, the day of attendance for a
19 pupil whose school day must be shortened to accommodate
20 required testing procedures may be less than 5 clock hours
21 and shall be counted towards the 176 days of actual pupil
22 attendance required under Section 10-19 of this Code,
23 provided that a sufficient number of minutes of school work
24 in excess of 5 clock hours are first completed on other
25 school days to compensate for the loss of school work on
26 the examination days.

1 (G) Equalized Assessed Valuation Data.

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

12 The Department of Revenue shall add to the equalized
13 assessed value of all taxable property of each school district
14 situated entirely or partially within a county that is or was
15 subject to the provisions of Section 15-176 or 15-177 of the
16 Property Tax Code (a) an amount equal to the total amount by
17 which the homestead exemption allowed under Section 15-176 or
18 15-177 of the Property Tax Code for real property situated in
19 that school district exceeds the total amount that would have
20 been allowed in that school district if the maximum reduction
21 under Section 15-176 was (i) \$4,500 in Cook County or \$3,500 in
22 all other counties in tax year 2003 or (ii) \$5,000 in all
23 counties in tax year 2004 and thereafter and (b) an amount
24 equal to the aggregate amount for the taxable year of all
25 additional exemptions under Section 15-175 of the Property Tax

1 Code for owners with a household income of \$30,000 or less. The
2 county clerk of any county that is or was subject to the
3 provisions of Section 15-176 or 15-177 of the Property Tax Code
4 shall annually calculate and certify to the Department of
5 Revenue for each school district all homestead exemption
6 amounts under Section 15-176 or 15-177 of the Property Tax Code
7 and all amounts of additional exemptions under Section 15-175
8 of the Property Tax Code for owners with a household income of
9 \$30,000 or less. It is the intent of this paragraph that if the
10 general homestead exemption for a parcel of property is
11 determined under Section 15-176 or 15-177 of the Property Tax
12 Code rather than Section 15-175, then the calculation of
13 Available Local Resources shall not be affected by the
14 difference, if any, between the amount of the general homestead
15 exemption allowed for that parcel of property under Section
16 15-176 or 15-177 of the Property Tax Code and the amount that
17 would have been allowed had the general homestead exemption for
18 that parcel of property been determined under Section 15-175 of
19 the Property Tax Code. It is further the intent of this
20 paragraph that if additional exemptions are allowed under
21 Section 15-175 of the Property Tax Code for owners with a
22 household income of less than \$30,000, then the calculation of
23 Available Local Resources shall not be affected by the
24 difference, if any, because of those additional exemptions.

25 This equalized assessed valuation, as adjusted further by
26 the requirements of this subsection, shall be utilized in the

1 calculation of Available Local Resources.

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

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

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

15 (3) For the 1999-2000 school year and each school year
16 thereafter, if a school district meets all of the criteria of
17 this subsection (G) (3), the school district's Available Local
18 Resources shall be calculated under subsection (D) using the
19 district's Extension Limitation Equalized Assessed Valuation
20 as calculated under this subsection (G) (3).

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

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

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

1 "Preceding Tax Year": The property tax levy year
2 immediately preceding the Base Tax Year.

3 "Base Tax Year's Tax Extension": The product of the
4 equalized assessed valuation utilized by the County Clerk
5 in the Base Tax Year multiplied by the limiting rate as
6 calculated by the County Clerk and defined in the Property
7 Tax Extension Limitation Law.

8 "Preceding Tax Year's Tax Extension": The product of
9 the equalized assessed valuation utilized by the County
10 Clerk in the Preceding Tax Year multiplied by the Operating
11 Tax Rate as defined in subsection (A).

12 "Extension Limitation Ratio": A numerical ratio,
13 certified by the County Clerk, in which the numerator is
14 the Base Tax Year's Tax Extension and the denominator is
15 the Preceding Tax Year's Tax Extension.

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

18 If a school district is subject to property tax extension
19 limitations as imposed under the Property Tax Extension
20 Limitation Law, the State Board of Education shall calculate
21 the Extension Limitation Equalized Assessed Valuation of that
22 district. For the 1999-2000 school year, the Extension
23 Limitation Equalized Assessed Valuation of a school district as
24 calculated by the State Board of Education shall be equal to
25 the product of the district's 1996 Equalized Assessed Valuation
26 and the district's Extension Limitation Ratio. For the

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

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

19 (4) For the purposes of calculating general State aid for
20 the 1999-2000 school year only, if a school district
21 experienced a triennial reassessment on the equalized assessed
22 valuation used in calculating its general State financial aid
23 apportionment for the 1998-1999 school year, the State Board of
24 Education shall calculate the Extension Limitation Equalized
25 Assessed Valuation that would have been used to calculate the
26 district's 1998-1999 general State aid. This amount shall equal

1 the product of the equalized assessed valuation used to
2 calculate general State aid for the 1997-1998 school year and
3 the district's Extension Limitation Ratio. If the Extension
4 Limitation Equalized Assessed Valuation of the school district
5 as calculated under this paragraph (4) is less than the
6 district's equalized assessed valuation utilized in
7 calculating the district's 1998-1999 general State aid
8 allocation, then for purposes of calculating the district's
9 general State aid pursuant to paragraph (5) of subsection (E),
10 that Extension Limitation Equalized Assessed Valuation shall
11 be utilized to calculate the district's Available Local
12 Resources.

13 (5) For school districts having a majority of their
14 equalized assessed valuation in any county except Cook, DuPage,
15 Kane, Lake, McHenry, or Will, if the amount of general State
16 aid allocated to the school district for the 1999-2000 school
17 year under the provisions of subsection (E), (H), and (J) of
18 this Section is less than the amount of general State aid
19 allocated to the district for the 1998-1999 school year under
20 these subsections, then the general State aid of the district
21 for the 1999-2000 school year only shall be increased by the
22 difference between these amounts. The total payments made under
23 this paragraph (5) shall not exceed \$14,000,000. Claims shall
24 be prorated if they exceed \$14,000,000.

25 (H) Supplemental General State Aid.

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

21 (1.5) This paragraph (1.5) applies only to those school
22 years preceding the 2003-2004 school year. For purposes of this
23 subsection (H), the term "Low-Income Concentration Level"
24 shall be the low-income eligible pupil count from the most
25 recently available federal census divided by the Average Daily
26 Attendance of the school district. If, however, (i) the

1 percentage decrease from the 2 most recent federal censuses in
2 the low-income eligible pupil count of a high school district
3 with fewer than 400 students exceeds by 75% or more the
4 percentage change in the total low-income eligible pupil count
5 of contiguous elementary school districts, whose boundaries
6 are coterminous with the high school district, or (ii) a high
7 school district within 2 counties and serving 5 elementary
8 school districts, whose boundaries are coterminous with the
9 high school district, has a percentage decrease from the 2 most
10 recent federal censuses in the low-income eligible pupil count
11 and there is a percentage increase in the total low-income
12 eligible pupil count of a majority of the elementary school
13 districts in excess of 50% from the 2 most recent federal
14 censuses, then the high school district's low-income eligible
15 pupil count from the earlier federal census shall be the number
16 used as the low-income eligible pupil count for the high school
17 district, for purposes of this subsection (H). The changes made
18 to this paragraph (1) by Public Act 92-28 shall apply to
19 supplemental general State aid grants for school years
20 preceding the 2003-2004 school year that are paid in fiscal
21 year 1999 or thereafter and to any State aid payments made in
22 fiscal year 1994 through fiscal year 1998 pursuant to
23 subsection 1(n) of Section 18-8 of this Code (which was
24 repealed on July 1, 1998), and any high school district that is
25 affected by Public Act 92-28 is entitled to a recomputation of
26 its supplemental general State aid grant or State aid paid in

1 any of those fiscal years. This recomputation shall not be
2 affected by any other funding.

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

17 (2) Supplemental general State aid pursuant to this
18 subsection (H) shall be provided as follows for the 1998-1999,
19 1999-2000, and 2000-2001 school years only:

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

24 (b) For any school district with a Low Income
25 Concentration Level of at least 35% and less than 50%, the
26 grant for the 1998-1999 school year shall be \$1,100

1 multiplied by the low income eligible pupil count.

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

6 (d) For any school district with a Low Income
7 Concentration Level of 60% or more, the grant for the
8 1998-99 school year shall be \$1,900 multiplied by the low
9 income eligible pupil count.

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

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

18 (2.5) Supplemental general State aid pursuant to this
19 subsection (H) shall be provided as follows for the 2002-2003
20 school year:

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

25 (b) For any school district with a Low Income
26 Concentration Level of at least 10% and less than 20%, the

1 grant for each school year shall be \$675 multiplied by the
2 low income eligible pupil count.

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

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

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

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

19 (2.10) Except as otherwise provided, supplemental general
20 State aid pursuant to this subsection (H) shall be provided as
21 follows for the 2003-2004 school year and each school year
22 thereafter:

23 (a) For any school district with a Low Income
24 Concentration Level of 15% or less, the grant for the
25 2003-2004 school year through the 2008-2009 ~~each~~ school
26 year shall be \$355 multiplied by the low income eligible

1 pupil count. For the 2009-2010 school year and each school
2 year thereafter, the grant shall be \$355, increased by the
3 percentage increase, if any, in the ECI published for the
4 immediately preceding school year, and then multiplied by
5 the low income eligible pupil count.

6 (b) For any school district with a Low Income
7 Concentration Level greater than 15%, the grant for the
8 2003-2004 school year through the 2008-2009 ~~each~~ school
9 year shall be \$294.25 added to the product of \$2,700 and
10 the square of the Low Income Concentration Level, all
11 multiplied by the low income eligible pupil count. For the
12 2009-2010 school year and each school year thereafter, the
13 grant shall be \$294.25, increased by the percentage
14 increase, if any, in the ECI published for the immediately
15 preceding school year, then added to the product of (i)
16 \$2,700, which amount shall be increased by the percentage
17 increase, if any, in the ECI published for the immediately
18 preceding school year, and (ii) the square of the Low
19 Income Concentration Level, and then all multiplied by the
20 low income eligible pupil count.

21 For the 2003-2004 school year and each school year through
22 the 2007-2008 school year only, the grant shall be no less than
23 the grant for the 2002-2003 school year. For the 2008-2009
24 school year only, the grant shall be no less than the grant for
25 the 2002-2003 school year multiplied by 0.66. For the 2009-2010
26 school year only, the grant shall be no less than the grant for

1 the 2002-2003 school year multiplied by 0.33. Notwithstanding
2 the provisions of this paragraph to the contrary, if for any
3 school year supplemental general State aid grants are prorated
4 as provided in paragraph (1) of this subsection (H), then the
5 grants under this paragraph shall be prorated.

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

24 (3) School districts with an Average Daily Attendance of
25 more than 1,000 and less than 50,000 that qualify for
26 supplemental general State aid pursuant to this subsection

1 shall submit a plan to the State Board of Education prior to
2 October 30 of each year for the use of the funds resulting from
3 this grant of supplemental general State aid for the
4 improvement of instruction in which priority is given to
5 meeting the education needs of disadvantaged children. Such
6 plan shall be submitted in accordance with rules and
7 regulations promulgated by the State Board of Education.

8 (4) School districts with an Average Daily Attendance of
9 50,000 or more that qualify for supplemental general State aid
10 pursuant to this subsection shall be required to distribute
11 from funds available pursuant to this Section, no less than
12 \$261,000,000 in accordance with the following requirements:

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

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

1 to the opening of school.

2 (c) Each attendance center shall be provided by the
3 school district a distribution of noncategorical funds and
4 other categorical funds to which an attendance center is
5 entitled under law in order that the general State aid and
6 supplemental general State aid provided by application of
7 this subsection supplements rather than supplants the
8 noncategorical funds and other categorical funds provided
9 by the school district to the attendance centers.

10 (d) Any funds made available under this subsection that
11 by reason of the provisions of this subsection are not
12 required to be allocated and provided to attendance centers
13 may be used and appropriated by the board of the district
14 for any lawful school purpose.

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

1 by board rule.

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

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

24 If the district fails to distribute State aid to
25 attendance centers in accordance with an approved plan, the
26 plan for the following year shall allocate funds, in

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

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

25 The State Board of Education shall promulgate rules and
26 regulations to implement the provisions of this

1 subsection. No funds shall be released under this
2 subdivision (H) (4) to any district that has not submitted a
3 plan that has been approved by the State Board of
4 Education.

5 (I) (Blank).

6 (J) Supplementary Grants in Aid.

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

1 provisions of that Section as it was then in effect.

2 (2) If, as provided in paragraph (1) of this subsection
3 (J), a school district is to receive aggregate general State
4 aid in combination with supplemental general State aid under
5 this Section for the 1998-99 school year and any subsequent
6 school year that in any such school year is less than the
7 amount of the aggregate general State aid entitlement that the
8 district received for the 1997-98 school year, the school
9 district shall also receive, from a separate appropriation made
10 for purposes of this subsection (J), a supplementary payment
11 that is equal to the amount of the difference in the aggregate
12 State aid figures as described in paragraph (1).

13 (3) (Blank).

14 (K) Grants to Laboratory and Alternative Schools.

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

21 As used in this Section, "laboratory school" means a public
22 school which is created and operated by a public university and
23 approved by the State Board of Education. The governing board
24 of a public university which receives funds from the State
25 Board under this subsection (K) may not increase the number of

1 students enrolled in its laboratory school from a single
2 district, if that district is already sending 50 or more
3 students, except under a mutual agreement between the school
4 board of a student's district of residence and the university
5 which operates the laboratory school. A laboratory school may
6 not have more than 1,000 students, excluding students with
7 disabilities in a special education program.

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

24 Each laboratory and alternative school shall file, on forms
25 provided by the State Superintendent of Education, an annual
26 State aid claim which states the Average Daily Attendance of

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

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

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

20 (2) (Blank).

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

23 (M) Education Funding Advisory Board.

24 The Education Funding Advisory Board, hereinafter in this

1 subsection (M) referred to as the "Board", is hereby created.
2 The Board shall consist of 5 members who are appointed by the
3 Governor, by and with the advice and consent of the Senate. The
4 members appointed shall include representatives of education,
5 business, and the general public. One of the members so
6 appointed shall be designated by the Governor at the time the
7 appointment is made as the chairperson of the Board. The
8 initial members of the Board may be appointed any time after
9 the effective date of this amendatory Act of 1997. The regular
10 term of each member of the Board shall be for 4 years from the
11 third Monday of January of the year in which the term of the
12 member's appointment is to commence, except that of the 5
13 initial members appointed to serve on the Board, the member who
14 is appointed as the chairperson shall serve for a term that
15 commences on the date of his or her appointment and expires on
16 the third Monday of January, 2002, and the remaining 4 members,
17 by lots drawn at the first meeting of the Board that is held
18 after all 5 members are appointed, shall determine 2 of their
19 number to serve for terms that commence on the date of their
20 respective appointments and expire on the third Monday of
21 January, 2001, and 2 of their number to serve for terms that
22 commence on the date of their respective appointments and
23 expire on the third Monday of January, 2000. All members
24 appointed to serve on the Board shall serve until their
25 respective successors are appointed and confirmed. Vacancies
26 shall be filled in the same manner as original appointments. If

1 a vacancy in membership occurs at a time when the Senate is not
2 in session, the Governor shall make a temporary appointment
3 until the next meeting of the Senate, when he or she shall
4 appoint, by and with the advice and consent of the Senate, a
5 person to fill that membership for the unexpired term. If the
6 Senate is not in session when the initial appointments are
7 made, those appointments shall be made as in the case of
8 vacancies.

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

17 The State Board of Education shall provide such staff
18 assistance to the Education Funding Advisory Board as is
19 reasonably required for the proper performance by the Board of
20 its responsibilities.

21 For school years after the 2000-2001 school year, the
22 Education Funding Advisory Board, in consultation with the
23 State Board of Education, shall make recommendations as
24 provided in this subsection (M) to the General Assembly for the
25 foundation level under subsection (B) ~~subdivision (B)(3)~~ of
26 this Section and for the supplemental general State aid grant

1 level under subsection (H) of this Section for districts with
2 high concentrations of children from poverty. The recommended
3 foundation level shall be determined based on a methodology
4 which incorporates the basic education expenditures of
5 low-spending schools exhibiting high academic performance. The
6 Education Funding Advisory Board shall make such
7 recommendations to the General Assembly on January 1 of odd
8 numbered years, beginning January 1, 2001.

9 (N) (Blank) .

10 (O) References.

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

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

19 (P) Public Act 93-838 and Public Act 93-808 make inconsistent
20 changes to this Section. Under Section 6 of the Statute on
21 Statutes there is an irreconcilable conflict between Public Act
22 93-808 and Public Act 93-838. Public Act 93-838, being the last
23 acted upon, is controlling. The text of Public Act 93-838 is

1 the law regardless of the text of Public Act 93-808.
2 (Source: P.A. 94-69, eff. 7-1-05; 94-438, eff. 8-4-05; 94-835,
3 eff. 6-6-06; 94-1019, eff. 7-10-06; 94-1105, eff. 6-1-07;
4 95-331, eff. 8-21-07; 95-644, eff. 10-12-07; 95-707, eff.
5 1-11-08; revised 1-14-08.)

6 (105 ILCS 5/18-25 new)

7 Sec. 18-25. Education appropriation minimum. At a minimum,
8 the General Assembly shall appropriate from the General Revenue
9 Fund to the Common School Fund for fiscal year 2010 and each
10 fiscal year thereafter, an amount equal to the following (the
11 "Education Appropriation Minimum"):

12 (1) For fiscal years 2010, 2011, 2012, and 2013, a
13 total appropriation equal to the sum of (A) all amounts
14 appropriated to the Common School Fund for the immediately
15 preceding fiscal year, plus (B) the amount necessary to
16 increase the Foundation Level of support per student as
17 provided under paragraph (4) of subsection (B) of Section
18 18-8.05 of this Code, plus (C) \$2.9 billion to fund the
19 School District Property Tax Relief Fund described in
20 Section 6z-65 of the State Finance Act; in each such fiscal
21 year except 2010, this amount shall be adjusted for
22 inflation based on the Employment Cost Index ("ECI") for
23 elementary and secondary education as published by the U.S.
24 Bureau of Labor Statistics for the last complete calendar
25 year preceding such fiscal year, plus the amounts

1 determined under paragraph (a) of Section 14-13.01 and
2 subsection (d) of Section 1C-2 of this Code.

3 (2) For each fiscal year thereafter, a total
4 appropriation equal to (A) the Education Appropriation
5 Minimum for the immediately preceding fiscal year,
6 increased by the percentage increase, if any, in the ECI
7 for the last, complete, immediately preceding fiscal year,
8 or (B) such greater amount as the General Assembly may
9 appropriate.

10 This Section constitutes an irrevocable and continuing
11 appropriation of the Education Appropriation Minimum from the
12 General Revenue Fund to the Common School Fund in each fiscal
13 year.

14 Section 99. Effective date. This Act takes effect July 1,
15 2008.

1		INDEX
2		Statutes amended in order of appearance
3	30 ILCS 105/5.710	new
4	30 ILCS 105/5.711	new
5	30 ILCS 105/5.712	new
6	30 ILCS 105/5.713	new
7	30 ILCS 105/5.714	new
8	30 ILCS 105/6z-76	new
9	30 ILCS 105/6z-77	new
10	30 ILCS 105/6z-78	new
11	35 ILCS 5/201	from Ch. 120, par. 2-201
12	35 ILCS 5/218	new
13	35 ILCS 200/18-167	new
14	35 ILCS 200/18-255	
15	35 ILCS 200/20-15	
16	35 ILCS 200/21-30	
17	105 ILCS 5/1C-2	
18	105 ILCS 5/14-13.01	from Ch. 122, par. 14-13.01
19	105 ILCS 5/18-8.05	
20	105 ILCS 5/18-25	new