



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

HB3501

Introduced 2/24/2011, by Rep. Dave Winters

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the State Budget Law of the Civil Administration Code of Illinois. Provides that certain amounts shall be transferred from the General Revenue Fund to the Common School Fund. Amends the Illinois Income Tax Act. Increases the residential real property tax credit from 5% to 10%. Increases the limitation on the education expense credit from \$500 to \$1,000. Increases the percentage of the earned income tax credit from 5% of the federal tax credit to 15% in 2011 and thereafter. Makes changes concerning distributions to the Local Government Distributive Fund. Amends the Retailers' Occupation Tax Act. Provides that certain services are taxable under the Act. Amends the School Code. Creates the Education Financial Award System Fund, the Digital Learning Technology Grant Fund, and the STEM Education Center Grant Fund. Makes changes concerning the Early Childhood Education Block Grant; financial awards for school improvement and other awards; academic early warning and watch status; an educational improvement plan; the creation of the Digital Learning Technology Grant Program, a best practices clearinghouse, the Science, Technology, Engineering, and Mathematics Education Center Grant Program, and a resource management service; audits; school board member leadership training; a school district's school report card; financial policies and plans; a capital improvement plan; protection from suit; financial accountability; non-referendum bonds; the foundation level of support under the State aid formula; the New Teacher Induction and Mentoring Program; school board associations; and transportation reimbursement. Effective immediately.

LRB097 08883 HLH 49013 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning State government.

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

4 Section 5. The State Budget Law of the Civil Administrative  
5 Code of Illinois is amended by changing Section 50-20 as  
6 follows:

7 (15 ILCS 20/50-20) (was 15 ILCS 20/38.3)

8 Sec. 50-20. Responsible Education Funding Law.

9 (a) The Governor shall submit to the General Assembly a  
10 proposed budget for elementary and secondary education in which  
11 total General Revenue Fund appropriations are no less than the  
12 total General Revenue Fund appropriations of the previous  
13 fiscal year. In addition, the Governor shall specify the total  
14 amount of funds to be transferred from the General Revenue Fund  
15 to the Common School Fund during the budget year, which shall  
16 be no less than the total amount transferred during the  
17 previous fiscal year. The Governor may submit a proposed budget  
18 in which the total appropriated and transferred amounts are  
19 less than the previous fiscal year if the Governor declares in  
20 writing to the General Assembly the reason for the lesser  
21 amounts.

22 (b) The General Assembly shall appropriate amounts for  
23 elementary and secondary education from the General Revenue

1 Fund for each fiscal year so that the total General Revenue  
2 Fund appropriation is no less than the total General Revenue  
3 Fund appropriation for elementary and secondary education for  
4 the previous fiscal year. In addition, the General Assembly  
5 shall legislatively transfer from the General Revenue Fund to  
6 the Common School Fund for the fiscal year a total amount that  
7 is no less than the total amount transferred for the previous  
8 fiscal year. The General Assembly may appropriate or transfer  
9 lesser amounts if it declares by Joint Resolution the reason  
10 for the lesser amounts.

11 (b-5) In fiscal year 2012, no appropriation made from  
12 General funds to the State Board of Education, the Board of  
13 Higher Education, the Illinois Community College Board, the  
14 Illinois Student Assistance Commission, the Illinois  
15 Mathematics and Science Academy, or any public university may  
16 be decreased from its fiscal year 2011 general appropriation  
17 level. An exception may be made only if a program's  
18 appropriation is based on actual cost and that cost has been  
19 determined by the Board, Academy, or university to require a  
20 lesser appropriation; however, the aggregate appropriation to  
21 those Boards, Academies, or universities for fiscal year 2012  
22 shall not under any circumstances represent a decrease from the  
23 fiscal year 2011 aggregate general fund appropriation level for  
24 that Board, Academy, or university.

25 (b-10) Beginning in fiscal year 2013 and in each fiscal  
26 year thereafter, in addition to the amounts required to be

1 transferred under subsection (b), an amount equal to 33 1/3% of  
2 (i) the amount by which the taxes imposed by subsections (a)  
3 and (b) of Section 201 of the Illinois Income Tax exceeds the  
4 amount that would have been collected if the taxes imposed  
5 under that Section had been imposed at the rates that were in  
6 effect immediately prior to the effective date of Public Act  
7 96-1496 and (ii) the amount collected as a result of the  
8 additional taxes imposed under the Retailers' Occupation Tax  
9 Act by this amendatory Act of the 97th General Assembly. In  
10 addition, beginning in fiscal year 2014 and in each fiscal year  
11 thereafter, an additional amount equal to 16 2/3% of the amount  
12 of those additional revenues shall be transferred from the  
13 General Revenue Fund to the Higher Education Fund.

14 (b-15) The Higher Education Fund is created as a special  
15 fund in the State treasury. Moneys in this Fund may be used  
16 only for purposes related to higher education. The Higher  
17 Education Fund is not subject to administrative charges that  
18 would in any way transfer any funds from the Higher Education  
19 Fund into any other fund of the State.

20 (c) This Section may be cited as the Responsible Education  
21 Funding Law.

22 (Source: P.A. 91-239, eff. 1-1-00.)

23 Section 10. The State Finance Act is amended by adding  
24 Sections 5.786, 5.787, 5.788, and 5.789 as follows:

1 (30 ILCS 105/5.786 new)

2 Sec. 5.786. The Education Financial Award System Fund.

3 (30 ILCS 105/5.787 new)

4 Sec. 5.787. The Digital Learning Technology Grant Fund.

5 (30 ILCS 105/5.788 new)

6 Sec. 5.788. The STEM Education Center Grant Fund.

7 (30 ILCS 105/5.789 new)

8 Sec. 5.789. The Higher Education Fund.

9 Section 15. The Illinois Income Tax Act is amended by  
10 changing Sections 204, 208, 212, 804, and 901 and by adding  
11 Section 218 as follows:

12 (35 ILCS 5/204) (from Ch. 120, par. 2-204)

13 Sec. 204. Standard Exemption.

14 (a) Allowance of exemption. In computing net income under  
15 this Act, there shall be allowed as an exemption the sum of the  
16 amounts determined under subsections (b), (c) and (d),  
17 multiplied by a fraction the numerator of which is the amount  
18 of the taxpayer's base income allocable to this State for the  
19 taxable year and the denominator of which is the taxpayer's  
20 total base income for the taxable year.

21 (b) Basic amount. For the purpose of subsection (a) of this

1 Section, except as provided by subsection (a) of Section 205  
2 and in this subsection, each taxpayer shall be allowed a basic  
3 amount of \$1000, except that for corporations the basic amount  
4 shall be zero for tax years ending on or after December 31,  
5 2003, and for individuals the basic amount shall be:

6 (1) for taxable years ending on or after December 31,  
7 1998 and prior to December 31, 1999, \$1,300;

8 (2) for taxable years ending on or after December 31,  
9 1999 and prior to December 31, 2000, \$1,650;

10 (3) for taxable years ending on or after December 31,  
11 2000 and prior to December 31, 2011, \$2,000;

12 (4) for taxable years ending on or after December 31,  
13 2011, \$3,000.

14 For taxable years ending on or after December 31, 1992, a  
15 taxpayer whose Illinois base income exceeds the basic amount  
16 and who is claimed as a dependent on another person's tax  
17 return under the Internal Revenue Code of 1986 shall not be  
18 allowed any basic amount under this subsection.

19 (c) Additional amount for individuals. In the case of an  
20 individual taxpayer, there shall be allowed for the purpose of  
21 subsection (a), in addition to the basic amount provided by  
22 subsection (b), an additional exemption equal to the basic  
23 amount for each exemption in excess of one allowable to such  
24 individual taxpayer for the taxable year under Section 151 of  
25 the Internal Revenue Code.

26 (d) Additional exemptions for an individual taxpayer and

1 his or her spouse. In the case of an individual taxpayer and  
2 his or her spouse, he or she shall each be allowed additional  
3 exemptions as follows:

4 (1) Additional exemption for taxpayer or spouse 65  
5 years of age or older.

6 (A) For taxpayer. An additional exemption of  
7 \$1,000 for the taxpayer if he or she has attained the  
8 age of 65 before the end of the taxable year.

9 (B) For spouse when a joint return is not filed. An  
10 additional exemption of \$1,000 for the spouse of the  
11 taxpayer if a joint return is not made by the taxpayer  
12 and his spouse, and if the spouse has attained the age  
13 of 65 before the end of such taxable year, and, for the  
14 calendar year in which the taxable year of the taxpayer  
15 begins, has no gross income and is not the dependent of  
16 another taxpayer.

17 (2) Additional exemption for blindness of taxpayer or  
18 spouse.

19 (A) For taxpayer. An additional exemption of  
20 \$1,000 for the taxpayer if he or she is blind at the  
21 end of the taxable year.

22 (B) For spouse when a joint return is not filed. An  
23 additional exemption of \$1,000 for the spouse of the  
24 taxpayer if a separate return is made by the taxpayer,  
25 and if the spouse is blind and, for the calendar year  
26 in which the taxable year of the taxpayer begins, has

1 no gross income and is not the dependent of another  
2 taxpayer. For purposes of this paragraph, the  
3 determination of whether the spouse is blind shall be  
4 made as of the end of the taxable year of the taxpayer;  
5 except that if the spouse dies during such taxable year  
6 such determination shall be made as of the time of such  
7 death.

8 (C) Blindness defined. For purposes of this  
9 subsection, an individual is blind only if his or her  
10 central visual acuity does not exceed 20/200 in the  
11 better eye with correcting lenses, or if his or her  
12 visual acuity is greater than 20/200 but is accompanied  
13 by a limitation in the fields of vision such that the  
14 widest diameter of the visual fields subtends an angle  
15 no greater than 20 degrees.

16 (e) Cross reference. See Article 3 for the manner of  
17 determining base income allocable to this State.

18 (f) Application of Section 250. Section 250 does not apply  
19 to ~~the amendments to this Section made by Public Act 90-613.~~

20 (Source: P.A. 93-29, eff. 6-20-03.)

21 (35 ILCS 5/208) (from Ch. 120, par. 2-208)

22 Sec. 208. Tax credit for residential real property taxes.  
23 Beginning with tax years ending on or after December 31, 1991  
24 and ending prior to December 31, 2011, every individual  
25 taxpayer shall be entitled to a tax credit equal to 5% of real



1 property taxes paid by such taxpayer during the taxable year on  
2 the principal residence of the taxpayer. In the case of  
3 multi-unit or multi-use structures and farm dwellings, the  
4 taxes on the taxpayer's principal residence shall be that  
5 portion of the total taxes which is attributable to such  
6 principal residence.

7 For tax years ending on or after December 31, 2011, every  
8 individual taxpayer shall be entitled to a tax credit equal to  
9 10% of real property taxes paid by the taxpayer during the  
10 taxable year on the principal residence of the taxpayer. In the  
11 case of multi-unit or multi-use structures, the taxes on the  
12 taxpayer's principal residence shall be that portion of the  
13 total taxes that is attributable to the principal residence.

14 For tax years ending on December 31, 2011, the credit under  
15 this Section shall not exceed \$1,500. For tax years thereafter,  
16 the \$1,500 cap shall be increased by a percentage increase  
17 equal to the percentage increase, if any, in the Consumer Price  
18 Index for all Urban Consumers for the then most recently  
19 compiled calendar year.

20 For each taxable year ending on or after December 31, 2011,  
21 if the amount of the credit exceeds the income tax liability  
22 for the applicable tax year, then the excess credit shall be  
23 refunded to the taxpayer. The amount of a refund shall not be  
24 included in the taxpayer's income or resources for the purposes  
25 of determining eligibility or benefit level in any means-tested  
26 benefit program administered by a governmental entity unless

1 required by federal law.

2 (Source: P.A. 87-17.)

3 (35 ILCS 5/212)

4 Sec. 212. Earned income tax credit.

5 (a) With respect to the federal earned income tax credit  
6 allowed for the taxable year under Section 32 of the federal  
7 Internal Revenue Code, 26 U.S.C. 32, each individual taxpayer  
8 is entitled to a credit against the tax imposed by subsections  
9 (a) and (b) of Section 201 in an amount equal to the following:

10 (1) for each taxable year beginning on or after January  
11 1, 2000 and ending before December 31, 2011, the amount of  
12 the credit is 5% of the federal tax credit; and

13 (2) for each taxable year ending on or after December  
14 31, 2011, the amount of the credit is 15% of the federal  
15 tax credit. ~~5% of the federal tax credit for each taxable~~  
16 ~~year beginning on or after January 1, 2000.~~

17 For a non-resident or part-year resident, the amount of the  
18 credit under this Section shall be in proportion to the amount  
19 of income attributable to this State.

20 (b) For taxable years beginning before January 1, 2003, in  
21 no event shall a credit under this Section reduce the  
22 taxpayer's liability to less than zero. For each taxable year  
23 beginning on or after January 1, 2003, if the amount of the  
24 credit exceeds the income tax liability for the applicable tax  
25 year, then the excess credit shall be refunded to the taxpayer.

1 The amount of a refund shall not be included in the taxpayer's  
2 income or resources for the purposes of determining eligibility  
3 or benefit level in any means-tested benefit program  
4 administered by a governmental entity unless required by  
5 federal law.

6 (c) This Section is exempt from the provisions of Section  
7 250.

8 (Source: P.A. 95-333, eff. 8-21-07.)

9 (35 ILCS 5/901) (from Ch. 120, par. 9-901)

10 Sec. 901. Collection Authority.

11 (a) In general.

12 The Department shall collect the taxes imposed by this Act.  
13 The Department shall collect certified past due child support  
14 amounts under Section 2505-650 of the Department of Revenue Law  
15 (20 ILCS 2505/2505-650). Except as provided in subsections (c),  
16 (e), (f), and (g) of this Section, money collected pursuant to  
17 subsections (a) and (b) of Section 201 of this Act shall be  
18 paid into the General Revenue Fund in the State treasury; money  
19 collected pursuant to subsections (c) and (d) of Section 201 of  
20 this Act shall be paid into the Personal Property Tax  
21 Replacement Fund, a special fund in the State Treasury; and  
22 money collected under Section 2505-650 of the Department of  
23 Revenue Law (20 ILCS 2505/2505-650) shall be paid into the  
24 Child Support Enforcement Trust Fund, a special fund outside  
25 the State Treasury, or to the State Disbursement Unit

1 established under Section 10-26 of the Illinois Public Aid  
2 Code, as directed by the Department of Healthcare and Family  
3 Services.

4 (b) Local Government Distributive Fund.

5 Beginning August 1, 1969, and continuing through June 30,  
6 1994, the Treasurer shall transfer each month from the General  
7 Revenue Fund to a special fund in the State treasury, to be  
8 known as the "Local Government Distributive Fund", an amount  
9 equal to 1/12 of the net revenue realized from the tax imposed  
10 by subsections (a) and (b) of Section 201 of this Act during  
11 the preceding month. Beginning July 1, 1994, and continuing  
12 through June 30, 1995, the Treasurer shall transfer each month  
13 from the General Revenue Fund to the Local Government  
14 Distributive Fund an amount equal to 1/11 of the net revenue  
15 realized from the tax imposed by subsections (a) and (b) of  
16 Section 201 of this Act during the preceding month. Beginning  
17 July 1, 1995 and continuing through January 31, 2011, the  
18 Treasurer shall transfer each month from the General Revenue  
19 Fund to the Local Government Distributive Fund an amount equal  
20 to the net of (i) 1/10 of the net revenue realized from the tax  
21 imposed by subsections (a) and (b) of Section 201 of the  
22 Illinois Income Tax Act during the preceding month (ii) minus,  
23 beginning July 1, 2003 and ending June 30, 2004, \$6,666,666,  
24 and beginning July 1, 2004, zero. Beginning February 1, 2011,  
25 and continuing through January 31, 2015, the Treasurer shall  
26 transfer each month from the General Revenue Fund to the Local

1 Government Distributive Fund an amount equal to the sum of (i)  
2 6% (10% of the ratio of the 3% individual income tax rate prior  
3 to 2011 to the 5% individual income tax rate after 2010) of the  
4 net revenue realized from the tax imposed by subsections (a)  
5 and (b) of Section 201 of this Act upon individuals, trusts,  
6 and estates during the preceding month and (ii) 6.86% (10% of  
7 the ratio of the 4.8% corporate income tax rate prior to 2011  
8 to the 7% corporate income tax rate after 2010) of the net  
9 revenue realized from the tax imposed by subsections (a) and  
10 (b) of Section 201 of this Act upon corporations during the  
11 preceding month. Beginning August 1, 2011 and through July 1,  
12 2012, the amounts required to be transferred under this  
13 subsection (b) shall be reduced by \$20,800,000 per month, which  
14 shall be transferred to the Common School Fund. Beginning  
15 February 1, 2015 and continuing through January 31, 2025, the  
16 Treasurer shall transfer each month from the General Revenue  
17 Fund to the Local Government Distributive Fund an amount equal  
18 to the sum of (i) 8% (10% of the ratio of the 3% individual  
19 income tax rate prior to 2011 to the 3.75% individual income  
20 tax rate after 2014) of the net revenue realized from the tax  
21 imposed by subsections (a) and (b) of Section 201 of this Act  
22 upon individuals, trusts, and estates during the preceding  
23 month and (ii) 9.14% (10% of the ratio of the 4.8% corporate  
24 income tax rate prior to 2011 to the 5.25% corporate income tax  
25 rate after 2014) of the net revenue realized from the tax  
26 imposed by subsections (a) and (b) of Section 201 of this Act

1 upon corporations during the preceding month. Beginning  
2 February 1, 2025, the Treasurer shall transfer each month from  
3 the General Revenue Fund to the Local Government Distributive  
4 Fund an amount equal to the sum of (i) 9.23% (10% of the ratio  
5 of the 3% individual income tax rate prior to 2011 to the 3.25%  
6 individual income tax rate after 2024) of the net revenue  
7 realized from the tax imposed by subsections (a) and (b) of  
8 Section 201 of this Act upon individuals, trusts, and estates  
9 during the preceding month and (ii) 10% of the net revenue  
10 realized from the tax imposed by subsections (a) and (b) of  
11 Section 201 of this Act upon corporations during the preceding  
12 month. Net revenue realized for a month shall be defined as the  
13 revenue from the tax imposed by subsections (a) and (b) of  
14 Section 201 of this Act which is deposited in the General  
15 Revenue Fund, the Education Assistance Fund, the Income Tax  
16 Surcharge Local Government Distributive Fund, the Fund for the  
17 Advancement of Education, and the Commitment to Human Services  
18 Fund during the month minus the amount paid out of the General  
19 Revenue Fund in State warrants during that same month as  
20 refunds to taxpayers for overpayment of liability under the tax  
21 imposed by subsections (a) and (b) of Section 201 of this Act.

22 (c) Deposits Into Income Tax Refund Fund.

23 (1) Beginning on January 1, 1989 and thereafter, the  
24 Department shall deposit a percentage of the amounts  
25 collected pursuant to subsections (a) and (b) (1), (2), and  
26 (3), of Section 201 of this Act into a fund in the State

1 treasury known as the Income Tax Refund Fund. The  
2 Department shall deposit 6% of such amounts during the  
3 period beginning January 1, 1989 and ending on June 30,  
4 1989. Beginning with State fiscal year 1990 and for each  
5 fiscal year thereafter, the percentage deposited into the  
6 Income Tax Refund Fund during a fiscal year shall be the  
7 Annual Percentage. For fiscal years 1999 through 2001, the  
8 Annual Percentage shall be 7.1%. For fiscal year 2003, the  
9 Annual Percentage shall be 8%. For fiscal year 2004, the  
10 Annual Percentage shall be 11.7%. Upon the effective date  
11 of this amendatory Act of the 93rd General Assembly, the  
12 Annual Percentage shall be 10% for fiscal year 2005. For  
13 fiscal year 2006, the Annual Percentage shall be 9.75%. For  
14 fiscal year 2007, the Annual Percentage shall be 9.75%. For  
15 fiscal year 2008, the Annual Percentage shall be 7.75%. For  
16 fiscal year 2009, the Annual Percentage shall be 9.75%. For  
17 fiscal year 2010, the Annual Percentage shall be 9.75%. For  
18 fiscal year 2011, the Annual Percentage shall be 8.75%. For  
19 all other fiscal years, the Annual Percentage shall be  
20 calculated as a fraction, the numerator of which shall be  
21 the amount of refunds approved for payment by the  
22 Department during the preceding fiscal year as a result of  
23 overpayment of tax liability under subsections (a) and  
24 (b) (1), (2), and (3) of Section 201 of this Act plus the  
25 amount of such refunds remaining approved but unpaid at the  
26 end of the preceding fiscal year, minus the amounts

1 transferred into the Income Tax Refund Fund from the  
2 Tobacco Settlement Recovery Fund, and the denominator of  
3 which shall be the amounts which will be collected pursuant  
4 to subsections (a) and (b) (1), (2), and (3) of Section 201  
5 of this Act during the preceding fiscal year; except that  
6 in State fiscal year 2002, the Annual Percentage shall in  
7 no event exceed 7.6%. The Director of Revenue shall certify  
8 the Annual Percentage to the Comptroller on the last  
9 business day of the fiscal year immediately preceding the  
10 fiscal year for which it is to be effective.

11 (2) Beginning on January 1, 1989 and thereafter, the  
12 Department shall deposit a percentage of the amounts  
13 collected pursuant to subsections (a) and (b) (6), (7), and  
14 (8), (c) and (d) of Section 201 of this Act into a fund in  
15 the State treasury known as the Income Tax Refund Fund. The  
16 Department shall deposit 18% of such amounts during the  
17 period beginning January 1, 1989 and ending on June 30,  
18 1989. Beginning with State fiscal year 1990 and for each  
19 fiscal year thereafter, the percentage deposited into the  
20 Income Tax Refund Fund during a fiscal year shall be the  
21 Annual Percentage. For fiscal years 1999, 2000, and 2001,  
22 the Annual Percentage shall be 19%. For fiscal year 2003,  
23 the Annual Percentage shall be 27%. For fiscal year 2004,  
24 the Annual Percentage shall be 32%. Upon the effective date  
25 of this amendatory Act of the 93rd General Assembly, the  
26 Annual Percentage shall be 24% for fiscal year 2005. For



1 fiscal year 2006, the Annual Percentage shall be 20%. For  
2 fiscal year 2007, the Annual Percentage shall be 17.5%. For  
3 fiscal year 2008, the Annual Percentage shall be 15.5%. For  
4 fiscal year 2009, the Annual Percentage shall be 17.5%. For  
5 fiscal year 2010, the Annual Percentage shall be 17.5%. For  
6 fiscal year 2011, the Annual Percentage shall be 17.5%. For  
7 all other fiscal years, the Annual Percentage shall be  
8 calculated as a fraction, the numerator of which shall be  
9 the amount of refunds approved for payment by the  
10 Department during the preceding fiscal year as a result of  
11 overpayment of tax liability under subsections (a) and  
12 (b) (6), (7), and (8), (c) and (d) of Section 201 of this  
13 Act plus the amount of such refunds remaining approved but  
14 unpaid at the end of the preceding fiscal year, and the  
15 denominator of which shall be the amounts which will be  
16 collected pursuant to subsections (a) and (b) (6), (7), and  
17 (8), (c) and (d) of Section 201 of this Act during the  
18 preceding fiscal year; except that in State fiscal year  
19 2002, the Annual Percentage shall in no event exceed 23%.  
20 The Director of Revenue shall certify the Annual Percentage  
21 to the Comptroller on the last business day of the fiscal  
22 year immediately preceding the fiscal year for which it is  
23 to be effective.

24 (3) The Comptroller shall order transferred and the  
25 Treasurer shall transfer from the Tobacco Settlement  
26 Recovery Fund to the Income Tax Refund Fund (i) \$35,000,000

1 in January, 2001, (ii) \$35,000,000 in January, 2002, and  
2 (iii) \$35,000,000 in January, 2003.

3 (d) Expenditures from Income Tax Refund Fund.

4 (1) Beginning January 1, 1989, money in the Income Tax  
5 Refund Fund shall be expended exclusively for the purpose  
6 of paying refunds resulting from overpayment of tax  
7 liability under Section 201 of this Act, for paying rebates  
8 under Section 208.1 in the event that the amounts in the  
9 Homeowners' Tax Relief Fund are insufficient for that  
10 purpose, and for making transfers pursuant to this  
11 subsection (d).

12 (2) The Director shall order payment of refunds  
13 resulting from overpayment of tax liability under Section  
14 201 of this Act from the Income Tax Refund Fund only to the  
15 extent that amounts collected pursuant to Section 201 of  
16 this Act and transfers pursuant to this subsection (d) and  
17 item (3) of subsection (c) have been deposited and retained  
18 in the Fund.

19 (3) As soon as possible after the end of each fiscal  
20 year, the Director shall order transferred and the State  
21 Treasurer and State Comptroller shall transfer from the  
22 Income Tax Refund Fund to the Personal Property Tax  
23 Replacement Fund an amount, certified by the Director to  
24 the Comptroller, equal to the excess of the amount  
25 collected pursuant to subsections (c) and (d) of Section  
26 201 of this Act deposited into the Income Tax Refund Fund

1 during the fiscal year over the amount of refunds resulting  
2 from overpayment of tax liability under subsections (c) and  
3 (d) of Section 201 of this Act paid from the Income Tax  
4 Refund Fund during the fiscal year.

5 (4) As soon as possible after the end of each fiscal  
6 year, the Director shall order transferred and the State  
7 Treasurer and State Comptroller shall transfer from the  
8 Personal Property Tax Replacement Fund to the Income Tax  
9 Refund Fund an amount, certified by the Director to the  
10 Comptroller, equal to the excess of the amount of refunds  
11 resulting from overpayment of tax liability under  
12 subsections (c) and (d) of Section 201 of this Act paid  
13 from the Income Tax Refund Fund during the fiscal year over  
14 the amount collected pursuant to subsections (c) and (d) of  
15 Section 201 of this Act deposited into the Income Tax  
16 Refund Fund during the fiscal year.

17 (4.5) As soon as possible after the end of fiscal year  
18 1999 and of each fiscal year thereafter, the Director shall  
19 order transferred and the State Treasurer and State  
20 Comptroller shall transfer from the Income Tax Refund Fund  
21 to the General Revenue Fund any surplus remaining in the  
22 Income Tax Refund Fund as of the end of such fiscal year;  
23 excluding for fiscal years 2000, 2001, and 2002 amounts  
24 attributable to transfers under item (3) of subsection (c)  
25 less refunds resulting from the earned income tax credit.

26 (5) This Act shall constitute an irrevocable and

1 continuing appropriation from the Income Tax Refund Fund  
2 for the purpose of paying refunds upon the order of the  
3 Director in accordance with the provisions of this Section.

4 (e) Deposits into the Education Assistance Fund and the  
5 Income Tax Surcharge Local Government Distributive Fund.

6 On July 1, 1991, and thereafter, of the amounts collected  
7 pursuant to subsections (a) and (b) of Section 201 of this Act,  
8 minus deposits into the Income Tax Refund Fund, the Department  
9 shall deposit 7.3% into the Education Assistance Fund in the  
10 State Treasury. Beginning July 1, 1991, and continuing through  
11 January 31, 1993, of the amounts collected pursuant to  
12 subsections (a) and (b) of Section 201 of the Illinois Income  
13 Tax Act, minus deposits into the Income Tax Refund Fund, the  
14 Department shall deposit 3.0% into the Income Tax Surcharge  
15 Local Government Distributive Fund in the State Treasury.  
16 Beginning February 1, 1993 and continuing through June 30,  
17 1993, of the amounts collected pursuant to subsections (a) and  
18 (b) of Section 201 of the Illinois Income Tax Act, minus  
19 deposits into the Income Tax Refund Fund, the Department shall  
20 deposit 4.4% into the Income Tax Surcharge Local Government  
21 Distributive Fund in the State Treasury. Beginning July 1,  
22 1993, and continuing through June 30, 1994, of the amounts  
23 collected under subsections (a) and (b) of Section 201 of this  
24 Act, minus deposits into the Income Tax Refund Fund, the  
25 Department shall deposit 1.475% into the Income Tax Surcharge  
26 Local Government Distributive Fund in the State Treasury.

1 (f) Deposits into the Fund for the Advancement of  
2 Education. Beginning February 1, 2015, the Department shall  
3 deposit the following portions of the revenue realized from the  
4 tax imposed upon individuals, trusts, and estates by  
5 subsections (a) and (b) of Section 201 of this Act during the  
6 preceding month, minus deposits into the Income Tax Refund  
7 Fund, into the Fund for the Advancement of Education:

8 (1) beginning February 1, 2015, and prior to February  
9 1, 2025, 1/30; and

10 (2) beginning February 1, 2025, 1/26.

11 If the rate of tax imposed by subsection (a) and (b) of  
12 Section 201 is reduced pursuant to Section 201.5 of this Act,  
13 the Department shall not make the deposits required by this  
14 subsection (f) on or after the effective date of the reduction.

15 (g) Deposits into the Commitment to Human Services Fund.  
16 Beginning February 1, 2015, the Department shall deposit the  
17 following portions of the revenue realized from the tax imposed  
18 upon individuals, trusts, and estates by subsections (a) and  
19 (b) of Section 201 of this Act during the preceding month,  
20 minus deposits into the Income Tax Refund Fund, into the  
21 Commitment to Human Services Fund:

22 (1) beginning February 1, 2015, and prior to February  
23 1, 2025, 1/30; and

24 (2) beginning February 1, 2025, 1/26.

25 If the rate of tax imposed by subsection (a) and (b) of  
26 Section 201 is reduced pursuant to Section 201.5 of this Act,

1 the Department shall not make the deposits required by this  
2 subsection (g) on or after the effective date of the reduction.  
3 (Source: P.A. 95-707, eff. 1-11-08; 95-744, eff. 7-18-08;  
4 96-45, eff. 7-15-09; 96-328, eff. 8-11-09; 96-959, eff. 7-1-10;  
5 96-1496, eff. 1-13-11.)

6 Section 20. The Retailers' Occupation Tax Act is amended by  
7 changing Sections 1 and 2 as follows:

8 (35 ILCS 120/1) (from Ch. 120, par. 440)

9 Sec. 1. Definitions. "Sale at retail" means any transfer of  
10 the ownership of or title to tangible personal property to a  
11 purchaser, for the purpose of use or consumption, and not for  
12 the purpose of resale in any form as tangible personal property  
13 to the extent not first subjected to a use for which it was  
14 purchased, for a valuable consideration: Provided that the  
15 property purchased is deemed to be purchased for the purpose of  
16 resale, despite first being used, to the extent to which it is  
17 resold as an ingredient of an intentionally produced product or  
18 byproduct of manufacturing. For this purpose, slag produced as  
19 an incident to manufacturing pig iron or steel and sold is  
20 considered to be an intentionally produced byproduct of  
21 manufacturing. Transactions whereby the possession of the  
22 property is transferred but the seller retains the title as  
23 security for payment of the selling price shall be deemed to be  
24 sales.

1 "Sale at retail" shall be construed to include any transfer  
2 of the ownership of or title to tangible personal property to a  
3 purchaser, for use or consumption by any other person to whom  
4 such purchaser may transfer the tangible personal property  
5 without a valuable consideration, and to include any transfer,  
6 whether made for or without a valuable consideration, for  
7 resale in any form as tangible personal property unless made in  
8 compliance with Section 2c of this Act.

9 Sales of tangible personal property, which property, to the  
10 extent not first subjected to a use for which it was purchased,  
11 as an ingredient or constituent, goes into and forms a part of  
12 tangible personal property subsequently the subject of a "Sale  
13 at retail", are not sales at retail as defined in this Act:  
14 Provided that the property purchased is deemed to be purchased  
15 for the purpose of resale, despite first being used, to the  
16 extent to which it is resold as an ingredient of an  
17 intentionally produced product or byproduct of manufacturing.

18 "Sale at retail" includes all of the following services, as  
19 enumerated in the North American Industry Classification  
20 System Manual (NAICS), 1997, prepared by the United States  
21 Office of Management and Budget:

22 (1) Other warehousing and storage (household and  
23 specialty goods) (49319).

24 (2) Travel agent services (56151).

25 (3) Carpet and upholstery cleaning services (56174).

26 (4) Dating services (8129902).

- 1           (5) Dry cleaning and laundry, except coin-operated  
2           (81232).
- 3           (6) Consumer goods rental (5322).
- 4           (7) Health clubs, tanning parlors, reducing salons  
5           (81219).
- 6           (8) Linen supply (812331).
- 7           (9) Interior design services (54141).
- 8           (10) Other business services, including copy shops  
9           (561439).
- 10           (11) Bowling Centers (71395).
- 11           (12) Coin operated video games and pinball machines  
12           (71312).
- 13           (13) Membership fees in private clubs (71391).
- 14           (14) Admission to spectator sports (excluding horse  
15           tracks) (7112).
- 16           (15) Admission to cultural events (711).
- 17           (16) Billiard Parlors (71399).
- 18           (17) Scenic and sightseeing transportation (487).
- 19           (18) Taxi and Limousine services (4853).
- 20           (19)        Unscheduled        chartered        passenger        air  
21           transportation (481211).
- 22           (20) Motion picture theaters, except drive-in theaters  
23           (512131).
- 24           (21) Pet grooming (81291).
- 25           (22) Landscaping services (including lawn care)  
26           (56173).



1           (23) Income from intrastate transportation of persons  
2           (485).

3           (24) Mini-storage (53113).

4           (25) Household goods storage (49311).

5           (26) Cold storage (49312).

6           (27) Marina Service (docking, storage, cleaning,  
7           repair) (71393).

8           (28) Marine towing service (including tugboats)  
9           (48833).

10          (29) Gift and package wrapping service (5619).

11          (30) Laundry and dry cleaning services, coin-operated  
12          (81231).

13          (31) Other services to buildings and dwellings  
14          (56179).

15          (32) Water softening and conditioning (5619902).

16          (33) Internet Service Providers (518111).

17          (34) Short term auto rental (532111).

18          (35) Information Services (519190).

19          (36) Amusement park admission and rides (71311).

20          (37) Circuses and fairs -- admission and games (7113).

21          (38) Cable and other program distribution (5175).

22          (39) Rental of video tapes for home viewing (53223).

23           "Sale at retail" shall be construed to include any Illinois  
24 florist's sales transaction in which the purchase order is  
25 received in Illinois by a florist and the sale is for use or  
26 consumption, but the Illinois florist has a florist in another

1 state deliver the property to the purchaser or the purchaser's  
2 donee in such other state.

3 Nonreusable tangible personal property that is used by  
4 persons engaged in the business of operating a restaurant,  
5 cafeteria, or drive-in is a sale for resale when it is  
6 transferred to customers in the ordinary course of business as  
7 part of the sale of food or beverages and is used to deliver,  
8 package, or consume food or beverages, regardless of where  
9 consumption of the food or beverages occurs. Examples of those  
10 items include, but are not limited to nonreusable, paper and  
11 plastic cups, plates, baskets, boxes, sleeves, buckets or other  
12 containers, utensils, straws, placemats, napkins, doggie bags,  
13 and wrapping or packaging materials that are transferred to  
14 customers as part of the sale of food or beverages in the  
15 ordinary course of business.

16 The purchase, employment and transfer of such tangible  
17 personal property as newsprint and ink for the primary purpose  
18 of conveying news (with or without other information) is not a  
19 purchase, use or sale of tangible personal property.

20 A person whose activities are organized and conducted  
21 primarily as a not-for-profit service enterprise, and who  
22 engages in selling tangible personal property at retail  
23 (whether to the public or merely to members and their guests)  
24 is engaged in the business of selling tangible personal  
25 property at retail with respect to such transactions, excepting  
26 only a person organized and operated exclusively for

1 charitable, religious or educational purposes either (1), to  
2 the extent of sales by such person to its members, students,  
3 patients or inmates of tangible personal property to be used  
4 primarily for the purposes of such person, or (2), to the  
5 extent of sales by such person of tangible personal property  
6 which is not sold or offered for sale by persons organized for  
7 profit. The selling of school books and school supplies by  
8 schools at retail to students is not "primarily for the  
9 purposes of" the school which does such selling. The provisions  
10 of this paragraph shall not apply to nor subject to taxation  
11 occasional dinners, socials or similar activities of a person  
12 organized and operated exclusively for charitable, religious  
13 or educational purposes, whether or not such activities are  
14 open to the public.

15 A person who is the recipient of a grant or contract under  
16 Title VII of the Older Americans Act of 1965 (P.L. 92-258) and  
17 serves meals to participants in the federal Nutrition Program  
18 for the Elderly in return for contributions established in  
19 amount by the individual participant pursuant to a schedule of  
20 suggested fees as provided for in the federal Act is not  
21 engaged in the business of selling tangible personal property  
22 at retail with respect to such transactions.

23 "Purchaser" means anyone who, through a sale at retail,  
24 acquires the ownership of or title to tangible personal  
25 property for a valuable consideration.

26 "Reseller of motor fuel" means any person engaged in the

1 business of selling or delivering or transferring title of  
2 motor fuel to another person other than for use or consumption.  
3 No person shall act as a reseller of motor fuel within this  
4 State without first being registered as a reseller pursuant to  
5 Section 2c or a retailer pursuant to Section 2a.

6 "Selling price" or the "amount of sale" means the  
7 consideration for a sale valued in money whether received in  
8 money or otherwise, including cash, credits, property, other  
9 than as hereinafter provided, and services, but not including  
10 the value of or credit given for traded-in tangible personal  
11 property where the item that is traded-in is of like kind and  
12 character as that which is being sold, and shall be determined  
13 without any deduction on account of the cost of the property  
14 sold, the cost of materials used, labor or service cost or any  
15 other expense whatsoever, but does not include charges that are  
16 added to prices by sellers on account of the seller's tax  
17 liability under this Act, or on account of the seller's duty to  
18 collect, from the purchaser, the tax that is imposed by the Use  
19 Tax Act, or, except as otherwise provided with respect to any  
20 cigarette tax imposed by a home rule unit, on account of the  
21 seller's tax liability under any local occupation tax  
22 administered by the Department, or, except as otherwise  
23 provided with respect to any cigarette tax imposed by a home  
24 rule unit on account of the seller's duty to collect, from the  
25 purchasers, the tax that is imposed under any local use tax  
26 administered by the Department. Effective December 1, 1985,

1 "selling price" shall include charges that are added to prices  
2 by sellers on account of the seller's tax liability under the  
3 Cigarette Tax Act, on account of the sellers' duty to collect,  
4 from the purchaser, the tax imposed under the Cigarette Use Tax  
5 Act, and on account of the seller's duty to collect, from the  
6 purchaser, any cigarette tax imposed by a home rule unit.

7 The phrase "like kind and character" shall be liberally  
8 construed (including but not limited to any form of motor  
9 vehicle for any form of motor vehicle, or any kind of farm or  
10 agricultural implement for any other kind of farm or  
11 agricultural implement), while not including a kind of item  
12 which, if sold at retail by that retailer, would be exempt from  
13 retailers' occupation tax and use tax as an isolated or  
14 occasional sale.

15 "Gross receipts" from the sales of tangible personal  
16 property at retail means the total selling price or the amount  
17 of such sales, as hereinbefore defined. In the case of charge  
18 and time sales, the amount thereof shall be included only as  
19 and when payments are received by the seller. Receipts or other  
20 consideration derived by a seller from the sale, transfer or  
21 assignment of accounts receivable to a wholly owned subsidiary  
22 will not be deemed payments prior to the time the purchaser  
23 makes payment on such accounts.

24 "Department" means the Department of Revenue.

25 "Person" means any natural individual, firm, partnership,  
26 association, joint stock company, joint adventure, public or

1 private corporation, limited liability company, or a receiver,  
2 executor, trustee, guardian or other representative appointed  
3 by order of any court.

4 The isolated or occasional sale of tangible personal  
5 property at retail by a person who does not hold himself out as  
6 being engaged (or who does not habitually engage) in selling  
7 such tangible personal property at retail, or a sale through a  
8 bulk vending machine, does not constitute engaging in a  
9 business of selling such tangible personal property at retail  
10 within the meaning of this Act; provided that any person who is  
11 engaged in a business which is not subject to the tax imposed  
12 by this Act because of involving the sale of or a contract to  
13 sell real estate or a construction contract to improve real  
14 estate or a construction contract to engineer, install, and  
15 maintain an integrated system of products, but who, in the  
16 course of conducting such business, transfers tangible  
17 personal property to users or consumers in the finished form in  
18 which it was purchased, and which does not become real estate  
19 or was not engineered and installed, under any provision of a  
20 construction contract or real estate sale or real estate sales  
21 agreement entered into with some other person arising out of or  
22 because of such nontaxable business, is engaged in the business  
23 of selling tangible personal property at retail to the extent  
24 of the value of the tangible personal property so transferred.  
25 If, in such a transaction, a separate charge is made for the  
26 tangible personal property so transferred, the value of such

1 property, for the purpose of this Act, shall be the amount so  
2 separately charged, but not less than the cost of such property  
3 to the transferor; if no separate charge is made, the value of  
4 such property, for the purposes of this Act, is the cost to the  
5 transferor of such tangible personal property. Construction  
6 contracts for the improvement of real estate consisting of  
7 engineering, installation, and maintenance of voice, data,  
8 video, security, and all telecommunication systems do not  
9 constitute engaging in a business of selling tangible personal  
10 property at retail within the meaning of this Act if they are  
11 sold at one specified contract price.

12 A person who holds himself or herself out as being engaged  
13 (or who habitually engages) in selling tangible personal  
14 property at retail is a person engaged in the business of  
15 selling tangible personal property at retail hereunder with  
16 respect to such sales (and not primarily in a service  
17 occupation) notwithstanding the fact that such person designs  
18 and produces such tangible personal property on special order  
19 for the purchaser and in such a way as to render the property  
20 of value only to such purchaser, if such tangible personal  
21 property so produced on special order serves substantially the  
22 same function as stock or standard items of tangible personal  
23 property that are sold at retail.

24 Persons who engage in the business of transferring tangible  
25 personal property upon the redemption of trading stamps are  
26 engaged in the business of selling such property at retail and

1 shall be liable for and shall pay the tax imposed by this Act  
2 on the basis of the retail value of the property transferred  
3 upon redemption of such stamps.

4 "Bulk vending machine" means a vending machine, containing  
5 unsorted confections, nuts, toys, or other items designed  
6 primarily to be used or played with by children which, when a  
7 coin or coins of a denomination not larger than \$0.50 are  
8 inserted, are dispensed in equal portions, at random and  
9 without selection by the customer.

10 (Source: P.A. 95-723, eff. 6-23-08.)

11 (35 ILCS 120/2) (from Ch. 120, par. 441)

12 Sec. 2. Tax imposed. A tax is imposed upon persons engaged  
13 in the business of selling at retail tangible personal  
14 property, including computer software, and including  
15 photographs, negatives, and positives that are the product of  
16 photoprocessing, but not including products of photoprocessing  
17 produced for use in motion pictures for public commercial  
18 exhibition, or engaged in the business of providing services as  
19 set forth in in Section 1 of this Act. Beginning January 1,  
20 2001, prepaid telephone calling arrangements shall be  
21 considered tangible personal property subject to the tax  
22 imposed under this Act regardless of the form in which those  
23 arrangements may be embodied, transmitted, or fixed by any  
24 method now known or hereafter developed.

25 (Source: P.A. 91-51, eff. 6-30-99; 91-870, eff. 6-22-00.)



1 Section 25. The School Code is amended by changing Sections  
2 1C-2, 2-3.25c, 2-3.25d, 3-7, 10-17a, 10-22.45, 18-8.05, 19-3,  
3 21A-5, 21A-10, 21A-15, 21A-20, 21A-25, 21A-30, 23-3, 23-6, and  
4 29-5 and by adding Sections 2-3.25d-5, 2-3.153, 2-3.154,  
5 2-3.155, 2-3.156, 2-3.157, 10-16.10, 10-17b, 10-17c, 10-17d,  
6 10-20.53, 17-2.11d, 21A-3, and 23-5.5 as follows:

7 (105 ILCS 5/1C-2)

8 Sec. 1C-2. Block grants.

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

17 (b) (Blank).

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. Not less than 11% of this  
23 grant shall be used to fund programs for children ages 0-3,  
24 which percentage shall increase to at least 20% by Fiscal Year

1 2015. However, if, in a given fiscal year, the amount  
2 appropriated for the Early Childhood Education Block Grant is  
3 insufficient to increase the percentage of the grant to fund  
4 programs for children ages 0-3 without reducing the amount of  
5 the grant for existing providers of preschool education  
6 programs, then the percentage of the grant to fund programs for  
7 children ages 0-3 may be held steady instead of increased.

8 (d) For fiscal year 2012, the General Assembly shall  
9 appropriate no less than \$380,261,400 to the Early Childhood  
10 Education Block Grant for the programs specified in subsection  
11 (c) of this Section.

12 (Source: P.A. 95-793, eff. 1-1-09; 96-423, eff. 8-13-09.)

13 (105 ILCS 5/2-3.25c) (from Ch. 122, par. 2-3.25c)

14 Sec. 2-3.25c. Financial and other awards ~~Rewards and~~  
15 ~~acknowledgements.~~

16 (a) The State Board of Education shall implement a system  
17 of rewards for school districts, and the schools themselves,  
18 whose students and schools consistently meet adequate yearly  
19 progress criteria for 2 or more consecutive years and a system  
20 to acknowledge schools and districts that meet adequate yearly  
21 progress criteria in a given year as specified in Section  
22 2-3.25d of this Code.

23 (b) Financial awards shall be provided to the schools that  
24 the State Superintendent of Education determines have  
25 demonstrated the greatest improvement in achieving the

1 education goals of improved student achievement and improved  
2 school completion, subject to appropriation by the General  
3 Assembly and any limitation set by the State Superintendent on  
4 the total amount that may be awarded to a school or school  
5 district; provided that such financial awards must not be used  
6 to enhance the compensation of staff in school districts having  
7 a population not exceeding 500,000.

8 (c) The State Superintendent of Education may present  
9 proclamations or certificates to schools and school systems  
10 determined to have met or exceeded the State's education goals  
11 under Section 2-3.64 of this Code.

12 (d) The Education Financial Award System Fund is created as  
13 a special fund in the State treasury. All money in the Fund  
14 shall be used, subject to appropriation, by the State Board of  
15 Education for the purpose of funding financial awards under  
16 this Section. The Fund shall consist of all moneys appropriated  
17 to the fund by the General Assembly and any gifts, grants,  
18 donations, and other moneys received by the State Board of  
19 Education for implementation of the awards system.

20 Any unexpended or unencumbered moneys remaining in the  
21 Education Financial Award System Fund at the end of a fiscal  
22 year shall remain in the Fund and shall not revert or be  
23 credited or transferred to the General Revenue Fund nor be  
24 transferred to any other fund. Any interest derived from the  
25 deposit and investment of moneys in the Education Financial  
26 Award System Fund shall remain in the Fund and shall not be

1 credited to the General Revenue Fund. The Education Financial  
2 Award System Fund must be appropriated and expended only for  
3 the awards system. The awards are subject to audit requirements  
4 established by the State Board of Education.

5 (e) If a school or school district meets adequate yearly  
6 progress criteria for 2 consecutive school years, that school  
7 or district shall be exempt from review and approval of its  
8 improvement plan for the next 2 succeeding school years.

9 (Source: P.A. 93-470, eff. 8-8-03.)

10 (105 ILCS 5/2-3.25d) (from Ch. 122, par. 2-3.25d)

11 Sec. 2-3.25d. Academic early warning and watch status.

12 (a) Beginning with the 2005-2006 school year, unless the  
13 federal government formally disapproves of such policy through  
14 the submission and review process for the Illinois  
15 Accountability Workbook, those schools that do not meet  
16 adequate yearly progress criteria for 2 consecutive annual  
17 calculations in the same subject or in their participation  
18 rate, attendance rate, or graduation rate shall be placed on  
19 academic early warning status for the next school year. Schools  
20 on academic early warning status that do not meet adequate  
21 yearly progress criteria for a third annual calculation in the  
22 same subject or in their participation rate, attendance rate,  
23 or graduation rate shall remain on academic early warning  
24 status. Schools on academic early warning status that do not  
25 meet adequate yearly progress criteria for a fourth annual

1 calculation in the same subject or in their participation rate,  
2 attendance rate, or graduation rate shall be placed on initial  
3 academic watch status. Schools on academic watch status that do  
4 not meet adequate yearly progress criteria for a fifth or  
5 subsequent annual calculation in the same subject or in their  
6 participation rate, attendance rate, or graduation rate shall  
7 remain on academic watch status. Schools on academic early  
8 warning or academic watch status that meet adequate yearly  
9 progress criteria for 2 consecutive calculations shall be  
10 considered as having met expectations and shall be removed from  
11 any status designation.

12 The school district of a school placed on either academic  
13 early warning status or academic watch status may appeal the  
14 status to the State Board of Education in accordance with  
15 Section 2-3.25m of this Code.

16 A school district that has one or more schools on academic  
17 early warning or academic watch status shall prepare a revised  
18 School Improvement Plan or amendments thereto setting forth the  
19 district's expectations for removing each school from academic  
20 early warning or academic watch status and for improving  
21 student performance in the affected school or schools.  
22 Districts operating under Article 34 of this Code may prepare  
23 the School Improvement Plan required under Section 34-2.4 of  
24 this Code.

25 The revised School Improvement Plan for a school that is  
26 initially placed on academic early warning status or that

1 remains on academic early warning status after a third annual  
2 calculation must be approved by the school board (and by the  
3 school's local school council in a district operating under  
4 Article 34 of this Code, unless the school is on probation  
5 pursuant to subsection (c) of Section 34-8.3 of this Code).

6 The revised School Improvement Plan for a school that is  
7 initially placed on academic watch status after a fourth annual  
8 calculation must be approved by the school board (and by the  
9 school's local school council in a district operating under  
10 Article 34 of this Code, unless the school is on probation  
11 pursuant to subsection (c) of Section 34-8.3 of this Code).

12 The revised School Improvement Plan for a school that  
13 remains on academic watch status after a fifth annual  
14 calculation must be approved by the school board (and by the  
15 school's local school council in a district operating under  
16 Article 34 of this Code, unless the school is on probation  
17 pursuant to subsection (c) of Section 34-8.3 of this Code). In  
18 addition, the district must develop a school restructuring plan  
19 for the school that must be approved by the school board (and  
20 by the school's local school council in a district operating  
21 under Article 34 of this Code).

22 A school on academic watch status that does not meet  
23 adequate yearly progress criteria for a sixth annual  
24 calculation shall implement its approved school restructuring  
25 plan beginning with the next school year, subject to the State  
26 interventions specified in Section 2-3.25f of this Code.

1 (b) Beginning with the 2005-2006 school year, unless the  
2 federal government formally disapproves of such policy through  
3 the submission and review process for the Illinois  
4 Accountability Workbook, those school districts that do not  
5 meet adequate yearly progress criteria for 2 consecutive annual  
6 calculations in the same subject or in their participation  
7 rate, attendance rate, or graduation rate shall be placed on  
8 academic early warning status for the next school year.  
9 Districts on academic early warning status that do not meet  
10 adequate yearly progress criteria for a third annual  
11 calculation in the same subject or in their participation rate,  
12 attendance rate, or graduation rate shall remain on academic  
13 early warning status. Districts on academic early warning  
14 status that do not meet adequate yearly progress criteria for a  
15 fourth annual calculation in the same subject or in their  
16 participation rate, attendance rate, or graduation rate shall  
17 be placed on initial academic watch status. Districts on  
18 academic watch status that do not meet adequate yearly progress  
19 criteria for a fifth or subsequent annual calculation in the  
20 same subject or in their participation rate, attendance rate,  
21 or graduation rate shall remain on academic watch status.  
22 Districts on academic early warning or academic watch status  
23 that meet adequate yearly progress criteria for one annual  
24 calculation shall be considered as having met expectations and  
25 shall be removed from any status designation.

26 A district placed on either academic early warning status

1 or academic watch status may appeal the status to the State  
2 Board of Education in accordance with Section 2-3.25m of this  
3 Code.

4 Districts on academic early warning or academic watch  
5 status shall prepare a District Improvement Plan or amendments  
6 thereto setting forth the district's expectations for removing  
7 the district from academic early warning or academic watch  
8 status and for improving student performance in the district.

9 All District Improvement Plans must be approved by the  
10 school board.

11 (c) All new and revised School and District Improvement  
12 Plans shall be developed in collaboration with parents, staff  
13 in the affected school or school district, and outside experts.  
14 All revised School and District Improvement Plans shall be  
15 developed, submitted, and monitored pursuant to rules adopted  
16 by the State Board of Education. The ~~revised~~ Improvement Plan  
17 shall address measurable outcomes for improving student  
18 performance so that such performance meets adequate yearly  
19 progress criteria as specified by the State Board of Education  
20 and shall include a staff professional development plan  
21 developed in cooperation with staff. All school districts  
22 required to revise a School Improvement Plan in accordance with  
23 this Section shall establish a peer review process for the  
24 evaluation of School Improvement Plans.

25 (d) 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 (e) The State Board of Education, from any moneys it may  
3 have available for this purpose, must implement and administer  
4 a grant program that provides 2-year grants to school districts  
5 on the academic watch list and other school districts that have  
6 the lowest achieving students, as determined by the State Board  
7 of Education, to be used to improve student achievement. In  
8 order to receive a grant under this program, a school district  
9 must establish an accountability program. The accountability  
10 program must involve the use of statewide testing standards and  
11 local evaluation measures. A grant shall be automatically  
12 renewed when achievement goals are met. The Board may adopt any  
13 rules necessary to implement and administer this grant program.

14 (f) In addition to any moneys available under subsection  
15 (e) of this Section, a school district required to maintain  
16 School and District Improvement Plans under this Section,  
17 including a school district organized under Article 34 of this  
18 Code, shall annually receive from the State, subject to  
19 appropriation, an amount equal to \$150 times the number of  
20 full-time certified teachers and administrators it employs for  
21 developing and implementing its mandatory School and District  
22 Improvement Plans, including its staff professional  
23 development plan.

24 (Source: P.A. 96-734, eff. 8-25-09.)

25 (105 ILCS 5/2-3.25d-5 new)

1       Sec. 2-3.25d-5. Educational improvement plan.

2       (a) Except for school districts required to develop School  
3 and District Improvement Plans under Section 2-3.25d of this  
4 Code, each school district shall develop, in compliance with  
5 rules promulgated by the State Board of Education, an  
6 educational improvement plan that must include (i) measures for  
7 improving school district, school building, and individual  
8 student performance and (ii) a staff professional development  
9 plan developed at least in cooperation with staff or, if  
10 applicable, the exclusive bargaining representatives of the  
11 staff. The district shall develop the educational improvement  
12 plan in collaboration with parents, staff, and the staff's  
13 exclusive bargaining representatives, if any.

14       (105 ILCS 5/2-3.153 new)

15       Sec. 2-3.153. The Digital Learning Technology Grant  
16 Program.

17       (a) As used in this Section, unless the context otherwise  
18 requires, "information technology education" means education  
19 in the development, design, use, maintenance, repair, and  
20 application of information technology systems or equipment,  
21 including, but not limited to, computers, the Internet,  
22 telecommunications devices and networks, and multi-media  
23 techniques.

24       (b) There is created the Digital Learning Technology Grant  
25 Program to provide money to school districts and charter

1 schools to use in integrating information technology and  
2 scientific equipment as tools to measurably improve teaching  
3 and learning in grades 9 through 12 in this State's public  
4 schools. The State Board of Education shall administer the  
5 grant program through the acceptance, review, and  
6 recommendation of applications submitted pursuant to this  
7 Section.

8 (c) Grants awarded through the grant program created under  
9 this Section shall continue for 4 fiscal years and may be  
10 renewed as provided by rule of the State Board of Education.  
11 Grants awarded through the program shall be paid out of any  
12 money appropriated or credited to the Digital Learning  
13 Technology Grant Fund. A school district or charter school  
14 shall use any moneys obtained through the grant program to  
15 integrate information technology education into the 9th grade  
16 through 12th grade curriculum. In the case of a school  
17 district, such integration shall be accomplished in one or more  
18 public schools in the district. The school district or charter  
19 school may contract with one or more private entities for  
20 assistance in integrating information technology education  
21 into the curriculum. In addition, school districts and charter  
22 schools are encouraged to partner with businesses for  
23 assistance in integrating information technology education  
24 into the curriculum.

25 (d) The State Board of Education shall adopt rules for the  
26 administration and implementation of the grant program created

1 under this Section. Subject to appropriation, the grants shall  
2 be awarded through the program for the 2010-2011 school year  
3 and annually thereafter.

4 (e) Any school district or charter school that seeks to  
5 participate in the grant program created under this Section  
6 shall submit an application to the State Board of Education in  
7 the form and according to the deadlines established by rule of  
8 the State Board of Education. The application shall include the  
9 following information:

10 (1) if the applicant is a school district, the names of  
11 the schools that will receive the benefits of the grant;

12 (2) the current level of information technology  
13 education integration at the recipient schools;

14 (3) the school district's or charter school's plan for  
15 integrating information technology education into the 9th  
16 grade through 12th grade curriculum, including any  
17 specific method or program to be used, and any entities  
18 with whom the school district or charter school plans to  
19 contract or cooperate in achieving the integration;

20 (4) the specific, measurable goals to be achieved and  
21 the actual deliverables to be produced through the  
22 integration of information technology education into the  
23 curriculum, a deadline for achieving those goals, and a  
24 proposed method of measuring whether the goals were  
25 achieved;

26 (5) any businesses with which the school district or

1 charter school has partnered to improve the availability  
2 and integration of information technology education within  
3 the curriculum; and

4 (6) any other information that may be specified by rule  
5 of the State Board of Education.

6 (f) In recommending and awarding grants through the  
7 program, the State Board of Education shall consider the  
8 following criteria:

9 (1) the degree to which information technology  
10 education is already integrated into the curriculum of the  
11 applying school district or charter school to ensure that  
12 those school districts and charter schools with the least  
13 degree of integration receive the grants first;

14 (2) the degree to which the applicant's proposed plan  
15 for using the grant moneys will result in integration of  
16 information technology tools and scientific equipment in a  
17 manner that measurably improves teaching and learning;

18 (3) the validity, clarity, and measurability of the  
19 goals established by the applicant and the validity of the  
20 proposed methods for measuring achievement of the goals;

21 (4) the accountability system of specific measures and  
22 deliverables to determine a baseline and annually assess  
23 improvements in teaching and learning;

24 (5) any other financial resources available to the  
25 applicant for integrating information technology education  
26 into the curriculum;

1           (6) the degree to which the applicant is cooperating or  
2           partnering with businesses to improve the availability and  
3           integration of information technology education in the  
4           curriculum; the State Board of Education shall apply this  
5           criteria with the goal of encouraging such partnerships;

6           (7) the strength and capacity of the applicant to  
7           collaborate with the science, technology, engineering and  
8           mathematics education center network under Section 4.5 of  
9           the Illinois Mathematics and Science Academy Law and to  
10           provide open source networking with other public schools in  
11           this State; and

12           (8) any other criteria established by rule of the State  
13           Board of Education to ensure that grants are awarded to  
14           school districts and charter schools that demonstrate the  
15           greatest need and the most valid, effective plan for  
16           integrating information technology education into the  
17           curriculum.

18           (g) In awarding grants through the grant program, the State  
19           Board of Education shall ensure, to the extent possible, that  
20           the grants are awarded to school districts and charter schools  
21           in all areas of this State.

22           (h) Nothing in this Section shall be construed to limit or  
23           otherwise affect any school district's ability to enter into an  
24           agreement with or receive funds from any private entity.

25           (i) Each school district and charter school that receives a  
26           grant through the grant program created under this Section

1 shall, by August 1 of the school year for which the grant was  
2 awarded, submit to the State Board of Education a report  
3 specifying the following information:

4 (1) the manner in which the grant moneys were used;

5 (2) the progress made toward achieving the goals  
6 specified in the grant recipient's application;

7 (3) any additional entities and businesses with whom  
8 the grant recipient has contracted or partnered with the  
9 goal of achieving greater integration of information  
10 technology education in the 9th grade through 12th grade  
11 curriculum;

12 (4) the recipient school district's and charter  
13 school's plan for continuing the integration of  
14 information technology education into the curriculum,  
15 regardless of whether the grant is renewed; and

16 (5) any other information specified by rule of the  
17 State Board of Education.

18 (j) Notwithstanding subsection (i) of this Section, a  
19 recipient school need not submit a report for any academic year  
20 in which no grants are made through the grant program.

21 (k) The Digital Learning Technology Grant Fund is created  
22 as a special fund in the State treasury. All money in the Fund  
23 shall be used, subject to appropriation, by the State Board of  
24 Education for the purpose of funding grants under this Section.

25 (l) The State Board of Education may solicit and accept  
26 money in the form of gifts, contributions, and grants to be

1 deposited into the Digital Learning Technology Grant Fund. The  
2 acceptance of federal grants for purposes of this Section does  
3 not commit State funds nor place an obligation upon the General  
4 Assembly to continue the purposes for which the federal funds  
5 are made available.

6 (105 ILCS 5/2-3.154 new)

7 Sec. 2-3.154. Best practices clearinghouse.

8 (a) Beginning July 1, 2011 and subject to appropriation,  
9 the State Board of Education shall establish an online  
10 clearinghouse of information relating to best practices of  
11 campuses and school districts regarding instruction, public  
12 school finance, resource allocation, and business practices.  
13 To the extent practicable, the State Board of Education shall  
14 ensure that information provided through the online  
15 clearinghouse is specific, actionable information relating to  
16 the best practices of high-performing and highly efficient  
17 school districts rather than general guidelines relating to  
18 school district operation. The information must be accessible  
19 by school districts and interested members of the public.

20 (b) The State Board of Education shall solicit and collect  
21 from exemplary or recognized school districts, charter  
22 schools, and other institutions determined by the State Board  
23 of Education examples of best practices relating to  
24 instruction, public school finance, resource allocation, and  
25 business practices, including best practices relating to



1 curriculum, scope and sequence, compensation and incentive  
2 systems, bilingual education and special language programs,  
3 compensatory education programs, and the effective use of  
4 instructional technology, including online courses.

5 (c) The State Board of Education may contract for the  
6 services of one or more third-party contractors to develop,  
7 implement, and maintain a system of collecting and evaluating  
8 the best practices of campuses and school districts as provided  
9 by this Section. In addition to any other considerations  
10 required by law, the State Board of Education must consider an  
11 applicant's demonstrated competence and qualifications in  
12 analyzing school district practices in awarding a contract  
13 under this subsection (c).

14 (d) The State Board of Education may purchase from  
15 available funds curriculum and other instructional tools  
16 identified under this Section to provide for use by school  
17 districts.

18 (105 ILCS 5/2-3.155 new)

19 Sec. 2-3.155. The Science, Technology, Engineering, and  
20 Mathematics Education Center Grant Program.

21 (a) As used in this Section, unless the context otherwise  
22 requires:

23 "Grant program" means the science, technology,  
24 engineering, and mathematics education center grant program  
25 created in this Section.

1       "Science, technology, engineering, and mathematics  
2 education" or "STEM" means learning experiences that integrate  
3 innovative curricular, instructional, and assessment  
4 strategies and materials, laboratory and mentorship  
5 experiences, and authentic inquiry-based and problem centered  
6 instruction to stimulate learning in the areas of science,  
7 technology, engineering, and mathematics.

8       "Science, technology, engineering, and mathematics  
9 education innovation center" means a center operated by a  
10 school district, a charter school, the Illinois Mathematics and  
11 Science Academy, or a joint collaborative partnership that  
12 provides STEM teaching and learning experiences, materials,  
13 laboratory and mentorship experiences, and educational  
14 seminars, institutes or workshops for students and teachers.

15       (b) Subject to appropriation, the Illinois Mathematics and  
16 Science Academy, in consultation and partnership with the State  
17 Board of Education, the Board of Higher Education, the business  
18 community, the entrepreneurial technology community, and  
19 professionals, including teachers, in the field of science,  
20 technology, engineering, and mathematics shall create a  
21 strategic plan for developing a whole systems approach to  
22 redesigning prekindergarten through grade 12 STEM education in  
23 this State, including, but not limited to, designing and  
24 creating integrative teaching and learning networks among  
25 science, technology, engineering, and mathematics innovation  
26 education centers, university and corporate research

1 facilities, and established STEM laboratories, businesses, and  
2 the Illinois Mathematics and Science Academy.

3 (c) At a minimum, the plan shall provide direction for  
4 program design and development, including the following:

5 (1) continuous generation and sharing of curricular,  
6 instructional, assessment, and program development  
7 materials and information about STEM teaching and learning  
8 throughout the network;

9 (2) identification of curricular, instructional, and  
10 assessment goals that reflect the research in cognition and  
11 the development of creativity in STEM fields and the  
12 systemic changes in STEM education, so as to be consistent  
13 with inquiry-based and problem-centered instruction in  
14 science, technology, engineering, and mathematics. Such  
15 goals shall also reflect current frameworks, standards,  
16 and guidelines, such as those defined by the National  
17 Research Council (National Academy of Science), the  
18 American Association for the Advancement of Science, the  
19 National Council of Teachers of Mathematics, the National  
20 Science Teachers Association, and professional  
21 associations in STEM fields;

22 (3) identification of essential teacher competencies  
23 and a comprehensive plan for recruiting, mentoring, and  
24 retaining STEM teachers, especially those in  
25 under-resourced schools and school districts; creation of  
26 a community of practice among STEM center educators and

1 other teachers of science, technology, engineering, and  
2 mathematics as part of a network of promising practices in  
3 teaching; and the establishment of recruitment, mentoring,  
4 and retention plans for Golden Apple teachers in STEM  
5 fields and Illinois STEM teachers who have received  
6 national board certification and are also part of the STEM  
7 innovation network;

8 (4) a statement of desired competencies for STEM  
9 learning by students;

10 (5) a description of recommended courses of action to  
11 improve educational experiences, programs, practices, and  
12 service;

13 (6) the improvement of access and availability of STEM  
14 courses, especially for rural school districts and  
15 particularly to those groups which are traditionally  
16 underrepresented through the Illinois Virtual High School;  
17 the plan shall include goals for using telecommunications  
18 facilities as recommended by a telecommunications advisory  
19 commission;

20 (7) expectations and guidelines for designing and  
21 developing a dynamic, creative, and engaged teaching  
22 network;

23 (8) a description of the laboratory and incubator model  
24 for the STEM centers;

25 (9) support for innovation and entrepreneurship in  
26 curriculum, instruction, assessment, and professional

1 development; and

2 (10) cost estimates.

3 (d) The plan shall provide a framework that enables the  
4 teachers, school districts, and institutions of higher  
5 education to operate as an integrated system. The plan shall  
6 provide innovative mechanisms and incentives to the following:

7 (1) educational providers, as well as professional  
8 associations, business and university partners, and  
9 educational receivers (students and teachers) at the  
10 prekindergarten through grade 12 and postsecondary levels  
11 to design and implement innovative curricula, including  
12 experiences, mentorships, institutes, and seminars and to  
13 develop new materials and activities for these;

14 (2) course providers and receivers for leveraging  
15 distance learning technologies through the Illinois  
16 Virtual High School and applying distance learning  
17 instructional design techniques, taking into consideration  
18 the work of a telecommunications advisory commission;

19 (3) prekindergarten through grade 12 teachers to  
20 encourage them to take graduate STEM courses and degree  
21 programs; such incentives may include a tuition matching  
22 program;

23 (4) appropriate State agencies, federal agencies,  
24 professional organizations, public television stations,  
25 and businesses and industries to involve them in the  
26 development of the strategic plan; and

1           (5) businesses, industries, and individuals for  
2           volunteering their time and community resources.

3           (e) The plan shall provide a mechanism for incorporating  
4           the cost for accomplishing these goals into the ongoing  
5           operating budget beginning in 2012.

6           (f) There is created the Science and Technology Education  
7           Center Grant Program to provide development and operating  
8           moneys in the form of matching funds for existing or proposed  
9           nonprofit STEM education centers. At a minimum, each STEM  
10           center that receives a grant shall not only provide STEM  
11           education activities to students enrolled in the school  
12           district or charter school and materials and educational  
13           workshops to teachers employed by the school district or  
14           charter school, but also, as part of generative and innovative  
15           teaching and learning network, shall share information with all  
16           STEM centers, the Illinois Mathematics and Science Academy, and  
17           partner associations or businesses.

18           (g) School districts, charter schools, the Illinois  
19           Mathematics and Science Academy, and joint collaborative  
20           partnerships may establish science and technology education  
21           centers or may contract with regional offices of education,  
22           intermediate service centers, public community colleges,  
23           4-year institutions of higher education, non-profit or  
24           for-profit education providers, youth service agencies,  
25           community-based organizations, or other appropriate entities  
26           to establish science and technology education centers within

1 the public school system. Districts and charter schools may  
2 individually operate alternative learning opportunities  
3 programs or may collaborate with 2 or more districts or charter  
4 schools or do both to create and operate science and technology  
5 education centers.

6 (h) Beginning with the 2010-2011 school year, the State  
7 Board of Education shall, subject to available appropriations,  
8 annually award one or more science, technology, engineering,  
9 and mathematics education center grants for the development and  
10 operation of STEM centers.

11 A school district, a charter school, the Illinois  
12 Mathematics and Science Academy, or a joint collaborative  
13 partnership may apply for a STEM center grant pursuant to  
14 procedures and time lines specified by rule of the State Board  
15 of Education.

16 (i) The State Board of Education, in selecting one or more  
17 school districts, charter schools, or joint collaborative  
18 partnerships or the Illinois Mathematics and Science Academy  
19 for receipt of a grant, shall give priority to applicants that  
20 are geographically located farthest from other STEM centers or  
21 applicants that have less opportunity for science, technology,  
22 engineering, and mathematics resource support. The State Board  
23 shall also consider the following factors:

24 (1) the facility, equipment, and technology that are or  
25 will be provided and the activities and range of programs  
26 that are or will be offered by the STEM education center;

1           (2) the strength and capacity of the school district or  
2           charter school to work as a network cooperatively with the  
3           Illinois Mathematics and Science Academy, other STEM  
4           centers, universities and STEM laboratories, businesses,  
5           and industries; and

6           (3) recommendations of the Illinois P-20 Council and  
7           the Illinois Mathematics and Science Academy.

8           (j) A STEM center grant shall be payable from moneys  
9           appropriated to the STEM Education Center Grant Fund.

10           The State Board of Education shall specify the amount to be  
11           awarded to each school district, charter school, or joint  
12           collaborative partnership that is selected to receive a grant  
13           and to the Illinois Mathematics and Science Academy, if  
14           selected to receive a grant. The amount awarded to a new STEM  
15           center for start-up costs shall not exceed \$1,000,000 for the  
16           first fiscal year and may not be renewed. The amount awarded to  
17           an operating STEM center for operating costs shall not exceed  
18           \$500,000 for one fiscal year and shall be renewed annually for  
19           5 consecutive years if the STEM center is meeting its  
20           accountability goals and its role as an active partner in a  
21           generative teaching and learning network.

22           (k) Each school district, charter school, or joint  
23           collaborative partnership that receives a grant pursuant to the  
24           grant program and the Illinois Mathematics and Science Academy,  
25           if selected to receive a grant, shall demonstrate, prior to  
26           receiving any actual moneys, that the center has received or



1 has a written commitment for matching funds from other public  
2 or private sources in the amount of a dollar-for-dollar match  
3 with the amount of the grant. This requirement may be waived  
4 upon application to and approval by the State Board of  
5 Education based on a showing of continued need or financial  
6 hardship.

7 (l) The State Board of Education shall promulgate such  
8 rules as are required in this Section and such additional rules  
9 as may be required for implementation of the grant program.

10 (m) Each school district or charter school that receives a  
11 grant through the grant program shall, by the close of each  
12 school year for which the grant was awarded, submit to the  
13 Illinois Mathematics and Science Academy and the State Board of  
14 Education a report specifying the following information:

15 (1) the manner in which the grant money was used;

16 (2) the progress made toward achieving the goals and  
17 producing the deliverables specified in the grant  
18 recipient's application;

19 (3) any additional entities and businesses with whom  
20 the grant recipient has contracted or partnered with the  
21 goal of achieving greater integration of information  
22 technology education in prekindergarten through grade 12  
23 curriculum;

24 (4) the recipient school district's or charter  
25 school's plan for continuing the integration of  
26 information technology education into the curriculum,

1 regardless of whether the grant is renewed;

2 (5) the documentation demonstrating effective digital  
3 collaboration and networking, technological cooperation  
4 and sharing, and personal networking via innovative,  
5 entrepreneurial networks;

6 (6) a description of innovative instructional methods;

7 (7) evidence of staff training and outreach to teachers  
8 beyond those working in the STEM education center; and

9 (8) any other information specified by rule of the  
10 State Board of Education.

11 (n) Notwithstanding the other provisions of this Section, a  
12 recipient school need not submit a report for any academic year  
13 in which no grants are made through the grant program.

14 (o) The STEM Education Center Grant Fund is created as a  
15 special fund in the State treasury. All money in the Fund shall  
16 be used, subject to appropriation, by the State Board of  
17 Education for the purpose of funding science, technology,  
18 engineering, and mathematics education center grants awarded  
19 under this Section.

20 (p) The State Board of Education may solicit and accept  
21 money in the form of gifts, contributions, and grants to be  
22 deposited in the STEM Education Center Grant Fund. The  
23 acceptance of federal grants for purposes of this Section does  
24 not commit State funds nor place an obligation upon the General  
25 Assembly to continue the purposes for which the federal funds  
26 are made available.

1 (105 ILCS 5/2-3.156 new)

2 Sec. 2-3.156. School Improvement Partnership Pool Fund

3 (a) The School Improvement Partnership Pool 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 Improvement Partnership Pool Fund shall not be subject to  
7 sweeps, administrative charges, or charge-backs, such as, but  
8 not limited to, those authorized under Section 8h of the State  
9 Finance Act, nor any other fiscal or budgetary maneuver that  
10 would in any way transfer any funds from the School Improvement  
11 Partnership Pool Fund into any other fund of the State.

12 (b) Beginning in Fiscal Year 2013, moneys in the School  
13 Improvement Partnership Pool Fund shall be used, subject to  
14 appropriation, by the State Board of Education for a  
15 competitive grant program to provide school districts with  
16 demonstrated academic and financial need quality, integrated  
17 support systems, such as training for staff, tutoring programs  
18 for students, small school initiatives, literacy coaching,  
19 proven programs such as reduced class size, extended learning  
20 time, and after school and summer school programs, programs to  
21 engage parents, and other systems as determined by the State  
22 Board of Education.

23 (c) School districts eligible to apply to the State Board  
24 of Education for a grant under subsection (b) of this Section  
25 shall be limited to those (i) with any school that has not met

1 adequate yearly progress under the federal No Child Left Behind  
2 Act of 2001 for at least 2 consecutive years or (ii) that have  
3 been designated through the State Board of Education's School  
4 District Financial Profile System as on financial warning or  
5 financial watch status. The State Board may, by rule, establish  
6 any additional procedures with respect to this grant program.

7 (105 ILCS 5/2-3.157 new)

8 Sec. 2-3.157. Resource management service.

9 (a) Subject to appropriation, the State Board of Education  
10 shall establish and maintain an Internet web-based resource  
11 management service for all school districts on or before July  
12 1, 2015. If no State funds are provided to school districts  
13 specifically for implementation of this Section, school  
14 districts are relieved from implementing all requirements  
15 under this Section.

16 (b) The resource management service shall identify  
17 resource configurations that contribute to improving internal  
18 resources for instructional programs, provide action-oriented  
19 analysis and solutions, and give school districts the ability  
20 to explore different scenarios of resource allocation.

21 (c) Annually, by the first day of October, an Internet  
22 web-based preliminary resource allocation report must be  
23 generated for each school district and delivered via the  
24 Internet to each district superintendent for use by the  
25 management team and the exclusive bargaining agents of the

1 school district's employees. This report shall identify  
2 potential cost savings or resource reallocation opportunities  
3 for the district in 5 core areas of school district spending.  
4 These core areas are instruction, operation and maintenance,  
5 transportation, food service, and central services. This  
6 analysis shall show district spending in detailed  
7 subcategories compared to demographically or operationally  
8 similar peer school districts. The web-based resource  
9 allocation reports generated under this Section constitute  
10 preliminary drafts, notes, recommendations, memoranda, and  
11 other records in which opinions are expressed or policies or  
12 actions are formulated and therefore exempt from disclosure  
13 under subdivision (f) of subsection (1) of Section 7 of the  
14 Freedom of Information Act.

15 (d) Each school district shall have the ability through the  
16 on-line resource allocation report to test various resource  
17 allocation scenarios relative to pre-defined peers as well as  
18 geographic peers and the most efficient peers statewide. Each  
19 district shall have the ability to choose specific combinations  
20 of districts for comparison.

21 (e) The resource management service shall contain, based on  
22 the spending and demographic profile of the school district,  
23 action-oriented information, such as effective best practices  
24 in schools districts, diagnostic questions, and other  
25 management or community considerations that may be implemented  
26 to capture savings identified in the resource allocation

1 report.

2 (f) The resource management service may be initiated and  
3 maintained through a contract between the State Board of  
4 Education and an independent third party specializing in school  
5 market research within this State and the United States. Any  
6 contract with a third party must be awarded through the State  
7 Board of Education's standard request for proposal procedure.  
8 Up to 25% of the annual appropriation may be allocated by the  
9 State Board of Education to hire personnel and facilitate data  
10 collection. No less than 25% of the annual appropriation shall  
11 be utilized by the State Board of Education to deliver training  
12 to school district personnel in the use of the management  
13 service. Such training shall be delivered by certificated  
14 school business officials or State Board of Education trained  
15 personnel and may be provided through administrator academies  
16 and mentoring programs. The State Board of Education may  
17 establish contracts with other organizations to provide such  
18 training and mentoring.

19 In the event that a district does not employ a certificated  
20 school business official, if State funds are provided  
21 specifically for this purpose, at least one employee must be  
22 trained and certified in the use of the resource management  
23 service. In addition, a representative of the exclusive  
24 bargaining agents of the school district's employees shall be  
25 invited to be trained and certified.

26 (g) The State Board of Education shall identify the data

1 required to implement the resource management service and  
2 develop annual data reporting instruments designed to collect  
3 the information from each school district.

4 The State Board of Education may provide grants to school  
5 districts to permit those school districts to develop and  
6 implement a plan for a shared services agreement in the  
7 following areas: operation and maintenance and central  
8 services.

9 (h) Annually, the certificated school business official or  
10 resource management service trained employee in each school  
11 district shall review and certify that the resource allocation  
12 report has been received and reviewed by the management team  
13 and the exclusive bargaining agent of the district.  
14 Subsequently, a report must be filed with the State Board of  
15 Education identifying the considerations that will be studied  
16 as a result of such analysis. In addition, any implementation  
17 of strategies or reallocation of resources associated with the  
18 resource management service must be annually reported to the  
19 Board of Education, the exclusive bargaining agents of the  
20 school district's employees, and, subsequently, the State  
21 Board of Education. The State Board shall annually prepare a  
22 cumulative report to be posted electronically containing those  
23 initiatives studied and implemented on a statewide basis.

24 (105 ILCS 5/3-7) (from Ch. 122, par. 3-7)

25 Sec. 3-7. Failure to prepare and forward information. If

1 the trustees of schools of any township in Class II county  
2 school units, or any school district which forms a part of a  
3 Class II county school unit but which is not subject to the  
4 jurisdiction of the trustees of schools of any township in  
5 which such district is located, or any school district in any  
6 Class I county school units fail to prepare and forward or  
7 cause to be prepared and forwarded to the regional  
8 superintendent of schools, reports required by this Act, the  
9 regional superintendent of schools shall furnish such  
10 information or he shall employ a person or persons to furnish  
11 such information, as far as practicable. Such person shall have  
12 access to the books, records and papers of the school district  
13 to enable him or them to prepare such reports, and the school  
14 district shall permit such person or persons to examine such  
15 books, records and papers at such time and such place as such  
16 person or persons may desire for the purpose aforesaid. For  
17 such services the regional superintendent of schools shall bill  
18 the district an amount to cover the cost of preparation of such  
19 reports if he employs a person to prepare such reports.

20 Each school district shall, as of June 30 of each year,  
21 cause an audit of its accounts to be made by a person lawfully  
22 qualified to practice public accounting as regulated by the  
23 Illinois Public Accounting Act. Such audit shall include (i)  
24 development of a risk assessment of district internal controls,  
25 (ii) an annual review and update of the risk assessment, and  
26 (iii) an annual management letter that analyzes significant



1 risk assessment findings, recommends changes for strengthening  
2 controls and reducing identified risks, and specifies  
3 timeframes for implementation of these recommendations, as  
4 well as financial statements of the district applicable to the  
5 type of records required by other sections of this Act and in  
6 addition shall set forth the scope of audit and shall include  
7 the professional opinion signed by the auditor, or if such an  
8 opinion is denied by the auditor, shall set forth the reasons  
9 for such denial. Each school district shall on or before  
10 October 15 of each year, submit an original and one copy of the  
11 ~~such~~ audit to the regional superintendent of schools in the  
12 educational service region having jurisdiction in which case  
13 the regional superintendent of schools shall be relieved of  
14 responsibility in regard to the accounts of the school  
15 district. If any school district fails to supply the regional  
16 superintendent of schools with a copy of such audit report on  
17 or before October 15, or within such time extended by the  
18 regional superintendent of schools from that date, not to  
19 exceed 60 days, then it shall be the responsibility of the  
20 regional superintendent of schools having jurisdiction to  
21 cause such audit to be made by employing an accountant licensed  
22 to practice in the State of Illinois to conduct such audit and  
23 shall bill the district for such services, or shall with the  
24 personnel of his office make such audit to his satisfaction and  
25 bill the district for such service. In the latter case, if the  
26 audit is made by personnel employed in the office of the

1 regional superintendent of schools having jurisdiction, then  
2 the regional superintendent of schools shall not be relieved of  
3 the responsibility as to the accountability of the school  
4 district. The copy of the audit shall be forwarded by the  
5 regional superintendent to the State Board of Education on or  
6 before November 15 of each year and shall be filed by the State  
7 Board of Education. Beginning on July 1, 2012, all school  
8 districts shall utilize a competitive request for proposals  
9 process at least once every 5 years when contracting for such  
10 an annual audit, provided that school districts with existing  
11 contracts of less than 5 years in length that are in effect on  
12 July 1, 2012 shall utilize a competitive request for proposals  
13 process when contracting for an annual audit after the  
14 expiration date of the existing contract.

15 Each school district that is the administrative district  
16 for several school districts operating under a joint agreement  
17 as authorized by this Act shall, as of June 30 each year, cause  
18 an audit of the accounts of the joint agreement to be made by a  
19 person lawfully qualified to practice public accounting as  
20 regulated by the Illinois Public Accounting Act. Such audit  
21 shall include (i) development of a risk assessment of district  
22 internal controls, (ii) an annual review and update of the risk  
23 assessment, and (iii) an annual management letter that analyzes  
24 significant risk assessment findings, recommends changes for  
25 strengthening controls and reducing identified risks, and  
26 specifies timeframes for implementation of these

1 recommendations, as well as financial statements of the  
2 operation of the joint agreement applicable to the type of  
3 records required by this Act and, in addition, shall set forth  
4 the scope of the audit and shall include the professional  
5 opinion signed by the auditor, or if such an opinion is denied,  
6 the auditor shall set forth the reason for such denial. Each  
7 administrative district of a joint agreement shall on or before  
8 October 15 each year, submit an original and one copy of such  
9 audit to the regional superintendent of schools in the  
10 educational service region having jurisdiction in which case  
11 the regional superintendent of schools shall be relieved of  
12 responsibility in regard to the accounts of the joint  
13 agreement. The copy of the audit shall be forwarded by the  
14 regional superintendent to the State Board of Education on or  
15 before November 15 of each year and shall be filed by the State  
16 Board of Education. The cost of such an audit shall be  
17 apportioned among and paid by the several districts who are  
18 parties to the joint agreement, in the same manner as other  
19 costs and expenses accruing to the districts jointly. Beginning  
20 on July 1, 2012, all school districts operating under a joint  
21 agreement shall utilize a competitive request for proposals  
22 process at least once every 5 years when contracting for such  
23 an annual audit, provided that all school districts operating  
24 under a joint agreement with existing contracts of less than 5  
25 years in length that are in effect on July 1, 2012 shall  
26 utilize a competitive request for proposals process when

1 contracting for an annual audit after the expiration date of  
2 the existing contract.

3 The State Board of Education shall determine the adequacy  
4 of the audits. All audits shall be kept on file in the office  
5 of the State Board of Education.

6 (Source: P.A. 86-1441; 87-473.)

7 (105 ILCS 5/10-16.10 new)

8 Sec. 10-16.10. Board member leadership training.

9 (a) This Section shall apply to all school board members  
10 serving pursuant to Section 10-10 of this Code who have been  
11 elected on or after the effective date of this amendatory Act  
12 of the 97th General Assembly or appointed to fill a vacancy of  
13 at least one year's duration on or after the effective date of  
14 this amendatory Act of the 97th General Assembly.

15 (b) It is the policy of this State to encourage every  
16 voting member of a board of education of a school district  
17 elected or appointed for a term beginning on or after the  
18 effective date of this amendatory Act of the 97th General  
19 Assembly, within a year after the effective date of this  
20 amendatory Act of the 97th General Assembly or the first year  
21 of his or her term, to complete a minimum of 4 hours of  
22 professional development leadership training covering topics  
23 in education and labor law, financial oversight and  
24 accountability, and fiduciary responsibilities of a school  
25 board member.

1       (c) The training on financial oversight, accountability,  
2 and fiduciary responsibilities may be provided by an  
3 association established under this Code for the purpose of  
4 training school board members or by other qualified providers  
5 approved by the State Board of Education, in conjunction with  
6 an association so established.

7           (105 ILCS 5/10-17a) (from Ch. 122, par. 10-17a)

8           Sec. 10-17a. Better schools accountability.

9           (1) Policy and Purpose. It shall be the policy of the State  
10 of Illinois that each school district in this State, including  
11 special charter districts and districts subject to the  
12 provisions of Article 34, shall submit to parents, taxpayers of  
13 such district, the Governor, the General Assembly, and the  
14 State Board of Education a school report card assessing the  
15 performance of its schools and students. The report card shall  
16 be an index of school performance measured against statewide  
17 and local standards and will provide information to make prior  
18 year comparisons and to set future year targets through the  
19 school improvement plan.

20           (2) Reporting Requirements. Each school district shall  
21 prepare a report card in accordance with the guidelines set  
22 forth in this Section which describes the performance of its  
23 students by school attendance centers and by district and the  
24 district's financial resources and use of financial resources.  
25 Such report card shall be presented at a regular school board

1 meeting subject to applicable notice requirements, posted on  
2 the school district's Internet web site, if the district  
3 maintains an Internet web site, made available to a newspaper  
4 of general circulation serving the district, and, upon request,  
5 sent home to a parent (unless the district does not maintain an  
6 Internet web site, in which case the report card shall be sent  
7 home to parents without request). If the district posts the  
8 report card on its Internet web site, the district shall send a  
9 written notice home to parents stating (i) that the report card  
10 is available on the web site, (ii) the address of the web site,  
11 (iii) that a printed copy of the report card will be sent to  
12 parents upon request, and (iv) the telephone number that  
13 parents may call to request a printed copy of the report card.  
14 In addition, each school district shall submit the completed  
15 report card to the office of the district's Regional  
16 Superintendent which shall make copies available to any  
17 individuals requesting them.

18 The report card shall be completed and disseminated prior  
19 to October 31 in each school year. The report card shall  
20 contain, but not be limited to, actual local school attendance  
21 center, school district and statewide data indicating the  
22 present performance of the school, the State norms and the  
23 areas for planned improvement for the school and school  
24 district.

25 (3) (a) The report card shall include the following  
26 applicable indicators of attendance center, district, and

1 statewide student performance: percent of students who exceed,  
2 meet, or do not meet standards established by the State Board  
3 of Education pursuant to Section 2-3.25a; longitudinal data  
4 system assessment estimates for each district, subject to a  
5 statewide longitudinal data system being established and data  
6 being available; composite and subtest means on nationally  
7 normed achievement tests for college bound students; student  
8 attendance rates; chronic truancy rate; dropout rate;  
9 graduation rate; and student mobility, turnover shown as a  
10 percent of transfers out and a percent of transfers in.

11 (b) The report card shall include the following  
12 descriptions for the school, district, and State: average class  
13 size; amount of time per day devoted to mathematics, science,  
14 English and social science at primary, middle and junior high  
15 school grade levels; number of students taking the Prairie  
16 State Achievement Examination under subsection (c) of Section  
17 2-3.64, the number of those students who received a score of  
18 excellent, and the average score by school of students taking  
19 the examination; pupil-teacher ratio; pupil-administrator  
20 ratio; operating expenditure per pupil; district expenditure  
21 by fund; average administrator salary; and average teacher  
22 salary. The report card shall also specify the amount of money  
23 that the district receives from all sources, including without  
24 limitation subcategories specifying the amount from local  
25 property taxes, the amount from general State aid, the amount  
26 from other State funding, and the amount from other income.

1 (c) The report card shall include applicable indicators of  
2 parental involvement in each attendance center. The parental  
3 involvement component of the report card shall include the  
4 percentage of students whose parents or guardians have had one  
5 or more personal contacts with the students' teachers during  
6 the school year concerning the students' education, and such  
7 other information, commentary, and suggestions as the school  
8 district desires. For the purposes of this paragraph, "personal  
9 contact" includes, but is not limited to, parent-teacher  
10 conferences, parental visits to school, school visits to home,  
11 telephone conversations, and written correspondence. The  
12 parental involvement component shall not single out or identify  
13 individual students, parents, or guardians by name.

14 (d) The report card form shall be prepared by the State  
15 Board of Education and provided to school districts by the most  
16 efficient, economic, and appropriate means.

17 (e) The report card shall include an indicator describing  
18 whether the school district has improved, declined, or remained  
19 stable in the aggregate percentage of students making at least  
20 one-year's academic growth each year, subject to a statewide  
21 longitudinal data system being established and data being  
22 available.

23 (Source: P.A. 95-331, eff. 8-21-07.)

24 (105 ILCS 5/10-17b new)

25 Sec. 10-17b. Financial policies. Beginning with the second



1 fiscal year after the effective date of this amendatory Act of  
2 the 97th General Assembly, each school board shall adopt a  
3 formal, written financial policy. The policy may include  
4 information in the following areas:

5 (1) Debt capacity, issuance, and management.

6 (2) Capital asset management.

7 (3) Reserve or stabilization fund goals.

8 (4) Periodic budget to actual comparison reports.

9 (5) Fees and charges.

10 (6) The use of one-time revenue.

11 (7) Risk management related to internal controls.

12 (8) Purchasing.

13 (9) Vehicle acquisition and maintenance.

14 The school board shall make the policy publicly available.

15 (105 ILCS 5/10-17c new)

16 Sec. 10-17c. Long-term financial plan. Beginning with the  
17 second fiscal year after the effective date of this amendatory  
18 Act of the 97th General Assembly, each school board shall  
19 develop a long-term financial plan that extends over at least a  
20 3-year period and that is updated and approved annually. The  
21 plan must include multi-year forecasts of revenues,  
22 expenditures, and debt. The school board may make the plan  
23 available to the public by publishing it as a separate document  
24 and submitting it with the annual budget or by posting the plan  
25 as a document on the school district's Internet website, if

1 any. The forecasts that are the foundation of the plan must be  
2 available to participants in the budget process before  
3 budgetary decisions are made. The public must be provided  
4 opportunities for providing dialog with respect to the  
5 long-term financial planning process. Public access and review  
6 shall take place as part of the official budget hearing process  
7 in accordance with Section 17-1 of this Code, which requires  
8 the posting of notice and making documents available to the  
9 general public at least 30 days in advance of the budget  
10 hearing.

11 (105 ILCS 5/10-17d new)

12 Sec. 10-17d. Capital improvement plan. Beginning with the  
13 second fiscal year after the effective date of this amendatory  
14 Act of the 97th General Assembly, each school board shall  
15 develop a 5-year capital improvement plan that is updated and  
16 approved annually. The plan must include a summary list of the  
17 description of the capital projects to be completed over the  
18 next 5 years, along with projected expenditures, and revenue  
19 sources. The school board shall make the plan available to the  
20 public. The school board shall hold a public hearing on the  
21 capital improvement plan, which hearing may be held at a  
22 regularly scheduled meeting of the board. This hearing shall be  
23 held in the same manner and subject to the same notice and  
24 other requirements as the public hearing required prior to  
25 adoption of the budget in conformity with Section 17-1 of this

1 Code, which requires the posting of notice and making documents  
2 available to the general public at least 30 days in advance of  
3 the budget hearing.

4 (105 ILCS 5/10-20.53 new)

5 Sec. 10-20.53. School district financial accountability.

6 (a) A school board shall annually include a user-friendly  
7 executive summary as part of the district's budget. The  
8 executive summary shall include all of the following:

9 (1) The district's major goals and objectives.

10 (2) A discussion of the major financial factors and  
11 trends affecting the budget, such as changes in revenues,  
12 enrollment, and debt.

13 (3) A description of the budget process.

14 (4) An overview of revenues and expenditures for all  
15 funds, including at least 3 to 5 years of prior and future  
16 trends, based on data from the annual financial report.

17 (5) An explanation of significant financial and  
18 demographic trends.

19 (6) An explanation of the reasons for a budget deficit  
20 and an explanation of how the deficit is being addressed in  
21 accordance with Section 17-1 of this Code.

22 (7) A budget forecast for at least 3 to 5 years in the  
23 future.

24 (8) Student enrollment trends, including a future  
25 forecast.

1           (9) The number of personnel by type.

2           (10) Changes in both the long term and short term debt  
3           burden.

4           (b) Beginning with the second fiscal year after the  
5           effective date of this amendatory Act of the 97th General  
6           Assembly, a school board shall annually include in the full  
7           budget document the following items; any or all of the  
8           following items may be published as separate documents provided  
9           that they are explicitly referenced in the annual budget and  
10           attached thereto and provided that they are made publicly  
11           available at the same time as the tentative budget document:

12           (1) An organizational chart.

13           (2) Formal financial policies pursuant to Section  
14           10-17b of this Code.

15           (3) The district's long-term financial plan pursuant  
16           to Section 10-17c of this Code or a summary of the  
17           long-term financial plan.

18           (4) The district's capital improvement plan pursuant  
19           to Section 10-17d of this Code or a summary of the capital  
20           improvement plan.

21           (105 ILCS 5/10-22.45) (from Ch. 122, par. 10-22.45)

22           Sec. 10-22.45. A school board shall ~~to~~ establish an audit  
23           committee, which may include ~~and to appoint~~ members of the  
24           board, ~~or~~ other appropriate officers, or persons who do not  
25           serve on the board ~~to the committee~~, to review audit reports

1 and any other financial reports and documents, including  
2 management letters prepared by or on behalf of the board.  
3 Nothing in this Section prohibits a school district from  
4 maintaining its own internal audit function.

5 (Source: P.A. 82-644.)

6 (105 ILCS 5/17-2.11d new)

7 Sec. 17-2.11d. Non-referendum bonds. Upon the  
8 certification of an architect and subsequent approval by the  
9 regional superintendent of schools and the State Board of  
10 Education, a board of education governing a school district  
11 having not more than 500,000 inhabitants may issue  
12 non-referendum bonds for the purposes described in Section 19-3  
13 of this Code. Such bonds may be issued in excess of any  
14 statutory limitation as to debt prescribed in Article 19 of  
15 this Code.

16 (105 ILCS 5/18-8.05)

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

20 (A) General Provisions.

21 (1) The provisions of this Section apply to the 1998-1999  
22 and subsequent school years. The system of general State  
23 financial aid provided for in this Section is designed to

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

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

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

26 (a) Any school district which fails for any given

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

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

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

24 (d) (Blank).

25 (4) Except as provided in subsections (H) and (L), the  
26 board of any district receiving any of the grants provided for

1 in this Section may apply those funds to any fund so received  
2 for which that board is authorized to make expenditures by law.

3 School districts are not required to exert a minimum  
4 Operating Tax Rate in order to qualify for assistance under  
5 this Section.

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

8 (a) "Average Daily Attendance": A count of pupil  
9 attendance in school, averaged as provided for in  
10 subsection (C) and utilized in deriving per pupil financial  
11 support levels.

12 (b) "Available Local Resources": A computation of  
13 local financial support, calculated on the basis of Average  
14 Daily Attendance and derived as provided pursuant to  
15 subsection (D).

16 (c) "Corporate Personal Property Replacement Taxes":  
17 Funds paid to local school districts pursuant to "An Act in  
18 relation to the abolition of ad valorem personal property  
19 tax and the replacement of revenues lost thereby, and  
20 amending and repealing certain Acts and parts of Acts in  
21 connection therewith", certified August 14, 1979, as  
22 amended (Public Act 81-1st S.S.-1).

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

25 (e) "Operating Tax Rate": All school district property  
26 taxes extended for all purposes, except Bond and Interest,



1 Summer School, Rent, Capital Improvement, and Vocational  
2 Education Building purposes.

3 (B) Foundation Level.

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

14 (2) For the 1998-1999 school year, the Foundation Level of  
15 support is \$4,225. For the 1999-2000 school year, the  
16 Foundation Level of support is \$4,325. For the 2000-2001 school  
17 year, the Foundation Level of support is \$4,425. For the  
18 2001-2002 school year and 2002-2003 school year, the Foundation  
19 Level of support is \$4,560. For the 2003-2004 school year, the  
20 Foundation Level of support is \$4,810. For the 2004-2005 school  
21 year, the Foundation Level of support is \$4,964. For the  
22 2005-2006 school year, the Foundation Level of support is  
23 \$5,164. For the 2006-2007 school year, the Foundation Level of  
24 support is \$5,334. For the 2007-2008 school year, the  
25 Foundation Level of support is \$5,734. For the 2008-2009 school

1 year, the Foundation Level of support is \$5,959.

2 (3) For the 2009-2010 and the 2010-2011 school year ~~and~~  
3 ~~each school year thereafter~~, the Foundation Level of support is  
4 \$6,119 ~~or such greater amount as may be established by law by~~  
5 ~~the General Assembly~~.

6 (4) It is the intention of the 97th General Assembly that  
7 the Foundation Level of support be increased to the Education  
8 Funding Advisory Board's recommendation for the 2006-2007  
9 school year and be inflation adjusted to the 2013-2014 school  
10 year, which would create a Foundation Level of \$8,410, and that  
11 this Foundation Level of support be reached as soon as  
12 practicable using the additional revenue generated by the tax  
13 increases provided by Public Act 96-1496.

14 For the 2011-2012 school year, the Foundation Level of  
15 support is \$6,190. For each school year thereafter, the  
16 Foundation Level of support shall be no less than \$6,190.

17 (C) Average Daily Attendance.

18 (1) For purposes of calculating general State aid pursuant  
19 to subsection (E), an Average Daily Attendance figure shall be  
20 utilized. The Average Daily Attendance figure for formula  
21 calculation purposes shall be the monthly average of the actual  
22 number of pupils in attendance of each school district, as  
23 further averaged for the best 3 months of pupil attendance for  
24 each school district. In compiling the figures for the number  
25 of pupils in attendance, school districts and the State Board

1 of Education shall, for purposes of general State aid funding,  
2 conform attendance figures to the requirements of subsection  
3 (F).

4 (2) The Average Daily Attendance figures utilized in  
5 subsection (E) shall be the requisite attendance data for the  
6 school year immediately preceding the school year for which  
7 general State aid is being calculated or the average of the  
8 attendance data for the 3 preceding school years, whichever is  
9 greater. The Average Daily Attendance figures utilized in  
10 subsection (H) shall be the requisite attendance data for the  
11 school year immediately preceding the school year for which  
12 general State aid is being calculated.

13 (D) Available Local Resources.

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

24 (2) In determining a school district's revenue from local  
25 property taxes, the State Board of Education shall utilize the

1 equalized assessed valuation of all taxable property of each  
2 school district as of September 30 of the previous year. The  
3 equalized assessed valuation utilized shall be obtained and  
4 determined as provided in subsection (G).

5 (3) For school districts maintaining grades kindergarten  
6 through 12, local property tax revenues per pupil shall be  
7 calculated as the product of the applicable equalized assessed  
8 valuation for the district multiplied by 3.00%, and divided by  
9 the district's Average Daily Attendance figure. For school  
10 districts maintaining grades kindergarten through 8, local  
11 property tax revenues per pupil shall be calculated as the  
12 product of the applicable equalized assessed valuation for the  
13 district multiplied by 2.30%, and divided by the district's  
14 Average Daily Attendance figure. For school districts  
15 maintaining grades 9 through 12, local property tax revenues  
16 per pupil shall be the applicable equalized assessed valuation  
17 of the district multiplied by 1.05%, and divided by the  
18 district's Average Daily Attendance figure.

19 For partial elementary unit districts created pursuant to  
20 Article 11E of this Code, local property tax revenues per pupil  
21 shall be calculated as the product of the equalized assessed  
22 valuation for property within the partial elementary unit  
23 district for elementary purposes, as defined in Article 11E of  
24 this Code, multiplied by 2.06% and divided by the district's  
25 Average Daily Attendance figure, plus the product of the  
26 equalized assessed valuation for property within the partial

1 elementary unit district for high school purposes, as defined  
2 in Article 11E of this Code, multiplied by 0.94% and divided by  
3 the district's Average Daily Attendance figure.

4 (4) The Corporate Personal Property Replacement Taxes paid  
5 to each school district during the calendar year one year  
6 before the calendar year in which a school year begins, divided  
7 by the Average Daily Attendance figure for that district, shall  
8 be added to the local property tax revenues per pupil as  
9 derived by the application of the immediately preceding  
10 paragraph (3). The sum of these per pupil figures for each  
11 school district shall constitute Available Local Resources as  
12 that term is utilized in subsection (E) in the calculation of  
13 general State aid.

14 (E) Computation of General State Aid.

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

18 (2) For any school district for which Available Local  
19 Resources per pupil is less than the product of 0.93 times the  
20 Foundation Level, general State aid for that district shall be  
21 calculated as an amount equal to the Foundation Level minus  
22 Available Local Resources, multiplied by the Average Daily  
23 Attendance of the school district.

24 (3) For any school district for which Available Local  
25 Resources per pupil is equal to or greater than the product of

1 0.93 times the Foundation Level and less than the product of  
2 1.75 times the Foundation Level, the general State aid per  
3 pupil shall be a decimal proportion of the Foundation Level  
4 derived using a linear algorithm. Under this linear algorithm,  
5 the calculated general State aid per pupil shall decline in  
6 direct linear fashion from 0.07 times the Foundation Level for  
7 a school district with Available Local Resources equal to the  
8 product of 0.93 times the Foundation Level, to 0.05 times the  
9 Foundation Level for a school district with Available Local  
10 Resources equal to the product of 1.75 times the Foundation  
11 Level. The allocation of general State aid for school districts  
12 subject to this paragraph 3 shall be the calculated general  
13 State aid per pupil figure multiplied by the Average Daily  
14 Attendance of the school district.

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

20 (5) The amount of general State aid allocated to a school  
21 district for the 1999-2000 school year meeting the requirements  
22 set forth in paragraph (4) of subsection (G) shall be increased  
23 by an amount equal to the general State aid that would have  
24 been received by the district for the 1998-1999 school year by  
25 utilizing the Extension Limitation Equalized Assessed  
26 Valuation as calculated in paragraph (4) of subsection (G) less

1 the general State aid allotted for the 1998-1999 school year.  
2 This amount shall be deemed a one time increase, and shall not  
3 affect any future general State aid allocations.

4 (F) Compilation of Average Daily Attendance.

5 (1) Each school district shall, by July 1 of each year,  
6 submit to the State Board of Education, on forms prescribed by  
7 the State Board of Education, attendance figures for the school  
8 year that began in the preceding calendar year. The attendance  
9 information so transmitted shall identify the average daily  
10 attendance figures for each month of the school year. Beginning  
11 with the general State aid claim form for the 2002-2003 school  
12 year, districts shall calculate Average Daily Attendance as  
13 provided in subdivisions (a), (b), and (c) of this paragraph  
14 (1).

15 (a) In districts that do not hold year-round classes,  
16 days of attendance in August shall be added to the month of  
17 September and any days of attendance in June shall be added  
18 to the month of May.

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

23 (c) In districts in which some buildings, but not all,  
24 hold year-round classes, for the non-year-round buildings,  
25 days of attendance in August shall be added to the month of

1 September and any days of attendance in June shall be added  
2 to the month of May. The average daily attendance for the  
3 year-round buildings shall be computed as provided in  
4 subdivision (b) of this paragraph (1). To calculate the  
5 Average Daily Attendance for the district, the average  
6 daily attendance for the year-round buildings shall be  
7 multiplied by the days in session for the non-year-round  
8 buildings for each month and added to the monthly  
9 attendance of the non-year-round buildings.

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

19 Days of attendance by tuition pupils shall be accredited  
20 only to the districts that pay the tuition to a recognized  
21 school.

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

25 (a) Pupils regularly enrolled in a public school for  
26 only a part of the school day may be counted on the basis



1 of 1/6 day for every class hour of instruction of 40  
2 minutes or more attended pursuant to such enrollment,  
3 unless a pupil is enrolled in a block-schedule format of 80  
4 minutes or more of instruction, in which case the pupil may  
5 be counted on the basis of the proportion of minutes of  
6 school work completed each day to the minimum number of  
7 minutes that school work is required to be held that day.

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

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

17 (d) A session of 3 or more clock hours may be counted  
18 as a day of attendance (1) when the remainder of the school  
19 day or at least 2 hours in the evening of that day is  
20 utilized for an in-service training program for teachers,  
21 up to a maximum of 5 days per school year, provided a  
22 district conducts an in-service training program for  
23 teachers in accordance with Section 10-22.39 of this Code;  
24 or, in lieu of 4 such days, 2 full days may be used, in  
25 which event each such day may be counted as a day required  
26 for a legal school calendar pursuant to Section 10-19 of

1           this Code; (1.5) when, of the 5 days allowed under item  
2           (1), a maximum of 4 days are used for parent-teacher  
3           conferences, or, in lieu of 4 such days, 2 full days are  
4           used, in which case each such day may be counted as a  
5           calendar day required under Section 10-19 of this Code,  
6           provided that the full-day, parent-teacher conference  
7           consists of (i) a minimum of 5 clock hours of  
8           parent-teacher conferences, (ii) both a minimum of 2 clock  
9           hours of parent-teacher conferences held in the evening  
10          following a full day of student attendance, as specified in  
11          subsection (F)(1)(c), and a minimum of 3 clock hours of  
12          parent-teacher conferences held on the day immediately  
13          following evening parent-teacher conferences, or (iii)  
14          multiple parent-teacher conferences held in the evenings  
15          following full days of student attendance, as specified in  
16          subsection (F)(1)(c), in which the time used for the  
17          parent-teacher conferences is equivalent to a minimum of 5  
18          clock hours; and (2) when days in addition to those  
19          provided in items (1) and (1.5) are scheduled by a school  
20          pursuant to its school improvement plan adopted under  
21          Article 34 or its revised or amended school improvement  
22          plan adopted under Article 2, provided that (i) such  
23          sessions of 3 or more clock hours are scheduled to occur at  
24          regular intervals, (ii) the remainder of the school days in  
25          which such sessions occur are utilized for in-service  
26          training programs or other staff development activities

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

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

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

24 (g) For children with disabilities who are below the  
25 age of 6 years and who cannot attend 2 or more clock hours  
26 because of their disability or immaturity, a session of not

1 less than one clock hour may be counted as 1/2 day of  
2 attendance; however for such children whose educational  
3 needs so require a session of 4 or more clock hours may be  
4 counted as a full day of attendance.

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

22 (i) On the days when the Prairie State Achievement  
23 Examination is administered under subsection (c) of  
24 Section 2-3.64 of this Code, the day of attendance for a  
25 pupil whose school day must be shortened to accommodate  
26 required testing procedures may be less than 5 clock hours

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

7 (G) Equalized Assessed Valuation Data.

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

18 The Department of Revenue shall add to the equalized  
19 assessed value of all taxable property of each school district  
20 situated entirely or partially within a county that is or was  
21 subject to the provisions of Section 15-176 or 15-177 of the  
22 Property Tax Code (a) an amount equal to the total amount by  
23 which the homestead exemption allowed under Section 15-176 or  
24 15-177 of the Property Tax Code for real property situated in  
25 that school district exceeds the total amount that would have

1 been allowed in that school district if the maximum reduction  
2 under Section 15-176 was (i) \$4,500 in Cook County or \$3,500 in  
3 all other counties in tax year 2003 or (ii) \$5,000 in all  
4 counties in tax year 2004 and thereafter and (b) an amount  
5 equal to the aggregate amount for the taxable year of all  
6 additional exemptions under Section 15-175 of the Property Tax  
7 Code for owners with a household income of \$30,000 or less. The  
8 county clerk of any county that is or was subject to the  
9 provisions of Section 15-176 or 15-177 of the Property Tax Code  
10 shall annually calculate and certify to the Department of  
11 Revenue for each school district all homestead exemption  
12 amounts under Section 15-176 or 15-177 of the Property Tax Code  
13 and all amounts of additional exemptions under Section 15-175  
14 of the Property Tax Code for owners with a household income of  
15 \$30,000 or less. It is the intent of this paragraph that if the  
16 general homestead exemption for a parcel of property is  
17 determined under Section 15-176 or 15-177 of the Property Tax  
18 Code rather than Section 15-175, then the calculation of  
19 Available Local Resources shall not be affected by the  
20 difference, if any, between the amount of the general homestead  
21 exemption allowed for that parcel of property under Section  
22 15-176 or 15-177 of the Property Tax Code and the amount that  
23 would have been allowed had the general homestead exemption for  
24 that parcel of property been determined under Section 15-175 of  
25 the Property Tax Code. It is further the intent of this  
26 paragraph that if additional exemptions are allowed under

1 Section 15-175 of the Property Tax Code for owners with a  
2 household income of less than \$30,000, then the calculation of  
3 Available Local Resources shall not be affected by the  
4 difference, if any, because of those additional exemptions.

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

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

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

1 Industrial Jobs Recovery Law. For the purpose of the  
2 equalized assessed valuation of the district, the total  
3 initial equalized assessed valuation or the current  
4 equalized assessed valuation, whichever is lower, shall be  
5 used until such time as all redevelopment project costs  
6 have been paid.

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

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



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

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

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

7 "Preceding Tax Year": The property tax levy year  
8 immediately preceding the Base Tax Year.

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

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

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

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

24 If a school district is subject to property tax extension  
25 limitations as imposed under the Property Tax Extension  
26 Limitation Law, the State Board of Education shall calculate

1 the Extension Limitation Equalized Assessed Valuation of that  
2 district. For the 1999-2000 school year, the Extension  
3 Limitation Equalized Assessed Valuation of a school district as  
4 calculated by the State Board of Education shall be equal to  
5 the product of the district's 1996 Equalized Assessed Valuation  
6 and the district's Extension Limitation Ratio. Except as  
7 otherwise provided in this paragraph for a school district that  
8 has approved or does approve an increase in its limiting rate,  
9 for the 2000-2001 school year and each school year thereafter,  
10 the Extension Limitation Equalized Assessed Valuation of a  
11 school district as calculated by the State Board of Education  
12 shall be equal to the product of the Equalized Assessed  
13 Valuation last used in the calculation of general State aid and  
14 the district's Extension Limitation Ratio. If the Extension  
15 Limitation Equalized Assessed Valuation of a school district as  
16 calculated under this subsection (G)(3) is less than the  
17 district's equalized assessed valuation as calculated pursuant  
18 to subsections (G)(1) and (G)(2), then for purposes of  
19 calculating the district's general State aid for the Budget  
20 Year pursuant to subsection (E), that Extension Limitation  
21 Equalized Assessed Valuation shall be utilized to calculate the  
22 district's Available Local Resources under subsection (D). For  
23 the 2009-2010 school year and each school year thereafter, if a  
24 school district has approved or does approve an increase in its  
25 limiting rate, pursuant to Section 18-190 of the Property Tax  
26 Code, affecting the Base Tax Year, the Extension Limitation

1 Equalized Assessed Valuation of the school district, as  
2 calculated by the State Board of Education, shall be equal to  
3 the product of the Equalized Assessed Valuation last used in  
4 the calculation of general State aid times an amount equal to  
5 one plus the percentage increase, if any, in the Consumer Price  
6 Index for all Urban Consumers for all items published by the  
7 United States Department of Labor for the 12-month calendar  
8 year preceding the Base Tax Year, plus the Equalized Assessed  
9 Valuation of new property, annexed property, and recovered tax  
10 increment value and minus the Equalized Assessed Valuation of  
11 disconnected property. New property and recovered tax  
12 increment value shall have the meanings set forth in the  
13 Property Tax Extension Limitation Law.

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

18 (3.5) For the 2010-2011 school year and each school year  
19 thereafter, if a school district's boundaries span multiple  
20 counties, then the Department of Revenue shall send to the  
21 State Board of Education, for the purpose of calculating  
22 general State aid, the limiting rate and individual rates by  
23 purpose for the county that contains the majority of the school  
24 district's Equalized Assessed Valuation.

25 (4) For the purposes of calculating general State aid for  
26 the 1999-2000 school year only, if a school district

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

19 (5) For school districts having a majority of their  
20 equalized assessed valuation in any county except Cook, DuPage,  
21 Kane, Lake, McHenry, or Will, if the amount of general State  
22 aid allocated to the school district for the 1999-2000 school  
23 year under the provisions of subsection (E), (H), and (J) of  
24 this Section is less than the amount of general State aid  
25 allocated to the district for the 1998-1999 school year under  
26 these subsections, then the general State aid of the district

1 for the 1999-2000 school year only shall be increased by the  
2 difference between these amounts. The total payments made under  
3 this paragraph (5) shall not exceed \$14,000,000. Claims shall  
4 be prorated if they exceed \$14,000,000.

5 (H) Supplemental General State Aid.

6 (1) In addition to the general State aid a school district  
7 is allotted pursuant to subsection (E), qualifying school  
8 districts shall receive a grant, paid in conjunction with a  
9 district's payments of general State aid, for supplemental  
10 general State aid based upon the concentration level of  
11 children from low-income households within the school  
12 district. Supplemental State aid grants provided for school  
13 districts under this subsection shall be appropriated for  
14 distribution to school districts as part of the same line item  
15 in which the general State financial aid of school districts is  
16 appropriated under this Section.

17 (1.5) This paragraph (1.5) applies only to those school  
18 years preceding the 2003-2004 school year. For purposes of this  
19 subsection (H), the term "Low-Income Concentration Level"  
20 shall be the low-income eligible pupil count from the most  
21 recently available federal census divided by the Average Daily  
22 Attendance of the school district. If, however, (i) the  
23 percentage decrease from the 2 most recent federal censuses in  
24 the low-income eligible pupil count of a high school district  
25 with fewer than 400 students exceeds by 75% or more the

1 percentage change in the total low-income eligible pupil count  
2 of contiguous elementary school districts, whose boundaries  
3 are coterminous with the high school district, or (ii) a high  
4 school district within 2 counties and serving 5 elementary  
5 school districts, whose boundaries are coterminous with the  
6 high school district, has a percentage decrease from the 2 most  
7 recent federal censuses in the low-income eligible pupil count  
8 and there is a percentage increase in the total low-income  
9 eligible pupil count of a majority of the elementary school  
10 districts in excess of 50% from the 2 most recent federal  
11 censuses, then the high school district's low-income eligible  
12 pupil count from the earlier federal census shall be the number  
13 used as the low-income eligible pupil count for the high school  
14 district, for purposes of this subsection (H). The changes made  
15 to this paragraph (1) by Public Act 92-28 shall apply to  
16 supplemental general State aid grants for school years  
17 preceding the 2003-2004 school year that are paid in fiscal  
18 year 1999 or thereafter and to any State aid payments made in  
19 fiscal year 1994 through fiscal year 1998 pursuant to  
20 subsection 1(n) of Section 18-8 of this Code (which was  
21 repealed on July 1, 1998), and any high school district that is  
22 affected by Public Act 92-28 is entitled to a recomputation of  
23 its supplemental general State aid grant or State aid paid in  
24 any of those fiscal years. This recomputation shall not be  
25 affected by any other funding.

26 (1.10) This paragraph (1.10) applies to the 2003-2004

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

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

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

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

26 (c) For any school district with a Low Income

1 Concentration Level of at least 50% and less than 60%, the  
2 grant for the 1998-99 school year shall be \$1,500  
3 multiplied by the low income eligible pupil count.

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

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

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

16 (2.5) Supplemental general State aid pursuant to this  
17 subsection (H) shall be provided as follows for the 2002-2003  
18 school year:

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

23 (b) For any school district with a Low Income  
24 Concentration Level of at least 10% and less than 20%, the  
25 grant for each school year shall be \$675 multiplied by the  
26 low income eligible pupil count.



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

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

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

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

17           (2.10) Except as otherwise provided, supplemental general  
18 State aid pursuant to this subsection (H) shall be provided as  
19 follows for the 2003-2004 school year and each school year  
20 thereafter:

21           (a) For any school district with a Low Income  
22 Concentration Level of 15% or less, 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 greater than 15%, the grant for each

1 school year shall be \$294.25 added to the product of \$2,700  
2 and the square of the Low Income Concentration Level, all  
3 multiplied by the low income eligible pupil count.

4 For the 2003-2004 school year and each school year  
5 thereafter through the 2008-2009 school year only, the grant  
6 shall be no less than the grant for the 2002-2003 school year.  
7 For the 2009-2010 school year only, the grant shall be no less  
8 than the grant for the 2002-2003 school year multiplied by  
9 0.66. For the 2010-2011 school year only, the grant shall be no  
10 less than the grant for the 2002-2003 school year multiplied by  
11 0.33. Notwithstanding the provisions of this paragraph to the  
12 contrary, if for any school year supplemental general State aid  
13 grants are prorated as provided in paragraph (1) of this  
14 subsection (H), then the grants under this paragraph shall be  
15 prorated.

16 For the 2003-2004 school year only, the grant shall be no  
17 greater than the grant received during the 2002-2003 school  
18 year added to the product of 0.25 multiplied by the difference  
19 between the grant amount calculated under subsection (a) or (b)  
20 of this paragraph (2.10), whichever is applicable, and the  
21 grant received during the 2002-2003 school year. For the  
22 2004-2005 school year only, the grant shall be no greater than  
23 the grant received during the 2002-2003 school year added to  
24 the product of 0.50 multiplied by the difference between the  
25 grant amount calculated under subsection (a) or (b) of this  
26 paragraph (2.10), whichever is applicable, and the grant

1 received during the 2002-2003 school year. For the 2005-2006  
2 school year only, the grant shall be no greater than the grant  
3 received during the 2002-2003 school year added to the product  
4 of 0.75 multiplied by the difference between the grant amount  
5 calculated under subsection (a) or (b) of this paragraph  
6 (2.10), whichever is applicable, and the grant received during  
7 the 2002-2003 school year.

8 (3) School districts with an Average Daily Attendance of  
9 more than 1,000 and less than 50,000 that qualify for  
10 supplemental general State aid pursuant to this subsection  
11 shall submit a plan to the State Board of Education prior to  
12 October 30 of each year for the use of the funds resulting from  
13 this grant of supplemental general State aid for the  
14 improvement of instruction in which priority is given to  
15 meeting the education needs of disadvantaged children. Such  
16 plan shall be submitted in accordance with rules and  
17 regulations promulgated by the State Board of Education.

18 (4) School districts with an Average Daily Attendance of  
19 50,000 or more that qualify for supplemental general State aid  
20 pursuant to this subsection shall be required to distribute  
21 from funds available pursuant to this Section, no less than  
22 \$261,000,000 in accordance with the following requirements:

23 (a) The required amounts shall be distributed to the  
24 attendance centers within the district in proportion to the  
25 number of pupils enrolled at each attendance center who are  
26 eligible to receive free or reduced-price lunches or

1 breakfasts under the federal Child Nutrition Act of 1966  
2 and under the National School Lunch Act during the  
3 immediately preceding school year.

4 (b) The distribution of these portions of supplemental  
5 and general State aid among attendance centers according to  
6 these requirements shall not be compensated for or  
7 contravened by adjustments of the total of other funds  
8 appropriated to any attendance centers, and the Board of  
9 Education shall utilize funding from one or several sources  
10 in order to fully implement this provision annually prior  
11 to the opening of school.

12 (c) Each attendance center shall be provided by the  
13 school district a distribution of noncategorical funds and  
14 other categorical funds to which an attendance center is  
15 entitled under law in order that the general State aid and  
16 supplemental general State aid provided by application of  
17 this subsection supplements rather than supplants the  
18 noncategorical funds and other categorical funds provided  
19 by the school district to the attendance centers.

20 (d) Any funds made available under this subsection that  
21 by reason of the provisions of this subsection are not  
22 required to be allocated and provided to attendance centers  
23 may be used and appropriated by the board of the district  
24 for any lawful school purpose.

25 (e) Funds received by an attendance center pursuant to  
26 this subsection shall be used by the attendance center at

1 the discretion of the principal and local school council  
2 for programs to improve educational opportunities at  
3 qualifying schools through the following programs and  
4 services: early childhood education, reduced class size or  
5 improved adult to student classroom ratio, enrichment  
6 programs, remedial assistance, attendance improvement, and  
7 other educationally beneficial expenditures which  
8 supplement the regular and basic programs as determined by  
9 the State Board of Education. Funds provided shall not be  
10 expended for any political or lobbying purposes as defined  
11 by board rule.

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

1 Board of Education.

2 Upon notification by the State Board of Education that  
3 the district has not submitted a plan prior to July 15 or a  
4 modified plan within the time period specified herein, the  
5 State aid funds affected by that plan or modified plan  
6 shall be withheld by the State Board of Education until a  
7 plan or modified plan is submitted.

8 If the district fails to distribute State aid to  
9 attendance centers in accordance with an approved plan, the  
10 plan for the following year shall allocate funds, in  
11 addition to the funds otherwise required by this  
12 subsection, to those attendance centers which were  
13 underfunded during the previous year in amounts equal to  
14 such underfunding.

15 For purposes of determining compliance with this  
16 subsection in relation to the requirements of attendance  
17 center funding, each district subject to the provisions of  
18 this subsection shall submit as a separate document by  
19 December 1 of each year a report of expenditure data for  
20 the prior year in addition to any modification of its  
21 current plan. If it is determined that there has been a  
22 failure to comply with the expenditure provisions of this  
23 subsection regarding contravention or supplanting, the  
24 State Superintendent of Education shall, within 60 days of  
25 receipt of the report, notify the district and any affected  
26 local school council. The district shall within 45 days of

1 receipt of that notification inform the State  
2 Superintendent of Education of the remedial or corrective  
3 action to be taken, whether by amendment of the current  
4 plan, if feasible, or by adjustment in the plan for the  
5 following year. Failure to provide the expenditure report  
6 or the notification of remedial or corrective action in a  
7 timely manner shall result in a withholding of the affected  
8 funds.

9 The State Board of Education shall promulgate rules and  
10 regulations to implement the provisions of this  
11 subsection. No funds shall be released under this  
12 subdivision (H) (4) to any district that has not submitted a  
13 plan that has been approved by the State Board of  
14 Education.

15 (I) (Blank).

16 (J) Supplementary Grants in Aid.

17 (1) Notwithstanding any other provisions of this Section,  
18 the amount of the aggregate general State aid in combination  
19 with supplemental general State aid under this Section for  
20 which each school district is eligible shall be no less than  
21 the amount of the aggregate general State aid entitlement that  
22 was 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 1997-98 school year, pursuant to the

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

12 (2) If, as provided in paragraph (1) of this subsection  
13 (J), a school district is to receive aggregate general State  
14 aid in combination with supplemental general State aid under  
15 this Section for the 1998-99 school year and any subsequent  
16 school year that in any such school year is less than the  
17 amount of the aggregate general State aid entitlement that the  
18 district received for the 1997-98 school year, the school  
19 district shall also receive, from a separate appropriation made  
20 for purposes of this subsection (J), a supplementary payment  
21 that is equal to the amount of the difference in the aggregate  
22 State aid figures as described in paragraph (1).

23 (3) (Blank).

24 (K) Grants to Laboratory and Alternative Schools.

25 In calculating the amount to be paid to the governing board



1 of a public university that operates a laboratory school under  
2 this Section or to any alternative school that is operated by a  
3 regional superintendent of schools, the State Board of  
4 Education shall require by rule such reporting requirements as  
5 it deems necessary.

6 As used in this Section, "laboratory school" means a public  
7 school which is created and operated by a public university and  
8 approved by the State Board of Education. The governing board  
9 of a public university which receives funds from the State  
10 Board under this subsection (K) may not increase the number of  
11 students enrolled in its laboratory school from a single  
12 district, if that district is already sending 50 or more  
13 students, except under a mutual agreement between the school  
14 board of a student's district of residence and the university  
15 which operates the laboratory school. A laboratory school may  
16 not have more than 1,000 students, excluding students with  
17 disabilities in a special education program.

18 As used in this Section, "alternative school" means a  
19 public school which is created and operated by a Regional  
20 Superintendent of Schools and approved by the State Board of  
21 Education. Such alternative schools may offer courses of  
22 instruction for which credit is given in regular school  
23 programs, courses to prepare students for the high school  
24 equivalency testing program or vocational and occupational  
25 training. A regional superintendent of schools may contract  
26 with a school district or a public community college district

1 to operate an alternative school. An alternative school serving  
2 more than one educational service region may be established by  
3 the regional superintendents of schools of the affected  
4 educational service regions. An alternative school serving  
5 more than one educational service region may be operated under  
6 such terms as the regional superintendents of schools of those  
7 educational service regions may agree.

8 Each laboratory and alternative school shall file, on forms  
9 provided by the State Superintendent of Education, an annual  
10 State aid claim which states the Average Daily Attendance of  
11 the school's students by month. The best 3 months' Average  
12 Daily Attendance shall be computed for each school. The general  
13 State aid entitlement shall be computed by multiplying the  
14 applicable Average Daily Attendance by the Foundation Level as  
15 determined under this Section.

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

17 (1) For a school district operating under the financial  
18 supervision of an Authority created under Article 34A, the  
19 general State aid otherwise payable to that district under this  
20 Section, but not the supplemental general State aid, shall be  
21 reduced by an amount equal to the budget for the operations of  
22 the Authority as certified by the Authority to the State Board  
23 of Education, and an amount equal to such reduction shall be  
24 paid to the Authority created for such district for its  
25 operating expenses in the manner provided in Section 18-11. The

1 remainder of general State school aid for any such district  
2 shall be paid in accordance with Article 34A when that Article  
3 provides for a disposition other than that provided by this  
4 Article.

5 (2) (Blank).

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

8 (M) Education Funding Advisory Board.

9 The Education Funding Advisory Board, hereinafter in this  
10 subsection (M) referred to as the "Board", is hereby created.  
11 The Board shall consist of 5 members who are appointed by the  
12 Governor, by and with the advice and consent of the Senate. The  
13 members appointed shall include representatives of education,  
14 business, and the general public. One of the members so  
15 appointed shall be designated by the Governor at the time the  
16 appointment is made as the chairperson of the Board. The  
17 initial members of the Board may be appointed any time after  
18 the effective date of this amendatory Act of 1997. The regular  
19 term of each member of the Board shall be for 4 years from the  
20 third Monday of January of the year in which the term of the  
21 member's appointment is to commence, except that of the 5  
22 initial members appointed to serve on the Board, the member who  
23 is appointed as the chairperson shall serve for a term that  
24 commences on the date of his or her appointment and expires on  
25 the third Monday of January, 2002, and the remaining 4 members,

1 by lots drawn at the first meeting of the Board that is held  
2 after all 5 members are appointed, shall determine 2 of their  
3 number to serve for terms that commence on the date of their  
4 respective appointments and expire on the third Monday of  
5 January, 2001, and 2 of their number to serve for terms that  
6 commence on the date of their respective appointments and  
7 expire on the third Monday of January, 2000. All members  
8 appointed to serve on the Board shall serve until their  
9 respective successors are appointed and confirmed. Vacancies  
10 shall be filled in the same manner as original appointments. If  
11 a vacancy in membership occurs at a time when the Senate is not  
12 in session, the Governor shall make a temporary appointment  
13 until the next meeting of the Senate, when he or she shall  
14 appoint, by and with the advice and consent of the Senate, a  
15 person to fill that membership for the unexpired term. If the  
16 Senate is not in session when the initial appointments are  
17 made, those appointments shall be made as in the case of  
18 vacancies.

19 The Education Funding Advisory Board shall be deemed  
20 established, and the initial members appointed by the Governor  
21 to serve as members of the Board shall take office, on the date  
22 that the Governor makes his or her appointment of the fifth  
23 initial member of the Board, whether those initial members are  
24 then serving pursuant to appointment and confirmation or  
25 pursuant to temporary appointments that are made by the  
26 Governor as in the case of vacancies.

1           The State Board of Education shall provide such staff  
2 assistance to the Education Funding Advisory Board as is  
3 reasonably required for the proper performance by the Board of  
4 its responsibilities.

5           For school years after the 2000-2001 school year, the  
6 Education Funding Advisory Board, in consultation with the  
7 State Board of Education, shall make recommendations as  
8 provided in this subsection (M) to the General Assembly for the  
9 foundation level under subsection (B) ~~subdivision (B)(3)~~ of  
10 this Section and for the supplemental general State aid grant  
11 level under subsection (H) of this Section for districts with  
12 high concentrations of children from poverty. The recommended  
13 foundation level shall be determined based on a methodology  
14 which incorporates the basic education expenditures of  
15 low-spending schools exhibiting high academic performance. The  
16 Education Funding Advisory Board shall make such  
17 recommendations to the General Assembly on January 1 of odd  
18 numbered years, beginning January 1, 2001.

19       (N) (Blank).

20       (O) References.

21           (1) References in other laws to the various subdivisions of  
22 Section 18-8 as that Section existed before its repeal and  
23 replacement by this Section 18-8.05 shall be deemed to refer to  
24 the corresponding provisions of this Section 18-8.05, to the

1 extent that those references remain applicable.

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

5 (P) Public Act 93-838 and Public Act 93-808 make inconsistent  
6 changes to this Section. Under Section 6 of the Statute on  
7 Statutes there is an irreconcilable conflict between Public Act  
8 93-808 and Public Act 93-838. Public Act 93-838, being the last  
9 acted upon, is controlling. The text of Public Act 93-838 is  
10 the law regardless of the text of Public Act 93-808.

11 (Source: P.A. 95-331, eff. 8-21-07; 95-644, eff. 10-12-07;  
12 95-707, eff. 1-11-08; 95-744, eff. 7-18-08; 95-903, eff.  
13 8-25-08; 96-45, eff. 7-15-09; 96-152, eff. 8-7-09; 96-300, eff.  
14 8-11-09; 96-328, eff. 8-11-09; 96-640, eff. 8-24-09; 96-959,  
15 eff. 7-1-10; 96-1000, eff. 7-2-10; 96-1480, eff. 11-18-10;  
16 revised 11-24-10.)

17 (105 ILCS 5/19-3) (from Ch. 122, par. 19-3)

18 Sec. 19-3. Boards of education. Any school district  
19 governed by a board of education and having a population of not  
20 more than 500,000 inhabitants, and not governed by a special  
21 Act may borrow money for the purpose of building, equipping,  
22 altering or repairing school buildings or purchasing or  
23 improving school sites, or acquiring and equipping  
24 playgrounds, recreation grounds, athletic fields, and other

1 buildings or land used or useful for school purposes or for the  
2 purpose of purchasing a site, with or without a building or  
3 buildings thereon, or for the building of a house or houses on  
4 such site, or for the building of a house or houses on the  
5 school site of the school district, for residential purposes of  
6 the superintendent, principal, or teachers of the school  
7 district, and issue its negotiable coupon bonds therefor signed  
8 by the president and secretary of the board, in denominations  
9 of not less than \$100 nor more than \$5,000, payable at such  
10 place and at such time or times, not exceeding 20 years, with  
11 the exception of Lockport High School not exceeding 25 years,  
12 from date of issuance, as the board of education may prescribe,  
13 and bearing interest at a rate not to exceed the maximum rate  
14 authorized by the Bond Authorization Act, as amended at the  
15 time of the making of the contract, payable annually,  
16 semiannually or quarterly, but, with the exception of those  
17 bonds described in Section 17-2.11d of this Code, no such bonds  
18 shall be issued unless the proposition to issue them is  
19 submitted to the voters of the district at a referendum held at  
20 a regularly scheduled election after the board has certified  
21 the proposition to the proper election authorities in  
22 accordance with the general election law, a majority of all the  
23 votes cast on the proposition is in favor of the proposition,  
24 and notice of such bond referendum has been given either (i) in  
25 accordance with the second paragraph of Section 12-1 of the  
26 Election Code irrespective of whether such notice included any

1 reference to the public question as it appeared on the ballot,  
2 or (ii) for an election held on or after November 1, 1998, in  
3 accordance with Section 12-5 of the Election Code, or (iii) by  
4 publication of a true and legible copy of the specimen ballot  
5 label containing the proposition in the form in which it  
6 appeared or will appear on the official ballot label on the day  
7 of the election at least 5 days before the day of the election  
8 in at least one newspaper published in and having a general  
9 circulation in the district, irrespective of any other  
10 requirements of Article 12 or Section 24A-18 of the Election  
11 Code, nor shall any residential site be acquired unless such  
12 proposition to acquire a site is submitted to the voters of the  
13 district at a referendum held at a regularly scheduled election  
14 after the board has certified the proposition to the proper  
15 election authorities in accordance with the general election  
16 law and a majority of all the votes cast on the proposition is  
17 in favor of the proposition. Nothing in this Act or in any  
18 other law shall be construed to require the notice of the bond  
19 referendum to be published over the name or title of the  
20 election authority or the listing of maturity dates of any  
21 bonds either in the notice of bond election or ballot used in  
22 the bond election. The provisions of this Section concerning  
23 notice of the bond referendum apply only to (i) consolidated  
24 primary elections held prior to January 1, 2002 and the  
25 consolidated election held on April 17, 2007 at which not less  
26 than 60% of the voters voting on the bond proposition voted in



1 favor of the bond proposition, and (ii) other elections held  
2 before July 1, 1999; otherwise, notices required in connection  
3 with the submission of public questions shall be as set forth  
4 in Section 12-5 of the Election Code. Such proposition may be  
5 initiated by resolution of the school board.

6 With respect to instruments for the payment of money issued  
7 under this Section either before, on, or after the effective  
8 date of this amendatory Act of 1989, it is and always has been  
9 the intention of the General Assembly (i) that the Omnibus Bond  
10 Acts are and always have been supplementary grants of power to  
11 issue instruments in accordance with the Omnibus Bond Acts,  
12 regardless of any provision of this Act that may appear to be  
13 or to have been more restrictive than those Acts, (ii) that the  
14 provisions of this Section are not a limitation on the  
15 supplementary authority granted by the Omnibus Bond Acts, and  
16 (iii) that instruments issued under this Section within the  
17 supplementary authority granted by the Omnibus Bond Acts are  
18 not invalid because of any provision of this Act that may  
19 appear to be or to have been more restrictive than those Acts.

20 The proceeds of any bonds issued under authority of this  
21 Section shall be deposited and accounted for separately within  
22 the Site and Construction/Capital Improvements Fund.

23 (Source: P.A. 95-30, eff. 8-7-07; 96-787, eff. 8-28-09.)

24 (105 ILCS 5/21A-3 new)

25 Sec. 21A-3. Goals. The New Teacher Induction and Mentoring

1 Program under this Article shall accomplish the following  
2 goals:

3 (1) provide an effective transition into the teaching  
4 career for first year and second-year teachers in Illinois;

5 (2) improve the educational performance of pupils  
6 through improved training, information, and assistance for  
7 new teachers;

8 (3) ensure professional success and retention of new  
9 teachers;

10 (4) ensure that mentors provide intensive  
11 individualized support and assistance to each  
12 participating beginning teacher;

13 (5) ensure that an individual induction plan is in  
14 place for each beginning teacher and is based on an ongoing  
15 assessment of the development of the beginning teacher; and

16 (6) ensure continuous program improvement through  
17 ongoing research, development and evaluation.

18 (105 ILCS 5/21A-5)

19 Sec. 21A-5. Definitions. In this Article:

20 "New teacher" or "beginning teacher" means the holder of an  
21 Initial Teaching Certificate, as set forth in Section 21-2 of  
22 this Code, an Alternative Teaching Certificate, or a  
23 Transitional Bilingual Teaching Certificate, who is employed  
24 by a public school and who has not previously participated in a  
25 new teacher induction and mentoring program required by this

1 Article, except as provided in Section 21A-25 of this Code.

2 "Public school" means any school operating pursuant to the  
3 authority of this Code, including without limitation a school  
4 district, a charter school, a cooperative or joint agreement  
5 with a governing body or board of control, and a school  
6 operated by a regional office of education or State agency.

7 (Source: P.A. 93-355, eff. 1-1-04.)

8 (105 ILCS 5/21A-10)

9 Sec. 21A-10. Development of program required. Prior to the  
10 2013-2014 ~~During the 2003-2004~~ school year, each public school  
11 or 2 or more public schools acting jointly shall develop, in  
12 conjunction with its exclusive representative or their  
13 exclusive representatives, if any, a new teacher induction and  
14 mentoring program that meets the requirements set forth in  
15 Section 21A-20 of this Code to assist new teachers in  
16 developing the skills and strategies necessary for  
17 instructional excellence, provided that funding is made  
18 available by the State Board of Education from an appropriation  
19 made for this purpose. ~~A public school that has an existing~~  
20 ~~induction and mentoring program that does not meet the~~  
21 ~~requirements set forth in Section 21A-20 of this Code may have~~  
22 ~~school years 2003-2004 and 2004-2005 to develop a program that~~  
23 ~~does meet those requirements and may receive funding as~~  
24 ~~described in Section 21A-25 of this Code, provided that the~~  
25 ~~funding is made available by the State Board of Education from~~

1 ~~an appropriation made for this purpose. A public school with~~  
2 ~~such an existing induction and mentoring program may receive~~  
3 ~~funding for the 2005-2006 school year for each new teacher in~~  
4 ~~the second year of a 2-year program that does not meet the~~  
5 ~~requirements set forth in Section 21A-20, as long as the public~~  
6 ~~school has established the required new program by the~~  
7 ~~beginning of that school year as described in Section 21A-15~~  
8 ~~and provided that funding is made available by the State Board~~  
9 ~~of Education from an appropriation made for this purpose as~~  
10 ~~described in Section 21A-25.~~

11 (Source: P.A. 93-355, eff. 1-1-04.)

12 (105 ILCS 5/21A-15)

13 Sec. 21A-15. When program is to be established and  
14 implemented. Notwithstanding any other provisions of this  
15 Code, by the beginning of the 2013-2013 ~~2004-2005~~ school year  
16 ~~(or by the beginning of the 2005-2006 school year for a public~~  
17 ~~school that has been given an extension of time to develop a~~  
18 ~~program under Section 21A-10 of this Code),~~ each public school  
19 or 2 or more public schools acting jointly shall establish and  
20 implement, in conjunction with its exclusive representative or  
21 their exclusive representatives, if any, the new teacher  
22 induction and mentoring program required to be developed under  
23 Section 21A-10 of this Code, provided that funding is made  
24 available by the State Board of Education, from an  
25 appropriation made for this purpose, as described in Section

1 21A-25 of this Code. A public school may contract with an  
2 institution of higher education or other independent party to  
3 assist in implementing the program.

4 (Source: P.A. 93-355, eff. 1-1-04.)

5 (105 ILCS 5/21A-20)

6 Sec. 21A-20. Program requirements. Each new teacher  
7 induction and mentoring program must be based on a plan that at  
8 least does all of the following:

9 (1) Assigns a mentor teacher to each new teacher to  
10 provide structured and intensive mentoring, as defined by  
11 the State Board of Education, for a period of at least 2  
12 school years.

13 (1.5) Ensures mentors are:

14 (A) carefully selected from experienced, exemplary  
15 teachers using a clearly articulated, well-defined,  
16 explicit criteria and open processes that may involve  
17 key school partners;

18 (B) rigorously trained using best practices in the  
19 field to ensure they are well prepared to assume their  
20 responsibilities and are consistently supported in  
21 their efforts to assist beginning teachers;

22 (C) provided with sufficient release time from  
23 teaching to allow them to meet their responsibilities  
24 as mentors, including regular contacts with their  
25 beginning teachers and frequent observations of their

1           teaching practice; and

2                   (D) equipped and selected to provide  
3           classroom-focused and content-focused support whenever  
4           possible.

5           (2) Aligns with the Illinois Professional Teaching  
6           Standards, content area standards, and applicable local  
7           school improvement and professional development plans, if  
8           any.

9           (3) (Blank). ~~Addresses all of the following elements~~  
10          ~~and how they will be provided:~~

11                   ~~(A) Mentoring and support of the new teacher.~~

12                   ~~(B) Professional development specifically designed~~  
13          ~~to ensure the growth of the new teacher's knowledge and~~  
14          ~~skills.~~

15                   ~~(C) Formative assessment designed to ensure~~  
16          ~~feedback and reflection, which must not be used in any~~  
17          ~~evaluation of the new teacher.~~

18           (4) Describes the role of mentor teachers, the criteria  
19           and process for their selection, and how they will be  
20           trained, provided that each mentor teacher shall  
21           demonstrate the best practices in teaching his or her  
22           respective field of practice. A mentor teacher may not  
23           directly or indirectly participate in the evaluation of a  
24           new teacher pursuant to Article 24A of this Code or the  
25           evaluation procedure of the public school, unless the  
26           school district and exclusive bargaining representative of

1 its teachers negotiate and agree to it as part of an  
2 alternative evaluation plan under Section 24A-5 or 24A-8 of  
3 this Code.

4 (5) Provides ongoing professional development for both  
5 beginning teachers and mentors.

6 (A) Beginning teachers shall participate in an  
7 ongoing, formal network of novice colleagues for the  
8 purpose of professional learning, problem-solving, and  
9 mutual support. These regular learning opportunities  
10 shall begin with an orientation to the induction and  
11 mentoring program prior to the start of the school year  
12 and continue throughout the academic year. The group  
13 shall address issues of pedagogy, classroom management  
14 and content knowledge, beginning teachers' assessed  
15 needs, and local instructional needs or priorities.

16 (B) Mentors shall participate in an ongoing  
17 professional learning community that supports their  
18 practice and their use of mentoring tools, protocols,  
19 and formative assessment in order to tailor and deepen  
20 mentoring skills and advance induction practices,  
21 support program implementation, provide for mentor  
22 accountability in a supportive environment, and  
23 provide support to each mentor's emerging leadership.

24 (6) Provides for ongoing assessment of beginning  
25 teacher practice. Beginning teachers shall be subject to a  
26 system of formative assessment in which the novice and

1 mentor collaboratively collect and analyze multiple  
2 sources of data and reflect upon classroom practice in an  
3 ongoing process. This assessment system shall be based on  
4 the Illinois Professional Teaching Standards (IPTS), the  
5 IPTS Continuum of Teacher Development, or a nationally  
6 recognized teaching framework, as well as evidence of  
7 teacher practice, including student work. The assessment  
8 information shall be used to determine the scope, focus,  
9 and content of professional development activities that  
10 are the basis of the beginning teacher's individual  
11 learning plan. The program shall provide time to ensure  
12 that the quality of the process (such as observations, data  
13 collection, and reflective conversations) is not  
14 compromised.

15 (7) Identifies clear roles and responsibilities for  
16 both administrators and site mentor leaders who are to work  
17 collectively to ensure induction practices are integrated  
18 into existing professional development initiatives and to  
19 secure assignments and establish working conditions for  
20 beginning teachers that maximize their chances for  
21 success. Administrators and site mentor leaders must have  
22 sufficient knowledge and experience to understand the  
23 needs of beginning teachers and the role of principals in  
24 supporting each component of the program. Site  
25 administrators must take time to meet and communicate  
26 concerns with beginning teachers and their mentors.



1           (8) Provides for ongoing evaluation of the New Teacher  
2           Induction and Mentoring Program pursuant to Section 21A-30  
3           of this Code.

4           (Source: P.A. 93-355, eff. 1-1-04.)

5           (105 ILCS 5/21A-25)

6           Sec. 21A-25. Funding. From a separate appropriation made  
7           for the purposes of this Article, for each new teacher  
8           ~~participating in a new teacher induction and mentoring program~~  
9           that meets the requirements set forth in Section 21A-20 of this  
10          Code ~~or in an existing program that is in the process of~~  
11          ~~transition to a program that meets those requirements,~~ the  
12          State Board of Education shall pay the public school \$6,000  
13          ~~\$1,200~~ annually for each of 2 school years for the purpose of  
14          providing one or more of the following:

15                 (1) Mentor teacher compensation.

16                 (2) Mentor teacher training and other resources, ~~or~~ new  
17          teacher training and other resources, or both.

18                 (3) Release time, including costs associated with  
19          replacing a mentor teacher or new teacher in his or her  
20          regular classroom.

21                 (4) Site-based program administration, not to exceed  
22          10% of the total program cost.

23          However, if a new teacher, after participating in the new  
24          teacher induction and mentoring program for one school year,  
25          becomes employed by another public school, the State Board of

1 Education shall pay the teacher's new school \$6,000 ~~\$1,200~~ for  
2 the second school year and the teacher shall continue to be a  
3 new teacher as defined in this Article. Each public school  
4 shall determine, in conjunction with its exclusive  
5 representative, if any, how the \$6,000 ~~\$1,200~~ per school year  
6 for each new teacher shall be used, provided that if a mentor  
7 teacher receives additional release time to support a new  
8 teacher, the total workload of other teachers regularly  
9 employed by the public school shall not increase in any  
10 substantial manner. If the appropriation is insufficient to  
11 cover the \$6,000 ~~\$1,200~~ per school year for each new teacher,  
12 public schools are not required to develop or implement the  
13 program established by this Article. In the event of an  
14 insufficient appropriation, a public school or 2 or more  
15 schools acting jointly may submit an application for a grant  
16 administered by the State Board of Education and awarded on a  
17 competitive basis to establish a new teacher induction and  
18 mentoring program that meets the criteria set forth in Section  
19 21A-20 of this Code. The State Board of Education may retain up  
20 to \$1,000,000 of the appropriation for new teacher induction  
21 and mentoring programs to train mentor teachers,  
22 administrators, and other personnel, to provide best practices  
23 information, and to conduct an evaluation of these programs'  
24 impact and effectiveness.

25 (Source: P.A. 93-355, eff. 1-1-04.)

1 (105 ILCS 5/21A-30)

2 Sec. 21A-30. Evaluation of programs. The State Board of  
3 Education and the State Teacher Certification Board shall  
4 jointly contract with an independent party to conduct a  
5 comprehensive evaluation of new teacher induction and  
6 mentoring programs established pursuant to this Article. The  
7 first report of this evaluation shall be presented to the  
8 General Assembly on or before January 1, 2015 ~~2009~~. Subsequent  
9 evaluations shall be conducted and reports presented to the  
10 General Assembly on or before January 1 of every third year  
11 thereafter. Additionally, the State Board of Education shall  
12 prepare an annual program report for the General Assembly on or  
13 before December 31 each year. It shall summarize local program  
14 design, indicate the number of teachers served, and document  
15 rates of new teacher attrition and retention.

16 (Source: P.A. 93-355, eff. 1-1-04.)

17 (105 ILCS 5/23-3) (from Ch. 122, par. 23-3)

18 Sec. 23-3. Filing copy of constitution, by-laws and  
19 amendments. Within 30 days after the adoption by any such  
20 association of its constitution or by-laws or any amendment  
21 thereto, it shall file a copy thereof, certified by its  
22 president and executive director, with the Governor, the State  
23 Superintendent of Education, ~~Public Instruction~~ and the  
24 regional county superintendent of schools of each region county  
25 in which it has any membership.

1 (Source: Laws 1961, p. 31.)

2 (105 ILCS 5/23-5.5 new)

3 Sec. 23-5.5. Professional development and training. Any  
4 such association shall offer professional development and  
5 training to school board members on topics that include, but  
6 are not limited to, basics of school finance, financial  
7 oversight and accountability, labor law and collective  
8 bargaining, ethics, duties and responsibilities of a school  
9 board member, and board governance principles. Every school  
10 board member is expected to receive at least 4 hours of  
11 professional development and training per year.

12 (105 ILCS 5/23-6) (from Ch. 122, par. 23-6)

13 Sec. 23-6. Annual report. Each association shall make an  
14 annual report within 60 days after the close of its fiscal year  
15 to the Governor, the State Board of Education and the regional  
16 superintendent of schools of each region in which it has  
17 members, setting forth the activities of the association for  
18 the preceding fiscal year, the institutes held, the subjects  
19 discussed, and the attendance, and shall furnish the Governor,  
20 the State Board of Education and such regional superintendents  
21 with copies of all publications sent to its members. The  
22 association shall include the board training topics offered and  
23 the number of school board members that availed themselves of  
24 professional development and training.

1 (Source: P.A. 81-1508.)

2 (105 ILCS 5/29-5) (from Ch. 122, par. 29-5)

3 Sec. 29-5. Reimbursement by State for transportation. Any  
4 school district, maintaining a school, transporting resident  
5 pupils to another school district's vocational program,  
6 offered through a joint agreement approved by the State Board  
7 of Education, as provided in Section 10-22.22 or transporting  
8 its resident pupils to a school which meets the standards for  
9 recognition as established by the State Board of Education  
10 which provides transportation meeting the standards of safety,  
11 comfort, convenience, efficiency and operation prescribed by  
12 the State Board of Education for resident pupils in  
13 pre-kindergarten, kindergarten, or any of grades 1 through 12  
14 who: (a) reside at least 1 1/2 miles as measured by the  
15 customary route of travel, from the school attended; or (b)  
16 reside in areas where conditions are such that walking  
17 constitutes a hazard to the safety of the child when determined  
18 under Section 29-3; and (c) are transported to the school  
19 attended from pick-up points at the beginning of the school day  
20 and back again at the close of the school day or transported to  
21 and from their assigned attendance centers during the school  
22 day, shall be reimbursed by the State as hereinafter provided  
23 in this Section.

24 The State will pay the cost of transporting eligible pupils  
25 less the assessed valuation in a dual school district

1 maintaining secondary grades 9 to 12 inclusive times a  
2 qualifying rate of .05%; in elementary school districts  
3 maintaining any of grades pre-K ~~K~~ to 8 times a qualifying rate  
4 of .06%; and in unit districts maintaining any of grades pre-K  
5 ~~K~~ to 12, including optional elementary unit districts and  
6 combined high school - unit districts, times a qualifying rate  
7 of .07%; provided that for optional elementary unit districts  
8 and combined high school - unit districts, assessed valuation  
9 for high school purposes, as defined in Article 11E of this  
10 Code, must be used. To be eligible to receive reimbursement in  
11 excess of 4/5 of the cost to transport eligible pupils, a  
12 school district shall have a Transportation Fund tax rate of at  
13 least .12%. If a school district does not have a .12%  
14 Transportation Fund tax rate, the amount of its claim in excess  
15 of 4/5 of the cost of transporting pupils shall be reduced by  
16 the sum arrived at by subtracting the Transportation Fund tax  
17 rate from .12% and multiplying that amount by the districts  
18 equalized or assessed valuation, provided, that in no case  
19 shall said reduction result in reimbursement of less than 4/5  
20 of the cost to transport eligible pupils.

21 The minimum amount to be received by a district is \$16  
22 times the number of eligible pupils transported.

23 When calculating the reimbursement for transportation  
24 costs, the State Board of Education may not deduct the number  
25 of pupils enrolled in early education programs from the number  
26 of pupils eligible for reimbursement if the pupils enrolled in

1 the early education programs are transported at the same time  
2 as other eligible pupils.

3 Any such district transporting resident pupils during the  
4 school day to an area vocational school or another school  
5 district's vocational program more than 1 1/2 miles from the  
6 school attended, as provided in Sections 10-22.20a and  
7 10-22.22, shall be reimbursed by the State for 4/5 of the cost  
8 of transporting eligible pupils.

9 School day means that period of time which the pupil is  
10 required to be in attendance for instructional purposes.

11 If a pupil is at a location within the school district  
12 other than his residence for child care purposes at the time  
13 for transportation to school, that location may be considered  
14 for purposes of determining the 1 1/2 miles from the school  
15 attended.

16 Claims for reimbursement that include children who attend  
17 any school other than a public school shall show the number of  
18 such children transported.

19 Claims for reimbursement under this Section shall not be  
20 paid for the transportation of pupils for whom transportation  
21 costs are claimed for payment under other Sections of this Act.

22 The allowable direct cost of transporting pupils for  
23 regular, vocational, and special education pupil  
24 transportation shall be limited to the sum of the cost of  
25 physical examinations required for employment as a school bus  
26 driver; the salaries of full or part-time drivers and school

1 bus maintenance personnel; employee benefits excluding  
2 Illinois municipal retirement payments, social security  
3 payments, unemployment insurance payments and workers'  
4 compensation insurance premiums; expenditures to independent  
5 carriers who operate school buses; payments to other school  
6 districts for pupil transportation services; pre-approved  
7 contractual expenditures for computerized bus scheduling; the  
8 cost of gasoline, oil, tires, and other supplies necessary for  
9 the operation of school buses; the cost of converting buses'  
10 gasoline engines to more fuel efficient engines or to engines  
11 which use alternative energy sources; the cost of travel to  
12 meetings and workshops conducted by the regional  
13 superintendent or the State Superintendent of Education  
14 pursuant to the standards established by the Secretary of State  
15 under Section 6-106 of the Illinois Vehicle Code to improve the  
16 driving skills of school bus drivers; the cost of maintenance  
17 of school buses including parts and materials used;  
18 expenditures for leasing transportation vehicles, except  
19 interest and service charges; the cost of insurance and  
20 licenses for transportation vehicles; expenditures for the  
21 rental of transportation equipment; plus a depreciation  
22 allowance of 20% for 5 years for school buses and vehicles  
23 approved for transporting pupils to and from school and a  
24 depreciation allowance of 10% for 10 years for other  
25 transportation equipment so used. Each school year, if a school  
26 district has made expenditures to the Regional Transportation



1 Authority or any of its service boards, a mass transit  
2 district, or an urban transportation district under an  
3 intergovernmental agreement with the district to provide for  
4 the transportation of pupils and if the public transit carrier  
5 received direct payment for services or passes from a school  
6 district within its service area during the 2000-2001 school  
7 year, then the allowable direct cost of transporting pupils for  
8 regular, vocational, and special education pupil  
9 transportation shall also include the expenditures that the  
10 district has made to the public transit carrier. In addition to  
11 the above allowable costs school districts shall also claim all  
12 transportation supervisory salary costs, including Illinois  
13 municipal retirement payments, and all transportation related  
14 building and building maintenance costs without limitation.

15 Special education allowable costs shall also include  
16 expenditures for the salaries of attendants or aides for that  
17 portion of the time they assist special education pupils while  
18 in transit and expenditures for parents and public carriers for  
19 transporting special education pupils when pre-approved by the  
20 State Superintendent of Education.

21 Indirect costs shall be included in the reimbursement claim  
22 for districts which own and operate their own school buses.  
23 Such indirect costs shall include administrative costs, or any  
24 costs attributable to transporting pupils from their  
25 attendance centers to another school building for  
26 instructional purposes. No school district which owns and

1 operates its own school buses may claim reimbursement for  
2 indirect costs which exceed 5% of the total allowable direct  
3 costs for pupil transportation.

4 The State Board of Education shall prescribe uniform  
5 regulations for determining the above standards and shall  
6 prescribe forms of cost accounting and standards of determining  
7 reasonable depreciation. Such depreciation shall include the  
8 cost of equipping school buses with the safety features  
9 required by law or by the rules, regulations and standards  
10 promulgated by the State Board of Education, and the Department  
11 of Transportation for the safety and construction of school  
12 buses provided, however, any equipment cost reimbursed by the  
13 Department of Transportation for equipping school buses with  
14 such safety equipment shall be deducted from the allowable cost  
15 in the computation of reimbursement under this Section in the  
16 same percentage as the cost of the equipment is depreciated.

17 On or before August 15, annually, the chief school  
18 administrator for the district shall certify to the State  
19 Superintendent of Education the district's claim for  
20 reimbursement for the school year ending on June 30 next  
21 preceding. The State Superintendent of Education shall check  
22 and approve the claims and prepare the vouchers showing the  
23 amounts due for district reimbursement claims. Each fiscal  
24 year, the State Superintendent of Education shall prepare and  
25 transmit the first 3 vouchers to the Comptroller on the 30th  
26 day of September, December and March, respectively, and the

1 final voucher, no later than June 20.

2 If the amount appropriated for transportation  
3 reimbursement is insufficient to fund total claims for any  
4 fiscal year, the State Board of Education shall reduce each  
5 school district's allowable costs and flat grant amount  
6 proportionately to make total adjusted claims equal the total  
7 amount appropriated.

8 For purposes of calculating claims for reimbursement under  
9 this Section for any school year beginning July 1, 1998, or  
10 thereafter, the equalized assessed valuation for a school  
11 district used to compute reimbursement shall be computed in the  
12 same manner as it is computed under paragraph (2) of subsection  
13 (G) of Section 18-8.05.

14 All reimbursements received from the State shall be  
15 deposited into the district's transportation fund or into the  
16 fund from which the allowable expenditures were made.

17 Notwithstanding any other provision of law, any school  
18 district receiving a payment under this Section or under  
19 Section 14-7.02, 14-7.02b, or 14-13.01 of this Code may  
20 classify all or a portion of the funds that it receives in a  
21 particular fiscal year or from general State aid pursuant to  
22 Section 18-8.05 of this Code as funds received in connection  
23 with any funding program for which it is entitled to receive  
24 funds from the State in that fiscal year (including, without  
25 limitation, any funding program referenced in this Section),  
26 regardless of the source or timing of the receipt. The district

1 may not classify more funds as funds received in connection  
2 with the funding program than the district is entitled to  
3 receive in that fiscal year for that program. Any  
4 classification by a district must be made by a resolution of  
5 its board of education. The resolution must identify the amount  
6 of any payments or general State aid to be classified under  
7 this paragraph and must specify the funding program to which  
8 the funds are to be treated as received in connection  
9 therewith. This resolution is controlling as to the  
10 classification of funds referenced therein. A certified copy of  
11 the resolution must be sent to the State Superintendent of  
12 Education. The resolution shall still take effect even though a  
13 copy of the resolution has not been sent to the State  
14 Superintendent of Education in a timely manner. No  
15 classification under this paragraph by a district shall affect  
16 the total amount or timing of money the district is entitled to  
17 receive under this Code. No classification under this paragraph  
18 by a district shall in any way relieve the district from or  
19 affect any requirements that otherwise would apply with respect  
20 to that funding program, including any accounting of funds by  
21 source, reporting expenditures by original source and purpose,  
22 reporting requirements, or requirements of providing services.

23 Any school district with a population of not more than  
24 500,000 must deposit all funds received under this Article into  
25 the transportation fund and use those funds for the provision  
26 of transportation services.

1 (Source: P.A. 95-903, eff. 8-25-08; 96-1264, eff. 1-1-11.)

2 (105 ILCS 5/3-6 rep.)

3 (105 ILCS 5/3-6.1 rep.)

4 Section 90. The School Code is amended by repealing  
5 Sections 3-6 and 3-6.1.

6 Section 99. Effective date. This Act takes effect upon  
7 becoming law.

	INDEX	
	Statutes amended in order of appearance	
3	15 ILCS 20/50-20	was 15 ILCS 20/38.3
4	30 ILCS 105/5.786 new	
5	30 ILCS 105/5.787 new	
6	30 ILCS 105/5.788 new	
7	30 ILCS 105/5.789 new	
8	35 ILCS 5/204	from Ch. 120, par. 2-204
9	35 ILCS 5/208	from Ch. 120, par. 2-208
10	35 ILCS 5/212	
11	35 ILCS 5/901	from Ch. 120, par. 9-901
12	35 ILCS 120/1	from Ch. 120, par. 440
13	35 ILCS 120/2	from Ch. 120, par. 441
14	105 ILCS 5/1C-2	
15	105 ILCS 5/2-3.25c	from Ch. 122, par. 2-3.25c
16	105 ILCS 5/2-3.25d	from Ch. 122, par. 2-3.25d
17	105 ILCS 5/2-3.25d-5 new	
18	105 ILCS 5/2-3.153 new	
19	105 ILCS 5/2-3.154 new	
20	105 ILCS 5/2-3.155 new	
21	105 ILCS 5/2-3.156 new	
22	105 ILCS 5/2-3.157 new	
23	105 ILCS 5/3-7	from Ch. 122, par. 3-7
24	105 ILCS 5/10-16.10 new	
25	105 ILCS 5/10-17a	from Ch. 122, par. 10-17a

1 105 ILCS 5/10-17b new  
2 105 ILCS 5/10-17c new  
3 105 ILCS 5/10-17d new  
4 105 ILCS 5/10-20.53 new  
5 105 ILCS 5/10-22.45 from Ch. 122, par. 10-22.45  
6 105 ILCS 5/17-2.11d new  
7 105 ILCS 5/18-8.05  
8 105 ILCS 5/19-3 from Ch. 122, par. 19-3  
9 105 ILCS 5/21A-3 new  
10 105 ILCS 5/21A-5  
11 105 ILCS 5/21A-10  
12 105 ILCS 5/21A-15  
13 105 ILCS 5/21A-20  
14 105 ILCS 5/21A-25  
15 105 ILCS 5/21A-30  
16 105 ILCS 5/23-3 from Ch. 122, par. 23-3  
17 105 ILCS 5/23-5.5 new  
18 105 ILCS 5/23-6 from Ch. 122, par. 23-6  
19 105 ILCS 5/29-5 from Ch. 122, par. 29-5  
20 105 ILCS 5/3-6 rep.  
21 105 ILCS 5/3-6.1 rep.