



Sen. James F. Clayborne, Jr.

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09700HB2984sam002

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1 AMENDMENT TO HOUSE BILL 2984

2 AMENDMENT NO. _____. Amend House Bill 2984 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The School Code is amended by changing Sections
5 1B-8 and 2-3.25f as follows:

6 (105 ILCS 5/1B-8) (from Ch. 122, par. 1B-8)

7 Sec. 1B-8. There is created in the State Treasury a special
8 fund to be known as the School District Emergency Financial
9 Assistance Fund (the "Fund"). The School District Emergency
10 Financial Assistance Fund shall consist of appropriations,
11 loan repayments, grants from the federal government, and
12 donations from any public or private source. Moneys in the Fund
13 may be appropriated only to the Illinois Finance Authority and
14 the State Board for those purposes authorized under this
15 Article and Articles 1F and 1H and Section 2-3.25f of this
16 Code. The appropriation may be allocated and expended by the

1 State Board for contractual services to provide technical
2 assistance or consultation to school districts to assess their
3 financial condition and to Financial Oversight Panels that
4 petition for emergency financial assistance grants and as
5 necessary to fulfill the goals and obligations of an
6 intergovernmental agreement between a school district and the
7 State Board of Education for management oversight or an
8 independent authority under Section 2-3.25f of this Code. The
9 Illinois Finance Authority may provide loans to school
10 districts which are the subject of an approved petition for
11 emergency financial assistance under Section 1B-4, 1F-62, ~~or~~
12 1H-65, or 2-3.25f of this Code. Neither the State Board of
13 Education nor the Illinois Finance Authority may collect any
14 fees for providing these services.

15 From the amount allocated to each such school district
16 under this Article the State Board shall identify a sum
17 sufficient to cover all approved costs of the Financial
18 Oversight Panel or intergovernmental agreement between a
19 school district and the State Board of Education for management
20 oversight or an independent authority established for the
21 respective school district. If the State Board and State
22 Superintendent of Education have not approved emergency
23 financial assistance in conjunction with the appointment of a
24 Financial Oversight Panel or the entry into an
25 intergovernmental agreement between a school district and the
26 State Board of Education for management oversight or an

1 independent authority, the ~~Panel's~~ approved costs shall be paid
2 from deductions from the district's general State aid.

3 The Financial Oversight Panel or a school board that has
4 entered into an intergovernmental agreement between the school
5 district and the State Board of Education for management
6 oversight or an independent authority may prepare and file with
7 the State Superintendent a proposal for emergency financial
8 assistance for the school district and for its operations
9 budget. No expenditures from the Fund shall be authorized by
10 the State Superintendent until he or she has approved the
11 request of the Panel or the school board, either as submitted
12 or in such lesser amount determined by the State
13 Superintendent.

14 The maximum amount of an emergency financial assistance
15 loan which may be allocated to any school district under this
16 Article, including moneys necessary for the operations of any
17 Financial Oversight ~~the~~ Panel, shall not exceed \$4,000 times
18 the number of pupils enrolled in the school district during the
19 school year ending June 30 prior to the date of approval by the
20 State Board of the petition for emergency financial assistance,
21 as certified to the school local board or ~~and~~ the Panel or both
22 by the State Superintendent. An emergency financial assistance
23 grant shall not exceed \$2,000 ~~\$1,000~~ times the number of such
24 pupils. A school district may receive both a loan and a grant.

25 The payment of an emergency State financial assistance
26 grant or loan shall be subject to appropriation by the General

1 Assembly. Payment of the emergency State financial assistance
2 loan is subject to the applicable provisions of the Illinois
3 Finance Authority Act. Emergency State financial assistance
4 allocated and paid to a school district under this Article may
5 be applied to any fund or funds from which the local board of
6 education of that district is authorized to make expenditures
7 by law.

8 Any emergency financial assistance grant proposed by the
9 Financial Oversight Panel or the school board that has entered
10 into an intergovernmental agreement between the school
11 district and the State Board of Education for management
12 oversight or an independent authority and approved by the State
13 Superintendent may be paid in its entirety during the initial
14 year of the Panel's existence or the term of the
15 intergovernmental agreement between the school district and
16 the State Board of Education for management oversight or an
17 independent authority or spread in equal or declining amounts
18 over a period of years not to exceed the period of the Panel's
19 existence or the term of the intergovernmental agreement
20 between the school district and the State Board of Education
21 for management oversight or an independent authority. An
22 emergency financial assistance loan proposed by the Financial
23 Oversight Panel or the school board that has entered into an
24 intergovernmental agreement between the school district and
25 the State Board of Education for management oversight or an
26 independent authority and approved by the Illinois Finance

1 Authority may be paid in its entirety during the initial year
2 of the Panel's existence or the term of the intergovernmental
3 agreement between the school district and the State Board of
4 Education for management oversight or an independent authority
5 or spread in equal or declining amounts over a period of years
6 not to exceed the period of the Panel's existence or the term
7 of the intergovernmental agreement between the school district
8 and the State Board of Education for management oversight or an
9 independent authority. All loans made by the Illinois Finance
10 Authority for a school district shall be required to be repaid,
11 with simple interest over the term of the loan at a rate equal
12 to 50% of the one-year Constant Maturity Treasury (CMT) yield
13 as last published by the Board of Governors of the Federal
14 Reserve System before the date on which the district's loan is
15 approved by the Illinois Finance Authority, not later than the
16 date the Financial Oversight Panel ceases to exist or the
17 expiration of the intergovernmental agreement between the
18 school district and the State Board of Education for management
19 oversight or an independent authority. The Panel or the school
20 board that has entered into an intergovernmental agreement
21 between the school district and the State Board of Education
22 for management oversight or an independent authority shall
23 establish and the Illinois Finance Authority shall approve the
24 terms and conditions, including the schedule, of repayments.
25 The schedule shall provide for repayments commencing July 1 of
26 each year or upon each fiscal year's receipt of moneys from a

1 tax levy for emergency financial assistance. Repayment shall be
2 incorporated into the annual budget of the school district and
3 may be made from any fund or funds of the district in which
4 there are moneys available. An emergency financial assistance
5 loan to the Panel or school district shall not be considered
6 part of the calculation of a school district's debt for
7 purposes of the limitation specified in Section 19-1 of this
8 Code. Default on repayment is subject to the Illinois Grant
9 Funds Recovery Act. When moneys are repaid as provided herein
10 they shall not be made available to the school ~~local~~ board for
11 further use as emergency financial assistance under this
12 Article at any time thereafter. All repayments required to be
13 made by a school district shall be received by the State Board
14 and deposited in the School District Emergency Financial
15 Assistance Fund.

16 In establishing the terms and conditions for the repayment
17 obligation of the school district, the Panel or the school
18 board that has entered into an intergovernmental agreement
19 between the school district and the State Board of Education
20 for management oversight or an independent authority shall
21 annually determine whether a separate local property tax levy
22 is required. The school board of any school district with a tax
23 rate for educational purposes for the prior year of less than
24 120% of the maximum rate for educational purposes authorized by
25 Section 17-2 shall provide for a separate tax levy for
26 emergency financial assistance repayment purposes. Such tax

1 levy shall not be subject to referendum approval. The amount of
2 the levy shall be equal to the amount necessary to meet the
3 annual repayment obligations of the school district as
4 established by the Panel or the school board that has entered
5 into an intergovernmental agreement between the school
6 district and the State Board of Education for management
7 oversight or an independent authority, or 20% of the amount
8 levied for educational purposes for the prior year, whichever
9 is less. However, no school district shall be required to levy
10 the tax if the district's operating tax rate as determined
11 under Section 18-8 or 18-8.05 exceeds 200% of the district's
12 tax rate for educational purposes for the prior year.

13 (Source: P.A. 97-429, eff. 8-16-11.)

14 (105 ILCS 5/2-3.25f) (from Ch. 122, par. 2-3.25f)

15 Sec. 2-3.25f. State interventions.

16 (a) The State Board of Education shall provide technical
17 assistance to assist with the development and implementation of
18 School and District Improvement Plans.

19 Schools or school districts that fail to make reasonable
20 efforts to implement an approved Improvement Plan may suffer
21 loss of State funds by school district, attendance center, or
22 program as the State Board of Education deems appropriate.

23 (a-5) In this subsection (a-5), "school" means any of the
24 following named public schools or their successor name:

25 (1) Dirksen Middle School in Dolton School District

1 149.

2 (2) Diekman Elementary School in Dolton School
3 District 149.

4 (3) Caroline Sibley Elementary School in Dolton School
5 District 149.

6 (4) Berger-Vandenberg Elementary School in Dolton
7 School District 149.

8 (5) Carol Moseley Braun School in Dolton School
9 District 149.

10 (6) New Beginnings Learning Academy in Dolton School
11 District 149.

12 (7) McKinley Junior High School in South Holland School
13 District 150.

14 (8) Greenwood Elementary School in South Holland
15 School District 150.

16 (9) McKinley Elementary School in South Holland School
17 District 150.

18 (10) Eisenhower School in South Holland School
19 District 151.

20 (11) Madison School in South Holland School District
21 151.

22 (12) Taft School in South Holland School District 151.

23 (13) Wolcott School in Thornton School District 154.

24 (14) Memorial Junior High School in Lansing School
25 District 158.

26 (15) Oak Glen Elementary School in Lansing School

1 District 158.

2 (16) Lester Crawl Primary Center in Lansing School
3 District 158.

4 (17) Brookwood Junior High School in Brookwood School
5 District 167.

6 (18) Brookwood Middle School in Brookwood School
7 District 167.

8 (19) Hickory Bend Elementary School in Brookwood
9 School District 167.

10 (20) Medgar Evers Primary Academic Center in Ford
11 Heights School District 169.

12 (21) Nathan Hale Elementary School in Sunnybrook
13 School District 171.

14 (22) Ira F. Aldridge Elementary School in City of
15 Chicago School District 299.

16 (23) William E.B. DuBois Elementary School in City of
17 Chicago School District 299.

18 If, after 2 years following its placement on academic watch
19 status, a school remains on academic watch status, then,
20 subject to federal appropriation money being available, the
21 State Board of Education shall allow the school board to opt in
22 the process of operating that school on a pilot full-year
23 school plan approved by the State Board of Education upon
24 expiration of its teachers' current collective bargaining
25 agreement until the expiration of the next collective
26 bargaining agreement. A school board must notify the State

1 Board of Education of its intent to opt in the process of
2 operating a school on a pilot full-year school plan.

3 (b) In addition, if after 3 years following its placement
4 on academic watch status a school district or school remains on
5 academic watch status, the State Board of Education shall take
6 one of the following actions for the district or school:

7 (1) The State Board of Education may authorize the
8 State Superintendent of Education to direct the regional
9 superintendent of schools to remove school board members
10 pursuant to Section 3-14.28 of this Code. Prior to such
11 direction the State Board of Education shall permit members
12 of the local board of education to present written and oral
13 comments to the State Board of Education. The State Board
14 of Education may direct the State Superintendent of
15 Education to appoint an Independent Authority that shall
16 exercise such powers and duties as may be necessary to
17 operate a school or school district for purposes of
18 improving pupil performance and school improvement. The
19 State Superintendent of Education shall designate one
20 member of the Independent Authority to serve as chairman.
21 The Independent Authority shall serve for a period of time
22 specified by the State Board of Education upon the
23 recommendation of the State Superintendent of Education.

24 (2) The State Board of Education may (A) change the
25 recognition status of the school district or school to
26 nonrecognized, or (B) authorize the State Superintendent

1 of Education to direct the reassignment of pupils or direct
2 the reassignment or replacement of school district
3 personnel who are relevant to the failure to meet adequate
4 yearly progress criteria. If a school district is
5 nonrecognized in its entirety, it shall automatically be
6 dissolved on July 1 following that nonrecognition and its
7 territory realigned with another school district or
8 districts by the regional board of school trustees in
9 accordance with the procedures set forth in Section 7-11 of
10 the School Code. The effective date of the nonrecognition
11 of a school shall be July 1 following the nonrecognition.

12 (3) The State Board of Education may enter into an
13 intergovernmental agreement, pursuant to the
14 Intergovernmental Cooperation Act and the Constitution of
15 the State of Illinois, with the school board for the school
16 district or school for management oversight of the planning
17 and operations of the school district or school by the
18 State Board of Education. A school board that enters into
19 an intergovernmental agreement with the State Board of
20 Education under this paragraph (3) may prepare and file
21 with the State Superintendent of Education a proposal for
22 emergency financial assistance for the school district in
23 accordance with Section 1B-8 of this Code. A school
24 district may receive both a loan and a grant.

25 (c) All federal requirements apply to schools and school
26 districts utilizing federal funds under Title I, Part A of the

1 federal Elementary and Secondary Education Act of 1965.

2 (Source: P.A. 97-370, eff. 1-1-12.)

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.".